

# IOWA UNITED METHODIST FOUNDATION

*4th Quarter Report 2021*

## SCHOLARSHIPS OPEN THROUGH MARCH 1

How to find out if you're  
eligible and apply

**PAGE 1-2**

## ESTATE PLAN- NING GUIDANCE

Let our expert estate plan-  
ner review your will

**PAGE 3**

## PEACE OF MIND FOR YOUR INVESTMENTS

Our statement regarding  
the General Conference

**PAGE 4**

## PERFORMANCE & MARKET REPORT

**PAGE 5-8**



**Tell your students:**

**Apply for a  
Scholarship  
TODAY**



Thanks to generous donations, IUMF offers over 100 scholarships every year. Some are specifically for seminary students, but many are open to any member of the UM church. We encourage you to visit our website <https://iumf.org/scholarships/> to read the criteria and apply! Applications are accepted December 1—March 1 annually. Below we answer some frequently asked questions about our scholarship program:

### **Scholarship FAQs**

**Q:** Why should I apply?

**A:** With the cost of education increasing every year, it's worth the time and energy! Let's say you spend 20 hours researching and applying and end up receiving one scholarship for \$2,000—it sounds like a lot of time, but you just made \$100 per hour! To save time, you can use the same (or similar) essays and recommendations when applying for multiple scholarships.

**Q:** How will I be notified if I am selected?

**A:** Notifications are emailed to all selected and not selected by the end of May. We recommend adding these email

*Continued on page 2*

# SCHOLARSHIPS

*Open December 1—March 1*

## ***Continued from page 1***

addresses to your safe sender list to ensure notifications are not sent to junk mail:

[donotreply@applyISTS.com](mailto:donotreply@applyISTS.com)

[contactus@applyISTS.com](mailto:contactus@applyISTS.com)

**Q:** What are my responsibilities if I am chosen as a scholarship recipient?

**A:** You must enroll as a full-time student in the fall and continue the entire academic year. Verification of enrollment (VOE) must be sent to IUMF by your school's registrar as soon as classes begin. Once we receive your VOE, we will mail your scholarship funds.

**Q:** If I received a scholarship last year, do I need to apply again this year?

**A:** Yes! All scholarships are awarded on an annual basis so recipients must re-apply each year.

**Q:** Can I set up a scholarship fund?

**A:** Yes, you can make a major difference in students' lives! A scholarship is a great way to honor the memory of a loved one, answer the call to educational ministry or simply give back to future generations (all while potentially saving on taxes). The Foundation is extremely flexible so you can set up a scholarship with whatever criteria you choose: just for students attending a certain school, just for students in your congregation, etc. Call or email us today and we will be happy to walk you through the process!



***Did you know?*** You can donate to an active scholarship fund anytime! A favorite is the Clergy Tribute fund, dedicated to Iowa Methodist clergy who have passed away and awarded to seminary students following in their footsteps. Just click the red GIVE button on our homepage and select Clergy Tribute. From this page you can also give directly to your church's fund.





# OUR GIFT TO YOU

## *Values-Based Estate Planning*

### *Looking for peace of mind in 2022?*

Creating or reviewing your will and estate plan is important to ensure that your documents appropriately reflect your current situation. The Foundation is providing complimentary, confidential assistance to review or develop your plan. You have the opportunity to meet virtually with estate planning expert lawyer Johni Hays of Thompson and Associates. You are under NO obligation to leave a gift to anyone.

This process provides clarity, peace of mind and an incredible sense of significance—your comprehensive estate plan can tell your story, reflect your values and encourage your loved ones with an impact that spans generations.

To set up your time for a complimentary meeting, contact us at [info@iumf.org](mailto:info@iumf.org) or 515-974-8927. You can stop after just one conversation or meet with Johni as many times as you'd like. This is Our Gift to You, and it is FREE, with no hidden agendas, pressure, obligations or time constraints.



## Meet the Expert

Johni Hays, Senior Vice President  
Thompson & Associates

Based out of Johnston, Johni is the estate planner our clients meet with. She has practiced law with an emphasis in charitable and estate planning since 1993. She joined *Thompson & Associates* in 2012 because of their reputation for integrity and her desire to help others. She is also an accomplished writer who enjoys animals and the ocean.

# LETTER FROM THE DIRECTOR

*Regarding the General Conference*



Your investments  
are secure.



With many unknowns in the future (in terms of meetings, statements and other denominational issues), you may wonder: what is the Foundation's role if congregations or individuals change their membership from the Iowa Annual Conference?

We want you to know: your investments are **secure**. No action taken by the General Conference will impact ANY church or individual's ability to utilize the Foundation.

The Foundation is **independent** of the General Conference, the Iowa Annual Conference, the Council of Blessings, the GCFA, Wespeth and any other United Methodist entity. We are registered as an Iowa Nonprofit Organization and we hold an independent IRS 501(c)(3) tax-exempt ruling.

No apportionment funds are received by the Foundation.

Our **mission** remains. The Foundation continues to serve as prudent investors for ALL non-profit ministers, regardless of denomination. The Foundation will continue to partner with individuals and congregations for the **long-term financial support** of the ministries they love.

