



July 17, 2024

Q2 2024 Ministry Fund Commentary

The S&P 500 continued an upward trajectory in the second quarter of 2024. However, market participation remained narrow and exclusive to large-cap growth. Differences in performance among sub-asset classes were significant. Large-cap growth increased 8.33% over the quarter, while large-cap value, small-cap growth, and small-cap value fell -2.17%, -3.64%, and -2.94%, respectively. International equities markets lost ground, and fixed-income markets remained flat.

These market dynamics, particularly the S&P 500's performance, have made it difficult for balanced institutional portfolios to keep up on a relative basis. Balanced portfolios such as the Ministry Fund are relatively conservative compared to the U.S. large-cap markets reported in the headlines. They generally hold 25%- 40% in fixed-income securities and tilt their equity to companies with solid fundamentals, such as healthy balance sheets, strong cash flows, and strong earnings. The weights of the top seven companies in the S&P 500 remain staggering and driven by speculation of high returns, causing unwanted concentration that would contribute to high volatility in the future. Balanced portfolios look to earn stable earnings to drive stable distributions over the long term.

The Ministry Fund finished the second quarter of 2024 down -.97% and up 3.61% year-to-date. The Fund is tracking close to its stated objective of earning 7.5% annually and distributing 4-5%. We continue to add more asset classes uncorrelated with the U.S. public markets. These additions will help minimize the effects of stock market corrections. Looking forward, we are optimistic about the future returns of our fixed-income holdings. We are also confident that we are positioned correctly with a value tilt as the Fed tries to cool down the economy while managing inflation pressures.

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Portfolio Return

	3 Months	1 Year	3 Year	5 Year	7 Year	Since Inception
Ministry Fund	-0.97	8.80	1.73	5.47	5.91	8.42

Calendar Year Return

	2023	2022	2021	2020	2019
Ministry Fund	12.30%	-12.37%	10.50%	9.58%	17.01%

Income Spending Policy

	1 Year	3 Year (Annualized)	5 Year (Annualized)	7 Year (Annualized)
Policy Dividend	5.00%	4.96%	4.92%	4.94%

- * The Income Spending Policy is established by the Ministry Trust, LLC. Board of Advisors and sets the rate of income distributed in the form of a dividend to participants.
- * The return results reported total the net change in the unit value of the Fund plus the Income Spending Policy Dividend provided above.
- * Performance reported is based on client return, which equals return on investments less all expenses and fees.
- * Client experience may vary due to account activity and market timing. Past performance is no guarantee of future results.