IOWA UNITED METHODIST FOUNDATION, INC.
2301 Rittenhouse Street | Des Moines, IA 50321
515.974.8927

DISCLOSURE STATEMENT
July 2026

Introduction

This Disclosure Statement ("Statement") provides information about the Iowa United Methodist Foundation ("Foundation") and the material terms concerning the Investment Funds in which assets are deposited for investment purposes. Please read the following carefully and retain it for your future reference. For more information about the Foundation and the Investment Funds, please contact the Foundation office at the address and telephone number listed above.

The Foundation

The Foundation is a charitable not-for-profit corporation organized and existing under the Chapter 504 of the Code the State of Iowa pursuant to Section 504.39 of the Iowa Nonprofit Corporation Act. It is identified through its common religious faith with the United Methodist Church. The Foundation was established in 1952. The work of the Foundation is directed by a sixteen member Board of Directors elected by the Iowa Annual Conference of the United Methodist Church.

The Foundation was formed for religious, educational, charitable and benevolent purposes. The general object for which this corporation is formed is to provide a legally constituted body to solicit, receive, administer and manage trust funds, devises and gifts of property of every kind and nature made to or for the use and benefit of any church, university, college, hospital, home, orphanage, missionary society or any other religious, educational, charitable or benevolent organizations, with primary emphasis being on organizations related to The United Methodist Church. The Foundation is a qualified public charity and has established its exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Foundation also acts as custodian and investment manager for various funds that have been donated to or accumulated by local churches and other tax-exempt organizations associated with the United Methodist Church in Iowa.

The Foundation manages certain long-term Pooled Investment Funds ("Funds"): the Equity Investment Fund (the "Equity Fund"), the Balanced Investment Fund (the "Balanced Fund"), and the Bond Investment Fund (the "Bond Fund").

The Foundation also manages an income fund (the "Short-Term Income Fund") designed for shorter term investments. The Funds are not separately incorporated or established organizations, but represent segregated accounts established by the Foundation for the investment of funds held by the Foundation.

Pursuant to the Philanthropy Protection Act of 1995, enacted on December 8, 1995, the Foundation is not required to register under the Investment Company Act of 1940, as amended, and, as a charitable organization that maintains charitable income funds, is exempt from registration under Federal and state securities laws. Accordingly, neither the Funds nor the interests therein are registered under the Securities Act of 1933, as amended, or any state securities laws, and neither the Securities and Exchange Commission nor any state securities commission has reviewed or approved the Funds or interests therein.

Participants

The Foundation may act as investment agent and custodian for *only*:

- United Methodist churches;
- Tax-exempt institutions, organizations and agencies related to the United Methodist Church;
- Tax-exempt sub-units of the United Methodist Church or related institutions, organizations and agencies

The entities listed above, hereinafter referred to as "Participants," must be charitable not-for-profit organizations exempt from federal income tax under Section 501(c)(3) or other applicable sections of the Internal Revenue Code of 1986, as amended. Participants may place assets with the Foundation for investment in any of the Funds. The Foundation's custodial duties include physical safekeeping, investment and distribution of Fund assets in accordance with the directions of the Participants. All investments by Participants must represent assets of the Participants only.

Although the Foundation may receive assets from individuals or other parties who are creating or contributing to permanent charitable endowments, donor advised funds, charitable remainder trusts, or charitable gift annuities, such individuals or other parties are not Participants as defined in this Statement. For information regarding these services please contact the Foundation.

The Pooled Investment Funds

The Foundation established the Balanced Fund in 1981, the Equity Fund in 1996, and the Bond Fund in 2009. These Funds were established for the purpose of investing the assets held by the Foundation as custodian, agent, trustee, fiduciary or owner. Each of these three diversified investment pools is tailored to meet a particular long-term investment goal, and each pool maintains a strategic allocation among a variety of asset types and markets.

The Foundation's investment philosophy reflects four fiscal objectives:

- Preserve capital
- Earn competitive total returns within risk tolerances established by the Foundation
- Preserve purchasing power by striving for long-term returns which either match or exceed recommended annual distribution requirements, fees and inflation
- Invest in accordance with the Social Principles of the United Methodist Church

All Foundation investments have a long-term investment time horizon. Therefore, all Participants are strongly encouraged to consider an initial investment commitment of at least five years.

