MARKET UPDATE TOWNHALL MEETING
THIRD QUARTER 2021

November 9, 2021

UNITED CHURCH FUNDS
United Church Funds — Welcome!

Townhall Meeting Agenda

1. Welcome and Introductions  Matt Wagner, VP, Institutional Relationships

2. UCF Organizational Updates Stacey Pettice, Executive, Institutional Relationships

3. Responsible Investing  Matthew Illian, Director of Responsible Investing

4. Market and Fund Updates  UCF Investments Team
                              Matt Wagner, VP, Institutional Relationships
                              Stacey Pettice, Executive, Institutional Relationships

5. Q&A with Townhall Participants
Poll Question
UCF – An Experienced Team of Partners

Management Team
Charles Buck, President & CEO
Matthew W. Wagner, Vice President, Institutional Relationships
Karen Sherman-Chang, Director, Finance & Administration
Matthew Illian, Director, Responsible Investing

Institutional Relationships & Marketing/Communications Team
Stacey L. Pettice, Executive, Institutional Relationships
Debbie Wibowo, Associate, Marketing & Communications
Adam Sank, Associate, Communications & Administration

Client Services Team
Milagros Hernandez, Client Services Team Leader & Planned Giving Associate
Crysta Seelal, Client Services Representative
Gaylord Tang, Administrative Assistant

Finance & Administration Team
Deborah Cho, Senior Accountant
Michele Hamilton, Staff Accountant

Investment Team (Shared with the UCC Pension Boards)
David A. Klassen, Chief Investment Strategist
Lan Cai, Deputy Chief Investment Strategist
Minoti Dhanaraj, Senior Manager, Investment Research

Biographical information on UCF’s Staff Members is available at www.ucfunds.org.
Board of Directors & Investment Committee

Board of Directors
Ms. Edith Guffey, Chair
Rev. Cameron Barr, ex officio
Rev. Dr. Lynn L. Bujnak
Dr. Jiakai Chen
Rev. Dr. John C. Dorhauer, ex officio
Ms. Lisa Hinds
The Honorable Brian F. Holeman
Ms. Connie Lindsey
Rev. Penny L. Lowes
Ms. Doni Mooberry Slough
Mr. William Morgan
Rev. Stephen R. Silver
Ms. Darlene Y. Sowell
Mr. Noah Tabor
Mr. Bryan A. Thomas
Rev. Dr. Bernard R. Wilson
Mr. Wade Zick

Investment Committee
Ms. Lisa Hinds*, Chair
Rev. Dr. Charles Buck, ex officio
Mr. Dennis Bushe
Dr. Jiakai Chen*
Ms. Fran M. Coopersmith
Ms. Edith Guffey, ex officio*
Mr. Douglas S. Hatfield
Rev. Stephen Silver
Ms. Doni Mooberry Slough*
Mr. Bryan A. Thomas*

* Member of the Board of Directors

Biographical information on UCF’s Board Members and Investment Committee Members is available at www.ucfunds.org.
Investing with a Mission: Performance Beyond the Numbers

- **Experience** – For over 100 years, UCF has invested wisely to help our clients achieve their financial goals for their ministries.

- **Expertise** – UCF partners with clients to provide a range of resources and services to strengthen their portfolios, their endowment management structures, and ultimately, the ministries they value.

- **Values-Aligned** – UCF provides responsible investment options that align portfolios to progressive Christian values regarding environmental, social and governance (ESG) factors.

- **Non-Profit Structure** – UCF offers professional investment management services exclusively for churches and faith-based ministries in a not-for-profit structure, reducing costs and providing more money for the ministries of our clients.
Joint Climate Symposium Held on August 5th
- Provided historical lookback of action and forward-looking vision for ways in which investments support climate justice. Links to recording available at https://ucfunds.org/climate-symposium/

Fund Fees Lowered Again for 2022
- All UCF fund expense ratios to be lowered by 1 basis point (bps) for 2022. This follows a 5 to 6 bps reduction from 2020 to 2021. Lower fees mean more money for mission and ministry!

Cryptocurrency Now Accepted for Planned Giving Donations
- Initiated custodial relationship with Coinbase, allowing UCF to accept various cryptocurrencies by donors to fund charitable gift annuities or other planned giving instruments with crypto.

