

Episcopal Diocese of Oregon Investment Fund
Executive Summary
As of December 31, 2011

Total Fund

- The Episcopal Diocese of Oregon Investment Fund (the “Fund”) returned 6.59% (gross of fees) in the fourth quarter, ranking in the 29th percentile in a national universe of plan sponsors with less than \$250 million in assets.
- For the 1-year trailing period ending December 31, 2011, the Fund returned -3.74% (gross of fees) and ranked in the 94th percentile of plan sponsors.
- For the 7-year trailing period ending December 31, 2011, the Fund returned 4.65% (gross of fees) and ranked in the 29th percentile of plan sponsors.
- The Diocesan Investment Fund has experienced favorable performance relative to peers over the trailing 7-year period, due to the diversification of the Fund’s allocation, as well as the outperformance of the Fund’s current managers relative to their corresponding benchmarks.
- The Investment Committee adheres to a diversified asset allocation consistent with the long-term investment horizon of the Fund. This long-term target allocation and corresponding rebalancing disciplines are outlined in the Diocesan Investment Fund’s Investment Policy.
- On a quarterly basis, the Investment Committee meets with the Fund’s investment consultant, R.V. Kuhns & Associates, Inc. to review Total Fund performance, asset allocation, and manager structure, as well as performance of the individual investment managers, listed below.

Investment Managers

A brief description for each of the Fund’s current investment managers is provided below. The performance of each of these managers versus their corresponding benchmarks is provided on the investment performance summary pages attached. The Investment Committee meets with each investment manager at least annually to discuss investment results, strategy, and outlook for the future, as well as discussing any changes or issues within the firm or investment team.

NWQ: NWQ manages a large cap equity portfolio for the Diocesan Investment Fund. NWQ utilizes a value-oriented equity management style, investing in undervalued companies where catalysts exist to unlock value or improve profitability.

Rainier: The Diocese is invested in the John Hancock Rainier Growth Fund, an institutional mutual fund managed by Rainier Investment Management. Rainier employs a GARP (Growth at a Reasonable Price) investment approach, investing in companies with superior earnings growth whose equities are selling at attractive valuations.

INTECH: The Diocese is invested in the INTECH Risk-Managed Large Cap Growth Fund, a commingled trust that utilizes a quantitative model to manage the portfolio. The underlying premise of the strategy allows INTECH to build portfolios of companies whose price variability is designed to produce returns in excess of the benchmark.

Pinnacle: Pinnacle manages a small/mid cap core equity portfolio for the Diocesan Investment Fund, employing a fundamental value strategy towards investing. The average size of the companies in Pinnacle’s small/mid cap portfolio is approximately \$5 billion.

Dodge & Cox: The Diocese is invested in the Dodge & Cox International Stock Fund, a value-oriented mutual fund that seeks long-term capital growth by investing in a diversified portfolio of medium-to-large non-U.S. companies.

Templeton: The Diocese is invested in the Templeton (TIF) Foreign Equity Fund, an institutional mutual fund that employs a long-term, bottom-up investment strategy, utilizing fundamental research to identify undervalued securities in the international stock market.

Vanguard: The Diocese is invested in the Vanguard Total International Stock Fund, an exchange-traded fund that seeks to replicate the performance of the MSCI All Country World Ex US Investable Market Index. The Diocese is also invested in the Vanguard REIT Index Fund, an exchange-traded fund that seeks to replicate the performance of the MSCI US REIT Index.

PIMCO: The Diocese is invested in the PIMCO Total Return Fund, an institutional mutual fund that seeks to outperform the Barclay's Aggregate benchmark by creating a highly diversified intermediate term, fixed income portfolio. The Diocese is also invested in the PIMCO All Asset Fund, an institutional mutual fund with a "real return" strategy that invests tactically across underlying PIMCO mutual funds with the objective of outperforming inflation by a rate of 5% over the long-term.

