



Bond Fund

First Quarter 2024

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OBJECTIVE & OVERVIEW

The Colorado Episcopal Foundation Bond Fund is a pooled investment fund seeking to provide current income with capital appreciation as an ancillary consideration. The goal of the Fund is to attain an annual rate of total return over a market cycle of three to five years that exceeds the annual rate of total return of the Bloomberg US Aggregate Bond Index (the "Bloomberg Agg"), both on an absolute basis and on a risk-adjusted basis.

Please refer to the *Index Definitions and Performance Disclosures* page found in the back of this report for more information on the Bond Fund's primary benchmark.

The Investment Committee, with the approval of the Board of Trustees, has invested the majority of the assets of the Bond Fund in several different intermediate-term bond mutual funds.

INVESTMENT REVIEW

As the first quarter began, the landscape across most asset classes was shaped by ongoing momentum stemming from the broad-based asset class rallies seen in the fourth quarter. Markets kicked off the year with heightened optimism, buoyed by expectations of up to six interest rate cuts in 2024. However, as 2024 progressed, the extent and pace of anticipated Federal Reserve rate cuts began to crystallize and initial hopes for as many as six rate cuts proved to be overly optimistic. Over the quarter, interest rate markets began adjusting upward to reflect a reduced likelihood in near-term rate reductions, as inflation remained elevated and continued resilience in the job market. Despite the adjustment in rate expectations, both equity and credit markets maintained their upward trajectory, helping to mitigate the volatility observed in the rates markets.

The 5-year treasury, which closely aligns with the duration profile of the Bond Fund, saw an uptick in yield of +0.37% during the quarter. Additionally, the ICE BofA 5-7 Year US Corporate Index Option-Adjusted Spread decreased by -0.10% in the same period, reflecting continued investor confidence toward corporate lending. The increase in intermediate-term bond yields presented a challenge for the Bond Fund; however, this impact was mitigated to some extent by the narrowing of credit spreads.

As shown in Figure 1.1, **the Bond Fund's total return was -0.4% in the first quarter and +3.0% for the twelve months ended March 31, 2024**, as compared to the Bloomberg US Aggregate Bond Index's total return of -0.8% for the first quarter and +1.7% for the past the past twelve months.

As shown in Figure 1.3, for the first quarter, the Dodge & Cox Income Fund returned -0.3%, Metropolitan West Total Return Bond Fund returned -0.8%, and Guggenheim Total Return Bond fund returned 0.0% relative to the Bloomberg US Aggregate Bond Index's total return of -0.8%.

Longer-term, as shown in Figure 1.1 and Figure 1.2, the Bond Fund has performed inline or outperformed its benchmark, the Bloomberg US Aggregate Bond Index, over the past 12-month and three-, five-, and ten-year periods.

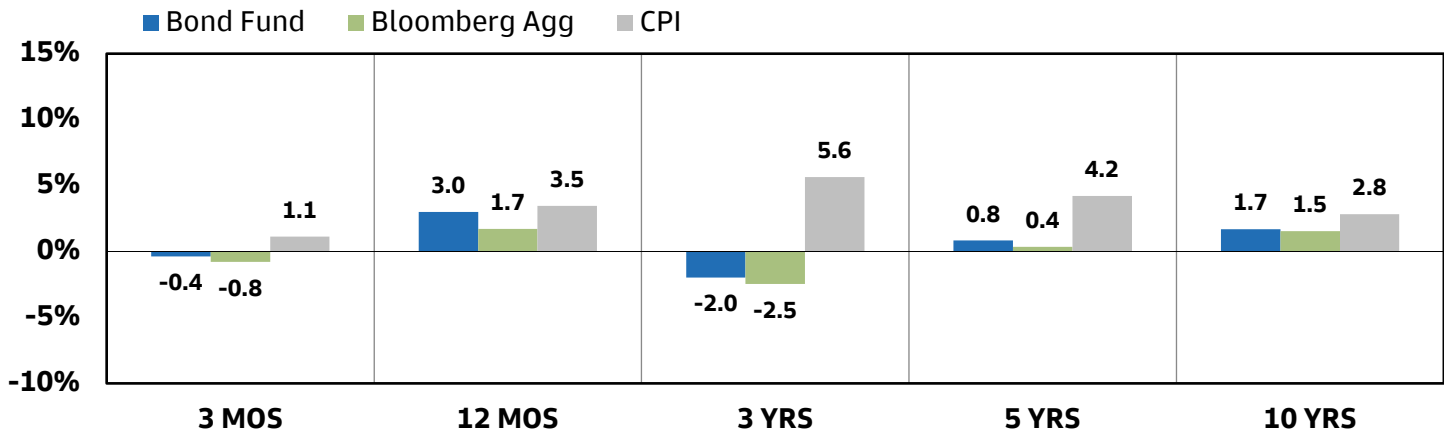
The primary objective of the Bond Fund is to produce current income and it has a **current income yield⁽¹⁾ of 4.6%** for the twelve months ending March 31, 2024.

