

PLANNED GIVING

Plan for your future like you plan for your vacation...

Planning for a vacation requires selecting a location, making a reservation, and packing your bags. There is another area of life that requires good planning; your estate plan. A good estate plan can ensure you are prepared for the future, so you have what you need when you need it.

One of the great benefits of a vacation is the sense that your work is finished, and you can rest and relax. Establishing a plan that achieves charitable and financial goals is another help towards peace of mind.

When including a gift to your favorite ministries or churches, you:

- Have peace of mind supporting ministry and mission important to you (such as your congregation, camps, scholarships, etc.)
- Live every day knowing you have done something great
- Continue to use your assets during your life

A common strategy that can help you achieve your goals of supporting the ministries you love is by using a BENEFICIARY DESIGNATION. You can leave certain assets, such as a bank

account, IRA, 401(k) or 403(b), or an insurance policy to loved ones or even a charity.

Now is the perfect time to review your plan, or to establish a will. We have an estate planning guide we would be happy to send you. You can also check our Website at <https://iumf.org> and click on the Planned Giving section for a confidential, no obligation illustration of the benefits of certain charitable plans. Please call us at 515-974-8928 or email info@iumf.org for further assistance.



**Partners in
Stewardship**

QUARTERLY REPORT Summer 2019



LOWER YOUR SEMINARY DEBT

HELP loan
applications are
available now

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GRANT OPPORTUNITY!

Your church &
community could
benefit from the
Carma Mohler Grants

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CARMA MOHLER GRANTS

Applications are open for the Carma Mohler Grants! The Foundation seeks applications from United Methodist affiliated groups or nonprofit organizations based in Iowa that are addressing hunger through systematic interventions or programs providing immediate relief from hunger.

Carma Mohler established these grants because she had a passion for feeding the hungry and wanted to alleviate the problem of hunger.

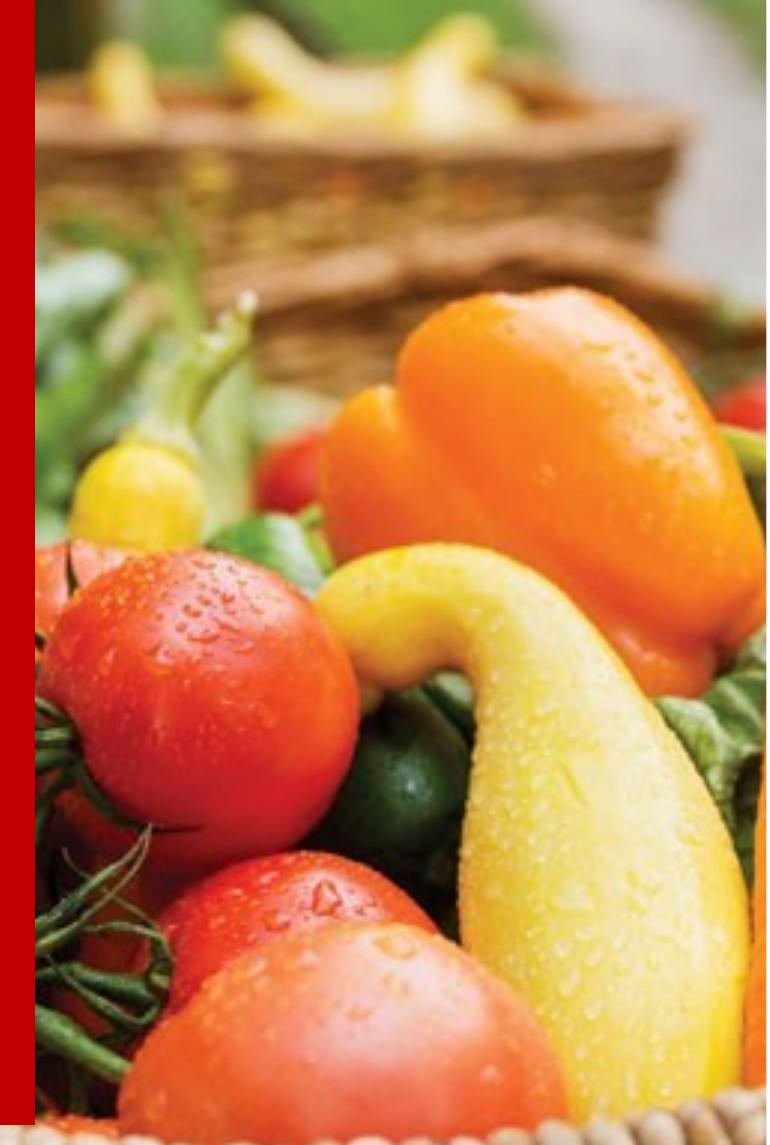
Carma grew up in Brooklyn, Iowa before becoming a 1st Lieutenant in the Army Nurse Corps in WWII (South Pacific) and Korea. She was a specialist in anesthesiology, and worked at the Veteran's Administration Hospital from 1953-1979. After retiring in Brooklyn, Iowa, Carma continued to be an active member of Grace United Methodist Church, American Legion V.F.W., and the Reserve Officers Association.

