

MARCH 2025

MARKET MINUTE

An investment report from the Kansas Methodist Foundation

Rate of Return:

As of March 31, 2025, net-of-investment fees

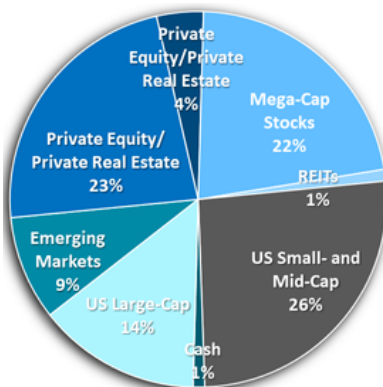
Fund Name	Mar' 25	YTD	Annualized				
			1 Year	2 Years	3 Years	5 Years	10 Years
Balanced Fund	-2.76%	-0.56%	3.74%	8.19%	3.08%	9.47%	6.31%
Benchmark	-2.66%	-0.33%	6.24%	10.37%	4.39%	10.15%	6.70%
Equity Fund	-4.24%	-2.30%	3.68%	11.66%	4.51%	13.66%	8.21%
Benchmark	-4.13%	-1.97%	6.83%	14.86%	6.77%	15.24%	8.89%
U.S. Equity Index Fund	-5.90%	-4.66%	7.17%	17.81%	8.14%	18.17%	--
Benchmark	-5.83%	-4.72%	7.22%	17.74%	8.22%	18.18%	11.80%
Fixed Income Fund	-0.06%	2.54%	5.31%	5.04%	1.78%	1.85%	2.02%
Benchmark	-0.03%	2.55%	5.20%	4.12%	1.15%	0.62%	2.04%
Short Term Income Fund	0.28%	0.96%	4.91%	4.69%	3.70%	2.77%	2.02%

*Historical returns are not indicative of future performance. The Balanced Fund returns represent the historical return for the Wespeth Multiple Asset Fund (100%) until October 2024, when the asset allocation changed to Wespeth U.S. Equity Fund (25%), Wespeth U.S. Equity Index Fund (20%), Wespeth International Equity Fund (20%), and Wespeth Fixed Income Fund (35%). The Equity Fund returns represent the historical data for the Wespeth U.S. Equity Fund (55%) and the Wespeth International Equity Fund (45%) until October 2022, when the asset allocation changed to Wespeth U.S. Equity Fund (45%), Wespeth U.S. Equity Index Fund (20%), and Wespeth International Equity Fund (35%), and subsequently changed October 2024 to Wespeth U.S. Equity Fund (40%), Wespeth U.S. Equity Index Fund (30%), and Wespeth International Equity Fund (30%). The U.S. Equity Index Fund is the Wespeth U.S. Equity Index Fund. The Fixed Income Fund performance is the Wespeth Fixed Income Fund. More information about the funds and benchmarks can be found at <https://www.wespeth.com/funds>. The Short Term Income Fund is a combination of multiple investment instruments of the Foundation. The Foundation hired Wespeth Institutional Investments on November 1, 2019. The Administration Fee of the Foundation is not included.

KMF Funds:*

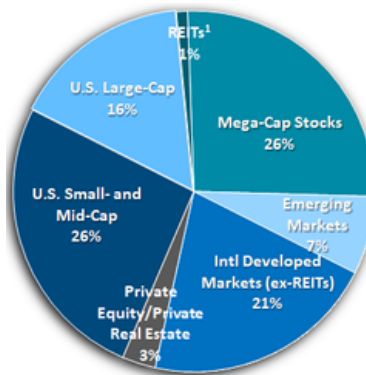
Balanced Fund

65% Equities
35% Fixed Income



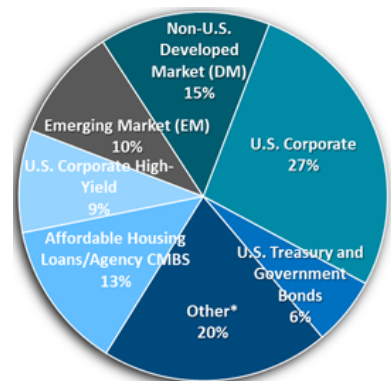
Equity Fund

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



Fixed Income Fund

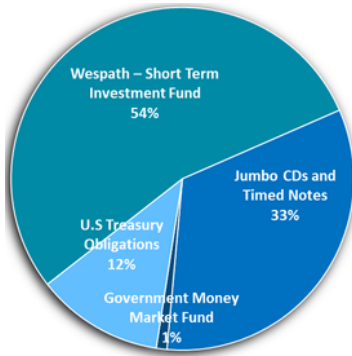
100% Fixed Income



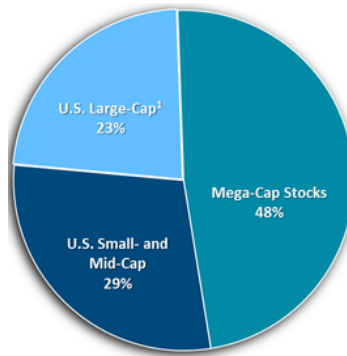
*Fund allocations as of March 31, 2024. Investors can choose a mix of their choice from the funds provided by KMF.

