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Diocesan Investment Trust Quarterly Report December 2024

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Performance Summary

<i>Performance by Quarter</i>	12/31/2024	9/30/2024	6/30/2024	3/31/2024
DIT Income Fund				
Share Price	\$7.91	\$8.21	\$7.86	\$7.90
Dividend Rate	\$0.05	\$0.05	\$0.05	\$0.05
DIT Stock Fund				
Share Price	\$307.91	\$310.99	\$289.95	\$287.07
Dividend Rate	\$2.34	\$0.71	\$0.74	\$0.56
DIT Fossil Fuel Free Fund				
Share Price	\$234.92	\$233.52	\$220.07	\$216.05
Dividend Rate	\$0.83	\$0.72	\$0.99	\$0.81

<i>Total Assets by Fund</i>	12/31/2024
DIT Income Fund	\$96,814,524
DIT Stock Fund	\$166,296,191
DIT Fossil Fuel Free Fund	\$38,575,808
Total Assets	\$301,686,523

<i>Total Returns ¹</i>	4th Qtr	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
DIT Total Fund (Combined Agency & Trust Funds)	-1.1%	11.4%	11.4%	3.7%	7.4%	7.0%	6.9%
DIT Total Fund (Trust Funds Only)²	-1.0%	12.0%	12.0%	4.0%	7.8%	7.4%	7.2%
<i>42% Russell 3000/23% MSCI EAFE (net) /35% Blbg Agg</i>	-1.9%	11.0%	11.0%	3.0%	7.0%	7.0%	7.1%
DIT Income Fund	-2.9%	2.6%	2.6%	-1.2%	1.3%	2.3%	2.1%
<i>Bloomberg U.S. Aggregate</i>	-3.1%	1.3%	1.3%	-2.4%	-0.3%	1.0%	1.3%
DIT Stock Fund	-0.1%	17.1%	17.1%	6.9%	10.6%	9.6%	9.6%
<i>65% Russell 3000/35% MSCI EAFE (Net)</i>	-1.2%	16.6%	16.6%	5.8%	10.7%	10.0%	10.0%
<i>80% S&P 500/20% MSCI EAFE (Net)³</i>	0.3%	20.6%	20.6%	7.5%	12.6%	11.9%	11.6%
<i>MSCI AC World (Net)⁴</i>	-1.0%	17.5%	17.5%	5.4%	10.1%	9.2%	9.2%
DIT Fossil Fuel Free Fund⁵	1.1%	20.9%	20.9%	6.9%	12.4%	11.9%	NA
<i>85% Russell 3000/15% MSCI EAFE (Net)</i>	1.0%	20.7%	20.7%	7.1%	12.5%	11.8%	NA

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

² 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.

³ The Trustees changed the DIT Stock Fund Policy Benchmark from 65% Russell 3000/35% MSCI EAFE to 80% S&P 500 / 20% MSCI EAFE in November 2024.

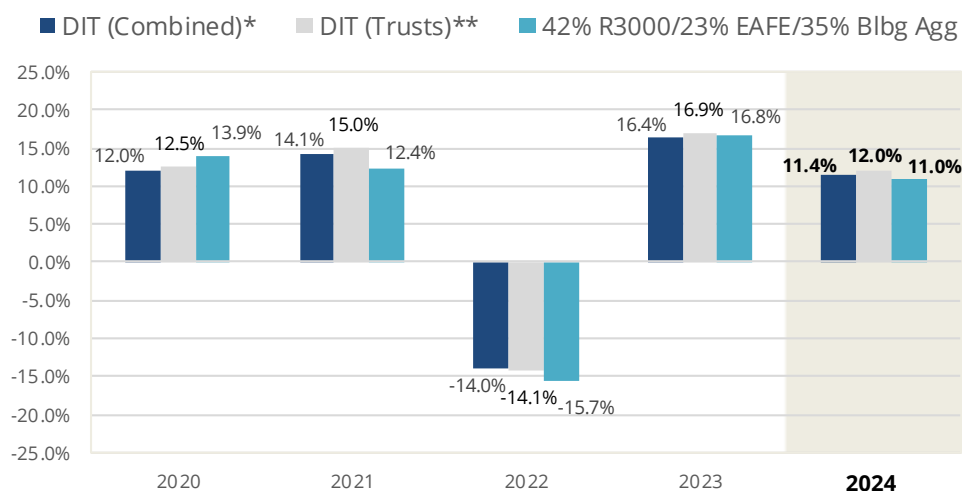
⁴ MSCI ACWI (net) represents the DIT Stock Fund's benchmark through July 2020.

⁵ Inception Nov. 2015. Passively managed; will outperform benchmark during periods of energy sector stocks lagging other market sectors due to fossil fuel company underweight.

