

**President's  
216<sup>th</sup> Annual Report  
(for the Year Ending December 31, 2024)**

The 216th year of the Trustees of Donations was marked by strong investment performance. The equity market delivered impressive returns, with the S&P 500 posting a 25% annual return, largely driven by large-cap growth stocks.

Market leadership remained narrow throughout the year, with the “Magnificent Seven” maintaining dominance. The Communications and Information Technology sectors led performance, reflecting continued investor enthusiasm for artificial intelligence, cloud computing, and digital transformation. Despite these gains, U.S. equities continued to trade at a premium, with the top 10 S&P 500 stocks trading at 145% of their historic average price-to-earnings (P/E) ratio, while the remaining 490 stocks traded at 115% of their historic average.

Macroeconomic conditions played a crucial role in shaping market dynamics. Inflation, while moderating from its 2023 highs, remained a persistent concern, leading the Federal Reserve to cut 100 bps in the last third of the year and to proceed cautiously with future rate cuts. The short end of the yield curve performed well. The yield curve reverted from its previous inversion and remained relatively flat at year-end. Meanwhile, the U.S. dollar strengthened in the post-election environment, reflecting investor expectations of pro-business policy and economic resilience.

Geopolitical tensions remained a source of market volatility, with ongoing conflicts in Eastern Europe and the Middle East contributing to energy price fluctuations and broader economic uncertainty. Trade policy shifts and regulatory actions also played a role in shaping investor sentiment, particularly in the technology sector. Despite these uncertainties, the U.S. economy demonstrated resilience, supported by steady consumer spending and a strong labor market, providing a foundation for continued economic expansion.

Overall, TOD’s investment performance was strong, both in real return and in comparison to our peers. Compared with the 72 Mega Foundations, TOD would rank as the 8th highest gross return at 13.6% through June 30, 2024. Through December 31, 2024, TOD continued to outperform Investment Metrics’ ALL E&F peers across the 1-, 3-, 5-, and 10-year periods.

It is my great privilege to work alongside each of you as Trustees, in our shared commitment to support the long-term financial stability and ministry of worshiping communities in our Diocese. Together, we continue to steward the assets entrusted to us with excellence, professionalism, and care. Thank you for your service and dedication to this mission.

Today, we honor and celebrate the years astounding leadership and faithful service of Marshall Moriarity and Bill Bruins. With more than 75 years of combined service to TOD and our participants, we owe both Marsh and Bill our deepest gratitude.

The annual meeting is an important moment to reflect on the many accomplishments we have achieved in the past year.

## **Nardin Baker, Vice President**

I extend my gratitude to Nardin for his support and leadership as Vice President. Nardin has served TOD for more than 20 years. He led the Investment Committee's research and recommendation to adjust the Equity Policy Benchmark in November 2024. Nardin serves on the Investment Committee, SRI Committee, Trust & Governance Committee, and has contributed to many other ad hoc projects. Thank you, Nardin, for your leadership and longstanding commitment to TOD.

## **Investment Committee**

Under the wise and discerning leadership of George Noyes, Chair, and Dan Rasmussen, Deputy Chair, the Investment Committee delivered strong investment results in 2024. The expert engagement of Trustees was critical in actively managing shifts in our equity portfolio, prudently reviewing our investment strategy, and adopting our new Equity Policy Benchmark.

A strategic shift from international to U.S. growth stocks early in the year captured significant performance gains. The Investment Committee also trimmed and terminated international investments in Silchester due to recent underperformance relative to high fees.

Prime Buchholz continued and expanded their excellent service to the Trustees of Donations. Their research and analysis enabled the Investment Committee to make data-driven decisions, and their detailed reporting ensured TOD's compliance with exclusionary screenings for both current and new investments.

TOD's Trust Fund and delegated allocation of agency accounts continued to outperform the aggregate DIT Total Fund over all time periods (as of December 31, 2024):

<b>Total Returns<sup>1</sup></b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>7 Years</b>	<b>10 Years</b>
Trust Funds <sup>2</sup>	12.0%	4.0%	7.8%	7.4%	7.2
DIT Total Fund (combined Trust & Agency)	11.4%	3.7%	7.4%	7.0%	6.9%
42% Russell 3000/23% MSCI EAFE (net) /35% Blbg Agg	11.0%	3.0%	7.0%	7.0%	7.1%

<sup>1</sup>Returns are before expenses. Total returns reflect the change in unit values and assume automatic reinvestment of dividends. Periods over one year annualized.

<sup>2</sup>Represents returns for Trust Funds, with the Stock Fund/Income Fund asset allocation directed by TOD Investment Committee. Performance is a weighted return calculated using monthly beginning asset allocation and DIT Stock and Income Fund returns.

