

November 2022



# Investment Intelligence

*the Eder Way*

At a time when our financial networks have become progressively decentralized, our sources of financial education have as well. Social media “influencers” increasingly compete with traditional experts to provide financial advice. Alas, if only everything we saw on the Internet were true! But it is not, and one must assess the information source for accuracy and motive.

This phenomenon highlights the importance of resiliency planning and mentorship. The most successful organizations of tomorrow have taken steps today to provide responsibility, clear expectations, and counsel to the next generation of leadership. This dual benefit provides valuable experience to the protégé while also offering a wealth of knowledge and expertise — yours!

As Sir Isaac Newton observed, “If I have seen further, it is by standing on the shoulders of giants.” May the future missions and ministries of your organization be blessed by the steps taken today.

*Dan Radcliff*



## Commodities and Inflation-Linked Bonds

Commodity markets remain at the epicenter of the challenges facing broader markets. That said, commodities may offer a potent hedge for inflation risks.

The opposing forces of slowing economies and continued supply constraints create significant uncertainty in the outlook for commodity prices. A precipitous drop in piped natural gas supplies has not only been a powerful catalyst to consumer inflation but has also passed through directly to other commodity markets. The upcoming sanctions on petroleum trade, inclusive of restrictions on shipping insurance, have the potential to force Russian supplies even lower.

Given the contribution of commodities to overall inflation and their influence on central bank policy, the case for using commodity exposures as a hedge for inflation risks has rarely been stronger.

We also continue to believe a modest allocation to longer-dated U.S. Treasury Inflation-Protected Securities (TIPS) may help hedge inflation at reasonable valuations. — *Commentary from PIMCO*

### Smart investing for a small congregation

“We have a longer-term perspective,” said Craig Stutzman, chair of the leadership team at Dranesville Church of the Brethren in Herndon, Virginia. “We hope that as fortunes rise and fortunes fall, the church will continue in a strong way and be undergirded for ministry.” The congregation invests its funds through Eder Organizational Investing, using the money to support its ongoing ministries.

One of their members is John Wagoner, senior writer, editor, and producer for AARP, and formerly an Eder Financial board member and financial columnist for *USA Today*. John helps allocate Dranesville’s funds, spreading their investments widely in Eder Financial’s large cap, small cap, emerging markets, and international stock funds, as well as short-term and community development funds. It is a much more sophisticated mix than that chosen by other congregations. Stutzman added, “It’s nice to know that the funds people give to Christ’s mission are invested in companies that don’t harm the environment and aren’t in the sin stocks of alcohol and arms manufacturing.”

### Fall Cleaning

Autumn is a common time for boards to discern their annual reorganization process. We encourage you to review the Authorized Individuals you have on file with Eder Financial. To update your records, please complete the [Authorization Form](#). We require pen-to-paper signatures from all parties who are authorized to initiate transactions. Authorization Forms must also be accompanied by a supporting

- document, such as board meeting minutes, directories, or corporate resolutions. Supporting documents must list the name of the organization as well as the name and title of the Authorizing Officer (Jane Doe, Treasurer, for example).
- We also encourage organizations to renew their Authorization Forms at least every six years as a matter of prudence. We welcome your questions, so please contact us if necessary.

