



the
EPISCOPAL
CHURCH *in*
WESTERN OREGON

DIOCESAN INVESTMENT FUND | EXECUTIVE SUMMARY

AS OF JUNE 30, 2024

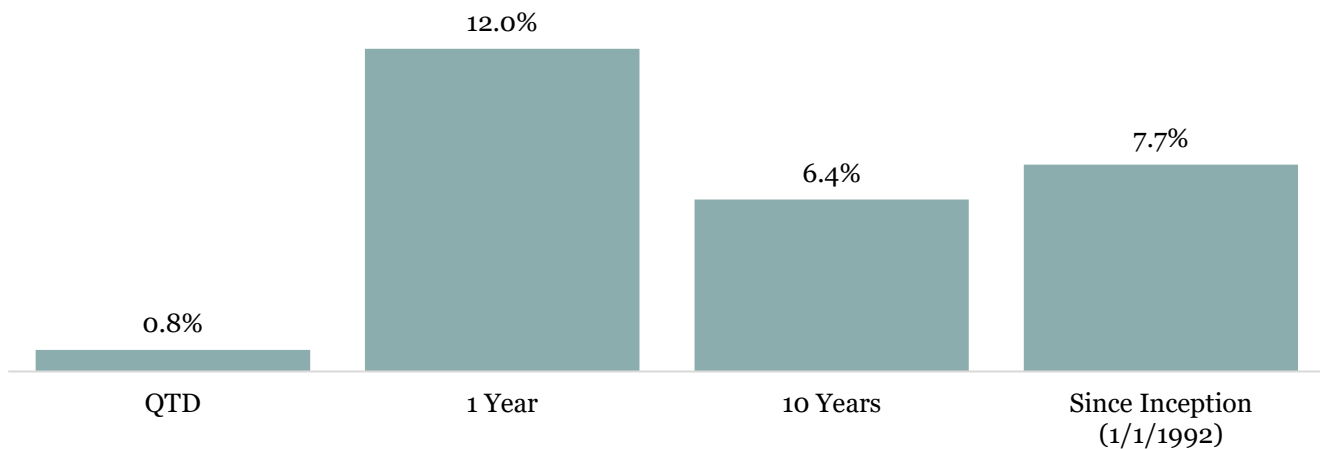
Portfolio Results

The second quarter of 2024 capped a strong first half of the year; the S&P 500 climbed over 4% in the quarter and 15% in the first half of the year. Investors continued to flock to the burgeoning artificial intelligence (“AI”) sector. Nvidia, a key player in this space, saw its shares soar by 150%, accounting for almost a third of the S&P 500’s gains for the year.

Despite early-year optimism for potential interest rate cuts, persistent inflation readings tempered those expectations and the Fed refrained from any cuts and maintained its current rate policy. This shift in expectations pushed bond yields higher, with the 10-year U.S. Treasury note yield rising to 4.36%, from 3.88% at the end of last year.

The Diocesan Investment Fund (DIF) posted a gain of 0.8% in the second quarter and a robust return of 12.0% over the trailing one-year. The DIF remains committed to a diversified asset allocation, consistent with its long-term investment horizon.

Returns as of June 30, 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
Growth Investments	
Global Equity 65.0%	
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.
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.
Diversifying Investments	
Marketable Alternatives 15.0%	
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.
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.
Risk Mitigation Investments	
Fixed Income 18.0%	
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.
Cash Equivalentents 2.0%	

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
Susan Workman	St. John the Baptist, Portland	503-593-3533
Rev. Jaime Sanders	Christ Church, St. Helens	503-997-1651
Madeline Moore	St. David of Wales, Portland	503-502-0405

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
Growth	65.5	65.0	0.5	55.0 - 75.0	Yes
Global Equity	65.5	65.0	0.5	55.0 - 75.0	Yes
Schwab Fdmtl LC Index (SFLNX)	12.2				
Fidelity 500 Index (FXAIX)	21.9				
SBH Small Cap Value (SBHVX)	2.9				
Champlain Small Cap Inst (CIPNX)	2.9				
Dodge & Cox Intl Stock (DODFX)	7.2				
Fidelity Intl Index (FSPSX)	7.1				
Harding Loevner Intl (HLMIX)	7.4				
DFA Intl Small Co (DFISX)	2.0				
GQG Emerging Markets (GQGIX)	2.1				
Diversifying	14.3	15.0	-0.7	0.0 - 18.0	Yes
Marketable Alternatives	14.3	15.0	-0.7	0.0 - 18.0	Yes
PIMCO All Asset (PAAIX)	5.5				
BlackRock Multi-Asset Inc (BIICX)	5.5				
DFA Global Real Estate (DFGEX)	3.3				
Risk Mitigation	20.1	20.0	0.1	15.0 - 26.0	Yes
Fixed Income	18.3	18.0	0.3	15.0 - 21.0	Yes
BlackRock Total Return Inst (MAHQX)	8.1				
DoubleLine Core Fixed (DBLFX)	8.1				
Vanguard Tot Bnd Mkt Idx (VBTLX)	2.1				
Cash Equivalent	1.9	2.0	-0.1	0.0 - 5.0	Yes
Federated Hermes Gov't Obln Fund (GOIXX)	1.9				
Total	100.0	100.0	0.0		



