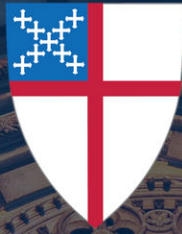


Diocesan  
Investment  
Trust



of the Diocese of New York

# 78<sup>TH</sup> ANNUAL REPORT

2020

DIT Fund

# **DIOCESAN INVESTMENT TRUST**

## **THE DIT FUND**

### **TRUSTEES**

The Rt. Rev. Andrew M. L. Dietsche, Bishop of New York, *ex officio*  
Sr. Faith Margaret, CHS, Treasurer of the Diocese, *ex officio*  
Matthew R. Ailey, St. Thomas Church, Manhattan  
Clark Anderson, The Society of the Free Church of St. Mary the Virgin, Manhattan  
Conrad G. Bahlke, Grace Church, Hastings  
Morihiro Goto, St. Bartholomew's Church, Manhattan  
Burnett (Jody) Hansen, The Church of St. Barnabas, Irvington  
Gavin F. Leckie, Christ Church, Pelham  
Holly Huffman MacDonald, Congregation of St. Saviour-Cathedral of  
St. John the Divine, Manhattan  
Dulcie T. Mapondera, St. Bartholomew's Church, Manhattan

### **OFFICERS**

*Chairman, ex officio*, The Rt. Rev. Andrew M. L. Dietsche, Bishop of New York  
*President*, Gavin F. Leckie  
*Vice President*, Morihiro Goto  
*Secretary & Treasurer*, Dulcie T. Mapondera  
*Assistant Secretary & Assistant Treasurer*, Michele Kearney

### **EXECUTIVE COMMITTEE**

Gavin F. Leckie, President, *ex officio*  
Sr. Faith Margaret, CHS, *Diocesan Treasurer, ex officio*  
Dulcie T. Mapondera, *Treasurer, ex officio*  
*Clark Anderson, Trustee*

### **INVESTMENT ADVISOR**

Commonfund Strategic Solutions

### **CUSTODIAN AND DISBURSING AGENT**

Fiduciary Trust Company International

### **AUDITORS**

PKF O'Connor Davies

### **COUNSEL**

Hughes Hubbard and Reed, LLP

### **BUSINESS OFFICE**

Michele Kearney, *Executive Director*  
1047 Amsterdam Avenue  
New York NY 10025-1798  
Telephone: 212-932-7312 Facsimile: 212- 932-7328  
(Toll-free): 800-346-6995 ext 7312  
E-mail: [mkearney@diocesenyc.org](mailto:mkearney@diocesenyc.org)  
Website: <https://www.ditofny.org>

THE TRUSTEES OF THE ESTATE AND PROPERTY  
OF THE DIOCESAN CONVENTION OF NEW YORK

*Diocesan Investment Trust*

1047 Amsterdam Avenue  
New York, NY 10025

To All DIT Shareholders:

The Diocesan Investment Trust, or DIT, was established in 1943 by the Trustees of the Estate and Property of the Diocesan Convention of New York (“TEP”) to provide investments for the TEP and other entities within the Diocese. In 2005 the DIT established the Parish Endowment Management Service, or “PEMS”, to assist parishes with the management of their long-term assets. The TEP was established by Diocesan Convention in 1877 and acts as trustee to over one-hundred trusts; beneficiaries include individual congregations and related entities throughout the Diocese.

In accord with its mandate the TEP engaged Commonfund in April 2009, to assist the Trustees in providing prudent, institutional grade investment management services with respect to the DIT. As of December 31, 2020, more than 253 trusts and entities throughout the Diocese held shares in the DIT.

The market value of the DIT Investments on December 31, 2020 was \$95.1 million. Of this sum \$39.7 million (42%) represented various trust accounts (TEP), \$36.6 million (38%) consisted of voluntary investments by parishes and institutions throughout the Diocese, and \$18.8 million (20%) was invested on behalf of parishes in the PEMS program. During the year investors subscribed nearly \$2.6 million for new shares in the DIT Fund and redeemed \$4.7 million to satisfy various operating and other needs, including automated quarterly distributions under the PEMS program of approximately \$498,500.00

The DIT Fund finished the year up 11.1%, underperforming its policy benchmark\* by 2.2 percentage points. Annualized performance measured from the inception of our relationship with Commonfund (April 2009) through December 31, 2020, was +8.8%, outperforming the policy benchmark\* return of +8.6%. These performance figures are net of all fees paid to Commonfund, but do not reflect the deduction of DIT administrative expenses of approximately 0.27% (annualized), which include the cost of processing redemption and subscription requests, custody, an annual audit, and the salary of our executive director.