She died in 2004, at the age of 80, but her legacy and generosity lives on. Because of these grants that are given out each year, hungry children around the state are fed, gardens of food are grown, and boxes of food are distributed from food pantries.

Applications are open now until October 1 so make sure to get your completed application sent in to the Foundation office! Go to our website at <https://iumf.org/carma-mohler-grant/> for the checklist, criteria, and application.



The Olin Food Pantry purchased a grocery cart for support (2019)



BUILDING FUND TRUST

CERTIFICATES: The Building Fund Trust accepts investments from churches and individuals, which in turn is loaned to qualified Iowa United Methodist Churches or affiliated organizations for capital projects. The Trust offers excellent fixed income interest rates for one-, three-, or five-year investments. Check out the current rates on our website on the Building Fund Trust Certificates page.

If you invest in a certificate to help your church or family, you are also investing in the future of other United Methodist churches!

LOANS: The Iowa United Methodist Church Building Fund Trust provides loans to help local churches finance their missional dreams. Loans can be used for the purposes of constructing new buildings, renovating or adding on to existing facilities, making repairs, purchasing land or even buying a parsonage. Money for repairs can be used on small things such as technology or appliance upgrades or big things such as a brand new roof.

Iowa was heavily impacted by storms this past spring and into this summer so the Foundation is offering a 1/2 percent fee reduction our loan interest rate for churches that were impacted and need to make repairs. Visit our website at <https://iumf.org/church-building-loans/> for the loan application and offering circular. Contact Cassie Parks at cassie.parks@iumf.org or 515-974-8929 with your Building Fund Trust questions!



Flooding in downtown Davenport, Iowa in May, 2019. (Brian Powers/Des Moines Register)

LOWER YOUR SEMINARY DEBT

Are you still paying your loans from seminary school?

Paying off your student loans on time lifts a huge burden from your shoulders. Being able to pay them off earlier than you planned is even better! The Foundation provides a program called Higher Education Loan Partners, also known as HELP, because we are striving to help pastors that still have debt from seminary school.

This program began in 2016 and since then, the Foundation has already refinanced over half a million dollars. HELP gives pastors the opportunity to refinance their debt directly attributed to existing seminary education at the low interest rate of 1.5 percent. This program could save you hundreds or thousands of dollars depending on where you are at in your payback process.

Some core criteria for loan consideration includes:

- Ordained elders and deacons that are members of and serving the Iowa Annual Conference for at least three years will have top priority, but those with at least one year of service will be considered
- Local pastors who have completed the course of study and are serving full-



time in the Iowa Annual Conference for at least two years

Stop accruing more and more interest from your high-interest loan rate and refinance with the Foundation today!

The recently updated loan criteria and application are on our website at <https://iumf.org/help-loans/>. Contact us by emailing info@iumf.org or calling 515-974-8927. We can answer the questions you have and help you out through the application process.