Target Current

- Growth
- Diversifying
- Risk Mitigation

Diocesan Investment Fund

As of June 30, 2024

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	Inception (%)	Inception Date
Diocesan Investment Fund	100.0	0.8	5.6	12.0	3.2	7.6	6.4	8.6	15.6	-13.8	15.4	7.7	Jan-92
60/40 MSCI ACWI/Bloomberg Agg		1.7	6.4	12.5	2.1	6.5	5.8	7.4	15.4	-16.0	10.2	6.7	
All Trust Funds <\$50mm Net Rank		67	47	38	21	22	33	26	19	47	14	12	
Global Equity	65.5	1.2	8.4	15.8	5.5	10.9	8.4	10.9	20.0	-14.5	20.4	7.5	Jan-06
Schwab Fdmtl LC Index (SFLNX)	12.2	-0.3	9.1	18.5	9.1	13.8	11.1	14.2	18.1	-6.9	31.6	16.7	Mar-20
Fidelity 500 Index (FXAIX)	21.9	4.3	15.3	24.6	10.0	15.0	12.8	14.8	26.3	-18.1	28.7	17.0	Jul-20
SBH Small Cap Value (SBHVX)	2.9	-3.7	0.9	6.4	-0.8	5.1	6.3		12.0	-14.6	16.6	9.1	Sep-20
Champlain Small Cap Inst (CIPNX)	2.9	-2.6	0.3	4.2	-2.2	6.1	8.5	11.6	14.3	-20.6	12.7	7.1	Nov-17
Dodge & Cox Intl Stock (DODFX)	7.2	0.0	3.2	8.7	3.6	6.7	3.5	7.2	16.7	-6.8	11.0	6.6	Jun-10
Fidelity Intl Index (FSPSX)	7.1	-0.3	5.5	11.4	3.1	6.7	4.5	6.9	18.3	-14.2	11.5	8.7	Mar-20
Harding Loevner Intl (HLMIX)	7.4	0.0	1.6	5.2	-1.6	5.5	5.3	8.0	15.1	-20.2	8.5	7.0	Jul-12
DFA Intl Small Co (DFISX)	2.0	-0.1	3.2	10.4	-0.1	6.2	4.6	8.1	14.4	-17.1	14.2	5.6	Dec-19
GQG Emerging Markets (GQGIX)	2.1	5.2	16.1	31.4	3.6	9.5			28.8	-20.9	-2.4	7.4	Sep-20
Marketable Alternatives	14.3	-0.1	0.9	7.4	0.7	3.4	3.5	5.4	9.7	-13.3	16.3	5.3	Aug-02
PIMCO All Asset (PAAIX)	5.5	0.1	2.0	6.5	0.2	4.9	3.8	5.9	8.6	-11.5	15.6	5.9	Jul-09
BlackRock Multi-Asset Inc (BIICX)	5.5	0.8	3.4	9.7	1.1	3.8	3.8	6.7	11.1	-11.6	7.2	4.3	Mar-19
DFA Global Real Estate (DFGEX)	3.3	-1.4	-2.8	5.6	-3.3	1.3	4.0	9.2	9.4	-23.8	31.0	-5.2	May-22
Fixed Income	18.3	0.1	-0.2	2.9	-3.1	-0.2	1.7	3.2	5.6	-13.6	-0.7	3.9	Jan-06
BlackRock Total Return Inst (MAHQX)	8.1	0.1	-0.2	2.7	-3.2	0.2	1.7	3.7	5.8	-14.1	-0.7	2.7	Jul-23
DoubleLine Core Fixed (DBLFX)	8.1	0.3	0.1	3.5	-2.4	-0.1	1.6		6.4	-12.8	-0.3	1.1	Jun-18
Vanguard Tot Bnd Mkt Idx (VBTIX)	2.1	0.2	-0.6	2.8	-3.0	-0.2	1.3	2.5	5.7	-13.2	-1.7	0.8	Nov-17
Cash Equivalents	1.9	1.5	2.8	5.5	3.3	2.2	1.5	1.1	5.0	2.2	0.1	1.5	Jan-06
Federated Hermes Gov't Obln Fund (GOIXX)	1.9	1.3	2.6	5.3	3.0	2.1	1.4	1.0	5.0	1.5	0.0	4.9	Oct-22

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