RREEF: The Diocese is invested in the RREEF America II Fund, a private real estate investment trust (REIT) that seeks to generate real returns (above inflation) in excess of the 6.0% through a target portfolio of high quality investments in income-producing real estate. The Fund is diversified geographically, around the continental US, and by property type, including retail, industrial, office, and multi-family properties.

Aurora: The Diocese is invested in the Aurora Offshore Fund, which is a hedge fund of funds product that is invested in a diversified set of hedge fund strategies and seeks to obtain steady capital appreciation with low volatility and little correlation to the U.S. stock and bond markets. The Aurora Offshore Fund maintains investments in approximately 50 underlying hedge fund managers.

Investment Committee Members

• Rick Grimshaw, Convenor	St. Michael's	503-221-7616
• Dick Anderson	Christ Church	503-635-2568
• Dick Emlaw	St. Stephen's	503-222-2214
• James Baxendale	Trinity	503-919-0087
• Roger Neu	St. John Baptist	503-504-1998
• Lindsey Williams	St. John Baptist	503-291-4485
• Mary Macy, CFO, ex-officio	Diocese of Oregon	971-204-4105
• Michael Stone, Treasurer, ex-officio	Diocese of Oregon	503-232-1859
• Mike Penfield, ex-officio	US Bank	503-275-6574
• Ashlee Moehring, ex-officio	R.V. Kuhns	503-221-4200

Diocese of Oregon Investment Fund
Comparative Performance
As of December 31, 2011

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	2010	2009	2008	Since Inception	Inception Date
Total Fund Composite	6.42	-4.34	-4.34	10.04	1.00	3.96	15.43	20.67	-28.93	7.41	01/01/1992
60% S&P 500/40% BCA Index	7.54	4.69	4.69	11.60	2.84	4.15	12.13	18.40	-22.06	7.59	
Difference	-1.12	-9.03	-9.03	-1.56	-1.84	-0.19	3.30	2.27	-6.87	-0.18	
Global Equity Composite	9.08	-8.79	-8.79	11.63	-1.60	N/A	18.18	29.06	-40.30	1.52	12/01/2005
MSCI ACW Index (Net)	7.18	-7.35	-7.35	12.01	-1.93	2.83	12.67	34.63	-42.19	1.94	
Difference	1.90	-1.44	-1.44	-0.38	0.33	N/A	5.51	-5.57	1.89	-0.42	
Domestic Equity Composite	10.66	-5.85	-5.85	14.04	-0.35	N/A	20.54	30.67	-39.29	1.58	01/01/2006
R 3000 Index	12.12	1.03	1.03	14.88	-0.01	2.97	16.93	28.34	-37.31	2.45	
Difference	-1.46	-6.88	-6.88	-0.84	-0.34	N/A	3.61	2.33	-1.98	-0.87	
Int'l Equity Composite	5.35	-15.57	-15.57	4.74	-5.30	N/A	10.03	23.71	-43.55	0.09	01/01/2006
MSCI ACW Ex US Index (Net)	3.72	-13.71	-13.71	10.70	-2.92	3.51	11.15	41.46	-45.52	1.48	
Difference	1.63	-1.86	-1.86	-5.96	-2.38	N/A	-1.12	-17.75	1.97	-1.39	
Domestic Fixed Income Composite	2.23	4.19	4.19	8.87	8.09	N/A	8.86	13.76	4.86	7.40	01/01/2006
BC US Agg Bond Index	1.12	7.84	7.84	6.77	6.50	5.60	6.54	5.93	5.24	6.14	
Difference	1.11	-3.65	-3.65	2.10	1.59	N/A	2.32	7.83	-0.38	1.26	
Real Return Composite	4.30	2.44	2.44	N/A	N/A	N/A	13.64	N/A	N/A	11.12	07/01/2009
Consumer Price Index + 5%	0.68	8.11	8.11	7.51	7.37	7.59	6.57	7.86	5.10	6.92	
Difference	3.62	-5.67	-5.67	N/A	N/A	N/A	7.07	N/A	N/A	4.20	
Real Estate Composite	6.05	12.26	12.26	-2.00	-1.69	N/A	18.95	-29.51	-14.12	1.53	12/01/2005
NCREIF ODCE Index (Gross) (AWA)	2.97	15.99	15.99	-1.76	-0.21	4.89	16.36	-29.76	-10.01	3.18	
Difference	3.09	-3.73	-3.73	-0.24	-1.48	N/A	2.59	0.25	-4.11	-1.65	
Absolute Return Composite	0.27	-5.88	-5.88	7.06	1.76	N/A	7.51	21.26	-21.70	3.32	01/01/2006
HFN FOF Multi-Strat Index (Net)	-0.33	-5.46	-5.46	2.81	-1.02	1.55	4.77	9.72	-20.47	0.71	
Difference	0.60	-0.42	-0.42	4.25	2.78	N/A	2.74	11.54	-1.23	2.61	

