



THE TRUSTEES OF THE DIOCESE OF MICHIGAN

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April 7, 2017

Dear Growth and Income Fund Investor:

For the third quarter in a row, and for the fourth time in the last five quarters, I am pleased to report that we beat our investment target! Overall the investment return for the 1st quarter, net of investment fees, was up 4.44% while the benchmark was up 3.89%. Our two US Stock portfolios, representing 42% of our total portfolio, each exceeded their respective benchmarks by about 1.00%. Our International Emerging Markets portfolio, representing 4% of our total, soared to a 13.92% return, besting its benchmark of 11.49%. Even our Bond Portfolio had a good quarter with a 0.91% return compared to a 0.82% benchmark.

Since moving to a more passive, low cost investment approach in the summer of 2014, our annualized net investment return is 4.55%, while the benchmark return over the same time period is 4.54%.

The share value of the Fund as of March 31, 2017 was \$28.4807, up 3.4% from the December 31 balance of \$27.5429, and up even more significantly from the March 31, 2016 balance of \$26.5470 (+7.3%). On a per share basis, net investment performance for the quarter was +\$1.2189 per share (4.4%), while accounting/audit fees were -\$0.0029 (about 0.01%) and the dividend was -\$0.2783 (about 1.0%), for a net increase \$0.9378 (+3.4%).

The next dividend distribution of \$0.2783 per share is scheduled for late June. The total amount of your upcoming dividend is displayed in the lower right hand corner of your Investor Balance and Activity Report.

If you have any questions about the Growth and Income Fund or your investment in it, please don't hesitate to contact me at 313-833-4427 or mmiliotto@edomi.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Miliotto".

Mark Miliotto
Treasurer and Director of Finance

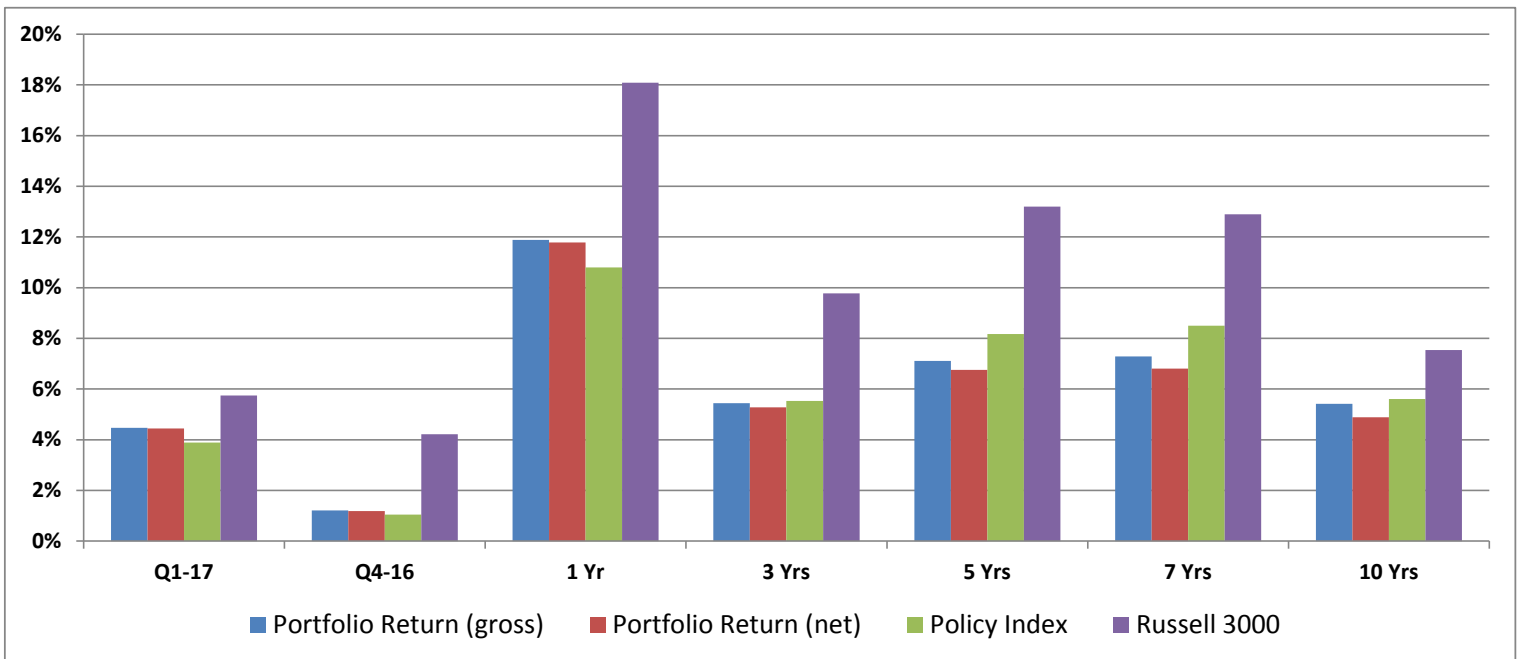
**Trustees of the Episcopal Diocese of Michigan
Growth and Income Fund
Portfolio Review
1st Quarter 2017**

