

IOWA UNITED METHODIST FOUNDATION

1st Quarter Report 2022

H.E.L.P. LOANS OPEN JUNE 1

Find out if you're eligible
and how to apply

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Are you a pastor with student loans?

A H.E.L.P. loan may be able to do just that—help! Iowa is one of just a few states whose Foundation takes part in the Higher Education Loan Program. As part of this program, the Foundation pays off your student debt, then you pay back the Foundation at an interest rate of **just 1.5%**. Most student loans have interest rates between 4.79-7.41%*, so refinancing through the Foundation can save students hun-

dreds, if not thousands, of dollars in interest payments! Many students have loans currently in deferment or forbearance, which means interest may still be accruing, and the amount owed increasing. A H.E.L.P. loan is a great way to start decreasing this debt and stop it from continuing to increase.

To be considered for a H.E.L.P. loan, you must have served in the Iowa Annual Conference for at least one year and plan to continue serving in the IAC for the length of the loan. You must also enroll in or have completed the Foundation's financial education certification for faith leaders (*Saving Grace: A Guide to Financial Well-Being*). Priority may be given to students with higher interest rate loans or to clergy in minimum salary positions. Applicants must establish creditworthiness by thoroughly completing the application.

Applications are available on our website - <https://iumf.org/help-loans/> - and are accepted June 1—September 1 annually.

With over half a million dollars already refinanced, the Foundation is ready to help YOU with a H.E.L.P. loan!

*average federal student loan rates 2006-2020 from *Credible*

LETTER FROM THE DIRECTOR

Regarding the Postponement of the General Conference

With the United Methodist General Conference now postponed until 2024, we want to reaffirm that:

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 Bishops, the GCFA, Wespath and any other United Methodist denominational 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 a prudent investor for ALL non-profit organizations, 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 mission and ministry of all congregations. If you have questions, please contact me at katharine.yarnell@iumf.org or 515-974-8928.

Many Blessings,

Katharine Yarnell

Executive Director, IUMF



Your investments are secure.



OUR GIFT TO YOU

Estate Planning Support

Do you have questions about your will?

Ask an estate planning lawyer—confidentially and at no cost to you!

Creating or reviewing your estate plan is important to ensure your documents appropriately reflect your current situation. The Foundation is providing complimentary assistance with reviewing or developing your plan through meetings with estate planning expert lawyer Johni Hays of Thompson and Associates. These meetings are between you and Johni—no Foundation representatives are present.

The process provides clarity, peace of mind and an incredible sense of significance—you leave knowing your comprehensive estate plan tells your story, reflects your values and supports your loved ones.

You can use your meeting time to simply ask a question; there is no obligation to continue. There is also NO obligation to leave a gift to anyone.

To set up a time for your complimentary conversation with Johni, contact us at info@iumf.org or 515-974-8927.



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.

CARMA MOHLER HUNGER RELIEF GRANTS

Open July 1—October 1



Carma Mohler established a fund with Iowa United Methodist Foundation in the hope of eliminating food insecurity in her home state of Iowa. We are proud to help carry out her wishes by offering annual grants to organizations fighting hunger in their communities. The types of projects that receive funding include community gardens, food education (such as “Eating Healthy on a Budget”), food pantries and meal programs.

We invite your organization to apply this year (applications accepted July 1—October 1). You could join the 100+ previous recipients working to make Iowa hunger-free!

For more information and to download the application, visit <https://iumf.org/carma-mohler-grant/>.

Pictures provided by previous grant winners: Fredericksburg Food Pantry, Union Park UMC Monthly Manna Meal, Carry on Bags in Fairfield, Musserville Meat & More and SPUM Garden in East Des Moines.



FUND PERFORMANCE REPORT

As of March 31, 2022

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

The actual net returns for each of the funds as of March 31, 2022

	March	QTD	YTD	Trailing 12
Balanced	0.17%	-5.29%	-5.29%	1.83%
Bond	-1.64%	-1.71%	-1.71%	-2.00%
Equity	1.18%	-6.94%	-6.94%	4.26%
STI	-1.78%	-1.53%	-1.53%	-1.76%

Benchmark average gross returns for each of the funds as of March 31, 2022:

(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.)

	March	QTD	YTD	Trailing 12
Balanced ₁	0.36%	-4.88%	-4.88%	3.24%
Bond ₂	-2.10%	-4.55%	-4.55%	-3.05%
Equity ₃	2.00%	-5.15%	-5.15%	7.55%
STI ₄	-1.41%	-2.50%	-2.50%	-2.84%

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.

³40% 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 March 31, 2022

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—2022

	March	QTD	YTD	Trailing 12
Actual*	0.17%	-5.29%	-5.29%	1.83%
Benchmark	0.36%	-4.88%	-4.88%	3.24%

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	16.44%
Corporate (IG)	55.21%
Corporate (HY)	25.23%
Mortgages	0.00%
Cash	3.12%

BALANCED FUND EQUITY:

Sector:	% of Portfolio
Large Cap	40.30%
Mid Cap	14.40%
Small Cap	5.60%
International	39.30%
Cash	0.40%

BALANCED FUND BOND

CHARACTERISTICS:

Duration	2.19
Average Credit Quality	BBB+

*Net of fees

BOND FUND

As of March 31, 2022

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—2022

	March	QTD	YTD	Trailing 12
Actual*	-1.64%	-1.71%	-1.71%	-2.00%
Benchmark	-2.10%	-4.55%	-4.55%	-3.05%

ASSET ALLOCATION BOND

Cash	2.32%
Investment Grade	55.69%
High Yield	25.75%
Treasury	16.24%

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 March 31, 2022

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—2022

	March	QTD	YTD	Trailing 12
Actual*	1.18%	-6.94%	-6.94%	4.26%
Benchmark	2.00%	-5.15%	-5.15%	7.55%

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—2022

	March	QTD	YTD	Trailing
Actual*	-1.78%	-1.53%	-1.53%	-1.76%
Benchmark	-1.41%	-2.50%	-2.50%	-2.84%

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

1st Quarter 2022

The first quarter has seen worsening economic data due to inflation concerns and the war in Ukraine. Throughout the past 40 years, there has been an average loss in the stock market of approximately 10% at some time during the year. The largest drop in 2021 was only 4%. So far in 2022, there has been roughly a 12% drop in the equities market.

EQUITIES

Rising interest rates have a negative effect on stock prices. Surging costs, continuing supply chain issues and economic sanctions are increasing inflation.

We are expecting slower growth moving forward as well as increases in the unemployment rate. We continue to have a diverse range of holdings, which is important in times of volatility.

BONDS

While there has been a slight increase in interest rates, there are still challenges for the bond market. Investors are demanding higher returns to combat inflation, but the current rates cannot accomplish that in the short term.

Many banks are trying to recoup from offering “teaser rates” and therefore are not passing the increase in interest rate on to their customers.

WANT TO RECEIVE YOUR ACCOUNT STATEMENT(S) ELECTRONICALLY?

Fill out the E-Statement Registration Form on our website: <https://iumf.org/resources/> or email info@iumf.org to request the form.



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