

APRIL 2024

# MARKET MINUTE

An investment report from the Kansas Methodist Foundation

## Rate of Return:

As of April 30, 2024 net-of-investment fees

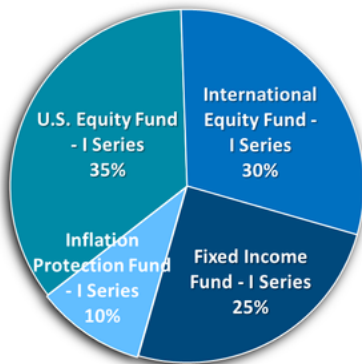
Fund Name	Apr '24	YTD	Annualized				
			1 Year	2 Years	3 Years	5 Years	10 Years
<b>Balanced Fund</b>	<b>-3.03%</b>	<b>1.18%</b>	<b>8.98%</b>	<b>4.65%</b>	<b>-0.39%</b>	<b>5.83%</b>	<b>6.03%</b>
Benchmark	-2.72%	1.85%	10.38%	5.39%	1.54%	6.38%	6.34%
<b>Equity Fund</b>	<b>-3.92%</b>	<b>3.16%</b>	<b>15.00%</b>	<b>7.48%</b>	<b>0.43%</b>	<b>8.10%</b>	<b>7.88%</b>
Benchmark	-3.47%	4.26%	17.68%	9.19%	3.75%	9.26%	8.37%
<b>U.S. Equity Index Fund</b>	<b>-4.44%</b>	<b>5.30%</b>	<b>22.48%</b>	<b>11.35%</b>	<b>6.27%</b>	<b>12.40%</b>	<b>n/a</b>
Benchmark	-4.40%	5.18%	22.30%	11.42%	6.35%	12.43%	
<b>Fixed Income Fund</b>	<b>-1.91%</b>	<b>-1.89%</b>	<b>2.09%</b>	<b>1.06%</b>	<b>-2.22%</b>	<b>0.93%</b>	<b>1.88%</b>
Benchmark	-2.14%	-2.43%	0.21%	0.03%	-2.90%	0.53%	1.75%
<b>Short Term Income Fund</b>	<b>0.45%</b>	<b>1.51%</b>	<b>4.39%</b>	<b>3.28%</b>	<b>2.64%</b>	<b>2.44%</b>	<b>1.64%</b>

\*Historical returns are not indicative of future performance. The Balanced Fund performance is the Wespath Multiple Asset Strategy performance. The Equity Fund returns represent the historical data for the Wespath U.S. Equity Fund (55%) and the Wespath International Equity Fund (45%) until October 2022, when the asset allocation changed to Wespath U.S. Equity Fund (45%), Wespath U.S. Equity Index Fund (20%), and Wespath International Equity Fund (35%). The U.S. Equity Index Fund is the Wespath U.S. Equity Index Fund. The Fixed Income Fund performance is the Wespath Fixed Income Fund. More information about the funds and benchmarks can be found at <https://www.wespath.com/funds>. The Short Term Income Fund is a combination of multiple investment instruments of the Foundation. The Foundation hired Wespath Institutional Investments on November 1, 2019. The Administration Fee of the Foundation is not included.

### KMF Funds:\*

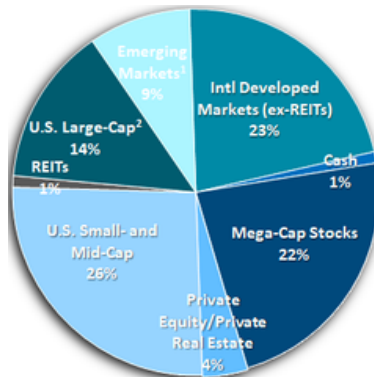
#### Balanced Fund

65% Equities  
35% Fixed Income



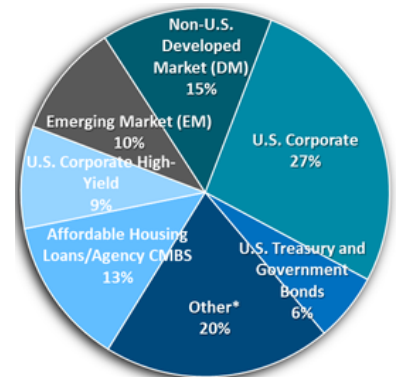
#### Equity Fund

45% US Equities  
20% US Equity Index Fund  
35% International Equities



#### Fixed Income Fund

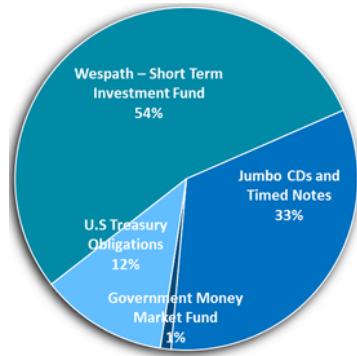
100% Fixed Income



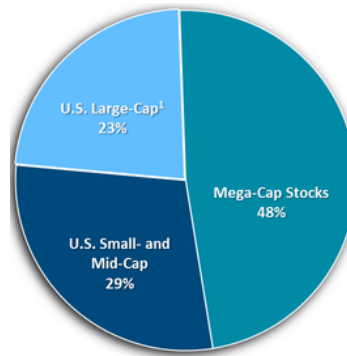
\*Fund allocations as of April 30, 2024. Investors can choose a mix of their choice from the funds provided by KMF.

## KMF Funds cont'd:\*

### Short Term Income Fund\*\*



### US Equity Index Fund (Track Russell 3000)



### Certificate of Participation

A Certificate of Participation provides the security of a fixed income type vehicle at competitive rates for 1-year and 2-year investments. Certificates of Participation are the funding source of KMF's Church Development Loan Fund, providing loans throughout the Great Plains Conference.