Performance shown is net of fees. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies.

**Diocese of Oregon Investment Fund
Comparative Performance
As of December 31, 2011**

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	2010	2009	2008	Since Inception	Inception Date
Total Fund Composite	6.59	-3.74	-3.74	10.76	1.65	4.65	16.22	21.44	-28.55	7.76	01/01/1992
60% S&P 500/40% BCA Index	7.54	4.69	4.69	11.60	2.84	4.15	12.13	18.40	-22.06	7.59	
Difference	-0.95	-8.43	-8.43	-0.84	-1.19	0.50	4.09	3.04	-6.49	0.17	
All Master Trusts < \$250 Million	5.85	-0.09	-0.09	10.69	2.23	4.13	12.71	20.13	-23.98	7.30	
Percentile Rank	29	94	94	49	69	29	6	42	84	40	
Domestic Equity Composite	10.85	-5.13	-5.13	14.91	0.42	N/A	21.47	31.66	-38.82	2.37	01/01/2006
R 3000 Index	12.12	1.03	1.03	14.88	-0.01	2.97	16.93	28.34	-37.31	2.45	
Difference	-1.27	-6.16	-6.16	0.03	0.43	N/A	4.54	3.32	-1.51	-0.08	
NWQ Large Cap Value (SA)	11.56	-7.28	-7.28	10.94	-1.98	2.73	16.11	26.82	-36.48	4.76	01/01/2004
R 1000 Value Index	13.11	0.39	0.39	11.54	-2.64	1.95	15.51	19.69	-36.85	3.67	
Difference	-1.55	-7.67	-7.67	-0.60	0.66	0.78	0.60	7.13	0.37	1.09	
IM U.S. Large Cap Value Equity (SA+CF)	12.35	-0.11	-0.11	13.13	-0.67	3.17	14.51	25.77	-35.62	4.64	
Percentile Rank	69	92	92	80	75	61	34	43	57	49	
J Hancock III:Rnr Gr;I (RLGIX)	8.22	-3.21	-3.21	15.12	N/A	N/A	18.15	33.40	-43.10	18.00	04/01/2009
R 1000 Growth Index	10.61	2.64	2.64	18.02	2.50	3.81	16.71	37.22	-38.44	21.65	
Difference	-2.39	-5.85	-5.85	-2.90	N/A	N/A	1.44	-3.82	-4.66	-3.65	
IM U.S. Large Cap Growth Equity (SA+CF)	10.06	-0.24	-0.24	16.00	1.91	3.77	16.06	34.51	-38.55	19.39	
Percentile Rank	83	73	73	64	N/A	N/A	33	56	81	72	
INTECH Risk-Managed LCG (CF)	10.30	2.24	2.24	15.32	1.94	3.61	17.61	27.55	-33.76	3.59	11/01/2005
INTECH Custom Index	10.81	4.65	4.65	16.57	2.38	3.71	15.05	31.57	-34.92	4.16	
Difference	-0.51	-2.41	-2.41	-1.25	-0.44	-0.10	2.56	-4.02	1.16	-0.57	
IM U.S. Large Cap Growth Equity (SA+CF)	10.06	-0.24	-0.24	16.00	1.91	3.77	16.06	34.51	-38.55	3.75	
Percentile Rank	46	26	26	62	50	56	36	78	19	56	

Performance shown is gross of fees except for Aurora Offshore Fund I (CF), which is shown net of fees. Performance shown prior to client inception is actual product performance provided by the manager. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies.