Brown Scholars Announced
- $219,000 awarded to 18 applicants for pastoral support grants and scholarships in 2021.
- Richard & Helen Brown Endowment was founded by a generous gift of $5M in the 90s.

UCF Announces Balanced Fund Consolidation, Re-Naming
- New fund lineup eliminates UCF Aggressive Balanced and UCF Conservative Balanced Funds.
- Re-Naming UCF Moderate Balanced Fund to UCF Balanced Fund.
New UCF Lineup – Fund Flow Chart

**MANAGED FUNDS**

- Beyond Fossil Fuels
  - Global Equity
- Small Cap Equity
  - Small Cap U.S. Equity
- Domestic Core Equity
  - Large Cap U.S. Equity
- International Equity
  - International Developed & EM Equity

**FUNDS OF FUNDS**

- Beyond Fossil Fuels
  - Balanced
  - 60% Equity, 40% Fixed Income
- UCF Balanced Fund
  - 60% Equity, 40% Fixed Income
- Fixed Income
  - Diversified Bonds
- Alternative Balanced
  - 50% Equity, 30% Fixed Income, 20% Alternatives
- Cash & Equivalent
  - Cash
New UCF Lineup – Balanced Fund Options

You may move assets from and/or to:

**Option 1:**
- UCF Balanced
  - 60% Equity, 40% Fixed Income

**Option 2:**
- UCF Balanced
  - 60% Equity, 40% Fixed Income
  - + -
  - Total Equity
    - Global Equity
  - or
  - Fixed Income
    - Diversified Bonds

**Option 3:**
- Total Equity
  - Global Equity
  - and/or
- Fixed Income
  - Diversified Bonds

Questions? Speak to our Institutional Relationships team about an allocation strategy that best meets your institution’s investment goals.
Investing with a Mission:
Performance Beyond the Numbers
33% of newly added corporate directors were Black last year, up from 11% the prior year.

Directors from historically underrepresented groups account for 72% of all new directors, compared with 59% the prior year.

30% of all S&P 500 directors are women, a new milestone.

60% of boards disclosed their ethnic/racial composition, with 28% of those boards identifying directors from historically underrepresented groups by name.
August 2021: SEC investigation launched at DWS over allegedly misleading clients about the nature of its sustainable investment offerings. This fits within a larger SEC probe on ESG funds “greenwashing.”

September 2021: SEC shares guidance on more robust climate-risk disclosure to help investors understand the business risks of climate change.

October 2021: Department of Labor proposes rule supporting the use of ESG data and proxy voting in ERISA-governed retirement plans. If enacted, this overturns a DOL ruling that was put in place in the final months of the Trump administration. 60-day comment period has begun.
Beyond Fossil Fuels Funds

- 2013: United Church of Christ becomes first religious denomination to adopt platform of divestment of fossil fuels.

- 2014: UCF launches Beyond Fossil Fuels Fund and BFF Balanced Fund, with $20M in assets from 10 BFF “Founding Investors.”

- 2021: BFF Balanced Fund has surpassed $150M in total investments, now utilized by over 100 clients.

- BFF Fund has averaged annual return of 12.27% over each of the past five years. BFF Balanced Fund has average return of 9.07% over that time period.*

- Future Work: Reduce portfolio carbon emissions among all sectors.

*As of 9/30/21
UCF – Power Through Collaboration

- Coalition of Faith and Values Investors
- UCF a Founding Member
- 2021 Results:
  - 100%+ jump in majority votes for member-supported shareholder resolutions. Average resolution support up from 28% (2020) to 32% (2021)
  - Withdrew 113 Resolutions for Agreement (company commits to social and environmental action)

- Largest Ever Investment Engagement Initiative on Climate
- 615 of the World’s Largest Investors, Representing $55 Trillion in Assets
- Engaging with 167 Companies Representing 80% in Global Industrial Emissions.
- 52% of CA100+ Focus Companies Have Committed to Net-Zero Emissions by 2050 (Initiative Seeks 100% Commitment)
Q&A With Anita Dorett

Anita Dorett, Program Director
Investor Alliance for Human Rights
Q&A With Anita Dorett

Promoting Human Rights Through Responsible Investing

United Church Funds
Poll Question
Markets Take a Breather in Q3: After a strong Q2 2021, Q3 saw minor gains in U.S. markets, led by technology, financial and healthcare sectors. Small cap U.S. equities, emerging markets and developed market international equities were negative for the quarter. Fixed income returns were also negative, brought down by rising US interest rates in September.

