



THE TRUSTEES OF THE DIOCESE OF MICHIGAN

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April 9, 2019

Dear Growth and Income Fund Investor:

After a pretty rough end to 2018, the Growth and Income Fund of the Episcopal Diocese of Michigan had a nice rebound in Q1 2019. The Q1 2019 net investment return for the Growth and Income Fund was +9.38 after a 9.21% decline in the previous quarter. Our benchmark for the quarter was 9.12%, so we outperformed by 0.26%. Driving the strong results this quarter were our two US Equities portfolios, both of which came in close to 14.00%. The DFA US Social Core Fund, in particular, with its small and value tilt, bested its benchmark by over 2.00%. All asset classes were in positive territory for the quarter.

Over the last 4 quarters, the net investment return was 3.15%, which compares unfavorably with our benchmark of 4.70%. Despite the poor performance over the last year, the longer-term results are more favorable. Since moving to our existing investment strategy in 2014, the net investment performance has averaged 5.38% per year, just beating our policy index of 5.33% per year.

The share value of the Fund as of the end of the first quarter 2019 was \$29.9317, up 8.3% over the fourth quarter share value of \$27.6351. Over the last twelve months, gross investment performance was up 3.2%, investment management fees were 0.10%, accounting/audit fees were 0.07%, and dividends averaged 3.8%, resulting in a net, after-dividends and after-expenses loss of 0.77%.

The Q2 dividend of \$0.2872 per share per quarter will be distributed in late June. The amount of this dividend distribution can be found in the lower right corner of your Q1 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. Or visit our website at <https://www.edomi.org/church-admin/finance/growth-income-fund/>.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark Miliotto'.

Mark Miliotto
Treasurer and Director of Finance

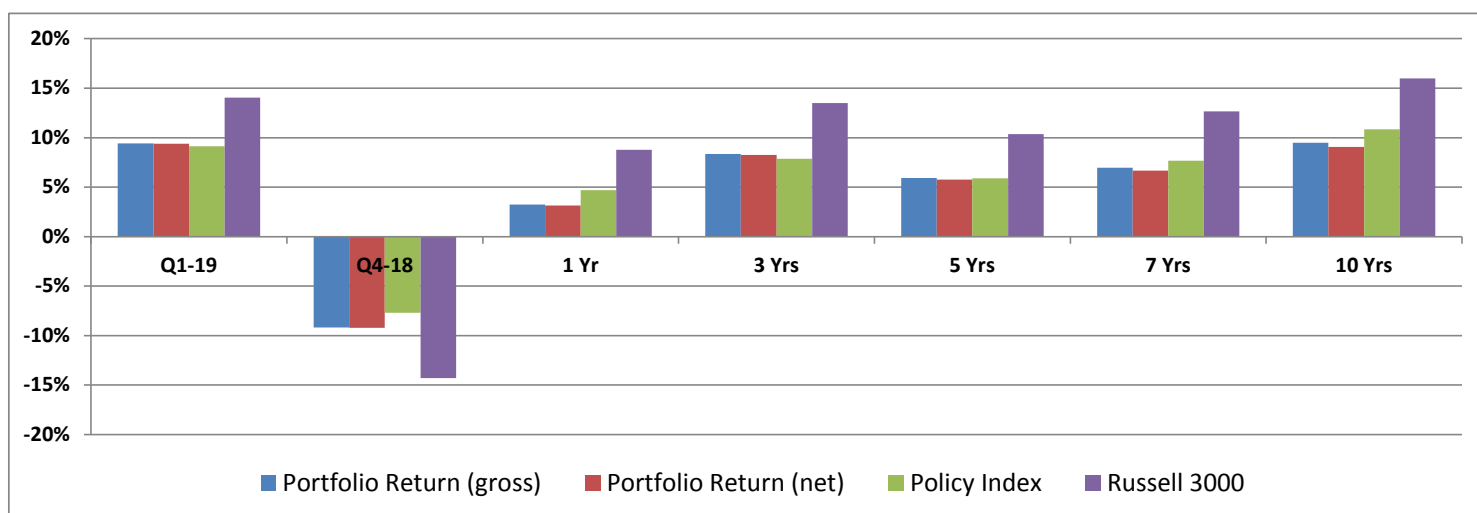
**Trustees of the Episcopal Diocese of Michigan
Growth and Income Fund
Performance Dashboard
1st Quarter 2019**

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%	13.76%	13.65%
US All Cap Value Stocks	DFA US Social Core 2 (DFUEX)	22%	22.1%	13.99%	11.93%
Developed Market Int'l Stocks	DFA Int'l Social Core (DSCLX)	18%	17.8%	9.92%	10.13%
Emerging Market Stocks	DFA Emerg Mkts Social Core (DFESX)	4%	4.0%	8.94%	9.95%
Real Estate	Vanguard REIT Index (VGSLX)	4%	4.0%	17.28%	15.72%
Fixed Income	Vanguard Total Bond Index Instit (VBTIX)	31%	30.8%	2.95%	2.94%
Cash	Schwab Money Market	1%	1.2%	0.55%	0.58%
Total Portfolio (net)				9.38%	9.12%

Overall Performance History

	Q1-19	Q4-18	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Portfolio Return (gross)	9.41%	-9.19%	3.25%	8.36%	5.91%	6.97%	9.48%
Portfolio Return (net)	9.38%	-9.21%	3.15%	8.25%	5.77%	6.68%	9.05%
Policy Index	9.12%	-7.69%	4.70%	7.86%	5.88%	7.67%	10.83%
Russell 3000	14.04%	-14.30%	8.76%	13.50%	10.36%	12.64%	16.00%
# Share Outstanding	1,230,417	1,229,016	1,215,601	1,087,455	1,030,738	966,043	1,006,287
Net Asset Value	36,828,433	33,964,021	36,662,943	28,868,654	28,513,599	24,513,165	19,460,488
Share Value	29.9317	27.6351	30.1604	26.5470	27.6633	25.3748	19.3389



