



THE JAMES F. HODGES DIOCESAN INVESTMENT FUND

A Pooled Investment Fund

Report to shareholders, year ending
December 31, 2015

August 2016

2015 Diocesan Investment Fund Committee (DIF)

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Diocese of Olympia

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2015 Performance Report to Shareholders

The sluggish global economic growth environment that has been in place over the last few years caught up with investors during 2015 as returns across most asset classes were meager. When looking back 10 years from now, 2015 is a year that many investors may forget because of the small returns, but for those of us in the investment space, memories of the significant market volatility and asset dislocation that took place over the course of the year will certainly stick around.

Market volatility was driven in large part by the Federal Reserve discussing and eventually raising short-term interest rates off of the zero bound for the first time in 6+ years. This, coupled with other developed market central banks around the world easing monetary policy, and in some cases taking interest rates into negative territory, caused the dollar to rise appreciably against other global currencies. Declining growth rates in Europe, Japan and especially China, where policy makers are attempting to transition from a production driven economy to a consumption driven one, put central bankers front and center. A side effect of low growth and a strong dollar was tumbling commodity prices. Prices for commodities such as crude oil and iron ore fell, pressuring companies involved in the production of oil and other commodity linked industries.

Despite all of the doom and gloom, the S&P 500 gained 1.38% in 2015 as corporate America managed to grow earnings. Outside mega-cap U.S. companies, returns were less impressive. The Russell 2000 Index of small U.S. stocks gained just 0.48%, the MSCI Developed Market (EAFE) Index dropped 0.81%, and the MSCI Emerging Markets index lost 14.92%. As mentioned above, threats of a deepening recession in Europe, further slowing in China and negative currency translation due to the strong dollar hurt the performance of international securities.

In 2015 the Fund returned 0.01% net of fees and expenses, which was slightly below the policy benchmark. Over the past three and five years, the Fund returned 9.11% and 8.18% annualized, which is comfortably above the DIF policy benchmark of 8.8% and 8.0% respectively.

The long-term strategic asset allocation targets are 5% cash, 30% bonds and 65% stocks. At the end of December 2015, the Fund held 3.7% in money market funds, 28.1% in bonds and 67.5% in stocks. The Investment Policy for the DIF calls for rebalancing when the allocation deviates by more than 10% from the strategic target.

Within the stock portfolio the Committee continues to focus on companies with strong fundamentals, sound management, high and/or rising dividend yields, and attractive valuations. Recall that we achieve exposure to small and mid-cap U.S. stocks, foreign and emerging market stocks, and corporate bonds through low-cost mutual funds.

The DIF is managed by a team of seasoned investment professionals and business community leaders that generously volunteer their time, expertise and resources. We believe that a long-term perspective, focused on fundamentals and attention to valuations remain essential in building a sensible portfolio. The fund is a balanced and diversified portfolio with a long term investment horizon. The primary objective is growth; income is a secondary consideration.

<u>Diocesan Investment Fund</u>	<u>Year-End Value Per-Share</u>	<u>Annual Dividend Per-Share</u>	<u>Average Annual Yield Per-Share</u>
12/31/2015	\$231.39	\$5.51	2.4%
12/31/2012 (3 years ago)	\$191.313	\$4.53	2.4%
12/31/2010 (5 years ago)	\$176.97	\$4.30	2.4%

<u>Total Returns</u>	<u>Year ending 12/31/2015</u>	<u>3 Years Annualized</u>	<u>5 Years Annualized</u>
Diocese Investment Fund	0.01%	9.11%	8.18%
Policy Index*	1.00%	8.80%	8.00%
S&P 500 Stock Index	1.38%	15.13%	12.57%

Source: U.S. Bank, Diocese of Olympia, Black Diamond.

* The Policy Index is 5% 90-day T-Bill; 30% Barclays Intermediate Aggregate Government/Credit Bond Index, 45.5% S&P 500 Index, 4.9% S&P Midcap Index, 4.9% Russell 2000 Index, 6.5% MSCI EAFE Index, 3.3% MSCI Emerging Markets Index.

The S&P 500 Index is a market capitalization-weighted index of 500 large, widely-held U.S. stocks. The S&P Midcap Index is a market capitalization-weighted index of 400 medium-sized, widely-held U.S. stocks. The Russell 2000 Index is a market capitalization-weighted index of 2000 small U.S. stocks. The MSCI EAFE Index is a market capitalization-weighted index of developed market stocks. The MSCI Emerging Markets Index is a market capitalization-weighted index of emerging market stocks. The Barclays Intermediate Aggregate Government/Credit Bond Index is a float-adjusted, diversified index of government and corporate bonds with intermediate term maturities.

