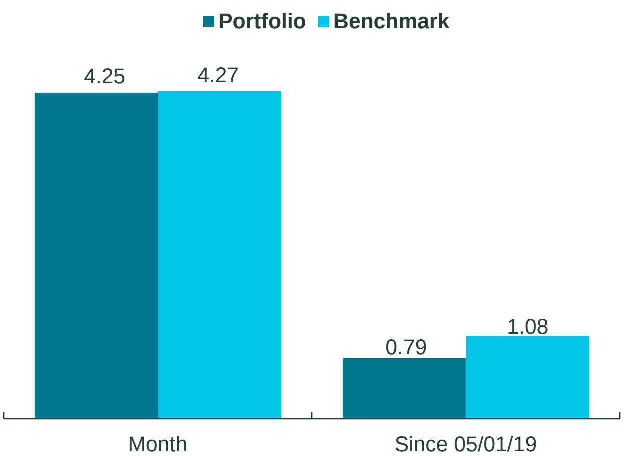
# Episcopal Church Foundation Balanced Fund — June 30, 2019

## Investment Objective

The objective of the Balanced allocation is to produce capital appreciation along with current income. The asset allocation consists of domestic and international equities as well as fixed income. The asset allocation also invests in real assets such as commodities and real estate.

## Total Return (%)




## Tactical and Strategic Allocation (%)

| Fund Description | Holdings | Benchmark |
|---|---|---|
| SSGA S&P 500 Index Fund K | 23 | 21 |
| iShares Core S&P Midcap | 4 | 4 |
| iShares Russell 2000 | 4 | 4 |
| Vanguard FTSE Developed Market ETF | 13 | 13 |
| SPDR S&P International Small Cap ETF | 3 | 3 |
| Vanguard FTSE Emerging Markets ETF | 7 | 7 |
| SPDR Dow Jones Global REIT ETF | 5 | 4 |
| Ipath Bloomberg Commodity Index | 4 | 4 |
| **Total Equity Segment** | **63** | **60** |
| Vanguard Total Bond Market Index | 14 | 19 |
| Vanguard Inflation Protected Securities | 7 | 7 |
| BlackRock High Yield Bond Fund | 9 | 7 |
| TCW Emerging Markets Income Fund | 7 | 7 |
| **Total Fixed Income Segment** | **37** | **40** |

**Custom benchmark consists of:** 21% S & P 500, 4% S&P Mid Cap 400, 4% Russell 2000, 13% MS EAFE, 3% S&P Developed ex-US Int’l Small Cap, 7% MS EMER MKT FREE, 4% DJ Global Select Real Estate Sec, 4% Dow Jones AIG Commodity Index, 19% BBg BC-AGG, 7% BBg- BC-US TIPs, 7% BBG BC-High Yield 2% Issue, and 7% JPM EMBI Global Diversified Account 52-044389.

**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.

# Important Disclosures

Investing in foreign domiciled securities may involve risk of capital loss from unfavorable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations. Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

Investing in REITs involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

Investing in high yield fixed income securities, otherwise known as junk bonds, is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

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.

Companies with large market capitalizations go in and out of favor based on market and economic conditions.
Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Investments in small and mid-sized companies may involve greater risks than in those of larger, better known companies.

Investing in commodities entail significant risk and is not appropriate for all investors. Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors. A few such factors include overall market movements, real or perceived inflationary trends, commodity index volatility, international, economic and political changes, change in interest and currency exchange rates.

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# Important Disclosures

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All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed.

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ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns.

Investing involves risk including the risk of loss of principal.

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.

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