



*the*  
**EPISCOPAL  
CHURCH** *in*  
WESTERN OREGON

## DIOCESAN INVESTMENT FUND | EXECUTIVE SUMMARY

AS OF MARCH 31, 2024

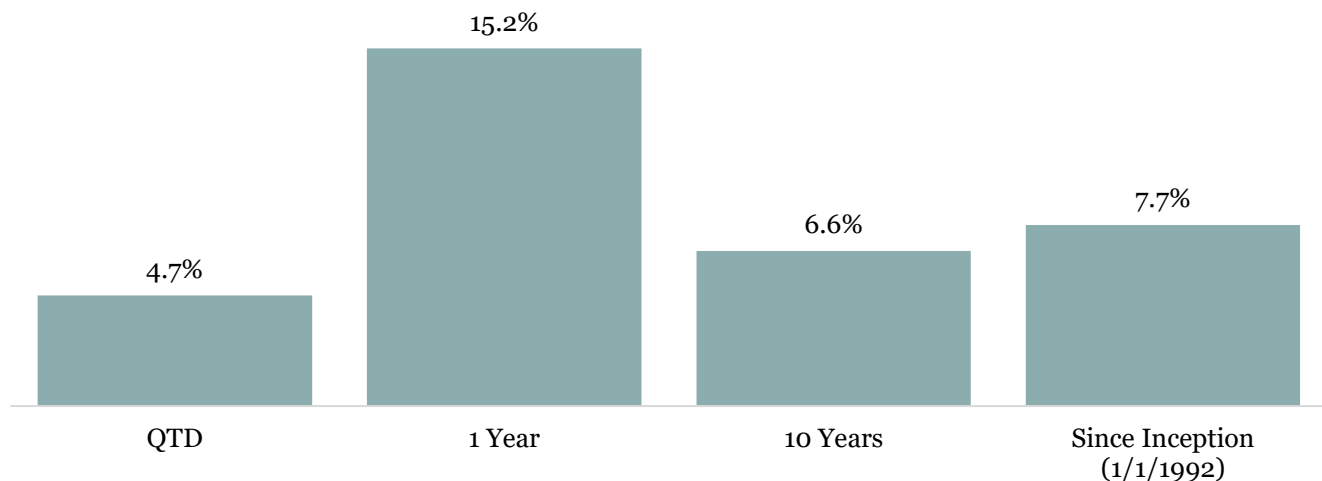
### Portfolio Results

The first quarter of 2024 saw new highs in global stock markets, despite the backdrop of higher-for-longer interest rates. Initially fueled by expectations of aggressive rate cuts this year, investors saw robust gains in the US stock market, as economic data continued to surprise on the upside. The S&P 500 rose just over 10% marking its best first quarter performance since 2019.

The same economic strength that propelled US stock prices upward forced investors to recalibrate hopes of interest rate cuts from the Federal Reserve. Yields rose and prices fell for investment-grade bonds, with longer-term bonds suffering the most from these revised expectations. Real Estate suffered for the same reason, and its returns were additionally weighed upon by continuing in its commercial sector.

The Diocesan Investment Fund (DIF) posted a gain of 4.7% in the first quarter and a robust return of 15.2% over the trailing one-year. The DIF remains committed to a diversified asset allocation, consistent with its long-term investment horizon.

#### Returns as of March 31, 2024



# Investments

The Diocesan Investment Committee meets quarterly with the DIF's consultant, Sellwood Consulting LLC, to review capital markets, portfolio performance, asset allocation and manager structure. Sellwood meets with each individual investment manager on an ongoing basis to discuss investment results, strategy and outlook for the future, and any changes or issues within the firm or investment team.

