THE TRUSTEES OF THE PROTESTANT EPISCOPAL CHURCH OF THE DIOCESE OF DELAWARE MASTER FUND “A”

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT

DECEMBER 31, 2022 AND 2021

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Protestant Episcopal Church
of the Diocese of Delaware
Master Fund "A"
Wilmington, Delaware

Opinion

We have audited the accompanying financial statements of The Trustees of the Protestant Episcopal Church of the Diocese of Delaware Master Fund "A" (the "Fund"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, and cash flows for the years 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 Fund as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Phone: (302) 656-6632
Fax: (302) 656-1811
www.CoverRossiter.com
Little Falls Centre One
2711 Centerville Road, Suite 100
Wilmington, DE 19808

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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue 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.

Cover & Rossiter

Certified Public Accountants

August 23, 2023
Wilmington, Delaware

THE TRUSTEES OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF DELAWARE
MASTER FUND "A"
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 946,225	$ 1,383,778
Investments	82,007,501	99,550,597
Interest receivable	152,515	128,448
Dividends receivable	33,267	18,096
TOTAL ASSETS	$ 83,139,508	$ 101,080,919
LIABILITIES		
Amounts held on behalf of participants	$ 946,225	$ 1,383,778
TOTAL LIABILITIES	946,225	1,383,778
NET ASSETS		
Without donor restrictions		
Designated	82,193,283	99,697,141
TOTAL NET ASSETS	82,193,283	99,697,141
TOTAL LIABILITIES AND NET ASSETS	$ 83,139,508	$ 101,080,919
Net asset value per unit	$ 41.94	$ 52.30
Units outstanding	1,959,828	1,906,284

The accompanying notes are an integral part of the financial statements.

THE TRUSTEES OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF DELAWARE
MASTER FUND "A"
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
	Without Donor Restriction	Without Donor Restriction
OPERATING REVENUE		
Interest and dividend income	$ 2,819,751	$ 4,185,321
Realized gain (loss) from security transactions	(73,941)	3,276,484
Unrealized gain (loss) on investments	(18,330,225)	4,265,678
Less: Amortized bond premiums	(44,857)	(58,779)
Less: Investment fees	(327,840)	(409,171)
Total operating revenue	(15,957,112)	11,259,533
OPERATING EXPENSES		
Management and general expenses		
Administrative fees	143,122	132,814
Total operating expenses	143,122	132,814
TOTAL GAIN (LOSS) FROM OPERATIONS	(16,100,234)	11,126,719
NON-OPERATING ACTIVITIES		
Purchase of fund units by participants	3,521,163	2,096,223
Redemption of fund units by participants	(1,135,589)	(1,381,621)
Distributions to participants	(3,789,198)	(3,557,213)
TOTAL CHANGE FROM NON-OPERATING ACTIVITIES	(1,403,624)	(2,842,611)
TOTAL CHANGE IN NET ASSETS	(17,503,858)	8,284,108
NET ASSETS - BEGINNING OF YEAR	99,697,141	91,413,033
NET ASSETS - ENDING OF YEAR	$ 82,193,283	$ 99,697,141

The accompanying notes are an integral part of the financial statements.

THE TRUSTEES OF THE PROTESTANT EPISCOPAL CHURCH OF THE DIOCESE OF DELAWARE
MASTER FUND "A"
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interest and dividends	$ 2,735,656	$ 4,142,094
Cash paid for administrative and investment fees	(470,962)	(541,985)
Change in cash held on behalf of participants	(437,553)	1,005,247
Net cash provided by operating activities	1,827,141	4,605,356
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	34,362,301	48,521,488
Purchases of investments	(35,223,371)	(49,278,986)
Net cash used by investing activities	(861,070)	(757,498)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from the purchases of units	3,521,163	2,096,223
Cash paid for the redemption of units	(1,135,589)	(1,381,621)
Cash paid for distributions	(3,789,198)	(3,557,213)
Net cash used by financing activities	(1,403,624)	(2,842,611)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(437,553)	1,005,247
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,383,778	378,531
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 946,225**	**$ 1,383,778**
RECONCILIATION OF TOTAL GAIN (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Total gain (loss) from operations	$ (16,100,234)	$ 11,126,719
Adjustments to reconcile total gain (loss) to net cash provided by operating activities:		
Net realized (gains) losses on investments	73,941	(3,276,484)
Net unrealized (gain) losses on investments	18,330,225	(4,265,678)
(Increase) Decrease in assets:		
Interest receivable	(24,067)	14,391
Dividends receivable	(15,171)	1,161
Increase (Decrease) in liabilities:		
Amounts held on behalf of participants	(437,553)	1,005,247
Net cash provided by operating activities	**$ 1,827,141**	**$ 4,605,356**

The accompanying notes are an integral part of the financial statements.

THE TRUSTEES OF THE PROTESTANT EPISCOPAL CHURCH OF THE DIOCESE OF DELAWARE MASTER FUND "A" NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Master Fund "A" (the "Fund") is an investment account for the various organizations, institutions, churches and other agencies in affiliation with The Protestant Episcopal Church of the Diocese of Delaware. Each organization, institution, or church may own units in the Fund. The Fund itself is maintained by Truist, the custodian, under the direction of and with policy set by The Trustees of the Protestant Episcopal Church of the Diocese of Delaware through its investment committee.

2. Method of Accounting

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Designated net assets represent investments held by unit holders.

3. Classification of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

4. Investments

Security transactions are recorded on the trade date. Investments owned are carried at market value. The difference between cost and market value is reflected as unrealized appreciation (depreciation) on investments. Realized gains (losses) from security transactions are determined for financial reporting purposes on the basis of first-in, first-out. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis. Net asset value (NAV) is used as a practical expedient investments in limited partnerships for which readily determinable fair value is not available.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Fair Value Hierarchy

FASB ASC 820-10 establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

6. Premiums and Discounts

The difference between the cost and the face value of debt instruments purchased (premiums or discounts) is amortized or accreted over the life of the investment on a straight-line or effective yield basis.

