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Donations

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Diocesan Investment Trust Quarterly Report September 2026

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Performance Summary

<i>Performance by Quarter</i>	<i>9/30/2026</i>	<i>6/30/2026</i>	<i>3/31/2026</i>	<i>12/31/2025</i>
DIT Income Fund				
Share Price	\$7.96	\$8.32	\$8.29	\$8.34
Dividend Rate	\$0.05	\$0.04	\$0.04	\$0.04
DIT Stock Fund				
Share Price	\$392.89	\$386.09	\$344.21	\$355.28
Dividend Rate	\$0.45	\$0.87	\$0.68	\$2.60
DIT Fossil Fuel Free Fund				
Share Price	\$299.83	\$298.64	\$262.97	\$275.02
Dividend Rate	\$0.79	\$1.17	\$0.86	\$0.84

<i>Total Assets by Fund</i>	<i>9/30/2026</i>
DIT Income Fund	\$106,355,406
DIT Stock Fund	\$192,511,618
DIT Fossil Fuel Free Fund	\$47,161,946
Total Assets	\$346,028,970

<i>Total Returns ¹</i>	<i>3rd Qtr</i>	<i>YTD</i>	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>	<i>7 Years</i>	<i>10 Years</i>
DIT Total Fund (Combined Agency & Trust Funds)	-0.2%	5.7%	7.3%	13.1%	6.4%	8.4%	7.8%
DIT Total Fund (Trust Funds Only)²	0.0%	6.3%	7.9%	13.7%	6.8%	8.9%	8.2%
<i>Policy Index³</i>	<i>0.1%</i>	<i>6.9%</i>	<i>9.5%</i>	<i>14.7%</i>	<i>7.2%</i>	<i>9.1%</i>	<i>8.6%</i>
DIT Income Fund	-3.9%	-3.0%	-2.0%	4.5%	-0.2%	1.3%	1.9%
<i>Bloomberg U.S. Aggregate</i>	<i>-3.5%</i>	<i>-2.9%</i>	<i>-1.8%</i>	<i>4.1%</i>	<i>-0.6%</i>	<i>0.4%</i>	<i>1.1%</i>
DIT Stock Fund	1.9%	11.1%	13.2%	18.7%	10.5%	12.5%	11.2%
<i>DIT Stock Fund Policy Index⁴</i>	<i>2.0%</i>	<i>12.3%</i>	<i>15.8%</i>	<i>20.7%</i>	<i>11.4%</i>	<i>13.8%</i>	<i>12.5%</i>
DIT Fossil Fuel Free Fund⁵	0.7%	10.1%	13.0%	20.6%	11.1%	13.8%	13.2%
<i>85% Russell 3000/15% MSCI EAFE (Net)</i>	<i>1.3%</i>	<i>12.2%</i>	<i>15.3%</i>	<i>21.8%</i>	<i>12.2%</i>	<i>14.8%</i>	<i>13.9%</i>

¹ Performance is preliminary and net of custody fees, consulting fees, administrative fees, and 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 (Net)/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.

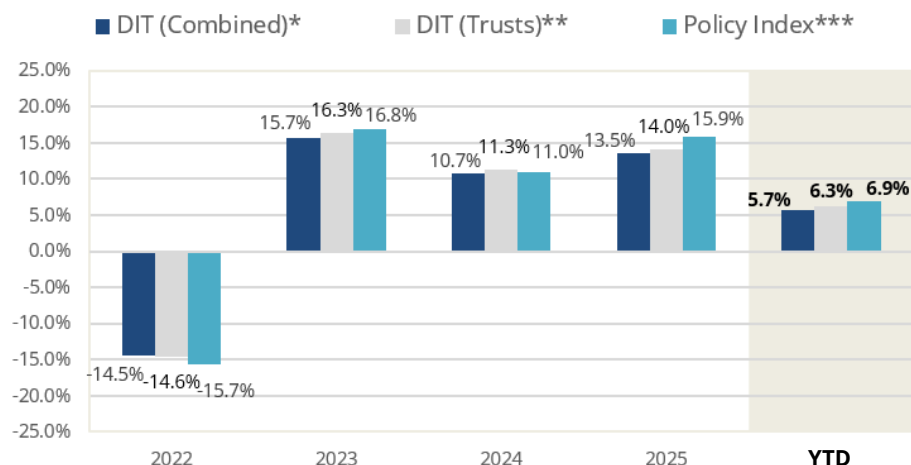
⁴ DIT Stock Fund Policy Index is currently 80% S&P 500 / 20% MSCI EAFE (Net). From August 2020 through December 2024, it was 65% Russell 3000/35% MSCI EAFE (Net). Prior to August 2020, it was the MSCI ACWI (Net).

