

IOWA UNITED METHODIST FOUNDATION



2nd Quarter Report 2021

Welcome to summer! We hope you are enjoying your time in the sun (and occasional rain) in preparation for autumn and the upcoming school year. Below you can learn about programs the Foundation is currently offering to help support your church and congregation. Inside read about our fund performance over this past quarter. We'd love to answer any questions you have—**contact us today to see how we can help!**



CARMA MOHLER GRANTS

Applications will be accepted until October 1 from organizations across Iowa working to eliminate hunger in their communities. Visit our website to download the application.



SAILING THROUGH THE "SUMMER SLUMP"

Workshops are available (virtually or in person) to help your church receive large gifts and encourage financial generosity. We can also review any investments you have/are interested in.



HELP LOANS

Applications are being accepted NOW through September 1 from pastors looking to reduce student loan debt. We can consolidate and refinance your loans at just 1.5%!



CHURCH BUILDING LOANS

Thinking of renovations or upgrades following the pandemic? We offer competitive rates and flexible terms starting on loan amounts as low as \$5,000.

2301 Rittenhouse St., Des Moines, IA 50321
515.974.8927 | info@iumf.org | <https://iumf.org>

FUND PERFORMANCE REPORT

As of June 30, 2021

Investments were made according to the Social Principals (Book of Discipline Paragraph 717) and were focused on high quality bonds and value stocks. Please feel free to contact us if you would like to review your investments.

The actual net returns for each of the funds as of June 30, 2021

	June	QTD	YTD	Trailing 12
Balanced	-0.02%	3.94%	8.97%	26.16%
Bond	0.00%	0.74%	0.17%	1.65%
Equity	-0.04%	5.46%	13.49%	39.71%
STI	0.27%	0.79%	-0.16%	0.47%

Benchmark average gross returns for each of the funds as of June 30, 2021:

(Please note—The benchmark includes higher risk/junk bonds and growth/higher risk stocks, so we aren't quite comparing "apples to apples." This also does not include management or administration fees.)

	June	QTD	YTD	Trailing 12
Balanced ₁	0.29%	4.34%	9.25%	24.47%
Bond ₂	0.36%	1.34%	0.58%	2.63%
Equity ₃	0.25%	6.37%	14.49%	39.85%
STI ₄	-0.17%	-0.04%	-0.42%	-0.16%

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

² 75% 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 returns (2016-2020):

PERFORMANCE (Net Returns)	2020	2018- 2020	2016- 2020
Balanced	11.17%	8.84%	7.59%
Bond	3.07%	2.90%	1.76%
Equity	11.49%	10.75%	10.15%
STI	3.90%	3.18%	3.42%

BENCHMARK	2020	2018- 2020	2016- 2020
Balanced	9.99%	9.57%	9.33%
Bond	5.79%	4.95%	3.51%
Equity	11.50%	10.94%	13.21%
STI	2.74%	2.43%	1.73%

BALANCED FUND

As of June 30, 2021

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.

RATE OF RETURN—2021

	June	QTD	YTD	Trailing 12
Actual*	-0.02%	3.94%	8.97%	26.16%
Benchmark	0.29%	4.34%	9.25%	24.47%

RATE OF RETURN—2016-2020

	2020	2018- 2020	2016- 2020
Actual*	11.17%	8.84%	7.59%
Benchmark	9.99%	9.57%	9.33%

BALANCED FUND BOND:

CHARACTERISTICS:

Duration	2.51
Average Credit Quality	BBB

*Net of fees

BALANCED FUND BOND:

Sector	% of Portfolio
Treasury	10.91%
Corporate (IG)	57.13%
Corporate (HY)	28.38%
Mortgages	0.00%
Cash	3.58%

BALANCED FUND EQUITY:	% of Allocations
Large Cap	39.00%
Mid Cap	16.00%
Small Cap	5.00%
International	40.00%
Cash	0.00%

BOND FUND

As of June 30, 2021

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.

RATE OF RETURN—2021

	June	QTD	YTD	Trailing 12
Actual*	0.00%	0.74%	0.17%	1.65%
Benchmark	0.36%	1.34%	0.58%	2.63%

RATE OF RETURN—2016-2020

	2020	2018- 2020	2016- 2020
Actual*	3.07%	2.90%	1.76%
Benchmark	5.79%	4.95%	3.51%

EQUITY & SHORT TERM INCOME

As of June 30, 2021

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.

RATE OF RETURN—2021

	June	QTD	YTD	Trailing 12
Actual*	-0.04%	5.46%	13.49%	39.71%
Benchmark	0.25%	6.37%	14.49%	39.85%

RATE OF RETURN—2016-2020

	2020	2018- 2020	2016- 2020
Actual*	11.49%	10.75%	10.15%
Benchmark	11.50%	10.94%	13.21%

SHORT-TERM INCOME: 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.

RATE OF RETURN—2021

	June	QTD	YTD	Trailing 12
Actual*	0.27%	0.79%	-0.16%	0.47%
Benchmark	-0.17%	-0.04%	-0.42%	-0.16%

RATE OF RETURN—2016-2020

	2020	2018- 2020	2016- 2020
Actual*	3.90%	3.18%	3.42%
Benchmark	2.74%	2.43%	1.73%

*Net of fees

MARKET SUMMARY

EQUITY FUND

Productivity increased from the end of 2019 to the second quarter of 2021, mainly due to efficiencies forced by the pandemic economy—reduced time in commuting, for example. US job growth accelerated this quarter, especially in June. The restart of the economy has led to higher inflation, especially in real estate, which make many question the sustainability of the stock rally this quarter.

BOND FUND

The Federal Reserve does not seem likely to act due to inflation concerns. Interest rates remain near the lower bounds and debt is rising. However, consumer confidence remains high for the moment.

2301 Rittenhouse St., Des Moines, IA 50321
515.974.8927 | info@iumf.org | <https://iumf.org>