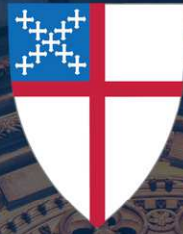


Diocesan
Investment
Trust



of the Diocese of New York

79th ANNUAL REPORT

2021

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
Monica Spencer Green, St. James 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
Kevin M. Widmaier, Christ Church Pelham

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President, Gavin F. Leckie
Vice President, Holly Huffman MacDonald
Secretary & Treasurer, Dulcie T. Mapondera
Assistant Secretary & Assistant Treasurer, Michele Kearney

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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

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**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 DIT engaged Commonfund in April, 2009, to assist the Trustees in providing prudent, institutional grade investment management and endowment services to the TEP, parishes and other institutions within the Episcopal Diocese of New York. As of December 31, 2021, the DIT oversaw \$106.2 million on behalf of more than 253 trusts and entities throughout the Diocese.

Of the \$106.2 million, \$43 million (40.5%) represented various trust accounts (TEP), \$39.8 million (37.5%) voluntary investments by parishes and institutions throughout the Diocese, and \$23.4 million (22%) was invested on behalf of parishes in the PEMS program. During the year investors subscribed nearly \$10.8 million for new shares in the DIT Fund and redeemed \$7.2 million to satisfy various operating and other needs, including automated quarterly distributions under the PEMS program of approximately \$655,528.33.

The DIT Fund finished the year up 12.1%, underperforming its policy benchmark* by 0.8 percent. Annualized performance measured from the inception of our relationship with Commonfund (April 2009) through December 31, 2021 was +9.0%, in line with the policy benchmark return and ahead of the DIT’s long-term return objective of CPI + 4.06% by 2.8%. These performance figures are net of all fees paid to Commonfund, but do not reflect the deduction of DIT administrative expenses of approximately 0.26% (annualized), which include the cost of processing redemption and subscription requests, custody, an annual audit, and the salary of our executive director.

Following a volatile 2020 ravaged by the COVID-19 pandemic, 2021 proved to be the ‘Year of the Recovery’ with both widespread vaccine distribution and a rebound in overall economic growth. Real GDP increased 5.7%, the highest calendar year print in nearly 40 years, leading to the S&P 500 returning 28.7% and the MSCI All Country World Index returning 18.5%. However, supply chain issues resulting from labor shortages coupled with increased consumer demand brought on inflationary pressures, with headline CPI reaching 7.0% on a YoY at year end – the largest annual percent change since 1981. As a result, monetary policy will be looked upon as a key indicator in 2022 as central banks deal with rising inflation and a global economic recovery. The Endowment for the year underperformed its policy benchmark* by 0.8 percent. The main source of the underperformance came from within the Diversifying Strategies (hedge fund) sub-asset class, as a lower overall sensitivity to markets hurt in a relatively strong equity market. The Global Equity Fund also underperformed, as a European fundamental stock picker struggled to add value within a relatively concentrated stock portfolio. However, two of the strongest relative outperforming asset classes within the portfolio included illiquid investments in both private capital and private credit. The DIT has a 3% allocation (10% target) to private capital investments in private equity and venture capital, which returned 79% for the year given a strong overall liquidity and exit environment for privately held companies that went public. Private credit (+8.5%) also outperformed the broader high yield markets by 3.1%, which should continue to be an important piece of the portfolio given the prospects for a higher interest rate environment.

Investment allocation was managed within limits prescribed by the Trustees. At year end, capital entrusted to the DIT was allocated 59.8% to equities, 23.2% to fixed income, and 17.0% to alternatives (primarily hedge fund managers). The DIT also established a new 2.5% target allocation to core real estate to serve as a potential inflation hedge and diversified source of growth and a 2.5% target to environmental sustainable investments - consisting of private investments in areas like renewables, resource efficiency, and food, agriculture, and water sustainability.

