



# Quarterly Investment Summary



June 2025

| Investment Type                       | Target Allocation                       | 3 Month | YTD   | 1-Year | 3-Year | 5-Year |
|---------------------------------------|---|---------|-------|--------|--------|--------|
| United Methodist Foundation Equity    | Aggressive Growth (100/0 Stock/Bond)    | 9.16%   | 7.51% | 13.88% | 15.40% | 13.13% |
| United Methodist Fdn Long Term Growth | Growth (75/25 Stock/Bond)               | 8.46%   | 8.03% | 13.90% | 13.11% | 10.51% |
| United Methodist Fdn Balanced         | Balanced (50/50 Stock/Bond)             | 6.46%   | 7.01% | 11.85% | 10.18% | 7.47%  |
| United Methodist Fdn Conservative     | Income (25/75 Stock/Bond)               | 4.06%   | 5.43% | 8.81%  | 6.88%  | 4.07%  |
| United Methodist Foundation Fixed     | Capital Preservation (0/100 Stock/Bond) | 1.20%   | 3.44% | 5.97%  | 3.96%  | 0.94%  |

## Equities

- In early April, most stock indices fell dramatically due to trade concerns. However, these losses were quickly recovered and equities ended the month only slightly lower. May and June showed strong performance as trade worries began to settle down.
- So far in 2025, international equities have outpaced U.S. stocks by a margin not seen since the early 1990s.

## Fixed Income

- Amid subdued inflation, yields across most maturities dipped slightly since last quarter, contributing to modest bond returns.
- While the Fed held policy steady at its June meeting, Fed Funds futures still indicate expectations for rate cuts by year-end.
- Mortgage rates continued to decline, with the national average for a 30-year loan ending June at its lowest level since last September.

## Economic

- The final estimate for first-quarter 2025 U.S. GDP was revised to show a 0.5% annualized decline, 0.3% lower than the initial figure.
- While initial jobless claims ticked up slightly in May, the unemployment rate held steady, reflecting a relatively balanced labor market.
- Core PCE inflation came in slightly above expectations, though overall inflation remained low and continued to trend favorably.

## Strategic Outlook

- Elevated risk persists given central bank involvement and geopolitical turmoil.
- Some caution warranted on large-cap equities in the near-term, currently favoring small and mid-cap domestic stocks longer-term.
- Near average expected returns projected for fixed income with the Fed on pause and rates reflective of economic conditions.

## Selected Economic & Market Data

| Statistic                  | Current | Previous | Statistic               | Current | Previous |
|----------------------------|---------|----------|-------------------------|---------|----------|
| US GDP                     | -0.5%   | 2.4%     | ISM Manufacturing Index | 48.8    | 49.0     |
| Consumer Confidence        | 93.0    | 92.9     | Unemployment Rate       | 4.2%    | 4.1%     |
| Consumer Price Index       | 2.4%    | 2.8%     | 2 Year Treasury Yield   | 3.72%   | 3.89%    |
| Core PCE (x Food & Energy) | 2.7%    | 2.8%     | 10 Year Treasury Yield  | 4.23%   | 4.21%    |

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