



July 12, 2017

Dear Partners in Ministry,

Enclosed is the 2017 2nd quarter statement for your account(s) at the United Methodist Foundation of Northern Illinois. Net of all fees, the returns of the three fund models are:

	2 nd Qtr 2017	Year to Date	Last 1 Year [†]	Last 3 Years [†]	Last 5 Years [†]	Inception to Date [†]
Aggressive Fund	2.70%	7.70%	15.75%	3.36%	7.84%	4.43%
benchmark*	3.85%	10.10%	15.92%	4.48%	9.45%	5.38%
Moderate Fund	2.12%	5.69%	10.88%	2.40%	6.08%	4.61%
benchmark*	3.14%	7.80%	11.14%	3.90%	7.52%	4.87%
Conservative Fund	1.58%	3.99%	5.97%	1.70%	4.23%	4.84%
benchmark*	2.44%	5.49%	6.37%	3.31%	4.61%	4.62%

*"Benchmark" is a blend of benchmarks per each portfolio component. †Rates of return (1+ years) are annualized. Inception dates are: Aggressive Fund: 7/30/08; Moderate Fund: 6/29/08; Conservative Fund: 7/1/08

Market Commentary from Investnet | PMC

Writing for Investnet's "Economic and Market Overview: Second Quarter 2017," Brandon Thomas, Chief Investment Officer, wrote in the concluding "Outlook" section:

"The US economic expansion is now eight years old, and is the third-longest on record, trailing only the expansions of the 1960s and 1990s. Because of the economy's currently stable underlying fundamentals and the lack of apparent speculative excesses, many economists believe that the prospects are good that the current expansion will eventually surpass the others in terms of duration."

Those are encouraging words. Mr. Thomas continues:

"However, a growing chorus of analysts cautions that with volatility near historic lows and valuations higher than long-term averages (although certainly not at bubble-like levels), the risk of an as-yet-undetermined event causing disruption in the market is not insignificant."¹

Markets are forward looking, but no one economist or group of economists can predict the future. The past, however, can provide some analogue to the future. The average annualized rate of return for the S&P 500 over the past 90 years was 9.8%. Writing about average annual returns of the S&P 500 in 40-year and 15-year periods, financial educator Paul Merriman observed in 2015, "About six of every 10 of these 15-year periods [1928-2014] produced returns over 10%."²



A prediction that over the long-haul stocks will be good investments has more certainty than any prediction about what may happen in the markets in the relatively short-term future.

Encouragement for the Body of Christ

“So the sun stood motionless in the middle of the sky. For a whole day, it was in no hurry to go down. There hasn’t been a day like it before or since, when the Lord responded to a human voice.” - Joshua 10:13-14 (CEB)

According to some Israeli scientists this passage in the Bible is a direct reference to a solar eclipse that happened on October 30, 1207 BCE.

On Monday, August 21, the lower 48 states of the U.S.A. will be bisected by a total solar eclipse. The last total solar eclipse to cross the U.S.A. occurred over the northwestern states in 1979. The approximately 70-mile wide shadow of the moon will begin crossing the country between Portland and Eugene, Oregon, and then exit into the Atlantic Ocean near Charleston, South Carolina. The shadow of totality will move through southern Illinois at about 1:20 pm and last for about two and half minutes. People will be able to see the moon cross in front of the sun from many hundreds of miles away from the path of totality. For more information, visit eclipse2017.nasa.gov to read about the dangers of looking directly at the sun and how to plan for your experience of this unique event. Another total eclipse will happen in the U.S.A. in 2024!

The physical phenomenon of the solar eclipse is predictable with a high degree of mathematical precision. What is much less predictable is the weather on August 21. Solar eclipse chasers will fret about the weather conditions until 2-3 three days before the eclipse when forecasts will become more reliable.

A similar phenomenon exists in investing. Prudent investors invest for the long-haul, relying on tried and true methods of broad diversification and disciplined asset allocation to grow assets. However, adverse market “weather” in the short-term can cause anxiety and precipitate clouded decision-making. **See beyond the clouds, whenever they may come, and trust the “Son” is still there, shining his light through you. Amen.**

If you have any questions or request any assistance that we may be able to provide, please contact me.

Respectfully,



Rev. Chris Walters

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1 <http://www.investpmc.com/insights/commentaries/economic-and-market-overview-second-quarter-2017>

2 <http://www.marketwatch.com/story/understanding-performance-the-sp-500-in-2015-02-18>

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