

# The Episcopal Church Foundation

*Endowment Management Solutions*

## **ECF Pooled Funds Growth and Income 2nd Quarter 2019**

# Episcopal Church Foundation

## Investment Objective and Target Allocations

### ECF Growth Fund

#### Objective:

The Growth Fund seeks to achieve attractive returns through investment in the equity and REITs market. Its performance objective is to exceed the returns of a blended equity and REIT benchmark. We attempt to generate excess returns by applying an objective, risk-controlled process with a long-term investment perspective. We manage a well-diversified portfolio of US Large Cap, US Mid Cap, US Small Cap, International Equities, and REITs.

Asset Class	% Benchmark
US Large Cap	44.0
US Mid Cap	10.0
US Small Cap	10.0
International Developed Markets	16.0
International Small Cap	4.0
International Emerging Markets	10.0
REITs	5.0
Cash	1.0

June 30, 2019

Source: SSGA. Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

### ECF Income Fund

#### Objective:

The Income Fund seeks to achieve attractive returns through investment in high-quality, intermediate-term bonds. Its performance objective is to exceed the returns of the blended fixed income benchmark. Returns are enhanced through a structured, risk-controlled process that seeks to add value through active management of sector allocation, portfolio duration, and structure.

Asset Class	% Benchmark
Intermediate Government/Credit	65.0
Intermediate Credit	20.0
Treasury Inflation Protected Securities	5.0
High Yield Fixed Income	5.0
Emerging Markets Fixed Income	5.0



# ECF Growth Fund – June 30, 2019

## Total Return (%)



### Source: First Rate and SSGA

Past performance is not a guarantee of future results. Performance returns for periods of less than one year are not annualized. The performance reported is net of mutual fund and ETF fees, but gross of relationship fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars. Allocations, characteristics, and weightings are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. The "Custom Benchmark" is created by SSGA and may be different for different accounts. For additional information regarding these benchmarks please contact your Investment Officer. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. Inception:10/01/1998.

### The Custom Benchmark is comprised of:

10/01/1998–12/01/2004 15% MS EAFE, 10% MS EMER MKT FREE — Gross Return, 12.5% Russell Small Cap Completeness I, 12.5% Russell 2000, 47% S & P 500, 3% 1 Month LIBOR.

12/01/2004–12/01/2006 15% MS EAFE, 10% MSCI EMF (Emerging Markets) — Net Return, 25% Russell 2000, 47% S & P 500, 3% 1 Month LIBOR.

12/01/2006–03/01/2014 20% MS EAFE, 10% MSCI EMF (Emerging Markets) — Net Return, 10% Russell 2000, 10% S&P Mid Cap 400, 48% S & P 500, 2% 1 Month LIBOR.

03/01/2014–Present 16% MS EAFE, 10% MSCI EMF (Emerging Markets) — Net Return, 10% Russell 2000, 10% S&P Mid Cap 400, 44% S & P 500, 1% 1 Month LIBOR, 4% S&P Developed ex-US Under 2 Bi, 5% DJ US Select REIT Index.

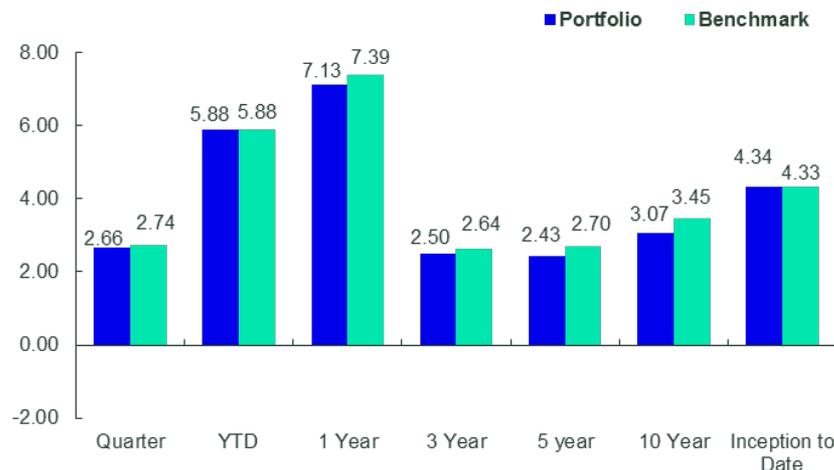
Benchmark returns do not represent those of a singular index but were achieved by mathematically combining the actual performance data of the indexes listed above at the specified weights. The performance assumes no transaction and rebalancing costs, so actual results will differ. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars.