| Investment Name (Ticker)                 | Description  |
|--|--|
| <b>Growth Investments</b>                |  |
| <b>U.S. Equity   39.0%</b>               |  |
| Schwab Fdmtl Large Index (SFLNX)         | A mutual fund that replicates the Russell Fundamental US Large Cap Index, which is weighted based on company fundamentals.   |
| Fidelity S&P 500 Index (FXAIX)           | A mutual fund that replicates the S&P 500 Index.   |
| SBH Small Cap Value (SBHVX)              | A mutual fund that invests using a fundamental, bottom-up process to identify high-quality companies that are expected to earn more than their cost of capital.                        |
| Champlain Small Cap (CIPNX)              | An institutional mutual fund that invests in U.S. small cap companies with a traditional value, absolute return focus.   |
| <b>Non-U.S. Equity   26.0%</b>           |  |
| Dodge & Cox International Stock (DODFX)  | A mutual fund that seeks long-term capital growth by investing in a diversified portfolio of undervalued mid-to-large non-U.S. companies.  |
| Fidelity International Index (FSPSX)     | A mutual fund that replicates the MSCI EAFE Index.   |
| Harding Loevner Intl Equity (HLMIX)      | A mutual fund that employs a growth-oriented investment strategy, investing in non-U.S. developed markets and emerging markets.  |
| DFA Intl Small Companies (DFISX)         | A mutual fund that applies academic research to invest in a broad cross-section of small cap companies internationally.  |
| GQG Emerging Markets (GQGIX)             | A mutual fund that invests in emerging markets, focusing on quality growth companies at attractive prices.   |
| <b>Diversifying Investments</b>          |  |
| <b>Real Estate   5.0%</b>                |  |
| DFA Global Real Estate (DFGEX)           | A mutual fund that invests in a broad range of securities of U.S. and non-U.S. companies in the real estate industry, including developed and emerging markets, with a focus on REITs. |
| <b>Marketable Alternatives   10.0%</b>   |  |
| PIMCO All Asset Inst (PAAIX)             | A mutual fund with a "real return" strategy that invests tactically across underlying PIMCO mutual funds.  |
| BlackRock Multi-Asset Income (BIICX)     | A mutual fund that tactically invests in income-oriented strategies across the globe.  |
| <b>Risk Mitigation Investments</b>       |  |
| <b>Fixed Income   18.0%</b>              |  |
| BlackRock Total Return Inst (MAHQX)      | A mutual fund that employs a core plus strategy with a research-driven approach combining top-down macroeconomic analysis and bottom-up security selection.                            |
| DoubleLine Core Fixed Income (DBLFX)     | A mutual fund that employs a core plus strategy that relies on top-down sector allocation weights and fundamental, bottom-up security selection.                                       |
| Vanguard Total Bond Market Index (VBTLX) | A mutual fund that replicates the Bloomberg Aggregate Bond Index.  |
| <b>Cash Equivalents   2.0%</b>           |  |

# Diocesan Investment Committee

A committee of and reporting to the Diocesan Board of Trustees.

| Members                                       | Parish                                  | Contact      |
|---|---|--------------|
| Mike Penfield, Convenor                       | St. John the Baptist, Portland          | 503-939-5898 |
| Dick Anderson                                 | Christ Church, Lake Oswego              | 503-635-2568 |
| Rev. Brendan Barnicle                         | St. Francis of Assisi, Wilsonville      | 503-901-4908 |
| James Baxendale                               | Trinity Cathedral, Portland             | 503-919-0087 |
| Bill Gellatly                                 | Church of the Good Samaritan, Corvallis | 503-867-6514 |
| Kathy Gordon, Treasurer                       | Diocese of Oregon                       | 503-485-2425 |
| Rick Grimshaw                                 | St. Michael & All Angels, Portland      | 503-221-7616 |
| Jeffrey Krum                                  | Ascension, Portland                     | 503-704-5699 |
| Michael Montgomery                            | St. Philip the Deacon, Portland         | 503-278-0388 |
| Ginger Dietzman                               | St. Gabriel the Archangel, Bethany      | 530-945-0859 |
| Kate Kenemer                                  | Grace Memorial, Portland                | 503-358-7974 |
| Ex-Officio Resources                          |   |              |
| Anne Marie Lowe, Canon for Finance & Property | Diocese of Oregon                       | 971-204-4115 |
| Ashlee Moehring, Investment Advisor           | Sellwood Consulting LLC                 | 503-596-2885 |