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 28, 2022

Established September 27, 1877

***Policy Benchmark:**

5/1/2009 to 6/30/2013 17.0% S&P 500 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 Tbill; 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 Tbill; 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 Tbill; 5.0% S&P Global LargeMidCap Commodity and Resources Index

4/1/2020 to 6/30/2021 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 Tbill; 5.0% S&P Global LargeMidCap Commodity and Resources Index

7/1/2021 to 12/31/2021 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 Tbill; 2.5% NCREIF ODCE (Lagged); 2.5% S&P Global LargeMidCap Commodity and Resources Index

****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 6/30/2021 70.6% HFRI FOF Conservative Index; 29.4% S&P Global LargeMidCap Commodity and Resources Index

7/1/2021 to 12/31/2021 70.6% HFRI FOF Conservative Index; 14.7% NCREIF ODCE (Lagged); 14.7% S&P Global LargeMidCap 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.

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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.” Where applicable, returns take into consideration the reinvestment or “recycling” of investment proceeds.

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, except where such results are based on actual historical performance of Investment Products, they 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 agreements. 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. 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.

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 performance. An investor may lose all or a substantial portion of their investment in an Investment Product.

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

Financial Statements

December 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the 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

Opinion

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 (the "DIT Fund") which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the DIT Fund as of December 31, 2021, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the DIT Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the DIT Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 DIT Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the DIT Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

PKF O'Connor Davies, LLP

April 28, 2022

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

Statement of Assets and Liabilities
December 31, 2021

ASSETS

Investments, at fair value (cost \$67,576,861)	\$ 102,999,971
Receivable from brokers and custodian	2,065,000
Cash on deposit with custodian	311
Receivable for investor subscriptions	4,572,757
Total Assets	<u>\$ 109,638,039</u>

LIABILITIES

Payable to brokers and custodian	2,065,000
Accrued liabilities	80,823
Payable for investor redemptions	407,554
Dividend distributions payable to shareholders	890,819
Total Liabilities	<u>3,444,196</u>

NET ASSETS

\$ 106,193,843

See notes to financial statements

Diocesan Investment Trust of the Diocese of New York

Schedule of Investments December 31, 2021

Shares	Description/Geography	Percent of Net Assets	Fair Value
Equity Funds			
6,540	SSgA S&P 500 Index Non-Lending Strat. (United States)	2%	\$ 1,644,711
2,204,235	Commonfund Strategic Solutions Global Equity, LLC (United States)	53%	<u>56,792,910</u>
	Total Equity Funds (cost \$27,542,728)	55%	<u>58,437,621</u>
Fixed Income Funds			
1,321,696	Commonfund Institutional High Quality Bond Fund, LLC (United States)	14%	15,501,914
62,360	SSgA US Aggregate Bond Index NL Strat (United States)	1%	1,133,771
1,852,045	State Street Institutional U.S. Government Money Market Fund (United States)	2%	<u>1,852,045</u>
	Total Fixed Income Funds (cost \$17,982,215)	17%	<u>18,487,730</u>
Commodity Investment Funds			
212,936	SSgA S&P Global Large Mid Cap Natural Resources Index (United States)	2%	<u>2,545,442</u>
	Total Commodity Investment Funds (cost \$1,785,938)	2%	<u>2,545,442</u>
Private Equity and Debt Funds			
	Commonfund Private Credit Fund 2018, L.P. (United States)	1%	1,093,962
	Cerberus Offshore Levered Loan Opportunities Fund III, L.P. (Cayman Islands)	1%	993,406
	Commonfund Private Credit Fund II, L.P. (United States)	1%	591,128
	Commonfund Capital Secondary Partners III, L.P. (United States)	0%	529,507
	Commonfund Capital Venture Partners XIII, L.P. (United States)	2%	1,821,523
	Commonfund Capital Venture Partners XIV, L.P. (United States)	0%	38,000
	CCI-OCIO Global Private Equity Fund IV, L.P. (United States)	0%	38,000
	Commonfund Capital Environmental Sustainability Partners 2020, L.P. (United States)	0%	107,259
	Commonfund Strategic Solutions Core Real Estate Fund, LLC (United States)	2%	2,422,448
	Commonfund Capital Strategic Solutions Global Private Equity Fund III, L.P. (United States)	1%	<u>706,933</u>
	Total Private Equity and Debt Funds (cost \$6,426,256)	8%	<u>8,342,166</u>
Alternative Investment Funds			
9,745	Commonfund REIT Portfolio, LLC (United States)	0%	117,097
1,035,239	Commonfund Global Absolute Alpha Company (Cayman Islands)	12%	<u>12,361,104</u>
	Total Alternative Investment Funds (cost \$11,130,913)	12%	<u>12,478,201</u>
	Total Investments (cost \$64,868,050)	94%	<u>100,291,160</u>
Temporary Investments			
	Cash Awaiting Transfer	0%	-
	Fiduciary Trust Company International Short Term Investment Pool U.S. Treasury	3%	<u>2,708,811</u>
	Total Cash and Cash Equivalents (cost \$2,708,811)	3%	<u>2,708,811</u>
	Total Investments (cost \$67,576,861)	97%	102,999,971
	Other Assets and Liabilities, Net	3%	<u>3,193,872</u>
	Net Assets		<u>\$ 106,193,843</u>

