



JANUARY 2026

# MARKET MINUTE

An investment report from the Kansas Methodist Foundation

## Rate of Return:

As of January 31, 2026, net-of-investment fees

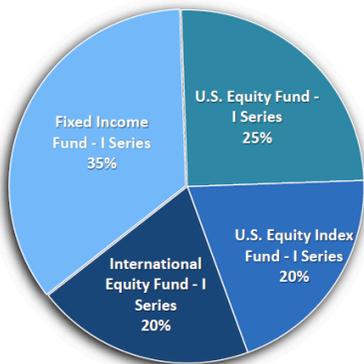
Fund Name	Jan '26	YTD	Annualized				
			1 Year	2 Years	3 Years	5 Years	10 Years
<b>Balanced Fund</b>	<b>2.06%</b>	<b>2.06%</b>	<b>13.73%</b>	<b>12.99%</b>	<b>10.81%</b>	<b>5.35%</b>	<b>8.97%</b>
Benchmark	1.94%	1.94%	16.06%	15.13%	13.16%	7.60%	9.33%
<b>Equity Fund</b>	<b>2.89%</b>	<b>2.89%</b>	<b>16.37%</b>	<b>17.34%</b>	<b>14.99%</b>	<b>7.72%</b>	<b>11.88%</b>
Benchmark	2.90%	2.90%	21.04%	21.12%	18.83%	11.61%	12.79%
<b>U.S. Equity Index Fund</b>	<b>1.44%</b>	<b>1.44%</b>	<b>14.75%</b>	<b>20.39%</b>	<b>19.99%</b>	<b>13.42%</b>	<b>--</b>
Benchmark	1.55%	1.55%	15.32%	20.69%	20.18%	13.60%	15.13%
<b>Fixed Income Fund</b>	<b>0.46%</b>	<b>0.46%</b>	<b>8.03%</b>	<b>5.81%</b>	<b>5.31%</b>	<b>0.97%</b>	<b>3.28%</b>
Benchmark	0.11%	0.11%	6.78%	4.93%	4.34%	0.23%	2.60%
<b>Short Term Income Fund</b>	<b>0.26%</b>	<b>0.26%</b>	<b>4.53%</b>	<b>4.78%</b>	<b>4.62%</b>	<b>3.31%</b>	<b>2.40%</b>

\*Historical returns are not indicative of future performance. The Balanced Fund returns represent the historical return for the Wespath Multiple Asset Fund (100%) until October 2024, when the asset allocation changed to Wespath U.S. Equity Fund (25%), Wespath U.S. Equity Index Fund (20%), Wespath International Equity Fund (20%), and Wespath Fixed Income Fund (35%). 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%), and subsequently changed October 2024 to Wespath U.S. Equity Fund (40%), Wespath U.S. Equity Index Fund (30%), and Wespath International Equity Fund (30%). 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:\*

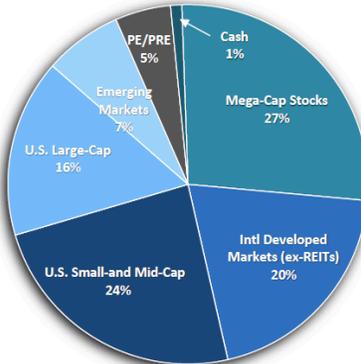
### Balanced Fund

65% Equities  
35% Fixed Income



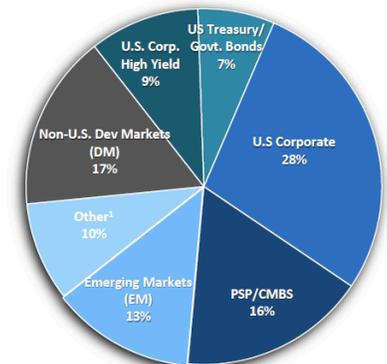
### Equity Fund

40% US Equities  
30% US Equity Index Fund  
30% International Equities



### Fixed Income Fund

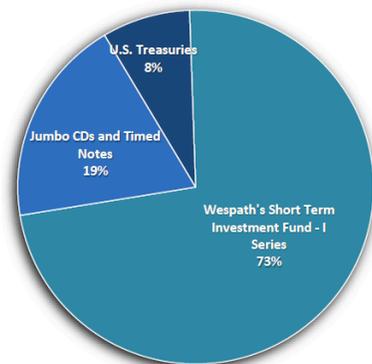
100% Fixed Income



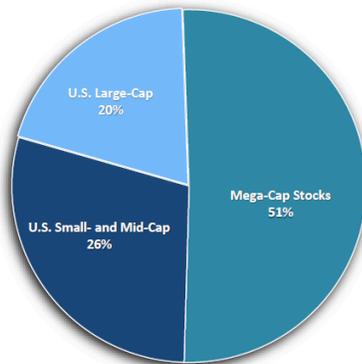
\*Fund allocations as of March 31, 2025. Investors can choose a mix of their choice from the funds provided by KMF.

## 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:

- 2.20% for one year
- 2.20% for two years

\*Fund allocations as of March 31, 2025. Investors can choose a mix of their choice from the funds provided by KMF. WII stands for Wespath Institutional Investments.

## January Overview

**Global equities** posted positive returns in January despite increased geopolitical volatility that included the US capturing Venezuela's president, Trump's bid to purchase Greenland, and protests in Iran. US equities (+1.55%) were outpaced by both developed markets (+4.72%) and emerging markets (+8.65%). The broadening trade continued in January with the Russell 2000 (+5.35%) beating the Russell Top 50 (-0.67%) and value outperforming growth.

