

September 2023



# Investment Intelligence

*the Eder Way*

## U.S. Downgrade

Fitch's downgrade of U.S. debt on August 5 rippled through global financial markets. The decision to lower the credit rating of the United States from its AAA status to a lower grade had immediate and far-reaching consequences. Interest rates in the U.S. surged, affecting borrowing costs for the government, businesses, and consumers. This increased the burden on an already strained economy. Secondly, the downgrade prompted uncertainty in international markets, with investors reconsidering the safety of U.S. investments. This led to fluctuations in exchange rates and foreign investments. Fitch's decision underscored the need for the U.S. to address its fiscal challenges and could have lasting repercussions on the nation's economic stability and global financial dynamics.

To learn more about what this means for you and your investments please contact me at [oi@eder.org](mailto:oi@eder.org).

*Daniel Radcliff*

Director  
Organizational Investing  
& Deferred Gifts



## Ensuring a smooth transition

Managing the transition of church officers can be difficult because church leaders are generally volunteers and sometimes, they need training before taking on a new responsibility. "It is easy when someone has done something for a long time to think that it will be hard for the next person to step in. One of my goals is to make sure that person knows this is a doable thing," said LeAnn Harnist, treasurer of Highland Avenue Church of the Brethren in Elgin, Ill., as she prepares to handover responsibilities she has carried for 10 years. LeAnn is a finance professional who served on the staff of the Church of the Brethren Inc.; for three years she was treasurer and CFO. So, she has given careful thought to succession planning. Take note of the following process LeAnn recommends below to help ease church treasurer transitions. With these steps under your belt, you can keep church treasurer operations running with little to no interruption.

Explain the two main functions of the church treasurer: Oversight of the congregation's finances and keeping the church's books.

Shadow the outgoing treasurer, eventually moving into role with the exiting treasurer remaining as needed for guidance.

Provide a folder with all the reports and a list of the financial accounts and systems the new treasurer will need access to.

Provide a detailed explanation of the budgeting cycle, how information flows, and how the congregation makes decisions.

Explain the bookkeeping system, detailing the congregation's investments and how to handle them.

Orient the new treasurer on working with the Financial Stewardship Team and the church board.

## Fuel your mission with grant power

From 2020 to 2021, 43% of ministries and churches experienced a decline in cash giving ([Lifeway Research](#)). In 2022, foundations granted a staggering \$105.21 billion ([IU Lilly Family School of Philanthropy News](#)). If you want to explore foundation grants as a way to support your organization's ministries, but don't know where to start, we've got you covered.

First, identify foundations that resonate with your mission. A particularly useful web-tool is the website, [grantwatch.com](https://grantwatch.com), that updates new grants daily. Notable supporters of faith-based organizations include the Mustard Seed Foundation, the Fetzer Institute, the Templeton Foundation, the E. Rhodes and Leona B. Carpenter Foundation, and the Lilly Endowment, which offers national and state (Indiana) clergy renewal programs. In addition to private or family foundations, community foundations and corporate foundations often partner and support faith-based institutions locally.

Once you've researched the foundations that align with your mission, start crafting a compelling proposal; tailor it to each foundation's priorities and showcase your organization's impact. Personal connections matter: attend events, workshops, and network to establish relationships with foundation representatives in your community. Additionally, don't be afraid to reach out directly to express interest and seek guidance. Finally, remember to adhere to application guidelines and deadlines meticulously. When you embrace the potential of foundation grants, you reveal a fresh avenue to accomplishing the mission of your ministry. If you have questions about how to unlock the potential of foundation grants, reach out to the Eder organizational investing team at [oi@eder.org](mailto:oi@eder.org).

Contact Dan Radcliff, director of Organizational Investing, with questions or comments.  
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# Eder Financial

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## ORGANIZATIONAL INVESTING FUND PERFORMANCE REPORT

For the period ending August 31, 2023. EOII Funds net investment fees. Benchmarks gross investment fees. All returns greater than one year are annualized.