Despite a year ravaged by the COVID-19 pandemic and various social, economic, and political extremes, equity markets remained resilient - resulting in a year in which the S&P 500 returned 18.4% and the MSCI All Country World Index returned 16.3%. Record fiscal stimulus and accommodative central bank policies were the main sources of support for markets in the face of COVID-19 headwinds, though all eyes will be on the continued pace and effectiveness of vaccine distribution worldwide. The Endowment for the year underperformed its policy benchmark\* by 2.2 percentage points. The main source of the underperformance came from within the Global Equity Fund, the DIT’s largest investment at 60.4% of the portfolio. Narrowness in leadership within equity markets made it a difficult environment for quantitative active managers to outperform, while fundamental strategies tended to do a better job navigating the volatile equity markets in 2020, outperforming the benchmark. The DIT’s total equity portfolio returned +13.4%, underperforming the weighted equity composite by -2.9 percentage points. During the course of the year, Commonfund reduced the allocation to quantitative strategies, and added two new fundamental managers into the portfolio. Within fixed income markets, Federal Reserve balance sheet expansion and additional quantitative easing measures provided a backstop for credit markets, with short term interest rates reduced to zero lower bound. The DIT’s fixed income portfolio returned +6.3% for calendar year 2020, with relative outperformance in the core bond portfolio and private credit strategies. Alternative investments outperformed for the year (+6.5% versus 5.8% for the weighted alternatives composite\*\*) as an allocation to natural resources equities experienced relative outperformance, while the hedge fund strategies provided an uncorrelated source of return to the portfolio.

Investment allocation was managed within limits prescribed by the Trustees. At year end, capital entrusted to the DIT was allocated 61.1% to equities, 21.8% to fixed income, and 17.1% to liquid alternatives (primarily hedge fund managers).

In 2015, the Diocesan Convention passed a resolution asking the TEP and other governing bodies within the Diocese to manage their assets in accordance with socially and environmentally responsible principles. In accordance with the resolution, the TEP endeavors to include Environmental, Social and Governance (“ESG”) considerations into the management of the endowment portfolio with the understanding that such considerations align with the Principles for Responsible Investment (“PRI”).

THE TRUSTEES OF THE ESTATE AND PROPERTY  
OF THE DIOCESAN CONVENTION OF NEW YORK

April 29, 2021

*Established September 27, 1877*

**\*Policy Benchmark:**

5/1/2009 to 6/30/2013 17.0% S&P500 Index; 15.0% Russell 3000; 12.5% Bloomberg Barclays US Aggregate Bond Index; 12.5% HFRI Equity Hedge Index; 10.0% MSCI World ex U.S.; 5.0% MSCI EMF Net; 5.0% 3 Month T-bill; 5.0% Bloomberg Commodity Index; 5.0% Absolute 11%; 5.0% HFRI FOF Conservative Index; 3.0% Russell 2000; 3.0% FTSE World Govt. Bond Index; 2.0% Bloomberg Barclays US Inflation-Linked Index

7/1/2013 to 9/30/2017 55.0% MSCI AC World Index Net; 17.5% HFRI FOF Composite Index; 12.5% Bloomberg Barclays US Aggregate Bond Index; 5.0% 3 Month T-bill; 5.0% Bloomberg Commodity Index; 3.0% FTSE World Govt. Bond Index; 2.0% Bloomberg Barclays US Inflation-Linked Index

10/1/2017 to 3/31/2020 58.0% MSCI AC World Index Net; 20.0% Bloomberg Barclays US Aggregate Bond Index; 12.0% HFRI FOF Conservative Index; 5.0% 3 Month T-bill; 5.0% S&P Global Large Midcap Commodity and Resources Index

4/1/2020 to 12/31/2020 58.0% MSCI AC World Index Net; 15.0% Bloomberg Barclays US Aggregate Bond Index; 12.0% HFRI FOF Conservative Index; 5.0% ICE BofA Merrill Lynch (ML) Hi-Yld Master; 5.0% 3 Month T-bill; 5.0% S&P Global Large Midcap Commodity

**\*\*Weighted Alternatives Composite:**

5/1/2009 to 6/30/2013 45.5% HFRI Equity Hedge Index; 18.2% Bloomberg Commodity Index; 18.2% Absolute 11%; 18.2% HFRI FOF Conservative Index

7/1/2013 to 9/30/2017 77.8% HFRI FOF Composite Index; 22.2% Bloomberg Commodity Index

10/1/2017 to 12/31/2020 70.6% HFRI FOF Conservative Index; 29.4% S&P Global Large Midcap Commodity and Resources Index