**Diocese of Oregon Investment Fund
Comparative Performance
As of December 31, 2011**

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	2010	2009	2008	Since Inception	Inception Date
Pinnacle Small Cap (SA)	12.70	-9.58	-9.58	23.27	3.70	6.82	38.20	49.89	-43.59	7.24	01/01/2004
R 2000 Index	15.47	-4.18	-4.18	15.63	0.15	3.20	26.86	27.18	-33.79	4.98	
Difference	-2.77	-5.40	-5.40	7.64	3.55	3.62	11.34	22.71	-9.80	2.26	
IM U.S. Small Cap Core Equity (SA+CF)	15.69	-1.85	-1.85	18.43	1.59	4.47	28.24	29.60	-35.82	6.17	
Percentile Rank	90	94	94	12	22	21	6	8	92	36	
Int'l Equity Composite	5.54	-14.88	-14.88	5.64	-4.45	N/A	10.96	24.81	-42.99	1.02	01/01/2006
MSCI ACW Ex US Index (Net)	3.72	-13.71	-13.71	10.70	-2.92	3.51	11.15	41.46	-45.52	1.48	
Difference	1.82	-1.17	-1.17	-5.06	-1.53	N/A	-0.19	-16.65	2.53	-0.46	
Dodge & Cox Intl Stock (DODFX)	4.40	-15.41	-15.41	12.83	-2.82	3.96	14.42	48.42	-46.34	3.91	06/01/2010
MSCI ACW Ex US Index (Net)	3.72	-13.71	-13.71	10.70	-2.92	3.51	11.15	41.46	-45.52	4.03	
Difference	0.68	-1.70	-1.70	2.13	0.10	0.45	3.27	6.96	-0.82	-0.12	
IM International Value Equity (SA+CF)	3.26	-11.03	-11.03	9.90	-2.63	3.46	10.90	34.90	-41.06	6.09	
Percentile Rank	29	77	77	31	55	42	38	15	83	69	
TIF:For Equity;Prm (TFEQX)	6.43	-10.17	-10.17	9.17	-1.95	4.38	7.54	34.70	-41.68	5.66	06/01/2010
MSCI ACW Ex US Index (Net)	3.72	-13.71	-13.71	10.70	-2.92	3.51	11.15	41.46	-45.52	4.03	
Difference	2.71	3.54	3.54	-1.53	0.97	0.87	-3.61	-6.76	3.84	1.63	
IM International Value Equity (SA+CF)	3.26	-11.03	-11.03	9.90	-2.63	3.46	10.90	34.90	-41.06	6.09	
Percentile Rank	8	36	36	53	38	36	66	51	55	53	
Vanguard Tot I Stk;ETF (VXUS) (Market)	4.98	-14.66	-14.66	9.20	-3.32	3.14	11.37	37.03	-43.98	-2.93	12/01/2011
MSCI ACW Ex US Investable Mkt Index (Net)	3.31	-14.31	-14.31	11.53	-2.74	3.77	12.73	43.60	-45.99	-1.20	
Difference	1.67	-0.35	-0.35	-2.33	-0.58	-0.63	-1.36	-6.57	2.01	-1.73	
Vanguard Tot I Stk;ETF (VXUS) (NAV)	4.24	-14.40	-14.40	9.32	-3.26	3.19	11.37	37.03	-43.98	3.99	05/01/1996
MSCI ACW Ex US Investable Mkt Index (Net)	3.31	-14.31	-14.31	11.53	-2.74	3.77	12.73	43.60	-45.99	4.00	
Difference	0.93	-0.09	-0.09	-2.21	-0.52	-0.58	-1.36	-6.57	2.01	-0.01	

Performance shown is gross of fees except for Aurora Offshore Fund I (CF), which is shown net of fees. Performance shown prior to client inception is actual product performance provided by the manager. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies.

