



Equity Fund

First Quarter 2024

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OBJECTIVE & OVERVIEW

The Colorado Episcopal Foundation Equity Fund is a pooled investment fund seeking long-term growth of capital with income being an ancillary consideration. The goal of the Fund is to produce, over the long-term, a total rate of return that exceeds that of the Equity Fund Blended Benchmark, both on an absolute basis and on a risk-adjusted basis.

The Equity Fund Blended Benchmark is defined as a blended index consisting of 80% S&P 1500 Index and 20% MSCI World ex USA Index, rebalanced quarterly. Please refer to the *Index Definitions and Disclaimers* page found in the back of this report for more information on the Equity Fund's primary (blended) benchmark and further definitions of the underlying asset class benchmarks.

The investment allocation of the Equity Fund is made up of 60% U.S. Large-cap stocks, 20% U.S. Small/Mid-cap stocks and 20% Developed International stocks. The Investment Committee, with the approval of the Board of Trustees, has implemented this allocation by investing the majority of the Equity Fund assets in eight different equity mutual funds.

INVESTMENT REVIEW

In the first quarter, U.S. equity markets surged to new heights, surpassing previous records held by the leading large-cap indexes. While developed international stocks and small-to-mid-cap stocks in the U.S. also experienced robust gains, they have yet to reclaim the peak levels observed at the end of 2021. Within the developed international segment, after three decades of lackluster performance, Japan's stock market, measured by the benchmark Nikkei 225 index, also reached new all-time highs, and surpassed a level not seen since 1998. This sustained momentum, building on the robust "everything rally" of the fourth quarter, is particularly encouraging amidst the volatility in interest rate markets and the Federal Reserve's ongoing efforts to reduce inflation to target levels.

Much of the increase seen across the equity markets is the result of an increase in price-to-earnings multiples. For example, in 2023, EPS growth in the S&P 500 was virtually flat at +0.4% during the year – stable, yet not robust. Meanwhile, the P/E ratio on the S&P 500 increased from a fairly valued 17x, which is roughly equivalent to its 30-year average, to a level of 21x. The optimism in equity markets is two-fold: (1) expectations of an easing of financial conditions and (2) expectations of higher forward growth prospects with the advent and widespread adoption of artificial intelligence tools. It remains to be seen how much of this investor sentiment is warranted, as uncertainty around interest rate reductions and the amount of growth attributable to AI will actually percolate into the economy in the intermediate term.

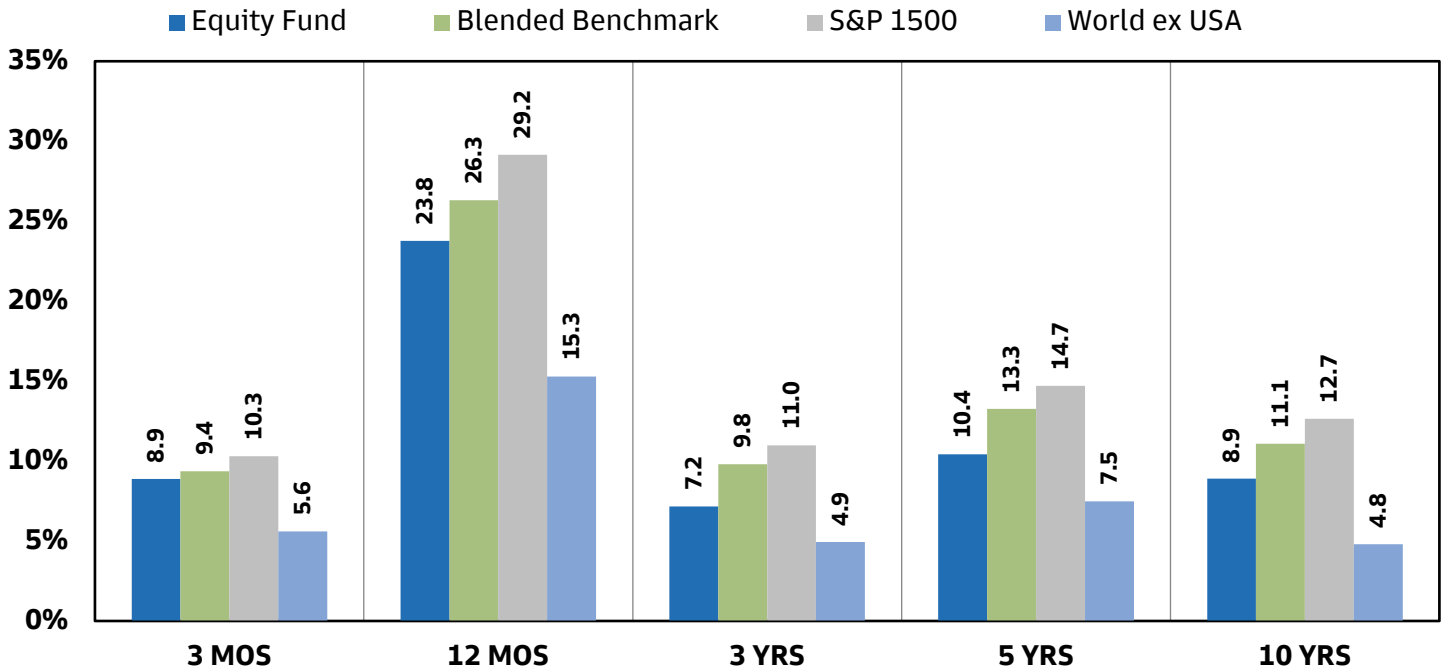
As shown in Figure 1.1, **the Equity Fund's total return was +8.9% for the first quarter and +23.8% for the twelve months ended March 31, 2024** as compared to the Equity Fund Blended Benchmark's return of +9.4% for the first quarter and +26.3% for the twelve months ended March 31, 2024.

