



# Quarterly Investment Summary



September 2023

Investment Type	Target Allocation	3 Month	YTD	1-Year	3-Year	5-Year
United Methodist Foundation Fixed	Capital Preservation (0/100 Stock/Bond)	-0.71%	1.19%	3.04%	-2.45%	0.75%
United Methodist Fdn Conservative	Income (25/75 Stock/Bond)	-1.43%	2.49%	6.48%	0.07%	2.50%
United Methodist Fdn Balanced	Balanced (50/50 Stock/Bond)	-2.29%	4.00%	10.38%	2.82%	4.10%
United Methodist Fdn Long Term Growth	Growth (75/25 Stock/Bond)	-3.12%	5.37%	14.26%	5.19%	5.27%
United Methodist Foundation Equity	Aggressive Growth (100/0 Stock/Bond)	-3.92%	6.62%	18.11%	7.65%	6.15%

## Equities

- Equities continued their downward trend in September, with all of the major averages posting losses
- For the second month in a row, Energy was the only sector to post a positive return as crude oil prices continued to rise
- Technology was one of the worst performing sectors in September but is still among the strongest year-to-date

## Economic

- Consumer spending continues to support the US economy, though rising credit card balances and diminishing excess savings could lead to reduced spending power
- Continued strength in the job market may prevent a severe recession
- Core inflation continues to track downward, but remains above the Fed's target range

## Fixed Income

- There was no rate increase at the Fed's September meeting, though they indicated that another hike remains possible before the end of the year
- Yields moved significantly higher in September, especially at the longer end of the curve, as it becomes increasingly likely that the Fed will have to hold rates higher for longer than previously anticipated

## Strategic Outlook

- Above average volatility is likely given elevated inflation and heightened central bank involvement
- Some caution warranted on equities in the near-term; 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	2.1%	2.0%	ISM Manufacturing Index	47.9	46.0
Consumer Confidence	103.0	109.7	Unemployment Rate	3.8%	3.7%
Consumer Price Index	3.7%	4.0%	2 Year Treasury Yield	5.05%	4.90%
Core PCE (x Food & Energy)	3.9%	4.6%	10 Year Treasury Yield	4.57%	3.84%

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