Investment Objectives and Asset Allocation

The Balanced Fund: 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 60/40 balance between equity and fixed income investments, within the following ranges:

30% to 50%	Fixed Income: U.S. Government notes & bonds, mortgage & asset backed securities, C.D.'s, corporate bonds, municipal bonds, and international mutual funds (up to 15% of fixed income investments), with up to 15% of fixed income investments in preferred stock, securities convertible to common stock, real estate and other hybrid issues as approved by the Investment Committee.
50% to 70%	Equity: 40% Large cap domestic stocks, 20% small/mid cap domestic stocks, 40% international stocks.

Up to 10% Cash: money market funds, treasury bills, and money market equivalents

The 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.

Up to 100% Equity: 40% Large cap domestic stocks, 20% small/mid cap domestic stocks, 40% international stocks.

Up to 10% Cash: money market funds, treasury bills, and money market equivalents

The 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 to cash and cash-equivalents. This fund has the following target allocation of investments:

Up to 100% Fixed Income: U.S. Government notes & bonds, mortgage & asset backed securities, C.D.'s, corporate bonds, mutual funds and municipal bond mutual funds, with up to 15% of fixed income investments in preferred stock, securities convertible to common stock, real estate and other hybrid issues as approved by the Investment Committee.

Up to 10% Cash: money market funds, treasury bills, and money market equivalents

*All funds allow a variance of +/- 10 % from the stated "Strategic" allocation.

Fixed income securities: Fixed income securities in which the Funds 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. All convertible securities are classified as equity securities. The average maturity of the fixed income instruments will be 3 to 5 years with an average investment grade ranking as ranked by S&P or Moody's.

Equity securities: Equity securities in which the Funds may invest include common stocks, securities convertible into equity securities, and mutual funds investing primarily in equity securities. As to 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., National Market System. The Balanced Fund and the Equity Fund may also invest in securities of foreign issuers which are traded on major United States exchanges/markets

Rates of Return

Annualized net returns for each of the Funds as of December 31st 2025:

	1 year	3 year	5 year
Equity Fund	15.84%	14.86%	8.81%
Balanced Fund	11.57%	9.92%	5.33%
Bond Fund	6.40%	5.00%	1.63%

Past returns do not indicate or predict future performance. These returns are calculated **net** of all investment costs and fees. (Refer to the section titled "Fees and Expenses.")

THE FUNDS ARE DESIGNED PRIMARILY FOR LONG TERM INVESTMENT AND NOT AS SHORT TERM INVESTMENT OR TRADING VEHICLES. THERE IS NO ASSURANCE THAT ANY OF THE FUNDS WILL ACHIEVE ITS INVESTMENT OBJECTIVE.

Risk
The risk inherent in investing in the Pooled Funds is the risk common to any security: the net asset value of the Funds will fluctuate in response to changes in economic conditions, interest rates and the perceptions of the national securities markets of the underlying securities held by the Funds. There can be no assurance that a Fund will achieve its investment objective since there is uncertainty in every investment. The Funds will invest in securities that will increase and decrease in value. Only Participants able to tolerate short-term, possibly substantial fluctuations in the value of their investment brought about by declining stock or bond prices should contemplate investment in the Funds.

Although the Funds seek to reduce risk by investing in diversified portfolios of various types of investments, such diversification does not eliminate all risks. There is no assurance that such diversification will reduce the variability of the return or preserve the assets from loss.

The Short-Term Income Fund

Investment Objectives and Asset Allocation
This fund's primary objective is to provide an investment vehicle for shorter term funds seeking to earn a better rate than traditional savings account or money market funds. Under normal market conditions, this fund's holdings will consist primarily of fixed income securities in US Government, government backed obligations, CD's or similar types of investments with average maturities of 3 years or less.

This fund has the following target allocation of investments:

100% Fixed Income: US government backed bonds, corporate bonds, treasury bills, CD's, mutual funds and cash equivalents. The fund shall have an average maturity of 3 years or less.

Rates of Return
Annualized net returns for each of the Funds as of December 31st 2025:

	1 year	3 year	5 year
Short Term Income Fund	3.89%	3.01%	0.47%

Past returns do not indicate or predict future performance. These returns are calculated **net** of all investment costs and fees. (Refer to the section titled "Fees and Expenses.")

