Moravian Ministries FOUNDATION

KNOW BEFORE YOU SOW

An Investment Guide for Beginners



PART 2: GROWING A FAITHFUL INVESTMENT STRATEGY

Wednesday, September 30

1:00 PM ET

What We'll Cover Today



- Risk and return
- Asset allocation
- Investment pools
- Reading performance reports

Risk & Return



Key Principle:

- Higher potential return generally requires accepting greater risk
- Most risk can’t be eliminated
- Risk can be managed
- Diversification helps reduce risk

Types of Risk

- Systematic/Market Risks
  - Inflation risk
  - Interest-rate risk
  - Geopolitics

- Unsystematic Risks
  - Tenure of management team
  - Change of management
  - Labor



Measures of Risk

- Beta (β) - S&P has a Beta of 1
- R^2
  - $R^2 > 70$ use β
  - $R^2 < 70$ use Standard Deviation
- Standard Deviation (σ)
  - Quantifies a fund's return variation over time
    - 68% w/in 1σ
    - 95% w/in 2σ
    - 99.7% w/in 3σ
- Alpha (α) - Measures excess return
  - + = outperformance
  - - = underperformance
- Sharpe - Return generated per unit of risk
  - > 1 = Strong
  - ≤ .5 to .99 = acceptable
  - < .5 = not worth risk



Asset Allocation

1

WHAT IT MEANS:

- The mix of investments within a portfolio

2

WHY IT MATTERS:

- Influences risk
- Influences return
- Aligns investments with goals



Asset Allocation at MMFA

Common Fund Pools = different asset allocation



Growth Pool:

- More equities
- Higher growth focus

Balanced Pool:

- Equal mix
- Balanced approach

Income Pool:

- More fixed income
- Greater stability focus

Asset Allocation at MMFA

Common Fund Pools = different asset allocation



ESG Moderate Aggressive Pool:

- More equities
- Higher growth focus

ESG Blended Pool:

- Equal mix
- Balanced approach

Stable Pool:

- Cash & Cash Equivalent
- Greater stability focus

How to Read Performance

Ask three questions:

- How much did the investment return?
- Over what time period?
- How did it compare to its benchmark?

What is a benchmark?

- A comparison tool
- A performance measuring stick
- A way to evaluate results

Moravian Ministries Foundation in America

Data as of July 31, 2026

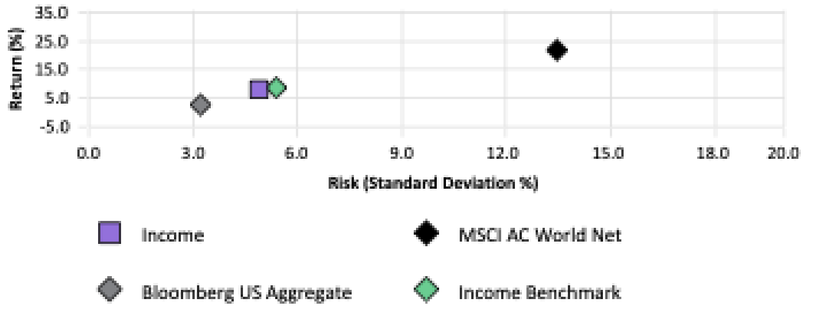
Investment Performance Summary

	Performance(%)									
	1 Month	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Growth Pool (gross)	-0.23	-0.23	6.44	11.96	9.53	4.96	7.25	7.11	6.93	07/01/2004
Growth Pool (net)	-0.29	-0.29	5.99	11.18	8.76	4.26	6.45	6.44	6.52	07/01/2004
Growth Benchmark	-0.34	-0.34	5.10	11.70	10.15	4.95	7.19	7.07	6.75	
Growth w/o Legacy Assets (net)	-0.42	-0.42	6.73	12.77	9.75	-	-	-	10.04	03/01/2023
Income (gross)	-0.60	-0.60	4.35	8.87	7.89	3.51	5.43	5.33	5.80	07/01/2004
Income (net)	-0.67	-0.67	3.91	8.09	7.12	2.83	4.73	4.75	5.38	07/01/2004
Income Benchmark	-0.79	-0.79	3.17	8.74	7.62	2.82	4.68	4.63	5.29	
ESG Moderate Aggressive (gross) ESG	-0.43	-0.43	5.83	11.56	10.05	4.51	-	-	5.26	04/01/2021
Moderate Aggressive (net)	-0.50	-0.50	5.38	10.77	9.28	3.84	-	-	4.58	04/01/2021
ESG Moderate Agressive Benchmark	-0.50	-0.50	5.77	13.32	11.53	5.43	-	-	6.33	
ESG Blended (gross)	-0.46	-0.46	4.77	10.08	9.26	3.83	6.33	-	7.50	01/01/2019
ESG Blended (net)	-0.52	-0.52	4.34	9.32	8.52	3.35	5.76	-	6.92	01/01/2019
ESG Blended Benchmark	-0.51	-0.51	5.29	11.95	10.33	4.75	6.86	-	7.91	
Balanced Pool (net)	-	2.98	7.15	12.60	8.91	3.71	-	5.68	5.97	07/01/2004
Balanced Benchmark	-	1.87	5.69	11.93	10.56	7.09	-	8.75	7.93	07/01/2004