Performance of the Diocese Investment Fund is presented net of fees and expenses. Returns include the reinvestment of dividends and interest. Investments are not guaranteed or insured. The performance data shows past performance and is not a guarantee of future results. Principal value and investment returns will fluctuate. This report uses information that is considered reliable, but it does not represent that the information is accurate or complete.

The Purpose of the Diocesan Investment Fund

The Diocesan Investment Fund was organized in 1951 as a co-mingled fund for the endowment funds of the Diocese, its parishes, missions and related institutions. This approach allows small endowment funds to be pooled, thereby providing greater diversification and increased investment opportunity.

The primary objective of the Fund is to build share appreciation over time and to provide a return that significantly exceeds the level of inflation. Another very important objective of the Fund is to provide a high level of income for distribution to congregations and other shareholders to help meet their budgetary needs. The Fund is invested in a diversified portfolio of common stocks and fixed income securities. Since long term growth of principal is the primary objective, the allocation between stocks and bonds will generally favor stocks.

The primary motivation for investing in the Fund should be the desire to offset the constant erosion of the value of the dollar caused by inflation. The Fund will fluctuate in market value and the level of income produced from year to year. Over time, however, it is anticipated that the total investment return should be higher than the return produced by shorter term savings vehicles.

This Fund is suitable for investors with a five year or longer time horizon and who are willing to accept the possibility of negative returns in some years. The Investment Committee for the Fund will do its best to meet the objectives of the Fund. No guarantee can be given, however, that the objectives will be met.

Operation of the Fund

Shares may be purchased by the Diocese itself, by parishes of the Diocese, and by diocesan related institutions. No shares may be purchased by individuals or by organizations other than those listed. Because of its long-range objectives, the Fund does not encourage the purchase of shares unless they are to be held for two years or more.

The assets are valued on the last day of each month, and the per share valuation determined at that time.

Any parish or other organization wishing to purchase shares may do so by notifying the diocesan Treasurer's office by the end of the month. When the share value has been determined, the purchaser will be given evidence of the number of shares purchased the following month.

In the event that the owner of the shares wishes to sell all or part of them, the Treasurer's Office must be notified by the end of the month. A shareholder should give notice thirty days prior to the valuation date of intent to sell and the amount of money to be realized. When the valuation is determined, the shareholder will be advised of the number of shares to be redeemed and a check sent in payment.

A shareholder may elect to have dividends from earned income re-invested rather than distributed in cash. If so requested, the Fund will fully invest the dividend and issue evidence of additional shares. Further particulars may be obtained from the Comptroller in the diocesan Treasurer's Office.

Requests for purchases and sales of shares and for investment of dividends should be accompanied by a Vestry or Bishop's Committee resolution authorizing such action.

Dividends are distributed monthly. It is customary to distribute all of the earnings of the Fund to shareholders each month as earned.

Earned income only is distributed; capital gains are reinvested to increase the value of the Fund. A shareholder wishing to convert part or all of their capital gains to cash may do so by selling a portion of the shares owned.

The Fund Investment Committee makes no charge for its share in the management and supervision of the Fund. The only charges are those specifically applicable to the operation, such as the agency fee of US Bank, printing and postage expenses, Committee expense, the annual audit fee of our certified public accountants and \$5000 reimbursement to the operating budget. This permits passing on substantially all of the earnings of the Fund to the shareholders with a minimum of shrinkage for operational costs.

INDEPENDENT AUDITORS' REPORT

Diocesan Council
Diocese of Olympia, Inc.

The James F. Hodges Diocesan Investment Fund
Seattle, Washington

We have audited the accompanying financial statements of the Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund (“the Fund”), which comprise the statements of assets and liabilities as of December 31, 2015 and 2014, the schedules of investments, and the related statements of operations, and changes in net assets for the years 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; 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 auditor’s 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 Fund as of December 31, 2015 and 2014, and the results of its operations and changes in its net assets for the years then ended in accordance with accounting principles generally accepted in the United States.

Peterson Sullivan LLP.

