



(Financial Information December 31, 2009)

# OUR MISSION

**The New Mexico Conference Methodist Foundation, Inc. enlarges and develops the financial resources available to churches, institutions and agencies in the New Mexico Annual Conference in order to carry out their missions and ministries.**

We do this by:

- Maintaining faithfulness to God's covenant and openness to God's guidance;
- Providing opportunities for people to expand ministries during their lifetimes and to continue ministry beyond their lifetimes;
- Being the provider of choice for socially responsible investment management and expertise;
- Stimulating awareness of biblical teachings and Wesleyan theological perspectives on faith and money;
- Providing counsel for safe debt management and providing affordable loans;
- Giving grants for selected ministry projects;
- Raising financial resources through spiritual growth and commitment in capital stewardship programs;
- Providing leadership to enable faithful use and management of God's resources.

## NEW MEXICO CONFERENCE METHODIST FOUNDATION, INC.

### STATEMENT OF CORE VALUES

*It is like a man going abroad, who called his servants and put his capital in their hands; to one he gave five bags of gold, to another two, to another one, each according to his capacity. Then he left the country. The man who had the five bags went at once and employed them in business, and made a profit of five bags, and the man who had the two bags made two. But the man who had been given one bag of gold went off and dug a hole in the ground, and hid his master's money. A long time afterwards their master returned, and proceeded to settle accounts with them. The man who had been given the five bags of gold came and produced the five he had made: "Master," he said, "you left five bags with me; look, I have made five more." "Well done, my good and trusty servant!" said the master. "You have proved trustworthy in a small way; I will now put you in charge of something big. Come and share your master's delight." The man with the two bags then came and said, "Master, you left two bags with me; look, I have made two more." "Well done, my good and trusty servant!" said the master. "You have proved trustworthy in a small way; I will now put you in charge of something big. Come and share your master's delight." Then the man who had been given one bag came and said, "Master, I knew you to be a hard man: you reap where you have not sown, you gather where you have not scattered; so I was afraid, and I went and hid your gold in the ground. Here it is—you have what belongs to you." "You lazy rascal!" said the master. "You knew that I reap where I have not sown, and gather where I have not scattered? Then you ought to have put my money on deposit, and on my return I should have got it back with interest. Take the bag of gold from him, and give it to the one with the ten bags. For the man who has will always be given more, till he has enough and to spare; and the man who has not will forfeit even what he has. Fling the useless servant out into the dark, the place of wailing and grinding of teeth." Matthew 25:14-30, New English Bible*

The New Mexico Conference Methodist Foundation believes fully and obediently the teaching of Jesus regarding effective stewardship of the resources God provides. The Foundation understands its mission to emerge from those teachings, grounds its ministry in those teachings, and makes practical those teachings through its services. The Foundation's fundamental calling is to provide visionary and innovative leadership in Christian stewardship and to demonstrate in both word and deed the connection between faith and money. These four principles guide the Foundation's planning, teaching, investing, consultation and evaluation:

- To **serve** creatively the congregations, institutions, individuals and families of the New Mexico Conference;
- To **lead by example** in demonstrating faithful Christian stewardship;
- To maintain **accuracy and accountability** in all records; and
- To operate with the utmost **integrity** in all ways.

Approved by the Board of Directors: February 13, 2004

## SERVICES OF THE NEW MEXICO CONFERENCE METHODIST FOUNDATION

- a) **Investment Services.** By following a carefully crafted investment policy, the Foundation has developed a broad-based investment portfolio. This diversification has allowed the Foundation to enlarge and develop the financial resources available to churches, institutions and agencies in the New Mexico Annual Conference in order to carry out their missions and ministries.
- b) **Endowment Planning.** The Foundation provides consultation on the structuring of endowments to create the most positive environment for encouraging gifts and providing financial resources for ministry.
- c) **Planned Giving Programs & Management.** The Foundation provides consultation for and management of planned gifts, such as Gift Annuities, Pooled Life Income Funds, Charitable Remainder Trusts, and Donor Advised Funds.
- d) **Donor Contacts.** The Foundation will make contact with and consult with individual donors interested in Planned Gifts upon the invitation of the pastor, institutional leader, or the interested person(s).
- e) **Estate Planning.** The Foundation will provide leadership for Estate Planning Seminars and Wills Seminars.
- f) **Stewardship Development.** The Foundation provides consultation with congregations developing comprehensive stewardship programs and annual stewardship campaigns.
- g) **Capital Campaign Consultation.** The Foundation provides consultation with congregations planning to engage in capital stewardship campaigns and is available on a limited scale to provide fee-based professional counsel in conducting capital campaigns.
- h) **Finance Committee Training.** The Foundation will assist congregations in equipping Finance Committees to effectively fulfill their responsibilities for planning and overseeing the financial condition of the church.
- i) **Financial Consultations.** The Foundation will assist congregations in evaluating their current financial condition and chart short and long term strategies for financial growth.
- j) **Loan Program.** The Foundation has made available a portion of funds invested in the Foundation's Pooled Investment Fund for secured loans to congregations or agencies related to The United Methodist Church located within the New Mexico Annual Conference.