Risk
Even though the Short-Term Income Fund is designed to have a fairly low volatility rate, the net asset value of the Funds can fluctuate in response to changes in economic conditions, interest rates and the perceptions of the national securities markets of the underlying securities held by the Fund. There can be no assurance that a Fund will achieve its investment objective since there is uncertainty in every investment. The Funds will invest in US Government and government backed securities, and CD's which limit risk. However, there is no guarantee of return from such investments.

THE POOLED INVESTMENT FUNDS, AND THE INCOME FUND ARE NOT GUARANTEED BY THE FOUNDATION, THE UNITED METHODIST CHURCH, NOR ANY ORGANIZATION ASSOCIATED WITH IT, NOR BY ANY GOVERNMENTAL AGENCY OR ORGANIZATION.

Insurance

The Foundation maintains insurance against fraudulent acts committed by Foundation employees in the amount of $1,000,000 per occurrence per employee. Also, the Foundation maintains coverage in the amount of $1,000,000 which insures against any error, omission, neglect, or breach of duty committed by Foundation employees while performing investment services.

Morgan Stanley Smith Barney provides custodial services for the Foundation's investment brokerage accounts. (Refer to the section titled "Custodian"). The cash held by the investment pools are insured under FDIC and the investments held are covered under SIPC with additional account protection policies held by Morgan Stanley Smith Barney at Lloyds of London, these policies do not cover for investment market losses that may occur.

Management of the Funds

Foundation
The Board of Directors of the Foundation ("Board") is responsible for the management and supervision of the Funds. The Board consists of fourteen voting members from throughout Iowa plus three nonvoting *ex-officio* members who are the presiding Bishop, Conference Treasurer and Conference Chancellor. New directors are nominated and appointed by the Board, then formally elected by the membership of the Iowa Annual Conference of the United Methodist Church at the Foundation's annual meeting.

Investments are handled through an Investment Committee consisting of Foundation Board members so chosen because of their financial, and business experience and interest. The Committee recommends to the Foundation Board of Directors the policies and procedures that govern the Fund. In addition, the Committee hires and reviews investment counsel, with a formal evaluation of counsel and all policies at least every five years. All investments made by the Committee are in harmony with Foundation Board approved investment policies and the Social Principles of the United Methodist Church.

The Board employs a professional staff to implement and oversee the daily operations of the Foundation. Currently, the staff consists of an Executive Director, Director of Accounting, Accounting and Loan Specialist and Communications and Office Coordinator. The staff works closely with the Board and the Committee. In addition, the staff maintains records and accounting for each account managed by the Foundation. Please contact the Foundation office for a current listing of the membership of the Board, the Committee or the staff, or go to iumf.org.

Independent Investment Consultant
Independent investment consulting services are provided to the Board and the Committee by Morgan Stanley (MS), located at 1080 Jordan Creek Parkway, Suite 400N, West Des Moines, IA 50266. MS is registered as an investment adviser with the Securities and Exchange Commission and has provided services to the Foundation since 2011.

Under an agreement between the Foundation and MS subject to such policies as the Foundation and the Committee may determine, MS provides 6 basic investment consulting services. These are:

- Assisting in the constant monitoring and updating of the investment policy statement when necessary;
- Assisting in the adoption of the proper asset allocation for your portfolio;
- Assisting in the search of the proper money managers for each investment sector of the asset allocation;
- Providing ongoing due diligence of the money managers that are hired by the Foundation;
- Monitoring the performance of those managers on a quarterly basis as well as monitoring current market conditions; and

- Providing quarterly reports and other custom research as requested by the Investment Committee.

MS does not accept commissions or other remuneration (either soft-dollar or otherwise) from any third-party sources.

Independent Portfolio Managers
Equities: Parametric Advisors (majority owned by MS) manages the equities portfolios. Parametric is a leading asset management firm providing global investment management services to institutional and individual investors around the world. Parametric offers a broad set of solutions − quantitative, rules-based approaches aimed at risk-managed outperformance, customized market capture strategies.