## Asset Allocation

Asset Class	% Holdings	% Benchmark
State Street Equity 500 Index Fund	44.4	44.0
Ishares Core S&P MidCap ETF	9.9	10.0
State Street Small Cap Fund	9.9	10.0
Vanguard FTSE DevelopedMarket ETF	15.9	16.0
SPDR S&P Intl Small Cap ETF	4.0	4.0
Aberdeen Emerging Mkts	10.0	10.0
SPDR DJ REIT ETF	5.1	5.0
Cash	0.9	1.0

# ECF Fixed Income Fund – June 30, 2019

## Total Return (%)



Source: First Rate and SSGA

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### The Custom Benchmark is comprised of:

10/01/1998–12/01/2006 97% Barclays Capital Interm Gov/Credit, 3% 1 Month LIBOR.

12/01/2006–09/01/2012 93% BCAP Intermediate Gov/Corp, 5% US Treasury: Inflation Notes, 2% 1 Month LIBOR.

09/01/2012–02/01/2013 88% BCAP Intermediate Gov/Corp, 5% US Treasury: Inflation Notes, 5% Barclays High Yld 2% Issuer Cap, 2% 1 Month LIBOR.

02/01/2013–03/01/2013 63% BCAP Intermediate Gov/Corp, 5% US Treasury: Inflation Notes, 5% Barclays High Yld 2% Issuer Cap, 27% 1 Month LIBOR.

03/01/2013–09/01/2014 88% BCAP Intermediate Gov/Corp, 5% US Treasury: Inflation Notes, 5% Barclays High Yld 2% Issuer Cap, 2% 1 Month LIBOR.

09/01/2014–10/01/2014 65% Barclays Capital Interm Gov/Credit, 20% BCAP Intermediate Credit, 5% Barclays High Yld 2% Issuer Cap, 5% U.S. Treasury Inflation Notes, 5% JP Morgan Emerging Markets Bond.

10/01/2014–Present 65% Barclays Capital Interm Gov/Credit, 20% BCAP Intermediate Credit, 5% Barclays High Yld 2% Issuer Cap, 5% US Treasury Inflation Notes, 5% JPM EMBI Global Diversified.

Benchmark returns do not represent those of a singular index but were achieved by mathematically combining the actual performance data of the indexes listed above at the specified weights. The performance assumes no transaction and rebalancing costs, so actual results will differ. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars.

## Asset Allocation

Asset Class	% Holdings	% Benchmark
Ishares Intermediate Gov/Credit Bond ETF	60.2	65.0
SPDR Intermediate Credit ETF	20.0	20.0
TCW Emerging Markets Income Fund	5.0	5.0
Blackrock High Yield Bond	8.8	5.0
Vanguard TIPs	5.0	5.0
Cash	0.9	0.0



# Blended Returns — June 30, 2019

Fund Description	Quarter (%)	YTD (%)	One Year (%)	Three Year (%)	Five Year (%)	Ten Year (%)
<b>70% Growth Fund/30% Income Fund Blend</b>						
Total Segment	3.19	13.19	6.03	8.33	5.60	9.10
BM	2.89	12.92	5.26	8.73	5.77	9.26
<b>60% Growth Fund/40% Income Fund Blend</b>						
Total Segment	3.11	12.14	6.19	7.50	5.15	8.24
BM	2.87	11.92	5.56	7.86	5.33	8.43
<b>50% Growth Fund/50% Income Fund Blend</b>						
Total Segment	3.04	11.10	6.35	6.67	4.70	7.38
BM	2.85	10.91	5.87	6.99	4.90	7.60

**Source — SSGA.** Blended returns are based upon a mathematical formula and do not reflect the effect of unforeseen economic and market factors on decision-making. The blended returns are not necessarily indicative of future performance, which could differ substantially.