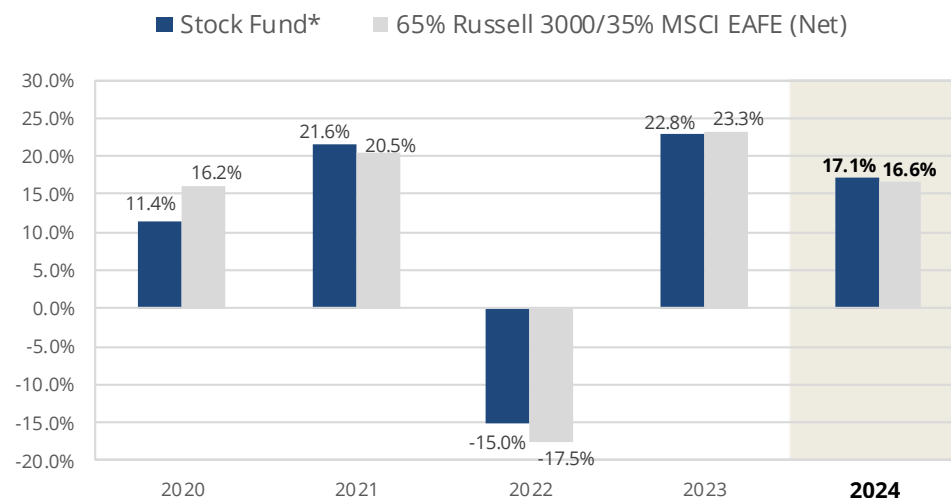


Calendar Year Performance

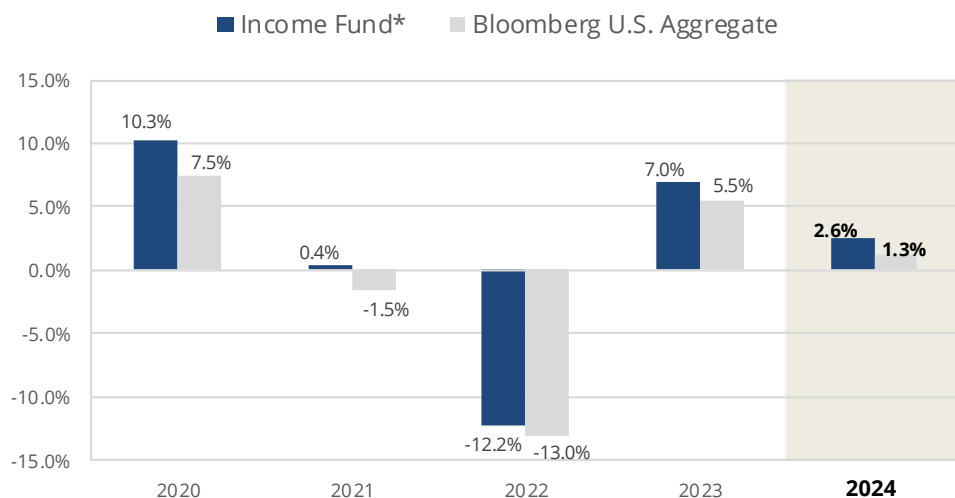
DIT Total Fund



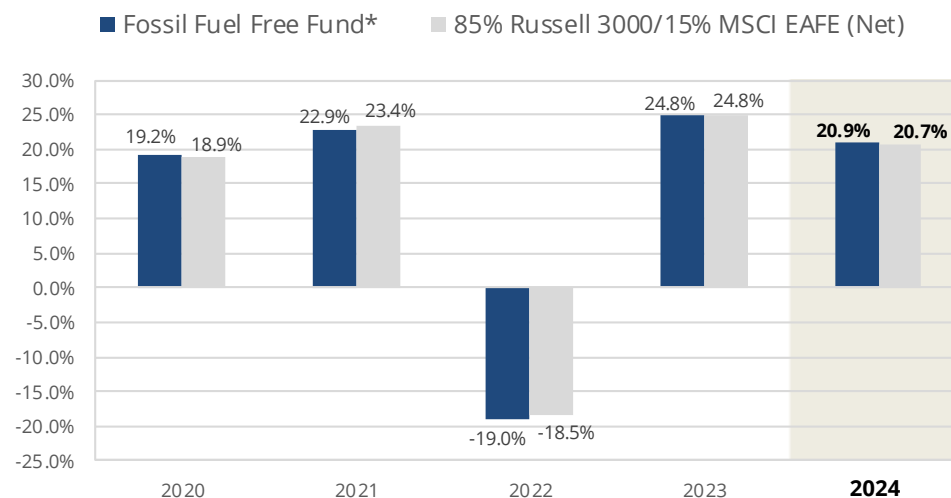
DIT Stock Fund



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.

**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.

Dear DIT Participant:

The DIT Total Fund, comprised of the Stock and Income Funds, lost 1.0% in the fourth quarter, but beat the index* by 90 bps. The DIT Stock Fund (-0.1%) drove the outperformance, surpassing the 65% Russell 3000/35% MSCI EAFE Index by 110 bps. The DIT Income Fund (-2.9%) outpaced the Bloomberg U.S. Aggregate Index by 20 bps. For the year, the DIT Total Fund gained 12.0%, 100 bps more than the policy index.

