



Resilient Through Uncertainty, Guided by Faith
Rev. Dr. David S. Bell

As the third quarter of 2025 concludes, we find ourselves navigating a complex and rapidly changing environment — one marked by global uncertainty, economic crosscurrents, and shifting policy landscapes. Yet, in the midst of this uncertainty, the United Methodist Foundation of Michigan remains committed to providing trusted financial stewardship and helping faith communities align their investments with their values.

Our mission continues to be grounded in long-term sustainability, faithful service, and a clear-eyed view of market realities — not for the sake of returns alone, but to further the ministries and missions of our congregations, partners, and generous contributors across Michigan.

Economic Conditions: Resilient but Uneven

Resilient is the one word that best describes the market economy. The U.S. economy has continued to demonstrate strength despite concerns ranging from elevated inflation to international trade tensions. Economic growth in the past quarter showed resilience, and consumer demand remained relatively healthy even as certain labor market indicators softened. Inflation remains above pre-pandemic norms with particular stickiness in essential goods and services. The Federal Reserve continues to closely monitor this factor.

In response to mixed economic signals, the Federal Reserve adjusted interest rates with an eye toward stability and risk management. This policy shift reflects growing awareness of both inflationary pressures and slowing job creation. For investors, these adjustments underscore the importance of balance and flexibility, especially in uncertain times.

Geopolitical & Policy Developments: A Complicated Backdrop

Beyond domestic economic indicators, global developments continue to influence market conditions. Trade policy remains a key area of tension with tariffs and international negotiations weighing on global commerce. Legal questions around the use of emergency powers for trade actions are under review, potentially impacting U.S. policy tools going forward.

At the same time, policy debates over rising national debt and government spending have sparked conversations about future fiscal constraints. While public investments have supported market confidence in the short term, long-term sustainability remains a critical focus – a topic that resonates deeply with UMF Michigan’s own commitment to responsible, values-based stewardship.

Faith-Driven Investing: Stewarding Resources with Purpose

The Foundation continues to approach investment management through the lens of faith. Our investment philosophy adheres to principled guidelines shaped by the *Social Principles of The United Methodist Church*. This policy means avoiding harmful enterprises while actively seeking opportunities that support human dignity, economic justice, and creation care.

The Stock Fund has produced a 15.65% year-to-date gain through the third quarter. The Bond Fund is up 5.66% for this same period. The blended Balanced Fund is positive 11.65%. Historical returns are equally as strong. At the end of the quarter, the Stock Fund has gained nearly 23% over the past three years. The Bond Fund showed a nearly 6% gain for this timeframe. Finally, the three year return of the Balanced Fund is just shy of 16%. More information can always be found [online](#).

We remain focused not only on financial performance, but on faith-aligned impact. Investments in areas such as affordable housing, clean energy, and community development are becoming an increasingly important part of our portfolio strategy, reflecting our belief that strong financial returns and meaningful social good can go hand in hand.

Technology & Innovation: Questions Around Long-Term Value

The rapid expansion of the artificial intelligence (AI) sector has captured investor attention but also raised cautionary flags. Enormous capital flows into this space have prompted comparisons to past speculative episodes, such as the late-1990s technology bubble. While innovation is critical, the challenge remains discerning which developments create lasting value. The Foundation approaches this discernment process with both financial and ethical filters, especially amid headline-driven excitement.

Final Reflections: Rooted in Mission

Despite the many moving parts in today’s economic and geopolitical environment, the Foundation remains unwavering in its commitment to value-based investing and mission-aligned stewardship. We are proud to serve as a trusted partner to churches, ministry partners, and generous contributors who seek to manage their financial resources with integrity, transparency, and faith.

Thank you for your continued trust in the United Methodist Foundation of Michigan.
Together, we are not just navigating the markets – we are investing in hope, justice, and
the transformative work of the Church.

October, 2025