# Fund and Index Performance — June 30, 2019

Fund Description	Quarter	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception	Inception Date
<b>US Large Cap Equity</b>								
State Street Equity 500 Index Fund K	4.21	18.48	10.28	14.08	N/A	N/A	10.52	09/17/14
S&P 500 TR USD	4.30	18.54	10.42	14.20	10.71	14.70	10.64	
<b>US Mid Cap Equity</b>								
iShares Core S&P Mid-Cap	3.03	17.95	1.26	10.82	7.94	14.51	9.19	05/22/00
S&P MidCap	3.05	17.97	1.36	10.91	8.02	14.64	9.32	
<b>US Small Cap Equity</b>								
State Street Instl Small Cap Equity	3.23	18.16	-1.20	12.16	7.41	14.15	9.25	08/03/98
Russell 2000 TR USD	2.10	16.98	-3.31	12.31	7.06	13.45	8.01	
<b>International Equity</b>								
Vanguard FTSE Developed Markets ETF	3.19	14.16	0.15	8.81	2.51	7.12	1.52	07/20/07
FTSE Developed ex-North America NR USD	3.23	13.23	0.04	9.06	2.35	6.98	1.49	
SPDR® S&P International Small Cap ETF	0.13	8.74	-9.08	5.65	2.46	7.89	2.45	04/20/07
S&P Developed ex-US Under USD2 BL NR USD	0.10	8.57	-9.66	5.65	2.26	7.51	1.93	
Aberdeen Emerging Markets Inst'l	3.59	14.82	10.15	8.19	2.32	7.55	5.85	05/11/07
MSCI EM NR USD	0.61	10.58	1.21	10.67	2.49	5.81	2.94	
<b>REIT</b>								
SPDR® Dow Jones REIT ETF	0.74	16.52	9.39	3.51	7.34	15.14	10.15	04/23/01
DJ US Select REIT TR USD	0.82	16.67	9.75	3.73	7.61	15.40	10.40	

## Source — Morningstar

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Average annual total return and total return are historical and include change in share value and reinvestment of dividends and capital gains, if any. Performance data for some mutual funds and ETFs may reflect an expense limitation currently in effect, without which returns would have been lower. State Street Global Markets, LLC, member FINRA, SIPC, is distributor for all SSGA® Funds and SPDR products except for SPDR S&P 500®, Dow Diamonds® and Select Sector SPDRs which are distributed by ALPS Distributors, Inc., a registered broker-dealer. Third-party registered products are distributed by third-party broker dealers. The "SPDR®" trademark is used under license from of Standard & Poor Financial Services LLC. No financial product offered by State Street Corporation or its affiliates is sponsored, endorsed, sold or promoted by Standard & Poor Financial Services LLC. Standard & Poor's®, S&P®, S&P 500®, Select Sector SPDR®, Select Sector SPDRs® are trademarks of Standard & Poor Financial Services LLC., and have been licensed for use by State Street Bank and Trust Company. Performance returns for periods of less than one year are not annualized.



# Fund and Index Performance — June 30, 2019

Fund Description	Quarter	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception	Inception Date
<b>Fixed Income</b>								
iShares Interm Government/Credit Bd	2.44	4.78	6.63	1.72	2.17	2.95	3.53	01/05/07
BBg Barclays US Govt/Credit Interm TR USD	2.59	4.97	6.93	1.99	2.39	3.24	3.69	
Vanguard Inflation-Protected Secs Adm	2.83	6.10	4.74	1.92	1.69	3.56	3.63	06/10/05
BBg Barclays US Treasury US TIPS TR USD	2.86	6.15	4.84	2.08	1.76	3.64	3.75	
SPDR® Portfolio Interm Term Corp Bd ETF	3.06	7.18	8.41	2.98	3.12	4.52	4.58	02/10/09
BBg Barclays Interm Corp TR	3.13	7.08	8.57	3.22	3.29	5.13	5.59	
BlackRock High Yield Bond K	2.68	10.19	6.66	7.68	4.42	9.91	7.41	11/19/98
BBg Barclays US HY 2% Issuer Cap TR USD	2.50	9.94	7.48	7.52	4.71	9.22	7.12	
TCW Emerging Markets Income I	4.18	12.17	11.90	6.32	4.19	8.37	9.00	06/01/98
JPM EMBI Global Diversified TR USD	4.08	11.31	12.45	5.48	5.30	7.79	8.59	

## Source — Morningstar

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Increase in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable.

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Government bonds and corporate bonds have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns.

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Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

Diversification does not ensure a profit or guarantee against loss.

United States: State Street Global Advisors, One Iron Street, Boston MA, 02210.

Web: [www.ssga.com](http://www.ssga.com)

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