



# THE TRUSTEES OF THE DIOCESE OF MICHIGAN

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January 17, 2020

Dear Growth and Income Fund Investor:

We have another quarter in the books, and quite a quarter it was! Growth and Income Fund net investment return for Q4 2019 was 6.01%, which compares favorably with the benchmark of 5.42%. For full year 2019, net investment return (on a time-weighted basis) was 21.31% while the benchmark was 20.44%. Leading the charge this quarter was strong results from all of our equities funds – US, International, and Emerging Markets. All of these funds returned in excess of 9% and, in the case of Emerging Markets, came in just short of 11%. Plus all of these funds exceeded their benchmarks from 0.30% to almost 0.60%.

For a longer-term view, over the last five years, the net investment performance has averaged 7.23% per year, beating the policy index of 7.12% per year.

The share value of the Fund as of the end of the fourth quarter 2019 was \$32.2694, up 5.1% over the third quarter share value of \$30.7168. Over the last twelve months the dollar-weighted gross investment return was 19.3%, investment management fees were 0.10%, accounting/audit fees and meeting expenses were 0.07% combined, and dividends averaged 3.80%, resulting in a net, after-dividends and after-expenses return of 15.33%. These same returns for Q4 were, respectively, 5.87%, -0.026%, -.001%, -0.91% for a net return of 4.93%.

The Q1 2020 dividend of \$0.2920 per share per quarter will be distributed in late March. The amount of this dividend distribution can be found in the lower right corner of your Q4 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](mailto:mmiliotto@edomi.org). Or visit our website at <https://www.edomi.org/church-admin/finance/growth-income-fund/>.

Sincerely,

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

Mark Miliotto  
Treasurer and Director of Finance

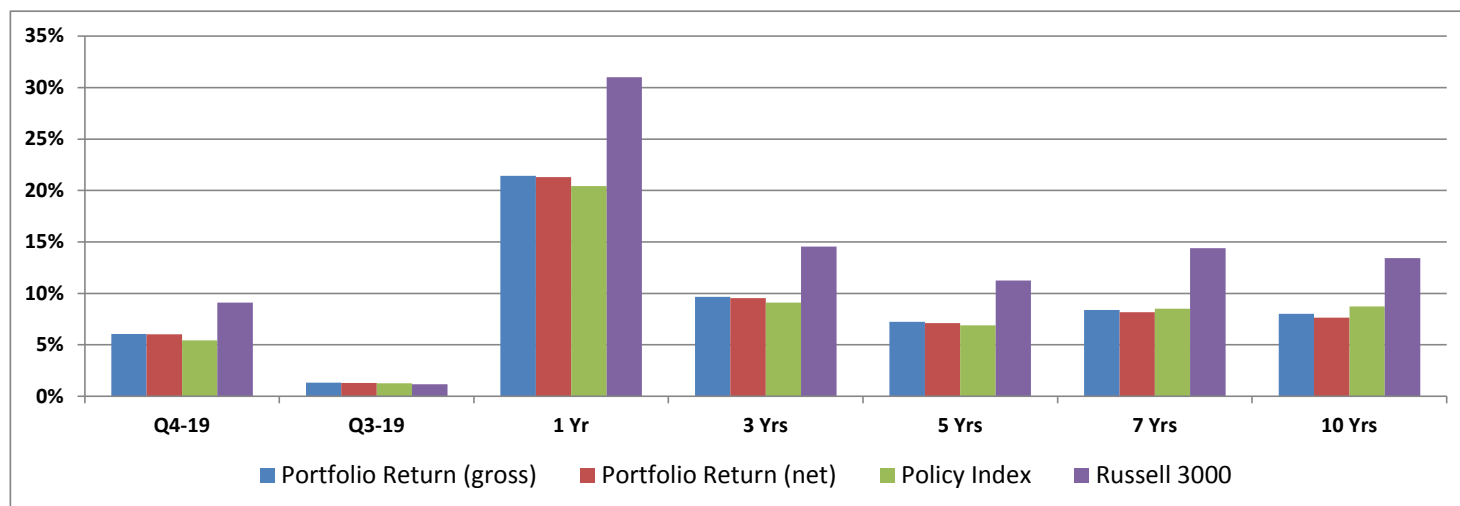
**Trustees of the Episcopal Diocese of Michigan  
Growth and Income Fund  
Performance Dashboard  
4th Quarter 2019**

