

UNITED  
CHURCH  
FUNDS

# INTERNATIONAL EQUITY FUND

## FUND OBJECTIVE

Seeks to provide investors with a total return consistent with a diversified portfolio of international stocks.

## INVESTMENT STRATEGY

The Fund invests in foreign equities and other equity-type securities issued by companies domiciled in developed countries – Europe, Asia and the Far East (EAFE) – and emerging markets. The target allocation for emerging market exposure is 25% with a range of 15% - 35%. The Fund employs shareholder engagement and social and environmental screens.

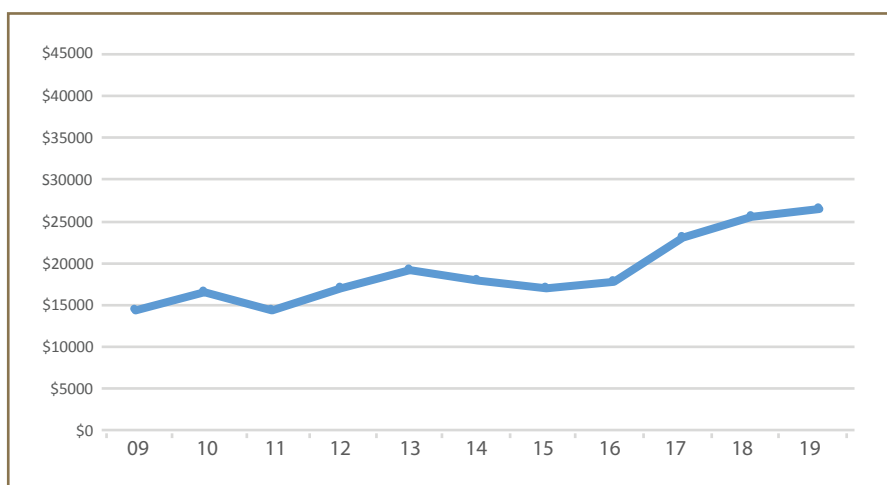
## INVESTMENT PERFORMANCE

Average Annual Performance % as of 06/30/19	Qtr.	Year to Date	One Year	Three Years	Five Years	Ten Years
<b>International Equity Fund</b>	3.62	14.96	0.14	9.46	2.10	6.68
<b>MSCI ACWI ex US net</b>	2.98	13.60	1.29	9.39	2.47	6.57

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 consider carefully 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	MSCI ACWI ex US net
Inception	2005
Assets	\$172 million
Yield	2.70%

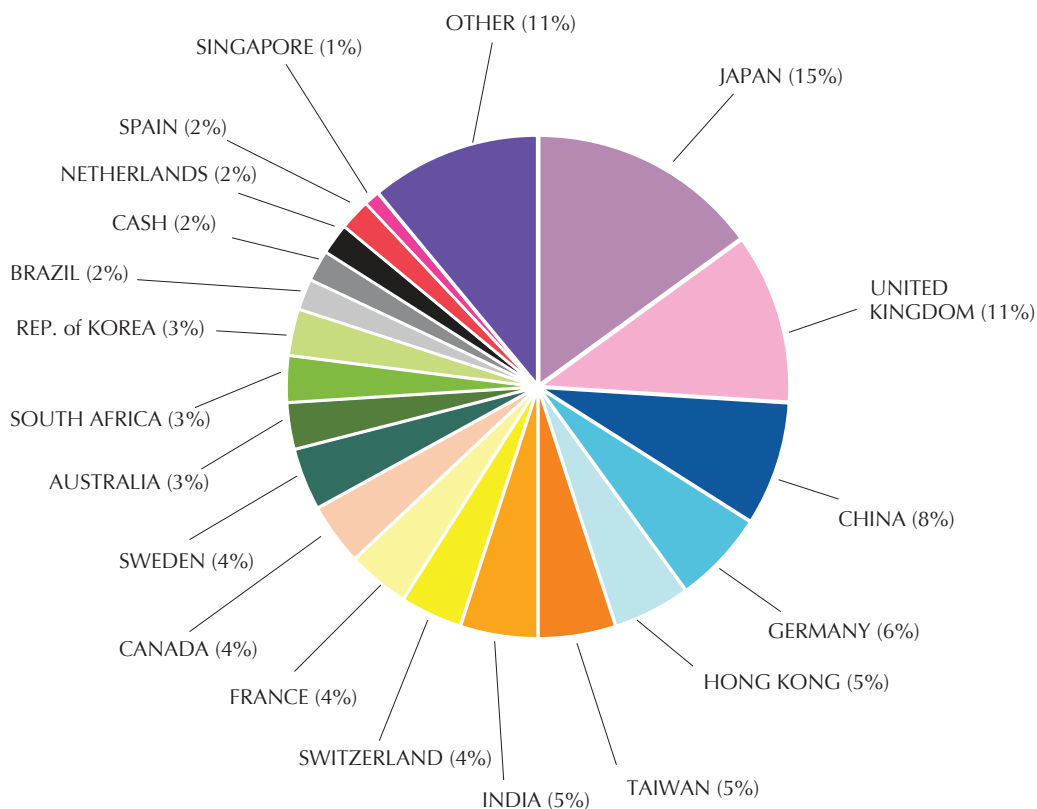
## EXPENSES & MINIMUMS

Expense Ratio	1.13%
12b-1	0.00%
Front-End Load	0.00%
Back-End Load	0.00%
Transaction Fee	None
Account Minimum	\$1,000

