

January 2023



# Investment Intelligence

*the Eder Way*



## Happy New Year!

The new year always has a certain feel to it that is unique from other holidays. The lingering smells and cheer of Christmas, an implicit hope for the future still yet an ember in the deep of winter. A time of comfort and merriment — of gathering our energies to propel forward into something new. Those first couple days as we get used to writing 2023, rather than 2022.

What a joy it is to embrace these moments and to feel balanced between reflection, restoration, and reignition. Let us continue in this new year to find wellness — wellness of spirit, of body, of community, and of purpose.

Wishing many happy blessings upon your ministries this year!

*Dan Radcliff*

Director of Organizational Investing



## The role of short-term and commodity-based funds in your portfolio



NASA's James Webb Space Telescope began sending photos back to Earth earlier this year, showing us views with unprecedented clarity. In some ways a telescope is like a time machine, capturing what was in existence millions or billions of years ago. Investment performance reports are also like a time machine — they can only tell us what has happened. They cannot predict future performance.

When viewing the 2022 year-end performance numbers, two uncommon heroes emerge: the Short-Term Fund and the Commodities-Based Fund. As these funds have outperformed other investment classes this year, some folks are tempted to chase the return, not realizing the level of risk. As a diversifier with small investment allocation, these funds may play an important part in an overall strategy, but neither should be considered core holdings.

Because we can't predict the future, investment decision makers should carefully weigh the potential risks and returns in these strategies before allocating significant resources there.

## Share the blessing



Saving Ethiopian forests and funding the print of a children's book—these are just two of the many ways Sonia and Larry Ewald have used their Eder Charitable Gift Fund.

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**“When we are blessed, it is incumbent on us to share the blessing.”**

- Sonia Ewald

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“There were funds left over from stock transfers and they became a Charitable Gift Fund! It was a fortuitous accident,” said Sonia. The Ewalds met Canopy Meg, an explorer of tree canopies, who was trying to save the forests that surrounded churches in Ethiopia. The Ewalds were inspired by the many pictures of Meg with children, and Sonia suggested she write a children's book — “Beza, Who Saved the Forests of Ethiopia, One Church at a Time.” It was published both in English and Amharic and has been given to hundreds of Ethiopian children.

Further, the fund has enabled the Ewalds to support Disaster Ministries, a retirement community, food for Ukraine, their local church, Global Ministries, and Heifer International. Sonia said, “In addition to a tax advantage, we can make anonymous contributions, and there is a larger personal benefit.”