Domestic equity markets posted gains for the fifth consecutive quarter. The Russell 3000 Index added 2.6% and continued to reach new heights during the period. Market gains were concentrated in November, due to a post-election rally generated by investor optimism in the early weeks. The quarter saw large cap stocks beating small cap stocks and growth stocks outperforming value stocks. The Russell 1000 Index gained 2.7% versus 0.3% for the Russell 2000 Index and the Russell 3000 Growth Index gained 6.8% compared to a 1.9% loss for the Russell 3000 Value Index. Consumer discretionary (+12.2%) was the best performing sector during the quarter, boosted by an outsized gain from Tesla (+54.4%), the largest individual contributor to the benchmark's performance. Donald Trump's election was perceived as a positive for the EV maker, as CEO Elon Musk was one of his largest campaign contributors. Communications services (+8.9%) followed consumer discretionary, with blue chips Alphabet (+14.3%) and Netflix (+25.7%) posting significant gains. Financials (+7.6%) also rose on the expectation that the incoming GOP leadership will rollback regulations. Materials (-10.8%) and healthcare (-9.7%) were the worst performing sectors in the quarter. Metals and mining stocks led the materials decline, while within healthcare, pharma and biotech stocks sold off on concerns about adverse regulatory changes.

Outside of the U.S., developed equity markets lost ground during the fourth quarter due to Trump's protectionist views, political upheaval, and slow economic growth. Losses were amplified by a strengthening dollar, resulting in the MSCI EAFE Index falling 8.1%. The broad decline was felt across most countries, with many experiencing double digit losses. Portugal (-22.7%) and Denmark (-21.5%) fell more than 20%. Of the 21 countries in the index, only Israel (+14.3%), Singapore (+3.2%), and Austria (+1.1%) posted gains. As in the U.S., small cap stocks underperformed, with the MSCI EAFE Small Cap Index losing 8.4%. Unlike the U.S., value stocks outperformed growth stocks. The MSCI EAFE Value Index fell 7.1%, while the MSCI EAFE Growth Index dropped 9.1%.

The Federal Reserve cut rates by 25 bps twice during the quarter, but reduced its guidance to only two additional rate cuts in 2025. Housing prices remained elevated and continued to keep overall inflation above the Federal Reserve's 2.0% target. The U.S. Treasury yield curve continued to steepen with yields falling at the front end and rising as duration increased along the spectrum. At quarter-end, the 2-year note yielded 4.24%, the 10-year note yielded 4.57%, and the 30-year bond yielded 4.78%. U.S. corporate bonds and MBS (30Y) were both yielding 5.3% at quarter-end, while High yield bond yields were at 7.6%. During the quarter, the Bloomberg U.S. Aggregate Index lost 3.1% and the Bloomberg High Yield Index gained 0.2%.

The DIT Stock Fund's outperformance of the 65% Russell 3000/35% MSCI EAFE Index

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

was due to a modest overweight to domestic equity (+2.2%) combined with international equity (-7.3%) outpacing the MSCI EAFE Index by 80 bps. The only international manager to beat the index, the Avantis International Small Cap Value Fund (-5.5%), outperformed the benchmark by 260 bps. Domestic equity underperformed the Russell 3000 Index by 40 bps due to a slight underweight to growth stocks and the large cap growth manager, Westfield (+6.6%), trailing the Russell 1000 Growth Index (+7.1%) by 50 bps. John W. Bristol Equity (+3.0%) beat the S&P 500 Index (+2.4%) by 60 bps and the Dodge & Cox Stock Fund (-1.5%) outpaced the Russell 1000 Value Index (-2.0%) by 50 bps. Down cap, the Vanguard Mid Cap Index Fund (+0.5%) and the Wasatch Small Cap Value Fund (+0.4%) posted gains in line with their benchmarks.

DIT Income Fund outperformed the Bloomberg U.S. Aggregate Index during the quarter due to the IR&M Core Plus Bond SRI strategy (-2.5%) beating the benchmark by 60 bps and the BrandywineGLOBAL - High Yield Fund (+1.6%) surpassing the Bloomberg High Yield Index by 140 bps. The Loomis Sayles Core Plus SRI Fund (-3.5%) underperformed the index by 40 bps due to an overweight to MBS.

The passively managed DIT Fossil Fuel Free Stock Fund gained 1.1% in the fourth quarter, beating the blended 85% Russell 3000/15% MSCI EAFE Index by 10 bps. Aperio's lack of exposure to fossil fuels contributed to relative results, as the energy sector in the Russell 3000 Index experienced a negative return, declining 0.8%.

The Trustees transitioned the small cap value allocation in the DIT Stock Fund from a passively managed fund to an actively managed strategy. In October, the Vanguard S&P Small Cap 600 Value Index Fund was replaced by the Wasatch Small Cap Value Fund with the expectation that active management may offer higher returns and better protection in down markets.

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. The Trustees changed the DIT Stock Fund Policy Benchmark from 65% Russell 3000/35% MSCI EAFE to 80% S&P 500/20% MSCI EAFE. Both benchmarks are presented in this quarter's performance. 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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Loomis Sayles & Company, LP
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Westfield Capital Management, LLP
Dodge & Cox
Wasatch Global Investors
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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