## INVESTMENT PHILOSOPHY OF THE NEW MEXICO CONFERENCE METHODIST FOUNDATION

- a) The investment of permanent funds:

The investment of institutional endowments and other assets is qualitatively different from the investment of either personal or pension fund assets. Our investment philosophy is tailored to meet the special characteristics of endowments.

- b) The goal of long term growth:

The Foundation invests for long term growth, seeking to provide for its participants a reliable stream of income, if that is desired, and capital appreciation. **Our goal is to preserve the purchasing power of invested dollars.**

- c) Recognition of risk:

It is expected that there will be periodic declines in the market and thus in the value of the funds invested. Some of these may be sharp, such as the experience of the fall of 2008, or of longer duration as the interval from mid-2001 to early 2003. However, the Foundation believes that the investor who rides out these dips will be rewarded with superior returns over time.

- d) Socially Responsible investing:

In our investing we seek to comply with the historic position of The United Methodist Church regarding socially responsible investing as described in ***The Book of Discipline***, 2008, Paragraph 2532.5, page 723.

- e) Oversight:

An Investment Committee of the Foundation's Board of Directors regularly reviews the performance of each fund manager. Occasionally, a specific manager may be invited to send a personal representative to meet with the Investment Committee and/or the Board of Directors.

## SPECIFIC INVESTMENTS OF THE NEW MEXICO CONFERENCE METHODIST FOUNDATION

The Foundation maintains the assets in the Pooled Investment Fund in a diversified portfolio of stocks, bonds, cash, alternative investments and/or structured notes. The Foundation establishes Asset Allocation limits for assets in the Pooled Investment Fund and will periodically assess the current Asset Allocation and make adjustments within the accepted limits based on consultation with its Investment Advisor, review of market conditions, and other factors.

The Foundation understands that ongoing market activity will cause the portfolio to move away from its Asset Allocation ranges, as certain asset classes will out/under-perform others in the short and long-term. Accordingly, the following table specifies acceptable upper and lower limits for each asset class.

<u>Asset Class</u>	<u>Lower Limit</u>	<u>Upper Limit</u>
U.S. Stocks (S&P 500)	25%	55%
Foreign Stocks (MSCI EAFE)	5%	50%
Cash (30 Day T-Bill)	2%	10%
Alternative Investments (S&P500)	0%	15%
Structured Notes	0%	5%

The Foundation uses a diversification of investment managers to achieve its goals. The Foundation believes that the practice of diversifying managers expresses a conservative approach to the market without foregoing the opportunity for growth.

The Foundation employs the Merrill Lynch Company to monitor these investors, and the results are reviewed monthly with a comprehensive quarterly analysis.

The use of a range of investments allows for consideration of changes in the market.

## **CURRENT FUND MANAGERS**

### EQUITY FUND MANAGERS: Large Value

Harris Associates (Hired 6/05)

Aletheia Research & Management, Inc. (Large Cap Value Fund) (Hired 8/08)

### EQUITY FUND MANAGERS: Large Growth

Aletheia Research & Management, Inc. (Large Cap Growth Fund) (Hired 8/08)

Janus Capital Management LLC (Hired 8/08)

### EQUITY FUND MANAGERS: Large Core

Victory Capital Core (Hired 2/04)

### EQUITY FUND MANAGERS: Small Value

Denver Small Value (Hired 5/07)

### EQUITY FUND MANAGERS: Small Growth

Wentworth, Hauser and Violich Inc. Small Growth (Hired 2/05)

### EQUITY FUND MANAGERS: International

MFS International Fund (Hired 12/07)

Wentworth, Hauser and Violich Inc. International (Hired 8/08)

NFJ International (Hired 8/09)

### BOND FUND MANAGERS

Delaware Diversified Income Fund. (Hired 5/03)

PIMCO CORE. (Hired 5/03)

PIMCO TIPS Fund. (Hired 10/04)

PIMCO Corporate Bond Fund (Hired 3/09)

### ALTERNATIVE FUND MANAGERS

The Endowment Fund (Funds 1 & 2). (Hired 4/07 & 12/07)

ML Systematic Momentum Futures Access (Funds 1 & 2). (Hired 7/07 & 12/07)

ML-CSP II (offshore), L.P. (Hired 4/08)

Equity Long/Short Hedge Funds (Hired 3/09)

Event Driven Hedge Funds (Hired 3/09)

Bank Notes (Hired 12/09)

A detailed description of each of the above fund managers may be seen at the New Mexico Conference Foundation, Inc. web site: [www.nmcmfi.org](http://www.nmcmfi.org).

## HOW WOULD A CHURCH OR CONFERENCE INSTITUTION PARTICIPATE IN THE POOLED INVESTMENT FUND?

All funds are deposited in the Foundation Pooled Fund for investment purposes.

The pooled fund is owned by the various investors through the unit system, in which newly deposited funds purchase units at market value, determined at the end of each month.

