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Diocesan Investment Trust Quarterly Report September 2024

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Performance Summary

<i>Performance by Quarter</i>	9/30/2024	6/30/2024	3/31/2024	12/31/2023
DIT Income Fund				
Share Price	\$8.21	\$7.86	\$7.90	\$7.96
Dividend Rate	\$0.05	\$0.05	\$0.05	\$0.04
DIT Stock Fund				
Share Price	\$310.99	\$289.95	\$287.07	\$268.72
Dividend Rate	\$0.71	\$0.74	\$0.56	\$1.01
DIT Fossil Fuel Free Fund				
Share Price	\$233.52	\$220.07	\$216.05	\$198.77
Dividend Rate	\$0.72	\$0.99	\$0.81	\$0.82

<i>Total Assets by Fund</i>	9/30/2024
DIT Income Fund	\$100,369,484
DIT Stock Fund	\$168,589,490
DIT Fossil Fuel Free Fund	\$37,744,699
Total Assets	\$306,703,673

<i>Total Returns*</i>	3rd Qtr	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
DIT Total Fund (Combined Agency & Trust Funds)	6.8%	12.6%	23.0%	5.4%	8.9%	7.8%	7.2%
DIT Total Fund (Trust Funds Only)**	6.9%	13.2%	23.6%	5.7%	9.3%	8.1%	7.6%
<i>42% Russell 3000/23% MSCI EAFE (net) /35% Blbg Agg</i>	6.1%	13.1%	24.2%	5.2%	8.6%	7.9%	7.5%
DIT Income Fund	5.3%	5.6%	13.2%	-0.2%	2.1%	2.8%	2.5%
<i>Bloomberg U.S. Aggregate</i>	5.2%	4.4%	11.6%	-1.4%	0.3%	1.5%	1.8%
DIT Stock Fund	7.7%	17.2%	29.8%	8.9%	12.7%	10.4%	9.9%
<i>65% Russell 3000/35% MSCI EAFE (Net)</i>	6.6%	18.0%	31.5%	8.7%	12.8%	11.0%	10.4%
<i>MSCI AC World (Net)****</i>	6.6%	18.7%	31.8%	8.1%	12.2%	10.2%	9.4%
DIT Fossil Fuel Free Fund***	6.6%	19.5%	33.7%	9.4%	14.1%	12.6%	NA
<i>85% Russell 3000/15% MSCI EAFE (Net)</i>	6.4%	19.5%	33.6%	9.6%	14.2%	12.6%	NA

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

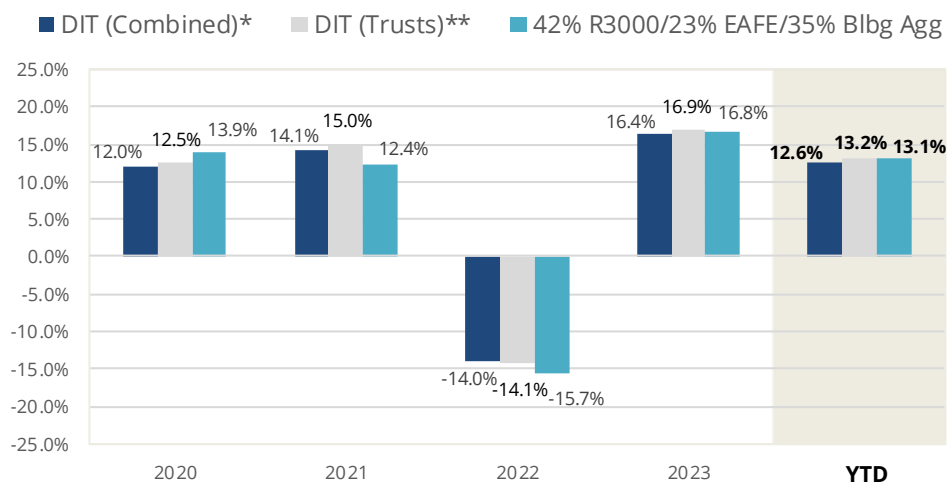
**Represents returns for Trust Funds, with the Stock Fund/Income Fund asset allocation directed by TOD Investment Committee. Performance is a weighted return calculated using monthly beginning asset allocation and DIT Stock and Income Fund returns.