Asset Allocation and Quarter Returns by Class

Asset Allocation by Class	Investment Vehicle	Target Allocation	Actual Allocation	Actual Returns	Benchmark Returns
US Large Cap Stocks	Vanguard FTSE Soc Index Instit (VFTNX)	20%	20.3%	7.11%	6.07%
US All Cap Value Stocks	DFA US Social Core 2 (DFUEX)	22%	21.9%	3.94%	2.99%
Developed Market Int'l Stocks	DFA Int'l Social Core (DSCCLX)	18%	18.3%	7.38%	7.39%
Emerging Market Stocks	DFA Emerg Mkts Social Core (DFESX)	4%	4.3%	13.92%	11.49%
Real Estate	Vanguard REIT Index (VGSLX)	4%	3.8%	0.96%	-0.27%
Fixed Income	Vanguard Total Bond Index Instit (VBTIX)	31%	30.1%	0.91%	0.82%
Cash	Schwab Money Market	1%	1.2%	0.01%	0.11%
Total Portfolio (net)				4.44%	3.89%

Overall Performance History

	Q1-17	Q4-16	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Portfolio Return (gross)	4.47%	1.21%	11.89%	5.44%	7.11%	7.28%	5.42%
Portfolio Return (net)	4.44%	1.18%	11.78%	5.28%	6.75%	6.81%	4.88%
Policy Index	3.89%	1.05%	10.80%	5.53%	8.17%	8.50%	5.61%
Russell 3000	5.74%	4.22%	18.09%	9.77%	13.20%	12.90%	7.54%
# Share Outstanding	1,134,710	1,120,329	1,087,455	1,030,738	966,043	987,835	998,288
Net Asset Value	32,317,341	30,857,152	28,868,654	28,513,599	24,513,165	24,032,558	27,890,175
Share Value	28.4807	27.5429	26.5470	27.6633	25.3748	24.3285	27.9380



**Trustees of the Diocese of Michigan
Growth and Income Fund Activity**

For the Four Quarters Ending March 31, 2017

	<u>Net Assets</u>	<u># Shares</u>	<u>Share Value</u>	<u>Return on Avg Value</u>
Balance at 3-31-2016	28,868,654	1,087,454.74	26.5470	
New deposits	1,425,746	52,904.61		
Dividends Reinvested	329,258	12,163.84		
Withdrawals	-477,289	-17,813.65		
Dividend and Interest Income	730,182		0.6527	2.39%
Invest Mgmt Fees	-31,098		-0.0278	-0.10%
Audit, Accounting, Other	-24,573		-0.0220	-0.08%
Realized/Unrealized Gains (Losses)	2,736,019		2.4380	8.92%
Balance Before Dividend	<u>33,556,898</u>		<u>29.5879</u>	<u>11.12%</u>
Dividend Distribution	<u>-1,239,557</u>		<u>-1.1072</u>	<u>-4.05%</u>
Balance After Dividend at 3-31-2017	<u><u>32,317,341</u></u>	<u><u>1,134,709.53</u></u>	<u><u>28.4807</u></u>	<u><u>7.07%</u></u>

For the Quarter Ending March 31, 2017

	<u>Net Assets</u>	<u># Shares</u>	<u>Share Value</u>	<u>Return on Avg Value</u>
Balance at 12-31-2016	30,857,152	1,120,328.63	27.5429	
New deposits	311,753	11,318.78		
Dividends Reinvested	85,340	3,098.42		
Withdrawals	-1,000	-36.31		
Dividend and Interest Income	124,474		0.1097	0.39%
Invest Mgmt Fees	-8,132		-0.0072	-0.03%
Audit, Accounting, Other	-3,239		-0.0029	-0.01%
Realized/Unrealized Gains (Losses)	1,266,784		1.1164	3.99%
Balance Before Dividend	<u>32,633,131</u>		<u>28.7590</u>	<u>4.34%</u>
Dividend Distribution	<u>-315,790</u>		<u>-0.2783</u>	<u>-0.99%</u>
Balance at 3-31-2017	<u><u>32,317,341</u></u>	<u><u>1,134,709.53</u></u>	<u><u>28.4807</u></u>	<u><u>3.35%</u></u>