As of December 31, 2009, the Pooled Fund has assets of \$33,870,213.99, representing the investment of 471,729.766053 units, a unit being valued at \$71.800036. There are 472 separate active funds within the pooled fund.

An investing church, institution or agency may choose to have more than one fund in the Foundation pooled fund.

## WHAT FEES AND CHARGES WILL A PARTICIPATING INSTITUTION PAY?

Pre-Valuation Charges: The stock funds are managed by the various fund managers for a fee of approximately 1% per annum. Additionally, an annual fee is paid to Merrill Lynch for the monitoring services, and brokerage fees of up to \$.09 per share are charged. These charges for 2009 were \$239,925.77.

Post-Valuation Charges: The New Mexico Conference Methodist Foundation charges 1.0% (one percent) as an annual fee to participants. If a participant's quarterly valuations in a year are \$60,000, \$68,000, \$70,000 and \$76,000, the fees would be \$150.00, \$170.00, \$175.00 and \$190.00. The total Foundation fee would be \$685.00.

For funds with assets over \$250,000.00, the post valuation fee is .75% annually on the amount over \$250,000.00.

**These post-evaluation charges are the only fees charged to a participant and include the operating cost of the pre-valuation charges identified above.**

## **HOW DO WE REQUEST OR RECEIVE A DISTRIBUTION FROM FUNDS PLACED WITH THE FOUNDATION?**

Funds managed by the Foundation will be valued at the end of each calendar month and available for distribution to investors at the beginning of the following month to the extent that the distribution is in accordance with all other stipulations of the management agreement for each respective fund.

In order to secure distribution of funds, a written request signed by an authorized agent(s) of the congregation or agency must be submitted to the Foundation by the 20<sup>th</sup> day of the month preceding the distribution. A standardized form is available either by mail or on the Foundation's web site for this purpose. It is recommended, and in some cases required, that minutes of the meeting in which the distribution is authorized accompany the signed request form. Regularly scheduled "automatic" distributions may also be established. Requests for distributions must be signed by one or more authorized persons and submitted to the Foundation office.

## **WHAT OVERALL PERFORMANCE CAN WE EXPECT FROM OUR FOUNDATION INVESTMENT?**

The total return of the Foundation over the past **twenty-eight** years has averaged **9.43%** annually.

The Foundation recommends that any institution receiving an annual distribution restrict that distribution to an amount not more than 4% of the average of the previous 20 quarters asset value ending with the immediate past 12/31 asset value.

We believe that this will allow for the growth of the fund and maintain the value of the fund in relation to purchasing power.

Following pages (pages 12 through 17):

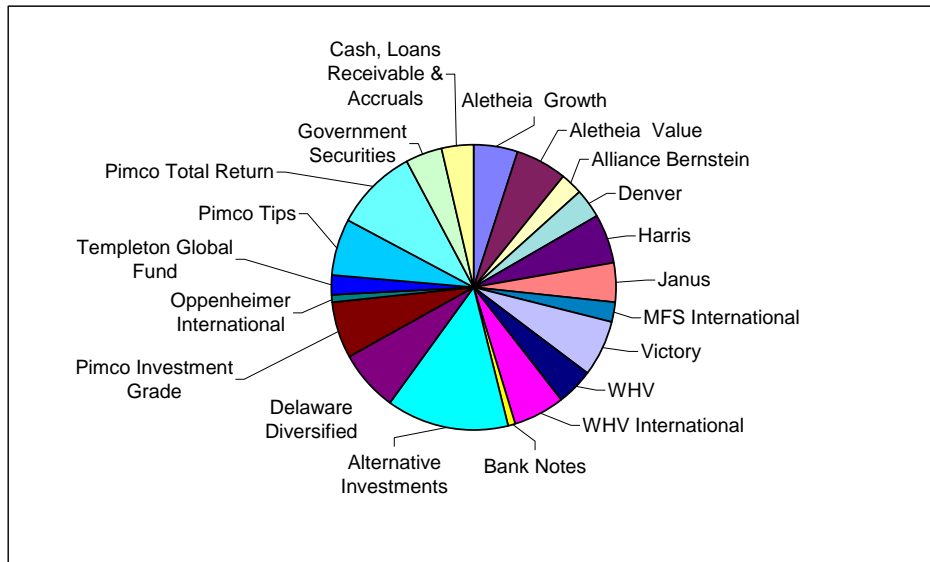
- Asset Allocation as of December 31, 2009
- Pie Chart – Asset Allocation of Pooled Investment Funds
- Table – Growth of the Foundation – 28 Year Total Return on Pooled Investment Funds
- Table – Quarterly change in unit values
- Sample of actual performance of deposit from 1982 to present, with annual payment to fund owner and fees deducted.

