



THE TRUSTEES OF THE DIOCESE OF MICHIGAN

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October 10, 2017

Dear Growth and Income Fund Investor:

For the fifth quarter in a row and sixth quarter out of the last seven, we have beaten our performance goal in the Growth and Income Fund! The investment return for Q3, net of investment fees, was 3.77% against a benchmark of 3.20%. The small and value tilts on our DFA domestic equity and developed market international portfolios helped to lead the way this quarter, both exceeding their respective benchmarks by about 1.50%. Our Vanguard large cap equity portfolio also did well coming in at 4.76% versus the benchmark of 4.48%.

Since moving to a more passive, low cost investment approach in the summer of 2014, our annualized net investment return is 6.00%, while the benchmark return over the same time period is 5.74%.

The share value of the Fund as of September 30, 2017 was \$29.8629 up 2.8% from the June value of \$29.0506, and up 8.6% over September 2016 value of \$27.4966. Over the past year, gross investment performance was about 12.4%, investment management fees were 0.10%, accounting/audit/legal fees were 0.10%, and dividends were 3.9%, resulting in a net gain of 8.3%.

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

In September the Trustees approved the dividend rate for 2018, which will be \$0.2803 per share per quarter. That represents about a 0.7% increase over the payout in 2017. Multiply your number of shares owned by \$0.2803 to determine your quarterly distribution in 2018.

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

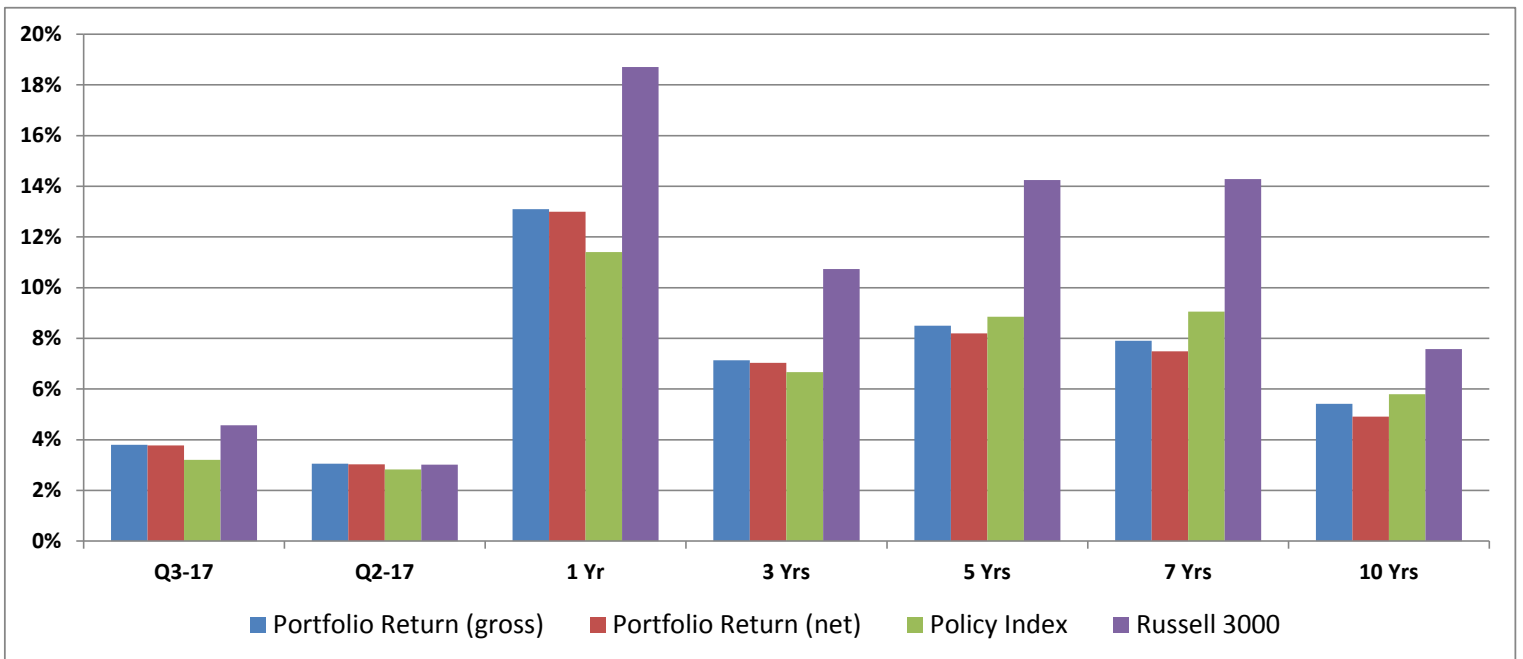
**Trustees of the Episcopal Diocese of Michigan
Growth and Income Fund
Portfolio Review
3rd Quarter 2017**

