

**UNITED
CHURCH
FUNDS**
FIXED INCOME FUND
FUND OBJECTIVE

Seeks to provide investors with a total return consistent with a diversified portfolio of predominantly high quality fixed income securities.

INVESTMENT STRATEGY

The Fund invests primarily in intermediate and long-term US dollar-denominated government and investment grade corporate fixed income obligations. The Fund may hold high-quality mortgage and asset-backed securities, as well as short-term fixed income instruments, senior secured bank loans, non-investment grade and emerging market debt securities. The Fund employs social and environmental screens.

INVESTMENT PERFORMANCE

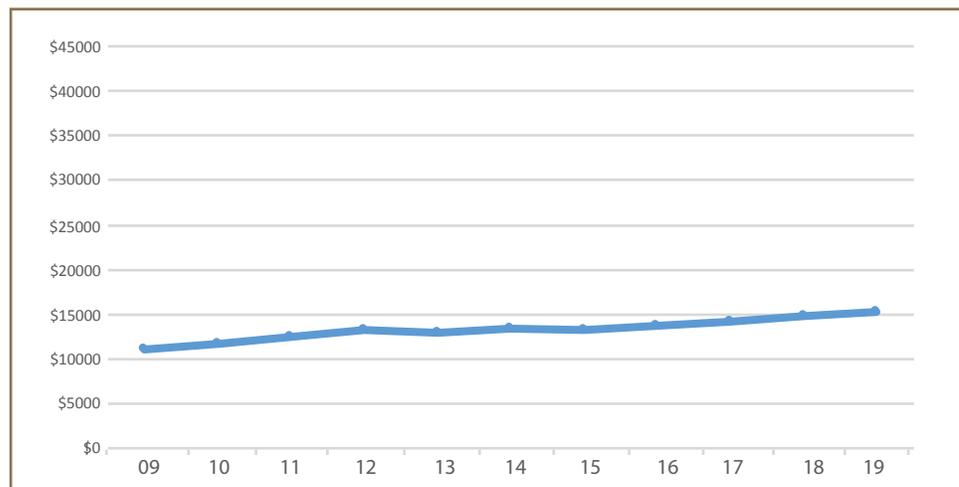
| Average Annual Performance % as of 06/30/19 | Qtr. | Year to Date | One Year | Three Years | Five Years | Ten Years |
|---|------|--------------|----------|-------------|------------|-----------|
| Fixed Income Fund | 3.00 | 6.60 | 6.83 | 2.19 | 2.08 | 3.68 |
| Custom Benchmark* | 3.41 | 6.96 | 8.20 | 2.85 | 3.07 | 4.08 |

* Fixed Income Policy Index (85% Barclays US Gov't/Credit, 10% S&P LSTA Performing Loans, and 5% JPMorgan GBI-EM Global Diversified).

All performance results are shown net of fees

GROWTH OF \$10,000 (from 01/01/09 - 06/30/19)

This table reflects net performance



The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so that investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. Before investing in any UCF fund, prospective investors should carefully consider the investment objectives, risks, and expenses.

UCF OVERVIEW

- Over \$825 million in AUM
- Over 1,000 faith-based investors
- Expertise in ESG and SRI
- Fundamental ESG and SRI Philosophy

FUND DETAILS

| | |
|-----------|---------------|
| Benchmark | Custom |
| Inception | 1994 |
| Assets | \$191 million |
| Yield | 3.66% |

