



THE TRUSTEES OF THE DIOCESE OF MICHIGAN

4800 Woodward Avenue
Detroit, Michigan 48201-1399
(313) 832-4400
Fax (313) 831-0259

January 14, 2016

Dear Growth and Income Fund Investor:

After a tough Third Quarter, most investors experienced a little rebound in the Fourth Quarter, not enough to erase the previous quarter's losses, but enough to label it the highest performing quarter since Q2 2014. While our returns were good for the quarter, the small and value tilts on our equity portfolio put a little constraint on our returns relative to the broader market. As a result, our net investment return for the quarter was 2.85% while the benchmark over the same period was 3.61%, resulting in a 0.76% shortfall.

For the full year our investments lost 1.34% in value and our benchmark lost 0.75%, leaving us 0.59% under our target. After accounting for our low fee structure of about 0.34%, the remaining 0.25% shortfall is mostly the result of the above mentioned tilts in our portfolio.

Share value of the Fund as of December 31, 2015 was \$26.4047, up from the September 30 balance of \$25.9560 but down from the December 31, 2014 balance of \$27.9412. On a "per share" basis, net investment performance for the full year was -\$0.3639 per share, while administrative fees (audit, accounting) were -\$0.0227 and the four quarterly dividends totaled - \$1.15.

The next dividend distribution of \$0.2763 per share is scheduled for late March. The total amount of your upcoming dividend is displayed in the lower right hand corner of the Investor Balance and Activity Report.

Be sure to check out our developing webpage for Growth and Income Fund reports, forms, and news at <http://www.edomi.org/finance/growth-and-income-fund/>.

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 blue ink, appearing to read "Mark Miliotto".

Mark Miliotto
Treasurer and Director of Finance

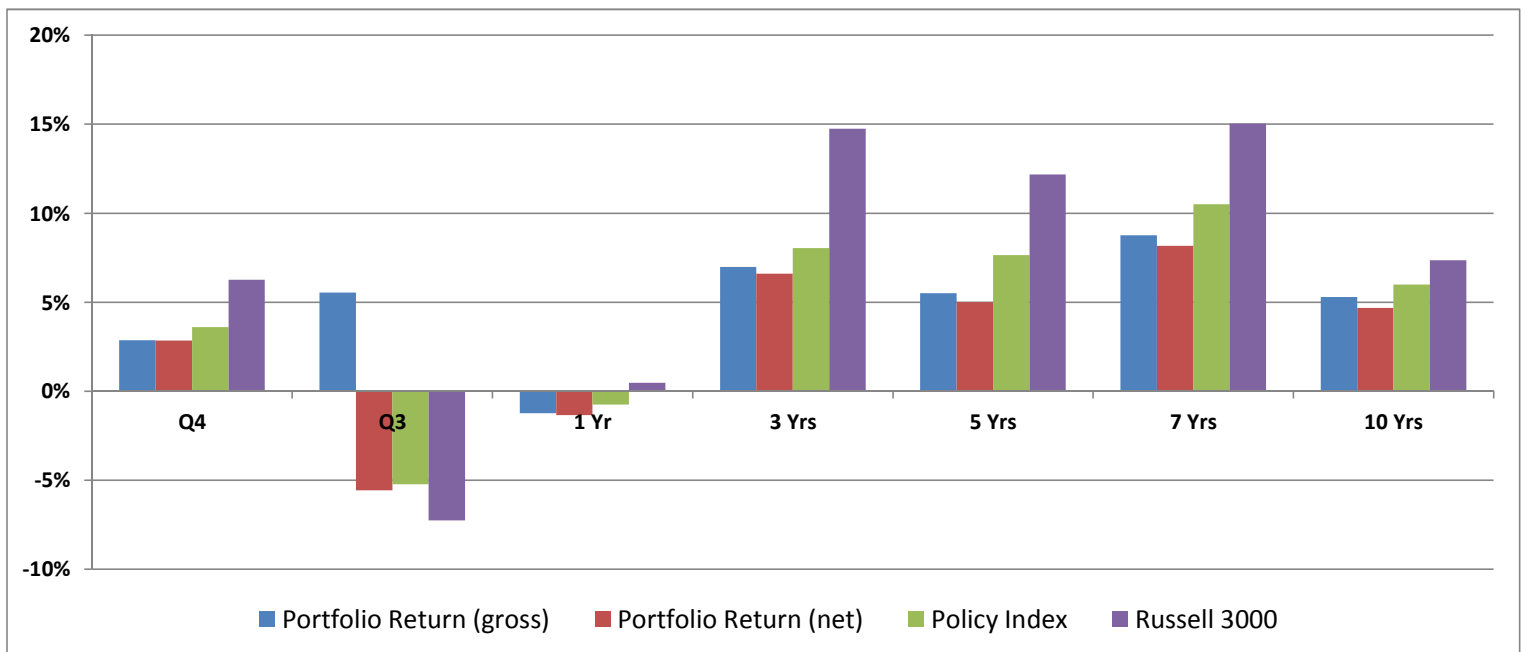
**Trustees of the Episcopal Diocese of Michigan
Growth and Income Fund
Portfolio Review
4th Quarter 2015**