**Diocese of Oregon Investment Fund
Comparative Performance
As of December 31, 2011**

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	2010	2009	2008	Since Inception	Inception Date
PIMCO:Tot Rtn;Inst (PTTRX)	2.34	4.65	4.65	9.39	8.58	7.22	9.33	14.40	5.29	7.31	11/01/1998
BC US Agg Bond Index	1.12	7.84	7.84	6.77	6.50	5.60	6.54	5.93	5.24	5.89	
Difference	1.22	-3.19	-3.19	2.62	2.08	1.62	2.79	8.47	0.05	1.42	
IM U.S. Broad Market Core Fixed Income (SA+CF)	1.27	7.85	7.85	8.39	6.87	5.91	7.25	9.81	2.98	6.13	
Percentile Rank	1	100	100	26	1	1	10	17	31	1	
PIMCO:All Asset;Inst (PAAIX)	4.53	3.34	3.34	13.69	6.55	6.61	14.66	24.02	-14.75	12.20	07/01/2009
Consumer Price Index + 5%	0.68	8.11	8.11	7.51	7.37	7.59	6.57	7.86	5.10	6.92	
Difference	3.85	-4.77	-4.77	6.18	-0.82	-0.98	8.09	16.16	-19.85	5.28	
Real Estate Composite	6.29	12.47	12.47	-1.47	-1.26	N/A	20.02	-29.13	-14.89	2.14	12/01/2005
NCREIF ODCE Index (Gross) (AWA)	2.97	15.99	15.99	-1.76	-0.21	4.89	16.36	-29.76	-10.01	3.18	
Difference	3.33	-3.52	-3.52	0.29	-1.05	N/A	3.66	0.63	-4.88	-1.04	
RREEF America II (CF)	3.04	14.12	14.12	-0.92	-0.93	3.89	20.26	-29.13	-14.89	5.58	10/01/2002
NCREIF ODCE Index (Gross) (AWA)	2.97	15.99	15.99	-1.76	-0.21	4.89	16.36	-29.76	-10.01	6.30	
Difference	0.08	-1.87	-1.87	0.84	-0.72	-1.00	3.90	0.63	-4.88	-0.72	
Vanguard REIT Idx;ETF (VNQ) (Market)	15.28	8.71	8.71	22.20	-0.76	5.56	28.80	30.32	-36.99	20.23	03/01/2010
MSCI US REIT Index	15.27	8.69	8.69	21.55	-1.52	5.05	28.47	28.61	-37.98	19.98	
Difference	0.01	0.02	0.02	0.65	0.76	0.51	0.33	1.71	0.99	0.25	
IM U.S. REIT (SA+CF)	15.75	10.17	10.17	23.11	-0.49	6.18	29.13	30.36	-37.83	21.20	
Percentile Rank	72	79	79	67	68	70	57	51	44	67	
Vanguard REIT Idx;ETF (VNQ) (NAV)	15.27	8.75	8.75	22.02	-0.82	5.52	28.62	29.89	-36.90	20.09	03/01/2010
MSCI US REIT Index	15.27	8.69	8.69	21.55	-1.52	5.05	28.47	28.61	-37.98	19.98	
Difference	0.00	0.06	0.06	0.47	0.70	0.47	0.15	1.28	1.08	0.11	
IM U.S. REIT (SA+CF)	15.75	10.17	10.17	23.11	-0.49	6.18	29.13	30.36	-37.83	21.20	
Percentile Rank	72	79	79	69	69	70	58	52	42	67	

Performance shown is gross of fees except for Aurora Offshore Fund I (CF), which is shown net of fees. Performance shown prior to client inception is actual product performance provided by the manager. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies.

