

# IOWA UNITED METHODIST FOUNDATION

## 2nd Quarter Report 2023

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### Carma Mohler Grants Open NOW

IUMF is currently accepting applications for our annual Carma Mohler Hunger Relief Grant program. Ms. Mohler established this fund with the Foundation because she had a passion for feeding the hungry and wanted to alleviate hungry children, especially in her home state of Iowa. Each year, we seek applications from nonprofit organizations based in Iowa that are addressing food

insecurity and making a difference in their communities. Past recipients include food pantries, community gardens and summer lunch programs. If you know about or are part of an organization like this, submit your grant application and all required documents prior to October 1st.

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### 2nd Quarter Market Review

This has been a mixed quarter. Starting with huge concerns regarding the debt ceiling and possible default, combined with large bank failures, there were mixed investment results. There are still significant concerns about a possible recession due to

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# CARMA MOHLER GRANTS

## *Feeding Iowa's Hungry*

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Applications and criteria can be found on our website: <https://iumf.org/carma-mohler-grant/>.

We love hearing from grant winners and finding out how the money is helping across Iowa! Below are pictures we received from previous Carma Mohler Grant recipients.

Clockwise from top left: gardener using the tiller purchased with a grant to prepare his plot at the Sheridan Park United Methodist Garden (Des Moines); rows of onion and potato plants almost ready to harvest at the Asbury Ecumenical Garden (Bettendorf); new fridge purchased using a grant by the food pantry at Calvary UMC (Ames); volunteers preparing the Christmas community meal at First UMC (Iowa Falls).





# 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](mailto: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.

# LETTER FROM THE DIRECTOR

## *Reassurance Regarding Your Investments*

Since the Foundation was founded in 1957, its purpose has been to support non-profit organizations with their investments and financial stewardship.

Therefore, the Foundation has always been able to work with **ANY non-profit organization, regardless of denominational affiliation or independence.**

The focus has been to particularly support the ministries of the Methodist, and then United Methodist churches, but it has always been the intent to help all non-profits with their investments, endowments and financial stewardship.

Please let us know if you have any questions, or if you would like to schedule a review of your accounts, or a workshop or other training.

Many Blessings,  
*Katharine Yarnell*  
Executive Director, IUMF



# FUND PERFORMANCE REPORT

*As of June 30, 2023*

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 June 30, 2023

	June	QTD	YTD	Trailing 12
Balanced	3.39%	3.07%	7.25%	10.27%
Bond	-0.07%	0.18%	1.67%	1.10%
Equity	6.43%	5.56%	12.44%	17.65%
STI	-0.49%	-0.62%	0.56%	0.22%

**Benchmark average gross returns for each of the funds as of June 30, 2023:**  
*(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 <sub>1</sub>	3.79%	3.03%	8.53%	11.14%
Bond <sub>2</sub>	0.11%	-0.10%	2.49%	0.65%
Equity <sub>3</sub>	6.25%	5.10%	12.63%	18.44%
STI <sub>4</sub>	-0.50%	-0.57%	1.01%	0.19%

<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 (2018-2022):

IUMF	1 YEAR	3 YEAR	5 YEAR	BENCHMARK	1 YEAR	3 YEAR	5 YEAR
Balanced	-2.22%	2.77%	3.40%	Balanced	-2.17%	2.82%	4.21%
Bond	-0.01%	-1.17%	0.12%	Bond	-0.28%	-1.30%	0.92%
Equity	-3.71%	4.20%	4.77%	Equity	-3.44%	4.81%	5.34%
STI	-0.08%	-0.90%	0.63%	STI	0.18%	-0.66%	0.55%

# BALANCED FUND

*As of June 30, 2023*

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—2023

	June	QTD	YTD	Trailing
Actual*	3.39%	3.07%	7.25%	10.27%
Benchmark	3.79%	3.03%	8.53%	11.14%

## RATE OF RETURN—2018-2022

	1 YEAR	3 YEAR	5 YEAR
Actual*	-2.22%	2.77%	3.40%
Benchmark	-2.17%	2.82%	4.21%

## BALANCED FUND BOND:

Sector:	% of Portfolio
Treasury	12.73%
Corporate (IG)	69.16%
Corporate (HY)	17.71%
Mortgages	0.00%
Cash	0.40%

## BALANCED FUND EQUITY:

Sector:	% of Portfolio
Large Cap	41.60%
Mid Cap	13.10%
Small Cap	6.00%
International	38.80%
Cash	0.50%

## BALANCED FUND BOND

### CHARACTERISTICS:

Duration	3.51
Average Credit Quality	BBB+

\*Net of fees

# BOND FUND

*As of June 30, 2023*

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—2023

	June	QTD	YTD	Trailing 12
Actual*	-0.07%	0.18%	1.67%	1.10%
Benchmark	0.11%	-0.10%	2.49%	0.65%

## ASSET ALLOCATION BOND

Cash	0.21%
Investment Grade	72.04%
High Yield	17.93%
Treasury	9.82%

## RATE OF RETURN—2018-2022

	1 YEAR	3 YEAR	5 YEAR
Actual*	-0.01%	-1.17%	0.12%
Benchmark	-0.28%	-1.30%	0.92%

# EQUITY & SHORT TERM INCOME

*As of June 30, 2023*

**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—2023

	June	QTD	YTD	Trailing 12
Actual*	6.43%	5.56%	12.44%	17.65%
Benchmark	6.25%	5.10%	12.63%	18.44%

## RATE OF RETURN—2018-2022

	1 YEAR	3 YEAR	5 YEAR
Actual*	-3.71%	4.20%	4.77%
Benchmark	-3.44%	4.81%	5.34%

**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—2023

	June	QTD	YTD	Trailing
Actual*	-0.49%	-0.62%	0.56%	0.22%
Benchmark	-0.50%	-0.57%	1.01%	0.19%

## RATE OF RETURN—2018-2022

	1 YEAR	3 YEAR	5 YEAR
Actual*	-0.08%	-0.90%	0.63%
Benchmark	0.18%	-0.66%	0.55%

\*Net of fees



# MARKET REVIEW (CONT)

2nd Quarter 2023

*Continued from page 1*

Chinese economic growth slowing, expected decrease in consumer demand and continued risks from the Ukraine/Russia war.

## BONDS

With inflation somewhat moderating, there is anticipation of two more potential Federal interest rate hikes, which lowered bond performance again.

## EQUITY

The gains in the stock market are mainly due to a “FOMO” (fear of missing out) speculation bubble, with only seven tech stocks driving most of the increase. Because improvements in artificial intelligence are anticipated to help those stocks the most, there was an out-sized increase in those particular stock prices.

## WE WANT YOU

To sign up for a workshop from the Foundation!

During the pandemic we were not able to meet in person, and now that we can, we'd love to give your church a visit! Learn about the types of training we offer on our website or email us at [info@iumf.org](mailto:info@iumf.org) to schedule a workshop for your congregation or finance committee.



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