## Generally

This material has been prepared by Commonfund Asset Management Company, Inc. (“Comanco”) and/or Commonfund Capital, Inc. (“CCI”) (each, an “Investment Manager”), each of which are indirect wholly owned subsidiaries of The Common Fund for Nonprofit Organizations (“TCF” and, together with Comanco, CCI, Commonfund Securities, Inc. (“CSI”) and its or their affiliates, “Commonfund”). The information in this material is for illustration and discussion purposes only. It is not intended to be, nor should it be construed or used as, investment, tax or legal advice, any recommendation or opinion regarding the appropriateness or suitability of any investment or strategy, or an offer to sell, or a solicitation of an offer to buy, any interest in any security, including any interest in a private fund, pool, investment product, managed account or other investment vehicle (each, an “Investment Product”). This material is qualified in its entirety by the information contained in any Investment Product’s offering documents, including the governing partnership or operating agreement, investment management agreement, subscription agreement, or an Investment Product’s prospectus or other offering memorandum related thereto, as applicable (collectively, a “Prospectus”). Any offer or solicitation of an investment in an Investment Product may be made only by delivery of the Investment Product’s Prospectus to qualified investors by CSI. Prospective investors should rely solely on the Prospectus in making any investment decision. The Prospectus contains important information, including, among other information, a description of an Investment Product’s risks, investment program, fees and expenses, and should be read carefully before any investment decision is made. This material does not take into account the particular investment objectives, restrictions, or financial, legal or tax situation of any specific investor. An investment in an Investment Product is not suitable for all investors. Each Investment Manager is registered with the SEC as an investment adviser. CSI is registered as a broker-dealer with the U.S. Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). The registrations and memberships above in no way imply that the SEC, FINRA or SIPC have endorsed any of the entities, products or services discussed herein.

## Distribution

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Certain information has been provided by and/or is based on third-party sources and, although believed to be reliable, has not been independently verified. An Investment Manager is not responsible for errors or omissions from these sources. No representation is made with respect to the accuracy, completeness or timeliness of information and Commonfund assumes no obligation to update or otherwise revise such information. Unless the context otherwise requires, the term “investor” and “client” may be used interchangeably.

## Investment Process

No representation is made that an Investment Manager’s or an Investment Product’s investment process, investment objectives, goals or risk management techniques will or are likely to be achieved or successful or that an Investment Product or any underlying investment will make any profit or will not sustain losses. An investment in an Investment Product involves risk, as disclosed in the Prospectus. An Investment Manager may engage in investment practices or trading strategies that may increase the risk of investment loss and a loss of principal may occur. The risk management techniques which may be utilized by an Investment Manager cannot provide any assurance that an Investment Product will not be exposed to risks of significant trading losses.

Any descriptions involving investment process, investment examples, statistical analysis, investment strategies or risk management techniques are provided for illustration purposes only, will not apply in all situations, may not be fully indicative of any present or future investments, may be changed in the discretion of an Investment Manager and are not intended to reflect performance.



Any portfolio characteristics and limits reflect guidelines only and are implemented, and may change, in the discretion of an Investment Manager. Investments are selected by, and will vary in the discretion of, an Investment Manager and are subject to availability and market conditions, among other factors without prior notice to investors. There is no requirement that an Investment Manager or an Investment Product observe these guidelines, or that any action be taken if these guidelines are exceeded or are not met or followed.

### Market Commentary

Any opinions, assumptions, assessments, statements or the like (collectively, “Statements”) regarding future events or which are forward-looking, including regarding portfolio characteristics and limits, constitute only subjective views, beliefs, outlooks, estimations or intentions of an Investment Manager, should not be relied on, are subject to change due to a variety of factors, including fluctuating market conditions and economic factors, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond an Investment Manager’s or an Investment Product’s control. Future evidence and actual results (including actual composition and investment characteristics of an Investment Product’s portfolio) could differ materially from those set forth in, contemplated by, or underlying these Statements, which are subject to change without notice. There can be no assurance and no representation is given that these Statements are now, or will prove to be accurate, or complete in any way. The Investment Manager undertakes no responsibility or obligation to revise or update such Statements. Statements expressed herein may not be shared by all personnel of Commonfund.

### Performance | Open-End Investment Products

Unless otherwise indicated, performance of open-end Investment Products shown is unaudited, net of applicable management, performance and other fees and expenses, presumes reinvestment of earnings and excludes investor specific sales and other charges. Fees may be modified or waived for certain investors. Please refer to an Investment Product’s Prospectus or the Investment Manager’s Form ADV Part 2A for more information regarding the Investment Product’s fees, charges and expenses. An investor’s actual performance and actual fees may differ from the performance information shown due to, among other factors, capital contributions and withdrawals or redemptions, different share classes and eligibility to participate in “new issues.”

### Performance | Closed-End Investment Products

Unless otherwise indicated, performance of closed-end Investment Products shown is net of all fees and any carried interest and excludes commitments by the applicable general partner and any limited partners that do not pay a management fee. Each Investment Product’s Internal Rate of Return (“IRR”) should be evaluated in light of the information and risks disclosed in the respective Prospectus. Certain investors in an Investment Product may receive a management fee and management fee discount; performance data herein reflects the weighted average blended management fee applicable to actual limited partners of such vehicles. Return information is calculated on a dollar-weighted (e.g., internal rate of return), since inception basis. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating IRRs or Net Multiples or that the calculated IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale. Certain Investment Products use leverage to finance investments, which may involve a high degree of financial risk. Such Borrowings has the potential to enhance overall returns that exceed the Investment Product’s cost of borrowed funds; however, borrowings will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Investment Product’s cost of borrowed funds. Where applicable, returns take into consideration the reinvestment or “recycling” of investment proceeds.