***It must be remembered that past performance is no guarantee of future results.***

New Mexico conference Methodist Foundation, Inc.  
Asset Distribution Analysis

Common Stock Portion	Total	Total	%	Total	%
	12/31/2009	12/31/2008	Change	12/31/2007	Change
<b>EQUITY FUNDS</b>	<b>15,586,095</b>	14,636,807	6.49%	<b>23,580,808</b>	-33.90%
<b>BOND FUNDS</b>	<b>10,923,555</b>	8,487,171	28.71%	10,677,615	2.30%
<b>ALTERNATIVE FUNDS</b>	<b>4,723,270</b>	2,963,325	59.39%	2,785,646	0.00%
<b>SHORT TERM &amp; CASH</b>	<b>2,341,807</b>	2,807,794	-16.60%	3,257,061	-28.10%
<b>LOANS RECEIVABLE</b>	<b>295,488</b>	309,293	-4.46%		
<b>TOTAL INVESTED</b>	<b>\$ 33,870,215</b>	<b>\$ 29,204,389</b>	<b>15.98%</b>	<b>40,301,130</b>	<b>-15.96%</b>
Percent with Equity Managers	<b>46.02%</b>	50.12%	-8.18%	58.51%	-21.35%
Percent in Bond Funds	<b>32.25%</b>	29.06%	10.98%	26.49%	21.73%
Percent with Alternative Investments	<b>13.95%</b>	10.15%	0.00%	0.00%	0.00%
Percent in Short Term Funds & Cash	<b>6.91%</b>	9.61%	-28.09%	5.05%	37.01%
Percent in Loans Receivable	<b>0.87%</b>	1.06%	-17.62%	3.14%	-72.18%
	<b>100.00%</b>	100.00%	0.00%	93.19%	7.31%

FUNDS UNDER MANAGEMENT	Value	Net Value	PF Units	PF Value
				\$
Total Pooled Fund Values	33,870,215	33,870,215	471,729.7661	<b>\$ 71.8000</b>
ML Pooled Holding Fund Cash	488,101	488,101	UV12/31/08	\$ 58.4258
			\$ Change	\$ 13.3742
			% Change	<b>22.89%</b>
Pooled Life Income Fund & Trusts	64,701	64,701		
Foundation Operations	43,372	43,372		
Life Insurance Policies (cash value)	10,069	10,069		
<b>TOTAL FUNDS UNDER MANAGEMENT 12/31/2009</b>		<b>\$ 34,476,458</b>		
<b>TOTAL FUNDS UNDER MANAGEMENT, 12/31/08</b>		<b>\$ 29,697,590</b>		
<b>INCREASE</b>		<b>\$ 4,778,868</b>		



NEW MEXICO CONFERENCE METHODIST FOUNDATION, INC.  
TOTAL RETURN ON POOLED INVESTMENT FUNDS  
31-Dec-08

	Year	31-Dec unit value	Annual Return	Total Ave. Since 1982
1	1982	-	15.81%	15.81%
2	1983	-	12.96%	14.39%
3	1984	10.00	10.88%	13.22%
4	1985	11.22	12.19%	12.96%
5	1986	11.94	6.39%	11.65%
6	1987	11.83	-0.93%	9.55%
7	1988	12.63	6.81%	9.16%
8	1989	15.22	20.52%	10.58%
9	1990	15.34	0.77%	9.49%
10	1991	20.73	35.10%	12.05%
11	1992	22.22	7.21%	11.61%
12	1993	23.88	7.47%	11.27%
13	1994	23.78	-0.42%	10.37%
14	1995	29.80	25.33%	11.44%
15	1996	35.57	19.36%	11.96%
16	1997	42.20	18.63%	12.38%
17	1998	47.97	13.67%	12.46%
18	1999	56.10	16.95%	12.71%
19	2000	55.26	-1.5%	11.96%
20	2001	53.32	-3.52%	11.18%
21	2002	48.41	-9.20%	10.21%
22	2003	58.63	21.11%	10.71%
23	2004	63.54	8.38%	10.61%
24	2005	67.34	5.98%	10.41%
25	2006	74.15	10.11%	10.40%
26	2007	80.66	8.78%	10.34%
27	2008	58.43	-27.57%	8.94%
28	2009	71.80	22.89%	9.43%