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%	20.1%	4.76%	4.48%
US All Cap Value Stocks	DFA US Social Core 2 (DFUEX)	22%	22.1%	4.75%	3.27%
Developed Market Int'l Stocks	DFA Int'l Social Core (DSCSX)	18%	18.0%	7.12%	5.47%
Emerging Market Stocks	DFA Emerg Mkts Social Core (DFESX)	4%	4.0%	6.88%	8.04%
Real Estate	Vanguard REIT Index (VGSLX)	4%	4.0%	0.89%	0.38%
Fixed Income	Vanguard Total Bond Index Instit (VBTIX)	31%	30.7%	0.73%	0.85%
Cash	Schwab Money Market	1%	1.3%	0.16%	0.25%
Total Portfolio (net)				3.77%	3.20%

Overall Performance History

	Q3-17	Q2-17	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Portfolio Return (gross)	3.80%	3.05%	13.10%	7.13%	8.50%	7.91%	5.42%
Portfolio Return (net)	3.77%	3.03%	12.99%	7.03%	8.19%	7.49%	4.91%
Policy Index	3.20%	2.82%	11.40%	6.67%	8.85%	9.06%	5.80%
Russell 3000	4.57%	3.01%	18.71%	10.74%	14.24%	14.29%	7.57%
# Share Outstanding	1,143,318	1,142,808	1,110,742	1,052,055	968,982	990,480	989,895
Net Asset Value	34,142,853	33,199,240	30,541,633	29,018,979	24,096,380	24,030,666	28,905,760
Share Value	29.8629	29.0506	27.4966	27.5831	24.8677	24.2616	29.2008



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

For the Four Quarters Ending September 30, 2017

	<u>Net Assets</u>	<u># Shares</u>	<u>Share Value</u>	<u>Return on Avg Value</u>
Balance at 9-30-2016	30,541,633	1,110,742.22	27.4966	
New deposits	911,806	32,690.69		
Dividends Reinvested	339,359	12,063.37		
Withdrawals	-346,000	-12,177.80		
Dividend and Interest Income	775,346		0.6838	2.40%
Invest Mgmt Fees	-32,918		-0.0290	-0.10%
Audit, Accounting, Other	-28,600		-0.0251	-0.09%
Realized/Unrealized Gains (Losses)	3,243,793		2.8479	10.00%
Balance Before Dividend	<u>35,404,419</u>		<u>30.9741</u>	<u>12.21%</u>
Dividend Distribution	<u>-1,261,566</u>		<u>-1.1112</u>	<u>-3.90%</u>
Balance After Dividend at 9-30-2017	<u><u>34,142,853</u></u>	<u><u>1,143,318.48</u></u>	<u><u>29.8629</u></u>	<u><u>8.31%</u></u>

For the Quarter Ending September 30, 2017

	<u>Net Assets</u>	<u># Shares</u>	<u>Share Value</u>	<u>Return on Avg Value</u>
Balance at 6-30-2017	33,199,240	1,142,808.26	29.0506	
New deposits	89,000	3,063.62		
Dividends Reinvested	85,822	2,954.23		
Withdrawals	-160,000	-5,507.64		
Dividend and Interest Income	184,174		0.1611	0.55%
Invest Mgmt Fees	-8,638		-0.0076	-0.03%
Audit, Accounting, Other	-8,590		-0.0075	-0.03%
Realized/Unrealized Gains (Losses)	1,080,030		0.9446	3.21%
Balance Before Dividend	<u>34,461,039</u>		<u>30.1412</u>	<u>3.70%</u>
Dividend Distribution	<u>-318,186</u>		<u>-0.2783</u>	<u>-0.94%</u>
Balance at 9-30-2017	<u><u>34,142,853</u></u>	<u><u>1,143,318.48</u></u>	<u><u>29.8629</u></u>	<u><u>2.76%</u></u>