### Hypothetical Portfolios and Hypothetical Results | Generally

Certain asset-allocation frameworks depicted in this presentation are hypothetical and do not represent the investment performance or the actual accounts of any investors (“Hypothetical Portfolio”).

Performance of Hypothetical Portfolios and other composite performance results (based on sector attribution and other dissections and combinations of actual Investment Product performance) should be considered hypothetical results (collectively, “Hypothetical Results”). Hypothetical Portfolios and Hypothetical Results do not reflect actual trading or performance by an Investment Product or an investor, or a recommendation on the part of an Investment Manager or CSI to any particular investor; nor should they be considered as indicative of the skills of the Investment Adviser. Hypothetical Portfolios and Hypothetical Results are provided for illustrative purposes only and do not guarantee past or future investment results. Hypothetical Results are based on assumptions, and do not reflect the

impact that economic and market factors may have on investment decisions for an Investment Manager. Differences between the hypothetical assumptions and an actual investment are material and decrease substantially the illustration value of any Hypothetical Results. Hypothetical Portfolios may not take into account the goals, risk tolerance and circumstances of each investor. An investment decision should not be based on Hypothetical Results.

### Advisory Services

Advisory services, including those described under the trade name “Commonfund Strategic Solutions,” are generally provided by Comanco or, on occasion, by CCI and subject to an investment advisory agreement. Comanco’s and CCI’s Form ADV Part 2A will be provided upon request.

### Outsourced Chief Investment Officer (OCIO)

There is no legal or regulatory term defining “OCIO” or “outsourced chief investment officer” services, and the meaning of such term varies from one individual to another. Accordingly, such services have been defined for purposes hereof to mean the management of (i) an institution’s long-term or operating reserves (“Reserves”) pursuant to an investment management agreement executed between a registered investment advisor and such institution (or, in certain limited circumstances, through a fund or separate account structure intended to achieve comparable objectives) and (ii) all or substantially all of an institution’s Reserves, with advice related thereto being provided to such institution by a registered broker-dealer and which advice is solely incidental to the conduct of such broker-dealer’s business or to its brokerage services.

### Benchmarks and Financial Indices

Benchmarks and financial indices are shown for illustrative purposes only. They provide general market data that serves as point of reference to compare the performance of Investment Product’s with the performance of other securities that make up a particular market. Such benchmark and indices are not available for direct investment and their performance does not reflect the expenses associated with the management of an actual portfolio, the actual cost of investing in the instruments that comprise it or other fees. An Investment Product’s investment objective is not restricted to the securities and instruments comprising any one index. No representation is made that any benchmark or index is an appropriate measure for comparison. For a list of commonly used indices, please visit [www.commonfund.org/important-disclosures](http://www.commonfund.org/important-disclosures). This list may not represent all available indices or those indices used in this material.

### Certain Risks

Portfolio, volatility or return targets or objectives, if any, are used solely for illustration, measurement or comparison purposes and as an aid or guideline for prospective investors to evaluate a particular Investment Product’s strategy, volatility and accompanying information. Such targets or objectives reflect subjective determinations of an Investment Manager based on a variety of factors including, among others, the Investment Product’s investment strategy and prior performance (if any), volatility measures, portfolio characteristics and risk, and market conditions. Volatility and performance will fluctuate, including over short periods, and should be evaluated over the time period indicated and not over shorter periods. Actual volatility and returns will depend on a variety of factors including overall market conditions and the ability of an Investment Manager to implement an Investment Product’s investment process, investment objectives and risk management. Performance targets or objectives should not be relied upon as an indication of actual or projected future performance; such targets or objectives may not be achieved, in whole or in part. For a list of commonly used measures of risk, please visit [www.commonfund.org/important-disclosures](http://www.commonfund.org/important-disclosures).

### Survey Rankings

The Commonfund rankings cited are from Market Strategies International. Cogent Reports™. US Institutional Investor Brandscape: February 2018 and are based on respondents’ answers to questions in which they were asked to rank 55 asset managers on various brand attributes. The results were reported by Cogent based on four groups of respondents: Pension <\$500M, Pension \$500M+, Non-Profit <\$500M, Non-Profit \$500+. The survey was fielded online October 13, 2017 to November 28, 2017 and 371 investors with \$100 million or more in institutional investable assets participated in the survey. Survey participants were required to play a direct role in the evaluation and selection of investments or asset managers within their organization. In determining the sampling frame for this study, Cogent indicated that it relied upon Standard & Poor’s Money Market Directories (MMD) database of institutional investors. MMD supplied Cogent with a list of contacts at pensions and non-profits with a minimum of \$100 million in investable assets. Cogent further reported that, to ensure the population for this research was representative of the universe of institutional investors, strict quotas were established by Cogent based upon a

nested classification of institutional investor by category and size of assets. It also represented that data were weighted to be representative of the distribution of institutions by asset size and category according to the most recent MMD data. The data have a margin of error of +5.0% at the 95% confidence level.