Economic Growth Continues: The economy continues to accelerate due to two engines – the world’s largest economies re-opening and significant government intervention. The increase in vaccinations, economic recovery and unprecedented fiscal and monetary stimulus packages around the globe have kept equity markets elevated.

Dynamic Allocations, Long-Term Strategy: We continue to be vigilant about the impact of increased risks and potential opportunities from market volatility on long-term returns. The balanced portfolios continue to maintain a slight overweight to equities but remain nimble given market conditions and valuations.
## Investment Performance — Markets

### Public Markets Performance (USD)

<table>
<thead>
<tr>
<th>Index</th>
<th>Q3</th>
<th>YTD</th>
<th>3 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI World</td>
<td>0.0%</td>
<td>13.0%</td>
<td>13.1%</td>
<td>13.7%</td>
<td>12.7%</td>
</tr>
<tr>
<td>ACWI IMI</td>
<td>-1.1%</td>
<td>11.4%</td>
<td>12.4%</td>
<td>13.1%</td>
<td>12.0%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>0.6%</td>
<td>15.9%</td>
<td>16.0%</td>
<td>16.9%</td>
<td>16.6%</td>
</tr>
<tr>
<td>MSCI EAFE</td>
<td>-0.4%</td>
<td>8.3%</td>
<td>7.5%</td>
<td>8.8%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Russell 2000</td>
<td>-4.4%</td>
<td>12.2%</td>
<td>10.1%</td>
<td>13.0%</td>
<td>14.2%</td>
</tr>
<tr>
<td>MSCI World ex US Small Cap</td>
<td>0.7%</td>
<td>10.7%</td>
<td>9.5%</td>
<td>10.3%</td>
<td>10.0%</td>
</tr>
<tr>
<td>MSCI EM Equity</td>
<td>-8.1%</td>
<td>-1.2%</td>
<td>8.6%</td>
<td>9.2%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Barclays Global Aggregate</td>
<td>-0.9%</td>
<td>-4.1%</td>
<td>4.2%</td>
<td>2.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Barclays US Long Treasury</td>
<td>0.5%</td>
<td>-7.5%</td>
<td>9.2%</td>
<td>3.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Barclays US Long Corporate</td>
<td>-0.1%</td>
<td>-2.6%</td>
<td>10.5%</td>
<td>6.3%</td>
<td>6.7%</td>
</tr>
<tr>
<td>JPM EM Debt</td>
<td>-0.7%</td>
<td>-1.4%</td>
<td>5.6%</td>
<td>3.9%</td>
<td>5.6%</td>
</tr>
<tr>
<td>JPM EM Debt Local</td>
<td>-3.1%</td>
<td>-6.4%</td>
<td>3.7%</td>
<td>2.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Barclays Global High Yield</td>
<td>-0.4%</td>
<td>1.7%</td>
<td>5.8%</td>
<td>5.3%</td>
<td>6.9%</td>
</tr>
<tr>
<td>FTSE/NAREIT Global</td>
<td>-0.9%</td>
<td>14.7%</td>
<td>6.4%</td>
<td>4.7%</td>
<td>8.5%</td>
</tr>
<tr>
<td>GSCI Commodities</td>
<td>5.2%</td>
<td>38.3%</td>
<td>-1.5%</td>
<td>3.6%</td>
<td>-4.8%</td>
</tr>
</tbody>
</table>