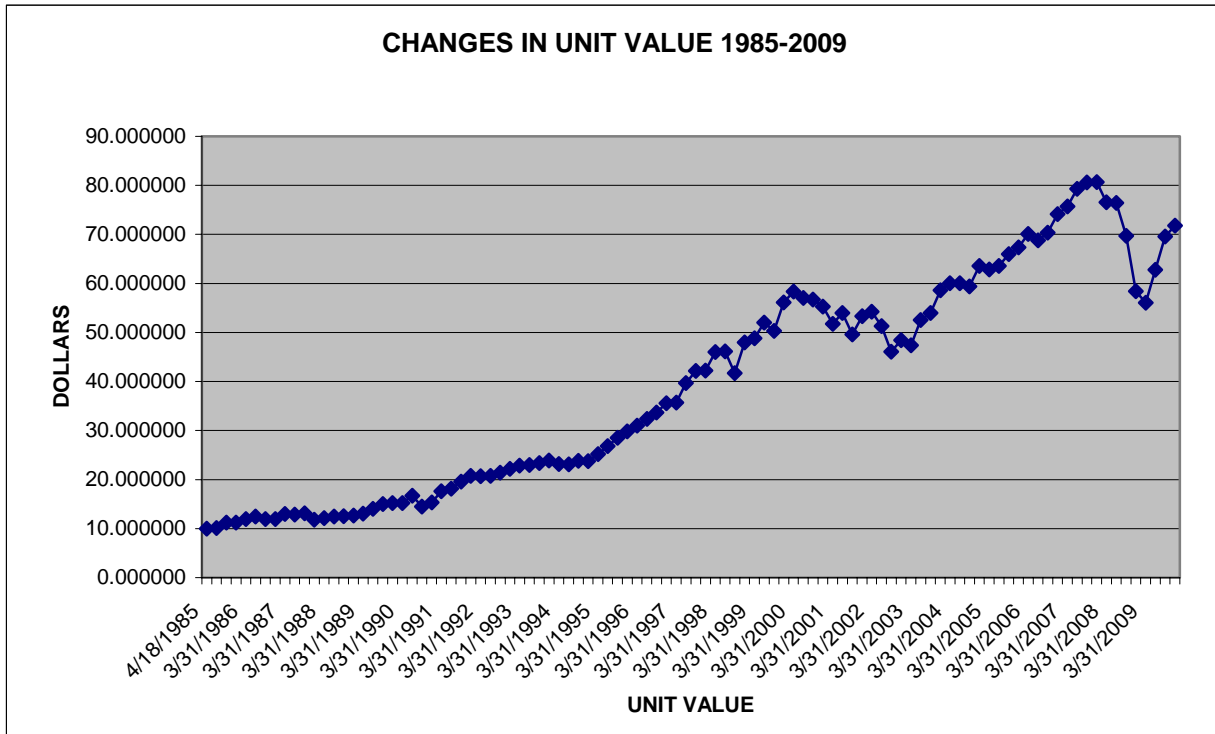
<b>Twenty-eight Year Average</b>	<b>9.43%</b>
Last Two Years	-2.34%
Last Three Years	1.37%
Last Four Years	3.55%
Last Five Years	4.04%
Last Six years	4.76%
Last Seven Years	7.10%
Last Eight Years	5.06%
Last Nine Years	4.11%
Last Ten Years	3.55%
Last Eleven Years	4.76%
Last Twelve Years	5.51%
Last Thirteen Years	6.52%
Last Fourteen Years	7.43%
Last Fifteen Years	8.63%
Last Sixteen Years	8.06%
Last Seventeen Years	8.03%
Last Eighteen Years	7.98%
Last Nineteen Years	9.41%
Last Twenty Years	8.98%
Last Twenty-one Years	9.53%
Last Twenty-two Years	9.40%
Last Twenty-Three Years	8.95%
Last Twenty-four Years	8.85%
Last Twenty-five Years	8.98%
Last Twenty-six Years	9.05%
Last Twenty-seven Years	9.20%

NEW MEXICO CONFERENCE METHODIST FOUNDATION, INC.  
CHANGES IN UNIT VALUES

Date	Unit Value	Quarter Change Unit Value	Percent Change Unit Value	Annual Change Unit Value	Percent Change Annual Change	Percent Change From Inception	Percent Change From Inception
4/18/1985	10.000000						
6/30/1985	10.130000	0.13	1.30%			0.13	1.30%
9/30/1985	11.219325	1.09	10.75%			1.22	12.19%
12/31/1985	11.219220	0.00	0.00%	1.22	12.19%	1.22	12.19%
3/31/1986	11.941791	0.72	6.44%			1.94	19.42%
6/30/1986	12.489100	0.55	4.58%			2.49	24.89%
9/30/1986	11.943850	-0.55	-4.37%			1.94	19.44%
12/31/1986	11.936416	-0.01	-0.06%	0.72	6.39%	1.94	19.36%
3/31/1987	12.962531	1.03	8.60%			2.96	29.63%
6/30/1987	12.887629	-0.07	-0.58%			2.89	28.88%
9/30/1987	13.110743	0.22	1.73%			3.11	31.11%
12/31/1987	11.825725	-1.29	-9.80%	-0.11	-0.93%	1.83	18.26%
3/31/1988	12.137381	0.31	2.64%			2.14	21.37%
6/30/1988	12.460368	0.32	2.66%			2.46	24.60%
9/30/1988	12.506898	0.05	0.37%			2.51	25.07%
12/31/1988	12.631278	0.12	0.99%	0.81	6.81%	2.63	26.31%
3/31/1989	13.071105	0.44	3.48%			3.07	30.71%
6/30/1989	14.059434	0.99	7.56%			4.06	40.59%
9/30/1989	15.009306	0.95	6.76%			5.01	50.09%
12/31/1989	15.223513	0.21	1.43%	2.59	20.52%	5.22	52.24%
3/31/1990	15.214759	-0.01	-0.06%			5.21	52.15%
6/30/1990	16.736976	1.52	10.00%			6.74	67.37%
9/30/1990	14.510606	-2.23	-13.30%			4.51	45.11%
12/31/1990	15.340218	0.83	5.72%	0.12	0.77%	5.34	53.40%
3/31/1991	17.649507	2.31	15.05%			7.65	76.50%
6/30/1991	18.175875	0.53	2.98%			8.18	81.76%
9/30/1991	19.558533	1.38	7.61%			9.56	95.59%
12/31/1991	20.725084	1.17	5.96%	5.38	35.10%	10.73	107.25%
3/31/1992	20.669779	-0.06	-0.27%			10.67	106.70%
6/30/1992	20.780687	0.11	0.54%			10.78	107.81%
9/30/1992	21.423853	0.64	3.10%			11.42	114.24%
12/31/1992	22.218644	0.79	3.71%	1.49	7.21%	12.22	122.19%
3/31/1993	22.814566	0.60	2.68%			12.81	128.15%
6/30/1993	22.970422	0.16	0.68%			12.97	129.70%
9/30/1993	23.385336	0.41	1.81%			13.39	133.85%
12/31/1993	23.879900	0.49	2.11%	1.66	7.48%	13.88	138.80%
3/31/1994	23.142307	-0.74	-3.09%			13.14	131.42%
6/30/1994	23.118125	-0.02	-0.10%			13.12	131.18%
9/30/1994	23.812347	0.69	3.00%			13.81	138.12%
12/31/1994	23.780000	-0.03	-0.14%	-0.10	-0.42%	13.78	137.80%
3/31/1995	25.200000	1.42	5.97%			15.20	152.00%
6/30/1995	26.800000	1.60	6.35%			16.80	168.00%
9/30/1995	28.488140	1.69	6.30%			18.49	184.88%
12/31/1995	29.802310	1.31	4.61%	6.02	25.33%	19.80	198.02%