**The above summary is not a complete list of the risks, tax considerations and other important disclosures involved in investing in an Investment Product and is subject to disclosures in such Investment Product's Prospectus. Please refer to and review carefully the Investment Product's applicable Prospectus for a more detailed list of the Investment Product's risks and other disclosures prior to making any investment in such Investment Product.**

**Asset allocations may not equal 100% due to rounding.**

**Past performance is not indicative of future results. An investor may lose all or a substantial portion of their investment in an Investment Product.**

**Commonfund Securities, Inc., member FINRA, SIPC. [www.commonfund.org/important-disclosures](http://www.commonfund.org/important-disclosures)**



**Diocesan Investment Trust  
of the Diocese of New York**

Financial Statements

December 31, 2020

## Independent Auditors' Report

### **Trustees of the Estate and Property of the Diocesan Convention of New York as Trustees for the Diocesan Investment Trust of the Diocese of New York**

We have audited the accompanying financial statements of the Diocesan Investment Trust of the Diocese of New York (the "Trust"), consisting of the Diocesan Investment Trust of the Diocese of New York ("DIT Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2020, and the related statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocesan Investment Trust of the Diocese of New York as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*PKF O'Connor Davies, LLP*

April 29, 2021

**Diocesan Investment Trust  
of the Diocese of New York**

Statement of Assets and Liabilities  
December 31, 2020

**ASSETS**

Investments, at fair value (cost \$65,118,412)	\$ 95,587,005
Receivable from brokers and custodian	115,954
Cash on deposit with custodian	440
Receivable for investor subscriptions	736,243
Total Assets	<u>\$ 96,439,642</u>

**LIABILITIES**

Payable to brokers and custodian	115,954
Accrued liabilities	85,348
Payable for investor redemptions	245,466
Dividend distributions payable to shareholders	850,967
Total Liabilities	<u>1,297,735</u>

**NET ASSETS**

\$ 95,141,907

See notes to financial statements

**Diocesan Investment Trust  
of the Diocese of New York**

Schedule of Investments  
December 31, 2020

Shares	Description/Geography	Percent of Net Assets	Fair Value
<b>Equity Funds</b>			
2,631,042	Commonfund Strategic Solutions Global Equity, LLC (United States)	61%	\$ 57,747,032
	Total Equity Funds (cost \$31,021,440)	61%	<u>57,747,032</u>
<b>Fixed Income Funds</b>			
1,150,205	Commonfund Institutional High Quality Bond Fund, LLC (United States)	14%	13,662,292
2,828,826	State Street Institutional U.S. Government Money Market Fund (United States)	3%	<u>2,828,826</u>
	Total Fixed Income Funds (cost \$15,525,565)	17%	<u>16,491,118</u>
<b>Commodity Investment Funds</b>			
537,898	SSgA S&P Global Large Mid Cap Natural Resources Index (United States)	5%	<u>5,082,599</u>
	Total Commodity Investment Funds (cost \$4,145,365)	5%	<u>5,082,599</u>
<b>Private Equity and Debt Funds</b>			
	Commonfund Private Credit Fund 2018, L.P. (United States)	1%	984,632
	Cerberus Offshore Levered Loan Opportunities Fund III, L.P. (Cayman Islands)	2%	1,728,230
	Commonfund Private Credit Fund II, L.P. (United States)	0%	115,954
	Commonfund Capital Secondary Partners III, L.P. (United States)	0%	24,000
	Commonfund Capital Venture Partners XIII, L.P. (United States)	1%	472,855
	Commonfund Capital Strategic Solutions Global Private Equity Fund III, L.P. (United States)	0%	<u>198,899</u>
	Total Private Equity and Debt Funds (cost \$2,878,497)	4%	<u>3,524,570</u>
<b>Alternative Investment Funds</b>			
957,092	Commonfund Global Absolute Alpha Company (Cayman Islands)	12%	<u>11,294,686</u>
	Total Alternative Investment Funds (cost \$10,100,545)	12%	<u>11,294,686</u>
	Total Investments (cost \$63,671,412)	99%	<u>94,140,005</u>
<b>Temporary Investments</b>			
	Cash Awaiting Transfer	0%	-
	Fiduciary Trust Company International Short Term Investment Pool U.S. Treasury	2%	<u>1,447,000</u>
	Total Cash and Cash Equivalents (cost \$1,447,000)	2%	<u>1,447,000</u>
	Total Investments (cost \$65,118,412)	101%	95,587,005
	Other Assets and Liabilities, Net	-1%	<u>(445,098)</u>
	Net Assets		<u>\$ 95,141,907</u>