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

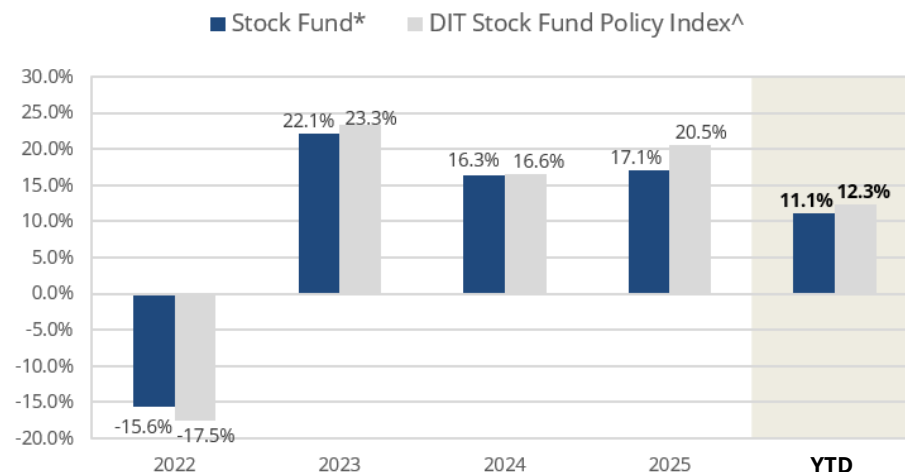


Calendar Year Performance

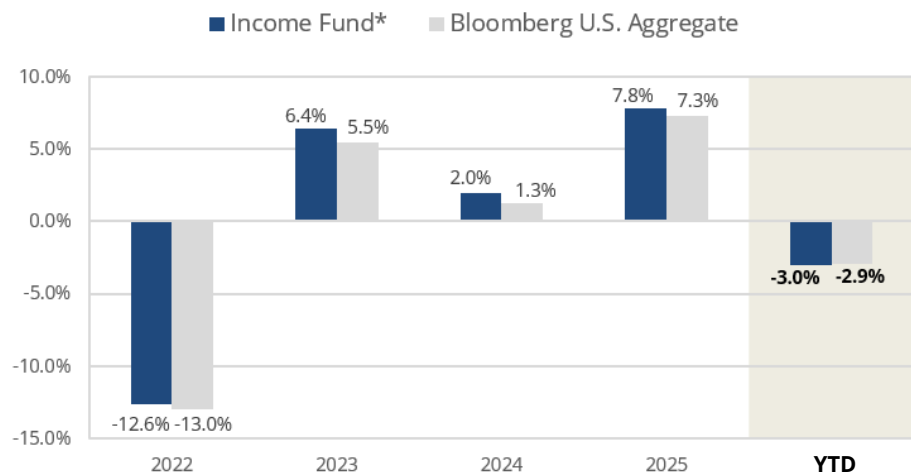
DIT Total Fund



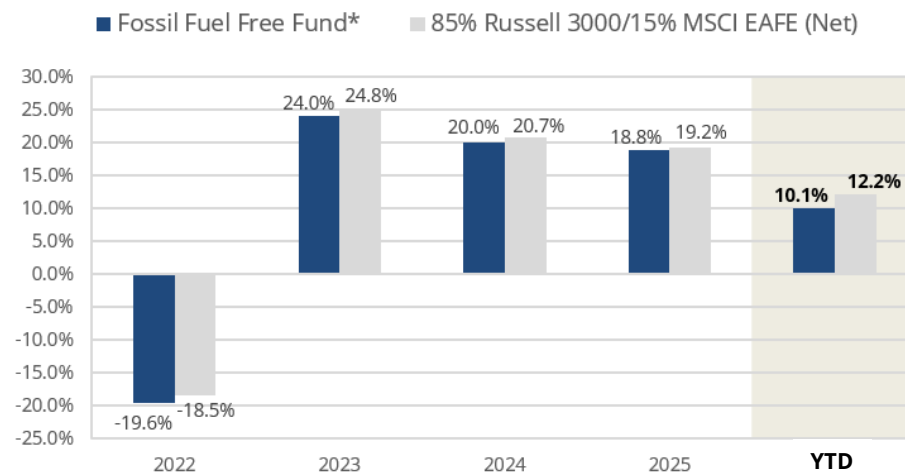
DIT Stock Fund



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, returned 0.0% (net)* in the third quarter, underperforming the index** by 10 bps. The DIT Stock Fund (+1.9%) underperformed the 80% S&P 500/20% MSCI EAFE Index by 10 bps and the DIT Income Fund (-3.9%) underperformed the Bloomberg U.S. Aggregate Index by 40 bps.

The U.S. stock market cooled in the third quarter but still generated positive returns. The S&P 500 Index reached multiple all-time highs, gaining 2.3% during the period, while the broader Russell 3000 Index rose 1.4%. Strong corporate earnings and continued investment in artificial intelligence (AI) benefited market performance, but rising oil prices, persistent inflation, and historically high bond yields muted returns. Market leadership narrowed in this environment toward mega-cap stocks. Small cap stocks, which rallied significantly in the first half of the year, experienced losses. The small cap focused Russell 2000 Index fell 7.2% in the quarter. Within the S&P 500 Index, just four of the eleven sectors posted gains. The energy sector rebounded from being the worst-performing sector in the second quarter to the best-performing in the third, gaining 17.2%. Rising tensions between the United States and Iran pushed oil prices above \$100 per barrel, contributing to the sector's strong performance. Information technology followed with a 7.2% gain, benefiting from the steady cash flow into AI. Investor enthusiasm in AI also aided Communication Services (+3.6%) as Meta Platforms (+26.8%) drove sector performance. Health care (+6.5%) was also up in the period as innovations, such as GLP-1 treatments, grew corporate earnings.