***Inception Nov. 2015. Passively managed; will outperform benchmark during periods of energy sector stocks lagging other market sectors due to fossil fuel company underweight.

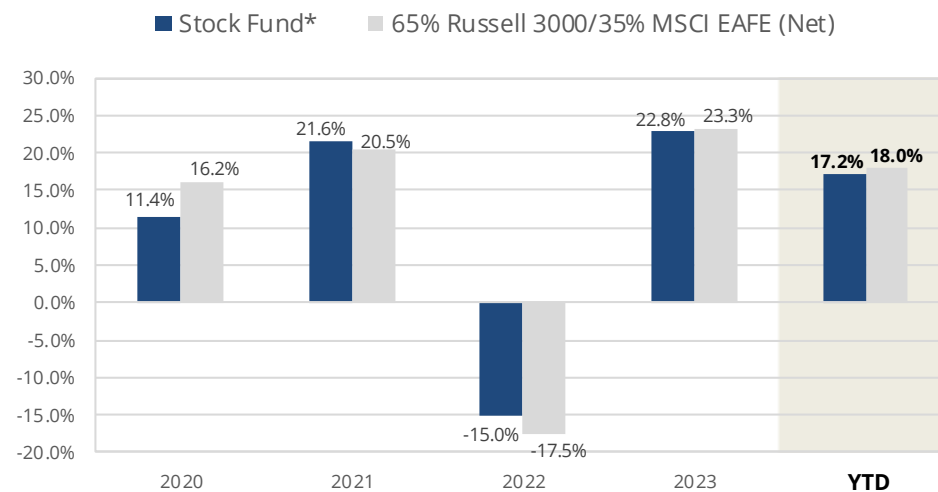
****MSCI ACWI (net) represents the DIT Stock Fund's benchmark through July 2020.

