



MINISTRY GROWTH FUND – FOURTH QUARTER 2022 SUMMARY

During the fourth quarter, the Ministry Growth Fund (the Fund) returned 6.2% on a net basis, while the Target Benchmark returned 6.8% over the same period.

The Fund's returns were consistent with market returns, which were broadly positive in the final quarter of 2022 in spite of a selloff in risk assets during the month of December. The biggest contributor to the Ministry Growth Fund's returns for the quarter was the international equity allocation, which returned 15.0% in the fourth quarter, followed by the allocation to global real estate securities, which returned 7.3%. Additional detail on each component of the Fund is shown below.

MARKET SNAPSHOT

Rising interest rates throughout 2022 made a challenging environment for both stocks and bonds, but a rebound in the fourth quarter helped both categories as investors hoped the Federal Reserve (Fed) was beginning to taper its rate hikes. U.S. stocks returned 7.2% during the quarter, bringing the year-to-date return to -19.2%. Non-U.S. stocks had an even bigger bounce, delivering 14.1% for the quarter and bringing year-to-date return to -16.6%. While U.S. bonds were up 1.9% for the quarter, year-to-date returns were still down -13.0%, marking their worst year since the Bloomberg U.S. Aggregate Index started collecting data in 1976.

The Fed kept its promise of prioritizing the battle against inflation, hiking the policy rate twice during the fourth quarter to end the year at a targeted range of 4.25% to 4.50%. Signs emerged in the fourth quarter that the Fed's tightening measures deployed throughout 2022 are beginning to alleviate multidecade high inflation, which supported the growing narrative that a "pause" in the Fed's tightening campaign may be on the horizon. Indeed, both headline and core measures of inflation moderated in both October and November, as headline consumer prices cooled to a 7.1% annual pace through November – versus a cyclical high of 9.1% in June – and core consumer price inflation declined to a 6.0% annual pace, slightly down from the cyclical high of 6.6% in September.

Key factors supporting the rebound across most major asset classes and categories in October and November were a potential peaking of inflation, which touched a 40-year high in 2022, and the related sentiment surrounding an incremental reduction in the pace of Fed tightening, with moderating interest rates and a cooling-off of the U.S. dollar providing the necessary market conditions for a performance rebound.

GLOBAL EQUITY

U.S.

U.S. equities finished a volatile year with positive returns in the fourth quarter yet still provided their worst calendar-year performance since 2008. Specifically, U.S. equity markets, as measured by the Russell 3000 Index, returned 7.2% for the fourth quarter, bringing returns for the year to -19.2%. U.S. equities rallied to start the quarter but sold off in December in response to the Fed's steadfast positioning to curb inflation. For the quarter, the U.S. equity component of the Ministry Growth Fund generally performed in line with the index.

Non-U.S.

Non-U.S. equity markets (as measured by the MSCI ACWI ex-U.S. IMI Index) outperformed their U.S. equity peers, returning 14.1% for the fourth quarter, bringing year-to-date returns to -16.6%. The positive performance for the index during the quarter was driven largely by developed international markets,



with a secondary positive contribution from emerging markets. The Non-U.S. equity component of the Ministry Growth Fund outperformed the benchmark by 86 basis points (bps), with an absolute return of 15.0% for the quarter. All underlying investment managers provided positive absolute returns, while relative returns were mixed. Large cap value exposures contributed to outperformance, offsetting relative underperformance from small cap growth exposures. Security selection among the active managers added value, particularly within financials. Finally, Chinese equities rallied as COVID-19 restrictions were lifted, and the Fund benefited from a modest overweight in China.

FIXED INCOME

Investment Grade

In the fourth quarter, the Ministry Growth Fund's investment grade portfolio returned 2.2%, outperforming the Bloomberg U.S. Aggregate Index return of 1.9%. Positioning-wise, the portfolio is underweight Treasuries and overweight mortgage-related securities and corporate credit, relative to its benchmark. As of the end of the quarter, the option-adjusted duration of the investment grade portfolio was in line with that of the benchmark, at 6.3 years. The portfolio continues to outyield its benchmark (by ~80 bps).