- Originally founded in 1987
- $230.0 Billion in Assets Under Management as of 12/31/17
- Over 21,000 portfolios

Fixed Income: Fixed income portfolios are managed by the investment arm of Telemus Capital—rooted from Beacon Asset Management which was established as an independent Registered Investment Adviser in May of 1982. In December of 2006, Telemus Capital Partners purchased Beacon Asset Management and Beacon became a wholly owned subsidiary of Telemus Capital Partners, LLC. In late 2013, the firm dropped the Beacon name and is now known as Telemus Capital, LLC. The firm manages millions of dollars for individuals and institutions such as foundations, endowments, trust and charitable organizations. Telemus Capital is expected to change its name to Focus Partners Wealth in 2026.

Custodian
Morgan Stanley currently serves as custodian ("Custodian") for Fund assets, pursuant to a custodial agreement with the Foundation. The custodial agreement may be terminated by either party at any time and the Foundation may appoint a new custodian.

The assets of the Funds are deposited with the Custodian and, in accordance with the instructions of the Committee, the Custodian acquires and disposes of investments and collects the income therefrom.

Fees and Expenses

Fees and expenses associated with investment in the Funds are as follows:

Administrative Fee
The Foundation assesses an annual administrative fee on the balance of all pooled investment accounts. The administrative fee is deducted monthly (1/12 of the annual amount) from each account. The Foundation is self-supporting service agency of the Church, with over 90% of its operational income coming from service fees with the remainder for other services offered by the Foundation.

The administrative fee may be changed from time to time and additional fees may be imposed. Written prior notice of any change in the administrative fee or of any additional fee imposed will be provided to Participants at least thirty (30) days prior to such change or addition.

Investment Costs
The investment costs include all costs associated with the holdings of the Funds. Investment costs are charged directly to the Funds and do not appear on individual account statements. The total annual investment costs for each of the Funds are projected to be as follows:

Fund	Investment Cost (Gross)	Investment Cost (Net)
Equity Fund	1.15%	1.15%
Balanced Fund	1.15%	1.15%
Bond Fund	1.15%	1.15%
Short Term Income Fund	0.00%	0.60%

Although the Foundation strives to minimize costs, unforeseen costs may arise and portfolio holdings may change resulting in alteration of these projections. All accounts share pro rata in the investment costs.

Participant Transaction Expenses
Participants pay no transaction fees, charges or expenses to either make deposits in, or withdraw assets from, the Funds.

Fee and Expense Summary
To summarize, the total standard annual fees and costs projected for the accounts within each Fund are as follows:

Funds	Admin Fee		Investment Costs		Total Expenses		Total
Equity	0.65	+	0.50	=	1.15%	-	1.15%
Balanced Equity	0.65	+	0.50	=	1.15%	-	1.15%
Balanced Bond	0.60	+	0.55	=	1.15%	-	1.15%
Bond	0.60	+	0.55	=	1.15%	-	1.15%
Short Term Income	0.60	+	0.00	=	0.60%	-	0.60%

The Foundation reserves the right to negotiate fees based on a tiered structure for accounts with assets that exceed one million dollars.

Pooled Fund & Short-Term Income Fund Investments and Withdrawals

Investments
Participants in the Pooled Fund Investments may elect to invest in one or more of the three Funds. Or, a Participant may elect to determine their own mix by initially dividing an account between the Equities Fund, Balanced Fund and the Bond Fund on a percentage basis to equal 100%. The monitoring of the ratio is the responsibility of the Participant. If a Participant does not indicate a choice, the Balanced Fund will be the default investment.

Participants in the Short-Term Income Fund have only one option; 100% in the Short-Term Income Fund.

At the present time, there is no minimum investment required to open accounts. Participants in the Pooled Fund Investments who wish to invest less than $2,500, however, are encouraged to make no withdrawals until the account reaches a market value of at least $2,500 and then to maintain a balance in the account of at least $2,500.

All investments by Participants must represent assets of the Participants and not assets of any non-Participant entity or individual. In general, investments will be made in the form of cash. Investments made and accepted by the Foundation in any other form (e.g., stock, real estate) will, typically, be liquidated and reinvested in the Funds.

As of each Valuation Date, the Foundation determines the market value of each Fund. Currently, a Valuation Date is the last business day (Monday through Friday except holidays when the New York Stock Exchange ("NYSE") is closed) of each month. The Foundation may designate other business days as additional Valuation Dates as may be reasonably required for any purpose.