### Discount Rate Factors (%)

#### Changes in Yields and Spreads by Maturity (%)

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Sep 2021</th>
<th>Δ 1 mth</th>
<th>Δ 3 mth</th>
<th>Δ 1 yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Y Treasury</td>
<td>0.29</td>
<td>0.08</td>
<td>0.04</td>
<td>0.16</td>
</tr>
<tr>
<td>10Y Treasury</td>
<td>1.53</td>
<td>0.22</td>
<td>0.08</td>
<td>0.85</td>
</tr>
<tr>
<td>30Y Treasury</td>
<td>2.09</td>
<td>0.16</td>
<td>0.03</td>
<td>0.64</td>
</tr>
<tr>
<td>US Long Corporate Spread</td>
<td>1.22</td>
<td>(0.02)</td>
<td>0.05</td>
<td>(0.65)</td>
</tr>
<tr>
<td>Moody’s Long AA Corporate Yield</td>
<td>2.69</td>
<td>0.16</td>
<td>0.09</td>
<td>0.37</td>
</tr>
</tbody>
</table>

As of 30-September-2021. Source: MAS, FIlat Tool. FIlat tool is a proprietary analytical tool and database representing developed and emerging markets including the US, Europe, Asia, and Latin America for their respective Fixed Income, Equity, Foreign Exchange, Commodities, and Credit Markets covering thousands of cash, forward, futures, options, and swap instruments. FIlat tool houses over 20 years of economic data. Indices are unhedged. Past performance does not guarantee future results, which may vary.
Investment Performance — Managed Funds as of September 30, 2021

<table>
<thead>
<tr>
<th>Total Rates of Return As of 9/30/21</th>
<th>Inception Date</th>
<th>Quarter</th>
<th>Year To Date</th>
<th>One Year</th>
<th>Three Years</th>
<th>Five Years</th>
<th>Ten Years</th>
<th>Current Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td>10/1/1994</td>
<td>-0.31%</td>
<td>-1.51%</td>
<td>-0.27%</td>
<td>4.71%</td>
<td>2.62%</td>
<td>2.61%</td>
<td>2.58%</td>
</tr>
<tr>
<td>Returns on UCF's funds are presented net of fees</td>
<td>Fixed Income Policy Index 85% Barclays US Gov't/Credit Aggregate, 5% JPM GBI-EM Global Diversified, 10% S&amp;P LSTA Performing Loan</td>
<td>0.05%</td>
<td>-1.40%</td>
<td>0.03%</td>
<td>5.76%</td>
<td>3.42%</td>
<td>3.22%</td>
<td></td>
</tr>
<tr>
<td>Lipper Core Plus Fixed Income</td>
<td></td>
<td>0.11%</td>
<td>-0.72%</td>
<td>1.21%</td>
<td>5.89%</td>
<td>3.61%</td>
<td>3.77%</td>
<td></td>
</tr>
<tr>
<td><strong>Domestic Core Equity Fund</strong></td>
<td>10/1/2005</td>
<td>0.50%</td>
<td>16.54%</td>
<td>30.24%</td>
<td>13.98%</td>
<td>15.40%</td>
<td>15.82%</td>
<td>1.42%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td></td>
<td>0.58%</td>
<td>15.92%</td>
