

IOWA UNITED METHODIST FOUNDATION

4th Quarter Report 2023

FREE ESTATE PLANNING WEBINAR

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YOU are Invited to an Educational Webinar

Are you wondering how to get started with estate planning? Unsure what new tax laws mean for you and your family? This webinar is for you!



What: Free training entitled *New Year's Resolution: Estate Planning for 2024*

When: Wednesday, January 31st, 2024 at 6:30pm CST

Where: Virtually on Zoom

Who: Hosted by IUMF Executive Director Katharine Yarnell. Presentation by Johni Hays of *Thompson & Associates*. Registration is open to the public.

How: Register by sending an email to info@iumf.org or visiting <https://iumf.org/webinar-sign-up/>

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IUMF Scholarships are OPEN

Scholarship season is upon us! Since December 1st, the Foundation has been collecting applications for scholarships for the 2024-2025 school year. We have scholarships for everyone ranging from high school seniors to seminarians, so PLEASE tell the students in your congregation about this amazing opportunity! The deadline to apply is March 1st. Visit our website to learn the criteria for...

**No FAFSA
required!**

(details on page 4)

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ESTATE PLANNING FOR 2024

Educational Webinar

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We will send you a confirmation email with the link to the Zoom call after you register.

About the speakers:



Katharine Yarnell, Executive Director of the Iowa United Methodist Foundation, has over 15 years of experience with financial stewardship and estate planning. She served as pastor at a rural congregation in Kansas for 10 years, and as Field Outreach Minister of the North Central District for five years. She has her M. Div. D. Min CRFE FCEP and AIF®

Johni Hays, JD, Senior Vice President of *Thompson & Associates*, is a national presence in the field of estate planning. She has practiced law with an emphasis in charitable and estate planning since 1993. She has written and lectured about this topic, helping people take change of their estate plans, and at the same time showing them how to leave more for their heirs than they thought possible.



This webinar will address questions such as:

- Does your plan cover critical issues such as children from a prior marriage, special needs family members or education trusts for grandchildren?
- Do you need a trust?
- Has your estate plan addressed a common tax that affects most estates yet is often overlooked?
- Could updating your plan make it easier for a surviving spouse to access funds after you're gone?

Through the use of strategic planning techniques, you'll learn how to maximize your assets for you and the future of your loved ones while finding peace of mind that you have the right plan in place. If you have been thinking of meeting with Johni through *Our Gift to You* (next page), this webinar is a chance for you to speak with her before you go through the full process.



OUR GIFT TO YOU

Estate Planning Support

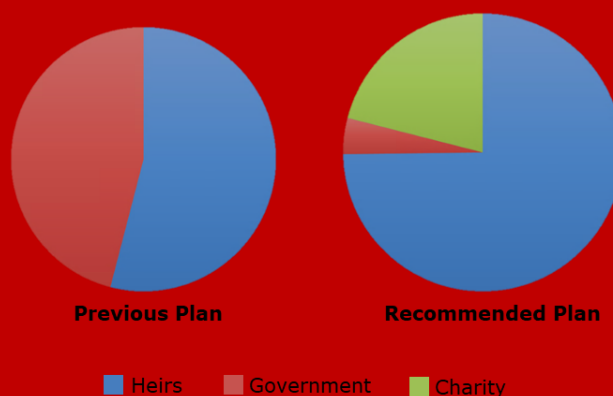
Do you have questions about your will?

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

The Foundation is providing *Our Gift to You*, consultation sessions with estate planning expert Johni Hays of *Thompson and Associates* (previous page). These meetings are between you and Johni—no Foundation representatives are present.

The process includes an initial visit with Johni to learn about the service. If you decide you want to participate in the full process, which takes four to six meetings, you will then meet with Johni monthly until you finish. During the course of these meetings, Johni will help you clarify your personal values and goals, and review your estate plan to see if it reflects your values. Once your plan is finalized, Johni can help you share the details with your attorney or financial advisor.

The goal is to provide you with peace of mind. You will leave knowing your comprehensive estate plan tells your story, reflects your values and supports your loved ones. The process often uncovers ways in which you can provide for loved ones while also redirecting funds that would have been collected as taxes. Here is an example:



You can also 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.

SCHOLARSHIPS

Apply now through March 1st

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... each scholarship and apply: <https://iumf.org/scholarships/>. Once you click the **APPLY NOW** button, you will be taken to a third party website to complete the application. You only have to fill out the application once and, based on your answers, you will automatically be submitted to each scholarship for which you qualify. That's right—completing one application could enter you for consideration for 20+ scholarships!

We are aware of the delays affecting FAFSA forms this year. While we encourage students and parents to create their FSA IDs (<https://studentaid.gov/fsa-id/create-account/launch>) and complete their FAFSA when it opens, **we will also accept 1040 tax forms or an estimate for student aid eligibility on the application.** There will be other documents, such as transcripts, that you will need to upload.

Questions?

Try the Kaleidoscope Help Center: <https://help.mykaleidoscope.com/category/4-applicants>. Or you can email help@mykaleidoscope.com with questions related to the application, or cassie.parks@iumf.org with other scholarship questions.