**Diocese of Oregon Investment Fund
Comparative Performance
As of December 31, 2011**

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	2010	2009	2008	Since Inception	Inception Date
Aurora Offshore Fund I (CF)	0.27	-5.88	-5.88	7.06	1.76	4.25	7.51	21.26	-21.70	5.81	08/01/2002
HFN FOF Multi-Strat Index (Net)	-0.33	-5.46	-5.46	2.81	-1.02	1.55	4.77	9.72	-20.47	3.28	
Difference	0.60	-0.42	-0.42	4.25	2.78	2.70	2.74	11.54	-1.23	2.53	
Reference Indices											
Wilshire 5000 Tot Mkt Index (Full Cap)	11.95	0.59	0.59	15.40	0.36	3.29	18.06	29.42	-37.34	9.98	03/01/1971
S&P 500 Index (Cap Wtd)	11.82	2.11	2.11	14.11	-0.25	2.64	15.06	26.46	-37.00	9.78	01/01/1926
R 2000 Index	15.47	-4.18	-4.18	15.63	0.15	3.20	26.86	27.18	-33.79	11.23	01/01/1979
MSCI ACW Ex US Index (Net)	3.72	-13.71	-13.71	10.70	-2.92	3.51	11.15	41.46	-45.52	3.63	01/01/2001
MSCI EAFE Index (Net)	3.33	-12.14	-12.14	7.65	-4.72	1.71	7.75	31.78	-43.38	8.87	01/01/1970
MSCI Emg Mkts Index (Net)	4.42	-18.42	-18.42	20.07	2.40	10.36	18.88	78.51	-53.33	12.25	01/01/2001
BC US Agg Bond Index	1.12	7.84	7.84	6.77	6.50	5.60	6.54	5.93	5.24	8.31	01/01/1976
BofA ML 3 Mo US T-Bill Index	0.00	0.10	0.10	0.14	1.48	2.18	0.13	0.21	2.06	5.84	01/01/1978

Performance for Vanguard REIT Idx;ETF (VNO) (NAV) and Vanguard Tot I Stk;ETF (VXUS) (NAV) is product-specific.

Performance shown prior to February 2011 for Vanguard Tot I Stk;ETF (VXUS) (NAV) and Vanguard Tot I Stk;ETF (VXUS) (Market) is product-specific and represented by Vanguard Tot I Stk;Inv (VGT SX).

Vanguard Tot I Stk;ETF (VXUS) (NAV) performance may deviate from the benchmark due to the fund's use of fair market value pricing.

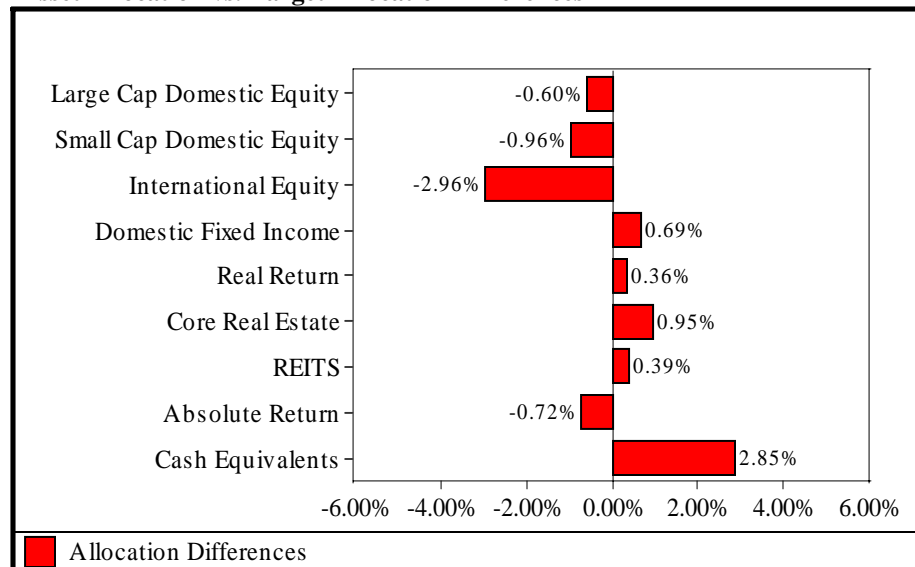
Performance shown is gross of fees except for Aurora Offshore Fund I (CF), which is shown net of fees. Performance shown prior to client inception is actual product performance provided by the manager. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies.