See notes to financial statements

**Diocesan Investment Trust  
of the Diocese of New York**

Statement of Operations  
Year Ended December 31, 2020

**INVESTMENT INCOME**

Interest and dividends	\$ 12,986
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**EXPENSES**

Administrative fees	197,409
Advisory fees	158,936
Professional fees	27,000
Custodian fees	5,635
Total Expenses	<u>388,980</u>
Net Investment Loss	(375,994)

**NET REALIZED AND  
UNREALIZED GAINS (LOSS) ON INVESTMENTS**

Net realized gains from security transactions	
Proceeds from sales	32,570,037
Cost of securities sold	<u>(29,595,837)</u>
Net Realized Gain on Investments	2,974,200
Net increase in unrealized appreciation on investments	<u>6,262,161</u>
Net Realized and Unrealized Gain on Investments	<u>9,236,361</u>
Net increase in Net Assets Resulting from Operations	<u><u>\$ 8,860,367</u></u>

See notes to financial statements

**Diocesan Investment Trust  
of the Diocese of New York**

Statement of Changes in Net Assets  
Year Ended December 31, 2020

<b>FROM OPERATIONS AND DIVIDEND DISTRIBUTIONS</b>	
Net investment loss	\$ (375,994)
Net realized gain on investments	2,974,200
Net increase in unrealized appreciation on investments	<u>6,262,161</u>
Net increase in Net Assets Resulting from Operations	8,860,367
Dividend distributions to shareholders	<u>(3,386,884)</u>
Net Change in Net Assets Derived from Operations and Dividend Distributions to Shareholders	<u>5,473,483</u>
 <b>FROM TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST</b>	
Proceeds received from subscriptions to shares of beneficial interest	2,641,363
Amounts paid on redemption of shares of beneficial interest	<u>(4,670,815)</u>
Change in Net Assets Derived From Transactions in Shares of Beneficial Interest	<u>(2,029,452)</u>
Net Change in Net Assets	3,444,031
 <b>NET ASSETS</b>	
Beginning of year	<u>91,697,876</u>
End of year	<u><u>\$ 95,141,907</u></u>

See notes to financial statements



**Diocesan Investment Trust  
of the Diocese of New York**

Statement of Cash Flows  
Year Ended December 31, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net increase in net assets resulting from operations	\$ 8,860,367
Adjustments to reconcile net increase in net assets resulting from operations to net cash from operating activities	
Purchase of investments	(26,454,189)
Sale of investments	32,570,037
Net increase in unrealized appreciation on investments	(6,262,161)
Net realized gain on investments	(2,974,200)
Change in Operating Assets and Liabilities	
Receivable from brokers and custodian	1,384,046
Receivable for investor subscriptions	(281,424)
Payable to brokers and custodian	(1,384,046)
Accrued liabilities	(2,961)
Payable for investor redemptions	(58,204)
Dividend distributions payable to shareholders	15,663
Net Cash from Operating Activities	5,412,928

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds received from subscriptions to shares of beneficial interest	2,641,363
Amounts paid on redemption of shares of beneficial interest	(4,670,815)
Dividend distributions to shareholders	(3,386,884)
Net Cash from Financing Activities	(5,416,336)
Net Change in Cash and Cash Equivalents	(3,408)

**CASH AND CASH EQUIVALENTS**

Beginning of year	3,848
End of year	\$ 440

See notes to financial statements

**Diocesan Investment Trust  
of the Diocese of New York**

Notes to Financial Statements  
December 31, 2020

**1. Organization**

The Trustees of the Estate and Property of the Diocesan Convention of New York, (the "TEP") is a tax-exempt corporation established in 1877 by distinguished Episcopal laymen, at the direction of the Diocesan Convention, to receive and hold property for churches, institutions, and endowments of the Diocese. The TEP established the Diocesan Investment Trust of the Diocese of New York (the "Trust").

The investment guidelines of the Trust reflect the broad investment allocation opportunities of The Common Fund for Nonprofit Organizations with its Affiliates.

**2. Summary of Significant Accounting Policies**

***Basis of Accounting***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The Trust is an investment company following accounting and reporting guidance contained in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, Financial Services Investment Companies ("Topic 946").

***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

***Fair Value Measurements***

The Trust follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to U.S. GAAP guidance, alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient are not categorized within the fair value hierarchy.

**Diocesan Investment Trust  
of the Diocese of New York**

Notes to Financial Statements  
December 31, 2020

**2. Summary of Significant Accounting Policies (continued)**

***Investments Valuation***

Investments are carried at fair value.

