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Donations

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Diocesan Investment Trust Quarterly Report June 2025

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Performance Summary

<i>Performance by Quarter</i>	6/30/2025	3/31/2025	12/31/2024	9/30/2024
DIT Income Fund				
Share Price	\$8.15	\$8.10	\$7.91	\$8.21
Dividend Rate	\$0.05	\$0.05	\$0.05	\$0.05
DIT Stock Fund				
Share Price	\$333.85	\$300.69	\$307.91	\$310.99
Dividend Rate	\$0.84	\$0.71	\$2.34	\$0.71
DIT Fossil Fuel Free Fund				
Share Price	\$250.30	\$225.73	\$234.92	\$233.52
Dividend Rate	\$1.13	\$0.79	\$0.83	\$0.72

<i>Total Assets by Fund</i>	6/30/2025
DIT Income Fund	\$99,883,802
DIT Stock Fund	\$178,977,283
DIT Fossil Fuel Free Fund	\$41,272,769
Total Assets	\$320,133,854

<i>Total Returns¹</i>	2nd Qtr	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
DIT Total Fund (Combined Agency & Trust Funds)	7.7%	7.5%	13.3%	12.2%	9.6%	8.0%	7.3%
DIT Total Fund (Trust Funds Only)²	8.2%	7.7%	13.9%	12.7%	10.1%	8.4%	7.6%
<i>Policy Index³</i>	7.6%	7.2%	11.6%	12.2%	8.9%	8.1%	7.4%
DIT Income Fund	1.6%	4.4%	6.6%	3.9%	0.9%	3.0%	2.5%
<i>Bloomberg U.S. Aggregate</i>	1.2%	4.0%	6.1%	2.5%	-0.7%	1.8%	1.8%
DIT Stock Fund	11.5%	9.2%	17.5%	17.7%	14.9%	10.8%	10.1%
<i>DIT Stock Fund Policy Index⁴</i>	11.2%	8.9%	14.7%	17.7%	14.4%	11.5%	10.7%
DIT Fossil Fuel Free Fund⁵	11.6%	7.7%	16.0%	18.3%	14.9%	12.6%	NA
<i>85% Russell 3000/15% MSCI EAFE (Net)</i>	11.1%	7.8%	15.8%	18.7%	15.3%	12.6%	NA

¹ Performance is preliminary and gross of custody fees, consulting fees, administrative fees, and investment management fees for separately managed accounts and commingled vehicles, but net of mutual fund and ETF investment management fees. Total returns reflect the change in unit values and assume automatic reinvestment of dividends.

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 Policy Index is currently 52% S&P 500/13% MSCI EAFE/35% Blbg U.S. Agg. From August 2020 through December 2024, it was 42% Russell 3000/23% MSCI EAFE (net)/35% Blbg U.S. Agg. Prior to August 2020 it was 65% MSCI ACWI (net)/35% Blbg U.S. Agg.

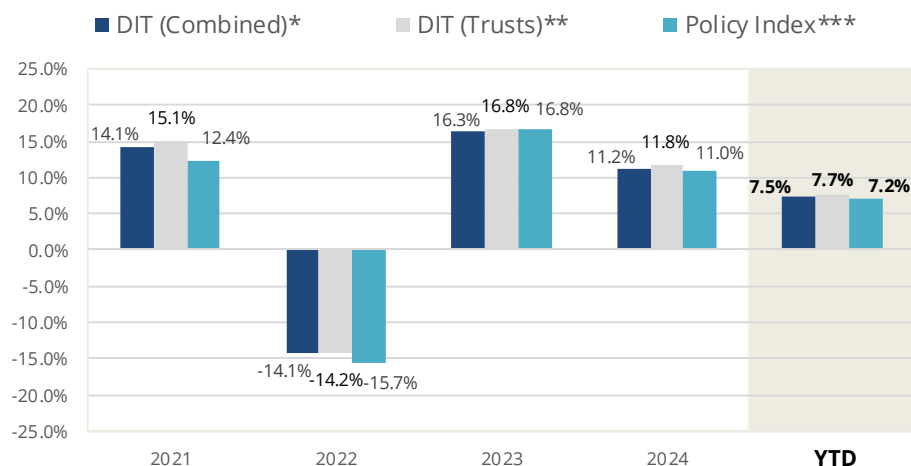
⁴ DIT Stock Fund Policy Index is currently 80% S&P 500 / 20% MSCI EAFE (net). From August 2020 through December 2024, it was 65% Russell 3000/35% MSCI EAFE (net). Prior to August 2020, it was the MSCI ACWI (net).

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.

