



Quarterly Investment Summary

December 2025



Investment Type	Target Allocation	3 Month	YTD	1-Year	3-Year	5-Year
United Methodist Foundation Equity	Aggressive Growth (100/0 Stock/Bond)	2.97%	17.49%	17.49%	17.12%	10.09%
United Methodist Fdn Long Term Growth	Growth & Income (75/25 Stock/Bond)	2.49%	16.30%	16.30%	14.87%	8.30%
United Methodist Fdn Balanced	Balanced (50/50 Stock/Bond)	1.96%	13.51%	13.51%	11.74%	6.07%
United Methodist Fdn Conservative	Income (25/75 Stock/Bond)	1.53%	10.09%	10.09%	8.31%	3.48%
United Methodist Foundation Fixed	Capital Preservation (0/100 Stock/Bond)	1.07%	6.21%	6.21%	5.17%	1.09%

Equities

- U.S. equities delivered another strong year, posting double-digit returns for the third year consecutive year.
- Looking further, the S&P 500 has generated positive returns in 6 of the past 7 years and in 15 of the last 17 years dating back to 2009.
- International equities continued to benefit from a weaker U.S. dollar, delivering their largest out performance relative to U.S. equities in two decades.

Economic

- U.S. real GDP grew at 4.3% annualized in Q3 2025, the fastest in two years, with fourth quarter GDP tracking near 3.0% growth.
- The Federal Reserve cut interest rates by 0.25% on December 10, its third reduction in 2025, and now appears close to a neutral policy stance.
- Hiring has slowed and unemployment has edged higher, weighing on confidence, but layoffs remain contained as initial jobless claims stay low.

Fixed Income

- Although the Fed cut rates in December, intermediate and long-term yields climbed, with 10-year Treasuries reaching 4.17%, reflecting inflation concerns, while money market yields continued to decline.
- Following three rate cuts by the Federal Reserve in 2025, bonds posted solid returns, though the Bloomberg U.S. Aggregate Index remains materially below its 2020 peak.

Strategic Outlook

- Some caution warranted on equities in the near-term, particularly in large cap stocks with above-average valuations; 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.
- Above average volatility is likely to persist given central bank involvement and geopolitical events.

Selected Economic & Market Data

Statistic	Current	Previous	Statistic	Current	Previous
US GDP	4.3%	3.8%	ISM Manufacturing Index	48.4	49.1
Consumer Confidence	89.1	94.2	Unemployment Rate	4.6%	4.3%
Consumer Price Index	2.7%	2.9%	2 Year Treasury Yield	3.48%	3.61%
Core PCE (x Food & Energy)	2.8%	2.9%	10 Year Treasury Yield	4.17%	4.15%

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