EXPENSES & MINIMUMS

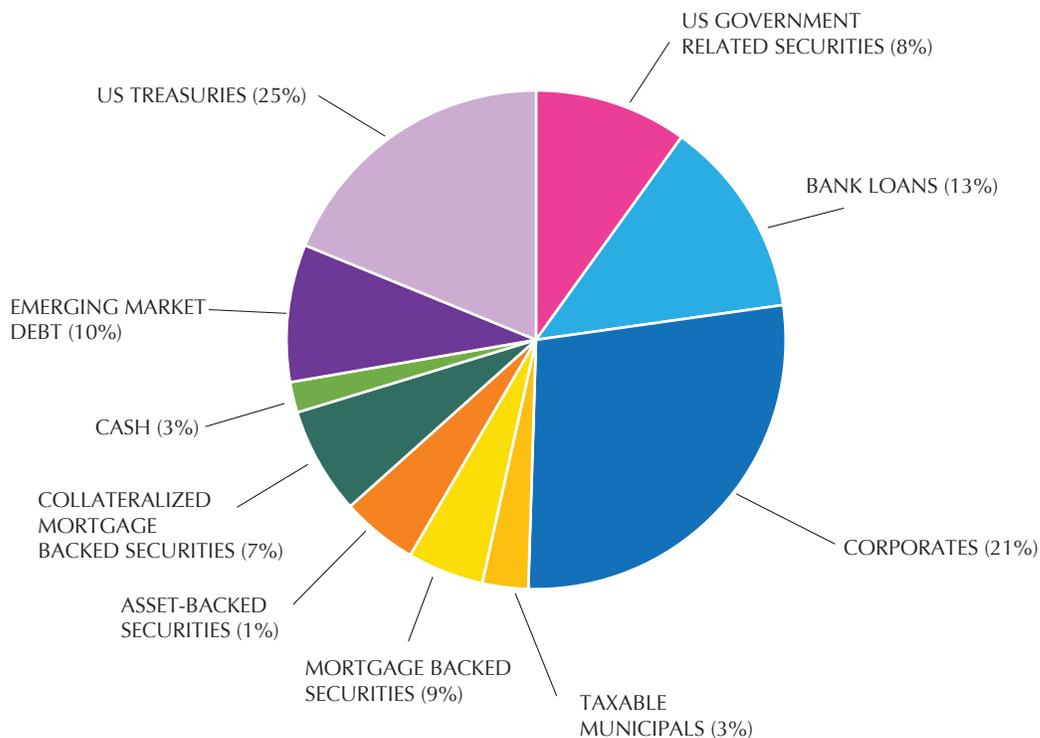
| | |
|-----------------|---------|
| Expense Ratio | 0.66% |
| 12b-1 | 0.00% |
| Front-End Load | 0.00% |
| Back-End Load | 0.00% |
| Transaction Fee | None |
| Account Minimum | \$1,000 |

TOP TEN BOND HOLDINGS

| | | | |
|--------------------|-------|------------|---------------|
| USTSY | 2.50% | 01/31/2024 | 5.85% |
| USTSY | 3.50% | 02/15/2039 | 3.92% |
| USTSY | 2.25% | 04/30/2024 | 3.90% |
| USTSY | 2.38% | 05/15/2029 | 3.29% |
| USTSY-TIPS | 2.12% | 05/31/2026 | 2.46% |
| USTSY-TIPS | 2.00% | 05/31/2024 | 1.57% |
| USTSY | 3.38% | 11/15/2048 | 1.41% |
| European Inv. Bank | 2.50% | 10/15/2024 | 0.72% |
| Nordic Inv. Bank | 2.25% | 09/30/2021 | 0.71% |
| Mastercard Inc. | 2.95% | 11/21/2026 | 0.69% |
| Total | | | 24.52% |

ASSET ALLOCATION

FUND CHARACTERISTICS



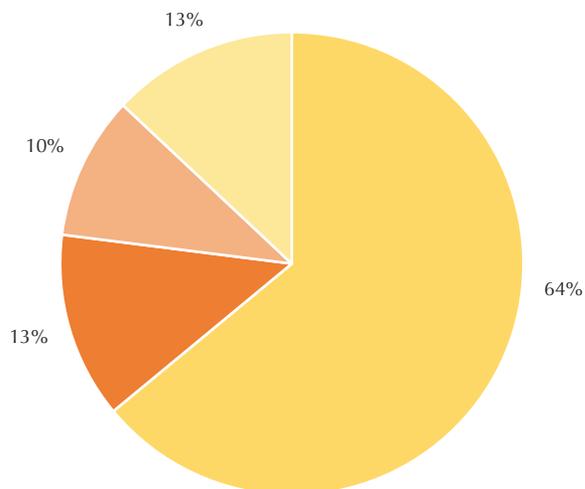
FIXED INCOME:

| | |
|--------------------------------|------|
| Standard Deviation (3 yrs.) | 2.7% |
| Sharpe Ratio (3 yrs.) | 0.15 |
| Duration (yrs.) | 5.70 |
| Credit Quality | A1 |
| Avg. Effective Maturity (yrs.) | 8.20 |

Due to rounding totals may not equal 100%

MANAGERS & ASSET CLASSES

- Pension Boards UCC (64%)
Fixed Income - Core
- Lazard Asset Management (10%)
Fixed Income - Emerging Markets Debt
- Voya Floating Rate (13%)
Fixed Income - Bank Loans
- Community Capital (13%)
Fixed Income - Impact & Fossil Fuels Free



The Fixed Income Fund (the “Fund”) trailed its benchmark, returning 3.00% vs. 3.41% for the quarter and 6.60% vs. 6.96% year-to-date.

The second quarter marked the 10th consecutive year of economic expansion in the U.S. The fixed income and equity markets rose against a backdrop of steady economic and corporate profit growth. The rise during the second quarter was anything but stable. It appeared the previous fears about a trade war between the U.S. and China, along with President Trump’s threat to impose tariffs on Mexican imports in May, would become a reality. The markets recovered in June after Presidents Trump and Xi agreed to resume trade talks after the G20 Summit, and the Federal Reserve hinted at the possibility of a cut in the federal funds rate.

Investment grade bonds sustained their first quarter rally, particularly in the longer duration and lower credit quality segments of the market. The Bloomberg Barclays Aggregate Index rose 3.1% with corporate bonds posting the best results of all the investment grade sectors, up 4.5%. Single-family mortgage-backed securities (MBS) delivered a 1.9% return, lagging most other sectors as the potential for increased pre-payments grew amid declining interest rates. Overall, bond investors are being compensated less for taking on more risk.

Lazard Asset Management led the way with emerging market debt, returning 5.01% for the quarter and 10.82% year to date, beating its benchmark in both time frames. Lazard’s selection of local debt and currencies with an overweight to higher yielding countries such as Brazil and Peru contributed to performance. The returns are noteworthy given the poor performance of emerging market debt in 2018.

Following Lazard were the Pension Boards UCC, Community Capital Management and Voya Investment Management in bank loans. The Pension Boards fixed income team experienced strong gains in corporate bonds, commercial mortgage-backed securities (CMBS) and asset-backed securities, but MBS and utilities proved to be a drag on performance.

Yield curve management also proved to be a challenge. For example, the 10-year Treasury dropped 0.36% during the last nine days of May. The portfolio was not positioned to benefit from the decline in yield (and rise in price). Community Capital’s allocation to CMBS produced strong returns, but the portfolio’s credit sector, comprised of taxable municipal bonds, underperformed the benchmark. Finally, Voya experienced positive returns from the electronics, and oil and gas sectors, but gains were offset by underperformance in the retail, food service, leisure goods and telecommunications sectors.

As the core fixed income manager for UCF, the Pension Boards team is committed to incorporating the United Nations Sustainable Development Goals into its segment of the Fund. The Pension Boards chose to categorize as many of the 17 goals as possible under four themes: Basic Needs, Healthy Planet, Sustainable Society and Equality & Opportunity. A recent purchase of the first green bond issued by the NSTAR Electric Company (a subsidiary of Eversource Energy) illustrates the manager’s commitment.

Proceeds from the issuance of the bonds will be used to support the company’s low-carbon clean energy initiatives. Eversource manages the nation’s number one ranked energy efficiency program as recognized by the Coalition for Environmentally Responsible Economics (CERES) and the American Council of Energy-Efficient Economy.