FUND PERFORMANCE REPORT

As of December 31, 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 December 31, 2023:

	December	QTD	YTD	Trailing 12
Balanced	4.35%	8.20%	12.98%	12.98%
Bond	2.36%	5.00%	5.81%	5.81%
Equity	6.13%	11.83%	20.17%	20.17%
STI	1.65%	1.83%	1.94%	1.94%

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

	December	QTD	YTD	Trailing 12
Balanced ₁	4.57%	9.20%	15.51%	15.51%
Bond ₂	2.52%	5.19%	7.06%	7.06%
Equity ₃	5.94%	11.73%	21.05%	21.05%
STI ₄	1.15%	2.02%	3.80%	3.80%

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

Average annual calendar returns (2019-2023):

IUMF	1 YEAR	3 YEAR	5 YEAR	BENCHMARK	1 YEAR	3 YEAR	5 YEAR
Balanced	12.98%	3.32%	7.52%	Balanced	15.51%	4.51%	8.45%
Bond	5.81%	-0.30%	1.46%	Bond	7.06%	0.91%	2.27%
Equity	20.17%	6.83%	11.20%	Equity	21.05%	7.73%	12.05%
STI	1.94%	-1.53%	0.80%	STI	3.80%	-0.32%	0.99%

BALANCED FUND

As of December 31, 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

	December	QTD	YTD	Trailing
Actual*	4.35%	8.20%	12.98%	12.98%
Benchmark	4.57%	9.20%	15.51%	15.51%

RATE OF RETURN—2019-2023

	1 YEAR	3 YEAR	5 YEAR
Actual*	12.98%	3.32%	7.52%
Benchmark	15.51%	4.51%	8.45%

BALANCED FUND BOND:

Sector:	% of Portfolio
Treasury	15.39%
Corporate (IG)	68.91%
Corporate (HY)	14.19%
Mortgages	0.00%
Cash	1.51%

BALANCED FUND EQUITY:

Sector:	% of Portfolio
Large Cap	40.00%
Mid Cap	13.70%
Small Cap	5.80%
International	40.10%
Cash	0.40%

BALANCED FUND BOND

CHARACTERISTICS:

Duration	3.33
Average Credit Quality	BBB+

*Net of fees

BOND FUND

As of December 31, 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

	December	QTD	YTD	Trailing 12
Actual*	2.36%	5.00%	5.81%	5.81%
Benchmark	2.52%	5.19%	7.06%	7.06%

ASSET ALLOCATION BOND

Cash	1.27%
Investment Grade	72.48%
High Yield	16.21%
Treasury	10.04%

RATE OF RETURN—2019-2023

	1 YEAR	3 YEAR	5 YEAR
Actual*	5.81%	-0.30%	1.46%
Benchmark	7.06%	0.91%	2.27%

EQUITY & SHORT TERM INCOME

As of December 31, 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

	December	QTD	YTD	Trailing 12
Actual*	6.13%	11.83%	20.17%	20.17%
Benchmark	5.94%	11.73%	21.05%	21.05%

RATE OF RETURN—2019-2023

	1 YEAR	3 YEAR	5 YEAR
Actual*	20.17%	6.83%	11.20%
Benchmark	21.05%	7.73%	12.05%

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

	December	QTD	YTD	Trailing 12
Actual*	1.65%	1.83%	1.94%	1.94%
Benchmark	1.15%	2.02%	3.80%	3.80%

RATE OF RETURN—2019-2023

	1 YEAR	3 YEAR	5 YEAR
Actual*	1.94%	-1.53%	0.80%
Benchmark	3.80%	-0.32%	0.99%

*Net of fees

MARKET REVIEW

4th Quarter 2023

MARKET REVIEW

The end of 2023, while showing some stock improvement, continues to be volatile. This is due to significant uncertainty in several areas. Regional wars in Ukraine and Israel could substantially impact oil markets and supply, not to mention the tremendous impact they would have if either war expands globally. Global shipping lanes are also under threat, and it is unclear how this will be managed or resolved. There continues to be political insecurity heading into the US presidential election. Inflation appears to be easing, but prices remain high for household essentials.

BONDS

An environment of rising interest rates is the most dangerous to be in. The Foundation's Board of Directors has made adjustments to try and take advantage of rising rates. However, there remains uncertainty about the direction rates will go in 2024.

EQUITY

There was a surprising late 2023 rally in the stock market! Again it was concentrated on the "Magnificent Seven" tech companies in the market. This rally does not appear to be supported by earnings. Outside of these, stocks have been mostly flat.

The Foundation wants you to know:

- Your investments are **secure**. You do **NOT** need to withdraw them if your congregation disaffiliates.
- IUMF is an **independently**-registered Iowa Non-profit Organization. We hold an **independent** IRS 501(c)(3) tax-exempt ruling.
- IUMF can work with **any** non-profit organization.
- IUMF will continue to partner with individuals and congregations for the **long-term financial support** of the ministries they love.



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