

# Second Quarter 2021 Review

## Executive Summary – 2Q2021

- By quarter's end, the **S&P 500 finished at a new all-time record, its 34<sup>th</sup> thus far this year, rising +8.6%**. Broad equity markets turned in a strong quarter, and domestic indices have turned in double-digit returns year-to-date. Large-caps outpaced mid- and small-cap equities. **Fixed income markets posted gains for the quarter, but are largely still negative YTD.**
- **Leadership between Growth and Value stocks oscillated during the quarter**; ultimately, Growth stocks handily outperformed Value though Value remains ahead year-to-date.
- While an infrastructure spending bill continues to be in the making, further fiscal stimulus seems to have peaked at over \$5.5 trillion. **Investors are now faced with the realization that economic growth, too, may be at peak levels.**
- **The 10-year U.S. Treasury yield reversed course during the second quarter, falling by 40 basis points after its seemingly premature surge at the beginning of the year.** The yield settled at 1.47% as bond investors seem to embrace the idea that recent high inflation readings are transitory. Nonetheless, other key catalysts are also keeping yields tame, particularly the Fed's continued commitment to U.S. Treasury purchases and strong demand from foreign investors and central banks.
- **The Federal Reserve's most recent projections continue to see its overnight Federal Funds rate unchanged** through year-end 2022, though this is a year shorter than its earlier expectations. The more pressing consideration is the timing of the Fed's tapering of its asset purchases.

## Asset Class Returns Ending June 30, 2021

US EQUITY	2Q2021	YTD
Large-Cap (S&P 500)	8.55%	15.24%
Mid-Cap (Russell MidCap)	7.50%	16.25%
Small-Cap (Russell 2000)	4.29%	17.53%
Large-Cap Growth (S&P Growth)	11.93%	14.30%
Large-Cap Value (S&P Value)	4.99%	16.29%
All-Cap (S&P 1500)	8.14%	15.60%
All-Cap (Russell 3000)	8.24%	15.10%
NASDAQ	9.68%	12.92%

### NON-US EQUITY

Developed Large Cap (MSCI EAFE)	5.35%	9.21%
Developed Small Cap (MSCI EAFE Small Cap)	4.45%	9.30%
Emerging Markets (MSCI EM)	5.08%	7.43%
Global (ACWI ex-US)	5.62%	9.42%

### US FIXED INCOME

Core Taxable Bonds (BBg Barc US Agg Bond)	1.83%	-1.60%
US Treasuries (BBg Barc US Treasury)	1.75%	-2.58%
Investment Grade (BBg Barc Inv. Grade Corp)	3.55%	-1.27%
High Yield (BBg Barc High Yield)	2.74%	3.62%
US Mortgage-Backed (BBg Barc US MBS)	0.33%	-0.77%

### OTHER

REITs (FTSE Nareit All Equity REITs)	12.03%	21.35%
Commodities (Bloomberg Commodity)	13.30%	21.12%

# Episcopal Diocese Performance – June 30, 2021

## Truist Performance Report

THE EPISCOPAL DIOCESE OF BETHLEHEM (AGG4857374)

Reporting period: June 30, 2021

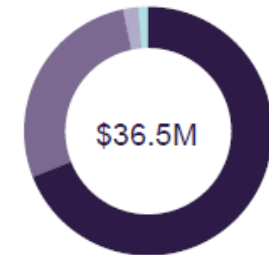
Managed since: June 01, 2016

### YTD Activity

Beginning Market Value	33,958,497.80
Beginning Accrued Income	.00
Beginning Portfolio Value	33,958,497.80
Net Contributions and Withdrawals	-366,747.77
Income Eamed	359,362.88
Fees	-3,278.78
Market Appreciation	2,552,684.60
Ending Market Value	36,462,834.12
Ending Accrued Income	37,684.61
Ending Portfolio Value	36,500,518.73
<b>Total Return</b>	<b>8.68%</b>

### Allocation

	% of Mkt Val
● Total Equity	68.9
● Fixed Income	27.7
● Non-Traditional	2.0
● Short Term	1.3
Total	100.0



	<u>2Q21</u>	<u>YTD</u>	<u>1 Yr</u>	<u>3 Yr</u>	<u>5 Yr</u>	<u>Inception</u> <u>5/31/16</u>
<b>Episcopal Diocese (Gross Return)</b>	<b>5.45%</b>	<b>8.68%</b>	<b>26.28%</b>	<b>11.51%</b>	<b>10.34%</b>	<b>10.30%</b>
Benchmark: 52.5% S&P 1500 / 17.5% MSCI EAFE / 30%						
Barclays Aggregate	5.76%	9.14%	26.68%	12.96%	12.06%	11.88%