



July 8, 2021

Dear Valued Clients:

United Church Funds, along with our colleague financial ministries of the United Church of Christ – Church Building and Loan Fund, Cornerstone Fund, Insurance Board and Pension Boards – are joint Gold-Level sponsors of General Synod 33, taking place July 11-18. If you're registered to attend, please join us for our pre-Synod workshop, "Sustainable Investing for Churches and Non-Profits: Using Financial Resources to Help Create a Just World," on Thursday, July 8, at 1:00 p.m. ET. Also, we encourage you to stop by our virtual booth at Synod. Learn more about what we're doing at Synod by visiting <https://ucfunds.org/ucf-will-be-at-synod/>.

Last week, the UCF Board of Directors bid a fond farewell to four faithful, respected and cherished colleagues who have completed terms of service on the board. Barbara Everett, Nesa Joseph, Gwendolyn Kirkland and Yvette Wynn all contributed generously their time, expertise and leadership. They helped guide UCF to becoming a faith-based leader in responsible investing. Thanks to them, your investments and endowments are making a real difference as we work toward a just world for all! We give thanks for their service and wish them the very best.

UCF places a high priority on communicating essential and timely information to you. To that end, please keep us updated on the most current contact information for your authorized signer(s) and investment or endowment committee members. It's as simple as sending an email to info@ucfunds.org. UCF never shares your contact information with outside sources or vendors.

Our next quarterly Town Hall meeting, where the UCF team provides a review of the recent quarter's performance and organizational updates, will occur Tuesday, August 10, at 5:00 p.m. ET. You will receive an email with more information and a registration link in the coming weeks.

Finally, our investment team, led by Chief Investment Strategist David Klassen, has prepared the following market summary of the second quarter of 2021:

"Global equity markets continued to be positive in the second quarter, led by the U.S. but with a shift back to larger company stocks and growth-oriented stocks. Industries that led in the quarter were technology, real estate and communications services. Large cap stocks (S&P 500 index) returned +8.55% for the second quarter, and small cap stocks (Russell 2000 index) were up +4.29%. International developed stocks were up +5.17% for the quarter, and emerging market equities were up +5.05%.

"Fixed income returns were also positive, with returns benefitting as rates decreased. The U.S. 10-year Treasury yield started the quarter at 1.69% and ended at 1.45%. Second quarter performance for the Barclays Government Credit Index, a proxy for the broad U.S. fixed income market, was up 2.42%; bank loans were up +1.47%; and emerging market debt was up +3.54%."

If you have any questions, please contact us at 1-877-806-4989 or at info@ucfunds.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Buck".

Charles Buck
President and CEO

PRELIMINARY PERFORMANCE INFORMATION FOR THE 2nd QUARTER OF 2021

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 2nd Quarter of 2021.

	<u>2nd Quarter</u>	<u>Year to Date</u>
Fixed Income Fund	2.15%	-1.21%
Barclays Capital Government Credit	2.42%	-1.96%
Fixed Income Policy Index	2.40%	-1.45%
Domestic Core Equity Fund	8.29%	15.96%
S&P 500 Total Return Index	8.55%	15.25%
Beyond Fossil Fuels Fund	6.50%	14.97%
MSCI ACWI IMI net	7.18%	12.68%
Small Cap Equity Fund	3.08%	13.72%
Russell 2000 Index	4.29%	17.54%
International Equity Fund	5.16%	9.15%
MSCI ACWI ex US net	5.48%	9.16%
Total Equity Fund	6.31%	12.55%
MSCI ACWI IMI net	7.18%	12.68%
Conservative Balanced Fund	3.64%	3.86%
Policy Index (35% MSCI ACWI IMI net/ 65% Fixed Income Policy Index)	4.06%	3.34%
Moderate Balanced Fund	4.63%	7.27%
Policy Index (60% MSCI ACWI IMI net/ 40% Fixed Income Policy Index)	5.25%	6.86%
Aggressive Balanced Fund	5.25%	9.32%
Policy Index (75% MSCI ACWI IMI net/ 25% Fixed Income Policy Index)	5.97%	9.02%
Beyond Fossil Fuels Balanced Fund	4.85%	8.68%
Policy Index (60% MSCI ACWI IMI net/ 40% Fixed Income Policy Index)	5.25%	6.86%