<td>30.01%</td>
<td>15.99%</td>
<td>16.90%</td>
<td>16.63%</td>
<td></td>
</tr>
<tr>
<td>Lipper Large Cap Core</td>
<td></td>
<td>0.20%</td>
<td>14.99%</td>
<td>28.72%</td>
<td>15.23%</td>
<td>16.02%</td>
<td>15.57%</td>
<td></td>
</tr>
<tr>
<td><strong>Beyond Fossil Fuels Fund</strong></td>
<td>11/3/2014</td>
<td>-0.40%</td>
<td>14.51%</td>
<td>29.75%</td>
<td>11.48%</td>
<td>12.27%</td>
<td>N/A</td>
<td>2.32%</td>
</tr>
<tr>
<td>Returns on UCF's funds are presented net of fees</td>
<td>S&amp;P 500/MSCI ACWI IMI net, linked</td>
<td>-1.11%</td>
<td>11.42%</td>
<td>28.92%</td>
<td>12.38%</td>
<td>13.06%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lipper Global Equity</td>
<td></td>
<td>-1.58%</td>
<td>10.63%</td>
<td>27.37%</td>
<td>10.62%</td>
<td>11.58%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Small Cap Equity Fund</strong></td>
<td>10/1/2005</td>
<td>-3.22%</td>
<td>10.05%</td>
<td>41.89%</td>
<td>13.65%</td>
<td>14.56%</td>
<td>14.60%</td>
<td>0.89%</td>
</tr>
<tr>
<td>Returns on UCF's funds are presented net of fees</td>
<td>Russell 2000 Index</td>
<td>-4.36%</td>
<td>12.41%</td>
<td>47.68%</td>
<td>10.54%</td>
<td>13.45%</td>
<td>14.63%</td>
<td></td>
</tr>
<tr>
<td>Lipper Small Cap Core</td>
<td></td>
<td>-2.29%</td>
<td>17.70%</td>
<td>50.27%</td>
<td>9.00%</td>
<td>11.38%</td>
<td>13.45%</td>
<td></td>
</tr>
<tr>
<td><strong>International Equity Fund</strong></td>
<td>10/1/2005</td>
<td>-3.62%</td>
<td>5.20%</td>
<td>24.07%</td>
<td>10.16%</td>
<td>9.89%</td>
<td>7.87%</td>
<td>2.21%</td>
</tr>
<tr>
<td>Returns on UCF's funds are presented net of fees</td>
<td>MSCI ACWI ex US net/Custom Index, linked</td>
<td>-2.99%</td>
<td>5.90%</td>
<td>23.92%</td>
<td>8.03%</td>
<td>8.94%</td>
<td>7.62%</td>
<td></td>
</tr>
<tr>
<td>Lipper International Equity</td>
<td></td>
<td>-1.58%</td>
<td>7.83%</td>
<td>24.88%</td>
<td>7.16%</td>
<td>8.13%</td>
<td>7.84%</td>
<td></td>
</tr>
<tr>
<td><strong>Alternatives Fund</strong></td>
<td>7/1/2010</td>
<td>2.14%</td>
<td>9.76%</td>
<td>14.55%</td>
<td>7.25%</td>
<td>6.02%</td>
<td>5.81%</td>
<td>N/A</td>
</tr>
<tr>
<td>Returns on UCF's funds are presented net of fees</td>
<td>Custom Index 70% HFRI Funds of Funds Composite Index, 30% NCREIF Fund Index</td>
<td>0.96%</td>
<td>6.33%</td>
<td>12.76%</td>
<td>6.21%</td>
<td>6.05%</td>
<td>5.97%</td>
<td></td>
</tr>
</tbody>
</table>
## Investment Performance — Funds of Funds as of September 30, 2021