April 26, 2016

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DIOCESE OF OLYMPIA, INC.
THE JAMES F. HODGES DIOCESAN INVESTMENT FUND

STATEMENTS OF ASSETS AND LIABILITIES
December 31, 2015 and 2014

ASSETS	2015	2014
Investment income receivable	\$ 90,628	\$ 83,737
Investments (at fair value):		
Equity securities	41,797,746	44,905,348
Bonds, notes, and other	17,204,507	16,205,243
Cash equivalents	2,328,967	1,738,409
Total investments	61,331,220	62,849,000
Total assets	61,421,848	62,932,737
 LIABILITIES AND NET ASSETS		
Participant income payable	201,261	162,353
NET ASSETS	\$ 61,220,587	\$ 62,770,384

See Notes to Financial Statements

DIOCESE OF OLYMPIA, INC.
THE JAMES F. HODGES DIOCESAN INVESTMENT FUND

STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2015 and 2014

	2015	2014
Investment income		
Dividends and interest	\$ 1,517,270	\$ 1,493,046
Securities lending and other income	15,233	10,087
Total investment income	1,532,503	1,503,133
Expenses		
Agency fee	59,354	58,809
Audit	7,400	7,250
Accounting fee	5,000	5,000
Miscellaneous expense	1,739	1,342
Printing and postage	533	481
Total expenses	74,026	72,882
Excess investment income over expenses	1,458,477	1,430,251
Realized and unrealized investment gain (loss)		
Net realized investment gain	1,858,937	2,254,858
Net unrealized investment gain (loss)	(3,333,087)	1,359,332
Net gain (loss) on investments	(1,474,150)	3,614,190
Change in net assets resulting from operations	\$ (15,673)	\$ 5,044,441

See Notes to Financial Statements

DIOCESE OF OLYMPIA, INC.
THE JAMES F. HODGES DIOCESAN INVESTMENT FUND

STATEMENTS OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2015 and 2014

	2015	2014
Change in net assets resulting from operations	\$ (15,673)	\$ 5,044,441
Distributions paid to shareholders	(1,459,045)	(1,511,766)
Capital share transactions		
Proceeds from shareholder purchases and dividends reinvested	1,687,534	4,927,911
Shareholder redemptions	(1,762,613)	(7,413,168)
Decrease in net assets resulting from capital share transactions	(75,079)	(2,485,257)
Change in net assets	(1,549,797)	1,047,418
Net assets, beginning of year	62,770,384	61,722,966
Net assets, end of year	\$ 61,220,587	\$ 62,770,384

See Notes to Financial Statements

DIOCESE OF OLYMPIA, INC.
THE JAMES F. HODGES DIOCESAN INVESTMENT FUND

SCHEDULE OF INVESTMENTS
December 31, 2015

Equity Securities	Number of Shares	Fair Value
Abbot Laboratories	9,300	\$ 417,663
Abbie Inc.	9,300	550,932
Air Products and Chemicals, Inc.	5,700	741,627
Apple Inc.	7,700	810,502
Automatic Data Processing	8,600	728,592
Becton Dickinson & Co	5,200	801,268
Berkshire Hathaway Inc. Class B	5,800	765,832
Blackrock Inc.	2,905	989,211
Boeing Company	4,750	686,802
Chevron Corp	9,735	875,761
Chubb Corporation	8,400	1,114,176
Coca Cola Company	12,900	554,184
Conagra Foods, Inc.	17,100	720,936
Costco Wholesale, Inc.	7,180	1,159,570
Emerson Electric	8,060	385,510
Enterprise Products Partners LP	27,400	700,892
Exxon Mobil Corp	10,992	856,826
General Electric	27,200	847,280
Gilead Sciences, Inc.	5,500	556,545
Google Inc. Class A	555	431,795
Google Inc. Class C	556	421,937
Honeywell International, Inc.	5,800	600,706
Intel Corp	12,700	437,515
International Business Machines	4,865	669,521
iShares S&P Mid Cap 400	21,350	2,974,482
iShares S&P Small Cap 600	25,800	2,840,838
Johnson & Johnson	5,200	534,144
Johnson Controls, Inc.	17,220	680,018
JP Morgan Chase & Co	15,165	1,001,345
Microsoft	22,900	1,270,492
Nextera Energy Inc.	5,900	612,951
Novartis	7,200	619,488
Omnicom Group Inc.	10,000	756,600
Paccar, Inc.	12,000	568,800
Parametric Tax Managed Emerging Markets	14,938	567,643
Pfizer, Inc.	20,978	677,170
Procter & Gamble Co	10,600	841,746
Qualcomm Inc.	8,700	434,870
Schlumberger Ltd	7,590	529,403
Starbucks Co.	13,620	817,609
Sysco Corp	14,400	590,400
United Technologies	7,500	720,525
Vanguard Developed Markets Index	272,392	3,219,670
V F Corporation	12,484	777,129
Ventas Inc.	7,315	412,785
Verizon Communications, Inc.	21,500	993,730
Walt Disney Co.	8,300	872,164
Wells Fargo & Co	17,950	975,762
3M Co	4,530	682,399
Total equity securities		\$ 41,797,746

