

April 17, 2025

The Ministry Fund Q1 2025 Commentary

In a reversal from a long-term win streak, the S&P 500 lost -4.27% in Q1 2025. The U.S. and international financial markets had mixed results. The S&P 500 and Russell 1000 Growth Index declined significantly for the quarter, while the Russell 1000 Value Index and international equities had positive performances.

Equities markets experienced significant volatility throughout the quarter. Chinese artificial intelligence company DeepSeek proved they could create cost-efficient, competitive AI models that rival top U.S. models. News of the innovation rattled investments in the AI ecosystem throughout the world. President Trump's frequent tariff announcements commanded the headlines in February and March. Uncertainty around the tariff plans injected late-quarter volatility into the markets, which has continued into April. The threat of a broader trade war, rising inflation expectations, and declining consumer confidence also contributed to volatility.

Bond markets rallied at the prospect of lower interest rates; however, the prospects of a broader trade war and rising inflation expectations dampened the rally to the end of the quarter and reversed course in the early days of April.

The Ministry Fund increased by .96% in the first quarter of 2025, bringing its 5-year and 7-year performances to 8.53% and 5.60%, respectively. The Fund's tilt toward value and quality allowed for a strong relative performance. The international managers also significantly outperformed their benchmark.

Looking forward, we will monitor current events related to tariffs and the economic fallout. We continue to operate with institutional investment best practices by rebalancing and remaining diversified. While current events are serious, we'll continue to manage the assets in our care for the long term.

Scott M. Mitchell, CAIA, CPA

Director of Investments

Portfolio Return

	3 Months	1 Year	3 Year	5 Year	7 Year	Since Inception
The Ministry Fund	0.96	3.94	3.79	8.35	5.60	8.38

Calendar Year Return

	2024	2023	2022	2021	2020
The Ministry Fund	7.68%	12.22%	-12.37%	10.50%	9.58%

Income Spending Policy

	1 Year	3 Year (Annualized)	5 Year (Annualized)	7 Year (Annualized)
Policy Dividend	4.74%	4.98%	4.88%	4.92%

- * 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.