

IOWA UNITED METHODIST FOUNDATION

1st Quarter Report 2024

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Spring is Certificate Season

A certificate from the Foundation is a unique way for you (and your church) to invest. You can expect similar benefits to a bank CD, like competitive rates and the option to reinvest or pay out earnings, but with the added benefit of helping United Methodist churches across Iowa. Invested funds become available to be loaned as part of...



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Our Gift to You

Think about the relief you would feel knowing your will and estate plan are not only finished, but accomplish your goals for your family and future. The Foundation has partnered with a nationally renowned estate planning lawyer to offer this to you!



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Grant Spotlight: Lamoni Food Pantry

As part of the Carma Mohler Grant program, IUMF staff members enjoy visiting grant recipients to learn about and witness the good works our program is helping to achieve. In March, we were invited to visit the Lamoni Food Pantry (in Lamoni, Iowa), a multi-year recipient of a Carma Mohler Grant. We discovered, through...



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OUR GIFT TO YOU

Estate planning for 2024

Continued from page 1



What: Estate planning consultation sessions
Who: Johni Hays, JD, FCEP, Senior Vice President at *Thompson & Associates*. Learn more about Johni here: <https://ceplan.com/family/johnihays>
Where: Virtually via Zoom or in person at the Foundation offices in Des Moines
When: One hour each month until you are finished with the process (or you can choose to stop anytime)
Why: The goal is to provide you with peace of mind, and for you to leave knowing your estate plan tells your story and achieves your goals
How: Let us know you are interested by sending an email to info@iumf.org

Frequently asked questions

Q: What is the cost to me for this service?

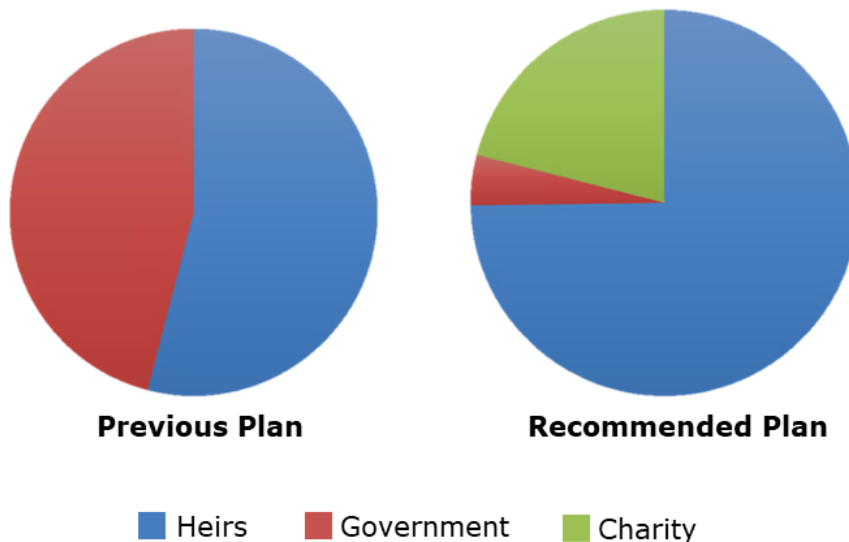
A: IUMF provides this service at **no cost** to you.

Q: Does *Thompson & Associates* execute the plan?

A: No, you share the recommendations you receive with your own attorney. Johni can provide you with options for attorneys if you do not have one, and she will answer any questions you have. Your attorney is even welcome to join the meetings!

Q: What is the result of the process?

A: In general, this process provides clarity, peace of mind and an incredible sense of significance. You will leave with a comprehensive estate plan recommendation that tells your story, reflects your values and fulfills your financial desires. These sessions often uncover ways in which you can provide for loved ones while redirecting funds that would have otherwise been collected as taxes. Here is an example:



FAQ Continued on page 3

CERTIFICATE PROGRAM

Earn money while helping Iowa churches



Continued from page 1

... our Church Building Loan program. In recent years, this program has helped to fund many deserving projects, including new Sunday School classrooms, safer parking lots, improved handicap accessibility, emergency repairs due to storm damage, increased daycare capacity and other upgrades to churches across Iowa.

These loans are made possible only by investments in Foundation certificates. Certificates are available for one, three or five year terms, and are often renewed at the end of a term so they can continue to grow. An individual **or** a church can purchase a certificate, making this a great diversification option for churches with other investments through the Foundation.

Visit our website to see up-to-date rates and download an application—

For churches: <https://iumf.org/services-for-churches/building-fund-trust/>

For individuals: <https://iumf.org/services-for-individuals/building-fund-trust/>

FAQ Continued from page 2

Q: Is my information kept private?

A: Yes! This service is 100% confidential. *Thompson & Associates* serves as your personal, trusted planning coach. Your information will not be shared with any outside party, including the Foundation, without your approval. No representative from IUMF is present for any meeting.

Q: I'm not ready to make final estate decisions. Should I still participate?

A: Absolutely! You can learn so much from this process that you can implement when you are ready. You can also use this time to simply ask a question; there is no obligation to continue with the full process.

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



CARMA MOHLER GRANT SPOTLIGHT

Lamoni Food Pantry

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... meeting with Director Gwen Simpson and reading recommendations from several community members, that this food pantry makes a remarkable difference in the lives of area families.