See Notes to Financial Statements

DIOCESE OF OLYMPIA, INC.
THE JAMES F. HODGES DIOCESAN INVESTMENT FUND

SCHEDULE OF INVESTMENTS
(Continued)
December 31, 2015

BONDS, NOTES, AND OTHER	Rate of Interest	Maturity	Shares or Face Value	Fair Value
Federal Farm Credit Bank Debenture	3.050	7/27/22	\$ 500,000	\$ 519,110
Federal Home Loan Bank Debenture	4.375	6/14/19	1,000,000	1,093,360
Federal Home Loan Bank Debenture	3.125	12/11/20	500,000	529,070
Federal Home Loan Bank Debenture	2.875	12/10/21	500,000	520,095
Federal National Mortgage Association	1.250	7/20/18	900,000	896,328
Federal National Mortgage Association	2.625	9/6/24	900,000	909,504
Fidelity Conservative Income Bond Fund	Variable	n/a	99,701	999,003
U.S. Treasury Note	2.250	7/31/21	1,000,000	1,018,750
U.S. Treasury Note	1.750	5/15/23	900,000	876,834
Vanguard GNMA Admiral Fund	Variable	n/a	64,220	684,587
Vanguard Intermediate Term Grade	Variable	n/a	554,610	5,856,678
Vanguard Short Term Investment Grade Admiral Share	Variable	n/a	342,447	3,301,188
Total Bonds, Notes, and Other				<u>\$17,204,507</u>
CASH EQUIVALENTS				
First America Prime Obligation Fund	Variable	n/a	\$ 2,328,967	\$ 2,328,967
Total cash equivalents				<u>\$ 2,328,967</u>

DIOCESE OF OLYMPIA, INC.
THE JAMES F. HODGES DIOCESAN INVESTMENT FUND

SCHEDULE OF INVESTMENTS
December 31, 2014

Equity Securities	Number of Shares	Fair Value
Abbot Laboratories	9,300	\$ 418,686
Abbie Inc.	9,300	608,592
Air Products and Chemicals, Inc.	5,700	822,111
Apple Inc.	7,700	849,926
Automatic Data Processing	8,600	716,982
Becton Dickinson & Co	6,200	862,792
Berkshire Hathaway Inc. Class B	5,800	870,870
Blackrock Inc.	2,905	1,038,712
Boeing Company	7,800	1,013,844
Cdk Global Inc.	2,866	116,818
Chevron Corp	9,735	1,092,072
Chubb Corporation	8,400	869,148
Coca Cola Company	6,800	287,096
Conagra Foods, Inc.	19,100	692,948
Costco Wholesale, Inc.	8,180	1,159,515
Emerson Electric	12,300	759,279
Enterprise Products Partners LP	27,400	989,688
Exxon Mobil Corp	10,992	1,016,210
General Electric	19,800	500,346
Google Inc. Class A	555	294,516
Google Inc. Class C	555	292,152
Intel Corp	12,700	460,883
International Business Machines	4,865	780,541
iShares S&P Mid Cap 400	21,350	3,091,480
iShares S&P Small Cap 600	25,800	2,942,748
Johnson & Johnson	8,700	909,759
Johnson Controls, Inc.	21,020	1,016,107
JP Morgan Chase & Co	15,165	949,026
Microsoft	22,900	1,063,705
Nextera Energy Inc.	5,900	627,111
Novartis	10,700	991,462
Omnicom Group Inc.	10,000	774,700
Paccar, Inc.	15,000	1,020,150
Parametric Tax Managed Emerging Markets Fund	14,938	687,893
Pfizer, Inc.	24,778	771,835
Procter & Gamble Co	10,600	965,554
Qualcomm Inc.	6,400	475,712
Schlumberger Ltd	5,030	429,612
Starbucks Co.	7,710	632,605
Sysco Corp	14,400	571,536
United Technologies	8,400	966,000
Vanguard Developed Markets Index	351,851	3,314,438
Vanguard Emerging Markets ETF	18,100	724,362
V F Corporation	14,484	1,084,852
Ventas Inc.	7,315	524,486
Verizon Communications, Inc.	21,500	1,005,770
Walt Disney Co.	9,700	913,643
Wells Fargo & Co	17,950	984,019
3M Co	5,800	953,056
Total equity securities		\$ 44,905,348