High-Yield

High-yield bonds outperformed relative to their investment grade peers in the fourth quarter. The Ministry Growth Fund's high-yield portfolio returned 4.2% on an absolute basis though relatively underperformed its benchmark, which returned 4.6% for the quarter. Relative to the benchmark, the portfolio is overweight B-rated issues and underweight BB-rated issues, in line with prior quarters.

Inflation-Indexed

Inflation-indexed bonds outperformed nominal Treasuries for the quarter. The inflation-indexed component of the Ministry Growth Fund, which is managed using a near full-replication approach, returned 1.6% in line with the benchmark return of 1.6%.

GLOBAL REAL ESTATE SECURITIES

The global real estate securities component of the Ministry Growth Fund returned 7.3% in the fourth quarter, trailing the custom benchmark return of 7.6%. International REITs fared better than U.S. REITs, but both segments were down over 20% in 2022.

At the portfolio level, an overweight to apartments was the primary detractor for the quarter. An underweight allocation to regional malls – as well as an overweight to single family homes – also detracted, offsetting positive contributions from strong security selection in the health care, data center and office sectors.

ALTERNATIVE INVESTMENTS

Hedge Funds

The hedge fund portfolio returned 2.0% on a net basis for the fourth quarter, relative to the HFRX Global Hedge Fund Index, which returned 0.2% for the quarter. Overall, relative value and quantitative strategies drove positive performance, while credit, long/short equity, macro-oriented and multistrategy approaches were flat for the quarter. Within relative value strategies, positive performance was driven by commodity relative value, fixed income relative value, and fundamental equities strategies, while convertible arbitrage strategies detracted from performance for the quarter.

Private Infrastructure

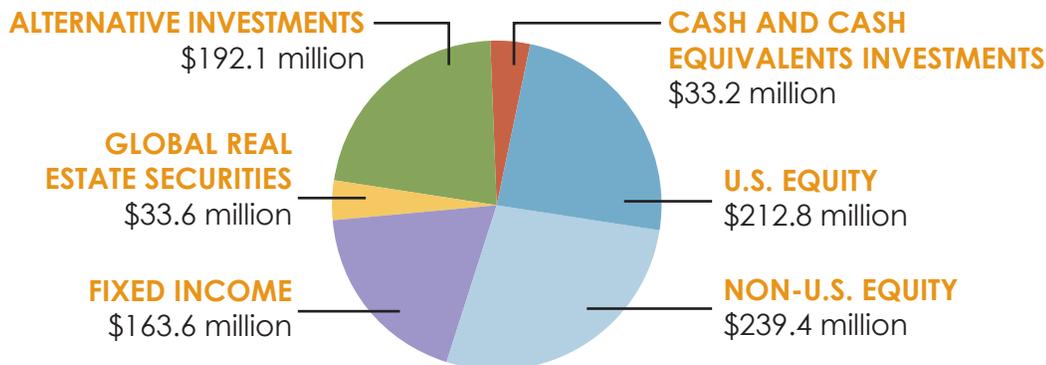
The private infrastructure allocation returned -1.8% for the quarter, versus the S&P Global Infrastructure Index (hedged) return of 7.7% for the same period. The fund continues to generate a strong cash yield and lower volatility relative to other asset classes, such as global equities and bonds. Given this investment is unhedged, the Ministry Growth Fund's investment further benefited from the depreciation of the U.S. dollar over the quarter.

Private Markets

Given their valuation process, private funds provide performance updates on a lag. As such, the most recent available performance is through the third quarter. Since inception, the private markets allocation of the Ministry Growth Fund has returned a net internal rate of return (IRR) of 15.5% and a net total value to paid-in multiple of 1.3x (as of 9/30/22). Time-weighted returns, shown in the table that follows, were -0.2% for the quarter).



As of December 31, 2022, Ministry Growth Fund Net Assets totaled \$879.0 million* and Ministry Growth Fund Investments totaled \$874.6 million.**



* Net Assets includes investments, deposits between monthly valuation dates, operating cash and liabilities. ** Pie chart represents Ministry Growth Fund Investment Assets only.