3/31/1996	31.007360	1.21	4.04%			21.01	210.07%
6/30/1996	32.358232	1.35	4.36%			22.36	223.58%
9/30/1996	33.682270	1.32	4.09%			23.68	236.82%
12/31/1996	35.572200	1.89	5.61%	5.77	19.36%	25.57	255.72%
3/31/1997	35.721320	0.15	0.42%			25.72	257.21%
6/30/1997	39.694300	3.97	11.12%			29.69	296.94%
9/30/1997	42.177605	2.48	6.26%			32.18	321.78%
12/31/1997	42.200000	0.02	0.05%	6.63	18.63%	32.20	322.00%
3/31/1998	45.990000	3.79	8.98%			35.99	359.90%
6/30/1998	46.110000	0.12	0.26%			36.11	361.10%
9/30/1998	41.730000	-4.38	-9.50%			31.73	317.30%
12/31/1998	47.970000	6.24	14.95%	5.77	13.67%	37.97	379.70%
3/31/1999	48.800000	0.83	1.73%			38.80	388.00%
6/30/1999	52.011990	3.21	6.58%			42.01	420.12%
9/30/1999	50.336100	-1.68	-3.22%			40.34	403.36%
12/31/1999	56.100000	5.76	11.45%	8.13	16.95%	46.10	461.00%
3/31/2000	58.362600	2.26	4.03%			48.36	483.63%
6/30/2000	57.057300	-1.31	-2.24%			47.06	470.57%
9/30/2000	56.742800	-0.31	-0.55%			46.74	467.43%
12/31/2000	55.260400	-1.48	-2.61%	-0.84	-1.50%	45.26	452.60%
3/31/2001	51.773000	-3.49	-6.31%			41.77	417.73%
6/30/2001	54.004800	2.23	4.31%			44.00	440.05%
9/30/2001	49.576100	-4.43	-8.20%			39.58	395.76%
12/31/2001	53.315500	3.74	7.54%	-1.94	-3.52%	43.32	433.16%
3/31/2002	54.229900	0.91	1.72%			44.23	442.30%
6/30/2002	51.288600	-2.03	-3.80%			41.29	412.89%
9/30/2002	46.102672	-7.21	-13.53%			36.10	361.03%
12/31/2002	48.412500	2.31	5.01%	-4.90	-9.20%	38.41	384.13%
3/31/2003	47.360000	-1.05	-2.17%			37.36	373.60%
6/30/2003	52.520000	5.16	10.90%			42.52	425.20%
9/30/2003	53.984400	1.46	2.79%			43.98	439.84%
12/31/2003	58.632800	4.65	8.61%	10.22	21.11%	48.63	486.33%
3/31/2004	60.061700	1.43	2.44%			50.06	500.62%
6/30/2004	60.044900	-0.02	-0.03%			50.04	500.45%
9/30/2004	59.402649	-0.64	-1.07%			49.40	494.03%
12/31/2004	63.544600	4.14	6.97%	4.91	8.38%	53.54	535.45%
3/31/2005	62.847327	-0.70	-1.10%			52.85	528.47%
6/30/2005	63.537424	0.69	1.10%			53.54	535.37%
9/30/2005	65.967759	2.43	3.83%			55.97	559.68%
12/31/2005	67.343483	1.38	2.09%	3.80	5.98%	57.34	573.43%
3/31/2006	70.124600	2.78	4.13%			60.12	601.25%
6/30/2006	68.778597	-1.35	-1.92%			58.78	587.79%
9/30/2006	70.375574	1.60	2.32%			60.38	603.76%
12/31/2006	74.149709	3.77	5.36%	6.81	10.11%	64.15	641.50%
3/31/2007	75.698005	1.55	2.09%			65.70	656.98%
6/30/2007	79.282400	3.58	4.74%			69.28	692.82%
9/30/2007	80.579097	1.30	1.64%			70.58	705.79%
12/31/2007	80.662002	0.08	0.10%	6.51	8.78%	70.66	706.62%
3/31/2008	76.534967	-4.13	-5.12%			66.53	665.35%
6/30/2008	76.439182	-0.10	-0.13%			66.44	664.39%
9/30/2008	69.697926	-6.74	-8.82%			59.70	596.98%
12/31/2008	58.425815	-11.27	-16.17%	-22.24	-27.57%	48.43	484.26%

