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The Foundation's mission is to ***provide professional, socially responsible investment, endowment and planned giving services to the people, agencies, ministries and local churches of the South Indiana Conference, and on behalf of the Ministers' Retirement Fund and other endowed gifts entrusted to its care, to the end that Christ's Church is served.*** It exists to encourage, gather and steward assets given to support ministries.

The Foundation is governed by a Board of Directors elected by its members. Members are defined as those currently qualified as lay and clergy members of the Annual Conference. Directors are elected as a 'class' that serves a four-year term. A director may be elected to no more than two (2) consecutive terms. The current Board of Directors was elected to serve until 2011, at the last meeting of the membership on October 4, 2008.

2008 was a challenging year for our Investment Trust Funds. Investments under management experienced significant declines of \$2 million in net withdrawals and \$8.5 million in investment declines for a year-end balance of \$24.5 million of invested assets. However, donations remained strong; we received nearly \$190,000 in donations, 82% of which was given in support of the Ministers' Retirement Fund. New charitable gift contracts and Legacy Endowments were established totaling nearly \$250,000, and gifts of investment securities passed through to a variety of churches and ministries totaled nearly \$100,000 dollars.

**Investment Trust Fund**

The Investment Trust Fund (ITF) is a professionally managed portfolio of investments that complies with the Socially Responsible Investing requirements of the *The Book of Discipline of the United Methodist Church* and the Social Principles. ITF is only open to church-related organizations, not to individual investors.

The Investment Committee of the Board works closely with its investment advisor to develop and implement investment policies and strategies appropriate for United Methodist organizations. The committee meets quarterly to monitor the performance of its investments and its thirteen institutional portfolio managers.

Most church funds invested in the ITF hold approximately 65% equities (stocks) and 35% fixed income (bonds and notes). In 2008, these funds declined, on average, 26.5% after all fees. Since the inception of the investment program in 1985, the funds have grown an average of over 7.9% per year net of fees. The 2008 Year End Performance chart is available on the Foundation's website or by contacting the office.

**Endowment Services**

The Foundation's professional staff has been busy working with a number of congregations in various phases of initiating, promoting or revitalizing their own endowments. Some churches

1 and ministries who want the benefits of an endowment, but not the fiduciary responsibility, have  
2 opted to use the Foundation's Legacy Endowment program to accept ministry-sustaining gifts.  
3 Both styles of endowment services provide promotional and resource materials to the local  
4 committee and provide a stream of income for ministries.  
5

### 6 **Gift Planning Services**

7 For individuals who want to make gifts to the church from their personal assets or estates, gift  
8 planning services supplement the advice of one's personal attorney, accountant and financial  
9 planner. A gift planner can help you think through what you want your gift to accomplish and  
10 how best to structure your gift to enhance its impact. Professional staff members can help guide  
11 those who are drafting trusts, wills and bequests.

12 The Foundation has the experience and capacity to receive non-cash gifts (i.e. IRA's, stocks,  
13 bonds, land, houses, etc.) on behalf of congregations, and is often able to negotiate the sale of  
14 such assets at a substantial cost savings that can be passed on with the gift. For persons  
15 needing to sustain an income, the Foundation offers charitable gift annuities and charitable  
16 remainder trusts.  
17

### 18 **Ministers' Retirement Fund**

19 Since the 1830's, the Preachers' Aid Society, now the Ministers' Retirement Fund, has helped  
20 raise and manage funds to support the "worn out and super-annuated preachers" in the  
21 conference. At year end 2008, the fund stood at \$4 million and continues to make a 5%  
22 distribution to assist with clergy retirement-related expenses.

23 The Ministers' Retirement Fund is the largest and, needless to say, the oldest of the  
24 Foundation's endowments. Because of its special affinity with the former South Conference  
25 retirees, the Foundation will co-sponsors the Retired Ministers' Luncheon at Annual Conference.  
26

### 27 **Perpetual Memorial Endowment**

28 This second-oldest endowment was established as a resource for the operation of the  
29 Foundation and as a means for remembering and honoring beloved pastors and loved ones. As  
30 such, it is our privilege to present the listing of Perpetual Memorials.  
31

### 32 **Audit and Financial Statements**

33 Capin Crouse LLP, Greenwood, Indiana, performs an annual independent audit of the  
34 Foundation. The Statement of Financial Position is printed in the Foundation's annual report  
35 and copies of the audited financial statements are available upon request.  
36

### 37 **Foundation Staff**

38  
39 Marie Lang, Executive Director (marie@umfsi.org)

40 Darcy Weaver, Director of Gift Planning (darcy@umfsi.org)

41 Jenny Weber, Executive Assistant (jenny@umfsi.org)

42 Bob Sachs, Administrator (bob@umfsi.org)

43 Kathy Marquart, Administrative Assistant (kathy@umfsi.org)