MINISTRY GROWTH FUND INVESTMENT PORTFOLIO PERFORMANCE (%) AS OF DECEMBER 31, 2022

		Q4 (%)	YTD (%)	1 YR (%)	3 YRS (%)	5 YRS (%)	7 YRS (%)	10 YRS (%)	SINCE INCEPTION	INCEPTION DATE
TOTAL MINISTRY GROWTH FUND¹		6.2	-13.9	-13.9	2.7	3.7	5.7	6.0	4.5	07/01/99
Target Benchmark ²		6.8	-11.7	-11.7	3.7	4.9	7.0	7.0	5.5	
EQUITIES	Social Purpose US Equity Portfolio³	7.0	-19.5	-19.5	7.1	8.7	10.5	11.9	6.5	07/01/99
	Portico US Equity Benchmark ⁴	7.2	-19.2	-19.2	7.1	8.8	11.0	12.1	6.7	
	Social Purpose Non-US Equity Portfolio	15.0	-19.3	-19.3	-0.8	0.6	4.8	4.4	5.5	04/01/04
	Portico Non-US Equity Benchmark ⁵	14.1	-16.6	-16.6	0.2	0.9	4.8	4.0	5.1	
FIXED-INCOME	Social Purpose Investment Grade Bond Portfolio³	2.2	-13.2	-13.2	-2.9	-0.1	0.9	1.0	4.0	07/01/99
	Portico Investment Grade Benchmark ⁶	1.9	-13.0	-13.0	-2.7	0.1	1.0	1.2	4.1	
	Inflation Indexed Bond Portfolio	1.6	-7.2	-7.2	2.1	2.6	2.7	1.3	2.4	06/01/11
	Portico Inflation Indexed Benchmark ⁷	1.6	-7.4	-7.4	2.1	2.5	2.7	1.2	2.4	
	Social Purpose High Yield Bond Portfolio	4.2	-10.9	-10.9	-0.7	1.7	4.0	3.5	5.9	07/01/03
Portico High Yield Benchmark ⁸	4.6	-10.4	-10.4	-0.6	2.0	4.4	3.5	6.0		
REAL ESTATE	Global Real Estate Securities Portfolio	7.3	-24.7	-24.7	-1.9	1.9	3.5	4.5	6.8	03/01/04
	Portico Real Estate Securities Benchmark ⁹	7.6	-24.4	-24.4	-4.1	0.3	2.0	3.9	6.1	
ALTERNATIVE INVESTMENTS	Hedge Funds	2.0	-4.3	-4.3	2.9	2.6	-	-	2.9	08/01/17
	HFRX Global Hedge Fund Index	0.2	-4.4	-4.4	1.9	1.4	-	-	1.7	
	Private Infrastructure Fund¹⁰	-1.8	-2.2	-2.2	4.3	4.8	-	-	4.6	10/01/17
	S&P Global Infrastructure Index	7.7	3.8	3.8	2.7	5.2	-	-	5.2	
	Private Markets Fund¹¹	-0.2	7.3	7.3	17.1	13.9	-	-	13.5	09/01/17
	Cambridge Private Equity Index	-4.3	7.8	7.8	19.3	16.6	-	-	17.2	

1. The ELCA Endowment Fund Pooled Trust - Fund A's name was changed to the Ministry Growth Fund, effective November 1, 2021. Total Ministry Growth Fund returns are net of investment-manager and custodian fees and expenses, as well as the Foundation's administrative fee of 60 basis points (0.60%). Prior to July 2017, the total fee was 100 basis points (1.00%). Refer to the Disclosure Statement for total fees and expenses. Returns for the subasset classes are net of investment manager and custodian fees and expenses as reported by the investment managers.

2. The Target Benchmark is composed of: Russell 3000 (25%), MSCI ACWI xUSA IMI (29%), Bloomberg Barclays Capital U.S. Aggregate (8%), Bloomberg Barclays Capital U.S. High Yield Ba/B 1% Issuer Cap (5%), Bloomberg Barclays Capital U.S. 1-10 Yr Inflation Linked (5%), DJ U.S. Select Real Estate Securities (2.4%), DJ Glb xUSA 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. Target Benchmark allocation is static and based on the SAA as of September 2019. From July 2017 to September 2019, the Target Benchmark was composed of: Russell 3000 index (27%), MSCI ACWI xUSA IMI index (30%), Portico Fixed Income Benchmark (8.5%), Portico High Yield Benchmark (8.5%), FTSE Portico Inflation Linked Index (5%), Portico Real Estate Benchmark (5%), HFRX Global Hedge Funds index (3%), S&P Global Infrastructure index (3%), and Cambridge Private Equity index (10%). Historical benchmark returns prior to July 2017 have been provided by Portico Benefit Services.