Developed non-U.S. equity markets were up modestly in the third quarter with the MSCI EAFE Index gaining 0.8%. The rise in oil and natural gas prices put inflationary pressure on the economy, hindering growth. This was particularly true in the Eurozone, which relies heavily on imported energy. The higher cost of fossil fuels caused the energy sector to gain 19.5% and outperform the rest of the economy. The Financials sector also posted a 6.0% gain as the European Central Bank raised key interest rates by 25 bps in September to combat energy-driven inflation. The only other sectors to generate gains were materials (+2.1%) and industrials (+0.8%). The five largest economies in the MSCI EAFE Index experienced mixed results; Japan (+6.1%), United Kingdom (+1.9%), Germany (+0.7%), Italy (+0.1%), and France (-5.4%). Japan outperformed as the Yen stabilized and strengthened against the U.S. dollar amid expectations the Bank of Japan would increase rates, while France had a negative return due to escalating debt coupled with political gridlock that caused a sell-off in government bonds.

The Federal Open Markets Committee (FOMC) voted unanimously to raise rates for the first time since July 2023 with a 25-bps increase at the September meeting. The decision reflected persistent inflation above the Fed's 2% target and concerns that prolonged inflation could influence future wage and pricing decisions. In response to the rate hike, the 2-year Treasury note increased to 4.9% on September 30th from 4.3% on August 31st, the 10-year note rose to 5.3% from 4.8%, and the 30-year bond increased to 5.6% from 5.2%. Credit spreads widened slightly during the month with the U.S. Corporate spread at 80 bps, up from 78 bps. Largely due to the rising rates, the Bloomberg U.S. Aggregate Index lost 3.5% in the quarter.

Underperformance of the DIT Stock Fund versus the 80% S&P 500 /20% MSCI EAFE Index (+2.0%) in the third quarter was due to domestic equity (+1.7%) underperforming the S&P 500 Index (+2.3%) by 60 bps as the Dodge & Cox Stock Fund (+1.3%), trailed its benchmark, the Russell 1000 Value Index (+2.6%), by 130 bps. The Westfield Large Cap Growth account (+1.5%) surpassed the Russell 1000 Growth Index (+0.9%) by 60 bps despite trailing the S&P 500 Index. International equity (+2.3%) outperformed the MSCI EAFE Index (+0.8%) by 150 bps as both actively managed strategies outperformed their respective benchmarks. The MFS International Equity Fund (+1.8%) outpaced the MSCI EAFE Index by 100 bps and the Avantis International Small Cap Value Fund (+6.6%) outperformed the MSCI World ex U.S. Small Cap Index (+2.9%) by 370 bps.

The DIT Income Fund underperformed the Bloomberg U.S. Aggregate Index by 40 bps due to both managers trailing the benchmark. The IR&M Core Plus Bond SRI strategy (-3.8%) underperformed due to overweights to two underperforming sectors, corporate bonds and mortgage-backed securities (MBS), and the Loomis Sayles Core Plus SRI Fund (-3.9%) underperformed due to an overweight to MBS and having longer duration than the benchmark, which hurt performance when rates increased.

The passively managed DIT Fossil Fuel Free Stock Fund (+0.7%) underperformed the blended 85% Russell 3000/15% MSCI EAFE Index (+1.3%) by 60 bps. Lack of energy hurt performance as it was the best performing sector in both benchmarks.

In August, the TOD Investment Committee invested \$35 million in the Wellington U.S. Research Equity Extended Fund, funded by a redemption from the Vanguard Institutional Index Fund. The Wellington strategy replaced John W. Bristol Equity, which was terminated in the second quarter. In September, \$10M was transferred from the Vanguard Developed Markets Index Fund to the Vanguard Institutional Index Fund to move the DIT Stock Fund closer to the 80% domestic/20% international target weights.

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.

**Net of custody fees, consulting fees, administrative fees, and investment management fees.*

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



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Trustees of Donations Investment Consultant

Prime Buchholz, LLC

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Income Research & Management, LLC
Loomis Sayles & Company, LP

Stock Fund:

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

Diocesan Fossil Fuel Free Fund:

Aperio Group, LLC

Trustees of Donations to the Protestant Episcopal Church

www.trusteesofdonations.org

138 Tremont Street
Boston, Massachusetts 02111

Staff:

William Boyce, C.P.A.

Investment Coordinator

T: 617-482-4826 x557

C: 774-328-2383

E: bboyce@diomass.org