## **Treasurer and Nominating Committee**

The Trustees of Donations are well served by our Treasurer, Thatcher Gearhart. Thatcher's in-depth oversight of our budget and financial expertise continues to ensure the strong financial foundation of our operations.

Thatcher also serves as Chair of our Nominating Committee. Bishop Whitworth, the Diocesan Convention, and Thatcher continue to recruit and nominate to our board with dedicated and

expert volunteers. Today, we welcome George Raine and Benjamin Faucett, and celebrate the reappointment and election of Chip Elfner, Jeff Burton, Dan Ford and Betsy Munzer. Thank you, Thatcher, and the Nominating Committee.

### **SRI Committee**

We extend our gratitude to the Socially Responsible Investing Committee and its Chair, Adam Rutledge. The SRI Committee continues to work diligently to apply our shared Episcopal values as we engage in proxy voting. The committee's thoughtful and methodical approach ensures consistency and serves as a unique differentiator of TOD.

### **Audit Committee**

Thank you to Wayne Kennard, Chair, and the Audit Committee for your continued guidance and oversight of our annual audit. We continue to build upon a foundation of strong administrative and accounting best practices and are proud of our clean audit opinions. We look forward to the 2024 Audit Report at our May quarterly meeting.

### **Alice V. Johnson Merit Scholarship Committee**

Donald Sanya has taken on the leadership of the Alice V. Johnson Scholarship. The scholarship process requires a great investment of time and care, which Donald and the Committee have provided so generously. As a result of their efforts, we were delighted to award six scholarships to young Episcopalians in the Mystic Valley Deanery in 2024, totaling \$42,000 in scholarships. Thank you, Donald, and the Alice V. Johnson Merit Scholarship Committee.

### **Trust & Governance Committee**

I extend gratitude to the Trust and Governance Committee and its Chair, Judy Edington. The Committee continues to work on a variety of projects and oversee various inquiries from beneficiaries. In addition to reviewing the classification of existing trusts, the Committee oversees requests for information or clarification from trust beneficiaries.

As a result of their diligence, an extraordinary distribution was authorized to St. Luke's, Hudson, to bring a fire escape up to code, enabling new rental income for the parish. An additional extraordinary 2% distribution from four trust funds to St. Andrew's, Hanover, was also reviewed and approved by the Committee, allowing the parish to call a new rector. Thank you for your ongoing efforts.

### **Client Service**

The Investment Coordinator plays an important role in the day-to-day operations of the Trustees of Donations. The successful administration of our Trust and Agency accounts among 146 participants is only possible with the support of our Investment Coordinator. I am grateful for Charlie Jordan's years of service to the Trustees, which concluded in August 2024, and am delighted to have welcomed Bill Boyce in July 2024.

Bill brings a professional background as a CPA with PwC and a breadth of experience across the church. Bill is currently serving as elected Trustee of the Church Pension Group. Since joining TOD, Bill has refreshed our client presentation materials and reinvigorated our growth to new TOD participants. Our board and participants continue to be well served and supported by Bill.

**Outgoing Trustees: Bill Bruins & Marshall Moriarty**

Finally, I wish to take a moment to recognize and thank our two retiring Trustees. It is difficult to imagine the Trustees of Donations without the steadfast presence of Bill Bruins and Marshall Moriarty. Both Bill and Marshall have contributed immensely to the success of this organization and to our participants over many decades. Please join me in expressing our deepest gratitude and best wishes to Bill and Marshall for all they have done.

**Conclusion**

Uncertainty and volatility are the increasing realities of the world we live in today, leading to heightened anxiety and constant reorientation. The first quarter of 2025 has demonstrated that the market is not insulated from these challenges. Meanwhile, our participants continue to live out their mission even with increasing need and often diminishing human and financial resources.

The Trustees of Donations—and each of you here today—give me hope amidst the uncertainty of our present state. Each board member generously contributes time and talent to ensure that our 200-year-old mission to support the ministry of the Episcopal Church in Eastern Massachusetts continues for generations to come. Your wise counsel, prudent investment decisions, and steady leadership enable our participants to worship and serve communities both within and beyond our Diocese.

Thank you for your continued dedication. Your involvement has a significant impact. It is both a privilege and an honor to serve alongside you. With the confidence and support of our 146 participants, I remain proud to serve as your President and look ahead to the coming year with faith and hope.

Respectfully Submitted,

*Elizabeth Westvold*

Elizabeth M. Westvold, CFA  
President, Trustees of Donations to the Protestant Episcopal Church