As always, the Investment Committee will continue to closely monitor the Fund to ensure it is well positioned to meet its objectives over the long term.

(1) Current Income Yield is total unit income for the prior 12 months as a percentage of current unit price.

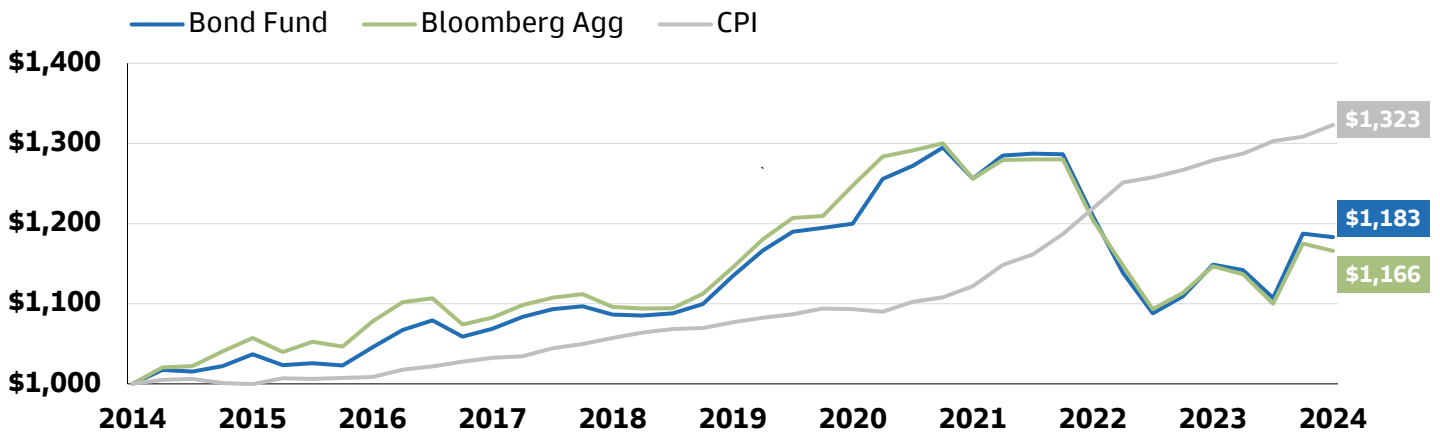
BOND FUND AND BENCHMARK TOTAL RETURNS AS OF MARCH 31, 2024

Figure 1.1: Annualized Bond Fund Performance



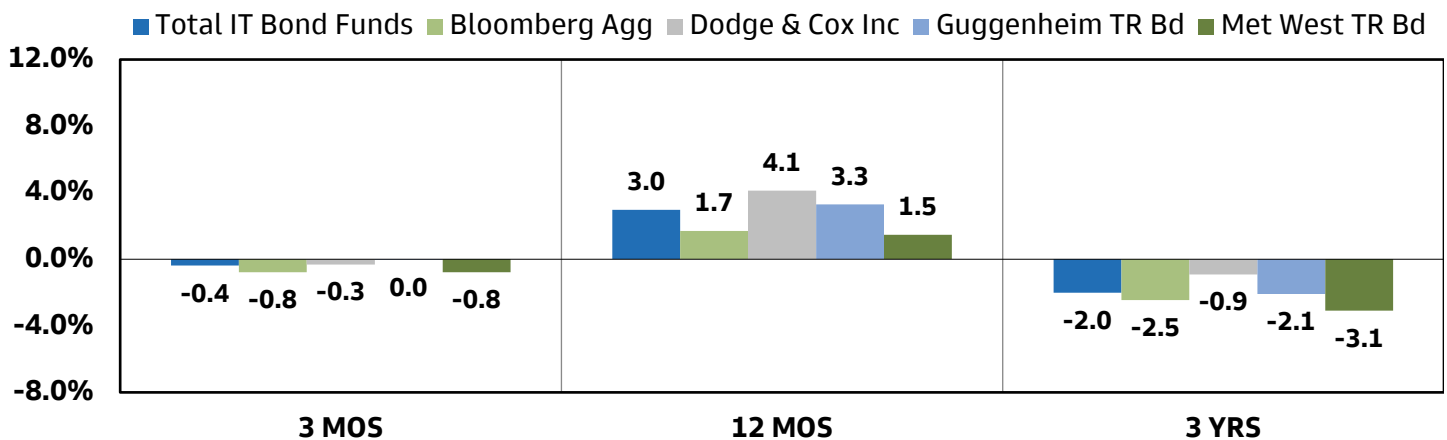
GROWTH OF \$1,000 – TRAILING 10 YEARS AS OF MARCH 31, 2024