Income Pool

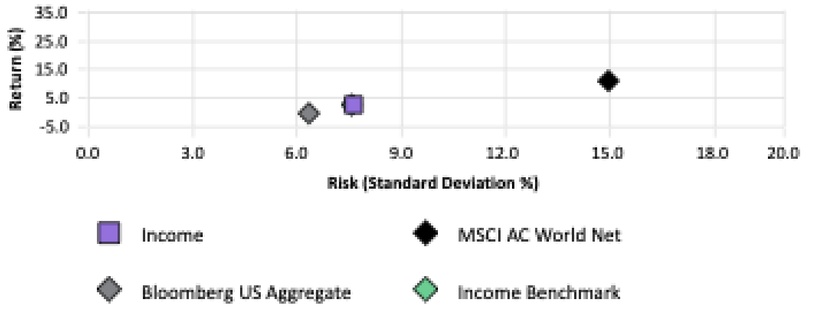
July 31, 2026

Risk / Return - 1 Year



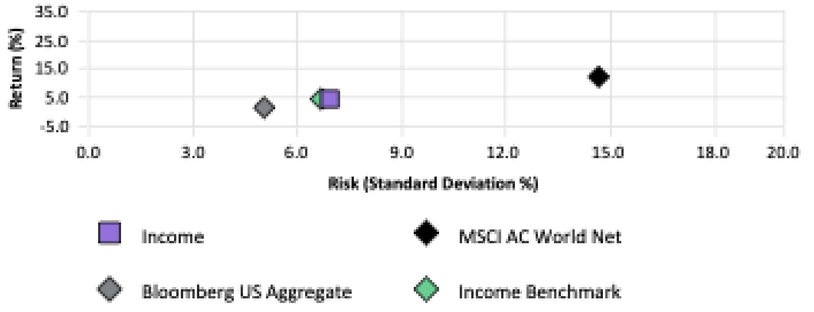
	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Income	**8.09**	**5.14**	**0.78**	**-3.09**	**0.23**	**0.90**
MSCI AC World Net	22.11	14.06	1.22	-7.18	1.74	2.26
Bloomberg US Aggregate	2.71	3.38	-0.36	-2.40	-1.26	0.47
Income Benchmark	8.74	5.65	0.82	-3.38	0.00	1.00

Risk / Return - 5 Year



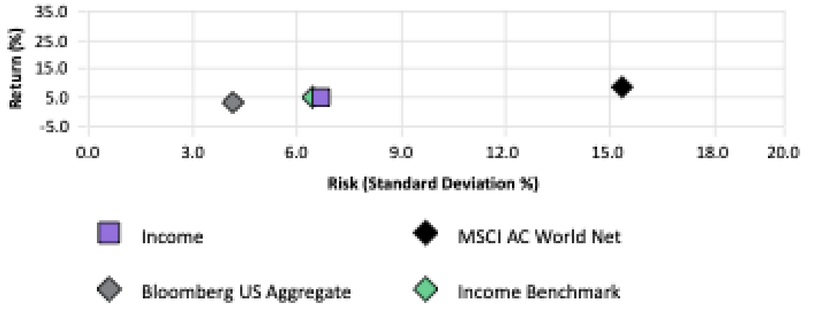
	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Income	**2.83**	**7.69**	**-0.08**	**-17.48**	**0.02**	**1.00**
MSCI AC World Net	10.85	15.07	0.52	-25.63	5.94	1.85
Bloomberg US Aggregate	-0.40	6.38	-0.62	-16.60	-2.44	0.74
Income Benchmark	2.82	7.64	-0.08	-17.28	0.00	1.00

Risk / Return - 10 Year



	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Income	**4.75**	**6.97**	**0.36**	**-17.48**	**0.02**	**1.02**
MSCI AC World Net	12.32	14.71	0.70	-25.63	3.19	2.02
Bloomberg US Aggregate	1.35	5.07	-0.19	-17.18	-1.16	0.55
Income Benchmark	4.63	6.72	0.35	-17.28	0.00	1.00

Risk / Return - Since July 2004



	Return	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Income	**5.38**	**6.67**	**0.55**	**-21.16**	**-0.03**	**1.02**
MSCI AC World Net	8.95	15.39	0.52	-54.92	-1.93	2.19
Bloomberg US Aggregate	3.21	4.16	0.35	-17.18	1.28	0.37
Income Benchmark	5.29	6.44	0.56	-20.35	0.00	1.00

*The Income Pool Benchmark is comprised of 20% MSCI ACWI Net, 50% Bloomberg US Aggregate, 20% HFRX Equity Hedge, 5.25% MSCI World Core Infrastructure Hedged, 2.75% LBMA Gold Price PM, and 2% FTSE Treasury Bill 3 Month.

Graystone Consulting
from Morgan Stanley

Moravian Ministries Foundation in America

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How MMFA Invests

MORAVIAN COMMON FUND



- Professionally managed pools
- Diversification by asset classes
- Diversification across investment managers
- Long-term perspective
- Disciplined risk management

5 Things to Remember

1. Investing is a long-term journey
2. Compounding rewards patience
3. Risk and return are connected
4. Diversification matters
5. Discipline is often more important than timing







Q&A