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| For the period ending December 31, 2022                              | Current Month | 3 Months | 1 Year | 3 Years | 5 Years | 10 Years |
|--|---------------|----------|--------|---------|---------|----------|
| <b>SHORT TERM</b>  |               |          |        |         |         |          |
| Short-Term Fund  | 0.3           | 0.7      | 0.4    | 0.3     | 0.9     | 0.7      |
| <i>ICE BofA 6-Month Treasury Bill Index</i>                          | 0.4           | 1.0      | 1.3    | 0.8     | 1.4     | 0.9      |
| <b>COMMUNITY DEVELOPMENT</b>   |               |          |        |         |         |          |
| Community Development Investment Fund <sup>1</sup>                   | 0.3           | 0.4      | -5.2   | -0.8    | 0.3     | 1.0      |
| <i>No Benchmark</i>  | —             | —        | —      | —       | —       | —        |
| <b>FIXED INCOME</b>  |               |          |        |         |         |          |
| Bond Core Fund   | 0.0           | 1.8      | -13.4  | -2.5    | 0.3     | 1.3      |
| <i>Bloomberg U.S. Government/Credit Bond Index</i>                   | -0.5          | 1.8      | -13.6  | -2.6    | 0.2     | 1.2      |
| Bond Fund  | 0.1           | 1.8      | -14.1  | -2.7    | 0.2     | 1.3      |
| <i>Bloomberg U.S. Government/Credit Bond Index</i>                   | -0.5          | 1.8      | -13.6  | -2.6    | 0.2     | 1.2      |
| Treasury Inflation-Protected Securities Fund <sup>2</sup>            | 0.4           | 1.5      | -11.7  | 1.2     | 2.1     | 1.0      |
| <i>Bloomberg U.S. Treasury Inflation-Linked Bond Index</i>           | -1.0          | 2.0      | -11.8  | 1.2     | 2.1     | 1.1      |
| Bank Loans Fund <sup>2</sup>   | 0.1           | 2.5      | -2.4   | 1.7     | 2.6     | —        |
| <i>S&amp;P/LSTA U.S. Leveraged Loan 100 Index</i>                    | 0.5           | 3.8      | -0.6   | 1.9     | 3.1     | —        |
| High Yield Bond Fund <sup>2</sup>                                    | -0.2          | 5.2      | -8.3   | 1.4     | 2.6     | 4.3      |
| <i>Bloomberg U.S. Corporate High Yield Bond Index</i>                | -0.6          | 4.2      | -11.2  | 0.0     | 2.3     | 4.0      |
| Global Aggregate Fixed Income Fund <sup>2,3</sup>                    | —             | —        | —      | —       | —       | —        |
| <i>Bloomberg Global Aggregate Index</i>                              | —             | —        | —      | —       | —       | —        |
| <b>DOMESTIC EQUITY</b>   |               |          |        |         |         |          |
| Domestic Stock Large Cap Value Fund                                  | —             | —        | —      | —       | —       | —        |
| <i>Russell 1000 Value Fund</i>                                       | —             | —        | —      | —       | —       | —        |
| Domestic Stock Large Cap Core Index Fund <sup>4</sup>                | -5.8          | 7.1      | -18.3  | 7.6     | 9.4     | —        |
| <i>S&amp;P 500 Index</i>   | -5.8          | 7.6      | -18.1  | 7.7     | 9.4     | —        |
| Domestic Stock Mid Cap Fund  | -4.2          | 12.5     | -10.1  | 7.0     | 4.9     | 9.3      |
| <i>Russell Midcap Index</i>  | -5.4          | 9.2      | -17.3  | 5.9     | 7.1     | 11.0     |
| Domestic Stock Growth Fund   | -6.4          | 5.4      | -26.3  | 6.1     | 8.6     | 11.0     |
| <i>Russell 1000 Growth Fund</i>                                      | -7.7          | 2.2      | -29.1  | 7.8     | 11.0    | 14.1     |
| Domestic Stock Fund  | -5.0          | 9.0      | -17.7  | 7.3     | 7.7     | 10.0     |
| <i>S&amp;P 500 Index</i>   | -5.8          | 7.6      | -18.1  | 7.7     | 9.4     | 12.6     |
| Small Cap Fund   | -5.9          | 7.3      | -10.6  | 9.3     | 12.2    | 14.8     |
| <i>Russell 2000 Index</i>  | -6.5          | 6.2      | -20.4  | 3.1     | 4.1     | 9.0      |
| <b>INTERNATIONAL EQUITY</b>  |               |          |        |         |         |          |
| International Stock Core Fund  | -1.6          | 16.7     | -21.3  | -1.1    | 1.0     | 4.1      |
| <i>MSCI EAFE Index</i>   | 0.1           | 17.3     | -14.5  | 0.9     | 1.5     | 4.7      |
| Emerging Markets Stock Fund <sup>2</sup>                             | 1.5           | 10.6     | -19.1  | -5.0    | -3.6    | 0.0      |