APPLICATIONS ARE OPEN NOW UNTIL SEPTEMBER 1, 2019!

GUIDE TO YOUR ACCOUNT STATEMENT

ASSET SUMMARY

The description on which investment the account is invested in: Equity, Balanced, Bond, Short-Term income or a percentage mix. The Current Market Value of the fund(s) and the percentage of each fund.

ACCOUNT ACTIVITY SUMMARY

Beginning Market Value: The total value of the account at the beginning of the statements period

Contributions: Additions to the account, if any

Income: Earnings from interest and dividends, net of fees

Recognized Capital Gains: Gains (or losses) from sales of assets

Disbursements: Scheduled or requested withdrawals of funds

Change in Market Value: Appreciation (or depreciation) of pooled investment funds

Ending Market Value: Beginning Market Value + Contributions + Income +/- Recognized Capital Gains/Losses—Disbursements +/- Change in Market Value

ASSET DETAILS

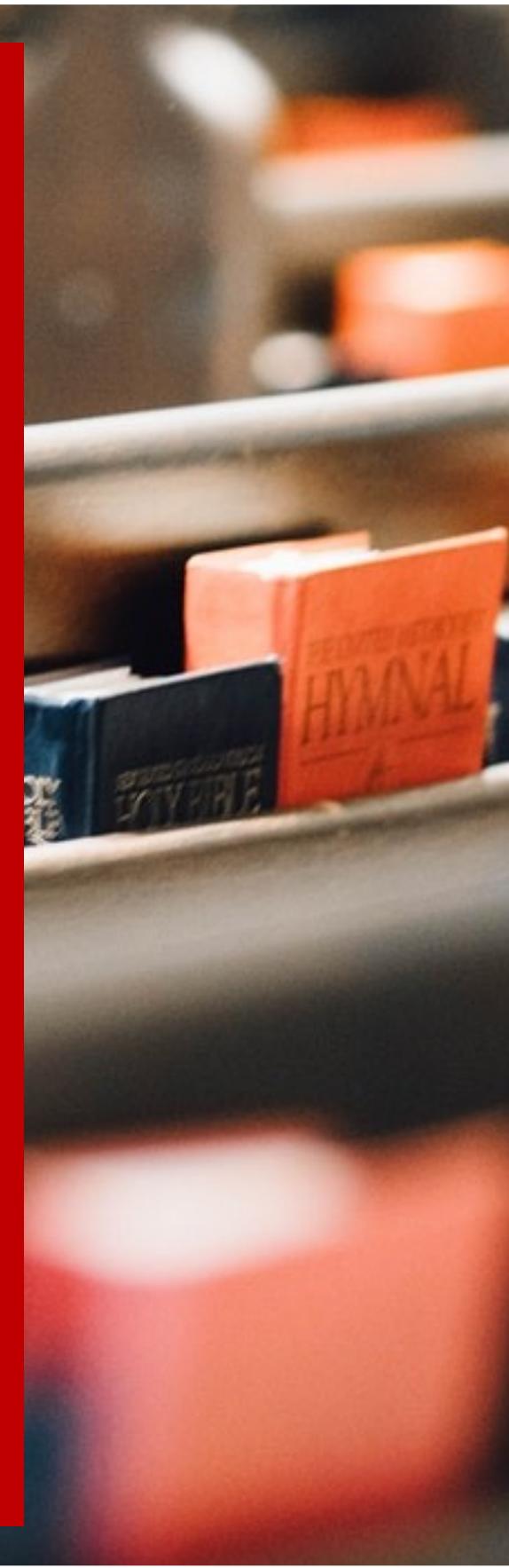
Asset Description: Fund(s) included in the account

Shares: # of units owned by the account holder

Market Price: The per unit value of each investment fund

Net Cost: The original investments plus any additions or reinvested income

Unrealized Gain/(Loss): Change in the market value of investments during the statement period.



