

IOWA UNITED METHODIST FOUNDATION

4th Quarter Report 2025

IUMF Scholarships are OPEN

IUMF scholarship applications are NOW OPEN, offering significant financial support to United Methodist students across the state. For the 2026–2027 academic year, the Foundation will award more than 100 scholarships totaling over \$400,000, made possible through the generosity of donors committed to higher education and faith-based leadership.

The scholarship program serves a wide range of students, including high school seniors, undergraduates attending both United Methodist and non-Methodist colleges, and seminary students preparing for ministry. Because individual scholarships are established by donors, eligibility criteria vary and may include preferences for a specific major, institution, congregation, or county. With such diversity among the awards, your congregation may have students who already qualify!

Applications must be submitted online by March 1st. Students who are selected will be notified by email and must formally accept their scholarship online. Recipients are also required to enroll as full-time students for the academic year and submit a Verification of Enrollment from their school's registrar before funds are released. Scholarship payments are mailed directly to the educational institutions to ensure donor intent is honored.

Students and families can find full eligibility requirements, application instructions, and a detailed timeline on the Foundation's website. In addition to IUMF scholarships, students are encouraged to explore opportunities through the *United Methodist Higher Education Foundation* and the *General Board of Higher Education and Ministry*. IUMF participates in UMHEF's *Dollars for Scholars*

program, in which students may be eligible for matching funds that can significantly increase their total award.

More information is available at iumf.org/scholarships.



FUND PERFORMANCE REPORT

As of December 31, 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 December 31, 2025:

| | December | QTD | YTD | Trailing 12 |
|-----------------|----------|-------|--------|-------------|
| Balanced | 0.86% | 2.13% | 11.57% | 11.57% |
| Bond | 0.17% | 1.03% | 6.40% | 6.40% |
| Equity | 1.31% | 2.50% | 15.84% | 15.84% |
| Short-Term Inc. | 0.29% | 0.91% | 3.89% | 3.89% |

Long-term actual net returns:

| | 3 YEARS | 5 YEARS | 7 YEARS |
|-----------------|---------|---------|---------|
| Balanced | 11.57% | 9.92% | 5.33% |
| Bond | 6.40% | 5.00% | 1.63% |
| Equity | 15.84% | 14.56% | 8.81% |
| Short-Term Inc. | 3.89% | 3.01% | 0.47% |

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 | 15.99% |
| Corporate (IG) | 64.51% |
| Corporate (HY) | 18.39% |
| Mortgages | 0.00% |
| Cash | 1.11% |

ASSET ALLOCATION EQUITY (50-70% of PORTFOLIO):

| Sector: | % of Equity Portfolio |
|---------------|-----------------------|
| Large Cap | 38.60% |
| Mid Cap | 14.90% |
| Small Cap | 6.00% |
| International | 40.30% |
| Cash | 0.20% |

BOND CHARACTERISTICS:

| | |
|------------------------|------|
| Duration | 2.94 |
| Average Credit Quality | BBB+ |

FUND PERFORMANCE REPORT

As of December 31, 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 | 1.39% |
| Investment Grade | 66.93% |
| High Yield | 18.76% |
| Treasury | 12.92% |

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.

4th Quarter Market Summary

This quarter showed mixed performance and a pullback in some sectors, particularly A.I. and retail, while the healthcare sector was improving. Economic growth appears to be slowing, but the government shutdown interrupted some of the key indicators. There continue to be risks regarding unemployment, as well as a theme of being in an uneven economic environment.

Bonds

The labor market is cooling, and there is uncertainty about the tolerance for inflation. There are continued risks for employment and economic growth.

Stocks

We continue to see sudden surges of volatility, and the long-term risks due to a few stocks having an outsized impact on market indices. Diversification is key, which is part of the Foundation's investment policy.

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 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/>.



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