**Asset Allocation and Quarter Returns by Class**

Asset Allocation by Class	Investment Vehicle	Target Allocation	Actual Allocation	Actual Returns	Benchmark Returns
US All Cap Cap Stocks	DFA US Sustainability Fund (DFSIX)	21%	20.8%	9.67%	9.10%
	Vanguard ESG US Stock ETF (ESGV)	21%	21.2%	9.58%	9.10%
International Stocks	DFA Int'l Sustainability Fund (DFSPX)	9%	8.9%	9.37%	8.99%
	Vanguard ESG Int'l Stock ETF (ESGX)	11%	11.0%	9.30%	8.99%
Emerging Market Stocks	DFA Emerg Mkts Sustainability Fund (DESIX)	2%	2.0%	10.55%	11.93%
Real Estate	Vanguard REIT Index (VGSLX)	4%	4.1%	0.62%	-1.23%
Fixed Income	Vanguard Total Bond Index Instit (VBTIX)	31%	30.8%	0.03%	0.18%
Cash	Schwab Money Market	1%	1.2%	0.36%	0.41%
Total Portfolio (net)				6.01%	5.42%

**Overall Performance History**

	Q4-19	Q3-19	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Portfolio Return (gross)	6.04%	1.32%	21.43%	9.65%	7.23%	8.39%	8.02%
Portfolio Return (net)	6.01%	1.30%	21.31%	9.54%	7.12%	8.16%	7.63%
Policy Index	5.42%	1.25%	20.44%	9.10%	6.89%	8.52%	8.72%
Russell 3000	9.10%	1.17%	31.02%	14.56%	11.24%	14.38%	13.42%
# Share Outstanding	1,245,482	1,241,310	1,229,016	1,120,329	1,030,983	982,381	987,035
Net Asset Value	40,190,916	38,129,020	33,964,021	30,857,152	28,806,943	24,352,319	23,234,241
Share Value	32.2694	30.7168	27.6351	27.5429	27.9412	24.7891	23.5394



**Other Key Figures**

Number of Investors in the Fund	54		Investment Advisor Fees (annualized)	0.10%
Average Investment Size	\$752,246		Mutual Fund Fees (ann. weighted avg)	0.16%
Median Investment Size	\$69,969		Accounting and Audit Services (avg)	0.06%
Largest Investment (Dio Michigan)	\$21,528,680		Dividend Rate (applied to 20 qtr avg)	4.10%
Smallest Investment	\$297		Questions? Mark Miliotto at <a href="mailto:mmiliotto@edomi.org">mmiliotto@edomi.org</a> or 313-833-4427	