See Notes to Financial Statements

DIOCESE OF OLYMPIA, INC.
THE JAMES F. HODGES DIOCESAN INVESTMENT FUND

SCHEDULE OF INVESTMENTS
(Continued)
December 31, 2014

BONDS, NOTES, AND OTHER	Rate of Interest	Maturity	Shares or Face Value	Fair Value
Federal Farm Credit Bank Debenture	3.050	7/27/22	500,000	\$ 524,240
Federal Farm Credit Bank Debenture	1.180	11/19/18	500,000	500,070
Federal Home Loan Bank Debenture	4.375	6/14/19	1,000,000	1,117,040
Federal Home Loan Bank Debenture	4.625	6/12/15	1,000,000	1,019,640
Federal Home Loan Bank Debenture	3.125	12/11/20	500,000	529,150
Federal Home Loan Bank Debenture	2.875	12/10/21	500,000	520,085
Federal Home Loan Mortgage Corp Note	1.000	6/19/17	290,000	289,655
Federal Home Loan Mortgage Corp Note	1.000	6/27/17	210,000	209,712
U.S. Treasury Note	2.250	7/31/21	1,000,000	1,019,840
Vanguard GNMA Admiral Fund	Variable	n/a	64,220	694,862
Vanguard Intermediate Term Grade Admiral Share	Variable	n/a	393,572	3,868,810
Vanguard Short Term Investment Grade	Variable	n/a	554,610	5,912,139
Total Bonds, Notes, and Other				<u>\$16,205,243</u>
CASH EQUIVALENTS				
First America Prime Obligation Fund	Variable	n/a	\$ 1,738,409	\$ 1,738,409
Total cash equivalents				<u>\$ 1,738,409</u>

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

The Diocese of Olympia, Inc. (“the Diocese”) is a Diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America (“the Episcopal Church”). The Diocese includes all Episcopal churches in Western Washington.

The James F. Hodges Diocesan Investment Fund (“the Fund”) was organized in 1951 as an investment pool for the endowments of the Diocese, its parishes, missions, and related institutions. The Fund’s current name was adopted in 1987.

The Fund’s investment strategy is to balance the need for current income and growth in asset value to offset inflation by investing in a mixture of equity and debt securities. The securities are currently held by US Bank. The Diocesan Investment Committee makes investment decisions. The funds are not federally insured.

The Diocese has funds other than the Fund, which are called the Trust Funds and the Building Loan, Mission Development, and Real Estate Fund. These funds are included in separate financial statements.

Financial Statement Presentation

The Fund follows the accounting policies of an investment pool, in accordance with accounting principles generally accepted in the United States. Securities are valued at fair value based on closing sales prices reported on recognized securities exchanges on the last business day of the year (see Note 2).

Securities transactions are accounted for on a trade date basis. Realized gains and losses from securities transactions are reported on a specific identification basis. The Fund distributes net cash investment income to shareholders monthly, but net capital gains are reinvested. Shareholders may reinvest dividends, purchase, or redeem shares on a monthly basis only.

Requests for purchases are administered by the Diocese, which collects funds for purchases in the current month and then remits the funds to US Bank in the subsequent month. Shares are purchased at the net asset value at the beginning of the month when US Bank receives the funds. At December 31, 2015 and 2014, the Diocese held \$637,753 and \$91,564 in funds for purchase in January 2016 and 2015, respectively. These amounts are not included in the financial statements until funds are purchased. They are included in the financial statements of the Diocese.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Taxes

The Diocese is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. It is not required to file a federal tax return.

Subsequent Events

The Fund has evaluated subsequent events through the date these financial statements were available to be issued, which was April 26, 2016.

Note 2. Fair Value Measurement

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

The fair value of all investments was determined using Level 1 observable inputs (quoted prices in active markets for identical assets), within the fair value hierarchy using quoted market rates.