Figure 1.2: Cumulative Bond Fund Performance



ASSET CLASS AND MUTUAL FUND TOTAL RETURNS AS OF MARCH 31, 2024

Figure 1.3: Intermediate Term Bond Performance



Past performance is no guarantee of future results. Indexes used for comparative purposes are the Bloomberg US Aggregate Bond Index (Bloomberg Agg) representing the domestic bond market and the Consumer Price Index (CPI) representing inflation. If this report is published before official CPI figures are available, estimates from Bloomberg are used to derive CPI for the last month in the quarter. Total Returns include capital appreciation plus income. * Periods greater than one year are annualized. Growth of \$1,000 shows the value of an initial \$1,000 investment after ten years with all income reinvested.

PORTFOLIO HOLDINGS AS OF MARCH 31, 2024

	Market Value	Weight	3MO Return	12MO Return	3YR Return
Intermediate Term Bond Funds					
Dodge & Cox Income Fd	\$3,470,346.47	33.0%	-0.3%	4.1%	-0.9%
Guggenheim Total Return Bond Fd	3,502,720.08	33.3%	0.0%	3.3%	-2.1%
Met West Total Return Bond Fd	3,458,541.47	32.8%	-0.8%	1.5%	-3.1%
Total Intermediate Term Bond Funds	10,431,608.02	99.1%	-0.4%	3.0%	-2.0%
Net Cash & Equivalents	97,121.72	0.9%			
Total Bond Fund	10,528,729.74	100.0%	-0.4%	3.0%	-2.0%
<i>Bloomberg Agg</i>			<i>-0.8%</i>	<i>1.7%</i>	<i>-2.5%</i>

(1) Returns displayed are partial period returns reflecting either a purchase or a full redemption during the period. Due to the partial nature of these returns, comparing them to one another should be avoided. The performance of the asset class should be relied upon in these instances as the return calculations are full period calculations and can be directly compared to the performance of the asset class benchmark.

Overall Fund Benchmark Definition:

All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

Primary Benchmark: The **Bloomberg US Aggregate Bond Index (“Bloomberg Agg”)** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-through), ABS and CMBS (agency and non-agency)

The Bloomberg Agg has been maintained by Bloomberg L.P. since August 24, 2016 after acquiring Barclays Risk Analytics and Index Solutions. Prior to August 24, 2021, during a transition period, it was known as the Bloomberg Barclays US Aggregate Bond Index. Prior to August 24, 2016, it was known as the Barclays Capital Aggregate Bond Index and was maintained by Barclays. The recent name change is solely related to a planned rebranding by Bloomberg and does not reflect an underlying change in the constituents of the index.

Performance Disclosures:

Past performance is no guarantee of future results. All Bond Fund, Asset Class, Asset Class Benchmark, and Mutual Fund returns displayed in this report are total returns which include capital appreciation plus income.

In certain cases, the returns displayed are partial period returns reflecting either a purchase or a full redemption during the applicable period. Due to the partial nature of these returns, comparing them to one another should be avoided. The performance of the asset class should be relied upon in these instances as the return calculations are full period calculations and can be directly compared to the performance of the asset class benchmark. Applicable positions are marked with a (1) superscript on the Portfolio Holdings report.