See notes to financial statements

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

Statement of Operations
Year Ended December 31, 2021

INVESTMENT INCOME

Interest and dividends	\$ 1,144
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EXPENSES

Administrative fees	217,936
Advisory fees	170,720
Professional fees	27,000
Custodian fees	6,350
Total Expenses	<u>422,006</u>
Net Investment Loss	(420,862)

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

Net realized gains from security transactions	
Proceeds from sales	39,637,262
Cost of securities sold	<u>(33,215,517)</u>
Net Realized Gain on Investments	6,421,745
Net increase in unrealized appreciation on investments	<u>4,954,517</u>
Net Realized and Unrealized Gain on Investments	<u>11,376,262</u>
Net increase in Net Assets Resulting from Operations	<u><u>\$ 10,955,400</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, 2021

FROM OPERATIONS AND DIVIDEND DISTRIBUTIONS	
Net investment loss	\$ (420,862)
Net realized gain on investments	6,421,745
Net increase in unrealized appreciation on investments	4,954,517
Net increase in Net Assets Resulting from Operations	<u>10,955,400</u>
Dividend distributions to shareholders	<u>(3,493,426)</u>
Net Change in Net Assets Derived from Operations and Dividend Distributions to Shareholders	<u>7,461,974</u>
FROM TRANSACTIONS IN SHARES OF BENEFICIAL INTEREST	
Proceeds received from subscriptions to shares of beneficial interest	10,812,567
Amounts paid on redemption of shares of beneficial interest	<u>(7,222,605)</u>
Change in Net Assets Derived From Transactions in Shares of Beneficial Interest	<u>3,589,962</u>
Net Change in Net Assets	<u>11,051,936</u>
NET ASSETS	
Beginning of year	<u>95,141,907</u>
End of year	<u><u>\$ 106,193,843</u></u>

See notes to financial statements

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

Statement of Cash Flows
Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Net increase in net assets resulting from operations	\$ 10,955,400
Adjustments to reconcile net increase in net assets resulting from operations to net cash from operating activities	
Purchase of investments	(35,673,966)
Sale of investments	39,637,262
Net increase in unrealized appreciation on investments	(4,954,517)
Net realized gain on investments	(6,421,745)
Change in Operating Assets and Liabilities	
Receivable from brokers and custodian	(1,949,046)
Receivable for investor subscriptions	(3,836,514)
Payable to brokers and custodian	1,949,046
Accrued liabilities	(4,525)
Payable for investor redemptions	162,088
Dividend distributions payable to shareholders	39,852
Net Cash from Operating Activities	(96,665)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds received from subscriptions to shares of beneficial interest	10,812,567
Amounts paid on redemption of shares of beneficial interest	(7,222,605)
Dividend distributions to shareholders	(3,493,426)
Net Cash from Financing Activities	96,536
Net Change in Cash and Cash Equivalents	(129)

CASH AND CASH EQUIVALENTS

Beginning of year	440
End of year	\$ 311

See notes to financial statements

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

Notes to Financial Statements
December 31, 2021

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, 2021

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 10th 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, 2021

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 28, 2022.