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%	6.38%	7.04%
US All Cap Value Stocks	DFA US Social Core 2 (DFUEX)	22%	22.1%	3.78%	5.41%
Developed Market Int'l Stocks	DFA Int'l Social Core (DDECLX)	18%	18.1%	3.69%	4.75%
Emerging Market Stocks	DFA Emerg Mkts Social Core (DFESX)	4%	4.0%	0.23%	0.73%
Real Estate	Vanguard REIT Index (VGSLX)	4%	4.0%	7.04%	7.54%
Fixed Income	Vanguard Total Bond Index Instit (VBTIX)	31%	30.6%	-0.60%	-0.57%
Cash	Schwab Money Market	1%	1.1%	0.00%	0.01%
Total Portfolio (net)				2.85%	3.61%

Overall Performance History

	Q4	Q3	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Portfolio Return (gross)	2.87%	5.54%	-1.24%	6.98%	5.51%	8.76%	5.30%
Portfolio Return (net)	2.85%	-5.56%	-1.34%	6.60%	5.00%	8.17%	4.68%
Policy Index	3.61%	-5.22%	-0.75%	8.04%	7.65%	10.51%	6.00%
Russell 3000	6.27%	-7.25%	0.47%	14.74%	12.18%	15.04%	7.36%
# Share Outstanding	1,086,046	1,090,825	1,030,983	982,381	962,315	998,187	1,044,611
Net Asset Value	28,676,666	28,313,516	28,806,943	24,352,319	24,688,211	20,802,703	27,959,090
Share Value	26.4047	25.9560	27.9412	24.7891	25.6550	20.8405	26.7651



Trustees of the Diocese of Michigan
Growth and Income Fund Activity
For the Twelve Months Ending December 31, 2015

	<u>Net Assets</u>	<u># Shares</u>	<u>Share Value</u>	<u>Return* on Avg Value</u>
Balance at 12-31-2014	28,806,943	1,030,983.27	27.9412	
New deposits	2,054,476	74,544.47		
Dividends Reinvested	297,374	10,809.70		
Withdrawals	-792,329	-30,291.77		
Dividend and Interest Income	741,787		0.6868	3.37%
Invest Mgmt Fees	-29,364		-0.0274	-0.13%
Audit, Accounting, Other	-24,472		-0.0227	-0.11%
Realized/Unreal Gains (Losses)	-1,142,584		-1.0233	-5.02%
Balance Before Dividend	<u>29,911,830</u>		<u>27.5547</u>	<u>-1.90%</u>
Dividend Distribution	-1,235,164		-1.1500	-5.64%
Balance After Dividend at 12-31-2015	<u><u>28,676,666</u></u>	<u><u>1,086,045.68</u></u>	<u><u>26.4047</u></u>	<u><u>-7.54%</u></u>

* Annualized