

July 2022



Investment Intelligence

the Eder Way

A new look and new name!

Formerly known as *Investment Perspective*, our monthly newsletter has been reimagined, as we have transitioned from Brethren Benefit Trust to Eder Financial. Still featuring current, practical news and updates, we now bring it to you in “The Eder Way” under our new name — *Investment Intelligence*.



QR code will be active when our new Eder Financial website launches July 13.



What is a Cryptocurrency to the Organizational Investor?

Cryptocurrencies, or crypto, are digital currencies that are used as a medium of exchange using DeFi, or Decentralized Finance. Transactions occur on a blockchain, which is a digitally distributed public ledger. Because many copies of this decentralized ledger exist, security is achieved via consensus; if an entry is changed the majority of ledgers will not reflect the change, so the change is rejected.

Transactions are typically processed via third party computing systems. These crypto mining farms can be sophisticated operations requiring powerful graphics cards and cooling systems. Miners add the next block to the blockchain and earn rewards (often the crypto they are processing transactions for). All of this energy adds up quickly: the average Bitcoin transaction uses as much energy as 59 days worth of power for the average US household.

Some other examples of cryptos include Dogecoin, Ether, Ripple, and Terra, though there are thousands more. As businesses, celebrities, and national governments more commonly embrace the buying, selling, and trading of these items, what does this mean for the institutional investor?

Crypto is still an emerging technology that lacks strong consumer disclosures or protections, and buyers should beware that hacks, scams, and collapses come with the territory. Another concern is that cryptocurrency appears to be a solution in search of a problem. Crypto is more akin to traditional currencies than stocks or bonds. Cash/Crypto positions are not considered growth products for the prudent long-term investor, and currently serve solely as an exercise in speculation.

Because of the risks and speculative nature without standardized industry safeguards, Eder Financial has no intention of offering crypto currency as an investment option. ■



1. What do interest rates mean for bond market performance?
2. Why have short term assets taken on increased significance?
3. What does reinvestment of securities have to do with interest rates?

For answers to these questions you can read our interview with Britt Cesarone, President and CEO of Ponder Investment Co. (Eder Financial's Short-Term Fund investment manager). To get Britt's thoughts on bond markets during the remainder of 2022, Click or scan the QR code.

Please contact Dan Radcliff if you have questions or comments.
• 888-311-6530 • Fax 847-960-5712 • ederfinancial.org



Eder Financial

BOLD. BALANCED. TRUSTED.