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.

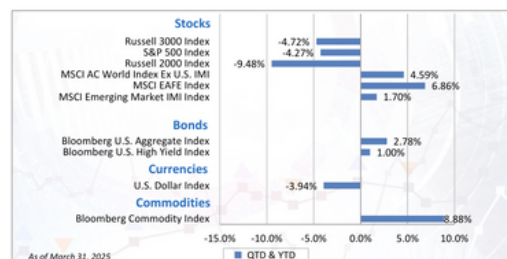
The current rates KMF is offering for our Certificates of Participation are:

- 2.25% for one year
- 2.25% for two years

*Fund allocations as of March 31, 2024. Investors can chose a mix of their choice from the funds provided by KMF. WII stands for Wespath Institutional Investments. .

Key Takeaways from Q1:

- **GDP:** U.S. GDP growth for the first quarter is estimated at -2.8%, per the Atlanta Fed's GDPNow forecast. This represents a dramatic decline from a forecast of +3.9% as recently as February 3—a negative adjustment not seen since early 2022.
- **Inflation:** U.S. Consumer Price Index (CPI) inflation fell to 2.8% year over year in February, down from 3.0% in January. Measured by the Personal Consumption Expenditures (PCE) Index, inflation was also 2.8%, slightly higher than expected.
- **Jobs:** U.S. unemployment for February was 4.1%, up from 4.0% in January. While this is just 0.2% higher than 12 months ago, expectations are for a continued cooling of the labor market.
- **The Fed:** The U.S. Federal Reserve (Fed) kept rates unchanged at 4.25% – 4.5% in March but warned of a softer U.S. economy amid uncertainty on policy. The markets are pricing in a 4% Fed funds rate for the end of 2025.
- **Stocks:** The S&P 500 fell 4.3% for the quarter, the worst performance in nearly three years, while the tech-heavy Nasdaq fell 10.3%. In international stock markets, the MSCI ACWI ex-U.S. IMI gained 4.6%, and the MSCI Emerging Markets IMI gained 1.7% in Q1.
- **Bonds:** The sharp downward revision in GDP growth expectations drove the 10-year Treasury yield down 36 basis points to 4.21%, reflecting growing concerns about economic weakness



As Equity Indexes Become More Concentrated, Is Risk Growing for Investors?

By Johara Farhadieh
Chief Investment Officer



By Joe Halwax, CAIA, CIMA
Senior Managing Director, Institutional Investment Services



We wouldn't fault readers if they rolled their eyes a bit at another investment-focused article centered on the "Magnificent 7." It certainly feels like this group of stocks—the seven U.S. mega-cap technology names which have sharply outpaced the rest of the S&P 500 since early 2023—have dominated nearly every investor conversation for the past several years.

But bear with us—today, we're taking a different approach to the Magnificent 7 discourse by looking at how the trend has impacted specific market mechanics, namely the concentration of these select names in equity indexes.

Annual Returns Since 2021 (Through February 28, 2025)

[Read the rest of the article here!](#)

Returns	'21	'22	'23	'24	YTD '25
S&P 500	27%	-19%	24%	23%	1.2%
S&P 500 ex-Mag 7	17%	-8%	8%	10%	3.2%
Magnificent 7	40%	-40%	76%	48%	-5.6%
Share of returns**	33%	56%	63%	55%	-146%

Fund Portal Access

KMF has moved our sub-accounting system to a new platform for the past year. This upgrade allows our donors and partners to see their funds via an online portal. To access this portal, visit our website, www.kansasmethodistofundation.org, and click Access My Fund at the top right of our homepage. You can also use this link: <https://kmf.fcsuite.com/erp/fundmanager>

You will need to establish a username and password. This portal will allow you to see the current fund(s) in our system connected to you, asset allocations (updated weekly), and recent activity. Additionally, you can review past activity and see previous statements. Another benefit of this new upgrade is that fund advisors can initiate distributions or withdrawals from the online access.

Gloria Markus and Dustin Petz recorded a video to walk through the process of accessing and using the fund portal. Watch the video here!

