



Quarterly Investment Summary



June 2023

Investment Type	Target Allocation	3 Month	YTD	1-Year	3-Year	5-Year
United Methodist Foundation Fixed	Capital Preservation (0/100 Stock/Bond)	-0.32%	1.91%	1.07%	-1.95%	0.98%
United Methodist Fdn Conservative	Income (25/75 Stock/Bond)	0.95%	3.98%	4.32%	1.41%	3.09%
United Methodist Fdn Balanced	Balanced (50/50 Stock/Bond)	2.43%	6.44%	8.24%	5.07%	5.13%
United Methodist Fdn Long Term Growth	Growth (75/25 Stock/Bond)	3.82%	8.76%	11.78%	8.39%	6.73%
United Methodist Foundation Equity	Aggressive Growth (100/0 Stock/Bond)	5.20%	10.97%	16.01%	11.83%	8.05%

Equities

- The three major averages surged in June, capping off a strong first half.
- Equities have officially entered a bull market, with the S&P 500 up over 20% from October 2022 lows.
- Equity Performance continues to be driven by mega-cap growth stocks, with the tech-heavy NASDAQ posting its best first half performance since 1983.
- Non-US market returns have been more modest and spread out more across sectors and stocks than the concentrated returns seen in the US.

Economic

- The economy continues to surprise to the upside, with new home sales jumping 12% and consumer confidence rising to the highest level since early last year.
- Inflation appears to have peaked but remains well above the 2-3% Fed target.
- The unemployment rate ticked up but is still near historic lows, while average hourly earnings continue to grow.

Fixed Income

- After a Fed pause in June, yields continues to climb as further rate increases are expected this year.
- The yield curve remains steeply inverted indicating continues expectations of a recession.

Strategic Outlook

- Above average volatility is likely to persist given inflation debate and heightened central bank involvement.
- Some caution warranted especially on international equities; currently favoring small-cap and mid-cap domestic stocks longer-term.
- Incrementally extending duration in the fixed income portfolio as intermediate part of the curve becoming more attractive.

Selected Economic & Market Data

Statistic	Current	Previous	Statistic	Current	Previous
US GDP	2.0%	2.6%	ISM Manufacturing Index	46.0	46.9
Consumer Confidence	109.7	102.5	Unemployment Rate	3.7%	3.4%
Consumer Price Index	4.0%	4.9%	2 Year Treasury Yield	4.90%	4.41%
Core PCE (x Food & Energy)	4.6%	4.7%	10 Year Treasury Yield	3.84%	3.65%

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