121st Annual Convention of Episcopal Diocese in Utah
Report of The Perpetual Trust of St. Peter and St. Paul

The Perpetual Trust of St. Peter and St. Paul was established in 1989 with $89 million in proceeds from the sale of St. Mark's Hospital to support the Diocese by providing a secure and stable source of funds to finance Diocesan and parish operations and programs. Bishop Phyllis Spiegel is the Chairman of the Board of Trustees, whose members are Chancellor Branden Burningham, Tom Swegle, Elaine Weis, Jerold Oldroyd, Tere Champ-Major, Jeffery Shields and John DePaul. William (Bill) Potts is the Trust Administrator.

In 1994 historical investment returns were about 9%, so a formula was derived that provides funds to the Diocese while still preserving the principal of the Trust. The formula limits the maximum annual operating distribution to the Diocese to 5% of the 48-month rolling average market value. The Trust cannot modify the 5% distribution rate without the approval of the Diocesan Convention and authorization by the court, but the Diocese can elect to take less than the maximum distribution and has done so occasionally.

Today projected long term returns are projected at around 6%, making it difficult for the Trust to preserve and grow the principal of the Trust. The Trust's advisors have cautioned the Trustees that the 5% distribution rate is well above the 3% to 4% distribution rates of our peers and is likely unsustainable in the long run.

The maximum 2026 Operating Distribution is $2,388,790 and the 2027 distribution is projected at $2,315,152.

Project Jubilee

In 1998 the Trust borrowed money under Project Jubilee to fund the capital construction, repair and improvement needs of the Diocese. This debt is secured solely by the securities held by the Trust. No assets of the Diocese or any parish are used as security for the Project Jubilee loans. The interest rate is currently 5.92% and interest is paid semiannually.

Borrowing for Project Jubilee reached its peak of $34.5 million in 2011. Since then, the Trust has made principal repayments totaling $29 million. Strong investment returns over recent years have allowed discretionary payments that have reduced the outstanding balance to $5.5 million as of September 2026. The Trustees intend to continue to make voluntary repayments of principal as market conditions permit.

***9/30/26 update**:*
Loan Balance $5.5 million (paid $5 million in 2025 and $6.5 million in 2026 YTD)
Promissory Note to Zions Bank dated 4/4/2018:

- *Interest at Treasury rate + 1.55% (2, 3 or 5 year fix, or 6 month SOFR fix)*
- *Payments required:*
    - *Interest only, semiannually until August 2027*
    - *Begin 15-year amortization August 2027*
    - *Maturity: 2/12/2032*

Financial Results

As of September 30, 2026, the Trust held approximately $59 million in assets. In recent years, the Trust has not been able to grow the value of the fund because of the level of annual disbursements to the Diocese and payments of interest and principal on the Project Jubilee loan combined with the volatility of the financial markets.

From its inception to date, the Perpetual Trust has provided over $200 million in in funds for the benefit of the Episcopal Church in Utah.

The Trust has generated investment returns comparable to benchmark returns. In 2025 the Trust had a return of 20.2%, which exceeds the benchmark index of 17.7%. YTD through July, the Trust has generated a return of 10.4% vs. benchmark of 8.8%.

Impact (Environmental, Social and Governance) Investing

Nearly all of the securities in the portfolio have an A or higher ESG rating by MSCI. Additionally, the Trust's criteria for securities selection includes ESG performance as a factor in evaluating investments for the portfolio.