For the period ending August 31, 2023	Current Month	3 Months	1 Year	3 Years	5 Years	10 Years
<b>SHORT TERM</b>	%	%	%	%	%	%
Short-Term Fund	0.5	1.4	3.8	1.1	1.4	1.0
<i>ICE BofA 6-Month Treasury Bill Index</i>	0.4	1.4	4.3	1.5	1.8	1.2
<b>COMMUNITY DEVELOPMENT</b>	%	%	%	%	%	%
Community Development Investment Fund <sup>1</sup>	0.0	0.1	0.2	-0.8	0.3	1.0
<i>No Benchmark</i>	—	—	—	—	—	—
<b>FIXED INCOME</b>	%	%	%	%	%	%
Bond Fund	-0.4	-0.5	-0.4	-4.4	1.0	1.9
<i>Bloomberg U.S. Government/Credit Bond Index</i>	-0.6	-1.0	-0.9	-4.6	0.8	1.6
Treasury Inflation-Protected Securities Fund <sup>2</sup>	-0.9	-1.1	-4.8	-1.5	2.2	2.0
<i>Bloomberg U.S. Treasury Inflation-Linked Bond Index</i>	-0.9	-1.1	-3.7	-1.5	2.3	2.1
Bank Loans Fund <sup>3</sup>	1.3	4.2	8.3	5.1	3.5	—
<i>S&amp;P/LSTA U.S. Leveraged Loan 100 Index</i>	1.2	5.0	10.0	5.1	4.2	—
High Yield Bond Fund <sup>4</sup>	0.4	2.8	7.4	2.8	3.8	4.6
<i>Bloomberg U.S. Corporate High Yield Bond Index</i>	0.3	3.4	7.2	1.8	3.3	4.5
Global Aggregate Fixed Income Fund <sup>5,6</sup>	—	—	—	—	—	—
<i>Bloomberg Global Aggregate Index</i>	—	—	—	—	—	—
<b>DOMESTIC EQUITY</b>	%	%	%	%	%	%
Domestic Stock Value Fund	-1.5	8.3	—	—	—	—
<i>Russell 1000 Value Index</i>	-2.7	7.4	—	—	—	—
Domestic Stock Large Cap Core Index Fund <sup>7</sup>	-1.5	8.3	17.3	10.9	11.4	—
<i>S&amp;P 500 Index</i>	-1.6	8.3	15.9	10.5	11.1	—
Domestic Stock Mid Cap Fund	-1.8	9.2	12.6	11.7	7.1	8.3
<i>Russell Midcap Index</i>	-3.5	8.7	8.4	9.2	7.3	10.0
Domestic Stock Growth Fund	-0.8	6.8	19.6	7.6	10.0	11.9
<i>Russell 1000 Growth Index</i>	-0.9	9.4	21.9	8.3	13.8	15.6
Domestic Stock Fund	-2.1	7.0	12.2	8.7	8.6	9.6
<i>S&amp;P 500 Index</i>	-1.6	8.3	15.9	10.5	11.1	12.8
Small Cap Fund	-0.4	13.7	22.1	14.2	12.7	15.5
<i>Russell 2000 Index</i>	-5.0	9.0	4.7	8.1	3.1	8.0
<b>INTERNATIONAL EQUITY</b>	%	%	%	%	%	%
International Stock Core Fund	-5.2	-1.1	12.5	-0.1	2.5	4.0
<i>MSCI EAFE Index</i>	-3.8	3.8	17.9	6.1	4.1	4.9
Emerging Markets Stock Fund <sup>8</sup>	-0.9	0.6	7.7	1.4	-1.2	1.9
<i>MSCI Emerging Markets Index</i>	-6.2	3.5	1.3	-1.4	1.0	3.0
<b>ALTERNATIVE INVESTMENTS</b>	%	%	%	%	%	%
Commodities-Based Fund <sup>9</sup>	-0.7	8.8	-12.9	15.5	8.2	-0.6
<i>Bloomberg Commodity Total Return Index</i>	-0.8	9.7	-8.7	15.2	6.7	-0.9
Public Real Estate Fund <sup>10</sup>	-2.2	3.0	-3.2	0.2	0.4	2.8
<i>S&amp;P Developed Property Index</i>	-3.0	4.1	-4.0	2.5	0.9	4.5
Multi-Strategy Hedge Fund <sup>11</sup>	—	—	—	—	—	—