There were total premiums paid of $204,589 and $270,031 and discounts of $108,235 and $60,893 received, as of December 31, 2022 and 2021, respectively, representing the maturity value of fixed income securities over cost (discount) or cost over maturity value (premium).

Amortization expense recognized on bond premiums was $44,857 and $58,779 during the years ended December 31, 2022 and 2021, respectively.

7. Transactions with Unit-Holders

Purchase or redemption of units may be made monthly by unit-holders and are based on the previous month's net asset value. The Fund makes regular quarterly distributions to unit-holders on March 31, June 30, September 30 and December 31. During 2022 and 2021, standard gross quarterly distributions were 49.00 and 46.90 cents per unit, respectively. Participants may elect to increase or decrease this distribution, which will result in liquidation or addition of units.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Amounts Held on Behalf of Participants

As a convenience to participants, the Fund will hold cash balances on their behalf in segregated accounts separate from their Fund share balances. These cash balances are redeemable on demand. The total of all these segregated accounts was $946,225 and $1,383,778 at December 31, 2022 and 2021, respectively. These amounts appear as liabilities on the statement of financial position.

9. Administrative and Investment Fees

Fees are paid to the Trustees and Hamilton & Company to cover investment advisory and administrative services provided to the Fund. Fees to the investment advisors and custodians are paid based on the following annual rates calculated on the average market value of assets under management:

Advisor/Custodian	Rate
The Trustees of the Protestant Episcopal Church	0.04%
Neuberger Berman	0.88%
Truist Financial - Custodial/Administrative	0.12%
Payden & Rygel	0.30%
Select Equity Group LP	1% plus a 20% incentive
Edgewood Growth	1.00%
Matthews Asia Dividend	0.92%
Primecap Odyssey Growth	0.64%

Investment manager fees are only calculated on the assets under their management.

During 2022 and 2021, the Trustees were paid $44,397 and $31,517, respectively, and Hamilton & Company was paid $98,725 and $101,297, respectively. For the years ended December 31, 2022 and 2021, Neuberger Berman was paid or due $148,560 and $193,249, respectively, Truist was paid $100,951 and $110,998, respectively, and Payden & Rygel was paid $74,585 and $101,738, respectively.

The management fees for the Primecap Odyssey Growth, Matthew's Asia Dividend, Edgewood Growth and SEG Offshore Funds are deducted directly from that fund's assets. While they are included in that fund's performance, they are not reflected separately within the Fund's financial statements.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

11. Concentration of Market Risk

The Fund maintains its cash balances with nationally known and established financial institutions. From time to time, in the normal course of business, the Fund's cash balances may exceed federally insured limits. Management believes the risk of loss is remote.

12. Liquidity and Availability

The Fund's assets are designated for unit holders. Fees that are incurred are paid out of investment income generated during the year.

13. Subsequent Events

Management has evaluated subsequent events through August 23, 2023, the date the financial statements were available to be issued.

NOTE B – FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of investments. Concentrations of credit risk with respect to investments are limited due to the placement of its investments with professional investment advisors subject to the Fund's investment policies.

NOTE C – INCOME TAXES

The Fund as an investment fund owned by affiliated not-for-profit organizations is not subject to federal or state income taxes. Should any taxable income be attributed to the Fund, its taxable income would be passed-through directly to the owners of units. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

NOTE D – SECURITY TRANSACTIONS

Additions and redemptions for the year ended December 31, 2022 amounted to $3,521,163 or 77,017 units, and $1,135,589 or 23,473 units, respectively. Additions and redemptions for the year ended December 31, 2021 amounted to $2,096,223 or 41,729 units, and $1,381,621 or 27,331 units, respectively.

Investments at December 31 consisted of:

	2022	
	Cost	**Market**
Level 1 Valuations:		
Cash and short-term investments	$ 3,814,407	$ 3,814,407
US government and agency securities	11,988,222	11,160,053
Corporate bonds	10,939,971	10,131,319
Equity securities and equity funds	31,882,056	36,047,677
Total Level 1 Valuations	58,624,656	61,153,456
Investments valued at net asset value:		
Private equity funds	6,603,305	20,854,045
	$ 65,227,961	$ 82,007,501

	2021	
	Cost	**Market**
Level 1 Valuations:		
Cash and short-term investments	$ 4,404,613	$ 4,404,613
US government and agency securities	11,526,435	11,577,432
Corporate bonds	11,587,639	11,849,818
Equity securities and equity funds	30,318,101	48,222,118
Total Level 1 Valuations	57,836,788	76,053,981
Investments valued at net asset value:		
Private equity funds	6,603,305	23,496,616
	$ 64,440,093	$ 99,550,597

NOTE D – SECURITY TRANSACTIONS (CONTINUED)

The Fund has determined the fair value of certain assets through application of FASB ASC 820-10. As required by FASB ASC 820-10, investments are classified within the level of the lowest significant input considered in determining fair value. In evaluating the level at which the Fund's investments have been classified, management has assessed factors including, but not limited to, price transparency, subscription activity, redemption activity and the existence or absence of certain restrictions. Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets.

The following are restrictions or conditions of redemption for the private equity funds:

Investment	Fair Value	Remaining Restriction Period	Redemption Frequency (If currently eligible)	Redemption Notice Period
SEG Partners Offshore, Ltd.	$ 20,854,045	None	N/A	Quarter end; 60 day notice

NOTE E – RISK AND UNCERTAINTY

The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and current economic conditions, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.