Calendar Year Performance

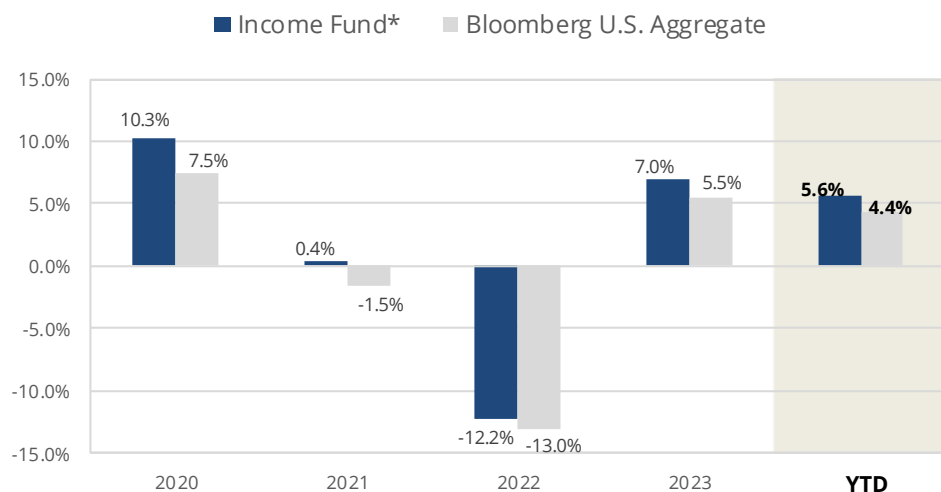
DIT Total Fund



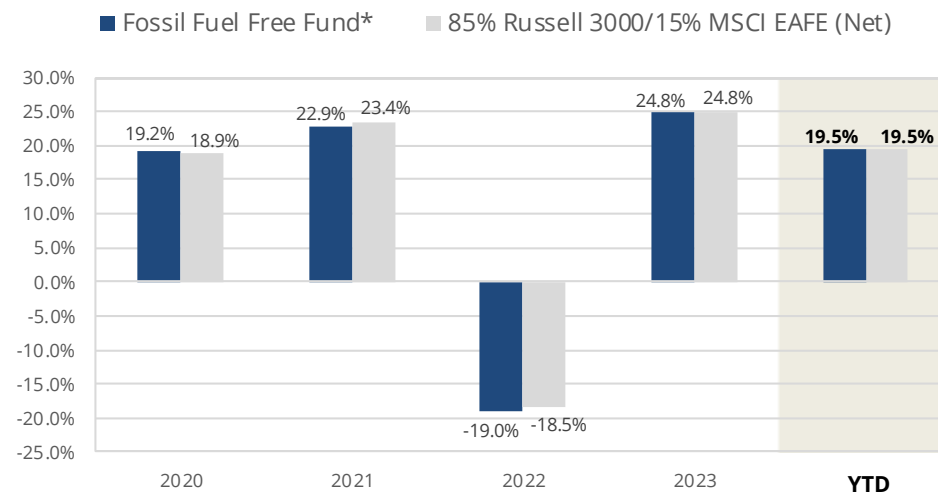
DIT Stock Fund



DIT Income Fund



DIT Fossil Fuel Free Fund***



*Returns are before expenses. Total returns reflect the change in unit values and assume automatic reinvestment of dividends.

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Dear DIT Participant:

The DIT Total Fund, comprised of the Stock and Income Funds, posted a gain for the fourth consecutive quarter, climbing 6.9% in the third quarter and beating the index* by 80 bps. The outperformance was driven by the DIT Stock Fund gaining 7.7%, surpassing the blended 65% Russell 3000/35% MSCI EAFE Index by 110 bps, and the DIT Income Fund outpacing the Bloomberg U.S. Aggregate Index by 10 bps with a 5.3% increase.

U.S. equity markets continued their run through the third quarter with the Russell 3000 Index gaining 6.2%, reaching new all-time highs during the period and closing in on 3,300 at quarter-end. The Federal Reserve started the easing cycle with a 50 bps interest rate cut in September. The Fed's shift was a tailwind for the broad equity market. It also lifted the more levered small cap stocks over large cap stocks and value stocks over growth stocks. For the quarter, the Russell 2000 Index gained 9.3% versus 6.1% for the Russell 1000 Index and the Russell 3000 Value Index gained 9.5% versus 3.4% for the Russell 3000 Growth Index. Interest rate sensitive stocks led the market. The top three performing sectors were Utilities (+18.7%), followed closely by real estate (+17.3%) and industrials (+10.9%). Energy (-3.0%) was the only sector to lose ground in the quarter, a result of the sharp sell-off in oil. The Magnificent Seven (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla) posted mixed performance. Tesla (+32.2%) was the top performer of three that outpaced the broad market, while the other four finished the period in negative territory, with Alphabet (-8.8%) posting the largest drawdown.

Developed international equity markets outperformed their domestic counterparts, with the MSCI EAFE Index gaining 7.3% in the third quarter. Europe drove results with Germany (+10.7%), Switzerland (+8.5%), UK (+7.9%), and France (+7.7%) outperforming the broad market. The outperformance trends were similar to those in the U.S., value stocks outperformed growth stocks and small cap stocks outperformed large cap stocks. The MSCI EAFE Value Index gained 8.9% compared to the MSCI EAFE Growth Index's 5.7% increase and the MSCI EAFE Small Cap Index added 10.5%, while the MSCI EAFE Large Cap Index gained 6.6%.

The Federal Reserve indicated it anticipates cutting rates by another 50 bps during the fourth quarter after the initial 50 bps cut in September. The U.S. Treasury yield curve steepened during the month with the spread between 2-year and 10-year yields increasing 15 bps. Longer-term Treasuries started to yield more than the shorter-term Treasuries during the quarter. At quarter-end, the 30-year Treasury yield was 4.13%, while the 10-year and 2-year yields were 3.79% and 3.64%, respectively. High yield bond yields were around 7.0%, while investment grade corporate bonds were yielding about 4.7%. The Bloomberg U.S. Aggregate Index and the Bloomberg High Yield Index posted similar returns in the quarter, earning 5.2% and 5.3%, respectively.