Note 3. Unrealized Appreciation

Unrealized appreciation on investments was as follows at December 31, 2015:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	\$ 24,278,536	\$ 41,797,746	\$ 17,519,210
Bonds, notes, and other	17,206,159	17,204,507	(1,652)
Cash equivalents	2,328,967	2,328,967	
	<u>\$ 43,813,662</u>	<u>\$ 61,331,220</u>	<u>\$ 17,517,558</u>

Unrealized appreciation (depreciation) on investments was as follows at December 31, 2014:

	Cost	Fair Value	Unrealized Appreciation
Equity securities	\$ 24,297,829	\$ 44,905,348	\$ 20,607,519
Bonds, notes, and other	16,026,123	16,205,243	179,120
Cash equivalents	1,738,409	1,738,409	
	<u>\$ 42,062,361</u>	<u>\$ 62,849,000</u>	<u>\$ 20,786,639</u>

See Notes to Financial Statements

Note 4. Shareholders

The Fund's investment pool activity is as follows:

	Number of Shares	Per Share Value
Shares outstanding, December 31, 2013	272,997.522	\$ 226.094
Shares purchased and dividends reinvested	24,775.154	
Shares redeemed	(32,847.478)	
Shares outstanding, December 31, 2014	264,925.198	<u>\$ 236.936</u>
Shares purchased and dividends reinvested	7,204.646	
Shares redeemed	(7,418.788)	
Shares outstanding, December 31, 2015	<u>264,711.056</u>	<u>\$ 231.392</u>

Note 5. Related Party Transaction

The Fund is charged approximately \$5,000 per year for the common expenses paid by the Diocese.

Note 6. Investment Policy: Tobacco Stocks

In accordance with the investment policy recommended by the Executive Council of the Episcopal Church, the Fund does not invest in securities issued by companies that manufacture and distribute tobacco products.

Congregations and Institutions Participating

Aberdeen, St. Andrew
Allyn, St. Hugh of Lincoln
Anacortes, Christ Episcopal Church
Auburn, St. Matthew-San Mateo

Bainbridge, Grace Church
Bainbridge, St. Barnabas
Bellevue, All Saints
Bellevue, Church of the Resurrection
Bellevue, St. Margaret
Bellingham, St. Paul
Bremerton, St. Paul
Burien, St. Elizabeth

Camano Island, St. Aidan
Castle Rock, St. Matthew
Cathlamet, St. James
Cathlamet, St. James Family Center
Chehalis, St. Timothy

Eastsound, Emmanuel Episcopal Parish
Edmonds, St. Alban
Elma, St. Luke
Episcopal Retirement Community Foundation

Federal Way, Church of the Good Shepherd

Hoodspport, St. Germain

Issaquah, St. Michael and All Angels

Kenmore, Church of the Redeemer
Kent, St. James
Kingston, Faith Episcopal

Lacey, St. Benedict
Lakewood, St. Mary
Longview, St. Stephen

Maple Valley, St. George
Marysville, St. Philip
Medina, St. Thomas
Medina, St. Thomas Legacy Foundation
Mercer Island, Emmanuel Episcopal Church
Montesano, St. Mark
Mount Vernon, St. Paul

Oak Harbor, St. Stephen
Olympia, St. John

Port Angeles, St. Andrew
Port Orchard, St. Bede
Port Townsend, St. Paul
Puyallup, Christ Church

Seattle, Christ Church
Seattle, Church of the Ascension
Seattle, Diocese of Olympia
Seattle, Epiphany Parish of Seattle
Seattle, St. Andrew
Seattle, St. Clement of Rome
Seattle, St. John the Baptist
Seattle, St. Mark Cathedral
Seattle, Cathedral Foundation
Seattle, St. Paul
Seattle, St. Peter
Seattle, Trinity Church
Seaview, St. Peter
Sequim, St. Luke
Shelton, St. David of Wales
Shoreline, St. David Emmanuel
Silverdale, St. Antony of Egypt
Snohomish, St. John
Snoqualmie, St. Clare
South Bend, St. John

Tacoma, All Saints
Tacoma, Annie Wright School
Tacoma, Christ Church
Tacoma, St. Andrew
Tacoma, St. Luke memorial Church
Tacoma, St. Matthew

Vancouver, All Saints
Vancouver, Church of the Good Shepherd
Vancouver, St. Luke
Vashon, Church of the Holy Spirit

Washougal, St. Anne