



Quarterly Investment Summary



December 2023

Investment Type	Target Allocation	3 Month	YTD	1-Year	3-Year	5-Year
United Methodist Foundation Equity	Aggressive Growth (100/0 Stock/Bond)	11.16%	18.52%	18.52%	6.06%	11.53%
United Methodist Fdn Long Term Growth	Growth (75/25 Stock/Bond)	9.63%	15.51%	15.51%	4.33%	9.46%
United Methodist Fdn Balanced	Balanced (50/50 Stock/Bond)	7.91%	12.23%	12.23%	2.60%	7.12%
United Methodist Fdn Conservative	Income (25/75 Stock/Bond)	6.48%	9.13%	9.13%	0.63%	4.40%
United Methodist Foundation Fixed	Capital Preservation (0/100 Stock/Bond)	5.13%	6.39%	6.39%	-1.16%	1.64%

Equities

- o The S&P 500 ended the year with nine straight weeks of gains, its longest winning streak in nearly twenty years.
- o Small-cap and value stocks participated in the year-end rally, looking to catch up from a large relative deficit from the previous quarters of 2023
- o With stock market valuations at above average multiples, potential pitfalls exist within most areas of the stock market.

Economic

- o Inflation continues to trend lower, strengthening sentiment that the current interest cycle has peaked
- o Third quarter GDP finished strongly at 4.9% compared to 2.1% in the second quarter, however fourth quarter growth is expected to be significantly slower
- o Consumer confidence grew as the labor market remains strong, though recent reports indicate slowed hiring and smaller raises in the past few months
- o Geo-political risk remains, with wars posing concerns for global energy and food supplies, and China facing real estate and credit bubbles

Fixed Income

- o Yields moved lower again in December, resulting in strong returns for bonds
- o The yield curve inverted slightly more, historically a recessionary signal

Strategic Outlook

- o Above average volatility is likely given elevated inflation, central bank involvement, and geopolitical events
- o Some caution warranted on equities in the near-term; currently favoring small-cap and mid-cap domestic stocks longer-term
- o Incrementally extending duration in fixed income as intermediate part of the curve becoming more attractive

Selected Economic & Market Data

Statistic	Current	Previous	Statistic	Current	Previous
US GDP	4.9%	2.1%	ISM Manufacturing Index	46.7	46.7
Consumer Confidence	110.7	101.0	Unemployment Rate	3.7%	3.9%
Consumer Price Index	3.1%	3.2%	2 Year Treasury Yield	4.25%	4.68%
Core PCE (x Food & Energy)	3.2%	3.4%	10 Year Treasury Yield	3.88%	4.33%

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