Looking at the Equity Fund's performance in each asset class helps illustrate the overall performance attribution of the Fund during the quarter. As shown in Figure 2.1, The Fund's U.S. Large-cap investments returned +10.5% in the first quarter relative to +10.6% for the large-cap S&P 500 Index. As shown in Figure 2.2, the Fund's U.S. Small/Mid-cap investments returned +8.2% in the first quarter relative to +7.6% for the Small/Mid-cap S&P 1000 Index. As shown in Figure 2.3, The Fund's developed international investments returned +4.8% in the first quarter relative to +5.6% for the MSCI World ex USA Index.

The Equity Fund is a broadly diversified portfolio invested in a mix of U.S. large-cap stocks, U.S. small- and mid-cap stocks, and developed international stocks. We believe this diversified approach will yield returns, at appropriate risk levels, representative of global equity markets. As always, the Investment Committee will continue to closely monitor the Fund to ensure it is well positioned to meet its objectives over the long term.

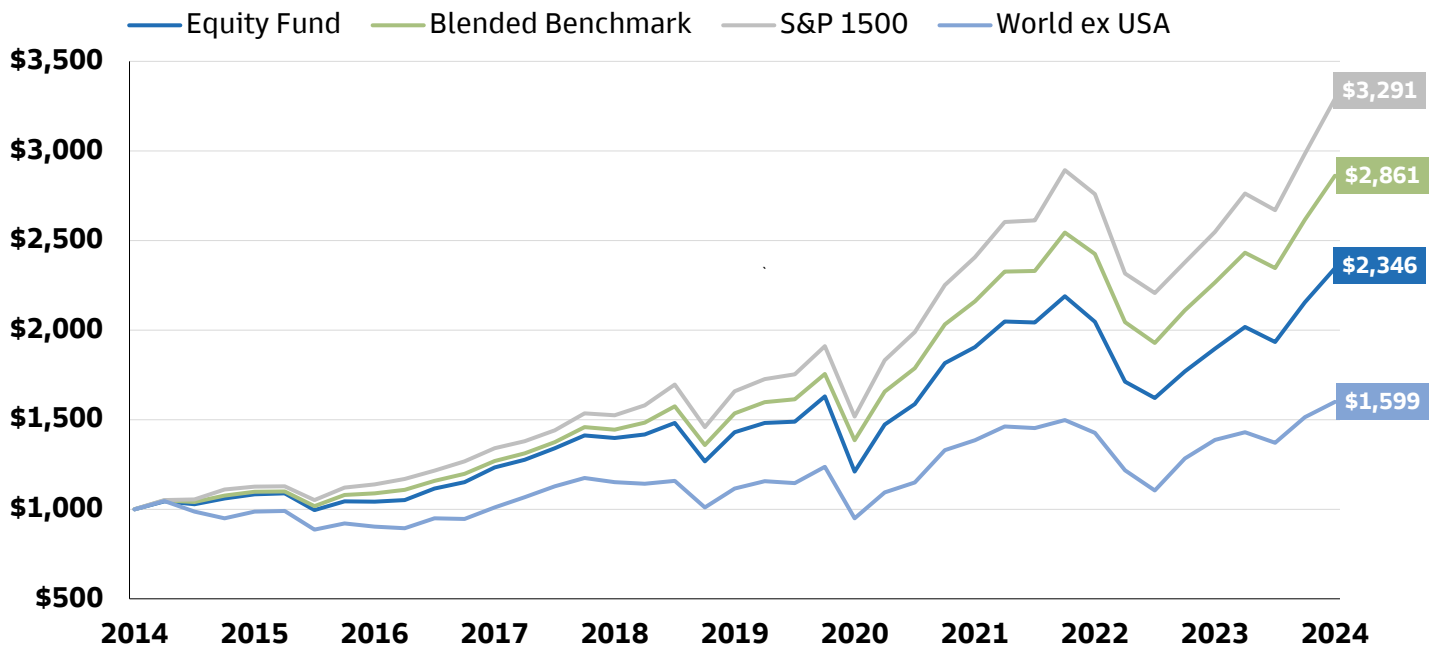
EQUITY FUND AND BENCHMARK TOTAL RETURNS AS OF MARCH 31, 2024

