



# United Methodist Foundation for the Tennessee-Western KY Conference

Quarterly Investment Review

As of December 31, 2022



# Table Of Contents

1	Total Fund Overview	Page 2
2	Total Fund Investment Analysis	Page 12
3	Domestic Equity	Page 19
4	Domestic Equity Managers	Page 21
5	International Equity	Page 46
6	Fixed Income	Page 68
7	Fixed Income Managers	Page 70
8	Alternative Strategies	Page 85
9	Alternative Strategies Managers	Page 87
10	Disclosure Statement	Page 94

	Major Benchmark Returns				
	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
<b>US Equity</b>					
Russell 3000 Index	7.2	-19.2	7.1	8.8	12.1
S&P 500 Index	7.6	-18.1	7.7	9.4	12.6
Russell 1000 Growth Index	2.2	-29.1	7.8	11.0	14.1
Russell 1000 Index	7.2	-19.1	7.3	9.1	12.4
Russell 1000 Value Index	12.4	-7.5	6.0	6.7	10.3
Russell Midcap Index	9.2	-17.3	5.9	7.1	11.0
Russell 2000 Index	6.2	-20.4	3.1	4.1	9.0
<b>International Equity</b>					
MSCI EAFE Index	17.4	-14.0	1.3	2.0	5.2
MSCI Emerging Markets Index	9.8	-19.7	-2.3	-1.0	1.8
<b>Fixed Income</b>					
90 Day U.S. Treasury Bill	0.8	1.5	0.7	1.3	0.8
Blmbg. U.S. Aggregate	1.9	-13.0	-2.7	0.0	1.1
Blmbg. U.S. Gov't/Credit	1.8	-13.6	-2.6	0.2	1.2
Bloomberg U.S. Municipal Bond Index	4.1	-8.5	-0.8	1.3	2.1
Bloomberg U.S. High Yield Very Liquid Ind	4.3	-11.9	-0.8	1.8	3.5
<b>Alternatives</b>					
HFRI Fund of Funds Composite Index	1.8	-5.2	3.7	3.0	3.5
<b>Real Estate</b>					
FTSE NAREIT All REITs Index	4.5	-25.1	-0.5	3.9	6.9
<b>Inflation</b>					
CPI - All Urban Consumers (SA)	0.5	6.4	4.9	3.8	2.6

# **United Methodist Foundation for the Tennessee- Western KY Conference Overview**

	Market Value	4th Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception 10-1-2002
Total Fund	\$59,019,165	5.8%	-14.9%	-14.9%	2.4%	3.7%	5.3%	5.7%	7.2%
Index Target		6.3%	-15.0%	-15.0%	2.8%	4.5%	6.3%	6.7%	7.3%

### Attribution Summary

- The foundation was up 5.8% for the quarter lagging the benchmark of 6.3%.
- The foundation is in compliance with a slight overweight to Domestic Equity, and underweight to Fixed Income, and a small overweight to Alternatives and cash.

#### **Contributors to relative performance:**

- An overweight to value in the domestic equity allocation contributed to performance.
- DFA Small Cap Fund led the R2000 by almost 4%. Strong performance in Industrials and Financial Services were the primary drivers.
- ARGA International Value led the NSCI AC World Index by over 7%. Strong performance in Consumer Cyclical stocks (up over 27%) and Financial Services (up over 23%) were the primary drivers.

#### **Detractors to relative performance:**

- William Blair International Growth Fund lagged EAFE by 5% due to its strong growth bias.
- Dodge and Cox International Stock Fund lagged EAFE by 110 bps. Credit Suisse, Roche Holding and Baidu were the notable holdings that detracted.

## United Methodist Foundation for the Tennessee-Western KY Conference

### Total Fund Performance

As of December 31, 2022

	% of Portfolio	Market Value 12/31/22 (\$)	Net Cash Flow (\$)	Market Value 10/1/22 (\$)	3 Mo (%)	6 Mo	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>UMFMTC Total Fund</b>	100.0	59,019,165	-2,176	55,756,525	5.8	1.1	-14.9	2.4	3.7	5.3	5.7	7.2	Oct-02
UMFMTC Index Target					6.3	0.7	-15.0	2.8	4.5	6.3	6.7	7.3	
<b>Domestic Equity</b>	43.5	25,644,754	-18,851	23,886,643	7.4	2.6	-18.5	6.0	7.1	9.5	10.9	-	Dec-06
Russell 3000 Index					7.2	2.4	-19.2	7.1	8.8	11.0	12.1	8.4	
<b>International Equity</b>	18.2	10,729,641	-	9,367,968	14.5	3.0	-18.4	-1.8	1.0	4.2	3.3	-	Dec-06
MSCI AC World ex USA (Net)					14.3	3.0	-16.0	0.1	0.9	4.8	3.8	2.4	
<b>Fixed Income</b>	30.2	17,815,073	1,241,336	16,331,224	1.4	-1.9	-9.2	-1.6	0.4	0.9	1.0	-	Dec-06
Blmbg. U.S. Aggregate					1.9	-3.0	-13.0	-2.7	0.0	0.9	1.1	2.9	
<b>Alternatives</b>	7.4	4,372,303	-5,679	4,494,314	-2.7	-2.3	0.0	5.0	3.4	2.4	2.5	-	Dec-10
Credit Suisse Managed Futures					-3.4	0.5	19.1	9.5	6.0	3.6	3.9	2.6	
NCREIF Property Index					-3.5	-3.0	5.5	8.1	7.5	7.5	8.8	9.4	
<b>Cash &amp; Equivalents</b>	0.8	457,393	-1,218,982	1,676,376	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	Dec-06
FTSE 3 Month T-Bill					0.9	1.3	1.5	0.7	1.2	1.0	0.7	0.9	

UMFMTC Index Target = 42% Russell 3000, 13% MSCI EAFE, 5% MSCI Emerging Markets, 35% Bloomberg Aggregate, and 5% NCREIF Property Index