Funds vs. Benchmarks - Episcopal Diocese of Michigan

		YTD 2019 thru	4th Qtr 2019	3rd Qtr 2019	2nd Qtr 2019	1st Qtr 2019	2018 Returns	2017 Returns	2016 Returns	2015 Returns	2nd Half of 2014 Return	Since 06/30/14 (66 months) Annualized	Target Weight	Old Expense Ratio	New Expense Ratio	
<b><u>Fixed Income:</u></b>																
Fund	Vanguard Total Bond Market Index Instl (VBTIX)	8.73%	0.03%	2.43%	3.08%	2.95%	-0.01%	3.57%	2.61%	0.41%	1.91%	3.09%	31%	0.035%	0.035%	
Benchmark	Bloomberg Barclays Total Bond Market	8.72%	0.18%	2.27%	3.08%	2.94%	0.01%	3.54%	2.65%	0.56%	1.93%	3.13%				
<b><u>U.S. Stocks:</u></b>																
Old Fund	DFA US Social Core 2 (DFUEX)	30.21%	8.99%	0.79%	3.98%	13.99%	-9.98%	18.98%	17.78%	-4.64%	1.63%	8.82%	22%	0.28%		
Benchmark	Russell 3000 Value	26.26%	7.48%	1.23%	3.68%	11.93%	-8.58%	13.19%	18.40%	-4.14%	4.39%	8.30%				
Old Fund	Vanguard FTSE Social Index Institutional (VFTNX)	33.96%	10.59%	1.82%	4.58%	13.76%	-3.38%	24.19%	10.34%	1.27%	8.30%	12.86%	20%	0.12%		
New Fund	DFA US Sustainability Fund (DFSIX)	32.52%	9.67%	1.06%	4.74%	14.16%	-6.73%	21.35%	13.91%	-1.23%	3.42%	10.66%	21%		0.25%	
New Fund	Vanguard ESG US Stock ETF (ESGV - NAV)	33.53%	9.58%	1.72%	4.66%	14.35%	N/A	N/A	N/A	N/A	N/A	N/A	21%		0.12%	
New Benchmark	Russell 3000	31.02%	9.10%	1.16%	4.10%	14.04%	-5.24%	21.13%	12.74%	0.48%	5.25%	11.20%	42%			
Benchmark	S&P 500	31.49%	9.07%	1.70%	4.30%	13.65%	-4.38%	21.83%	11.96%	1.38%	6.12%	11.68%				
<b><u>International Stocks:</u></b>																
Old Fund	DFA International Social Core (DSCCLX)	21.11%	9.52%	-1.73%	2.37%	9.92%	-17.38%	27.65%	6.31%	-0.75%	-12.27%	3.09%	18%	0.33%		
New Fund	DFA Intl Sustainability Fund (DFSPX)	24.21%	9.37%	-0.83%	3.64%	10.50%	-15.53%	27.26%	2.82%	-0.27%	-10.87%	3.69%	9%		0.34%	
New Fund	Vanguard ESG Intl Stock ETF (VSGV - NAV)	22.80%	9.30%	-0.89%	3.31%	9.73%	N/A	N/A	N/A	N/A	N/A	N/A	11%		0.15%	
New Benchmark	MSCI All Country Ex US	22.13%	8.99%	-1.70%	3.22%	10.43%	-13.77%	27.77%	5.01%	-5.25%	-8.81%	3.70%	11%			
Benchmark	MSCI EAFE	22.66%	8.21%	-1.00%	3.97%	10.13%	-13.36%	25.62%	1.51%	-0.39%	-9.20%	3.77%	9%			
Fund	DFA Emerging Markets Social Core (DFESX)	17.13%	10.82%	-4.11%	1.18%	8.94%	-14.88%	37.30%	13.18%	-15.49%	-7.63%	3.50%	4%	0.53%		
New Fund	DFA Emg Mkt Sustainability Fund (DESIX)	16.69%	10.55%	-3.93%	1.03%	8.76%	N/A	N/A	N/A	N/A	N/A	N/A	2%		0.65%	
Benchmark	MSCI Emerging Markets	18.88%	11.93%	-4.11%	0.74%	9.95%	-14.25%	37.75%	11.60%	-14.60%	-7.78%	3.70%	2%			
<b><u>Real Estate Investment Trusts:</u></b>																
Fund	Vanguard REIT Index (VGSLX)	28.94%	0.62%	7.40%	1.73%	17.28%	-5.95%	4.94%	8.50%	2.38%	10.72%	8.36%	4%	0.12%	0.12%	
Benchmark	Dow Jones US Select REIT	23.10%	-1.23%	6.83%	0.82%	15.72%	-4.22%	3.76%	6.68%	4.47%	11.64%	7.90%				
<b><u>Cash:</u></b>																
Fund	Schwab Money Market (SNVXX)	1.90%	0.36%	0.48%	0.53%	0.55%	1.51%	0.49%	0.00%	0.00%	0.00%	0.65%	1%	0.35%	0.35%	
Benchmark	30 Day T-Bills	2.14%	0.41%	0.53%	0.60%	0.58%	1.81%	0.80%	0.16%	0.01%	0.00%	0.81%				
<b>Total Fund:</b>																
Fund	EDOMI Growth & Income Fund - Net	21.31%	6.01%	1.30%	3.27%	9.38%	-6.88%	16.34%	8.77%	-1.34%	0.85%	6.61%				
Benchmark	Policy Index - Spliced	20.44%	5.42%	1.25%	3.41%	9.12%	-5.70%	14.34%	8.24%	-0.75%	1.23%	6.48%				
	+/- benchmark	0.87%	0.59%	0.05%	-0.14%	0.26%	-1.18%	2.00%	0.53%	-0.59%	-0.38%	0.13%				
														0.185%	0.157%	
	DPI Fee													0.10%	0.10%	
	Total													0.285%	0.257%	