3/31/2009	56.090043	-2.34	-4.00%			46.09	460.90%
6/30/2009	62.795836	6.71	11.96%			52.80	527.96%
9/30/2009	69.566765	6.77	10.78%			59.57	595.67%
12/31/2009	71.800036	2.23	3.21%	13.37	22.89%	61.80	618.00%



NEW MEXICO CONFERENCE METHODIST FOUNDATION, INC.												
TOTAL RETURN AFTER DISTRIBUTIONS AND FEES												
DISTRIBUTION BASED ON PERCENTAGE OF BEGINNING YEAR VALUE												
Year	Beginning Value	Return	Fund Appreciation	Distribution To Beneficiary	Management Fee	Net Fund Appreciation	Average Annual Return Less Fees	Net Year End Value	Base Value	DPI (Inflation Rate)	Needed to Retain Purchase Power	Purchase Power Value
1982	100,000	15.81%	15,810	6,000	750	9,060	15.06%	109,060	100,000	6.2%	3,800	103,800
1983	109,060	12.96%	14,134	6,544	818	6,773	12.21%	115,833	103,800	3.2%	3,342	107,142
1984	115,833	10.88%	12,603	6,950	869	4,784	10.13%	120,617	107,142	4.3%	4,607	111,749
1985	120,617	12.19%	14,703	7,237	905	6,562	11.44%	127,178	111,749	3.6%	3,967	115,717
1986	127,178	6.39%	8,127	7,631	954	-458	5.64%	126,720	115,717	1.9%	2,210	117,927
1987	126,720	-0.93%	-1,178	7,603	950	-9,732	-1.68%	116,988	117,927	3.7%	4,316	122,243
1988	116,988	6.81%	7,967	7,019	877	70	6.06%	117,058	122,243	4.1%	4,988	127,230
1989	117,058	20.52%	24,020	7,023	878	16,119	19.77%	133,177	127,230	4.8%	6,145	133,376
1990	133,177	0.77%	1,025	7,991	999	-7,964	0.02%	125,213	133,376	6.3%	8,389	141,765
1991	125,213	35.10%	43,950	7,513	939	35,498	34.35%	160,711	141,765	4.3%	6,025	147,790
1992	160,711	7.21%	11,587	9,643	1,205	739	6.46%	161,450	147,790	3.0%	4,478	152,268
1993	161,450	7.47%	12,060	9,687	1,211	1,162	6.72%	162,613	152,268	3.0%	4,507	156,775
1994	162,613	-0.42%	-683	9,757	1,220	-11,659	-1.17%	150,954	156,775	2.6%	4,092	160,867
1995	150,954	25.33%	38,237	9,057	1,132	28,047	24.58%	179,001	160,867	2.8%	4,520	165,387
1996	179,001	19.36%	34,649	10,740	1,343	22,567	18.61%	201,567	165,387	2.9%	4,846	170,233
1997	201,567	18.63%	37,552	12,094	1,512	23,946	17.88%	225,514	170,233	2.3%	3,983	174,217
1998	225,514	13.67%	30,828	13,531	1,691	15,606	12.92%	241,119	174,217	1.6%	2,700	176,917
1999	241,119	16.95%	40,870	14,467	1,808	24,594	16.20%	265,713	176,917	2.2%	3,874	180,791
2000	265,713	-1.50%	-3,986	15,943	1,993	-21,921	-2.25%	243,792	180,791	3.38%	6,111	186,902
2001	243,792	-3.52%	-8,581	14,628	1,828	-25,037	-4.27%	218,754	186,902	2.83%	5,289	192,192
2002	218,754	-9.20%	-20,125	13,125	1,641	-34,891	-9.95%	183,863	192,192	1.59%	3,056	195,247
2003	183,863	21.11%	38,814	11,032	1,379	26,403	20.36%	210,266	195,247	2.27%	4,432	199,680
2004	210,266	8.36%	17,578	12,616	1,577	3,385	7.61%	213,651	199,680	2.7%	5,351	205,031
2005	213,651	5.98%	12,776	12,819	1,602	-1,645	5.23%	212,006	205,031	3.4%	6,951	211,981
2006	212,006	10.11%	21,434	12,720	1,590	7,123	9.36%	219,129	211,981	3.2%	6,868	218,850
2007	219,129	8.78%	19,240	13,148	1,643	4,448	8.03%	223,578	218,850	2.9%	6,237	225,087
2008	223,578	-27.57%	-61,640	13,415	2,236	-77,291	-28.57%	146,287				
2009	146,287	22.89%	33,485	7,314	1,463	24,708	21.89%	170,995				
2010	170,995			7,776								
Total Distributed to Fund Owner				295,022								
Total Additional Appreciation				46,287								
Total 27 Year Return				341,309								
Annual Average Return				9.43%								
Annual Average Return Less Fees				8.67%								
From 1982 through 2008 distributions were 6% of the previous 12/31 balance. Distribution in 2009 was 5% of the previous 12/31 balance. Beginning in 2010 distributions will be 4% of the past 20 quarters with the previous 12/31 as the ending quarter.												
<b>THIS CHART IS A REASONABLE REPRESENTATION USING ACTUAL ANNUAL RETURNS TO ILLUSTRATE HOW A FUND MIGHT HAVE APPRECIATED UNDER THE MANAGEMENT OF THE NEW MEXICO CONFERENCE METHODIST FOUNDATION, INC. EXACT FIGURES FOR BALANCES AND DISTRIBUTIONS WOULD HAVE VARIED DEPENDING ON PARTICULAR CIRCUMSTANCES. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RETURNS.</b>												