## United Methodist Foundation for the Tennessee-Western KY Conference

### Total Fund Performance

As of December 31, 2022

	% of Portfolio	Market Value 12/31/22 (\$)	Net Cash Flow (\$)	Market Value 10/1/22 (\$)	3 Mo (%)	6 Mo	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>UMFMTC Total Fund</b>	100.0	59,019,165	-2,176	55,756,525	5.8	1.1	-14.9	2.4	3.7	5.3	5.7	7.2	Oct-02
UMFMTC Index Target					6.3	0.7	-15.0	2.8	4.5	6.3	6.7	7.3	
<b>Domestic Equity</b>	43.5	25,644,754	-18,851	23,886,643	7.4	2.6	-18.5	6.0	7.1	9.5	10.9	-	Dec-06
<b>Large Cap Equity</b>	36.3	21,439,682	-18,851	19,983,434	7.4	2.3	-18.7	6.0	7.6	9.8	11.2	-	Dec-06
Brown Advisory Large Sust. Growth SRI	9.2	5,417,551	-12,570	5,284,290	2.8	-2.0	-29.6	7.7	11.9	13.0	-	13.0	Jun-14
Russell 1000 Growth Index					2.2	-1.5	-29.1	7.8	11.0	12.9	-	12.2	
Parametric Large Growth SRI	8.9	5,260,718	749,524	4,434,310	2.7	-0.6	-28.5	7.7	-	-	-	9.1	Sep-18
Russell 1000 Growth Index					2.2	-1.5	-29.1	7.8	-	-	-	8.9	
Parametric Large Value SRI	18.2	10,761,413	-755,805	10,264,834	12.1	6.0	-7.3	5.5	-	-	-	6.5	Aug-19
Russell 1000 Value Index					12.4	6.1	-7.5	6.0	-	-	-	8.8	
<b>Small Cap Equity</b>	7.1	4,205,072	-	3,903,209	7.7	4.7	-17.3	5.2	4.2	7.7	9.2	-	Dec-06
DFA US Small Cap Fund	3.8	2,230,630	-	2,025,694	10.1	6.6	-13.3	7.9	5.9	-	-	7.2	May-17
Russell 2000 Index					6.2	3.9	-20.4	3.1	4.1	-	-	5.5	
Vanguard Russell 2000 Index Fund ETF	3.3	1,974,441	-	1,877,515	5.2	2.6	-21.6	-	-	-	-	-15.4	Aug-21
Russell 2000 Index					6.2	3.9	-20.4	-	-	-	-	-14.1	

## United Methodist Foundation for the Tennessee-Western KY Conference

### Total Fund Performance

As of December 31, 2022

	% of Portfolio	Market Value 12/31/22 (\$)	Net Cash Flow (\$)	Market Value 10/1/22 (\$)	3 Mo (%)	6 Mo	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	18.2	10,729,641	-	9,367,968	14.5	3.0	-18.4	-1.8	1.0	4.2	3.3	-	Dec-06
Developed Markets	14.1	8,329,984	-	7,196,823	15.7	4.4	-16.9	0.0	2.6	4.8	5.0	-	Dec-06
ARGA International Value Fund	3.8	2,233,165	-200,000	2,011,984	21.9	8.2	-3.6	-	-	-	-	-2.5	Nov-21
MSCI AC World ex USA (Net)					14.3	3.0	-16.0	-	-	-	-	-14.3	
Dodge & Cox International Stock Fund	3.7	2,166,455	-200,000	2,042,798	16.2	3.8	-6.6	-	-	-	-	-7.1	Nov-21
MSCI EAFE (Net)					17.3	6.4	-14.5	-	-	-	-	-12.3	
William Blair International Growth Fund	6.7	3,930,364	400,000	3,142,041	12.3	3.0	-28.5	-	-	-	-	-26.6	Nov-21
MSCI EAFE (Net)					17.3	6.4	-14.5	-	-	-	-	-12.3	
Emerging Markets	4.1	2,399,657	-	2,171,144	10.5	-1.5	-22.9	-6.7	-3.6	2.3	-0.8	-	Dec-06
DFA Emerging Markets Fund	4.1	2,399,657	-	2,171,144	10.5	-1.5	-10.9	2.4	1.1	-	-	1.6	Nov-17
MSCI Emerging Markets (Net)					9.7	-3.0	-20.1	-2.7	-1.4	-	-	-0.6	
Fixed Income	30.2	17,815,073	1,241,336	16,331,224	1.4	-1.9	-9.2	-1.6	0.4	0.9	1.0	-	Dec-06
Vanguard Short-Term Bond Index Fund	6.2	3,648,700	-1,000,000	4,601,966	1.2	-1.0	-5.5	-0.7	0.8	0.9	-	-	Sep-14
Blmbg. 1-5 Year Gov/Credit					1.2	-1.0	-5.5	-0.7	0.8	1.0	-	1.0	
Breckinridge Capital Advisors	13.5	7,955,575	2,246,924	5,621,122	1.4	-1.6	-8.3	-1.1	0.7	1.3	-	1.3	Jan-16
Blmbg. Intermed. U.S. Government/Credit					1.5	-1.6	-8.2	-1.3	0.7	1.1	-	1.1	
Richmond Capital Management	10.5	6,210,798	-5,587	6,108,137	1.8	-2.8	-12.5	-2.7	-	-	-	-0.4	Mar-19
Blmbg. U.S. Aggregate					1.9	-3.0	-13.0	-2.7	-	-	-	-0.2	



## United Methodist Foundation for the Tennessee-Western KY Conference

### Total Fund Performance

As of December 31, 2022

	% of Portfolio	Market Value 12/31/22 (\$)	Net Cash Flow (\$)	Market Value 10/1/22 (\$)	3 Mo (%)	6 Mo	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Alternatives</b>	7.4	4,372,303	-5,679	4,494,314	-2.7	-2.3	0.0	5.0	3.4	2.4	2.5	-	Dec-10
Versus Capital Multi-Mgr Real Estate Fund	5.5	3,241,848	-	3,353,410	-3.3	-3.4	0.2	5.9	5.8	6.0	-	-	Mar-15
NCREIF Property Index					-3.5	-3.0	5.5	8.1	7.5	7.5	-	8.4	
Stone Ridge Reinsurance Risk Premium Interval Fund	0.0	3,322	-2,861	5,775	7.0	-0.7	5.3	2.4	-0.6	-1.3	-	-1.3	Jan-16
Swiss Re Global Cat Bond Index					6.0	-1.8	-2.2	2.8	3.1	3.2	-	3.2	
Black Diamond Arbitrage Fund	1.9	1,127,133	-2,818	1,135,130	-0.7	1.0	-0.6	3.4	-	-	-	3.5	Jul-19
HFRI ED: Merger Arbitrage Index					2.5	4.8	2.9	6.2	-	-	-	6.3	
<b>Cash &amp; Equivalents</b>	0.8	457,393	-1,218,982	1,676,376									
Cash	0.8	457,206	-1,218,984	1,676,190									
NETA Cash	0.0	188	1	186									

UMFMTC Index Target = 42% Russell 3000, 13% MSCI EAFE, 5% MSCI Emerging Markets, 35% Bloomberg Aggregate, and 5% NCREIF Property Index