Figure 1.1: Annualized Equity Fund Performance



GROWTH OF \$1,000 – TRAILING 10 YEARS AS OF MARCH 31, 2024

Figure 1.2: Cumulative Equity Fund Performance



Past performance is no guarantee of future results. Indexes used for comparative purposes are the S&P 500 representing the U.S. large-cap equity market, S&P 1500 representing the entire U.S. equity market, and the MSCI World ex USA representing the Developed International equity market (excluding the U.S.). Total returns include capital appreciation plus income. *Periods greater than one year are annualized. Growth of \$1,000 shows the value of an initial \$1,000 investment after ten years with all income reinvested.

Figure 2.1: U.S. Large Cap Performance

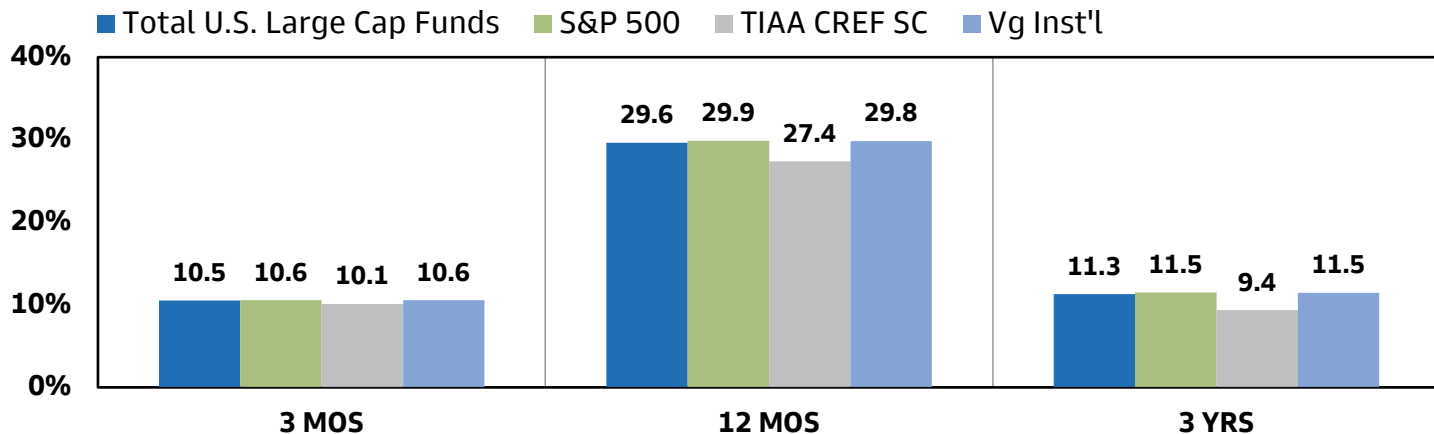


Figure 2.2: U.S. Small/Mid Cap Performance

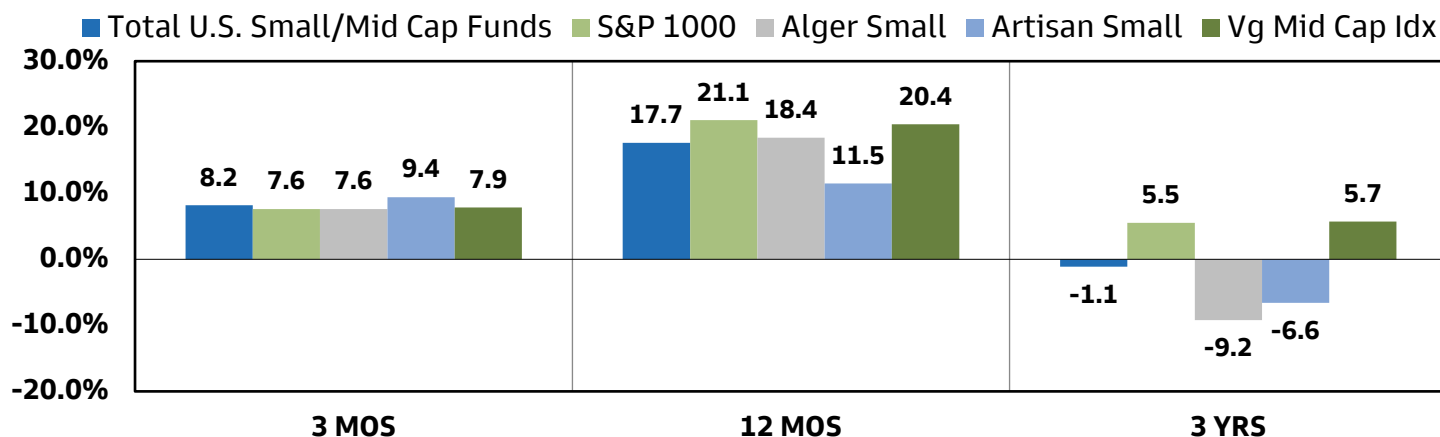
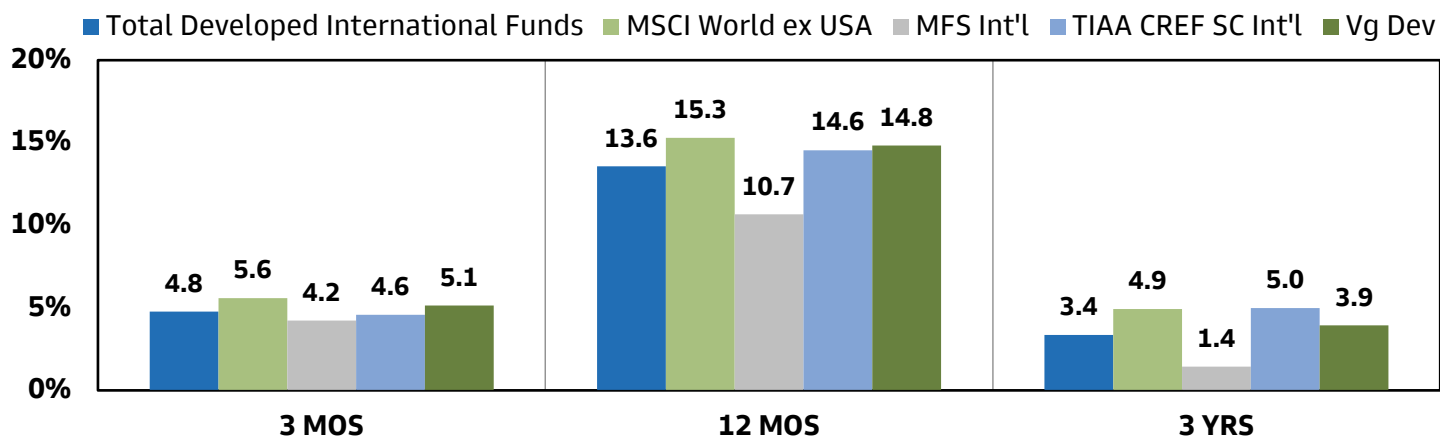