## TOP TEN EQUITY HOLDINGS

Naspers Ltd. N Shares	2.19%
AIA Group Ltd.	1.75%
Taiwan Semiconductor Co. SP-ADR	1.73%
Housing Development Finance	1.66%
Alibaba Group Holding Ltd.	1.15%
United Overseas Bank Ltd.	1.12%
Roche Holding AG	1.11%
Hargreaves Lansdown Plc	1.08%
Shiseido Co. Ltd.	1.08%
Cochlear Ltd.	1.05%
<b>Total</b>	<b>13.92%</b>

## COUNTRY ALLOCATION



Due to rounding totals may not equal 100%

## FUND CHARACTERISTICS

### EQUITY:

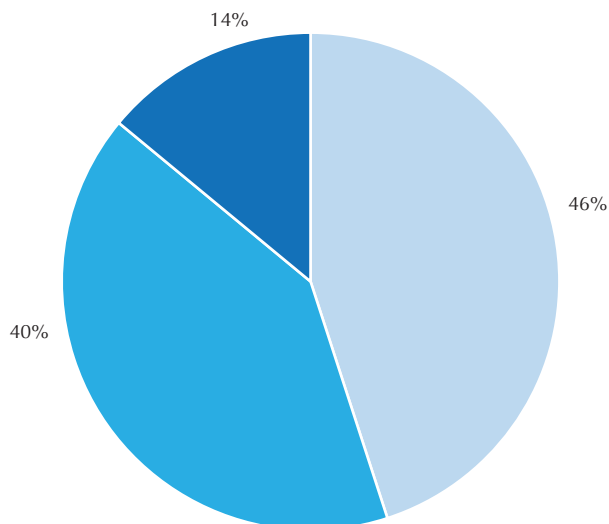
Median Market Cap (\$MM)	9,064.90
Price/Earnings Ratio	14.38x
Price/Book Ratio	1.83x
Number of Stocks	321
Standard Deviation (3 yrs.)	12.2%
Beta (3 yrs.)	0.91
R-Squared (3 yrs.)	0.97
Sharpe Ratio (3 yrs.)	0.63
Turnover (1 yr.)	15.49%

### Sector Allocation

• Communication Services	6.6%
• Consumer Discretionary	15.7%
• Consumer Staples	9.4%
• Energy	3.1%
• Financials	21.9%
• Health Care	7.5%
• Industrials	14.1%
• Materials	7.0%
• Real Estate	1.1%
• Information Technology	10.1%
• Utilities	1.3%
• Cash	2.1%
• ETF	0.0%

## MANAGERS & ASSET CLASSES

■ Baillie Gifford (46%) International Developed - Growth
■ LSV Asset Management (40%) International Developed - Value
■ RBC (14%) Emerging Markets



The International Equity Fund (the “Fund”) returned 3.62% in the second quarter, surpassing its benchmark of 2.98%. The Fund outperformed its benchmark for the quarter, year-to-date, three years and 10 years as of June 30, 2019.

Highlights:

- International equities underperformed U.S. large-cap equities, even as the U.S. dollar weakened.
- Developed markets rose 3.7%, driven by Germany, France and Switzerland.
- The UK returned 0.9% due to uncertainty surrounding Brexit and Prime Minister May’s announcement of her resignation.
- China, the best performer last quarter, fell 4% on slowing data and trade tensions.

Global political and economic concerns proved difficult hurdles during the second quarter, but fund managers navigated reasonably well. Large-cap and emerging markets experienced positive returns in April and June. Their respective benchmarks, however, declined in May, and volatility increased due to escalating trade tensions and worries about global growth. The markets recovered in June following a resolution on immigration between the U.S. and Mexico and a trade truce between Presidents Trump and Xi following their meeting at the G20 Summit.

Developed markets (DM) outperformed emerging markets (EM) in the second quarter and year-to-date. Baillie Gifford, a more growth-oriented fund manager, led the way for both periods, followed by RBC Global Asset Management and LSV Asset Management.

Country allocation’s contribution to Fund performance:

Country	2nd Quarter Fund Allocation	2nd Quarter Performance	Year to Date Performance
<i>MSCI EAFE Developed Markets</i>		<b>3.7%</b>	<b>14.0%</b>
Japan	15.1%	1.0%	7.7%
United Kingdom	11.4%	0.9%	12.9%
Germany	5.7%	7.1%	14.5%
Switzerland	4.1%	8.4%	22.6%
France	4.0%	6.5%	17.9%
<i>MSCI Emerging Markets</i>		<b>0.6%</b>	<b>10.6%</b>
China	7.5%	-4.0%	13.0%
Taiwan	4.7%	0.9%	9.9%
India	4.6%	0.5%	7.7%

Company Holdings:

Companies such as *Naspers* (South Africa), an internet and media group, *Tata Consulting Services* (India), a technology service and consulting company, and *Adidas* (Germany) helped drive performance.

Holdings that hampered performance include *Samsonite* (Hong Kong), *Nestle* (Switzerland), and *Shimano* (Japan), a manufacturer of cycling components and rowing equipment.