

# IOWA UNITED METHODIST FOUNDATION

*3rd Quarter Report 2025*

## **IUMF Scholarships open December 1st**

**WHAT:** Each year, the Foundation offers 100+ scholarships to United Methodist students across Iowa who demonstrate academic and community excellence. **Thanks to our generous donors, we awarded over \$430,000 for the 2025-2026 academic year**, and cannot wait to get the upcoming scholarship season started!

**WHO:** Scholarships are available for high school seniors, students attending both non-Methodist and United Methodist colleges, and seminary students who are answering the call to join the ministry. With such a range of scholarships available, there may be one for a student in your congregation!

**WHEN:** Applications will be accepted online from **December 1st—March 1st**. Recipients must accept their scholarships online by June 1st, and funds for fall semester are mailed on July 15th. See a full timeline of events in our **2025-2026 Scholarship Guide** at <https://iumf.org/scholarships>.

**HOW:** You can find more information and check scholarship criteria anytime on our website. Starting December 1st, there will be an **APPLY NOW** link to click when you are ready to start the application process.

**QUESTIONS?** The most common question we are asked is if we can send funds to a student or their family, or reimburse them for books or materials already purchased. In order to ensure that we are fulfilling the wishes of our donors, we can only mail scholarship funds directly to the school. See our complete FAQ in the **2025-2026 Scholarship Guide**, or contact Cassie Parks at [cassie.parks@iumf.org](mailto:cassie.parks@iumf.org). For questions related to accessing the application, please contact our partner Kaleidoscope at [help@mykaleidoscope.com](mailto:help@mykaleidoscope.com).



# FUND PERFORMANCE REPORT

*As of September 30, 2025*

All investments were made according to the Social Principals (*Book of Discipline Paragraph 717*). Please contact us if you would like to review your investments. If you'd like to receive your account statement(s) electronically, please complete the E-Statement Registration form at: <https://iumf.org/e-statement-registration-form/>.

## The actual net returns for each of the funds as of September 30, 2025:

	September	QTD	YTD	Trailing 12
Balanced	0.22%	2.49%	9.24%	5.65%
Bond	0.53%	1.50%	5.31%	3.87%
Equity	1.44%	4.95%	13.01%	8.02%
Short-Term Inc.	0.31%	0.97%	2.95%	3.96%

## Long-term actual net returns:

	3 YEARS	5 YEARS	7 YEARS
Balanced	11.92%	7.20%	6.02%
Bond	5.22%	1.59%	2.24%
Equity	18.10%	11.67%	8.66%
Short-Term Inc.	3.13%	0.36%	1.62%

## Balanced Fund

This fund seeks to balance the objectives of long-term capital appreciation and present income. It is invested in a diversified portfolio of fixed income securities, equity securities (including those of foreign issuers and small capitalization companies), cash/cash equivalents and alternative investments. The product mix strives for a 60/40 balance between equity and fixed income investments.

### ASSET ALLOCATION BOND (30-50% OF PORTFOLIO):

Sector:	% of Bond Portfolio
Treasury	15.94%
Corporate (IG)	64.78%
Corporate (HY)	19.21%
Mortgages	0.00%
Cash	0.07%

### ASSET ALLOCATION EQUITY (50-70% OF PORTFOLIO):

Sector:	% of Equity Portfolio
Large Cap	38.60%
Mid Cap	14.80%
Small Cap	6.30%
International	39.90%
Cash	0.40%

### BOND CHARACTERISTICS:

Duration	3.2
Average Credit Quality	BBB+

# FUND PERFORMANCE REPORT

As of September 30, 2025

## Bond Fund

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 of cash and cash equivalents. *Fixed income securities*, in which the fund may invest, include debt securities of all types, including but not limited to: obligations of the U.S. Government, Federal Agency obligations, corporate bonds and notes, sovereign debt of non-U.S. countries, and mutual funds whose underlying assets are primarily fixed income securities. The average maturity of fixed income instruments will be three to five years with an average investment grade ranking as ranked by S&P or Moody's.

### ASSET ALLOCATION BOND

Cash	0.15%
Investment Grade	67.37%
High Yield	19.59%
Treasury	12.89%

## Equity Fund

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. *Equity securities*, in which the fund may invest, include common stocks, securities convertible into equity securities, and mutual funds investing primarily in equity securities. As for individual common stocks, the funds are limited to investing in companies whose shares are traded on the New York Stock Exchange, Inc., the American Stock Exchange, Inc., or the National Association of Securities Dealers, Inc.

## Short-Term Income Fund

The Short-Term Income (STI) 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. Under normal market conditions, the fund's holdings will consist primarily of fixed income securities in the U.S. Government, government-backed obligations, C.D.s or similar types of investments with average maturities of three years or less.

## 3rd Quarter Market Summary

The theme in the economy continues to be volatility and uncertainty. Significant concerns about inflation and unemployment remain. The government shut-down (the first in six years) is another source of risk, as lay-offs and possible funding delays are at the forefront of market awareness. The US economy has been on a declining trajectory in this possible cooling part of the business cycle. The rising interest rates over the past few years were unprecedented, which hurt the bond market. Corporate spreads are near record lows.

The decision to take some risk off the table by reweighting the "Magnificent Seven" tech stocks to an equal distribution has helped the Foundation in some quarters, and hurt in others. In times of uncertainty, more diversification is generally a better long-term strategy.

**Bonds:** The Federal Reserve cut interest rates 25 basis points in September after a nine month pause in rate cuts. Jerome Powell shared that this rate cut significantly increases the risk of skyrocketing inflation.

**Stocks:** Stock prices of AI and technology remain near record highs, with high earnings expected to continue. In the short-term, it is uncertain if this will continue if interest rates are not lowered again.

# OUR GIFT TO YOU

## *Estate Planning Support*

Through the *Our Gift to You* program, the Foundation provides confidential, no-cost estate planning guidance in partnership with Johni Hays of *Thompson & Associates*. Johni is a nationally respected estate planning attorney with decades of experience helping individuals and families navigate the important decisions that come with legacy planning.



### **What to Expect**

Your first conversation with Johni is a no-obligation opportunity to ask questions and explore your planning needs. Whether you need a full estate plan or just want a second opinion on existing documents, Johni is here to help. Should you choose to continue, the process typically includes 5–6 monthly meetings, all personalized and confidential. The result? A thorough, values-based plan that brings clarity, confidence and peace of mind.

### **No Strings Attached**

There is absolutely no requirement to leave a gift to any organization or to involve the Foundation beyond connecting you with Johni. This service is truly *our gift to you*—a way to support your financial well-being and legacy planning.

### **Get Started**

Interested in learning more or scheduling a complimentary conversation with Johni? Contact us at [info@iumf.org](mailto:info@iumf.org) or 515-974-8927. To learn more about the *Our Gift to You* program, visit: <https://iumf.org/services-for-individuals/our-gift-to-you/>.

Iowa United Methodist Foundation  
2301 Rittenhouse Street, Des Moines, IA 50321  
515.974.8927 | [info@iumf.org](mailto:info@iumf.org) | <https://iumf.org>