**Growth and Income Fund**  
**Income Statement**  
**As of December 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	214,026	0.172	0.54%	847,892	2.25%
Interest Income	0	0.000	0.00%	1	0.00%
Capital Gain Distributions	71,183	0.057	0.18%	71,183	0.19%
Other Revenues	0	0.000	0.00%	0	0.00%
Total Investment Income	<u>285,210</u>	<u>0.229</u>	<u>0.72%</u>	<u>919,076</u>	<u>2.44%</u>
Expenses					
Legal	0	0.000	0.00%	0	0.00%
Audit	0	0.000	0.00%	12,040	0.03%
Accounting Fees	3,000	0.002	0.01%	12,000	0.03%
Investment Management Expense	10,119	0.008	0.03%	38,484	0.10%
Conference Calls	0	0.000	0.00%	89	0.00%
Printing	0	0.000	0.00%	0	0.00%
Meeting Expenses	39	0.000	0.00%	148	0.00%
Bank Charges	0	0.000	0.00%	0	0.00%
Total Expenses	<u>13,158</u>	<u>0.011</u>	<u>0.03%</u>	<u>62,761</u>	<u>0.17%</u>
Net Investment Income	<u>272,051</u>	<u>0.218</u>	<u>0.69%</u>	<u>856,315</u>	<u>2.28%</u>
Realized and Unrealized Gain (loss) from Investments					
Unrealized Gains (Losses)	1,995,168	1.602	5.06%	1,299,983	3.45%
Realized Gains(Losses)	24,225	0.019	0.06%	4,992,716	13.27%
Total Realized and Unrealized Gain (loss) from Investments	<u>2,019,392</u>	<u>1.621</u>	<u>5.12%</u>	<u>6,292,700</u>	<u>16.72%</u>
Net Increase (Decrease) in Net Assets from Operations	<u>2,291,444</u>	<u>1.840</u>	<u>5.81%</u>	<u>7,149,015</u>	<u>19.00%</u>
Memo					
Dividend Distribution	<u>-357,702</u>	<u>-0.287</u>	<u>-0.91%</u>	<u>-1,421,393</u>	<u>-3.78%</u>
Net Growth after Dividends	<u>1,933,741</u>	<u>1.553</u>	<u>4.90%</u>	<u>5,727,621</u>	<u>15.22%</u>

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

**For the Quarter Ending December 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 9-30-2019	38,129,020	1,241,310.09	30.7168		
New deposits	22,721	739.69			
Dividends Reinvested	115,433	3,757.99			
Withdrawals	-10,000	-325.56			
Dividend and Interest Income	285,210		0.2290	0.73%	0.75%
Invest Mgmt Fees	-10,119		-0.0081	-0.03%	-0.03%
Audit, Accounting, Other	-3,039		-0.0024	-0.01%	-0.01%
Realized/Unrealized Gains (Losses)	2,019,392		1.6214	5.15%	5.28%
Balance Before Dividend	<u>40,548,618</u>		<u>32.5566</u>	<u>5.84%</u>	<u>5.99%</u>
Dividend Distribution	-357,702		-0.2872	-0.91%	-0.93%
Balance After Dividend at 12-31-2019	<u><u>40,190,916</u></u>	<u><u>1,245,482.22</u></u>	<u><u>32.2694</u></u>	<u><u>4.93%</u></u>	<u><u>5.05%</u></u>

**For the Four Quarters Ending December 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	390,830	13,211.55			
Dividends Reinvested	442,750	14,895.12			
Withdrawals	-334,306	-11,640.88			
Dividend and Interest Income	919,076		0.7425	2.46%	2.69%
Invest Mgmt Fees	-38,484		-0.0311	-0.10%	-0.11%
Audit, Accounting, Other	-24,277		-0.0197	-0.07%	-0.07%
Realized/Unrealized Gains (Losses)	6,292,700		5.0913	16.84%	18.42%
Balance Before Dividend	<u>41,612,309</u>		<u>33.4182</u>	<u>19.13%</u>	<u>20.93%</u>
Dividend Distribution	-1,421,393		-1.1488	-3.80%	-4.16%
Balance After Dividend at 9-30-2019	<u><u>40,190,916</u></u>	<u><u>1,245,482.22</u></u>	<u><u>32.2694</u></u>	<u><u>15.33%</u></u>	<u><u>16.77%</u></u>