EQUITY & SHORT-TERM INCOME

June 30, 2019

EQUITY: This fund's investment objective is to seek long-term capital appreciation. Current income is a secondary objective. The fund pursues its objectives by investing primarily in common stocks and securities convertible or exchangeable into common stocks, including warrants and rights. This fund has the following target allocations:

Up to 100% **Equity:** 40% large cap domestic stocks, 20% small/mid cap domestic stocks and 40% international stocks

Up to 10% **Cash:** Money market funds, treasury bills and money market equivalents

RATE OF RETURN—CURRENT YEAR

	MTD	QTD	YTD	Trailing 12
Actual*	6.96%	3.35%	15.32%	3.34%
Benchmark	6.72%	3.86%	16.57%	4.73%

RATE OF RETURN—CALENDAR YEAR

	1-Year	3-Year	5-Year
Actual*	-10.78%	5.24%	3.86%
Benchmark	-9.16%	6.70%	5.02%

STI: This fund's primary objective is to provide an investment vehicle for shorter term funds seeking to earn a better rate of return than a traditional savings account or money market fund. Under normal market conditions, this fund's holdings will consist primarily of fixed income securities in the U.S. Government, government backed obligations, C.D.'s or similar types of investments with average maturities of three years or less.

The fund has the following target allocations:

100% **Fixed Income:** U.S. Government backed bonds, corporate bonds, treasury bills, C.D.'s, mutual funds and cash equivalents. The fund shall have an average maturity of 3 years or less.

RATE OF RETURN—CURRENT YEAR

	MTD	QTD	YTD	Trailing 12
Actual*	0.66%	1.60%	3.35%	5.00%
Benchmark	0.52%	1.47%	2.47%	4.02%

RATE OF RETURN—CALENDAR YEAR

	1-Year	3-Year	5-Year
Actual*	0.96%	2.76%	0.92%
Benchmark	1.58%	0.96%	0.82%

*Net of fees

BOND FUND

June 30, 2019

This fund's primary investment objective is to maximize present income. The fund's holdings will consist primarily of fixed income securities. Rounding out the portfolio is a small allocation to cash and cash equivalents. This fund has the following target allocation of investments:

Up to 100% **Fixed Income:** U.S. Government notes and bonds, mortgage and asset backed securities, C.D.'s, corporate bonds, mutual funds and municipal bond mutual funds, with up to 15% of fixed income investments in preferred stock, securities convertible to common stock real estate and other hybrid issues as approved by the Investment Committee.

Up to 10% **Cash:** Money market funds, treasury bills and all money market equivalents. **All funds allow a variance of +/- 10% from the stated "Strategic Allocation"*

Fixed income securities in which the funds may invest include debt securities of all types, including but not limited to, obligations of the U.S. Government, Federal Agency obligations, corporate bonds and notes, sovereign debt of non-U.S. countries and mutual funds whose underlying assets are primarily fixed income securities. All convertible securities are classified as equity securities. The average maturity of the fixed income instruments will be three to five years with an average investment grade ranking as ranked by S&P or Moody's.

Equity securities in which the funds may invest include common stocks, securities convertible into equity securities and mutual funds investing primarily in equity securities. As for individual common stocks, the funds are limited to investing in companies whose shares are traded on the New York Stock Exchange, Inc., the American Stock Exchange, Inc., or the National Association of Securities Dealers, Inc., National Market System. The Balanced Fund and the Equity Fund may also invest in securities of foreign issuers which are traded on major U.S. exchanges/markets.

RATE OF RETURN—CURRENT YEAR

	MTD	QTD	YTD	Trailing 12
Actual*	0.94%	1.63%	3.98%	4.94%
Benchmark	1.47%	2.68%	6.31%	7.67%

RATE OF RETURN—CALENDAR YEAR

	1-Year	3-Year	5-Year
Actual*	-1.00%	0.18%	0.46%
Benchmark	0.18%	2.60%	2.37%

*Net of fees

INVESTMENT REPORT

Second Quarter—2019

During the second quarter of the year, the market has been worsening, due to trade frictions and tensions with several countries. The rally in the early part of 2019 has changed to worry, angst, and a significant sell-off. U.S. growth numbers are looking softer, with an expected weakening of the U.S. dollar. Interest rates fell across the bond market, and key segments of the yield curve further inverted. Oil prices remain supported by production costs, but tensions in the Middle East have increased. Uncertainty about how the Brexit – six month extension will end has elevated concerns.