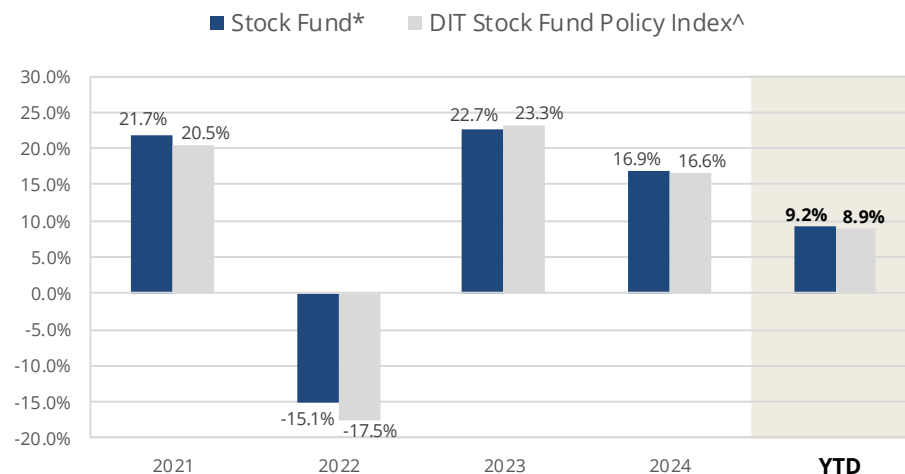


Calendar Year Performance

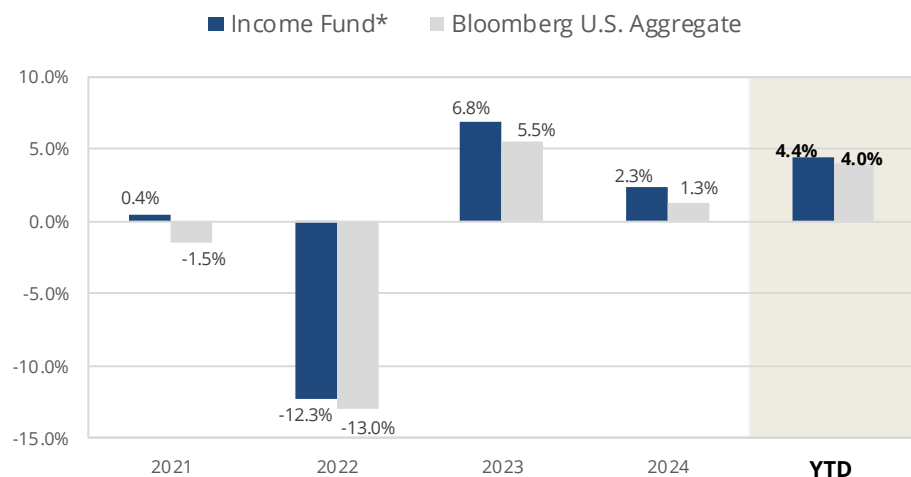
DIT Total Fund



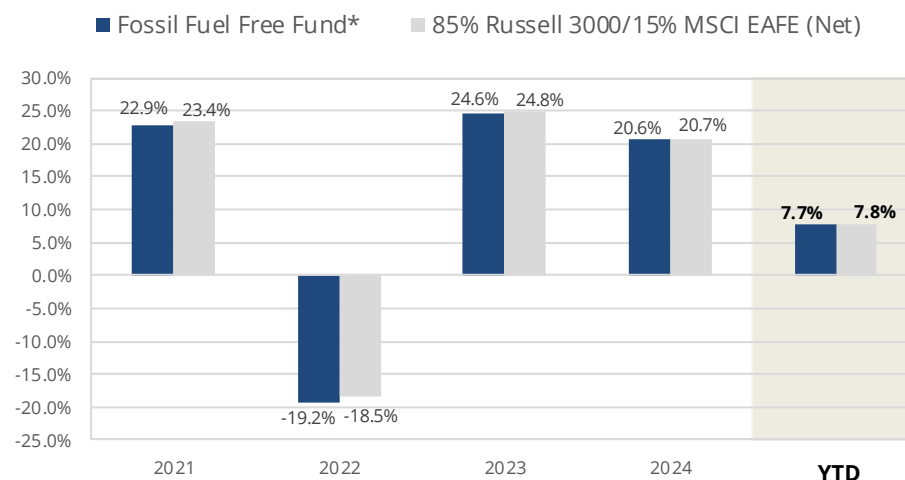
DIT Stock Fund



DIT Income Fund



DIT Fossil Fuel Free Fund^^



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Dear DIT Participant:

The DIT Total Fund, comprised of the Stock and Income Funds, gained 8.2% (gross)* in the second quarter, outperforming the index** by 60 bps. The DIT Income Fund (+1.6%) beat the Bloomberg U.S. Aggregate Index (+1.2%) by 40 bps. The DIT Stock Fund (+11.5%) outperformed the 80% S&P 500/20% MSCI EAFE Index (+11.2%) by 30 bps.

