



January 7, 2021

Dear Valued Clients:

We wish you a healthy and happy New Year, and we look forward to working with you in 2021! The year 2020 was tremendously challenging, and I want to thank you for your continued trust in us as your partners in financial stewardship. I also want to assure you that United Church Funds (UCF) is committed to managing your assets prudently and responsibly over the long term.

Account statements as of December 31, 2020, are available via the [Client Access link](#). If you **do not** have a login and password, please call us at 1-877-806-4989, or email us at [info@ucfunds.org](mailto:info@ucfunds.org).

On the responsible investing front, UCF recently joined two investor initiatives to protect human rights domestically and abroad. Read the news release [here](#).

UCF has also filed shareholder proposals addressing corporate practices. We are pleased that two states' treasurers have joined us as co-filers for a proposal calling for greater corporate accountability at Gilead Sciences. Read the news release [here](#).

UCF is proud to be a sponsor of the 83rd Annual Gathering of the Council for Health and Human Service Ministries (CHHSM), taking place virtually on March 2-4, 2021. We look forward to meeting and connecting with many of you informally and through our workshop on stewardship and finance in a post-COVID era.

In closing, our investment team led by Chief Investment Strategist, David Klassen, has prepared the following market summary:

“Global financial markets were very strong in the fourth quarter led by U.S. small cap equity, value stocks and emerging markets. Industries that led in the quarter were energy and financials as economic activity improved, multiple vaccines received approval and there was certainty around U.S. elections. For the fourth quarter, large cap stocks (S&P 500) returned 12.15%, and small cap stocks (Russell 2000 Index) were up 31.37%. International developed stocks were up 16.05% for the quarter, and emerging market equities were up 19.70%.

“Fixed income returns were positive within all strategies, led by riskier credit strategies particularly in the emerging markets. The U.S. 10-year Treasury yield started the quarter at 0.68% and ended at 0.93%. Fourth quarter performance for the Barclays Government Credit Index, a proxy for the broad U.S. fixed income market, was up 0.82%; bank loans were up 3.81%; and emerging market debt was up 5.49%.”

If you have any questions, please contact us at 1-877-806-4989 or at [info@ucfunds.org](mailto:info@ucfunds.org).

Sincerely,

A handwritten signature in black ink that reads "Charles Buck".

Charles Buck  
President and CEO

PRELIMINARY PERFORMANCE INFORMATION FOR THE 4<sup>th</sup> QUARTER OF 2020

The following performance numbers are preliminary and have not been audited. However, they will give you an idea of how our investment funds, net of fees, have performed in the 4<sup>th</sup> Quarter of 2020.

	<u>4<sup>th</sup> Quarter</u>	<u>Year to Date</u>
Fixed Income Fund	1.25%	6.87%
Barclays Capital Government Credit	0.82%	8.93%
Fixed Income Policy Index	1.45%	8.22%
Domestic Core Equity Fund	11.75%	13.60%
S&P 500 Total Return Index	12.15%	18.40%
Beyond Fossil Fuels Fund	13.31%	14.07%
MSCI ACWI IMI net	15.70%	16.25%
Small Cap Equity Fund	28.93%	23.68%
Russell 2000 Index	31.37%	19.96%
International Equity Fund	17.93%	16.16%
MSCI ACWI ex US net	17.01%	10.65%
Total Equity Fund	15.91%	15.54%
MSCI ACWI IMI net	15.70%	16.25%
Conservative Balanced Fund	6.38%	9.91%
Policy Index (35% MSCI ACWI IMI net/ 65% Fixed Income Policy Index)	6.39%	11.66%
Moderate Balanced Fund	9.98%	12.68%
Policy Index (60% MSCI ACWI IMI net/ 40% Fixed Income Policy Index)	9.95%	13.71%
Aggressive Balanced Fund	12.24%	13.59%
Policy Index (75% MSCI ACWI IMI net/ 25% Fixed Income Policy Index)	12.10%	14.78%
Beyond Fossil Fuels Balanced Fund	8.41%	13.91%
Policy Index (60% MSCI ACWI IMI net/ 40% Fixed Income Policy Index)	9.95%	13.71%