



Quarterly Investment Summary



June 2024

Investment Type	Target Allocation	3 Month	YTD	1-Year	3-Year	5-Year
United Methodist Foundation Equity	Aggressive Growth (100/0) Stock/Bond)	1.04%	8.91%	16.32%	4.22%	10.22%
United Methodist Fdn Long Term Growth	Growth (75/25) Stock/Bond)	0.94%	7.01%	13.66%	3.15%	8.33%
United Methodist Fdn Balanced	Balanced (50/50) Stock/Bond)	0.84%	4.79%	10.49%	1.94%	6.06%
United Methodist Fdn Conservative	Income (25/75) Stock/Bond)	0.65%	2.48%	7.56%	0.41%	3.40%
United Methodist Foundation Fixed	Capital Preservation (0/100) Stock/Bond)	0.54%	0.49%	4.91%	-0.81%	0.77%

Equities

- o The S&P 500 Index is outperforming the small-cap Russell 2000 Index year-to-date at a rate not seen since the 1999 dot-com market.
- o S&P companies related to AI gained 14.7% in the second quarter, while the remaining companies lost 1.2%.
- o Microsoft, Apple, and Nvidia, now make up over 20% of the S&P 500 Index.
- o Emerging market stocks jumped, after a European Central Bank rate cut.

Strategic Outlook

- o Some caution warranted on equities in the near-term, particularly in high growth large cap stocks after recent rally; currently favoring small-cap and mid-cap domestic stocks longer-term.
- o Above average volatility is likely given central bank involvement and geopolitical uncertainty.
- o Near average expected returns projected for fixed income after period of rising rates and bond market sell-off.

Fixed Income

- o In its June meeting, the Federal Reserve outlined plans for one interest rate cut in 2024 and four additional cuts likely in 2025, signaling a shift towards a more accommodative monetary policy.
- o With yields at levels above inflation and offering the prospect of capital gains if rates decline, flows into fixed income investments have been robust thus far in 2024. However, with rates notably higher than at beginning of the year, YTD returns remain mostly negative.

Economic

- o Second quarter GDP grew at a rate of 1.4%, down previously from 3.4%. Expectations are that third quarter GDP will rise to 1.8%.
- o U.S. consumer sentiment fell this quarter reflecting growing concerns among Americans about their personal finances and worries about persistent inflation.
- o Initial jobless claims rose more than expected and the unemployment rate increased to 4%.

Selected Economic & Market Data

Statistic	Current	Previous	Statistic	Current	Previous
US GDP	1.4%	3.4%	ISM Manufacturing Index	48.5	50.3
Consumer Confidence	100.4	104.7	Unemployment Rate	4.0%	3.9%
Consumer Price Index	3.3%	3.2%	2 Year Treasury Yield	4.76%	4.62%
Core PCE (x Food & Energy)	2.6%	2.8%	10 Year Treasury Yield	4.40%	4.20%