Diocese of Oregon Investment Fund
Total Fund Composite vs. All Master Trusts < \$250 Million (Custom Peer Group)
Asset Allocation vs. Target and Plan Sponsor Peer Group
As of December 31, 2011

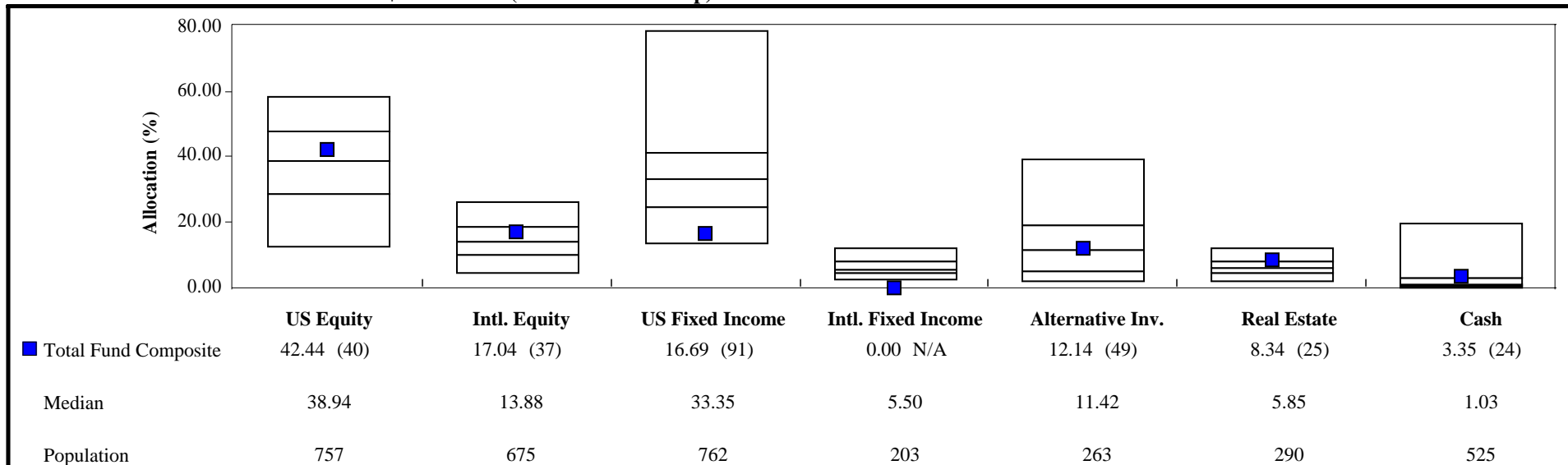
Asset Allocation vs. Target Allocation

	Market Value (\$)	Allocation (%)	Target (%)
Large Cap Domestic Equity	8,337,116	33.40	34.00
Small Cap Domestic Equity	2,256,065	9.04	10.00
International Equity	4,252,501	17.04	20.00
Domestic Fixed Income	4,166,219	16.69	16.00
Real Return	1,336,959	5.36	5.00
Core Real Estate	1,484,896	5.95	5.00
REITS	595,607	2.39	2.00
Absolute Return	1,692,272	6.78	7.50
Cash Equivalents	837,338	3.35	0.50
Total Fund	24,958,972	100.00	100.00

