

FOUNDATION

Investment Management

PERFORMANCE SUMMARY

	2Q/22	YTD	1 Year	1 Year	3 Year	5 Year	Inception*
Methodist Socially Principled Fund							6/1/2019
Total Portfolio	(5.53)	(5.53)	5.73	20.89			13.48
<i>IPS Benchmark</i>	<i>(6.26)</i>	<i>(6.26)</i>	<i>2.47</i>	<i>15.89</i>			<i>9.78</i>
Methodist Socially Principled+ Fund							6/1/2019
<i>Total Portfolio</i>	(5.60)	(5.60)	4.86	16.07			10.25
<i>IPS Benchmark</i>	<i>(5.57)</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>			<i>8.71</i>
Equity Fund							
Total Portfolio	(7.05)	(7.05)	4.40	27.98	13.16	10.66	10.59
<i>IPS Benchmark</i>	<i>(6.13)</i>	<i>(6.13)</i>	<i>8.16</i>	<i>28.17</i>	<i>13.68</i>	<i>11.13</i>	<i>11.17</i>
Fixed Income Fund							
Total Portfolio	(7.85)	(7.85)	(5.47)	(0.93)	1.02	1.78	1.26
<i>IPS Benchmark</i>	<i>(6.58)</i>	<i>(6.58)</i>	<i>(7.04)</i>	<i>(1.93)</i>	<i>0.26</i>	<i>1.43</i>	<i>0.28</i>
Short Term Income Fund							
Total Portfolio	0.01	0.01	0.13	0.30	0.79	0.96	0.86
	<i>0.04</i>	<i>0.04</i>	<i>0.06</i>	<i>0.09</i>	<i>0.81</i>	<i>1.13</i>	<i>1.04</i>

What they are, how they work, and why they are the right option for diversification of your valuable Foundation stewardship dollars.

METHODIST SOCIALLY PRINCIPLED FUND:

Why: The MSP fund offers investors a way to engage in a passive strategy and benefit from index style management. This makes a perfect complement to a diversified active strategy that may already be employed.

Who: This is ideal for an organization that is looking for a balanced investment that would like to use a different strategy than what they currently employ. Allowing a greater level of diversity within their portfolio.

How: The MSP fund uses Parametric Index Tracking Technology to make allocations to specific sectors of the market (i.e., S&P 500 Growth, S&P 500 Value, etc.) identified by BAML (the fund investment advisor). The Parametric methodology ensures included investments do not violate the Methodist Social Principles while still tracking the sector effectively.

This is a novel hybrid investment strategy (not 100% percent active or passive), because BAML actively allocates to promising market sectors, while employing the Parametric methodology, to track the indices (as passive investments do) in representing the BAML chosen sector weightings.

A hybrid approach allows us to avoid the negative alpha of poor active managers by instead tracking the indices while still avoiding stocks that would violate Methodist Social Principles.

METHODIST SOCIALLY PRINCIPLED+ FUND

Why: The MSP+ fund builds on the already successful platform of the MSP Fund, but adds an alternative component that allows this fund to hedge against market volatility.

Who: This is for any investor that wants to invest in a balanced fund of equities and fixed income, but wants to decrease their risk due to market volatility.

How: MSP+ invokes the same hybrid methodology as MSP, while also incorporating additional alternative investment strategies: hedge funds, long/short funds, credit/equity relative value strategies, and managed futures. The inclusion of alternative investment strategies, provides clients with an additional layer of diversification, designed to reduce portfolio return volatility.

The flexibility offered by this approach enables us to customize client holdings, in the event they have specific investing opinions (For example , if in late 2021 a client wanted to overweight value stocks we are able to customize the investments accordingly, so long as a minimum investment size threshold is met).

EQUITY FUND

Why: This fund allows the investor to benefit from a fully screened equity exposure in the stock market.

Who: Investors that are looking to offer a full equity component to or would like to create their own balanced fund.

How: The Equity Fund seeks to maximize total return, via capital appreciation and dividend income, by investing in publicly traded equities/stocks.

BOND FUND

Why: This investment is a complement to the equity fund. Provideing fully screened fixed income investments.

Who: Anyone looking to invest a portion of their assets in fixed income or to use as the bond portion of their custom balanced portfolio.

How: The Bond Fund seeks to maximize total return, via current income and capital appreciation, by investing in fixed-income securities.

MONEY MARKET FUND

Why: The Money Market Fund is a safe place to hold assets that require preservation of capital and liquidity in volatile markets.

Who: An investor that needs a portion of their investment to remain stable, and accessible in all market environments.

How: The Money Market Fund seeks to offer a liquid, very short duration fixed-income investment alternative to our clients. The fund invests mostly in short-term US government securities, agency securities and government repurchases. It is designed to avoid credit risk and earn an attractive yield , while yet providing fully liquidity.