



HOW TO READ YOUR CUSTOMER ACCOUNT STATEMENTS

The Kansas Area United Methodist Foundation changed their investment manager to Wespeth Institutional Investments in November 2019. Statements issued after December 1, 2019 are in an updated format due to the change. This instruction sheet was developed to assist our churches and individuals to better understand the information that is on the customer statements.

The Customer Statement summarizes the activity in the account for the calendar year as of the date of the report, and provides the fair market value and the cost basis of the assets in the account. Please review your customer statement as you read this instruction sheet.

Customer statements are available on a quarterly, semi-annual, or annual basis. When a client establishes an account with the Foundation, they are requested to select the reporting period for their customer statements. If you wish to change the reporting period of your statements, please contact the Foundation.

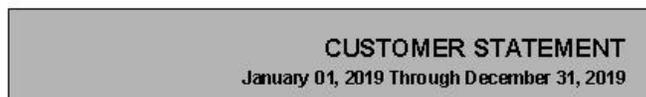
The Foundation has elected to print its customer statements for all activity in the account from January 1 to the date of the statement for the current calendar year. For example, a statement dated June 30 will provide a report of all activity from January 1 through June 30 of the current calendar year. While the Foundation has the capability of printing statements that only cover activity for a month for a monthly statement, or for a calendar quarter for quarterly statements, the Foundation has found that the United Methodist Churches that it serves prefer to receive a cumulative report for their selected reporting period so that the Churches do not have to look at prior monthly or quarterly statements to review the activity in an account for the calendar year to date.

CUSTOMER STATEMENTS



FIRST UNITED METHODIST CHURCH
3324 WESLEY DRIVE
ANYTOWN, KS 67504

KS AREA UNITED METHODIST FND
100 EAST FIRST AVENUE
P.O. BOX 605
HUTCHINSON, KS 67504-0605
Phone 620-664-9623 or 888-453-8405
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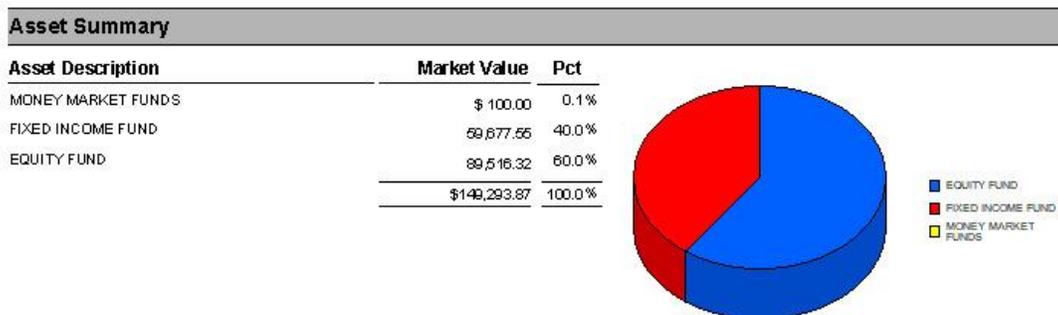
Account Number: ANYTFUMC
Account Name: ANYTOWN FIRST UMC LEGACY FUND

The "***Time Period***" that the customer statement is reporting is printed at the upper right hand corner of the statement, below the heading CUSTOMER STATEMENT.

The "**Account Number**" appears at the upper right hand corner of the statement, below the Time Period. For accounts owned by United Methodist Churches, the account number has a distinctive mark that contains the first four letters of the city where the church is located, followed by four letters identifying the church, such as FUMC for First United Methodist Church. If a church has more than one account with the Foundation, the account numbers are further identified with a number indicating the number of the account in relation to all of the church's accounts. For example, the fifth account established by the First United Methodist Church of Anytown, Kansas would have an account number of ANYTFUMC5.

The "**Account Name**" then appears below the Account Number, and shows the name assigned by the customer to the account.

ASSET SUMMARY



The ASSET SUMMARY provides a listing of investment assets by category and the percentage of each asset category to the total assets of the account. The color pie chart visually assists you to view the percentages of the various types of asset categories in your account.

ACCOUNT ACTIVITY SUMMARY

Account Activity Summary	
Beginning Balance - Close of Business Dec 31, 2018	\$135,273.72
Deposits to Account	1,925.00
Disbursements	(6,475.00)
Transfers	0.00
Expenses	(1,775.36)
Income (Interest and Dividends)	2,350.54
Realized Capital Gains (Losses)	5,807.64
Change in Market Value	12,187.33
Ending Balance - Close of Business Dec 31, 2019	<u>\$149,293.87</u>

The Account Activity Summary provides the following information:

The "**Beginning Balance**" shows an amount that includes the realized capital gains/losses and retained income that are in the account as of the last day of the previous calendar year at the fair market value.