| <i>MSCI Emerging Markets Index</i>                                   | -1.4          | 9.7      | -20.1  | -2.7    | -1.4    | 1.4      |
| <b>ALTERNATIVE INVESTMENTS</b>                                       |               |          |        |         |         |          |
| Commodities-Based Fund <sup>2</sup>                                  | -1.4          | 1.5      | 7.9    | 14.7    | 7.9     | -1.6     |
| <i>Bloomberg Commodity Total Return Index</i>                        | -2.4          | 2.2      | 16.1   | 12.7    | 6.4     | -1.3     |
| Public Real Estate Fund <sup>2</sup>                                 | -1.1          | 7.2      | -26.5  | -4.2    | -0.4    | 2.2      |
| <i>S&amp;P Developed Property Index</i>                              | -2.7          | 7.3      | -24.3  | -3.5    | 0.7     | 4.3      |
| Multi-Strategy Hedge Fund <sup>2,3</sup>                             | —             | —        | —      | —       | —       | —        |
| <i>60% S&amp;P 500 Index/40% Bloomberg U.S. Aggregate Bond Index</i> | —             | —        | —      | —       | —       | —        |
| Global Inflation Protection Fund <sup>2</sup>                        | -0.2          | 7.5      | -11.4  | 4.0     | 3.4     | —        |
| <i>Bloomberg U.S. TIPS 1-10 Year Index + 2%</i>                      | -0.5          | 2.1      | -5.5   | 4.0     | 4.5     | —        |
| <b>EQUITY AND FIXED INCOME</b>                                       |               |          |        |         |         |          |
| Balanced Fund  | -3.1          | 6.1      | -16.1  | 3.9     | 5.2     | 6.8      |
| <i>Blended Balanced Index <sup>5</sup></i>                           | -3.6          | 5.4      | -16.0  | 3.9     | 6.0     | 8.1      |
| <b>TACTICAL FUNDS (ADDITIONAL FEES APPLY)</b>                        |               |          |        |         |         |          |
| Conservative Fund <sup>2,3</sup>                                     | —             | —        | —      | —       | —       | —        |
| <i>Blended Conservative Index <sup>6</sup></i>                       | —             | —        | —      | —       | —       | —        |
| Income Fund <sup>2</sup>   | -1.5          | 4.9      | -15.1  | 0.0     | 2.1     | —        |
| <i>Blended Income Index <sup>6</sup></i>                             | -2.0          | 4.9      | -15.2  | 0.5     | 2.5     | —        |
| EVI Income Fund  | -1.5          | 4.9      | -15.5  | 0.3     | —       | —        |
| <i>Blended SRI Income Index <sup>6</sup></i>                         | -2.0          | 4.9      | -15.2  | 0.6     | —       | —        |
| Income & Growth Fund <sup>2</sup>                                    | -2.1          | 5.9      | -15.5  | 1.6     | 3.2     | —        |
| <i>Blended Income &amp; Growth Index <sup>6</sup></i>                | -2.6          | 6.0      | -15.9  | 1.7     | 3.5     | —        |
| EVI Income & Growth Fund   | -2.2          | 6.1      | -15.9  | 1.6     | 3.5     | —        |
| <i>Blended SRI Income &amp; Growth Index <sup>6</sup></i>            | -2.6          | 6.0      | -15.9  | 1.7     | 3.5     | —        |
| Growth Fund <sup>2</sup>   | -2.7          | 7.1      | -16.3  | 2.4     | 3.6     | —        |
| <i>Blended Growth Index <sup>6</sup></i>                             | -3.2          | 7.1      | -16.6  | 2.6     | 4.2     | —        |
| EVI Growth Fund  | -2.9          | 7.4      | -16.4  | 3.0     | 4.5     | —        |
| <i>Blended SRI Growth Index <sup>6</sup></i>                         | -3.2          | 7.1      | -16.6  | 2.7     | 4.2     | —        |
| Aggressive Growth Fund <sup>2</sup>                                  | -3.4          | 8.3      | -17.1  | 3.2     | 4.1     | —        |
| <i>Blended Aggressive Growth Index <sup>6</sup></i>                  | -3.8          | 8.2      | -17.3  | 3.5     | 4.7     | —        |
| EVI Aggressive Growth Fund   | -3.6          | 8.7      | -16.9  | 4.0     | —       | —        |
| <i>Blended SRI Aggressive Growth Index <sup>6</sup></i>              | -3.8          | 8.2      | -17.3  | 3.7     | —       | —        |
| <b>U.S INFLATION</b>   |               |          |        |         |         |          |
| <i>Consumer Price Index (November 2022) <sup>7</sup></i>             | -0.1          | 0.5      | 7.1    | 5.0     | 3.8     | 2.6      |

<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.