<table>
<thead>
<tr>
<th>FUND DESCRIPTION</th>
<th>Inception Date</th>
<th>Quarter</th>
<th>Year To Date</th>
<th>One Year</th>
<th>Three Years</th>
<th>Five Years</th>
<th>Ten Years</th>
<th>Current Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Equity Fund</strong></td>
<td>10/1/1994</td>
<td>-1.67%</td>
<td>10.66%</td>
<td>28.27%</td>
<td>12.13%</td>
<td>12.57%</td>
<td>11.80%</td>
<td>1.68%</td>
</tr>
<tr>
<td>(46.70% Domestic Core Equity, 11.80% Small Cap Equity and 41.50% International Equity)</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSCI ACWI IMI net/Policy Index, linked</td>
<td>-1.11%</td>
<td>11.42%</td>
<td>28.92%</td>
<td>12.38%</td>
<td>13.06%</td>
<td>12.17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lipper Global Equity</td>
<td>-1.58%</td>
<td>10.63%</td>
<td>27.37%</td>
<td>10.62%</td>
<td>11.58%</td>
<td>9.23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Conservative Balanced Fund</strong></td>
<td>1/1/2006</td>
<td>-0.85%</td>
<td>2.98%</td>
<td>9.55%</td>
<td>7.16%</td>
<td>6.06%</td>
<td>5.86%</td>
<td>2.11%</td>
</tr>
<tr>
<td>(39.30% Equity, 55.90% Fixed Income and 4.80% C&amp;E)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Current Policy Index 35% MSCI ACWI IMI net, 65% Fixed Income Policy Index</td>
<td>-0.34%</td>
<td>2.98%</td>
<td>9.56%</td>
<td>8.42%</td>
<td>6.95%</td>
<td>6.49%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lipper Mixed Asset Target Allocation Conservative</td>
<td>-0.32%</td>
<td>4.01%</td>
<td>10.30%</td>
<td>6.73%</td>
<td>5.83%</td>
<td>6.08%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Moderate Balanced Fund</strong></td>
<td>circa 1988</td>
<td>-1.18%</td>
<td>6.00%</td>
<td>16.57%</td>
<td>9.22%</td>
<td>8.64%</td>
<td>8.18%</td>
<td>1.87%</td>
</tr>
<tr>
<td>(64.40% Equity, 30.30% Fixed Income and 5.30% C&amp;E)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Current Policy Index 60% MSCI ACWI IMI net, 40% Fixed Income Policy Index</td>
<td>-0.63%</td>
<td>6.19%</td>
<td>16.75%</td>
<td>10.10%</td>
<td>9.38%</td>
<td>8.74%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lipper Mixed Asset Target Allocation Moderate</td>
<td>-0.58%</td>
<td>6.93%</td>
<td>16.30%</td>
<td>8.66%</td>
<td>8.23%</td>
<td>8.45%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aggressive Balanced Fund</strong></td>
<td>1/1/2006</td>
<td>-1.38%</td>
<td>7.81%</td>
<td>21.00%</td>
<td>10.28%</td>
<td>10.13%</td>
<td>9.59%</td>
<td>1.75%</td>
</tr>
<tr>
<td>(78.20% Equity, 16.60% Fixed Income and 5.20% C&amp;E)</td>
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<tr>
<td>Current Policy Index 75% MSCI ACWI IMI net, 25% Fixed Income Policy Index</td>
<td>-0.81%</td>
<td>8.13%</td>
<td>21.21%</td>
<td>11.01%</td>
<td>10.79%</td>
<td>10.05%</td>
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</tr>
<tr>
<td>Lipper Mixed Asset Target Allocation Aggressive</td>
<td>-0.68%</td>
<td>9.16%</td>
<td>21.65%</td>
<td>10.60%</td>
<td>10.52%</td>
<td>10.47%</td>
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<tr>
<td><strong>Beyond Fossil Fuels Balanced Fund</strong></td>
<td>11/3/2014</td>
<td>-0.31%</td>
<td>8.34%</td>
<td>17.45%</td>
<td>9.76%</td>
<td>9.07%</td>
<td>N/A</td>
<td>2.07%</td>
</tr>
<tr>
<td>(65.50% BFF, 29.20% Fixed Income and 5.30% C&amp;E)</td>
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<tr>
<td>Current Policy Index 60% MSCI ACWI IMI net, 40% Fixed Income Policy Index</td>
<td>-0.63%</td>
<td>6.19%</td>
<td>16.75%</td>
<td>10.10%</td>
<td>9.38%</td>
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</tr>
<tr>
<td>Lipper Mixed Asset Target Allocation Moderate</td>
<td>-0.58%</td>
<td>6.93%</td>
<td>16.30%</td>
<td>8.66%</td>
<td>8.23%</td>
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</tr>
<tr>
<td><strong>Alternatives Balanced Fund</strong></td>
<td>7/1/2010</td>
<td>-0.39%</td>
<td>7.54%</td>
<td>18.01%</td>
<td>9.06%</td>
<td>8.58%</td>
<td>8.09%</td>
<td>N/A</td>
</tr>
<tr>
<td>(54.0% Equity, 17.0% Fixed Income, 27.1% Alternatives, 1.9% C&amp;E)</td>
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</tr>
<tr>
<td>Current Policy Index 50% MSCI ACWI IMI net, 30% Fixed Income Policy and 20% Alternatives Policy</td>
<td>-0.33%</td>
<td>6.49%</td>
<td>16.57%</td>
<td>9.49%</td>
<td>8.93%</td>
<td>8.50%</td>
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</tr>
</tbody>
</table>
The unprecedented fiscal and monetary stimulus packages around the globe have kept markets elevated.

The U.S. Federal Reserve is likely to start tapering before year end.
Concerns are surfacing whether higher inflation is transitory or more structural.
As the U.S. dollar weakens, international markets look more compelling.

Developed non-U.S. markets and emerging markets tend to be more cyclical, benefiting when value strategies outperform.
United Church Funds appreciates the opportunity to share in and support the mission of your ministry.

Investing involves risk. Consider the funds’ investment objectives, risks and other factors, which are discussed in the Funds Description Statement. Past performance is no guarantee of future results.