***Investment Income Recognition***

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

***Cash and Cash Equivalents***

The Trust considers all highly liquid financial instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

***Distributions to Shareholders***

Shareholders receive quarterly dividend distributions. Distributions are declared for Shareholders of record on the 10<sup>th</sup> day of the last month of a quarter and are calculated based on 1% of the average market value of the DIT Fund's previous twelve quarters.

***Accounting for Uncertainty in Income Taxes***

The Trust is a tax-exempt corporation; however, the Trust recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Trust had no uncertain tax positions that would require financial statement disclosure or recognition. The Trust is subject to U.S. federal, state or local income tax audits.

***Transactions with Broker***

Amounts due from brokers may be restricted to the extent that they serve as deposits for securities sold short. In the normal course of business, substantially all of the DIT Fund's securities transactions, money balances and security positions are transacted with the DIT Fund's broker. The DIT Fund is subject to credit risk to the extent any broker with which it conducts business is unable to fulfill contractual obligations on its behalf. The DIT Fund's management monitors the financial condition of such brokers and does not anticipate any losses from these counterparties.

**Diocesan Investment Trust  
of the Diocese of New York**

Notes to Financial Statements  
December 31, 2020

**2. Summary of Significant Accounting Policies (continued)**

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 29, 2021.

In January 2021 the Trust had approximately \$4,700,000 in capital redemptions. In February 2021 the Trust has approximately \$725,000 in capital subscriptions.

The continued spread of the COVID-19 pandemic is affecting the United States and global economies and may affect the Trust's operations and those of third parties of which the Trust relies. Currently, the Trust has not experienced any material effects from the COVID-19 pandemic, however, the ultimate impact going forward is highly uncertain and subject to change. If the COVID-19 pandemic worsens, the impact on the global financial markets may have a negative effect on the Trust's business, financial condition and financial performance and those of the third parties on which it relies on an interim basis.

**3. Investment Activity**

Purchases and sales of individual investments by the DIT Fund, other than short-term investments, for the year ended, and gross unrealized gains and losses for investments still held as of December 31, 2020, consists of the following:

Purchases	26,454,189
Sales	(32,570,037)
Unrealized Gains	30,468,593
Unrealized Losses	-

**4. Investment Risks, Uncertainties and Concentration**

Alternative Investment Funds consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds, private debt funds and common trust funds. The underlying investments of such funds, whether invested in stocks or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

**Diocesan Investment Trust  
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Notes to Financial Statements  
December 31, 2020

**4. Investment Risks, Uncertainties and Concentration (continued)**

Investments are carried at fair value. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

At December 31, 2020, three individual investments represented approximately 61%, 14%, and 12% of net assets.

**5. Fair Value of Investments**

The following are major categories of investments measured at fair value on a recurring basis at December 31, 2020 grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Mutual Funds				
Equity Funds (1)	\$ -	\$ -	\$ -	\$ 57,747,032
Fixed Income Funds (1)	-	-	-	16,491,118
Commodity Investment Funds (1)	-	-	-	5,082,599
Private Equity and Debt Funds (1)	-	-	-	3,524,570
Alternative Investment Funds (1)	-	-	-	11,294,686
Temporary Investments				
U.S. Treasury	1,447,000	-	-	1,447,000
	<u>\$ 1,447,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,587,005</u>

(1) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy. The fair value amounts presented in the total column of this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Assets and Liabilities.

There were no transfers into and out of any level of the fair value hierarchy for assets measured at fair value for the year ended December 31, 2020.

**Diocesan Investment Trust  
of the Diocese of New York**

Notes to Financial Statements  
December 31, 2020

**5. Fair Value of Investments (continued)**

Information regarding investments, including alternatives, valued at NAV using the practical expedient at December 31, 2020 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Funds (a)	\$ 57,747,032	\$ -	Monthly	5 days
Fixed Income Funds (b)	16,491,118	-	Daily, Weekly	1-5 days
Commodity Investment Funds (c)	5,082,599	-	Daily	2 days
Private Equity and Debt Funds (d)	3,524,570	7,157,856	No Redemptions	N/A
Alternative Investment Funds (e)	11,294,686	-	Quarterly	65 days
Total	<u>\$ 94,140,005</u>	<u>\$ 7,157,856</u>		

- a. Investments in funds that invest both long and short primarily in U.S. common stocks, partnerships and other Commonfund managed funds.
- b. Investments in funds that invest primarily in dollar-denominated investment grade bonds, inflation-indexed securities, sovereign bonds and other fixed income securities.
- c. Investments that pursue a multi-strategy approach to investing in the commodities markets, which include common stock and preferred stock on exchange traded agriculture goods, metals, minerals, energy products and foreign currencies.
- d. Private equity and private debt funds acquire illiquid equity shares and debt obligations or debt-related financial instruments. The category is comprised of strategies such as investing in private equity of companies and secured debt assets.
- e. Investments in funds that invest both long and short, primarily in global markets including but not limited to equity, currencies and fixed income. The fair values of the investments in this category have been estimated using level 3 inputs that are unobservable inputs and are used to the extent that observable inputs do not exist, such as the net asset value per share of the investments.



