



The Episcopal Church in Delaware

The Rt. Rev. Kevin S. Brown, Bishop

all things in love

1 Cor. 16:14

March 18, 2020

A message from the Trustees to the Episcopal Church in Delaware

Amid all of the troubling news right now, we offer a word of encouragement to all of our parishes invested in Master Fund A. We recognize that many parishes use their distributions from this fund to balance their budgets and help underwrite important ministries and operations. We intend to fulfill our commitment to make all planned distributions throughout this time of financial turmoil, starting with the regular quarterly distribution at the end of this month.

We offer this with confidence due to the success of our long-term investment strategy for Master Fund A, an investment option available to all parishes and organizations affiliated with the diocese. The strategy is based on three key considerations. First, the Episcopal Church in Delaware has been here a long time, and, God willing, we intend to be here for a long time to come. Thus, we take a very long view and know that serious market declines will happen from time to time. Second, we (like parishes) rely on regular, periodic use of our own endowments to support diocesan and parish ministries, in both good times and bad. Thus, we (like you) rely on dependable distributions to empower ministry. Third, we cannot count on future large gifts to replenish our funds to compensate for losses, be they from high-risk investments or from being compelled to sell investments in times like these. Thus, we must live within our means and invest wisely. These three considerations guide our decisions on acceptable risk, asset allocation, and selection of specific managers, which we review quarterly. In short, we knowingly give up some potential gains in improving markets in order to be shielded in deteriorating ones.

This approach has served us well in the past and is working now. Through last Friday, Master Fund A was off 9% for the year compared to the S&P 500, which is off 16%. At the end of last week, approximately one-third of Master Fund A was held in cash or in liquid, fixed-income investments that have largely held their value. These investments can and will be used to fund ongoing commitments without having to sell depressed equities.

No one knows what the future holds, but we are determined to do all we can to fulfill the trust you have placed in us and to free you to focus on the mission to which we are all called. We hope this trust in us will allow you now, in this hour of so many needs, to focus your energies on pastoral care and ministry to our neighbors and ourselves rather than worry about the economic uncertainty around us.

Sincerely,

Bishop Brown and (Fellow) Trustees of the Episcopal Church in Delaware