

UNITED METHODIST FOUNDATION

FOR THE MEMPHIS & TENNESSEE CONFERENCES



ANNUAL REPORT
FOR 2019



PRESIDENT'S STATEMENT

MATTHEW 6:31-34

“Therefore do not worry, saying, “What will we eat?” or “What will we drink?” or “What will we wear?” For it is the Gentiles who strive for all these things; and indeed your heavenly Father knows that you need all these things. But strive first for the kingdom of God and his righteousness, and all these things will be given to you as well. ‘So do not worry about tomorrow, for tomorrow will bring worries of its own. Today’s trouble is enough for today.”

“Therefore do not worry, saying, “What will we eat?” or “What will we drink?” or “What will we wear?” For it is the Gentiles who strive for all these things; and indeed your heavenly Father knows that you need all these things. But strive first for the kingdom of God and his righteousness, and all these things will be given to you as well. ‘So do not worry about tomorrow, for tomorrow will bring worries of its own. Today’s trouble is enough for today.” (Matthew 6:31-34) What a difference six weeks can make?! 2019 brought the best market returns during my tenure with the Foundation and Development Fund. Based on all that, I had a number of plans of expanding our ministry. And so, now this...as I write, many of us are working from home due to our concerns regarding COVID-19. Social distancing seems to be the new “normal.” We are also experiencing unprecedented volatility in the markets. One thousand point daily swings are now commonplace. These are truly anxious times. And yet...

Swiss theologian, Karl Barth has observed, “The Atonement takes precedence over all of human history.” And what that means is simply this: COVID-19 and all the associated market volatility can really only be understood in the basic Gospel truth that God is for us and not against us! Every day that we have is an opportunity to remember and live in the light of our creedal affirmation that for us and our salvation Jesus Christ came down from heaven. These are difficult times, many of our local churches are struggling. Many of us are worried about the future of our denomination and our country. But still, we are invited again to recall: Jesus reveals the full truth of God: you are loved with a love which will never end.

So then, how do we live in the truth of what Christ has accomplished? I’ll offer this: let us be shaped by the cardinal Christian virtues (faith, hope and love). First, let us trust God. He has given us faith so that we might remember each day, that our Lord is sufficient for all our needs. Our Lord who has been faithful in the past will also be faithful today and in the days to come. Second, let us be mindful of a promised, good future. You and I have access to a hope which can not be overcome by present circumstances. Through Christ, you and I already know the end of the story: the tomb is empty, Christ is risen and there is nothing that can come between us and God’s love. Finally, in the light of all that, you and I are called to love God and our neighbors as ourselves. So, even if we must practice social distancing, we can still offer love especially to those who are hurting and who are afraid. Who do you know today who needs help? Who do you know today who needs to either know for the first time or be reminded for the hundredth time that Jesus loves them? Are there any practical, common place ways that you can manifest that love for them?

This is not the annual report that I anticipated writing a few weeks ago. Back in February I was hoping to be able to crow about past performance, while anticipating an even brighter financial future. But today, I’m reminded of the words of the Apostle as he wrote to the Galatians: “May I never boast of anything except the cross of our Lord Jesus Christ, by which the world has been crucified to me, and I to the world.” (Galatians 6:14) Have no doubt, regardless of good days or bad, our Lord is for you and not against you. And have no doubt, that as you trust him, all these things shall be added in the right time and in the right way to you, as well.

If you have questions regarding the work and ministries of the Foundation, the Development Fund, or grant programs; if you would like to have one of us to come to preach and/or speak to a group in your church; or if you would like to learn more about ways to create an endowed fund for your church or ministries, give us a call (615-259-2008) or visit our website at www.umfmc.org.

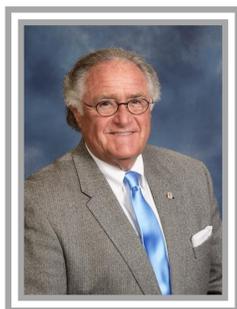
DR. PHILIP JAMIESON
President

ABOUT US

MISSION STATEMENT

The mission of the United Methodist Foundation for the Memphis and Tennessee Conferences is to provide a management-investment partnership for long term and permanent funds for local churches, institutions and ministries of the Church and to encourage and receive planned gifts in support of local churches, institutions and special ministries of the United Methodist Church and to assist donors in placing gifts.

STAFF



Pictured left to right: Phil Jamieson, President; Sara Finger, Foundation Administrator; Tiffany Ford, UMDF Administrator; David Reed, Development Officer; and David Comperry, Field Staff Representative.