3. The Ministry Growth Fund moved from separately managed accounts to the SP Investment Grade Fixed Income Pool as of November 2007 and to the SP U.S. Equity Pools as of December 2007. On July 1, 2019, the Ministry Growth Fund moved the U.S. equity allocation to the SP U.S. Stock Index Pool.

4. The U.S. equity benchmark changed from the Dow Jones Total Stock Market Index to the Russell 3000 in October 2011.

5. The Non-U.S. Equity pool has been benchmarked to the MSCI All-Country World xU.S. IMI since July 1, 2012; prior to that, the benchmark was the standard MSCI All-Country World xU.S. Index.

6. The Investment Grade Fixed Income Benchmark changed from the old Custom FTSE Index (40% Mortgage, 30% Credit, 25% Treasury/Government, 5% Asset-Backed) to the new Custom Bond Benchmark (40% Collateralized, 35% Credit, 25% Treasury/Government) in October 2011. In November 2020 fixed-income benchmarks switched from FTSE to Bloomberg. On April 1, 2021, this benchmark switched to 100% the Bloomberg Barclays U.S. Aggregate Bond Index.

7. In June 2011, Inflation Indexed Bonds were added as a component of the Ministry Growth Fund's asset allocation. The Inflation Index benchmark changed from the FTSE Inflation Linked Securities Index to the FTSE U.S. 1-10 Year Inflation Linked Securities Index as of Dec. 1, 2014. In November 2020 it changed to the Bloomberg Barclays - U.S. TIPS 1-10 Year Index.

8. The high-yield benchmark changed from the FTSE High Yield Cash-Pay Capped Index to the FTSE BB/B Cash-Pay Capped Index as of Sept. 1, 2012. In November 2020 it changed to the Bloomberg Barclays - U.S. HY Ba/B 1% Issuer Cap Index.

9. Late in 2008, the Real Estate Securities benchmark transitioned from 100% to 60% Wilshire U.S. Real Estate Securities Index, adding 40% Wilshire Ex-U.S. Real Estate Securities Index. In April 2013, the Custom Global Real Estate Securities benchmark transitioned to 60% Dow Jones U.S. Real Estate Securities Index and 40% Dow Jones Global Ex-U.S. Real Estate Securities Index with net dividends.

10. Private Infrastructure returns are reported on a quarter lag.

11. Private Markets returns reported on the performance table are on a time-weighted basis and on a quarter lag, except for fourth-quarter returns that are on a two-quarter lag. The commentary section may, in addition, reference the Private Markets portfolio's internal rate of return (IRR) and/or multiples such as total value versus paid in capital (TVPI).



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ELCA Foundation regional gift planners are located throughout the country and are ready to assist you.



AT A GLANCE

ELCA Endowment Fund Pooled Trust – Ministry Growth 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. The ELCA promotes investment in the Endowment Fund Pooled Trust through the ELCA Foundation.

The Ministry Growth Fund is administered by the Endowment Fund of the ELCA dba ELCA Foundation.

SOCIAL PURPOSE INVESTING

The Ministry Growth Fund's assets are selected, where feasible, in accordance with criteria of social responsibility that are consistent with the values and programs of the ELCA. In addition, the Ministry Growth Fund seeks positive social investments that provide a proactive way to receive a return while directing capital to underserved markets, such as community development and renewable energy.

ABOUT THE MINISTRY GROWTH FUND

You should carefully consider the target asset allocations, investment objectives, risks, charges and expenses of any fund before investing in it. The Ministry Growth Fund is subject to risk. Past performance cannot be used to predict future performance. The Ministry Growth Fund investments are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fund assets are invested in multiple sectors of the market. Some sectors, as well as the fund, may perform below expectations and lose money over short or extended periods.

The investment managers and/or the investments the Ministry Growth Fund directly invested in are not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940 or state securities laws. Members, therefore, will not be afforded the protections of the provisions of those laws and related regulations.