Asset Allocation vs Policy

|  | Current (%)  | Policy (%)   | Difference (%) | Policy Range (%)   | Within Range |
|--|--------------|--------------|----------------|--------------------|--------------|
| <b>Growth</b>                            | <b>65.8</b>  | <b>65.0</b>  | <b>0.8</b>     | <b>55.0 - 75.0</b> | <b>Yes</b>   |
| <b>US Equity</b>                         | <b>39.6</b>  | <b>39.0</b>  | <b>0.6</b>     | <b>33.0 - 45.0</b> | <b>Yes</b>   |
| Schwab Fdmtl LC Index (SFLNX)            | 12.5         |              |                |                    |              |
| Fidelity 500 Index (FXAIX)               | 21.2         |              |                |                    |              |
| SBH Small Cap Value (SBHVX)              | 3.0          |              |                |                    |              |
| Champlain Small Cap Inst (CIPNX)         | 3.0          |              |                |                    |              |
| <b>Non-US Equity</b>                     | <b>26.1</b>  | <b>26.0</b>  | <b>0.1</b>     | <b>22.0 - 30.0</b> | <b>Yes</b>   |
| Dodge & Cox Intl Stock (DODFX)           | 7.5          |              |                |                    |              |
| Fidelity Intl Index (FSPSX)              | 7.1          |              |                |                    |              |
| Harding Loevner Intl (HLMIX)             | 7.4          |              |                |                    |              |
| DFA Intl Small Co (DFISX)                | 2.0          |              |                |                    |              |
| GQG Emerging Markets (GQGIX)             | 2.2          |              |                |                    |              |
| <b>Diversifying</b>                      | <b>14.8</b>  | <b>15.0</b>  | <b>-0.2</b>    | <b>11.0 - 19.0</b> | <b>Yes</b>   |
| <b>Real Estate</b>                       | <b>4.9</b>   | <b>5.0</b>   | <b>-0.1</b>    | <b>3.0 - 7.0</b>   | <b>Yes</b>   |
| DFA Global Real Estate (DFGEX)           | 4.9          |              |                |                    |              |
| <b>Marketable Alternatives</b>           | <b>9.9</b>   | <b>10.0</b>  | <b>-0.1</b>    | <b>8.0 - 12.0</b>  | <b>Yes</b>   |
| PIMCO All Asset (PAAIX)                  | 4.9          |              |                |                    |              |
| BlackRock Multi-Asset Inc (BIICX)        | 5.0          |              |                |                    |              |
| <b>Risk Mitigation</b>                   | <b>19.4</b>  | <b>20.0</b>  | <b>-0.6</b>    | <b>15.0 - 26.0</b> | <b>Yes</b>   |
| <b>Fixed Income</b>                      | <b>17.4</b>  | <b>18.0</b>  | <b>-0.6</b>    | <b>15.0 - 21.0</b> | <b>Yes</b>   |
| BlackRock Total Return Inst (MAHQX)      | 7.7          |              |                |                    |              |
| DoubleLine Core Fixed (DBLFX)            | 7.9          |              |                |                    |              |
| Vanguard Tot Bnd Mkt Idx (VBTLX)         | 1.8          |              |                |                    |              |
| <b>Cash Equivalents</b>                  | <b>2.0</b>   | <b>2.0</b>   | <b>0.0</b>     | <b>0.0 - 5.0</b>   | <b>Yes</b>   |
| Federated Hermes Gov't Obln Fund (GOIXX) | 2.0          |              |                |                    |              |
| <b>Total</b>                             | <b>100.0</b> | <b>100.0</b> | <b>0.0</b>     |                    |              |