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FINANCIAL

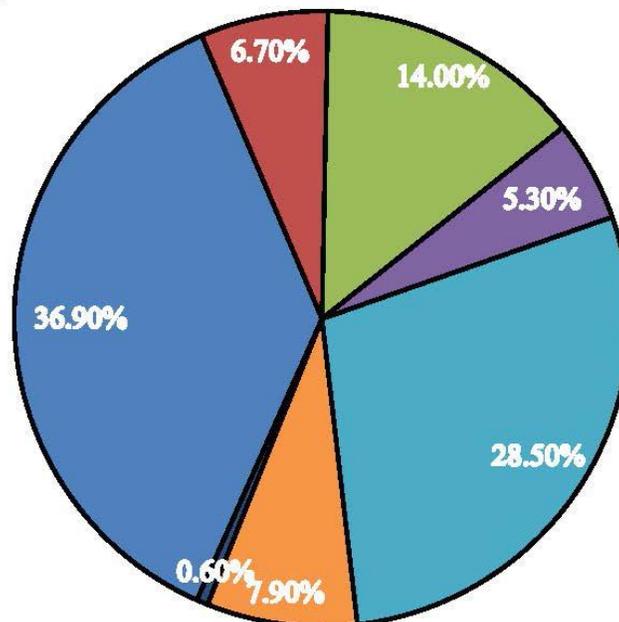
Foundation

- At year end, there were over 300 client accounts amounting to \$61,662,670.19.
- Over \$4,103,096.62 was distributed from client accounts in 2019.
- Since 2014, 51 churches in both conferences have applied and received stewardship grants from the UM Foundation.

Development Fund

- At year end, there were 25 active loans amounting to \$11,137,705.
- Participation accounts totaled \$19,373,480.
- \$314,490 in interest was paid to account holders in 2019.

UMFMTC Total Fund



*UMFMTC Index Target = 42% Russell 3000 / 13% MSCI EAFE / 5% MSCI Emerging Markets / 35% BBgBarc US Aggregate TR / 2.5% DJCS Managed Futures / 2.5% NCREIF Property Index

OVERVIEW

	% of Portfolio	Market Value 12/31/19 (\$)
UMFMTC Total Fund	100	57,817,810
<i>UMFTMC Index Target</i>		
Domestic Equity	43.7	25,254,363
Large Cap Equity	36.9	21,353,632
Brown Advisory Large Sust. Growth SRI	7.9	4,580,103
Parametric Large Growth SRI	5.8	3,329,071
<i>Russell 1000 Growth</i>		
Great Lakes Large Cap Value	3.7	2,154,839
Parametric Large Value SRI	10.4	6,000,879
<i>Russell 1000 Value</i>		
iShares MSCI USA Minimum Volatility E	2.5	1,455,598
<i>MSCI USA Minimum Volatility NR USD</i>		
iShares Edge MSCI Multifactor USA ETF	6.6	3,833,142
<i>MSCI USA Diversified Multi-Factor Index</i>		
Small Cap Equity	6.7	3,900,731
DFA US Small Cap Fund	6.7	3,900,731
<i>Russell 2000</i>		
International Equity	19.3	11,156,358
Developed Markets	14	8,085,404
Artisan International	6.6	3,842,032
<i>MSCI ACWI ex USA</i>		
iShares MSCI EAFE Minimum Volatility I	3	1,731,266
<i>MSCI EAFE Min Vol NR</i>		
MFS International Value Fund	4.3	2,512,107
<i>MSCI EAFE</i>		
Emerging Markets	5.3	3,070,954
DFA Emerging Markets Fund	0.7	429,006
T. Rowe Price Em. Mkts Stock Fund	1.6	913,296
<i>MSCI Emerging Markets</i>		
iShares Edge MSCI Min Vol Emerging	3	1,728,652
<i>MSCI Emerging Markets Min Vol</i>		
Fixed Income	28.5	16,485,878
Vanguard Short-Term Bond Index Fund	5.4	3,140,998
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>		
Breckinridge Capital Advisors	9.3	5,350,510
<i>BBgBarc US Govt/Credit Int TR</i>		
Richmond Capital Management	12.9	7,441,464
<i>BBgBarc US Aggregate TR</i>		
Virtus Seix US Govt Sec Ultra Short	1	552,906
<i>Ice BofAML 1-3 Yrs US Treasuries TR</i>		
Alternatives	7.9	456,462
Versus Capital Multi-Mgr Real Estate Fu	4.7	2,727,063

**UNITED METHODIST FOUNDATION
FOR THE MEMPHIS AND TENNESSEE CONFERENCES AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

	<i>Unconsolidated</i>		<i>Consolidated</i>
	Development Fund	Foundation	Total
Assets			
Assets			
Cash and Cash Equivalents	\$ 361,320	\$ 234,585	\$ 595,905
Investments	9,606,855	61,834,546	70,607,438
Interest Receivable	65,894	-	65,894
Loans Receivable	11,137,705	-	11,137,705
Fixed Assets, Net	-	43,371	43,371
Other Assets	-	66,074	66,074
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 21,171,774</u>	<u>\$ 62,178,576</u>	<u>\$ 82,516,387</u>
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ -	\$ 2,028	\$ 2,028
Accrued Liability	-	32,993	32,993
Investments Payable	-	53,460,049	52,626,086
Participation Accounts	19,373,480	-	19,373,480
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>19,373,480</u>	<u>53,495,070</u>	<u>72,034,587</u>
Net Assets			
Without Donor Restrictions	1,798,294	2,407,917	4,206,211
With Donor Restrictions	-	6,275,589	6,275,589
	<u> </u>	<u> </u>	<u> </u>
Total Net Assets	<u>1,798,294</u>	<u>8,683,506</u>	<u>10,481,800</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 21,171,774</u>	<u>\$ 62,178,576</u>	<u>\$ 82,516,387</u>