## United Methodist Foundation for the Tennessee-Western KY Conference

### Private Equity

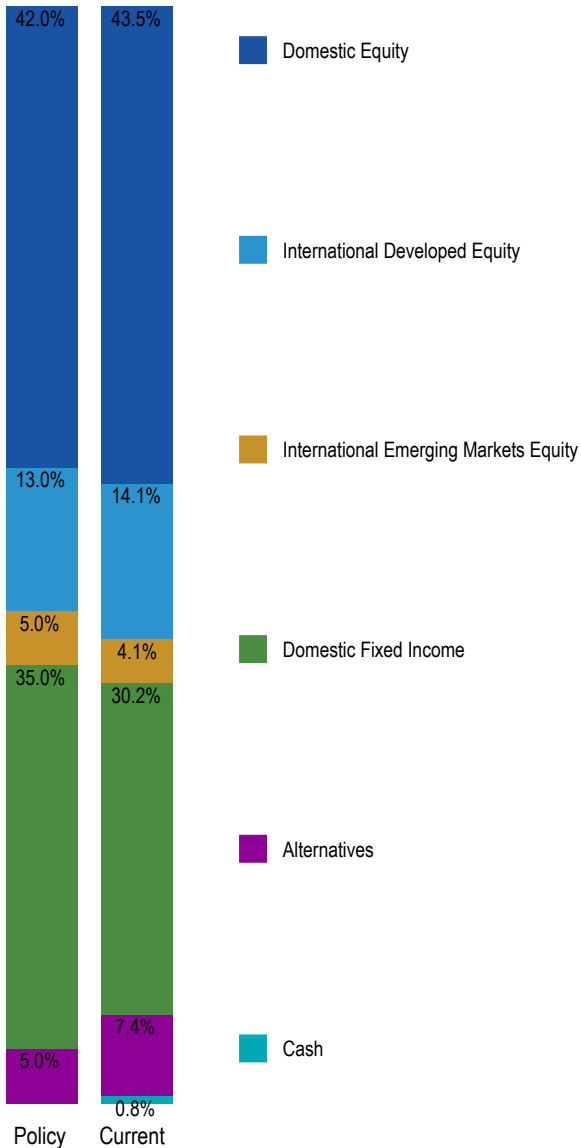
As of December 31, 2022

#### Private Market Investments Overview

Investments		Commitments			Contributions & Distributions		Valuations		Performance			
Investment Name	Vintage Year	Commitment (\$)	Unfunded Commitment (\$)	Call Ratio	Cumulative Contributions (\$)	Cumulative Distributions (\$)	Valuation (\$)	Total Value (\$)	DPI	TVPI	RVPI	IRR
Black Diamond Arbitrage Ltd.	2019	1,000,000	-	100.00	1,000,000	-	1,127,133	1,127,133	-	1.13	1.13	3.5
<b>Total</b>		<b>1,000,000</b>	<b>-</b>	<b>100.00</b>	<b>1,000,000</b>	<b>-</b>	<b>1,127,133</b>	<b>1,127,133</b>	<b>-</b>	<b>1.13</b>	<b>1.13</b>	<b>3.5</b>

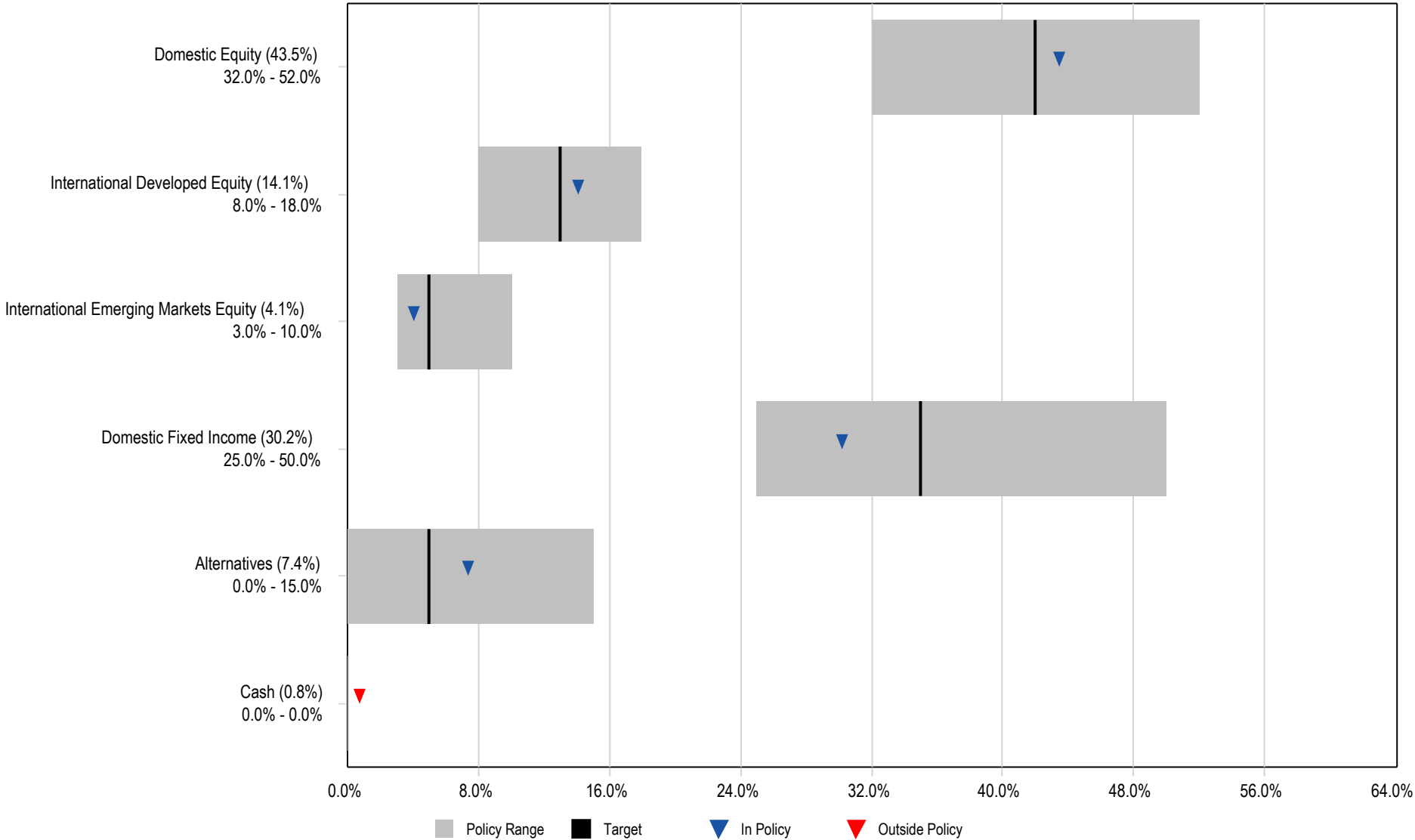
#### Performance Summary

	Market Value 12/31/22 (\$)	Net Cash Flow (\$)	Market Value 10/1/22 (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)	Inception Date
<b>Black Diamond Arbitrage Fund</b>	<b>1,127,133</b>	<b>-2,818</b>	<b>1,135,130</b>		<b>-0.7</b>	<b>-0.6</b>	<b>3.4</b>	<b>-</b>	<b>3.5</b>	<b>Jul-19</b>
<i>HFRI ED: Merger Arbitrage Index</i>					2.5	2.9	6.2	-	6.3	

