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Greetings,

As of the end of the 4th quarter of 2025, net of fees, the returns of the fund models are:

As of 12/31/2025	4th Qtr 2025	Year to Date	Last 1 Year†	Last 3 Years†	Last 5 Years†	Last 10 Years†
Aggressive Fund	**2.61%**	**18.94%**	**18.94%**	**17.35%**	**9.81%**	**11.34%**
Agg. Climate	4.27%	21.07%	21.07%	19.67%	10.15%	n/a
benchmark*	2.55%	19.11%	19.11%	18.41%	10.30%	11.07%
Moderate Fund	**2.19%**	**14.93%**	**14.93%**	**13.54%**	**7.15%**	**8.57%**
Mod. Climate	3.29%	16.49%	16.49%	15.34%	7.71%	n/a
benchmark*	2.08%	14.85%	14.85%	14.29%	7.58%	8.62%
Conservative Fund	**1.57%**	**10.91%**	**10.91%**	**9.58%**	**4.36%**	**5.56%**
Con. Climate	2.28%	11.62%	11.62%	10.28%	4.60%	n/a
benchmark*	1.65%	10.90%	10.90%	10.06%	4.65%	5.92%

*"Benchmark" is a blend of benchmarks for the fund's underlying portfolios of stocks and fixed income, relative to the portfolio allocations within the fund's model. †Rates of return (1+ years) are annualized. See the monthly performance reports online: https://midwestmethodist.org/investment-performance-reports/

Market Commentary from Envestnet Asset Management, Inc.

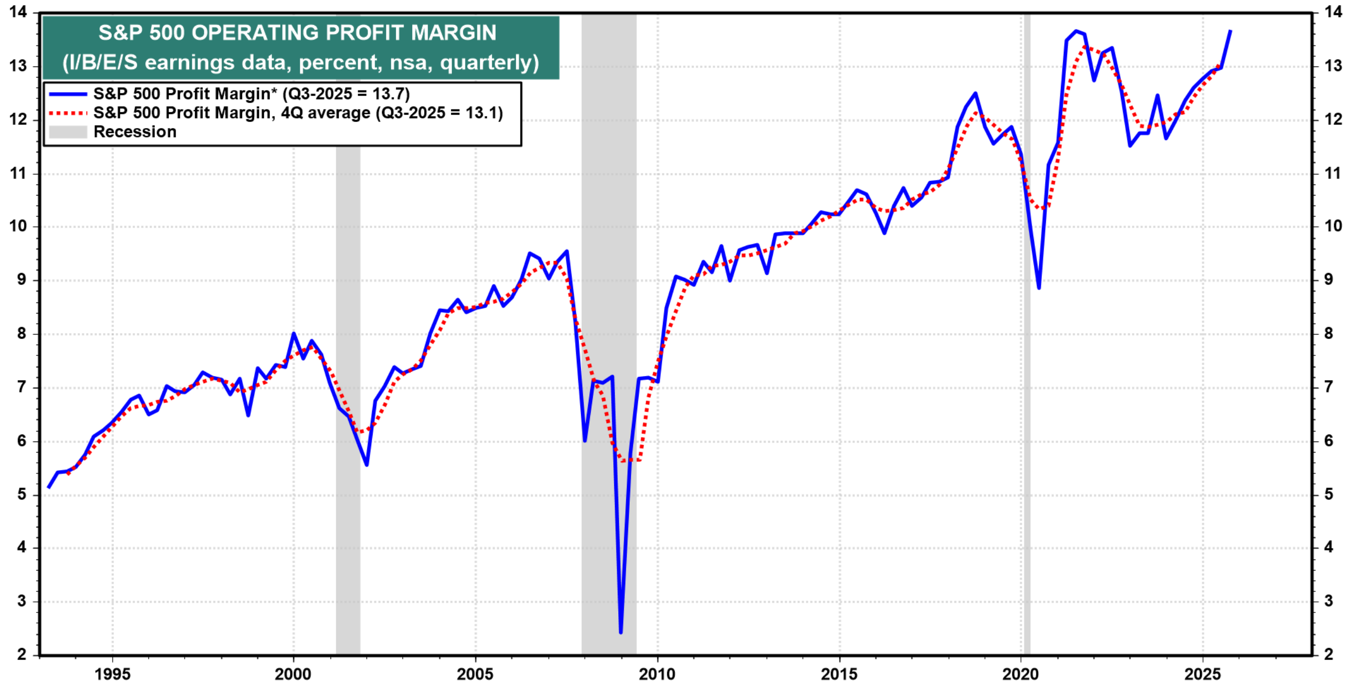
Brandon Thomas, Co-Founder and Co-Chief Investment Officer, Envestnet, concluded their "Economic and Market Overview: Fourth Quarter 2025" report with the following observations and commentary:

> "As the year draws to a close, the economic backdrop suggests a gradual cooling rather than a sharp downturn. Recent data confirm slower payroll growth and rising unemployment, yet layoffs remain contained and job openings, while lower, still exceed pre-pandemic norms. This pattern points to firms managing through softer demand with caution rather than capitulation, favoring labor hoarding and productivity gains over broad-based cuts.
>
> Household dynamics continue to underpin resilience. While higher borrowing costs have tempered discretionary spending, wage growth, even though moderating, remains positive in real terms, and balance sheets for many households remain healthy. This has sustained consumption in services sectors such as healthcare and leisure, which continue to act as stabilizers for employment and output. Corporate fundamentals also provide a buffer. Profits rebounded in Q3, and liquidity remains ample, enabling firms to service debt and maintain investment plans. Where caution prevails, companies are prioritizing efficiency, such as reallocating resources and delaying nonessential hiring, rather than resorting to deep workforce reductions. This approach preserves institutional knowledge and positions businesses for a smoother recovery if demand strengthens.
>
> From a macro perspective, the probability of a soft landing remains credible. Inflation is trending lower, supply chains have normalized, and the Fed's pivot to gradual easing reduces the risk of

overtightening. These factors create space for modest growth even as policy makers and corporate leaders calibrate responses carefully.

The consensus among analysts is that risks persist but appear manageable. A sharper deterioration in labor conditions or an external shock, such as energy price volatility or geopolitical disruption, would warrant reassessment. Structural issues like labor participation and demographic trends remain slow-moving headwinds, while technology adoption introduces both transitional challenges and long-term productivity upside. Overall, the balance of evidence favors a scenario of slower but sustained growth, with policy and corporate strategy aimed at stability rather than stimulus-driven acceleration."[1]

"Profits rebounded in Q3"



Source: LSEG Datastream , © Yardeni Research, and Standard & Poor's.
* S&P 500 operating earnings per share divided by revenues per share.

Not only have corporate profits recently "rebounded," but profit margins have grown steadily for 30 years.[2] Looking at the chart above, one may think higher profit margins prefigure a dramatic market correction (dotcom bust, 2008-09 financial crisis, and pandemic crash). This is correlation and not causation. There are three main reasons why higher profit margins may be the "new normal:"

- **Index Composition:** The S&P 500 is now dominated by less capital-intensive businesses and is driven by asset-light businesses like big tech, think Alphabet (Google) and Microsoft.
- **Structural Tax and Interest Tailwinds:** The federal tax rate on corporations has dropped from 35% to 21%; while interest rates have crept back up, the last 25 years have seen historically low rates and even today's rates remain below long-term historical averages.
- **Industry Consolidation:** Concentration has enabled dominant players to maintain pricing power; less competition typically equals higher profits.

And there's a fourth factor that's been in the news a lot recently, and that is an anticipated leap in productivity from an Artificial Intelligence supercycle. No one knows how much of an impact this anticipation is having on stock prices, and certainly no knows if anticipated productivity gains will actually play out, especially considering the massive cost to the tune of hundreds of billions of dollars. Time will tell how the investments in AI will play out.

At any rate, there are good reasons to believe the current bull market has legs, as the saying goes.

Of course the market always remains susceptible to political mishaps and global conflicts, but as we have seen in recent years in the pandemic, tariff-induced fears, and government shutdowns, the stock market has been quite resilient.

“From a macro perspective, the probability of a soft landing remains credible.”

Federal Reserve Chair Jerome Powell shared in his remarks today: “The U.S. economy expanded at a solid pace last year and is coming into 2026 on a firm footing. … Available indicators suggest that economic activity has been expanding at a solid pace. Consumer spending has been resilient, and business fixed investment has continued to expand. … Most measures of longer-term expectations remain consistent with our 2 percent inflation goal. … At today’s meeting, the Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent.”[3]

As we move into 2026 on a "firm footing," economically-speaking, we must also acknowledge that the road is rarely a straight line. The market remains susceptible to global conflicts, political shifts, and external shocks that can cause temporary downturns. During these times of uncertainty, it is vital to not act impulsively and make big moves with investments. “Staying the course” is more than just a strategy, it is a commitment to the resilience that has historically defined U.S. markets over the long term.

Respectfully,

Chris Walters

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[1] https://www.envestnet.com/sites/default/files/documents/PMC_QuarterlyMarketEnvironment.pdf

[2] https://yardeni.com/charts/corporate-profits-margins/

[3] https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20260128.pdf