The DIT Stock Fund's outperformance of the 65% Russell 3000/35% MSCI EAFE Index was due to the international equity managers combining to beat the MSCI EAFE Index by 640 bps. The Avantis International Small Cap Value Fund (+13.1%) outperformed the

**42% Russell 3000/23% MSCI EAFE/35% Blbg Agg*

benchmark and the Silchester International Investors Business Trust Fund (+7.7%) was ahead of the index through August before it was removed from the portfolio. Domestic equity did not fare as well versus the Russell 3000 Index, lagging the benchmark by 30 bps. The John W. Bristol Equity (+5.5%) and the Westfield Large Cap Growth (+3.2%) accounts, which comprised over half the domestic equity segment, underperformed the Index. Conversely, the Dodge & Cox Stock Fund (+7.2%), the Vanguard Mid Cap Index Fund (+9.4%), and the Vanguard S&P Small Cap 600 Value Index Fund (+11.3%) beat the benchmark, as value and smaller cap stocks outperformed.

Outperformance from the IR&M Core Plus Bond SRI account (+5.6%) and the Loomis Sayles Core Plus SRI Fund (+5.4%) contributed to the DIT Income Fund outperforming the Bloomberg U.S. Aggregate Index (+5.2%) during the quarter. The BrandywineGLOBAL - High Yield Fund return (+4.6%) detracted modestly due to limited exposure to CCC & below rated bonds and a duration underweight.

The passively managed DIT Fossil Fuel Free Stock Fund increased 6.6% in the third quarter, surpassing the blended 85% Russell 3000/15% MSCI EAFE Index by 20 bps. Aperio's lack of exposure to fossil fuels contributed to relative results, as energy was the only sector in the Russell 3000 Index to experience a negative return.

The Trustees realigned the international equity segment of the DIT Stock Fund during the quarter to increase manager and style diversity and improve liquidity. In August, \$10 million was redeemed from the Silchester International Investors Business Trust Fund and the proceeds were reinvested evenly between the Avantis International Small Cap Value Fund and the Vanguard FTSE Developed Markets Index ETF (new manager). In September, Silchester was terminated due to concerns performance would suffer going forward due to investment team personnel change. The proceeds were distributed to the Vanguard FTSE Developed Markets Index ETF (\$9.2 million) and another new manager, the MFS International Equity Fund (\$13.7 million).

The fee for combined management, consulting, custody, and accounting services for DIT Stock Fund investments is 72 basis points annually, the fee for DIT Income Fund Investments is 35 basis points annually, and the fee for DIT Fossil Fuel Free Stock Fund Investments is 47 basis points annually. There are no additional or underlying fees on your DIT investments.

The Trustees currently recommend a 65% Stock Fund/35% Income Fund allocation for investments in the DIT. We respectfully remind DIT participants that they can delegate to us responsibility for maintaining the allocation of their agency funds or, if preferred, specify an allocation where their agency funds will be automatically restored on a quarterly basis. We would also encourage DIT participants who have not already done so to review their current agency fund allocations.

As always, we welcome invitations from parishes and affiliated organizations to discuss existing or prospective investments in the DIT. A meeting with TOD representatives can be arranged by contacting the DIT's Investment Coordinator, Bill Boyce, at 617-482-4826, x557, or bboyce@diomass.org.



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Income Research & Management, LLC
Loomis Sayles & Company, LP
Brandywine Global Investment Management, LLC

Stock Fund:

John W. Bristol & Company
Westfield Capital Management, LLP
Dodge & Cox
The Vanguard Group, Inc.
MFS Investment Management
Avantis Investors

Diocesan Fossil Fuel Free Fund:

Aperio Group, LLC

Trustees of Donations to the Protestant Episcopal Church

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