Other Key Figures

Number of Investors in the Fund	54		Investment Advisor Fees (annualized)	0.10%
Average Investment Size	\$684,077		Mutual Fund Fees (ann. weighted avg)	0.19%
Median Investment Size	\$64,900		Accounting and Audit Services (avg)	0.06%
Largest Investment (Dio Michigan)	\$19,582,000		Dividend Rate (applied to 20 qtr avg)	4.10%
Smallest Investment	\$276		Questions? Mark Miliotto at mmiliotto@edomi.org or 313-833-4427	

Growth and Income Fund
Income Statement
As of March 31, 2019

	Current	per # of	as % of	Last 4	as % of
	Quarter	Shares	Avg	Quarters	Avg
	<u> </u>	<u> </u>	<u>Assets</u>	<u> </u>	<u>Assets</u>
Investment Income					
Dividend Income	162,141	0.132	0.46%	843,704	2.30%
Interest Income	1	0.000	0.00%	1	0.00%
Capital Gain Distributions	0	0.000	0.00%	123,599	0.34%
Other Revenues	0	0.000	0.00%	0	0.00%
Total Investment Income	<u>162,142</u>	0.132	0.46%	<u>967,303</u>	2.64%
Expenses					
Legal	0	0.000	0.00%	0	0.00%
Audit	3,100	0.003	0.01%	15,140	0.04%
Accounting Fees	3,000	0.002	0.01%	12,000	0.03%
Investment Management Expense	9,276	0.008	0.03%	36,654	0.10%
Conference Calls	36	0.000	0.00%	150	0.00%
Printing	0	0.000	0.00%	0	0.00%
Meeting Expenses	55	0.000	0.00%	111	0.00%
Bank Charges	0	0.000	0.00%	69	0.00%
Total Expenses	<u>15,467</u>	0.013	0.04%	<u>64,124</u>	0.18%
Net Investment Income	<u>146,675</u>	0.119	0.41%	<u>903,180</u>	2.47%
Realized and Unrealized Gain (loss) from Investments					
Unrealized Gains (Losses)	3,035,397	2.467	8.53%	23,852	0.07%
Realized Gains(Losses)	-2,983	-0.002	-0.01%	178,732	0.49%
Total Realized and Unrealized Gain (loss) from Investments	<u>3,032,413</u>	2.465	8.52%	<u>202,584</u>	0.55%
Net Increase (Decrease) in Net Assets from Operations	<u>3,179,088</u>	2.584	8.93%	<u>1,105,764</u>	3.02%
Memo					
Dividend Distribution	<u>-353,376</u>	-0.287	-0.99%	<u>-1,385,219</u>	-3.78%
Net Growth after Dividends	<u>2,825,712</u>	2.297	7.94%	<u>-279,456</u>	-0.76%

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

For the Quarter Ending March 31, 2019

	<u>Net Assets</u>	<u># Shares</u>	<u>Share Value</u>	<u>Return on Avg Value</u>	<u>Return on Begin Value</u>
Balance at 12-31-2018	33,964,021	1,229,016.44	27.6351		
New deposits	119,795	4,334.89			
Dividends Reinvested	102,749	3,718.05			
Withdrawals	-183,845	-6,652.57			
Dividend and Interest Income	162,142		0.1318	0.46%	0.48%
Invest Mgmt Fees	-9,276		-0.0075	-0.03%	-0.03%
Audit, Accounting, Other	-6,191		-0.0050	-0.02%	-0.02%
Realized/Unrealized Gains (Losses)	3,032,413		2.4645	8.56%	8.92%
Balance Before Dividend	<u>37,181,809</u>		<u>30.2189</u>	<u>8.98%</u>	<u>9.35%</u>
Dividend Distribution	-353,376		-0.2872	-1.00%	-1.04%
Balance After Dividend at 3-31-2019	<u><u>36,828,433</u></u>	<u><u>1,230,416.80</u></u>	<u><u>29.9317</u></u>	<u><u>7.98%</u></u>	<u><u>8.31%</u></u>

For the Four Quarters Ending March 31, 2019

	<u>Net Assets</u>	<u># Shares</u>	<u>Share Value</u>	<u>Return on Avg Value</u>	<u>Return on Begin Value</u>
Balance at 3-31-2018	36,662,943	1,215,600.51	30.1604		
New deposits	694,659	23,374.35			
Dividends Reinvested	408,697	13,792.19			
Withdrawals	-658,410	-22,350.25			
Dividend and Interest Income	967,303		0.7878	2.65%	2.61%
Invest Mgmt Fees	-36,654		-0.0299	-0.10%	-0.10%
Audit, Accounting, Other	-27,470		-0.0224	-0.08%	-0.07%
Realized/Unrealized Gains (Losses)	202,584		0.1639	0.55%	0.54%
Balance Before Dividend	<u>38,213,652</u>		<u>31.0598</u>	<u>3.02%</u>	<u>2.98%</u>
Dividend Distribution	-1,385,219		-1.1281	-3.79%	-3.74%
Balance After Dividend at 3-31-2019	<u><u>36,828,433</u></u>	<u><u>1,230,416.80</u></u>	<u><u>29.9317</u></u>	<u><u>-0.77%</u></u>	<u><u>-0.76%</u></u>