



January 6, 2022

Dear Valued Clients:

Happy new year! We hope that you and your faith communities are well and finding hope in faith even with the continuing challenges of the pandemic.

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

“Global equity markets were mixed in the fourth quarter, with strong gains in the U.S. market, positive returns in non-U.S. developed markets and negative returns in emerging markets, mainly due to China. Larger company stocks and growth-oriented stocks within larger companies continued to lead. For the fourth quarter, large cap stocks (S&P 500 index) returned +11.03%, and small cap stocks (Russell 2000 index) returned +2.14%. International developed stocks were up +2.69% for the quarter, and emerging market equities were down -1.31%.

“Fixed income returns were slightly positive during the quarter. Fourth quarter performance for the Barclays Government Credit Index, a proxy for the broad U.S. fixed income market, was +0.18%; bank loans were up +0.75%; and emerging market debt was flat at +0.02%.”

As we announced this last year, effective November 30, 2021, the Aggressive Balanced Fund and Conservative Balanced Fund were closed and the Moderate Balanced Fund renamed, “UCF Balanced Fund.” You’ll see these changes reflected in the preliminary performance report. Most of our clients who were invested in the closed funds have communicated to us their re-allocation directions. If your church or organization has yet to do this, please contact us immediately.

The Helen and Richard Brown Endowment for Pastoral Scholarships provides assistance to United Church of Christ members preparing for ordained ministry. Applications are open for the 2022-2023 academic year. Eligible candidates can submit [an online application here](#). Submission deadline is March 1, 2022. In addition, UCF recently appointed the Rev. Gwendolyn V. Kirkland as the new administrator of the Brown Endowment. [Click here](#) to read the press release.

As active responsible investors, UCF has been busy filing shareholder resolutions. Our most recent filing calls on Meta (formerly Facebook) to be transparent in its governance and spending on lobbying activities. [Click here](#) to read the full article.

Thank you for trusting us to be your partners in responsible stewardship. We look forward to serving you in the new year. If you have any questions, please contact us at 1-877-806-4989 or info@ucfunds.org.

Sincerely,

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

Charles Buck
President and CEO

PRELIMINARY PERFORMANCE INFORMATION FOR THE 4th 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 4th Quarter of 2021.

	<u>4th Quarter</u>	<u>Year to Date</u>
Fixed Income Fund	-0.26%	-1.76%
Barclays Capital Government Credit	0.18%	-1.75%
Fixed Income Policy Index	0.16%	-1.24%
Domestic Core Equity Fund	10.88%	29.22%
S&P 500 Total Return Index	11.03%	28.71%
Beyond Fossil Fuels Fund	7.16%	22.72%
MSCI ACWI IMI net	6.10%	18.22%
Small Cap Equity Fund	3.75%	14.18%
Russell 2000 Index	2.14%	14.82%
International Equity Fund	0.41%	5.64%
MSCI ACWI ex US net	1.82%	7.82%
Total Equity Fund	5.66%	16.93%
MSCI ACWI IMI net	6.10%	18.22%
UCF Balanced Fund	3.52%	9.73%
Policy Index (60% MSCI ACWI IMI net/ 40% Fixed Income Policy Index)	3.74%	10.16%
Beyond Fossil Fuels Balanced Fund	4.67%	13.40%
Policy Index (60% MSCI ACWI IMI net/ 40% Fixed Income Policy Index)	3.74%	10.16%