In January 2022 the Trust had approximately \$3,900,000 in capital subscriptions. In February 2022 the Trust has approximately \$4,000,000 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, 2021, consist of the following:

Purchases	35,673,966
Sales	(39,637,262)
Unrealized Gains	35,423,110
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
of the Diocese of New York**

Notes to Financial Statements
December 31, 2021

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, 2021, three individual investments represented approximately 53%, 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, 2021 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
Private Funds				
Equity Funds (1)	\$ -	\$ -	\$ -	\$ 58,437,621
Fixed Income Funds (1)	-	-	-	18,487,730
Commodity Investment Funds (1)	-	-	-	2,545,442
Private Equity and Debt Funds (1)	-	-	-	8,342,166
Alternative Investment Funds (1)	-	-	-	12,478,201
Temporary Investments				
U.S. Treasury	2,708,811	-	-	2,708,811
	<u>\$ 2,708,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,999,971</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, 2021.

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

Notes to Financial Statements
December 31, 2021

5. Fair Value of Investments (continued)

Information regarding investments, including alternatives, valued at NAV using the practical expedient at December 31, 2021 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Funds (a)	\$ 58,437,621	\$ -	Monthly	5 days
Fixed Income Funds (b)	18,487,730	-	Daily, Weekly	1-5 days
Commodity Investment Funds (c)	2,545,442	-	Daily	2 days
Private Equity and Debt Funds (d)	8,342,166	10,735,053	No Redemptions	N/A
Alternative Investment Funds (e)	12,478,201	-	Monthly, Quarterly	5-65 days
Total	<u>\$ 100,291,160</u>	<u>\$ 10,735,053</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
of the Diocese of New York**

Notes to Financial Statements
December 31, 2021

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 \$1.5731 as of December 10, 2021. The dividends were paid on January 15, 2022, to shareholders of record on December 10, 2021.

In addition, the Trust declared a dividend per share of \$1.4384 as of March 10, 2022. The dividends were paid on April 15, 2022, to shareholders of record on March 10, 2022.

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, 2021	571,237
Shares subscribed	60,806
Shares redeemed	<u>(42,655)</u>
Shares of beneficial interest, Ending December 31, 2021	<u>589,388</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
of the Diocese of New York**

Notes to Financial Statements
December 31, 2021

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	238,398.21	20,168,723	42,953,737
PEMS	130,030.71	18,599,644	23,428,469
Other Parishes	220,959.18	28,936,455	39,811,637
Total	589,388.10	\$ 67,704,822	\$ 106,193,843

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

Notes to Financial Statements
December 31, 2021

10. Financial Highlights

Financial highlights for the year ended December 31, 2021 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Per Share Operating Performance:					
Net asset value, Beginning of year	\$ 166.554	\$ 156.650	\$ 136.982	\$ 151.468	\$ 134.872
Income from investment operations:					
Net investment income (loss)	(0.748)	(0.652)	0.996	1.643	1.427
Net realized and unrealized gain (loss) on investments	20.610	16.433	24.351	(10.576)	20.649
Total from Investment Operations	186.416	172.431	162.329	142.535	156.948
Less distributions to shareholders	(6.239)	(5.877)	(5.679)	(5.553)	(5.480)
Net Asset Value, End of year	<u>\$ 180.177</u>	<u>\$ 166.554</u>	<u>\$ 156.650</u>	<u>\$ 136.982</u>	<u>\$ 151.468</u>
Total Return	<u>12.07%</u>	<u>10.59%</u>	<u>18.71%</u>	<u>-6.08%</u>	<u>16.59%</u>
Ratios and Supplemental Data:					
Net assets, End of year, rounded (\$ thousands)	<u>\$ 106,194</u>	<u>\$ 95,142</u>	<u>\$ 91,698</u>	<u>\$ 79,240</u>	<u>\$ 86,394</u>
Ratio of expenses to average net assets:					
Investment advisory fees	0.173%	0.182%	0.219%	0.148%	0.148%
Other administrative costs	0.255%	0.263%	0.289%	0.263%	0.219%
Total Expense Ratio	<u>0.428%</u>	<u>0.445%</u>	<u>0.508%</u>	<u>0.411%</u>	<u>0.367%</u>
Ratio of net investment income (loss) to average net assets	<u>-0.427%</u>	<u>-0.430%</u>	<u>0.668%</u>	<u>1.103%</u>	<u>0.989%</u>
Number of shares outstanding at End of year, rounded (000's omitted)	<u>589</u>	<u>571</u>	<u>585</u>	<u>578</u>	<u>570</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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