



Quarterly Investment Summary



December 2024

Investment Type	Target Allocation	3 Month	YTD	1-Year	3-Year	5-Year
United Methodist Fdn Long Term Growth	Growth (75/25 Stock/Bond)	-1.15%	12.83%	12.83%	3.78%	7.96%
United Methodist Fdn Balanced	Balanced (50/50 Stock/Bond)	-1.21%	9.53%	9.53%	2.68%	5.88%
United Methodist Foundation Equity	Aggressive Growth (100/0 Stock/Bond)	-1.40%	15.37%	15.37%	4.73%	9.58%
United Methodist Foundation Fixed	Capital Preservation (0/100 Stock/Bond)	-1.59%	2.96%	2.96%	0.04%	0.91%
United Methodist Fdn Conservative	Income (25/75 Stock/Bond)	-1.60%	5.76%	5.76%	1.11%	3.33%

Equities

- Stocks stumbled across the finish line with three straight days of sizeable losses to end the year. However, year-end equity returns remained robust, especially for domestic indices.
- Sector returns were quite diverse in 2024. Communication Services led all sectors with a 40% gain while Materials broke even for the year.
- Company earnings remain strong, and equity valuations continue at high levels, suggesting a positive outlook for equities and the economy.

Economic

- The labor market continues its cooling trend, however job growth has rebounded from the lows in October as the impact of the hurricanes receded and the Boeing strike resolved.
- Although Consumer Confidence declined in December; consumer spending continues to drive the economy. In the third quarter, personal consumption expenditures represented nearly 68% of the nation's GDP.

Fixed Income

- Despite the 25 bp rate cut by the Federal Reserve, US bond yields rose in December, especially in longer maturities, as the 10-year Treasury yield climbed by 40 bps.
- Most domestic bond indices managed positive returns for 2024. High Yield bonds led sectors to gains of over 8%.
- The yield curve is slowly returning to a "normal" shape, with 10-year Treasuries now yielding 33bps more than their 2-year counterpart.

Strategic Outlook

- Above average volatility is likely to persist given central bank involvement and geopolitical events.
- We project average expected returns in fixed income following the recent period of rising rates.
- Finding value in select domestic equities while trimming outsized "growth" exposure following a period of significant outperformance.

Selected Economic & Market Data

Statistic	Current	Previous	Statistic	Current	Previous
US GDP	3.1%	3.0%	ISM Manufacturing Index	48.4	47.2
Consumer Confidence	104.7	98.7	Unemployment Rate	4.2%	4.2%
Consumer Price Index	2.7%	2.5%	2 Year Treasury Yield	4.24%	3.64%
Core PCE (x Food & Energy)	2.8%	2.7%	10 Year Treasury Yield	4.57%	3.78%

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