Global Inflation Protection Fund <sup>12</sup>	-1.6	2.6	2.6	5.5	4.7	—
<i>Bloomberg U.S. TIPS 1-10 Year Index + 2%</i>	-0.3	0.0	-0.1	2.2	4.7	—
<b>EQUITY AND FIXED INCOME</b>	%	%	%	%	%	%
Balanced Fund	-1.4	3.9	7.1	3.5	6.0	6.8
<i>Blended Balanced Index <sup>13</sup></i>	-1.2	4.5	9.2	4.5	7.2	8.5
<b>TACTICAL FUNDS (ADDITIONAL FEES APPLY)</b>	%	%	%	%	%	%
Conservative Fund <sup>14</sup>	—	—	—	—	—	—
<i>Blended Conservative Index <sup>15</sup></i>	—	—	—	—	—	—
Income Fund <sup>16</sup>	-1.3	1.4	4.7	-0.3	3.2	—
<i>Blended Income Index <sup>17</sup></i>	-1.4	2.2	5.1	0.3	3.8	—
EVI Income Fund	-1.3	1.4	5.0	0.0	—	—
<i>Blended EVI Income Index <sup>18</sup></i>	-1.4	2.2	5.1	0.5	—	—
Income & Growth Fund <sup>19</sup>	-1.4	2.7	7.2	2.4	4.5	—
<i>Blended Income &amp; Growth Index <sup>20</sup></i>	-1.7	3.5	7.3	2.4	5.0	—
EVI Income & Growth Fund	-1.6	2.7	7.7	2.2	4.8	—
<i>Blended SRI Income &amp; Growth Index <sup>21</sup></i>	-1.7	3.5	7.3	2.4	5.0	—
Growth Fund <sup>22</sup>	-1.7	3.7	9.7	4.2	5.3	—
<i>Blended Growth Index <sup>23</sup></i>	-2.1	4.7	9.6	4.1	5.9	—
EVI Growth Fund	-1.9	3.7	10.2	4.2	6.1	—
<i>Blended SRI Growth Index <sup>24</sup></i>	-2.1	4.7	9.6	4.2	6.0	—
Aggressive Growth Fund <sup>25</sup>	-1.9	4.8	12.2	5.9	6.2	—
<i>Blended Aggressive Growth Index <sup>26</sup></i>	-2.4	5.9	11.8	5.7	6.8	—
EVI Aggressive Growth Fund	-2.2	4.8	12.8	6.1	—	—
<i>Blended SRI Aggressive Growth Index <sup>27</sup></i>	-2.4	5.9	11.8	6.1	—	—
<b>U.S. INFLATION</b>	%	%	%	%	%	%
<i>Consumer Price Index (July 2023) <sup>28</sup></i>	0.2	0.8	3.2	5.7	3.9	2.7

<sup>1</sup>CDIF interest accrues on a daily basis. <sup>2</sup>These investment funds may not meet Eder Values Investing guidelines because they are invested in mutual funds. All other investment funds must meet Eder Values Investing guidelines. <sup>3</sup>No assets invested in this fund. <sup>4</sup>Expected to match benchmark gross of fees. Typically, will not match benchmark net of fees and due to required cash position. <sup>5</sup>Weighted average of the S&P 500 Index (60 percent) and the Bloomberg Barclays U.S. Capital Government/Credit Bond Index (40 percent). <sup>6</sup>Changed January 1, 2021. 3-year, 5-year, and 10-year blended new with old benchmarks. <sup>7</sup>Most recent data available. CPI data are from the Consumer Price Index for All Urban Consumers. All items are not seasonally weighted.