



Quarterly Investment Summary



September 2024

Investment Type	Target Allocation	3 Month	YTD	1-Year	3-Year	5-Year
United Methodist Foundation Equity	Aggressive Growth (100/0 Stock/Bond)	7.43%	17.01%	30.06%	7.14%	11.82%
United Methodist Fdn Long Term Growth	Growth (75/25 Stock/Bond)	6.66%	14.14%	25.13%	5.69%	9.68%
United Methodist Fdn Balanced	Balanced (50/50 Stock/Bond)	5.81%	10.88%	19.64%	4.08%	7.13%
United Methodist Fdn Conservative	Income (25/75 Stock/Bond)	4.89%	7.49%	14.45%	2.12%	4.20%
United Methodist Foundation Fixed	Capital Preservation (0/100 Stock/Bond)	4.10%	4.62%	9.99%	0.53%	1.32%

Equities

- Domestic equities experienced significant drops in value early in September but managed to recover later in the month as the Federal Reserve's rate cut provided a boost to market sentiment.
- For September, all major indices ended with positive returns. Emerging market stocks performed particularly well, enjoying a 6.68% gain.
- The Consumer Discretionary and Utilities sectors outperformed, while Energy and Health Care lagged the market.

Economic

- The Federal Reserve cut the Fed Funds rate in September from 5.50% to 5.00%. It was their first rate cut in four years. Inflationary pressures have stabilized, which potentially clears the way for more Fed rate cuts.
- Geopolitical risks continue to be a significant concern, with increasing election season friction and accelerating international hostilities, especially in the Middle East.

Fixed Income

- The long-lived yield curve inversion finally ended, as shorter-dated government bond yields fell more sharply than longer maturities. The ten-year treasury note now yields more than the two-year note for the first time since July 2022.
- Treasuries, investment-grade corporates, high-yield corporates, and mortgage backed securities all posted positive total returns in September.

Strategic Outlook

- Some caution warranted on equities in the near-term; currently favoring small-cap and mid-cap domestic stocks longer-term.
- Finding value in select domestic equities while trimming outsized "growth" exposure after recent rally.
- Elevated risk persists given central bank involvement and geopolitical turmoil.

Selected Economic & Market Data

Statistic	Current	Previous	Statistic	Current	Previous
US GDP	3.0%	1.4%	ISM Manufacturing Index	47.2	48.5
Consumer Confidence	98.7	100.4	Unemployment Rate	4.2%	4.0%
Consumer Price Index Y/Y	2.5%	3.3%	2 Year Treasury Yield	3.64%	4.76%
Core PCE (x Food & Energy)	2.7%	2.6%	10 Year Treasury Yield	3.78%	4.40%

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