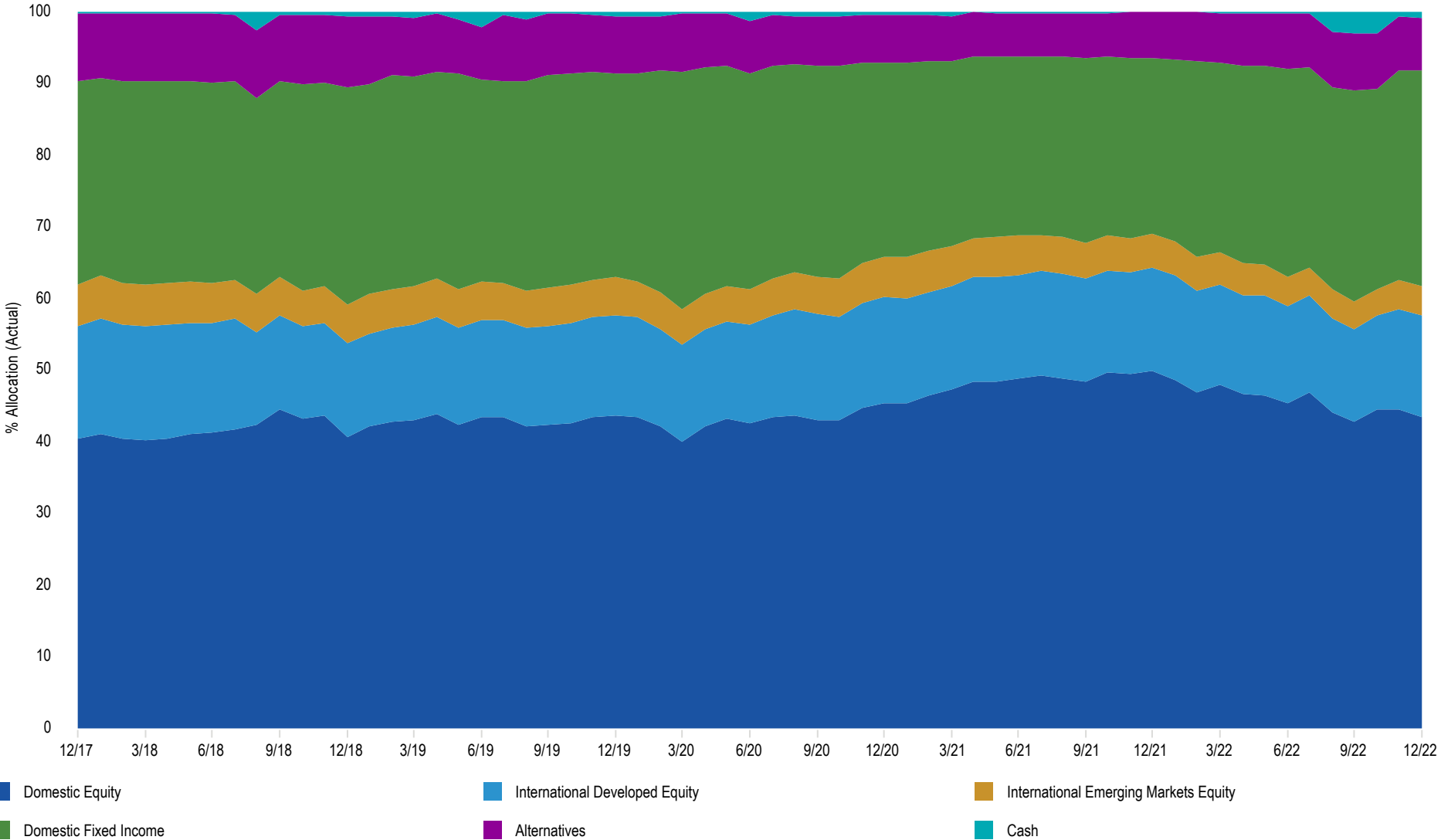


	Current Balance	Current Allocation (%)	Policy (%)	Policy Range (%)	Difference (%)
Domestic Equity	\$25,644,754	43.5	42.0	32.0 - 52.0	1.5
International Developed Equity	\$8,329,984	14.1	13.0	8.0 - 18.0	1.1
International Emerging Markets Equity	\$2,399,657	4.1	5.0	3.0 - 10.0	-0.9
Domestic Fixed Income	\$17,815,073	30.2	35.0	25.0 - 50.0	-4.8
Alternatives	\$4,372,303	7.4	5.0	0.0 - 15.0	2.4
Cash	\$457,393	0.8	0.0	0.0 - 0.0	0.8
<b>Total</b>	<b>\$59,019,165</b>	<b>100.0</b>	<b>100.0</b>		<b>0.0</b>

