



# Quarterly Investment Summary



March 2023

Investment Type	Target Allocation	3 Month ▲	YTD	1-Year	3-Year	5-Year
United Methodist Foundation Fixed	Capital Preservation (0/100 Stock/Bond)	2.24%	2.24%	-2.18%	-0.65%	1.02%
United Methodist Fdn Conservative	Income (25/75 Stock/Bond)	3.00%	3.00%	-3.47%	3.65%	2.94%
United Methodist Fdn Balanced	Balanced (50/50 Stock/Bond)	3.92%	3.92%	-4.49%	8.21%	4.73%
United Methodist Fdn Long Term Growth	Growth (75/25 Stock/Bond)	4.76%	4.76%	-5.76%	12.50%	6.11%
United Methodist Foundation Equity	Aggressive Growth (100/0 Stock/Bond)	5.48%	5.48%	-6.57%	16.93%	7.20%

## Equities

- Stocks ended year with a thud after regaining footing in November.
- 2022 return divergence extreme with high-growth tech names strongly underperforming more defensive value.
- International indices significantly outpaced domestic counterparts for the quarter on U.S. dollar selloff.

## Economic

- U.S. GDP revised upward to 3.2% in Q3, reversing two straight quarters of declines, but trajectory concerning.
- Manufacturing economy now in second month of contraction as interest rate increases take effect.
- Inflation elevated and of great concern but recent reports indicate some cooling.

## Fixed Income

- Treasury yields up slightly in December with the 10-year finishing at 3.9% after peaking above 4.2% in October.
- Fed raised rates seven times in 2022, pushing target rate to 15-year high.
- Fed signaled Fed Funds Rate between 5.0% and 5.5% in 2023.

## Strategic Outlook

- Above average volatility is likely to persist given inflation debate and heightened central bank involvement
- Some caution warranted especially on international equities; favoring small-cap and mid-cap domestic stocks.
- Maintaining shorter-duration fixed income exposure, but intermediate part of the curve starting to look more attractive.

## Selected Economic & Market Data

Statistic	Current	Previous	Statistic	Current	Previous
US GDP	3.2%	-0.6%	ISM Manufacturing Index	48.4	49.0
Consumer Confidence	108.3	101.4	Unemployment Rate	3.7%	3.7%
Consumer Price Index	7.1%	7.8%	2 Year Treasury Yield	4.42%	4.38%
Core PCE (x Food & Energy)	4.7%	5.1%	10 Year Treasury Yield	3.88%	3.70%

Total Portfolio Return is net of fees. Past returns are not indicative of future results. No Bank Guarantee. May lose value.