Visit [kansasmethodistfoundation.org](https://kansasmethodistfoundation.org) to view current rates.

\*Fund allocations as of April 30, 2024. Investors can choose a mix of their choice from the funds provided by KMF. WII stands for Wespath Institutional Investments.

\*\*Fund allocations as of March 31, 2024.

## April 2024 Investment Highlights:

from the Wespath Institutional Investments April 2024 Investment Report

- The S&P 500 Index of U.S. stocks declined 4.1%, while non-U.S. stocks, represented by the MSCI ACWI ex-U.S. IMI declined 1.8% in April. The Bloomberg U.S. Aggregate Bond Index also declined 2.5%.
- In April, U.S. employers added 175,000 non-farm jobs, well below expectations. The unemployment rate increased to 3.9%.
- Economic growth in the United States fell short of expectations, with U.S. gross domestic product (GDP) increasing by the annualized rate of 1.6% in the first quarter of 2024.
- The Core Personal Consumption Expenditures (PCE) Price Index, the U.S. Federal Reserve's (Fed) preferred inflation measure, increased 2.8% for the 12 months ended in March, just above expectations.
- The U.S. Equity Fund – I Series, International Equity Fund – I Series and Multiple Asset Fund – I Series underperformed their respective benchmarks for the month, while the Fixed Income Fund – I Series and Inflation Protection Fund – I Series outperformed their respective benchmarks.

The full Monthly Investment Report can be found at [wespath.org](https://wespath.org).

## Monthly Investment Overview:

*from the Wespath Institutional Investments April 2024 Investment Report*

### U.S. Economic Growth Slows Amidst Rising Stagflation Concerns

The most recent U.S. GDP report confirmed a slowdown in the economy during the first quarter of 2024. GDP for the quarter increased at an annualized rate of 1.6%, which was below the 2.4% estimate and down from the 3.4% growth seen in the previous quarter. Strong consumer spending drove two-thirds of economic activity, offsetting declines in private inventory and increases in imports. In the first quarter of 2024, the PCE Price Index rose at an annualized rate of 3.4%, marking the largest increase in a year. The Federal Reserve's preferred measure, the Core PCE Price Index, which excludes food and energy prices, rose by 3.7% for the same period.

### Stock Market Downturn Despite Mostly Strong Earnings Report

In April, the major U.S. indices, including the S&P 500, NASDAQ, and Dow Jones Industrial Average, posted their worst monthly performances of the year. The Dow Jones had its worst month since September 2022. Small-cap stocks, represented by the Russell 2000 Index, fell by 7.0%, while large-cap stocks, represented by the Russell 1000 Index, declined 4.3%. International equity markets also ended lower primarily due to tensions in the Middle East, disrupted trade routes and elevated commodity prices threatening global economic stability.

Despite mostly bearish economic data and market returns, some bullish narratives emerged, as corporate earnings reports generally outperformed analysts' expectations. In the big-tech sector, strong reported earnings highlighted the enduring strength of the AI growth theme. Five of the "Magnificent Seven" companies—Alphabet, Amazon, Meta, Microsoft and Tesla—reported their quarterly earnings in April. Tesla's Earnings Per Share (EPS) and revenue were lower than expected; however, its stock price surged after achieving a milestone in deploying advanced driver-assistance technology in China. Meta earnings report exceeded expectations. Meta CEO Mark Zuckerberg cautioned that the company would need to increase investments before AI related revenue gains can be seen. These remarks led to a decline in Meta's stock price. Alphabet, Amazon and Microsoft beat revenue and EPS expectations, boosting market sentiment.

## Investment Insights Blog

### Q1 Key Takeaways: The Top Market and Economic Storylines of 2024, So Far



By Joe Halwax, CAIA, CIMA

Managing Director, Institutional Investment Services

#### April 2, 2024

- U.S. GDP grew at 3.2% in Q4 2023 and 2.5% for 2023, while February's annual inflation reading rose to 3.2%. The Atlanta Fed forecasts Q1 2024 GDP at 2.3%.
- Expectations for Federal Reserve (Fed) rate cuts have steadily declined due to stickier-than-anticipated inflation. Nevertheless, global stock markets were mostly higher in Q1.
- U.S. stocks returned an impressive 10.6%, while U.S. bonds fell by 0.8%. The MSCI ACWI ex-U.S. Index was up 4.3%.
- Major stock market indexes continued to be dominated by a select few mega-cap technology companies.
- Recessions are happening in Japan, the U.K., Finland and Ireland, and negative GDP rates for Q4 2023 were also reported in Germany and Canada.

Fun fact: This quarter marked the 38-year anniversary of Microsoft's initial public offering. The software giant went public on March 13, 1986, at \$21 per share. On a split-adjusted basis, that IPO price was effectively \$0.0729 per share. Microsoft shares closed at \$415.10 on March 13, 2024.

Since the IPO, the average annual return for Microsoft has been 26.2%, which compares to the S&P 500's annualized return of 10.4% during that same time. I know we talk a lot about having a long-term perspective, but these numbers are staggering. I wonder how many investors can say they bought and held Microsoft all these years?

For more information and to read the full blog, visit [wespath.org](https://wespath.org).

## Let's Connect

If you have questions about your account or fund performance, contact Dustin Petz, President and CEO of the Kansas Methodist Foundation.

Email: [dustin@kansasmethodistfoundation.org](mailto:dustin@kansasmethodistfoundation.org)

Phone: 620-664-9623



"You will be enriched in every way so that you can be generous on every occasion, and through us your generosity will result in thanksgiving to God."

- 2 Corinthians 9:11