



## **California-Nevada United Methodist Foundation**

### **Investment Common Questions and Answers**

#### **What is the Equity Portfolio?**

The Equity Portfolio is a stock fund consisting of mostly large cap stocks. Mellon Private Wealth Management manages the Equity Portfolio.

#### **What is the Intermediate Horizon Portfolio?**

The Intermediate Horizon Portfolio consists of investments in intermediate term US government and corporate bonds. Mellon Private Wealth Management manages this fund.

#### **What is the Short Horizon Portfolio?**

The Short Horizon Portfolio consists of short-term, high quality, money market instruments of banks, corporations and the US government and its agencies. Mellon Private Wealth Management manages this fund.

#### **What is the Asset Allocation Portfolio?**

The Asset Allocation Portfolio consists of approximately 60% equities and 40% fixed income investments. This fund may vary between 70% / 30% equities on the high side and 50% / 50% equities and fixed income on the low side. Mellon Private Wealth manages the both the equities and fixed income portions of the fund.

#### **How “liquid” is our account?**

The funds are valued on the last business day of each month. Units may be purchased or redeemed at month end provided notice has been given to the Foundation by the 25<sup>th</sup> of the month. Cash for any redeemed units are then disbursed approximately the 10<sup>th</sup> business day of the following month.

When reviewing your quarterly statement – any funds held in the money market accounts are readily available for withdrawal – no need to wait until the portfolio is valued.

#### **When are statements mailed?**

Statements are mailed on a quarterly basis approximately the 23<sup>rd</sup> of the month following the end of the calendar quarter. A market value can be requested as of the end of any month for special meetings etc.

#### **Can we view our account over the Internet?**

At this time the Foundation does not have the capability to post statements on the Internet. Foundation information and resources are available on our web site at: [www.CANVUMF.org](http://www.CANVUMF.org)

#### **When is dividend/interest paid within the portfolios?**

Dividend/interest is paid from the fund at the end of each calendar quarter. Each investor can choose to have the dividends/interest disbursed on a quarterly, semi-annual or annual basis. They may also choose to reinvest the income. It is the investor's decision.

### **What is principal?**

Principal is the amount of money invested plus any realized gains or losses.

### **What is income?**

Income is any dividends or interest received from the investments of the fund.

### **What is a realized gain/loss?**

A realized gain or loss is the difference between the price an investment was purchased and the price the investment was sold. For example you purchase 10 shares of ABC stock for \$100.00, held the stock for six months and sold that stock for \$150.00. The realized gain on the ABC stock is \$50.00.

### **What is an unrealized gain or loss?**

Using the example above – we hold 10 shares of ABC stock we bought for \$100.00 – we look up the stock in the Wall Street Journal on any given day and notice the stock is valued at \$25.00 per share making it have a market value of \$250.00. Our unrealized gain is \$150.00. It is unrealized because we have not sold the stock. The next day we notice the ABC stock has a value of \$15.00 per share making the market value \$150.00 so our unrealized gain is now \$50.00.

### **What are Historic Dollar Value, Book Value and Market Value?**

Using our example of ABC stock – we have \$100.00 to invest so we buy 10 shares of ABC stock at \$10.00 per share. We hold that stock for 6 months and then sell it at \$15.00 per share for a total of \$150.00. We now take the \$150.00 and buy 20 shares of DEF stock at \$7.50 per share. Seven more months go by and our stock is now worth \$20.00 per share for a total of \$400.00.

- The **historic dollar value** of our example is \$100.00 – the original investment dollars.
- Our **book value** is \$150.00, which is equal to our original investment plus any realized gains/losses – we realized a \$50.00 gain when the ABC stock was sold.
- The **market value** of our example is \$400.00 – what DEF stock is currently worth.

### **Can individuals invest in the common portfolios?**

Unfortunately individual investors cannot invest in our common portfolios due to tax consequences of purchases and sales within each fund.

For more information about life income accounts contact one of the Foundation offices

West Sacramento Office 888-789-7374

Santa Rosa Office 800-863-8750

**How are fees calculated and when are they deducted from the account?**

Fees are calculated on the market value of the account at:

- 0.75% of the first \$500,000.00
- 0.30% on the next \$1,000,000
- 0.10% on the balance of the account

Fees are calculated at the end of each month and 1/12<sup>th</sup> of the calculated fee is deducted from the account each month.

The asset managers' investment fees are deducted directly from each portfolio before the market values are released at the end of each month – much the same way mutual funds take their fees.

Please see our Investment Management Services brochure for more information.

**Does the CA-NV United Methodist Foundation have a loan program for churches in the Conference?**

At this time the CA-NV United Methodist Foundation has no loan programs available. Conference Board of Missions has information about Annual Conference and denominational loans and grants. Contact the Conference Board of Missions at 916-374-1525 for more information.

**Where can I get more information about the CA-NV United Methodist Foundation services and resources?**

Information is available

By mail:	CA-NV United Methodist Foundation P.O. Box 980250 West Sacramento, CA 95798
By Phone:	888-789-7374
By Email:	umf@canvumf.org