



INVESTOR UPDATE

Celebrating 20 Years



Endowment Model Payout Rate Announced

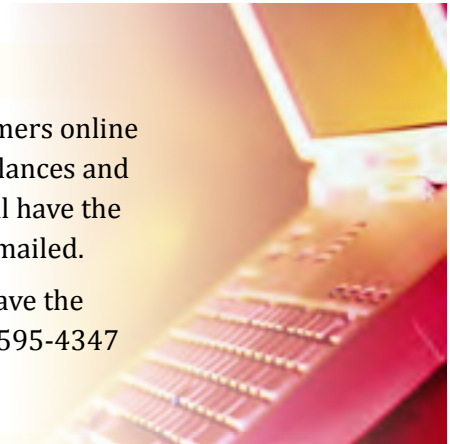
The Payout rate for the Endowment Model remains at 3.5% for 2012. The economic realities in Europe and the outlook for low interest rates for the foreseeable future raise concerns over maintaining the 3.5% payout rate. The Foundation's Investment Committee weighed lowering the payout rate versus the local church need for income. Because the payout rate is based on the market value of the

Endowment Portfolio averaged over a three year period (calculated quarterly), the Investment Committee agreed that the portfolio could sustain the 3.5% payout rate for another year.

Statements On-Line

Don't miss our newest feature! We now offer our customers online access of self-service options such as viewing monthly balances and transaction history as well as customized reports. You will have the added benefit of receiving your statement sooner than if mailed.

Take advantage of this powerful opportunity today! Have the primary contact person contact Pam DiMartino at 1-800-595-4347 X112 or email pamd@umfne.org.



Foundation Staff - Contact Information

Knowing which person you need to contact will expedite your call. You may dial an extension at any time during the automated message.

- Ext: 100 - Leanne Mentzer – new loans, general account information
- Ext: 101 - Judy Vining – account information, stock transfers, quarterly statements
- Ext: 102 - Chris McGuire – publications, newsletters, web site
- Ext: 103 - Gary Melville – planned giving, endowment policies, stewardship
- Ext: 104 - Jim Mentzer - president
- Ext: 105 - Doris Connors – accounts payable, existing loans
- Ext: 106 - Bonnie Marden – stewardship education & planned giving
- Ext: 107 - Dan Hussey - loan officer
- Ext: 112 - Pam DiMartino - trust accounting, Foundation finances & administration

2012 Trustee Resolutions

1. *Review current endowment funds and any restrictions associated with those funds.*

Church restricted funds can be changed and modified, whereas donor established funds (usually through a bequest or other gift instrument) are considered true endowments and have special rules in regard to making changes. Church Trustees and Permanent Endowment Fund Committees have a fiduciary responsibility to oversee these funds and any applicable restrictions.



2. *Match Church Funds objectives with investment vehicles.*

In years past, a church might have used bank CD's as the primary investment vehicle for their funds. In the old days of 6-7% CD's, this was a conservative option. However, current rates do not even cover inflation, which translates to a guaranteed loss of purchasing power for the church. This would be an excellent time to review your investment options with a Foundation representative.

3. *Project income and assess endowment funds sustainability for the future.*

It is not uncommon for churches to dip into their unrestricted funds to balance their budgets. Too often this seldom occurrence becomes a standing operating procedure. It is important to project income and confront the reality of a declining endowment balance. This decline may indeed be a symptom of a larger issue for the church and its future. *(The Foundation can provide a second set of eyes by providing a financial assessment of church assets.)*

4. *Connect Money to Mission.*

Tell the stories of how church assets are being used effectively in Mission. For example, if there is a campership fund, have the camper grant recipients report back on their camp experience. Educating and inviting people to participate in mission opportunities is key for church growth. Where there is mission happening, there is passion. People will leave a bequest to transform lives, not to turn on lights. ***Money follows Mission!***