The "**Deposits to Account**" show any additional principal contributions to the account during the calendar year as of the date of the report. For those clients who have all or a portion of their interest, dividends and capital gains rolled over into principal, such rollovers will show on the statement as transfers.

The "**Disbursements**" line item reflects all distributions that have been made from this account in the calendar year as of the date of the report.

The "**Transfers**" line item reflects any amounts that may have been transferred from your account to another existing account at the Foundation, or an amount that may have been transferred to your account from another existing account at the Foundation during the calendar year as of the date of the report or reinvest income to principal.

The "**Expenses**" line item reflects all expenses that are incurred in an account, such as investment fees, administrative fees paid to the Foundation, and foreign taxes on non-U.S. investments. Wespath investments are shown net of all investment and management fees.

The "**Income**" line item reflects primarily the interest and dividend income earned for the account as of the date of the report. The investment's total growth will also include both the "Realized Capital Gains" and "Change in Market Value." The Balanced Fund and the Equity Fund are invested in ways that generate growth not captured in the income line. Please consider all three lines of the account statement.

The "**Realized Capital Gains (Loss)**" line item reflects all realized capital gains and/or losses that have been incurred in the sale of assets for the account and capital gain distributions from mutual funds in the calendar year as of the date of the report. Some clients consider capital gains as income, while other clients consider capital gains as additional principal. Because the Foundation can only use one accounting process for its accounts, the capital gains/losses are allocated to the principal of the account for reporting purposes. For a total return on the account, you would need to add together the Income amount and the Capital Gains/Losses amount, less the amount of Expenses.

The "**Change in Market Value**" line item is a profit that exists on paper, resulting from any type of investment. An unrealized gain is a profitable position that has yet to be cashed in, such as a winning stock position that remains open. A gain becomes realized once the position is closed for a profit. An unrealized loss is a loss that results from holding onto an asset after it has decreased in price, rather than selling it and realizing the loss.

The **"Ending Balance"** line item reflects the sum total of all of the previous line item entries in the Account Activity Summary at their fair market value as of the date of the report.

INCOME & EXPENSES SECTION, *if applicable*

Income and Expenses		
Description	Date	Amount
ADMINISTRATIVE FEE 9/1/2019	09/30/2019	\$(7.59)
FUND MANAGEMENT FEE SHORT TERM INCOME FUND	09/30/2019	(7.89)
FUND MANAGEMENT FEE SHORT TERM INCOME FUND	10/31/2019	(8.73)
ADMINISTRATIVE FEE SHORT TERM INCOME FUND	10/31/2019	(11.26)
ADMINISTRATIVE FEE 10/1/2019	10/31/2019	(7.83)
DIVIDEND REINVESTED SHORT TERM INCOME FUND	10/31/2019	11.81
INTEREST REINVESTED SHORT TERM INCOME FUND	10/31/2019	71.85
INTEREST REINVESTED SHORT TERM INCOME FUND	11/30/2019	46.13
DIVIDEND REINVESTED SHORT TERM INCOME FUND	11/30/2019	27.07
ADMINISTRATIVE FEE SHORT TERM INCOME FUND	11/30/2019	(10.91)
ADMINISTRATIVE FEE 11/1/2019	11/30/2019	(7.55)
FUND MANAGEMENT FEE SHORT TERM INCOME FUND	11/30/2019	(8.14)
		<u>\$86.96</u>

The Income & Expenses Section of your customer statement shows all income items received into your account and all expenses paid from income, giving you the net income for your account as of the date of the statement for the current calendar year.

DEPOSITS & DISBURSEMENT

Deposits and Disbursement		
Description	Date	Amount
CONTRIBUTION RECEIVED	02/22/2019	\$ 50.00
CONTRIBUTION RECEIVED	04/25/2019	25.00
REQUESTED DISTRIBUTION	05/02/2019	(100.00)
REQUESTED DISTRIBUTION	07/11/2019	(500.00)
CONTRIBUTION RECEIVED	09/24/2019	750.82
		<u>\$225.82</u>

The Deposits & Disbursement Section of your customer statement list all deposits to the account and all disbursements made from the account for the current calendar year as of the date of the statement. When there has been a change of investment funds, the closing of the old investment fund may appear as a disbursement, and the purchase of the new investment fund may appear as a deposit.