Most recently, the Lamoni Food Pantry received a Carma Mohler Grant for their “Egg Project,” an effort to provide clients (around 80 families) with 2-3 dozen eggs each month. Eggs provide an excellent source of protein at a reasonable cost, but since they are fragile and perishable, many food pantries do not offer them. IUMF’s Grants Committee was especially moved by this organization’s commitment to providing nutritional foods to its clients, many of whom are children. Gwen told us they will use **over 2,300 dozen eggs** in the year after receiving the grant. This means nearly 100% of the families offered eggs have accepted them.

What struck Foundation staff members most during our visit to Lamoni was how much *more* than a food pantry this organization has become. For example, they offer the “Step Up Program,” an opportunity for one-time financial assistance for local, low-income families or individuals. This assistance can go toward education or licensing for a job, a car repair, a housing deposit, etc. that allows a candidate to achieve a more equal financial footing. It is clear that when Gwen or anyone at the pantry learns of a need within the community, they do everything they can to address it. This includes offering a school supply program, Christmas meal delivery and an Emergency Relief Fund for necessities like rent and gas. We toured a small meeting room at the back of the pantry where volunteers meet with candidates for their relief programs, and with other clients who come to them with a variety of financial concerns. Gwen gave us examples of conversations she has had, including teaching a parent how to plan a monthly budget, and showing someone the benefits of applying for food stamps.

Gwen introduced us to her longtime assistant in the Food Pantry Program, Connie Kirkpatrick, who showed us a basket of colorful “prayer shawls,” which are made and donated by women from the local United Methodist Church and Community of Christ Church. Each person prays for the future recipient of the shawl as they knit it. Volunteers at the pantry then offer them to anyone going through a tough time. Needless to say, these volunteers add a personal touch to every client they interact with.



Food Pantry Director Gwen Simpson (right) and assistant Connie Kirkpatrick (left) inside the Lamoni Food Pantry.

IUMF is proud to partner with organizations like the Lamoni Food Pantry through the Carma Mohler Grant program. You can support the Lamoni Food Pantry directly by visiting www.feedinglamoni.com, and you can support the Carma Mohler Hunger Relief fund by visiting iumf.org and clicking GIVE. Applications for Carma Mohler Grants are accepted July 1 – October 1 annually.

FUND PERFORMANCE REPORT

As of March 31, 2024

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, 2024:

	March	QTD	YTD	Trailing 12
Balanced	2.49%	3.86%	3.86%	12.77%
Bond	0.82%	-0.24%	-0.24%	4.01%
Equity	3.80%	7.13%	7.13%	20.86%
STI	0.41%	-0.20%	-0.20%	0.54%

Benchmark average gross returns for each of the funds as of March 31, 2024:

(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	2.49%	4.89%	4.89%	15.02%
Bond ₂	0.78%	0.14%	0.14%	4.51%
Equity ₃	3.63%	8.12%	8.12%	22.14%
STI ₄	0.35%	0.28%	0.28%	2.45%

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 (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 March 31, 2024

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—2024

	March	QTD	YTD	Trailing 12
Actual*	2.49%	3.86%	3.86%	12.77%
Benchmark	2.49%	4.89%	4.89%	15.02%

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	18.35%
Corporate (IG)	65.97%
Corporate (HY)	14.47%
Mortgages	0.00%
Cash	1.21%

BALANCED FUND EQUITY:

Sector:	% of Portfolio
Large Cap	37.20%
Mid Cap	17.70%
Small Cap	5.20%
International	39.50%
Cash	0.40%

BALANCED FUND BOND

CHARACTERISTICS:

Duration	3.72
Average Credit Quality	BBB+

*Net of fees

BOND FUND

As of March 31, 2024

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—2024

	March	QTD	YTD	Trailing 12
Actual*	0.82%	-0.24%	-0.24%	4.01%
Benchmark	0.78%	0.14%	0.14%	4.51%

ASSET ALLOCATION BOND

Cash	2.24%
Investment Grade	64.62%
High Yield	14.69%
Treasury	18.45%

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 March 31, 2024

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—2024

	March	QTD	YTD	Trailing 12
Actual*	3.80%	7.13%	7.13%	20.86%
Benchmark	3.63%	8.12%	8.12%	22.14%

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—2024

	March	QTD	YTD	Trailing 12
Actual*	0.41%	-0.20%	-0.20%	0.54%
Benchmark	0.35%	0.28%	0.28%	2.45%

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

1st Quarter 2024

MARKET REVIEW

We are expecting continuing uncertainty for the remainder of 2024, especially heading into the US Presidential election. The political polarization is evident this season, with the general economy reacting to inflation/greed-flation/shrink-flation. Consumer debt is increasing while business optimism is declining.

STOCKS

Earnings are expected to be medium to negative for the rest of the year, despite the longest streak of stock market increases in 80 years (Nov. 1, 2023—March 1, 2024). There is finally some diversification beyond the “Magnificent Seven” stocks (Alphabet, Amazon, Apple, Meta, Microsoft, NVidia and Tesla).

BONDS

There continues to be uncertainty about what will happen with interest rates. There are predictions of interest rates holding steady, and even a possibility of rate increases in an effort to dampen inflation. A retraction in the market is possible.

**Yes, the Foundation
is coming to
Annual Conference!**

Stop by our booth
June 7th—9th, 2024
RecPlex in West Des Moines



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