Actual vs. Target

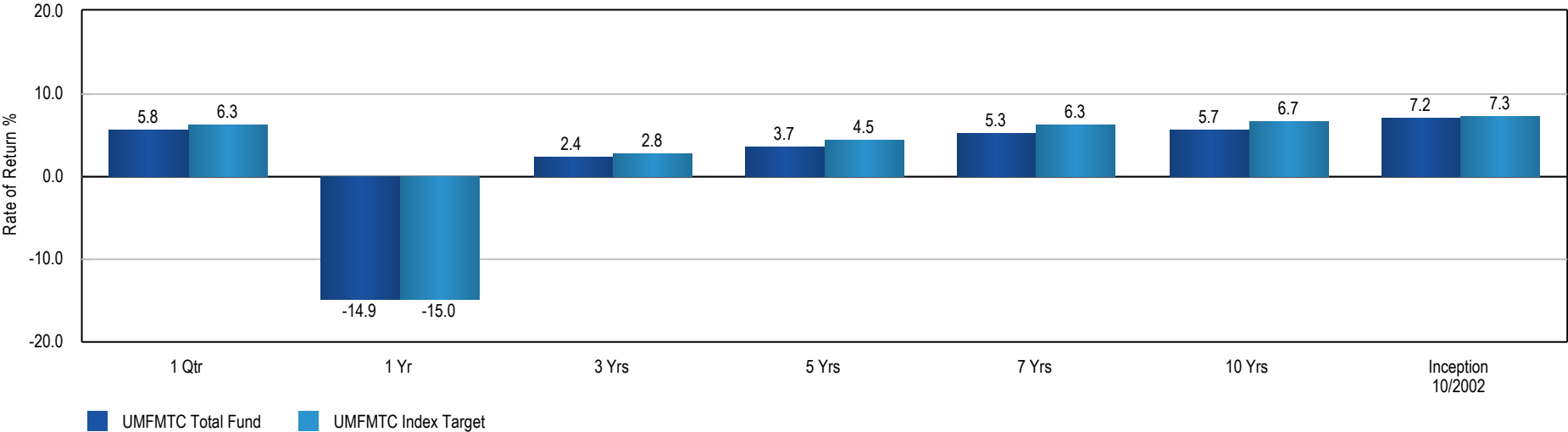


Asset Allocation History  
5 Years Ending December 31, 2022



# **United Methodist Foundation for the Tennessee- Western KY Conference Investment Analysis**

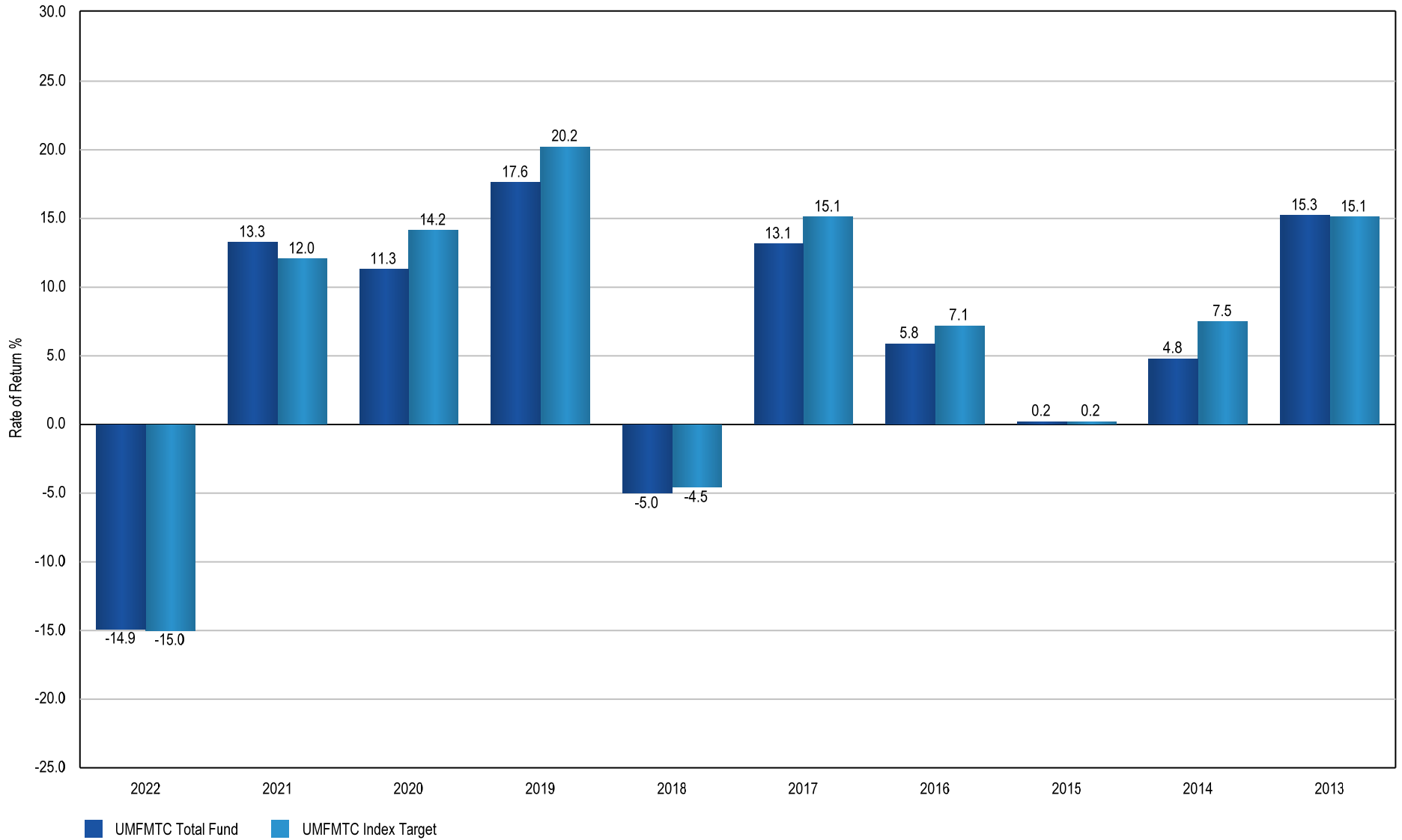