## **WHO UTILIZES THE SERVICES OF THE FOUNDATION?**

Most churches and church institutions in the New Mexico Conference invest through the New Mexico Conference Methodist Foundation, Inc. In addition to the church and church institution funds, the foundation also holds 81 active gift annuities, charitable remainder trusts and pooled life income fund with a December 31, 2009 valuation of \$2,046,515.81.

Churches represent a total of 223 accounts with a December 31, 2009 valuation of \$16,867,312.93.

Institutions, agencies and restricted endowments represent a total of 164 accounts with a December 31, 2009 valuation of \$15,532,361.35.

NEW MEXICO CONFERENCE METHODIST FOUNDATION, INC.

BOARD OF DIRECTORS  
NOVEMBER, 2009

OFFICERS

PRESIDENT ..... LaDOYCE LAMBERT  
VICE PRESIDENT ..... TOM TOEVS  
SECRETARY ..... BARBARA BAUERNFEIND  
TREASURER ..... RICHARD WALLACE



NEW MEXICO CONFERENCE METHODIST FOUNDATION, INC.

BOARD OF DIRECTORS, February, 2009

		<u>Year Elected</u>
THOMAS ARCHIBALD (Miriam) 2505 Sierra Vista Rd Artesia, NM 88210  Home: (575) 746-6727 Fax: (575) 746-6727 E-Mail: <a href="mailto:archibal@valdosta.edu">archibal@valdosta.edu</a>	Archibald Associates	2008
LAURA T. ARMSTRONG (Jay) P O Box 27 Belen, NM 87002  Home: (505) 864-4575 Office: (505) 861-0060 Fax: (505) 861-0045 E-Mail: <a href="mailto:CPALTA@msn.com">CPALTA@msn.com</a>	CPA CFO, Ambercare	2009
BARBARA A. BAUERNFEIND (Paul) 6367 Franklin View Dr El Paso, TX 79912  Home: Office: E-Mail: <a href="mailto:barbarab@cthglawfirm.com">barbarab@cthglawfirm.com</a>	Attorney Craig, Terrill, Hale & Grantham, L.L.P	2005
JOHN HEADRICK (Sandy) 7985 Old Aztec HWY Flora Vista, NM 87415  Home: (505) 327-3476 Fax: (505)325-9179 E-Mail: <a href="mailto:sandy.j.headrick@wellsfargo.com">sandy.j.headrick@wellsfargo.com</a>	Farming and Investments	2007
MICHAEL KELLY (Heidi) 31 Los Miradores Dr NE Rio Rancho, NM 87124-4278  Home: (505) 344-2425 Office (505) 881-1700 Fax: (505) 880-2799 E-mail: <a href="mailto:mkelly@cableone.net">mkelly@cableone.net</a>	UBS Financial Services, Inc	2006

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## FOUNDATION BOARD CLASSES

### FIRST ELECTED

#### CLASS OF 2010

Barbara Bauernfeind	2005
Toby Rue	2006
John Headrick	2007
James Large*	2008
Laura Armstrong	2009

#### CLASS OF 2011

Nancy VanDevender	2000
Thomas Toevs	2004
Mike Kelly	2006
Jane Vaughan*	2007
Tom Archibald	2008

#### CLASS OF 2012

LaDoyce Lambert	2000
Max Myers	2002
Richard Wallace	2003
Sid Strebeck	2007
David Weyant*	2009

BOARD MEMBERS ARE ELECTED FOR A THREE YEAR TERM AND MAY SERVE UP TO FOUR TERMS.

(CLASSES SERVE TO THE END OF THE CALENDAR YEAR DESIGNATED)

\*Clergy