U.S. equity markets rebounded sharply from first quarter loses. The S&P 500 Index gained 10.9% in the second quarter, while the broader Russell 3000 Index added 11.0%. The quarter began with a steep downturn, as the “Liberation Day” tariff announcement unnerved investors. When the Administration delayed and walked back tariffs the following week, the S&P 500 Index gained 9.5% in one day, its best one-day showing since October 2008. Equities, globally and domestically, rallied in May and June, with the S&P 500 and Nasdaq reaching all-time highs. The Magnificent 7 stocks, which came under pressure earlier in the year on trade war concerns, rebounded sharply, with NVIDIA (+45.8%) and Microsoft (+32.8%) leading the way. Due to the outsized gains from mega cap technology stocks, large caps outperformed small caps and growth stocks outpaced value stocks. The Russell 1000 Index gained 11.1% versus 8.5% for the Russell 2000 Index, while the Russell 3000 Growth Index gained 17.6% versus 3.8% for the Russell 3000 Value Index. IT (+23.5%) and communications services (+19.0%) were the best performing sectors over the quarter. Industrials (+13.6%) and consumer discretionary (+11.5%), two sectors uniquely sensitive to global trade, also posted double-digit gains. Energy (-7.3%), the best performing sector during the prior quarter, posted the largest drawdown, as oil and natural gas prices declined.

Non-U.S. developed equity markets continued to rally in the second quarter amid ongoing uncertainty with U.S. policy toward global trade. The MSCI EAFE Index gained 11.8% and every country in the Index returned at least +7.0%. Portugal (+24.9%), Austria (+23.8%), and Israel (+22.3%) led the way. Similar to the U.S., growth stocks outperformed value stocks in non-U.S. developed markets with the MSCI EAFE Growth Index gaining 13.5% versus the MSCI EAFE Value Index's 10.1% gain. Unlike the U.S., small cap stocks outperformed large cap stocks. The MSCI EAFE Small Cap Index added 16.6%, while the MSCI EAFE Large Cap Index gained 11.0%.

The Federal Reserve held interest rates steady in the second quarter with some increased uncertainty on two anticipated rate cuts later in the year. Economic growth is slowing and unemployment is rising, which would normally signal rate cuts, but there is also concern about inflation increasing due to higher tariffs. The U.S. Treasury yield curve steepened during the quarter amid uneasiness over the rising federal deficit with the anticipated passage of the administration's Big Beautiful Bill. At quarter-end, the 2-year Treasury yield was 3.71%, the 10-year Treasury yield stood at 4.23%, and the 30-year Treasury yield was 4.79%. Investment grade corporate bonds were yielding 4.99% at quarter-end with credit spreads at 83 bps, significantly below the historical average. In this environment, the Bloomberg U.S. Aggregate Index gained 1.2%. High yield credit spreads also remained well below the historical average at 290 bps. This helped the Bloomberg High Yield Index gain 3.5% in the quarter.

For the second quarter, the DIT Stock Fund (+11.5%) outperformed the 80% S&P 500/20% MSCI EAFE Index (+11.2%). Domestic equity (+11.2%) surpassed the S&P 500 Index (+10.9%) on the strength of Westfield Large Cap Growth's 20.3% gain. John W. Bristol Equity (+9.9%), the Dodge & Cox Stock Fund (+3.8%), the Vanguard Mid Cap Index Fund (+8.7%), and the Wasatch Small Cap Value Fund (+5.7%) also posted gains in the quarter. International equity (+13.1%) outperformed the MSCI EAFE Index (+11.8%), as the Avantis International Small Cap Value Fund gained +15.3% and the Vanguard FTSE Developed Markets ETF added +13.0%. The MFS International Equity Fund (+10.1%) also posted a double-digit gain.

The DIT Income Fund (+1.6%) outperformed the Bloomberg U.S. Aggregate Index (+1.2%) by 40 bps as all three managers outperformed the broad market benchmark. The IR&M Core Plus Bond SRI strategy and Loomis Sayles Core Plus SRI Fund gained 1.6% and the BrandywineGLOBAL – High Yield Fund added 1.7%.

The passively managed DIT Fossil Fuel Free Stock Fund (+11.6%) outperformed the blended 85% Russell 3000/15% MSCI EAFE Index (+11.1%) by 50 bps. Aperio's lack of exposure to fossil fuels helped relative results, as energy was the worst performing sector in the Russell 3000 Index.

At the end of April, the Investment Committee increased the international equity allocation of the DIT Stock Fund. Redemptions of \$2.5 million each were taken from Westfield Large Cap Growth, John W. Bristol Equity, the Vanguard Mid Cap Index Fund, and the Dodge & Cox Stock Fund. The proceeds were split evenly between the Avantis International Small Cap Value Fund and the Vanguard FTSE Developed Markets ETF.

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. As of June 30, 2025, the Trust Fund allocation was 69% Stock Fund/31% Income Fund. 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.

*Gross of custody fees, consulting fees, administrative fees, and investment management fees for separately managed accounts and commingled vehicles, but net of mutual fund and ETF investment management fees.

**52% S&P 500/13% MSCI EAFE/35% Blbg U.S. Agg.



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Prime Buchholz, LLC

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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
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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