ederfinancial.org

For the period ending June 30, 2022	Current Month	3 Months	1 Year	3 Years	5 Years	10 Years
SHORT TERM						
Short-Term Fund	0.0	0.0	-0.5	0.4	0.9	0.7
<i>ICE BofA 6-Month Treasury Bill Index</i>	-0.1	0.1	0.0	0.8	1.2	0.8
COMMUNITY DEVELOPMENT						
Community Development Investment Fund ¹	-0.9	-1.7	-4.2	-0.1	0.6	1.2
<i>No Benchmark</i>	—	—	—	—	—	—
FIXED INCOME						
Bond Core Fund	-1.5	-5.2	-11.1	-0.8	1.1	1.9
<i>Bloomberg U.S. Government/Credit Bond Index</i>	-1.6	-5.0	-10.9	-0.8	1.0	1.7
Bond Fund	-1.5	-5.4	-11.7	-0.9	1.1	2.0
<i>Bloomberg U.S. Government/Credit Bond Index</i>	-1.6	-5.0	-10.9	-0.8	1.0	1.7
Treasury Inflation-Protected Securities Fund ²	-3.4	-6.1	-4.7	3.1	3.1	1.7
<i>Bloomberg U.S. Treasury Inflation-Linked Bond Index</i>	-3.2	-6.1	-5.1	3.0	3.2	1.7
Bank Loans Fund ³	-2.0	-4.6	-3.8	1.4	—	—
<i>S&P/LSTA U.S. Leveraged Loan 100 Index</i>	-2.8	-5.3	-4.2	1.4	—	—
High Yield Bond Fund ²	-5.9	-8.7	-10.4	1.2	2.5	4.7
<i>Bloomberg U.S. Corporate High Yield Bond Index</i>	-6.7	-9.8	-12.8	0.2	2.1	4.5
Global Aggregate Fixed Income Fund ^{2,3}	—	—	—	—	—	—
<i>Bloomberg Global Aggregate Index</i>	—	—	—	—	—	—
DOMESTIC EQUITY						
Domestic Stock Large Cap Core Index Fund ⁴	-8.2	-16.0	-10.5	10.6	11.3	—
<i>S&P 500 Index</i>	-8.3	-16.1	-10.6	10.6	11.3	—
Domestic Stock Mid Cap Fund	-7.6	-12.9	-7.0	6.9	5.0	10.1
<i>Russell Midcap Index</i>	-10.0	-16.8	-17.3	6.6	8.0	11.3
Domestic Stock Growth Fund	-7.1	-18.8	-17.8	10.3	11.0	11.8
<i>Russell 1000 Growth Fund</i>	-7.9	-20.9	-18.8	12.6	14.3	14.8
Domestic Stock Fund	-7.6	-15.9	-11.8	9.2	8.9	10.7
<i>S&P 500 Index</i>	-8.3	-16.1	-10.6	10.6	11.3	13.0
Small Cap Fund	-3.8	-6.9	-9.4	10.2	15.1	14.6
<i>Russell 2000 Index</i>	-8.2	-17.2	-25.2	4.2	5.2	9.4
INTERNATIONAL EQUITY						
International Stock Core Fund	-8.1	-14.3	-25.1	0.3	1.7	4.7
<i>MSCI EAFE Index</i>	-9.3	-14.5	-17.8	1.1	2.2	5.4
Emerging Markets Stock Fund ⁵	-3.9	-11.0	-26.2	-3.6	-0.6	1.9
<i>MSCI Emerging Markets Index</i>	-6.6	-11.4	-25.3	0.6	2.2	3.1
ALTERNATIVE INVESTMENTS						
Commodities-Based Fund ⁶	-10.4	-5.3	29.8	19.9	11.9	0.3
<i>Bloomberg Commodity Total Return Index</i>	-10.8	-5.7	24.0	14.3	8.4	-0.8
Public Real Estate Fund ⁷	-8.7	-17.9	-15.4	0.0	2.1	4.0
<i>S&P Developed Property Index</i>	-8.5	-17.2	-12.8	0.4	3.0	6.0
Multi-Strategy Hedge Fund ^{2,3}	—	—	—	—	—	—
<i>60% S&P 500 Index/40% Bloomberg U.S. Aggregate Bond Index</i>	—	—	—	—	—	—
Global Inflation Protection Fund ⁸	-6.8	-10.3	-9.4	4.6	4.5	—
<i>Bloomberg U.S. TIPS 1-10 Year Index + 2%</i>	-2.3	-2.9	-0.1	5.4	5.3	—
EQUITY AND FIXED INCOME						
Balanced Fund	-5.1	-11.7	-11.5	5.8	6.3	7.5
<i>Blended Balanced Index ⁹</i>	-5.6	-11.8	-10.5	6.3	7.4	8.6
TACTICAL FUNDS (ADDITIONAL FEES APPLY)						
Conservative Fund ^{2,3}	—	—	—	—	—	—
<i>Blended Conservative Index ⁹</i>	—	—	—	—	—	—
Income Fund ²	-4.1	-8.8	-12.4	1.8	3.1	—
<i>Blended Income Index ⁹</i>	-4.3	-9.4	-12.6	2.3	3.6	—
EVI Income Fund	-4.0	-8.9	-12.9	2.3	—	—
<i>Blended SRI Income Index ⁹</i>	-4.3	-9.4	-12.6	2.5	—	—
Income & Growth Fund ²	-4.8	-9.8	-12.8	3.4	4.5	—
<i>Blended Income & Growth Index ⁹</i>	-5.4	-11.1	-13.2	3.7	4.8	—
EVI Income & Growth Fund	-4.9	-10.0	-13.2	3.5	4.6	—
<i>Blended SRI Income & Growth Index ⁹</i>	-5.4	-11.1	-13.2	3.6	4.8	—
Growth Fund ²	-5.6	-11.2	-13.4	4.0	5.1	—
<i>Blended Growth Index ⁹</i>	-6.4	-12.6	-14.0	4.5	5.5	—
EVI Growth Fund	-5.8	-11.4	-13.5	4.9	5.8	—
<i>Blended SRI Growth Index ⁹</i>	-6.4	-12.6	-14.0	4.7	5.6	—
Aggressive Growth Fund ²	-6.5	-12.7	-14.1	4.6	5.5	—
<i>Blended Aggressive Growth Index ⁹</i>	-7.4	-14.3	-14.7	5.2	6.1	—
EVI Aggressive Growth Fund	-6.8	-12.8	-13.9	6.0	—	—
<i>Blended SRI Aggressive Growth Index ⁹</i>	-7.4	-14.3	-14.7	5.7	—	—
U.S. INFLATION						
<i>Consumer Price Index (May 2022) ⁷</i>	1.1	3.0	8.6	4.5	3.6	2.4

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