**Return Summary**



**Summary of Cash Flows**

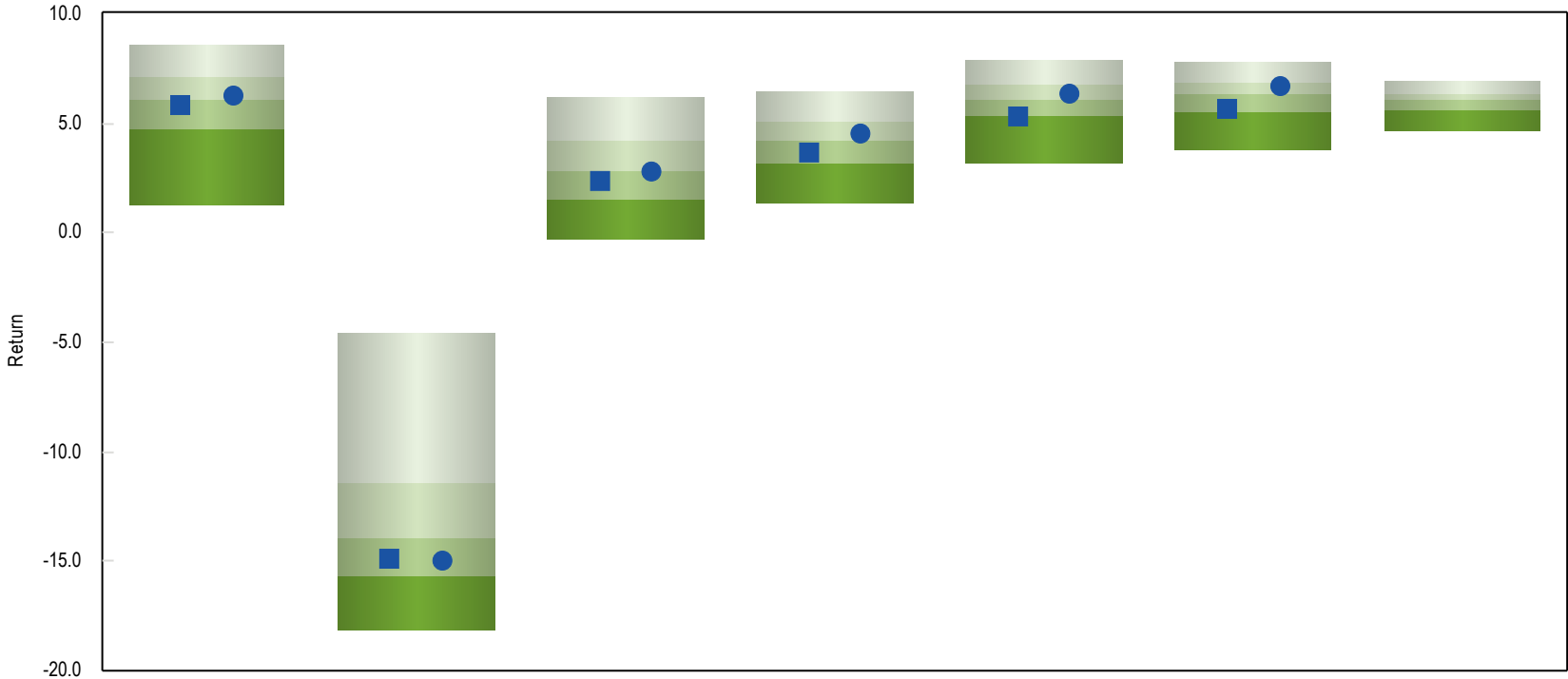
	1 Qtr	1 Yr
<b>Beginning Market Value</b>	<b>\$55,756,525</b>	<b>\$69,444,434</b>
Net Cash Flow	-\$2,176	-\$129,208
Net Investment Change	\$3,264,816	-\$10,296,061
<b>Ending Market Value</b>	<b>\$59,019,165</b>	<b>\$59,019,165</b>