**Diocesan Investment Trust  
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Notes to Financial Statements  
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**6. Advisory Fees**

The Commonfund for Nonprofit Organizations and its Affiliated Subsidiaries (the “Commonfund”) provide investment management and advisory services for the Trust using their Strategic Solutions program. The Commonfund charges administrative and management advisory fees to individual mutual funds held by the Trust at the fund level and include these costs in the computation of net asset value. Certain other Commonfund funds charge management advisory fees to the Trust directly by redeeming shares or interests in the respective Commonfund fund for the applicable month or quarter-end period. These direct charges are recorded as advisory fees and exclude administrative and management advisory fees computed as part of the net asset value of Commonfund mutual funds.

**7. Dividend Distributions Payable to Shareholders**

The Trust declared a dividend per share of \$1.4974 as of December 10, 2020. The dividends were paid on January 15, 2021, to shareholders of record on December 10, 2020.

In addition, the Trust declared a dividend per share of \$1.5692 as of March 10, 2021. The dividends were paid on April 15, 2021, to shareholders of record on March 10, 2021.

**8. Capital Share Transactions and Undistributed Net Beneficial Interest**

Each investor owns a beneficial interest in the DIT Fund as represented by shares of equal interest in the DIT Fund, each representing an undivided proportionate interest in all of the assets and liabilities of the DIT Fund. Transactions in shares of beneficial interest were as follows for the Trust:

Shares of beneficial interest, Beginning January 1, 2020	585,367
Shares subscribed	17,411
Shares redeemed	<u>(31,541)</u>
Shares of beneficial interest, Ending December 31, 2020	<u>571,237</u>

Subscriptions and redemptions of shares in the Trust are generally permitted on the last day of each month. Notice of intent to subscribe or redeem from the Trust should be given in the form of a letter received by the Trust no later than the twentieth of the month.

**Diocesan Investment Trust  
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Notes to Financial Statements  
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**9. Related Party Transactions**

The TEP invests directly in the DIT Fund, and through the Parish Endowment Management Service (PEMS) program. PEMS allows the TEP to retain, invest, reinvest and disburse the endowment funds for each church under investment management contracts. Each PEMS unit issued to a parish represents a percentage beneficial ownership interest in the DIT Fund. Other parishes also invest directly in the funds of the Trust.

	Shares Owned	Cost of Shares	Market Value of Shares
TEP	238,432.92	20,153,213	39,712,000
PEMS	112,913.56	15,307,909	18,806,226
Other Parishes	219,890.48	27,373,274	36,623,681
Total	571,236.96	\$ 62,834,396	\$ 95,141,907

**Diocesan Investment Trust  
of the Diocese of New York**

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**10. Financial Highlights**

Financial highlights for the year ended December 31, 2020 are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Per Share Operating Performance:					
Net asset value, Beginning of year	\$ 156.650	\$ 136.982	\$ 151.468	\$ 134.872	\$ 134.145
Income from investment operations:					
Net investment income (loss)	(0.652)	0.996	1.643	1.427	1.191
Net realized and unrealized gain (loss) on investments	16.433	24.351	(10.576)	20.649	4.934
Total from Investment Operations	172.431	162.329	142.535	156.948	140.270
Less distributions to shareholders	(5.877)	(5.679)	(5.553)	(5.480)	(5.398)
Net Asset Value, End of year	<u>\$ 166.554</u>	<u>\$ 156.650</u>	<u>\$ 136.982</u>	<u>\$ 151.468</u>	<u>\$ 134.872</u>
Total Return	<u>10.59%</u>	<u>18.71%</u>	<u>-6.08%</u>	<u>16.59%</u>	<u>4.66%</u>
Ratios and Supplemental Data:					
Net assets, End of year, rounded (\$ thousands)	<u>\$ 95,142</u>	<u>\$ 91,698</u>	<u>\$ 79,240</u>	<u>\$ 86,394</u>	<u>\$ 76,804</u>
Ratio of expenses to average net assets:					
Investment advisory fees	0.182%	0.219%	0.148%	0.148%	0.153%
Other administrative costs	0.263%	0.289%	0.263%	0.219%	0.232%
Total Expense Ratio	<u>0.445%</u>	<u>0.508%</u>	<u>0.411%</u>	<u>0.367%</u>	<u>0.385%</u>
Ratio of net investment income (loss) to average net assets	<u>-0.430%</u>	<u>0.668%</u>	<u>1.103%</u>	<u>0.989%</u>	<u>0.893%</u>
Number of shares outstanding at End of year, rounded (000's omitted)	<u>571</u>	<u>585</u>	<u>578</u>	<u>570</u>	<u>569</u>

Financial highlights are calculated for the share class as a whole. An individual shareholder's returns and ratios may vary based on the timing of share transactions.

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