The Foundation investments are designed for the long-term time frames, defensively positioned for short-term market cycles.



FUND PERFORMANCE REPORT

The actual net returns for each of the funds as of June 30, 2019:

	MTD	QTD	YTD	Trailing 12
Balanced	4.34%	2.42%	10.72%	3.95%
Bond	0.94%	1.63%	3.98%	4.94%
Equity	6.96%	3.35%	15.32%	3.34%
STI	0.66%	1.60%	3.35%	5.00%

Benchmark average gross returns for each of the funds as of June 30, 2019
(Please note: This does not include management or administration fees):

	MTD	QTD	YTD	Trailing 12
Balanced₁	4.62%	3.49%	12.52%	6.23%
Bond₂	1.47%	2.68%	6.31%	7.67%
Equity₃	6.72%	3.86%	16.57%	4.73%
STI₄	0.52%	1.47%	2.47%	4.02%

¹24% MSCI EAFE /24% S&P 500 / 12% S&P 1000 / 30% Barclay's Government Credit / 10% ML US High Yield BB 1-10 yr.

²75% Barclay's Government Credit / 25% ML US High Yield BB 1-10 yr.

³ 40% MSCI EAFE / 40% S&P 500 / 20% S&P 1000

⁴ Barclay's 1-3 year Gov. Index

Average annual calendar net returns (2014-2018):

Performance	1-Year	3-Year	5-Year	Benchmark	1-Year	3-Year	5-Year
Balanced	-7.46%	3.41%	2.54%	Balanced	-5.42%	5.06%	3.96%
Bond	-1.00%	0.18%	0.46%	Bond	0.18%	2.60%	2.37%
Equity	-10.78%	5.24%	3.86%	Equity	-9.16%	6.70%	5.02%
STI	0.96%	2.76%	0.92%	STI	1.58%	0.96%	0.82%

BALANCED FUND

June 30, 2019

This fund seeks to balance the objectives of long-term capital appreciation and present income. Therefore, the Balanced Fund is invested in a diversified portfolio of fixed income securities, equity securities (including those of foreign issuers and small capitalization companies), cash and cash equivalents and other alternative investments. The Product Mix and Diversification shall strive for a 40/60 balance between equity and fixed income investments, within the following ranges:

30% to 50% **Fixed income:** U.S. Government notes and bonds, mortgage and asset backed securities, C.D's, corporate bonds, municipal bonds and international mutual funds with up to 15% of fixed income investments in preferred stock, securities convertible to common stock, real estate and other hybrid issues approved by the Investments committee.
50% to 70% **Equity:** 40% large cap domestic stocks, 20% small/mid cap domestic stocks, 40% international stocks.
Up to 10% **Cash:** Money market funds, treasury bills and money market equivalents.

RATE OF RETURN—CURRENT YEAR:

	MTD	QTD	YTD	Trailing 12
Actual*	4.34%	2.42%	10.72%	3.95%
Benchmark	4.62%	3.49%	12.52%	6.23%

RATE OF RETURN—CALENDAR YEAR:

	1-Year	3-Year	5-Year
Actual*	-7.46%	3.41%	2.54%
Benchmark	-5.42%	5.06%	3.96%

BALANCED PORTFOLIO BOND CHARACTERISTICS:

Duration	2.82
Average Credit Quality	BBB+

BALANCED FUND BOND:

Sector	% of Portfolio
Treasury	13.65%
Corporate (IG)	63.31%
Corporate (HY)	21.97%
Mortgages	0.01%
Cash	1.06%

BALANCED FUND EQUITY:

% of Allocations
Large Cap
Mid Cap
Small Cap
International
Cash

*Net of fees