Asset Allocation vs. Target Allocation Differences

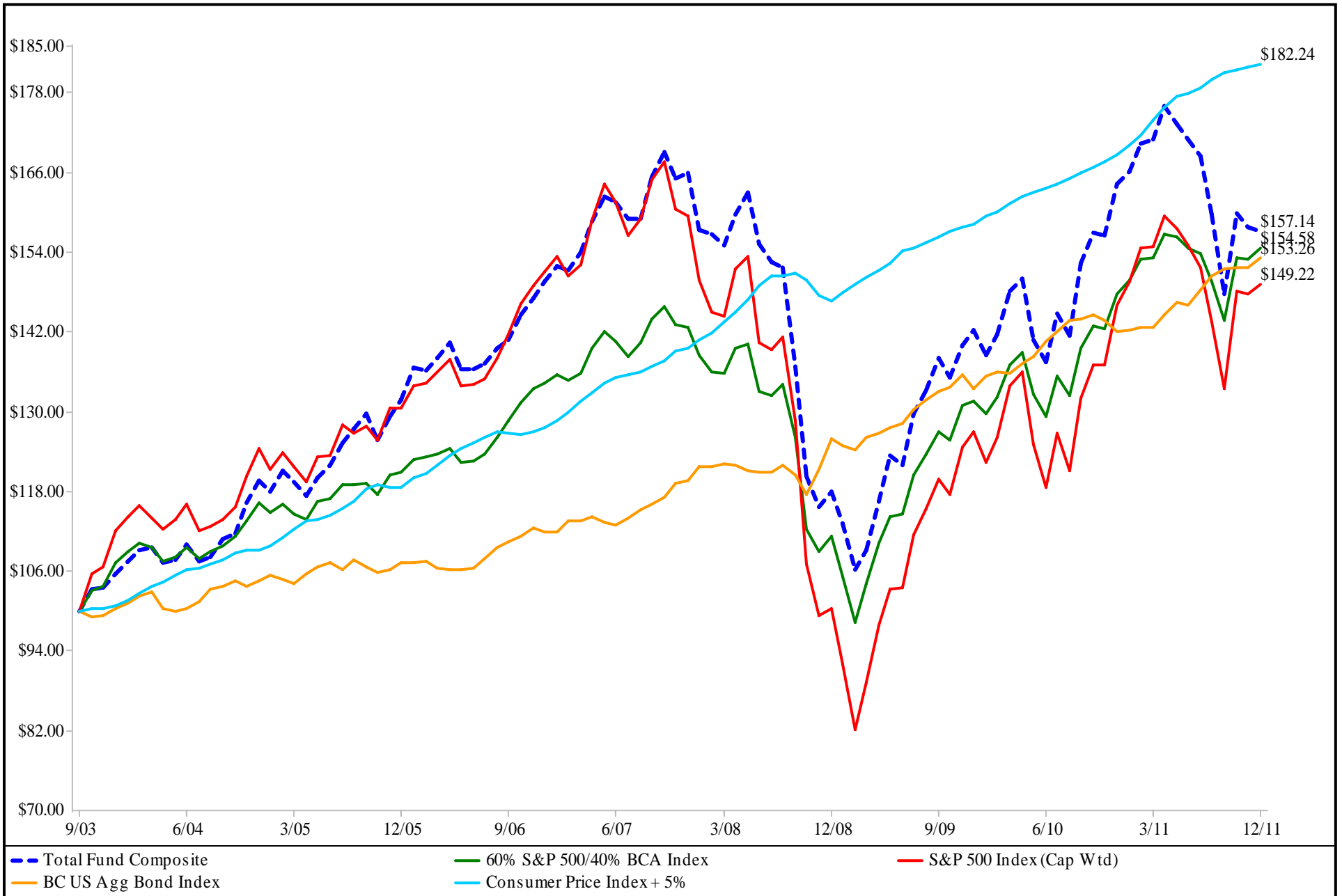


Asset Allocation vs. All Master Trusts < \$250 Million (Custom Peer Group)



Parenteses contain percentile ranks. Allocations shown may not sum up to 100% exactly due to rounding.

**Diocese of Oregon Investment Fund
Growth of \$100
October 1, 2003 To December 31, 2011**



Calculation for the Total Fund Composite is based on net of fees performance. Calculation is based on monthly periodicity.