Along with our Board of Directors, we continue to pray for the ministry of all congregations. If you have questions, please contact me at [katharine.yarnell@iumf.org](mailto:katharine.yarnell@iumf.org) or 515-974-8928.

Many Blessings,

*Katharine Yarnell*

Executive Director, IUMF

# FUND PERFORMANCE REPORT

*As of December 31, 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 December 31, 2021

	December	QTD	YTD	Trailing 12
Balanced	3.00%	4.00%	12.72%	12.72%
Bond	0.08%	-0.47%	-0.86%	-0.86%
Equity	5.00%	7.17%	20.56%	20.56%
STI	-0.12%	-0.58%	-1.18%	-1.18%

**Benchmark average gross returns for each of the funds as of December 31, 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.)*

	December	QTD	YTD	Trailing 12
Balanced <sub>1</sub>	3.03%	4.06%	13.64%	13.64%
Bond <sub>2</sub>	0.34%	-0.28%	0.80%	0.80%
Equity <sub>3</sub>	4.83%	6.94%	22.04%	22.04%
STI <sub>4</sub>	-0.21%	-0.37%	-0.73%	-0.73%

<sup>1</sup> 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.

<sup>2</sup> 75% Barclay's Government Credit / 25% ML US High Yield BB 1-10 yr.

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

## Average annual calendar returns (2017-2021):

PERFORMANCE	2021	2019-2021	2017-2021	BENCHMARK	2021	2019-2021	2017-2021
Balanced	12.72%	13.67%	6.42%	Balanced	13.64%	14.30%	7.16%
Bond	-0.86%	2.46%	1.26%	Bond	0.80%	5.04%	3.00%
Equity	20.56%	18.91%	8.45%	Equity	22.04%	19.91%	8.92%
STI	-1.18%	2.50%	1.72%	STI	-0.73%	1.73%	1.35%

# BALANCED FUND

*As of December 31, 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. The Product Mix and Diversification shall strive for a 40/60 balance between equity and fixed income investments.

## RATE OF RETURN—2021

	December	QTD	YTD	Trailing 12
Actual*	3.00%	4.00%	12.72%	12.72%
Benchmark	3.03%	4.06%	13.64%	13.64%

## RATE OF RETURN—2017-2021

	2021	2019-2021	2017-2021
Actual*	12.72%	13.67%	6.42%
Benchmark	13.64%	14.30%	7.16%

## BALANCED FUND BOND:

Sector:	% of Portfolio
Treasury	5.60%
Corporate (IG)	18.40%
Corporate (HY)	8.50%
Mortgages	0.00%
Cash	0.00%

## BALANCED FUND EQUITY:

Sector:	% of Portfolio
Large Cap	24.55%
Mid Cap	9.00%
Small Cap	3.60%
International	24.55%
Cash	5.80%

## BALANCED FUND BOND

### CHARACTERISTICS:

Duration	2.28
Average Credit Quality	BBB+

\*Net of fees



# BOND FUND

*As of December 31, 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

	December	QTD	YTD	Trailing 12
Actual*	0.08%	-0.47%	-0.86%	-0.86%
Benchmark	0.34%	-0.28%	0.80%	0.80%

## ASSET ALLOCATION BOND

Cash	3.35%
Investment Grade	53.98%
High Yield	26.03%
Treasury	16.64%

## RATE OF RETURN—2017-2021

	2021	2019-2021	2017-2021
Actual*	-0.86%	2.46%	1.26%
Benchmark	0.80%	5.04%	3.00%

# EQUITY & SHORT TERM INCOME

*As of December 31, 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

	December	QTD	YTD	Trailing 12
Actual*	5.00%	7.17%	20.56%	20.56%
Benchmark	4.83%	6.94%	22.04%	22.04%

## RATE OF RETURN—2017-2021

	2021	2019-2021	2017-2021
Actual*	20.56%	18.91%	8.45%
Benchmark	22.04%	19.91%	8.92%

**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

	December	QTD	YTD	Trailing
Actual*	-0.12%	-0.58%	-1.18%	-1.18%
Benchmark	-0.21%	-0.37%	-0.73%	-0.73%

## RATE OF RETURN—2017-2021

	2021	2019-2021	2017-2021
Actual*	-1.18%	2.50%	1.72%
Benchmark	-0.73%	1.73%	1.35%

\*Net of fees

# MARKET SUMMARY

*4th Quarter 2021*

The markets are still coping with COVID on a global level. The global disruption continues. Economic recovery is slowing again. Virus variants continue to be a factor, as businesses and governments react, renewing various economic restrictions. Supply chain issues are continuing.

## EQUITIES

Equity values were elevated, which increases the impact any risk would have on the markets. Volatility is increasing. Valuations are vulnerable, particularly with the privacy concerns involving social media.

## BONDS

Government supported liquidity seems to be starting to dissipate. Bond credit spread remains historically tight.

# Happy New Year!

IUMF wants to help make 2022 a year filled with stewardship and generosity for your church. Call or email us anytime with questions about your investments or any of our other programs.



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