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 October 31, 2022	Current Month	3 Months	1 Year	3 Years	5 Years	10 Years
<b>SHORT TERM</b>	%	%	%	%	%	%
Short-Term Fund	0.1	0.1	-0.3	0.2	0.8	0.7
ICE BofA 6-Month Treasury Bill Index	0.2	0.5	0.6	0.7	1.3	0.8
<b>COMMUNITY DEVELOPMENT</b>	%	%	%	%	%	%
Community Development Investment Fund <sup>1</sup>	-0.5	-3.2	-6.1	-1.0	0.1	1.0
No Benchmark	—	—	—	—	—	—
<b>FIXED INCOME</b>	%	%	%	%	%	%
Bond Core Fund	-1.5	-8.0	-16.3	-3.7	-0.3	1.0
Bloomberg U.S. Government/Credit Bond Index	-1.2	-7.7	-16.0	-3.6	-0.3	0.9
Bond Fund	-1.7	-8.8	-17.0	-3.9	-0.4	1.0
Bloomberg U.S. Government/Credit Bond Index	-1.2	-7.7	-16.0	-3.6	-0.3	0.9
Treasury Inflation-Protected Securities Fund <sup>2</sup>	0.8	-7.2	-11.3	1.3	2.1	1.0
Bloomberg U.S. Treasury Inflation-Linked Bond Index	1.2	-8.0	-11.5	1.1	2.2	1.0
Bank Loans Fund <sup>3</sup>	0.8	-0.5	-3.7	1.6	2.3	—
S&P/LSTA U.S. Leveraged Loan 100 Index	1.6	-0.1	-2.4	2.0	2.7	—
High Yield Bond Fund <sup>4</sup>	3.7	-1.2	-9.1	1.6	2.4	4.4
Bloomberg U.S. Corporate High Yield Bond Index	2.6	-3.7	-11.8	0.3	2.0	4.1
Global Aggregate Fixed Income Fund <sup>5,6</sup>	—	—	—	—	—	—
Bloomberg Global Aggregate Index	—	—	—	—	—	—
<b>DOMESTIC EQUITY</b>	%	%	%	%	%	%
Domestic Stock Large Cap Value Fund	—	—	—	—	—	—
Russell 1000 Value Fund	—	—	—	—	—	—
Domestic Stock Large Cap Core Index Fund <sup>4</sup>	7.9	-5.8	-14.5	10.2	10.4	—
S&P 500 Index	8.1	-5.9	-14.6	10.2	10.4	—
Domestic Stock Mid Cap Fund	9.2	-3.4	-7.9	7.9	4.4	9.6
Russell Midcap Index	8.9	-4.3	-17.2	7.8	7.9	11.4
Domestic Stock Growth Fund	5.9	-9.9	-24.3	8.5	9.5	11.2
Russell 1000 Growth Fund	5.8	-8.9	-24.6	11.7	12.6	14.7
Domestic Stock Fund	8.2	-4.1	-15.2	9.1	8.1	10.2
S&P 500 Index	8.1	-5.9	-14.6	10.2	10.4	12.8
Small Cap Fund	9.1	-2.2	-7.8	10.9	14.0	15.2
Russell 2000 Index	11.0	-1.7	-18.5	7.0	5.6	9.9
<b>INTERNATIONAL EQUITY</b>	%	%	%	%	%	%
International Stock Core Fund	5.0	-10.8	-31.4	-2.5	-0.8	3.5
MSCI EAFE Index	5.4	-9.0	-23.0	-1.3	-0.1	4.1
Emerging Markets Stock Fund <sup>7</sup>	-1.3	-12.1	-31.6	-6.9	-5.0	-0.5
MSCI Emerging Markets Index	-3.1	-14.1	-31.0	-4.4	-3.1	0.8
<b>ALTERNATIVE INVESTMENTS</b>	%	%	%	%	%	%
Commodities-Based Fund <sup>8</sup>	0.6	-10.7	2.7	15.8	7.9	-1.9
Bloomberg Commodity Total Return Index	2.0	-6.2	11.1	13.4	6.9	-1.6
Public Real Estate Fund <sup>9</sup>	3.5	-15.3	-27.8	-5.7	-0.1	2.3
S&P Developed Property Index	3.0	-15.5	-24.3	-4.9	0.8	4.4
Multi-Strategy Hedge Fund <sup>10,11</sup>	—	—	—	—	—	—
60% S&P 500 Index/40% Bloomberg U.S. Aggregate Bond Index	—	—	—	—	—	—
Global Inflation Protection Fund <sup>12</sup>	3.3	-6.2	-14.0	3.1	2.9	—
Bloomberg U.S. TIPS 1-10 Year Index + 2%	1.3	-5.8	-5.3	4.1	4.5	—
<b>EQUITY AND FIXED INCOME</b>	%	%	%	%	%	%
Balanced Fund	4.2	-5.9	-15.6	4.5	5.2	6.8
Blended Balanced Index <sup>13</sup>	4.4	-6.5	-14.9	4.9	6.4	8.1
<b>TACTICAL FUNDS (ADDITIONAL FEES APPLY)</b>	%	%	%	%	%	%
Conservative Fund <sup>14</sup>	—	—	—	—	—	—
Blended Conservative Index <sup>15</sup>	—	—	—	—	—	—
Income Fund <sup>16</sup>	1.4	-7.8	-17.5	-0.4	1.7	—
Blended Income Index <sup>17</sup>	1.9	-7.3	-17.0	0.2	2.3	—
EVI Income Fund	1.3	-8.2	-17.9	-0.1	—	—
Blended SRI Income Index <sup>18</sup>	1.9	-7.3	-17.0	0.4	—	—
Income & Growth Fund <sup>19</sup>	2.5	-7.6	-17.5	1.6	2.9	—
Blended Income & Growth Index <sup>20</sup>	3.1	-7.2	-17.4	1.9	3.4	—
EVI Income & Growth Fund	2.7	-7.8	-17.8	1.5	3.1	—
Blended SRI Income & Growth Index <sup>21</sup>	3.1	-7.2	-17.4	1.8	3.4	—
Growth Fund <sup>22</sup>	3.8	-7.4	-18.0	2.6	3.4	—
Blended Growth Index <sup>23</sup>	4.3	-7.1	-17.9	3.0	4.1	—
EVI Growth Fund	4.1	-7.5	-18.0	3.2	4.3	—
Blended SRI Growth Index <sup>24</sup>	4.3	-7.1	-17.9	3.2	4.2	—
Aggressive Growth Fund <sup>25</sup>	5.1	-7.3	-18.5	3.6	4.0	—
Blended Aggressive Growth Index <sup>26</sup>	5.5	-7.0	-18.4	4.1	4.8	—
EVI Aggressive Growth Fund	5.5	-7.1	-18.2	4.7	—	—
Blended SRI Aggressive Growth Index <sup>27</sup>	5.5	-7.0	-18.4	4.5	—	—
<b>U.S. INFLATION</b>	%	%	%	%	%	%
Consumer Price Index (September 2022) <sup>28</sup>	0.2	0.2	8.2	5.0	3.8	2.5

<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.