Target Current

- Growth
- Diversifying
- Risk Mitigation

**Diocesan Investment Fund**

As of March 31, 2024

|  | % of Portfolio | QTD (%)     | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)   | 10 Yrs (%)  | 15 Yrs (%)  | 2023 (%)    | 2022 (%)     | 2021 (%)    | Inception (%) | Inception Date |
|--|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|---------------|----------------|
| <b>Diocesan Investment Fund</b>          | <b>100.0</b>   | <b>4.7</b>  | <b>15.2</b> | <b>4.6</b>  | <b>8.1</b>  | <b>6.6</b>  | <b>9.3</b>  | <b>15.6</b> | <b>-13.8</b> | <b>15.4</b> | <b>7.7</b>    | <b>Jan-92</b>  |
| 60/40 MSCI ACWI/Bloomberg Agg            |                | 4.6         | 14.3        | 3.3         | 6.9         | 6.0         | 8.2         | 15.4        | -16.0        | 10.2        | 6.7           |                |
| All Trust Funds <\$50mm Net Rank         |                | 50          | 33          | 24          | 23          | 36          | 20          | 22          | 45           | 15          | 3             |                |
| <b>US Equity</b>                         | <b>39.6</b>    | <b>9.1</b>  | <b>25.9</b> | <b>9.8</b>  | <b>14.6</b> | <b>11.2</b> | <b>14.2</b> | <b>21.7</b> | <b>-14.6</b> | <b>27.8</b> | <b>9.2</b>    | <b>Jan-06</b>  |
| Schwab Fdmtl LC Index (SFLNX)            | 12.5           | 9.4         | 25.1        | 11.5        | 14.7        | 11.6        | 16.1        | 18.1        | -6.9         | 31.6        | 17.9          | Mar-20         |
| Fidelity 500 Index (FXAIX)               | 21.2           | 10.6        | 29.9        | 11.5        | 15.0        | 12.9        | 15.6        | 26.3        | -18.1        | 28.7        | 16.9          | Jul-20         |
| SBH Small Cap Value (SBHVX)              | 3.0            | 4.7         | 15.6        | 0.5         | 6.2         | 7.0         |             | 12.0        | -14.6        | 16.6        | 10.9          | Sep-20         |
| Champlain Small Cap Inst (CIPNX)         | 3.0            | 2.9         | 12.6        | 0.1         | 7.4         | 9.0         | 13.0        | 14.3        | -20.6        | 12.7        | 7.8           | Nov-17         |
| <b>Non US Equity</b>                     | <b>26.1</b>    | <b>4.0</b>  | <b>14.0</b> | <b>3.4</b>  | <b>6.8</b>  | <b>4.4</b>  | <b>7.9</b>  | <b>17.6</b> | <b>-14.5</b> | <b>10.3</b> | <b>4.6</b>    | <b>Jan-06</b>  |
| Dodge & Cox Intl Stock (DODFX)           | 7.5            | 3.1         | 13.4        | 5.1         | 7.3         | 4.0         | 9.3         | 16.7        | -6.8         | 11.0        | 6.7           | Jun-10         |
| Fidelity Intl Index (FSPSX)              | 7.1            | 5.8         | 15.2        | 5.0         | 7.5         | 4.9         | 8.5         | 18.3        | -14.2        | 11.5        | 9.3           | Mar-20         |
| Harding Loevner Intl (HLMIX)             | 7.4            | 1.6         | 8.5         | 0.1         | 6.4         | 5.8         | 9.5         | 15.1        | -20.2        | 8.5         | 7.2           | Jul-12         |
| DFA Intl Small Co (DFISX)                | 2.0            | 3.2         | 11.0        | 1.8         | 6.7         | 4.8         | 10.1        | 14.4        | -17.1        | 14.2        | 5.9           | Dec-19         |
| GQG Emerging Markets (GQGIX)             | 2.2            | 10.4        | 37.9        | 3.6         | 9.9         |             |             | 28.8        | -20.9        | -2.4        | 6.4           | Sep-20         |
| <b>Real Estate</b>                       | <b>4.9</b>     | <b>-1.5</b> | <b>6.8</b>  | <b>1.1</b>  | <b>2.1</b>  | <b>4.7</b>  | <b>5.8</b>  | <b>9.5</b>  | <b>-20.0</b> | <b>27.1</b> | <b>4.4</b>    | <b>Jan-06</b>  |
| DFA Global Real Estate (DFGEX)           | 4.9            | -1.5        | 6.8         | 0.4         | 1.9         | 5.0         | 11.2        | 9.4         | -23.8        | 31.0        | -5.2          | May-22         |
| <b>Marketable Alternatives</b>           | <b>9.9</b>     | <b>2.3</b>  | <b>8.8</b>  | <b>1.7</b>  | <b>4.0</b>  | <b>2.9</b>  | <b>4.9</b>  | <b>9.8</b>  | <b>-10.0</b> | <b>8.8</b>  | <b>5.0</b>    | <b>Aug-02</b>  |
| PIMCO All Asset (PAAIX)                  | 4.9            | 1.9         | 7.2         | 2.1         | 5.5         | 4.3         | 6.7         | 8.6         | -11.5        | 15.6        | 6.0           | Jul-09         |
| BlackRock Multi-Asset Inc (BIICX)        | 5.0            | 2.6         | 10.4        | 1.9         | 4.2         | 4.1         | 7.4         | 11.1        | -11.6        | 7.2         | 4.4           | Mar-19         |
| <b>Fixed Income</b>                      | <b>17.4</b>    | <b>-0.3</b> | <b>2.1</b>  | <b>-2.5</b> | <b>0.4</b>  | <b>1.9</b>  | <b>3.5</b>  | <b>5.6</b>  | <b>-13.6</b> | <b>-0.7</b> | <b>4.0</b>    | <b>Jan-06</b>  |
| BlackRock Total Return Inst (MAHQX)      | 7.7            | -0.3        | 1.8         | -2.6        | 0.8         | 2.0         | 4.1         | 5.8         | -14.1        | -0.7        | 2.5           | Jul-23         |
| DoubleLine Core Fixed (DBLFX)            | 7.9            | -0.2        | 2.6         | -1.9        | 0.5         | 1.9         |             | 6.4         | -12.8        | -0.3        | 1.1           | Jun-18         |
| Vanguard Tot Bnd Mkt Idx (VBTLX)         | 1.8            | -0.8        | 1.7         | -2.4        | 0.4         | 1.5         | 2.6         | 5.7         | -13.2        | -1.7        | 0.8           | Nov-17         |
| <b>Cash Equivalents</b>                  | <b>2.0</b>     | <b>1.3</b>  | <b>5.2</b>  | <b>2.8</b>  | <b>2.0</b>  | <b>1.3</b>  | <b>1.0</b>  | <b>5.0</b>  | <b>2.2</b>   | <b>0.1</b>  | <b>1.4</b>    | <b>Jan-06</b>  |
| Federated Hermes Gov't Obln Fund (GOIXX) | 2.0            | 1.3         | 5.2         | 2.6         | 1.9         | 1.3         | 0.9         | 5.0         | 1.5          | 0.0         | 4.8           | Oct-22         |

**Growth of a Dollar  
Beginning October 1, 2003**