Return Summary



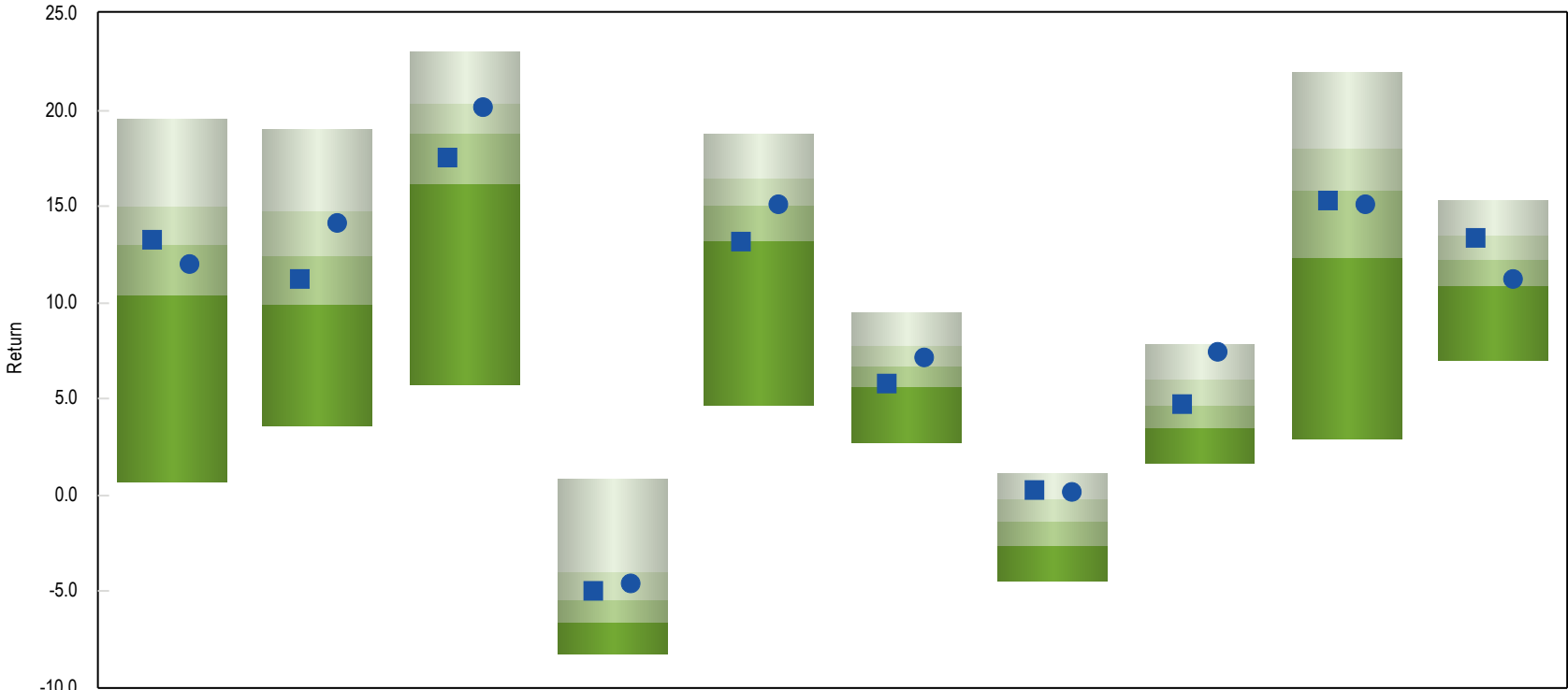


UMFMTC Total Fund vs. All Foundations-Total Fund



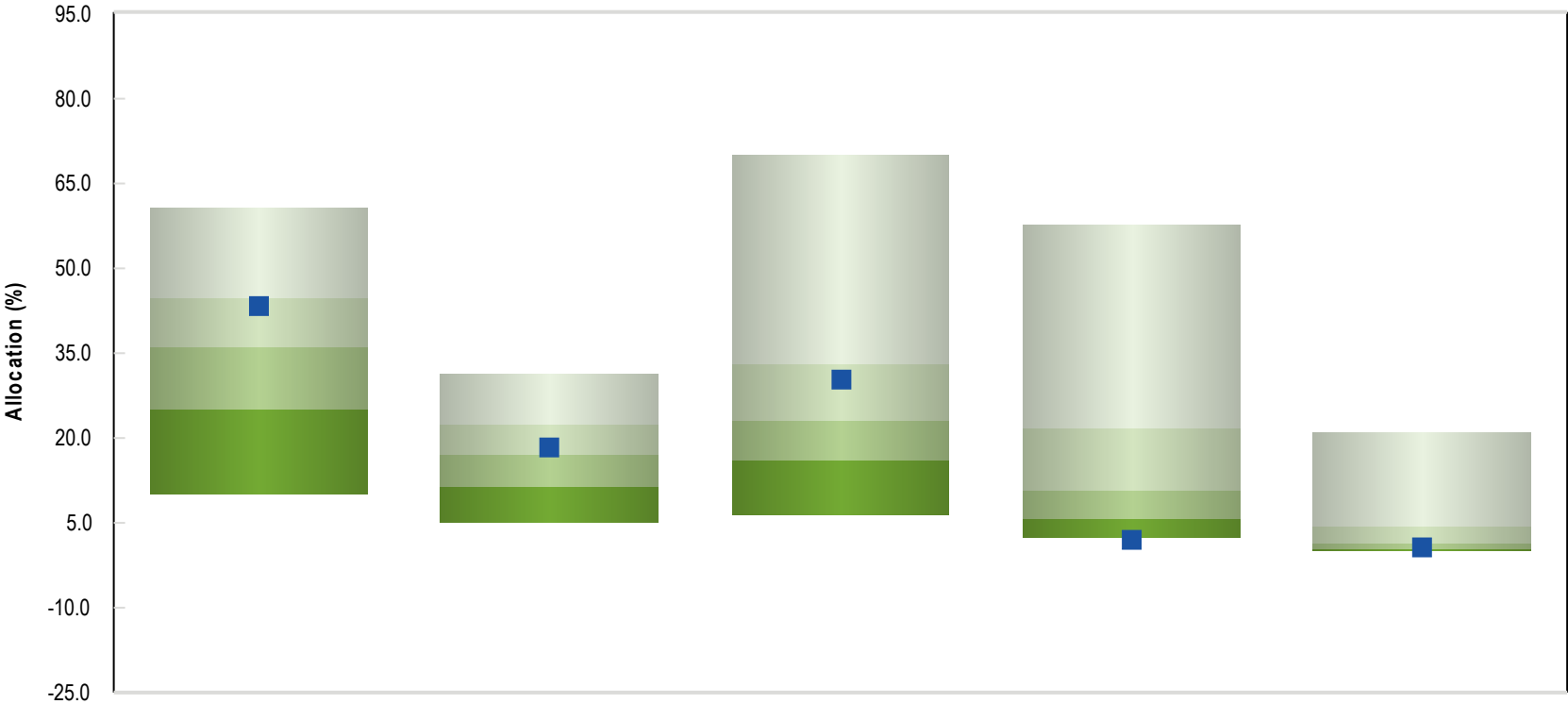
	1 Qtr	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception 6/2002
■ UMFMTC Total Fund	5.8 (56)	-14.9 (66)	2.4 (62)	3.7 (64)	5.3 (77)	5.7 (67)	-
● UMFMTC Index Target	6.3 (44)	-15.0 (67)	2.8 (50)	4.5 (37)	6.3 (38)	6.7 (34)	-
5th Percentile	8.6	-4.6	6.2	6.4	7.9	7.8	7.0
1st Quartile	7.1	-11.4	4.2	5.1	6.8	6.9	6.3
Median	6.1	-13.9	2.8	4.2	6.1	6.3	6.1
3rd Quartile	4.7	-15.6	1.5	3.1	5.3	5.5	5.6
95th Percentile	1.2	-18.2	-0.3	1.3	3.2	3.8	4.6
Population	360	330	293	270	246	183	70

UMFMTC Total Fund vs. All Foundations-Total Fund



	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
■ UMFMTTC Total Fund	13.3 (46)	11.3 (63)	17.6 (61)	-5.0 (42)	13.1 (76)	5.8 (72)	0.2 (16)	4.8 (48)	15.3 (58)	13.3 (28)
● UMFMTTC Index Target	12.0 (61)	14.2 (30)	20.2 (28)	-4.5 (34)	15.1 (49)	7.1 (41)	0.2 (18)	7.5 (7)	15.1 (60)	11.3 (70)
5th Percentile	19.6	19.0	23.1	0.8	18.8	9.5	1.2	7.8	22.0	15.3
1st Quartile	15.0	14.7	20.4	-4.0	16.4	7.8	-0.3	6.0	18.0	13.4
Median	13.0	12.4	18.8	-5.5	15.0	6.7	-1.4	4.7	15.7	12.2
3rd Quartile	10.4	9.8	16.2	-6.6	13.2	5.6	-2.6	3.5	12.3	10.9
95th Percentile	0.6	3.6	5.7	-8.2	4.7	2.7	-4.5	1.7	2.9	6.9
Population	663	849	840	695	658	630	583	564	507	482

