

**President's
217th Annual Report
(for the Year Ending December 31, 2025)**

The 217th year of the Trustees of Donations was marked by strong investment performance amid continued economic uncertainty and evolving market dynamics. Equity markets delivered robust returns, with the S&P 500 advancing 17.9% for the year, marking a third consecutive year of double-digit gains. Market leadership remained highly concentrated, with a small number of companies accounting for a disproportionate share of index returns, continuing a trend observed in recent years.

While U.S. equity markets generated strong absolute returns, performance across market segments was uneven. Large-cap stocks outperformed mid- and small-cap equities, and growth remained a dominant theme despite a late-year rotation toward value. Periods of volatility—particularly tied to tariff announcements and shifting policy expectations—highlighted the sensitivity of U.S. markets to macroeconomic developments, even as underlying economic growth remained relatively resilient. International developed markets also posted strong gains, with the MSCI EAFE Index rising 31.2% for the year, supported by a weakening U.S. dollar and strength in the financials and defense sectors. Value outperformed growth in international equity markets.

Inflation moderated from prior highs but remained above long-term targets. The Federal Reserve shifted toward a more accommodative monetary policy, reducing FOMC interest rates by 75 basis points in the final third of the year. Fixed income markets responded positively, with the Bloomberg U.S. Aggregate Index returning 7.3% in 2025.

Against this backdrop, the Diocesan Investment Trust (“DIT”) delivered strong absolute returns. The DIT Total Fund returned approximately 13.3% for the year (net), with Trust Funds returning 13.8%, modestly trailing the policy index but continuing to generate attractive long-term, risk-adjusted results. Over longer periods, the DIT has maintained a disciplined investment approach, producing consistent returns aligned with its objective of supporting a sustainable 4% spending policy over time.

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.

We have much to celebrate. I’d like to recognize and celebrate the work we have accomplished this past year.

Investment Committee

Under the leadership of George Noyes, Chair, and Dan Rasmussen, Deputy Chair, the Investment Committee continued to provide thoughtful oversight of the portfolio. Given the volatility and uncertainty in the market, the Committee had a particularly active year, prudently repositioning the portfolio as conditions evolved. The Committee’s engagement remains critical in navigating a concentrated equity market, managing risk, and positioning the portfolio for long-term success.

The Committee maintained its focus on balancing active and passive strategies, monitoring manager performance, and ensuring alignment with TOD’s long-term investment objectives. Continued collaboration with Prime Buchholz has strengthened the Committee’s ability to make informed, data-driven decisions.

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, 2025):

Total Returns¹	1 Year	3 Years	5 Years	7 Years	10 Years
Trust Funds ²	13.3%	13.1%	7.0%	9.1%	7.5%
DIT Total Fund <i>(Trust & Agency: Ex Fossil Fuel Free Fund)</i>	13.8%	13.7%	7.4%	9.6%	7.9%
<i>Policy Index³</i>	15.9%	14.5%	7.3%	10.1%	8.6%

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

²Represents 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.

³Policy Index as of 12/31/2024: 52% S&P 500 Index/ 13% MSCI EAFE Index (Net0/ 35% Bloomberg Agg Index (Components have changed over time).

Trust & Governance Committee

We extend our appreciation to Judy Edington and the Trust & Governance Committee for their ongoing work overseeing trust administration and beneficiary matters. The Committee continues to provide thoughtful guidance on complex requests and ensures that TOD fulfills its fiduciary responsibilities with care and integrity.

As a result of their review, temporarily increased distributions from Trust Funds were authorized for several beneficiaries, including St. Andrew’s, Hanover; St. Martin’s, New Bedford; and Trinity/Trinidad, Haverhill. The Committee also drafted and formalized a policy for reviewing and authorizing temporarily increased trust fund distributions. Thank you for your continued diligence and care.

Audit Committee

We thank Wayne Kennard and the Audit Committee for their continued guidance and oversight of our annual audit. We continue to build upon a foundation of strong administrative and accounting practices and are proud of our clean audit opinions. The Committee also reviewed and simplified the notes to the financial statements during the past year. We look forward to the 2025 audit report at our next quarterly meeting.

Treasurer and Nominating Committee

The Trustees of Donations continue to be well served by our Treasurer, Thatcher Gearhart. His stewardship ensures that the organization maintains a strong and disciplined financial foundation. Thatcher also serves as Chair of the Nominating Committee. Bishop Whitworth, the Diocesan Convention, and the Committee continue to recruit and nominate dedicated and highly qualified volunteers to our Board. Today, we celebrate the reappointment and election of Ben Faucett, Thatcher Gearhart, and Torin Koester. Thank you to Thatcher and the Nominating Committee.

Alice V. Johnson Merit Scholarship Committee

Under the leadership of Donald Sanya, the Scholarship Committee continues to support young Episcopalians through meaningful financial assistance. The Committee's work reflects TOD's broader mission of supporting ministry and community development across the Diocese. In 2025, seven young Episcopalians in the Mystic Valley Deanery were awarded a total of \$31,000 in scholarships. Thank you to Donald and the Committee.

Nardin Baker, Vice President

I extend my gratitude to Nardin Baker for his support and leadership as Vice President. Nardin has served TOD for more than 20 years and has been instrumental this year in reviewing our investment performance reporting. He serves on the Investment Committee, SRI Committee, and Trust & Governance Committee. Thank you for your continued leadership and dedication.

SRI Committee

We extend our gratitude to the Socially Responsible Investing Committee, led by Adam Rutledge. The Committee continues to thoughtfully implement TOD's commitment to responsible investing through proxy voting and engagement, ensuring that our investment practices reflect our shared Episcopal values.

Client Service

The Investment Coordinator plays a vital role in the day-to-day operations of the Trustees of Donations. The successful administration of our Trust and Agency accounts across 146 participants is only possible through this support.

Building on a strong foundation, Bill increased engagement with church investors, launched a new website, implemented a web-based newsletter, and enhanced the use of technology in daily operations. His professionalism, communication skills, and commitment to our churches have strengthened participant relationships and supported continued growth in DIT participation.

Conclusion

The challenges of an increasingly complex and uncertain world continue to shape our operating environment. Market concentration, geopolitical tensions, and shifting economic conditions require ongoing vigilance and adaptability.

Yet, through these challenges, the Trustees of Donations remain steadfast in our mission. Our disciplined investment approach, strong governance, and commitment to long-term stewardship position us well to support the ministries of our participants for generations to come. Each Trustee contributes meaningfully through their time, expertise, and dedication. It is both a privilege and an honor to serve alongside you. With the continued confidence of our participants, I look ahead to the coming year with optimism and resolve.

Thank you for your continued service and commitment.

Respectfully Submitted,

Elizabeth Westvold

Elizabeth M. Westvold, CFA

President, Trustees of Donations to the Protestant Episcopal Church