PURCHASE/SALE DETAILS

Purchase and Sale Details				
Purchase Details	Date	Price	Shares	Amount
FIXED INCOME FUND	02/07/2019	\$ 10.334139	359.5742	\$ 3,715.89
EQUITY FUND	02/07/2019	11.779067	635.1191	7,481.11
FIXED INCOME FUND	03/05/2019	10.346603	76.4038	790.52
EQUITY FUND	04/04/2019	12.049682	20.7823	250.42
FIXED INCOME FUND	07/05/2019	10.641439	164.2954	1,748.34
FIXED INCOME FUND	10/08/2019	10.725048	38.5677	413.64
EQUITY FUND - WESPATH	11/01/2019	11.672251	7,345.5720	85,739.36
FIXED INCOME FUND - WESPATH	11/01/2019	10.411745	5,409.6377	56,323.77
FIXED INCOME FUND - WESPATH	12/09/2019	10.613412	233.7910	2,481.32
Total Purchases				\$158,944.37
Sale Details	Date	Price	Shares	Amount
EQUITY FUND	03/05/2019	\$ 12.086869	(59.1981)	\$ 715.52
FIXED INCOME FUND	04/04/2019	10.446714	(23.9712)	250.42
FIXED INCOME FUND	06/06/2019	10.534204	(233.9009)	2,463.96
EQUITY FUND	07/05/2019	12.332447	(126.4453)	1,559.38
FIXED INCOME FUND	09/06/2019	10.780093	(197.3100)	2,127.02
EQUITY FUND	10/08/2019	11.950347	(70.0080)	836.62
EQUITY FUND	11/01/2019	11.672251	(7,345.5720)	85,739.36
FIXED INCOME FUND	11/01/2019	10.411745	(5,409.6377)	56,323.77
EQUITY FUND - WESPATH	12/09/2019	12.345056	(192.8967)	2,381.32
Total Sales				\$152,397.37

The Purchase/Sale Details provide information relative to the purchase and sale of shares of investment funds or other investment assets. The Purchase Details show the date of purchase of an investment fund or asset, the price per share of the purchase, the total shares purchased of the investment fund, and the total dollar amount of the purchase. The Sale Details will provide the same information for the sale of shares of an investment fund or asset. The total shares being sold of an investment fund or asset will appear as a negative number in the statement. When shares of a money market fund are sold to cover a disbursement or the purchase of an investment, such transaction will appear as a sale detail. When there has been a change of investment funds, the closing of the old investment fund may appear as a sale, and the purchase of the new investment fund may appear as a purchase.

NOTES

Notes

LEGACY PLANNING

Do you have your will and estate plans in place? If not, we can help! The Foundation offers Estate Planning Services, including complementary appointments with local attorney. Contact the Foundation office or visit www.kaumf.org for more information.

STAY UP TO DATE WITH THE FOUNDATION

Stay connected with the Kansas Area United Methodist Foundation through our monthly e-newsletter, on Twitter @KansasAreaFdn and on Facebook @kansasfoundation. To sign up for the e-newsletter, email jtrapp@kaumf.org or visit www.kaumf.org.

CHURCH LOAN MINISTRY - INVESTING TO ASSIST CHURCHES IN BUILDING, REFINANCING, EXPANDING AND RENOVATING!

Whether you want to build a new building, refinance an existing loan, expand or renovate an existing facility, or catch up on deferred maintenance projects; the Kansas Area United Methodist Foundation's Church Development Loan Fund can support your church with a competitive interest rate loan. A Certificate of Participation is the funding source for the Church Development Loans and provides an investment alternative for those seeking a fixed income type vehicle at competitive rates. Learn more about the Church Development Loan Fund and Certificates of Participation at www.kaumf.org.

TELL YOUR STORY

We would like to hear your story. We are searching for individual donor stories, church or agency investment stories that truly appreciate the partnership with their Kansas Area United Methodist Foundation. We would be honored to listen so that we may share your story with others. Please contact us directly at jtrapp@kaumf.org.

The Foundation will post current news and information on its investment fund performance in the Notes section of the customer statements.

OTHER REPORTS AVAILABLE UPON REQUEST

AVAILABLE INCOME REPORT

Many churches have accounts where they only spend the "***AVAILABLE INCOME***", being interest and dividend income that has been earned in the account less any disbursements that were paid out of the income. With the Foundation's accounting software, the Foundation may print a separate report for "***Available Income***" in your account if your account is restricted to disbursing only the net income.

The format of the "***Available Income Report***" is as follows:

1. The "***Retained Earnings***" line item identifies the net income from prior calendar years that has been accumulated in the account and not disbursed through the end of the previous calendar year.
2. The "***Interest and Dividends***" line item provides the information on the net income and dividends and possibly other income received in your account for the current calendar year to the date of the Report.
3. The "***Expenses***" line item identifies all the expenses that are incurred in an account such as management fees paid to money managers, administrative fees paid to the Foundation, and foreign taxes on non-U.S. investments in the account for the current calendar year to the date of the Report.
4. The "***Distributions***" line item shows the disbursements that have been made from income in the account for the current calendar year to the date of the Report.
5. The "***Balance Total***" then provides the total of Retained Earnings, plus Current Year Interest and Dividends, less Distributions, as of the date of the Report. The Balance Total dollar amount is included in the investment assets shown on the customer statement, and does not represent funds in addition to the investment assets. If the Balance Total is a negative figure, then disbursements have exceeded the available interest and dividend income.