The ELCA Endowment Fund Pooled Trust - Ministry Growth Fund (Ministry Growth Fund, or the Fund), was established to allow for the collective long-term investment of funds belonging to the Evangelical Lutheran Church in America (ELCA), its congregations, synods, seminaries and other eligible affiliated entities. To the extent practicable, the Fund pursues investment objectives in line with the Economic Social Criteria Investment Screens approved by the ELCA Church Council. Incorporated into the Fund’s accounting are unitization and quarterly endowment distributions. The ELCA Foundation administers the Fund.

Only ELCA-related institutions can be eligible to participate in this investment fund that is exempt from most security registration requirements in accordance with the Philanthropy Protection Act of 1995.

About Performance
The investment results depicted herein represent historical net performance after the deduction of investment manager and custodian fees and expenses as well as the Foundation's administrative fee of 60 basis points (0.60%). Refer to the Disclosure Statement for total fees and expenses. Prior to July 2017, the total fee was 100 basis points (1.00%). Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. Underlying returns were provided by the Fund’s respective managers. Past performance is not a guarantee of future results.

Target Allocation

1. The ELCA Endowment Fund Pooled Trust - Fund A’s name was changed to the Ministry Growth Fund, effective November 1, 2021.
2. Approved by the ELCA Foundation Board of Trustees on September 20, 2019.
3. The Distribution Rate + CPI consists of the Consumer Price Index (CPI) plus the ELCA Foundation’s distribution rate. The Foundation Board of Trustee’s periodically adjusts the distribution rate which is currently set at 4.0%.
4. The Target Benchmark is comprised of: Russell 3000 (25%), MSCI ACWI x USA IMI (29%), Bloomberg Capital U.S. Aggregate (8%), Bloomberg Capital U.S. High Yield Ba/B 1% Issuer Cap (5%), Bloomberg Capital U.S. 1-10 Yr Inflation Linked (5%), DJ U.S. Select Real Estate Securities (2.4%), DJ Glb x USA Select Real Estate Securities (1.6%), HFRX Global Hedge Funds (5%), S&P Global Infrastructure (5%), Cambridge Private Equity (10%), and 90 Day T-Bill (4%) indices. The benchmark is rebalanced on a monthly basis. The Modified Target Benchmark: Given the 10% SAA Target allocation will fund over the course of five years, the Modified Target benchmark was created to mimic the same risk profile of the SAA Target by re-weighting the underlying target benchmark index weights (as described above) relative to the current allocation to private markets. The Modified Target Benchmark date of first use was January 1, 2021.

Data as of June 30, 2022
Capital Markets Commentary (as of June 30, 2022)

Capital Markets Overview
The global rout in equities continued into June as elevated inflation levels and tighter monetary policy exacerbated concerns around a recession. In the U.S., headline CPI unexpectedly accelerated, jumping 8.6% over the 12 months ending in May, while core CPI (excluding food and energy) was up 6%. In response, the Federal Reserve raised its benchmark interest rate by 75 basis points to a range of 1.50% to 1.75%.

Domestic Equity Markets
The S&P 500 index fell 8.3% last month, pushing year-to-date losses to 20%, underscoring the worst first six months of a year since 1970. All sectors had negative returns. The largest detractors were Energy, Materials, and Financials returning -16.8%, -13.1%, and -10.9%, respectively. The best performing sectors were Utilities, Healthcare, and Consumer Staples returning -5.0%, -2.7%, and -2.5% respectively.

International Equity Markets
Outside the U.S., the dollar strengthened in June, weighing down returns for non-U.S. assets. As a result, the MSCI EAFE index and the Emerging Market index fell 9.3% and 6.6% respectively. Notably, the MSCI China index outperformed, returning 6.6%, as a more accommodative monetary policy, easing lockdown restrictions, and signs of improving policies for the technology sector boosted market sentiment.

Fixed Income Markets
Overall, Bond markets declined during the month of June. The Bloomberg U.S. Aggregate Bond index returned -1.6%. The yield on the 10-year Treasury rose from 2.9% to 3.0% during the month. Riskier parts of the bond market had also fell for the month. The Bloomberg High Yield index returned -6.7% in June.