YTD		As of 1/30/2026		
		US Market-Cap/Style Returns		
Large	Value	4.56%	1.38%	-1.51%
	Growth			
Mid	Value	4.28%	3.06%	-0.87%
	Growth			
Small	Value	6.86%	5.35%	3.98%
	Growth			
		Value	Blend	Growth

1/30/2026		
US Sector Returns - YTD	Absolute	Relative
Energy (value)	14.35%	12.79%
Materials (value)	8.65%	7.10%
Consumer Staples (value)	7.58%	6.03%
Industrials (value)	7.01%	5.46%
Communications (growth/value)	5.69%	4.14%
Real Estate (value)	2.72%	1.17%
Consumer Discretionary (growth)	1.77%	0.21%
Utilities (value)	1.57%	0.02%
<b>Russell 3000</b>	<b>1.55%</b>	<b>0.00%</b>
Health Care (growth)	-0.04%	-1.60%
Technology (growth)	-1.49%	-3.04%
Financials (value)	-1.95%	-3.50%

## Overview continued

### Domestic Equity Comments:

- Mega-caps and technology stocks (-1.49%) were challenged in January. Big tech earnings results were mixed, and the market has had a high bar for earnings this month with several companies beating estimates while share prices fell. Small-caps and cyclicals benefited from the Trump administration's "run it hot" strategy. The markets continued to broaden in January.
- Geopolitical uncertainty did not significantly impact markets in January. The VIX index saw a small uptick after tensions with European allies increased amid Trump's bid to purchase Greenland; however, investors largely bought any geopolitical associated dips.
- Former Fed Governor Kevin Warsh was nominated to the Fed Chair. Additionally, the Fed held rates steady in the January meeting. Investors continue to monitor independence concerns related to the Fed.

**International Equity** posted another strong month returning 5.98% and outperforming U.S. markets by 4.43%. Emerging markets outperformed developed markets in January.

- The U.S. Dollar Index depreciated 1.35% against major currencies in January and has depreciated 10.50% over the latest 12 months.
- International equities were led by Brazil (+16.78%) and Japan (+6.59%) while India posted negative returns (-5.10%).
- International markets were helped by their exposure to the AI trade (TSMC +14.34%, Samsung +33.97%, and ASML 33.64%), surging metals, and the depreciating dollar. Additionally, U.S. investors' structural underweights to international markets have led to flows into international equities that are a tailwind.

### Performance YTD

- +1.55% US Equities
- +5.98% Non-US Equities
- +4.72% Non-US Developed Equities
- +8.65% Emerging Market Equities
- Small > Large, Value > Growth
- Crude (WTI) +13.57%
- U.S. Dollar Index -1.35%
- Bitcoin -3.99%



Joe Halwax and Karen Manczko provide a market update and discuss Wespath fund performance, including detailed performance attribution.

[Click to watch Wespath webinar](#)

## Wespath Blog

# Why Fixed Income's Value has been Revived in this Economic Climate



**By Connie Christian, CFA**  
Manager, Fixed Income

Compared to a few years ago, fixed income once again looks like a valuable source of diversification for investors. In the low-coupon world of the last decade, bonds offered little income and meaningful downside risk when rates moved higher. Today, the math is different. Coupons are meaningfully higher, and bonds have a much better ability to cushion portfolios during periods of volatility.

This reset has restored one of fixed income's core roles: providing balance. When growth slows or risk assets struggle, bonds with reasonable yields can stabilize returns and generate income. That combination of income plus downside protection is more pronounced now compared to the recent past, offering more meaningful risk reducing characteristics in a balanced portfolio.

A slower growth environment also plays to fixed income's strengths. After years of above-trend growth, fueled by fiscal stimulus, pent-up demand and low interest rates, the global economy is decelerating. Slower but still-positive growth tends to reduce inflation pressure over time and increases the likelihood that central banks are closer to the end of tightening cycles than the beginning. Even if policy rates stay "higher for longer," they are unlikely to rise indefinitely. That asymmetry matters. When economic growth cools, fixed income benefits from stable or falling rates, tighter financial conditions that reward quality, and a renewed focus on cash flow rather than capital appreciation.

**Wespath Blog continued on next page**

## Wespath Blog continued

Importantly, today's opportunity set is not limited to government bonds. Credit markets now offer yields that compensate investors for taking selective risk, especially when balance sheets are still generally healthy and defaults remain contained. Plus, the income provided by bonds provides a cushion which reduces reliance on precise predictions about interest rate movements. In a slower growth world, that steady income stream becomes increasingly valuable.

### How Institutional Investors Can Take Advantage

For starters, active management is usually advantageous in fixed income. Bond benchmarks are typically constructed so that the most indebted issuers have the largest weights. Thus, simply hugging the benchmark via passive management means owning a portfolio that is, by definition, heavily exposed to leverage.

On the other hand, active management allows investors to be selective, tilting toward quality and liquidity, avoiding excess leverage, and deliberately positioning to protect capital while generating income. Active managers can use a broad toolkit: adjusting duration and curve exposure, focusing on issuer balance sheet quality, and finding relative value across sectors and regions. They can also manage downside risk intentionally rather than inheriting it through an index, which is an advantage in a market where monetary policy uncertainty is elevated.

For example, Wespath's actively managed fixed income fund for institutional investors, the Fixed Income Fund – I Series (FIF-I), has taken advantage of the tools described above and found opportunities in the market.

[Click to continue reading.](#)

## Let's Connect

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