Figure 2.3: Developed International Performance



PORTFOLIO HOLDINGS AS OF MARCH 31, 2024

	Market Value	Weight	3MO Return	12MO Return	3YR Return
U.S. Large Cap Funds					
Vanguard Institutional Index Fund	13,342,806.87	55.1%	10.6%	29.8%	11.5%
TIAA CREF Social Choice Eq. Fund	1,217,601.03	5.0%	10.1%	27.4%	9.4%
Total U.S. Large Cap Funds	14,560,407.90	60.2%	10.5%	29.6%	11.3%
<i>S&P 500</i>			<i>10.6%</i>	<i>29.9%</i>	<i>11.5%</i>
U.S. Small/Mid Cap Funds					
Vanguard Mid Cap Index Fund	2,416,007.20	10.0%	7.9%	20.4%	5.7%
Alger Small Cap Growth Fund	1,232,977.25	5.1%	7.6%	18.4%	-9.2%
Artisan Small Cap Fund	1,235,998.98	5.1%	9.4%	11.5%	-6.6%
Total U.S. Small/Mid Cap Funds	4,884,983.43	20.2%	8.2%	17.7%	-1.1%
<i>S&P 1000</i>			<i>7.6%</i>	<i>21.1%</i>	<i>5.5%</i>
Total U.S. Funds	19,445,391.33	80.4%	9.9%	26.6%	8.1%
<i>S&P 1500</i>			<i>10.3%</i>	<i>29.2%</i>	<i>11.0%</i>
Developed International Funds					
MFS Int'l Diversification Fund	1,401,080.30	5.8%	4.2%	10.7%	1.4%
TIAA CREF Social Choice Int'l Eq. Fund	697,335.43	2.9%	4.6%	14.6%	5.0%
Vanguard Developed Markets Fund	2,578,643.27	10.7%	5.1%	14.8%	3.9%
Total Developed International Funds	4,677,059.00	19.3%	4.8%	13.6%	3.4%
<i>MSCI World ex USA</i>			<i>5.6%</i>	<i>15.3%</i>	<i>4.9%</i>
Total Mutual Funds	24,122,450.33	99.7%			
Net Cash & Equivalents	72,705.67	0.3%			
Total Equity Fund	24,195,156.00	100.0%	8.9%	23.8%	7.2%
<i>Equity Fund Blended Benchmark⁽²⁾</i>			<i>9.4%</i>	<i>26.3%</i>	<i>9.8%</i>

(1) Returns displayed are partial period returns reflecting either a purchase or a full redemption during the period. Due to the partial nature of these returns, comparing vs full period returns should be avoided. The performance of the asset class should be relied upon in these instances as the return calculations are full period calculations and can be directly compared to the performance of the asset class benchmark.

(2) The Equity Fund Blended Benchmark consists of 80% S&P 1500 Index and 20% MSCI World ex USA Index (Net Returns), rebalanced quarterly. Past performance is no guarantee of future results. Indexes are used for comparative purposes only and one cannot invest directly in an index. Index returns are total returns consisting of capital appreciation plus income. Mutual fund or asset class returns are time-weighted total returns.

Overall Fund & Asset Class Benchmark Definitions:

All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

Primary Benchmark: The **Equity Fund Blended Benchmark** is defined as a blended index consisting of 80% S&P 1500 Index and 20% MSCI World ex USA Index (Net Return), rebalanced quarterly.

U.S. Equity: The **S&P 1500 Index** combines three leading indices, the S&P 500 index, the S&P MidCap 400 index, and the S&P SmallCap 600 index, to cover approximately 90% of the U.S. public equity market capitalization. The index is a broad measure of the investable U.S. equity market by looking beyond large caps to include small and mid-capitalization stocks.

Developed International: The **MSCI World ex USA Index⁽¹⁾** measures the performance of large- and mid-cap companies represented from 22 of the 23 Developed Markets (DM) countries *excluding* the United States.

U.S. Large Cap: The **S&P 500 Index**, widely considered the best single gauge of large-cap U.S. equities, measures the performance of the largest 500 companies by market capitalization and covers approximately 80% of the total U.S. stock market capitalization.

U.S. Mid Cap: The **S&P MidCap 400 Index** measures the performance of 400 mid-sized U.S. companies, reflecting the distinctive risk and return characteristics of this market segment.

U.S. Small Cap: The **S&P SmallCap 600 Index** measures the performance of 600 small-cap U.S. companies, reflecting the distinctive risk and return characteristics of this market segment.

U.S. Small/Mid Cap: The **S&P 1000 Index** combines the S&P MidCap 400 Index and the S&P SmallCap 600 Index to form a benchmark that covers both the mid- and small-cap segments of the U.S. equity market.

(1) MSCI World ex USA Index performance is calculated with net (after-tax) dividends in USD.

Performance Disclosures:

Past performance is no guarantee of future results. All Equity Fund, Asset Class, Asset Class Benchmark, and Mutual Fund returns displayed in this report are total returns which include capital appreciation plus income.

In certain cases, the returns displayed are partial period returns reflecting either a purchase or a full redemption during the applicable period. Due to the partial nature of these returns, comparing them to one another should be avoided. The performance of the asset class should be relied upon in these instances as the return calculations are full period calculations and can be directly compared to the performance of the asset class benchmark. Applicable positions are marked with a (1) superscript on the Portfolio Holdings report.