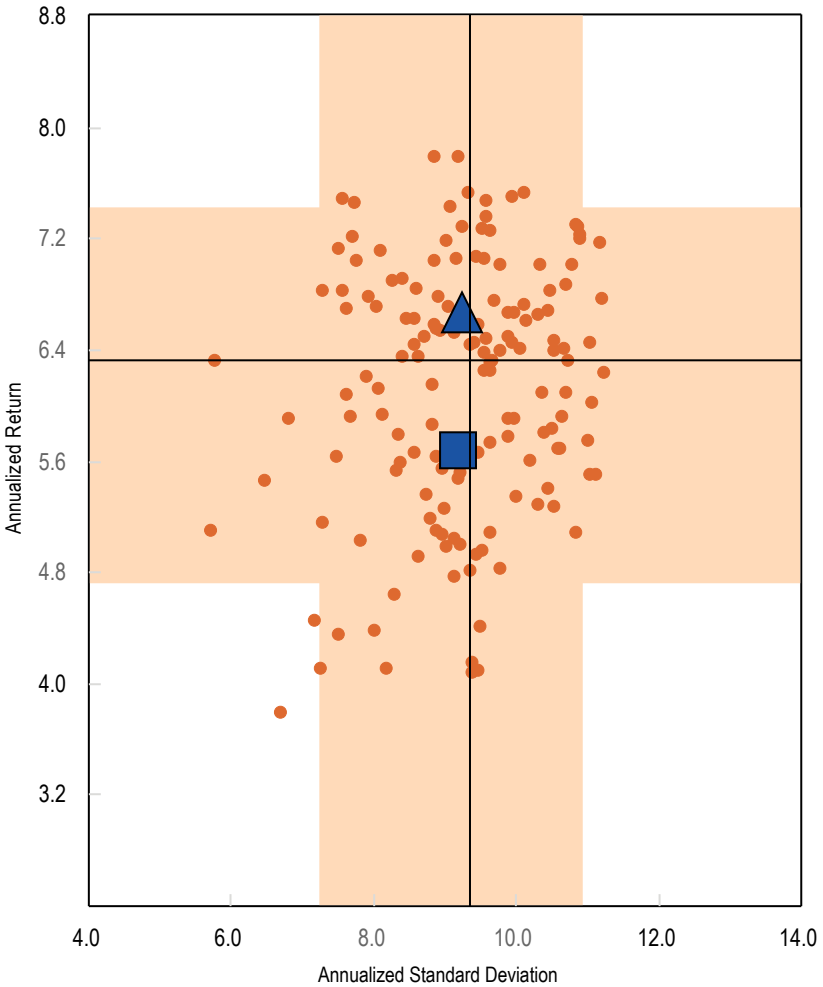
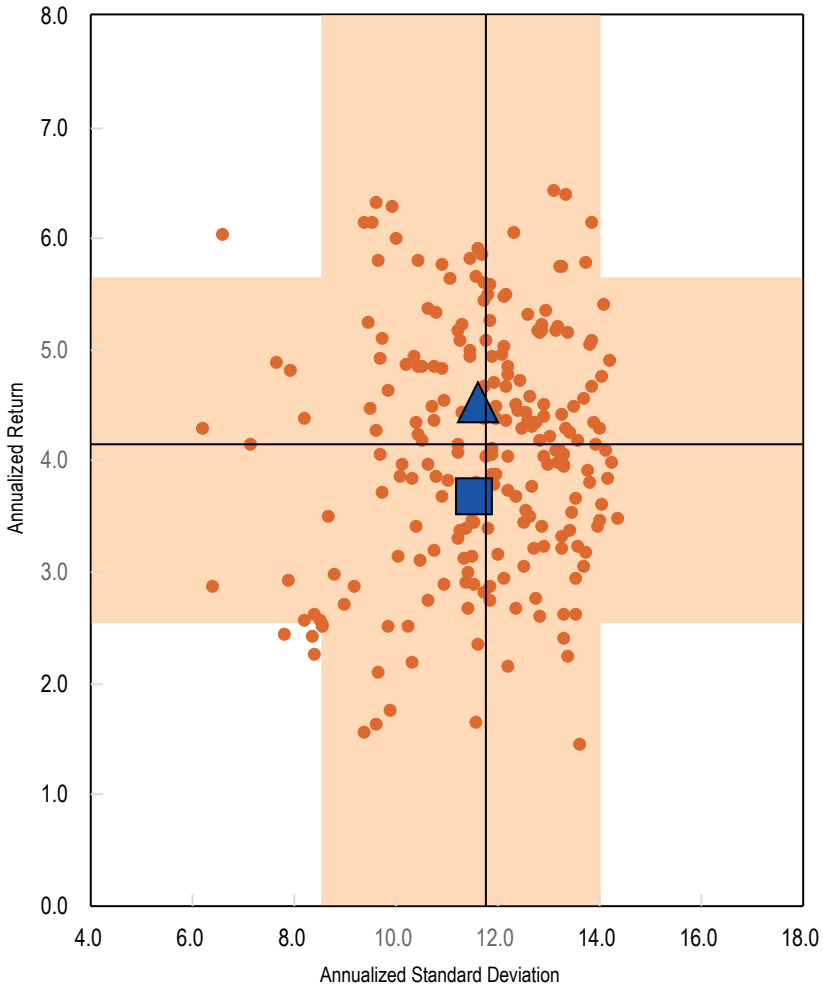
Total Plan Allocation vs. All Foundations-Total Fund



	US Equity	Global ex-US Equity	US Fixed	Alternatives	Cash & Equivalents
■ UMFMTC Total Fund	43.5 (28)	18.2 (45)	30.2 (30)	1.9 (97)	0.8 (62)
5th Percentile	60.5	31.3	70.1	57.7	21.1
1st Quartile	44.7	22.5	32.9	21.6	4.3
Median	36.0	17.1	23.0	10.8	1.4
3rd Quartile	24.9	11.4	16.1	5.5	0.4
95th Percentile	10.2	4.9	6.4	2.2	0.0
Population	670	651	669	420	591

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2022

Annualized Return vs. Annualized Standard Deviation  
10 Years Ending December 31, 2022



● All Foundations-Total Fund    ■ UMFMTTC Total Fund  
▲ UMFMTTC Index Target    □ Confidence Interval

● All Foundations-Total Fund    ■ UMFMTTC Total Fund  
▲ UMFMTTC Index Target    □ Confidence Interval

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In addition to the Report received from Colony, a client will receive a monthly account statement directly from the qualified custodian of their account. A client's Report may differ slightly from the custodian's statement for various reasons, including but not limited to the following: (1) differences in the trade date/settlement date; (2) pricing methodologies used to value the holdings; (3) updates posted by the custodian subsequent to the preparation of the Report; and/or (4) the Report may exclude positions on which Colony does not advise while the custodian generally must report all client assets held in an account. Colony encourages clients to compare their Reports to the custodians' statements on a regular basis and to direct any questions to their Investment Counselor. A client that does not receive a monthly statement from their custodian should inform their Investment Counselor immediately.

Performance is presented net of broker/custodian trading fees/commissions and/or markups, but gross of any broker/custodian administrative or other fees. Performance is gross of Colony's advisory fees. Performance is net of fees of any separate account manager (SAM) (but gross prior to 01/01/13), mutual fund/ETF, or other manager, as the case may be.

The application of Colony's advisory fee would have the effect of decreasing performance results. For example, a \$5 million portfolio with an annual advisory fee of 0.75% and an average annual return of 8% (compounded quarterly for both) would grow to \$10,241,751 after 10 years. That same portfolio (with the same return, number of years, and compounding) without an advisory fee, would grow to \$11,040,198. For additional information on Colony advisory fees, please refer to its Form ADV Part 2A.

Management fees other than Colony's that are charged by SAMs, subadvisors, or other managers are not detailed on a client's Report, but such detail is provided to clients by such third-parties or is otherwise available upon request. It is the client's responsibility, not the custodian's, to verify the accuracy of all advisory and management fees. Clients should review all third-party reports and statements. Performance results may not include all of the assets on which Colony advises.

Performance results may be based on unaudited, preliminary information and subject to change. The valuations of unrealized investments are determined on a fair value basis in accordance with Colony's valuation policies and procedures. There can be no assurance that unrealized investments will be realized at the valuations used to calculate the information contained in Reports, as actual realized returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used to calculate the information contained in the Reports are based.

Where applicable, performance results include the reinvestment of dividends and other earnings. Past results are not necessarily indicative of future results, and no representation is made that results similar to those shown can be achieved. Investments in accounts managed by Colony or other advisors may lose value. Investment results will fluctuate. Certain market and economic events having a positive impact on performance may not repeat themselves.

The returns of several market indices are provided in the Report for comparison purposes only; the comparison does not mean that there necessarily will be a correlation between the returns of the portfolio, on the one hand, and any of the indices, on the other hand.

Services offered by Colony are provided pursuant to an advisory agreement with the client. This Report is for informational purposes only. It is not intended to be, and should not be construed as, investment advice or the basis for an investment or liquidation decision. All information presented is subject to change and is provided only as of the date indicated and subject to the availability of valuations (as described above). Such information is from sources that Colony believes are reliable, but reliability is not guaranteed.

Should a client's investment objectives change, or if a client desires to impose, add, or modify any reasonable restrictions to the management of their account(s), the client should notify their Financial Counselor in a timely manner.