To open an account, a Participant must complete a signed agreement with the Foundation at the time of deposit. Investments are made into the Funds on the Valuation Date. Participants may make a deposit to their account at any time; however, deposits received by the Foundation from Participants for new or existing accounts other than on a Valuation Date will be deposited in the Participant's account and will be non-interest bearing until the next valuation date.

Special Instructions
The Investment Application and Agreement ("Agreement") must be completed at the time a new account is created. In addition to the information that is specifically requested on the Agreement, there is a space provided for Special Instructions. A Participant can use the special instructions line to include instructions for special handling of the account. For example, a common special instruction is to suspend distributions if the account value reaches a specified minimum value.

Withdrawals, Reallocation and Cancellation
Participants may withdraw funds as provided for in the Agreement between the Foundation and the Participant. Unless withdrawn by a Participant, the earnings and realized gains, if any, will be reinvested in the account.

For the Pooled Funds, it is the policy of the Foundation to process withdrawals following the next Valuation Date pursuant to written notice received from Participants at least 10 calendar days prior to the Valuation Date. Within the sole discretion of the Foundation, withdrawals may be made on shorter notice. Accounts may be moved or reallocated among the Funds in keeping with the policies of the Foundation and the direction of the Participants.

Pooled Fund accounts may be canceled at any time by the Participant or the Foundation as provided for in the Agreement and following the receipt of appropriate written notice. Within sixty days of the effective date of any such cancellation, the Foundation shall pay over to the Participant all sums then remaining in the account, including capital appreciation, if any, and any earnings remaining unpaid.

For the Short-Term Income Fund, it is the policy of the Foundation to process withdrawals on the calendar quarter system (end of March, June, September, and December) pursuant to written notice received from Participants at least 10 calendar days prior to the end of the quarter. Within the sole discretion of the Foundation, withdrawals may be made on shorter notice and may be accompanied by an interest penalty.

Short-Term Income Fund accounts may be canceled at any time by the Participant or the Foundation as provided for in the Agreement and following the receipt of appropriate written notice. At the end of the subsequent calendar quarter, the Foundation shall pay over to the Participant all sums then remaining in the account, including all undistributed earnings plus any capital appreciation or minus any capital depreciation that may have be gained or lost by the principal .

Reporting
A quarterly statement is sent to the designated representative of each Participant which reflects all activity in the Participant's account, including contributions, withdrawals, and market value. The information contained in the quarterly statement of each account is net of the investment costs (refer to the section titled "Fees and Expenses").

Notice
Any written notice that is required by the policies of the Foundation to be sent to the Foundation shall be addressed as shown at the beginning of this Disclosure Statement to the attention of the Accounting Manager. Any notice required to be sent to the Participant shall be addressed as indicated on the Agreement or subsequent authorized amendments.

All written notices required of the Participant shall be signed by two officers of the Participant and comply with any other requirements of the Agreement. The date of postmark shall indicate the date of receipt.

Assets Under Management

An independent audit of Foundation assets is performed annually. Audits for current and prior years are available for review in the Foundation office by appointment.

Total audited assets under management (including the Building Fund Trust) as of December 31, 2025 are as follows:

Without Donor Restrictions	$	2,621,083
With Donor Restrictions	$	10,514,125
Agency Funds & Liabilities	$	66,310,359
Building Fund Trust	$	6,209,542
Total	**$**	**85,655,109**

Acceptance Policy

All assets that are presented to the Foundation for investment, or as a gift or contribution, are subject to acceptance or rejection by the Foundation within its sole discretion. The Foundation reserves the right to refuse any type of investment, gift or contribution and to establish the terms of any acceptance. The Foundation may appoint an independent trustee to take legal title to certain types of property for the benefit of the Foundation. If an asset other than cash is accepted, within the sole discretion of the Foundation, such asset may be converted into cash prior to deposit into any of the Funds. It is the general practice of the Foundation to liquidate accepted non-cash investments, gifts and contributions as soon as possible.

General Disclaimer

The information supplied to individuals and organizations by the Foundation is intended for general informational, educational and illustrative purposes only. The Foundation does not provide legal, estate planning, accounting or tax advice. All individuals and organizations should consult with their own appropriate professional advisors regarding relevant legal, estate planning, accounting and tax matters.

The information in this Statement is current as of the date shown on page one. The Statement is updated at least annually. The information and policies described herein are subject to change from time to time at the discretion of the Foundation.