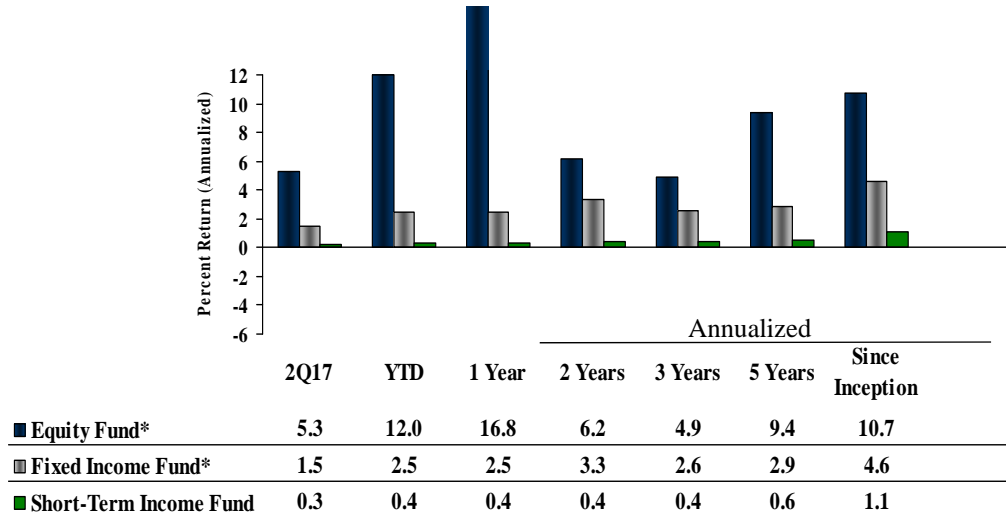


Performance – Period Ending 06/30/17



*Net of Fees returns presented are net of manager fees for separate account relationships, custody fees, and DMS fees.

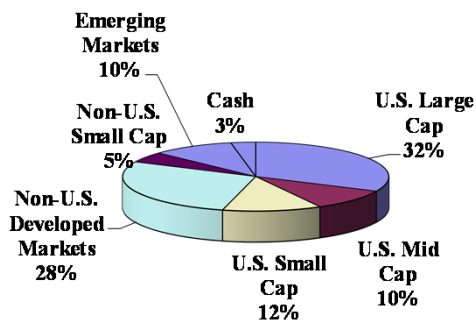
Equity Fund: This investment fund seeks growth through long-term capital appreciation in stocks. Where available, the underlying portfolios are screened under the Social Principles of The United Methodist Church. This fund consists of multiple well diversified equity strategies. Inception date is 01/26/09.

Fixed Income Fund: This investment fund seeks to provide as high a level of current income as is consistent with the preservation of capital. Where available, the underlying portfolios are screened under the Social Principles of The United Methodist Church. This fund consists of multiple well diversified fixed income strategies. Inception date is 01/12/09.

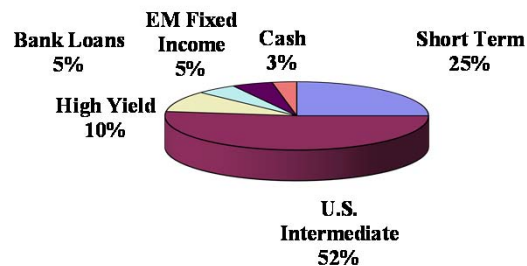
Short-Term Income Fund: This investment fund invests in U.S. Treasury obligations and/or jumbo certificates of deposit insured by the FDIC, with maturities of 36 months or less. Inception date is 01/01/09.

Fund Asset Allocation – Target Weights

Equity Fund



Fixed Income Fund



Asset Allocation Scenarios – Performance Ending 06/30/17

	Equity	Fixed Income	2Q17	1 Year	Annualized		Since Inception
					3 Year	5 Year	
Conservative*	30%	70%	2.6	6.7	3.2	4.8	6.4
Moderate*	60%	40%	3.8	11.0	3.9	6.8	8.3
Moderate/Aggressive*	70%	30%	4.1	12.5	4.2	7.4	8.9
Aggressive*	80%	20%	4.5	13.9	4.4	8.1	9.5

*Net of Fees returns presented are net of manager fees for separate account relationships, custody fees, and DMS fees.

Note: Scenario portfolio performance is calculated by taking the percentage of equity allocation multiplied by the Equity Fund return added to the percentage of fixed income allocation multiplied by the Fixed Income Fund return. Equity Fund since inception is 01/26/09. Fixed Income Fund since inception is 01/12/09.

Past performance does not guarantee future results.

Market Commentary

- The solid economy coupled with low volatility resulted in another good quarter for the markets. Despite the Federal Reserve raising the target fed funds rate to 1.25%, global equities continued their solid and steady gains with little interruption.
- Growth stocks continued their outperformance compared to value stocks in the 2nd quarter. The S&P 500 Index increased 3.1% for the quarter and 17.9% for the trailing 12 months. Small Cap stocks, represented by the Russell 2000, increased 2.5% for the quarter and 24.6% for the past 12 months.
- Developed international stocks, as represented by the MSCI EAFE, increased 6.1% in the quarter and were up 20.3% over the past 12 months. International small cap stocks increased 8.1% for the quarter and were up 23.2% for the year, as shown by the MSCI EAFE Small Cap Index.
- The MSCI Emerging Markets index increased 6.3% in the quarter and were up 23.7% for the past 12 months.
- Corporate credit spreads tightened during the quarter, which drove the return of high yield bonds and investment grade corporates for the quarter and the year. The rise in rates over the past year has resulted in negative returns for Treasuries. The added yield from corporates provided the incremental positive return.

Invest in the Certificate of Participation Program for Churches and Individuals Good for you. Good for the church. Good for others.

A Certificate of Participation is an investment in building the United Methodist witness through the Kansas Area United Methodist Foundation’s loan program for Kansas United Methodist churches and agencies. A Certificate of Participation is a time investment. An individual or church may invest a \$1,000.00 minimum or more for one or two year participation so that you may strengthen the expansion of the United Methodist witness.

EASY APPLICATION PROCESS – Whether an individual, church, agency, or institution, simply contact or visit our website, www.kaumf.org, for current rates, application forms, and more information on an investment that connects you and others to the continuing gift of God’s grace!

Kansas Area United Methodist Foundation
100 East First Avenue, P O Box 605, Hutchinson, Kansas 67504-0605
Toll Free 888-453-8405 or local 620-664-9623
www.kaumf.org