

INTRODUCTION TO UCF FOR CTF PARTICIPANTS



Southern New England Conference

United Church of Christ

Living the Love & Justice of Jesus

March 5, 2024



Townhall Meeting Agenda

- ✓ Welcome and Introductions Stacey Pettice, *Executive, Institutional Relationships*
- ✓ Transition from CTF to UCF The Rev. Darrell Goodwin
Executive Conference Minister, SNEUCC
- ✓ Overview of UCF Funds Stacey Pettice, *Executive, Institutional Relationships*
- ✓ Responsible Investing at UCF Matthew Illian, *Director of Responsible Investing*
- ✓ UCF's Client Services
and Account Portal Matt Wagner, *Vice President, Institutional Relationships*
- ✓ Q& A UCF Team and Charlie Kuchenbrod
Legacy Specialist Consultant, SNEUCC

United Church Funds (UCF) — Overview

- Trusted investment provider to 1,100 local churches, religious judiciatories and faith-based non-profits, with over \$1 billion in assets under management
- Experienced non-profit partner to fiduciaries in the development, management and governance of endowments
- Recognized leader in responsible investing strategies aligned with the United Church of Christ and like-minded progressive Christians



Investing with a Mission: Performance Beyond the Numbers

Transition from CTF to UCF



The Rev. Darrell Goodwin
Executive Conference Minister
Southern New England Conference

UCF – A Family of Responsible Funds

- 11 Professionally-Managed Fund Options
 - Six actively Managed Funds with exposure to fixed income, domestic equity, international equity and alternative asset classes, plus a Money Market Fund
 - Four **Balanced Funds** providing pre-selected diversified risk and allocation profiles
- UCF assists clients in understanding their goals and risk tolerance to build diversified investment portfolios consistent with their long-term objectives.
- UCF tracks fund performance using industry-standard indexes and Lipper Peer metrics to report our returns to our clients.
- Traditional Funds provide daily liquidity to clients, with no penalties/fees for withdrawals at any time.

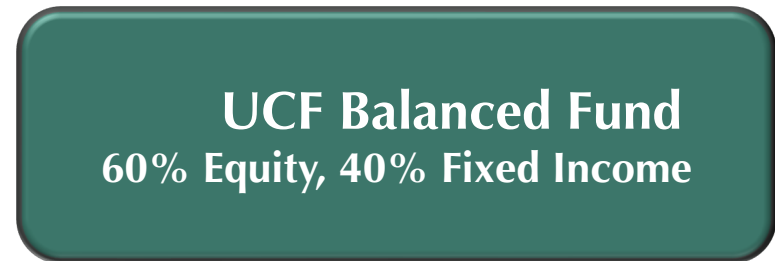


Transfer of Funds from CTF to UCF

Current CTF Allocation



New UCF Allocation



*Both the Eden Fund and the Beyond Fossil Fuels Balanced Fund exclude companies with fossil fuel reserves – those that produce for oil, gas or coal.

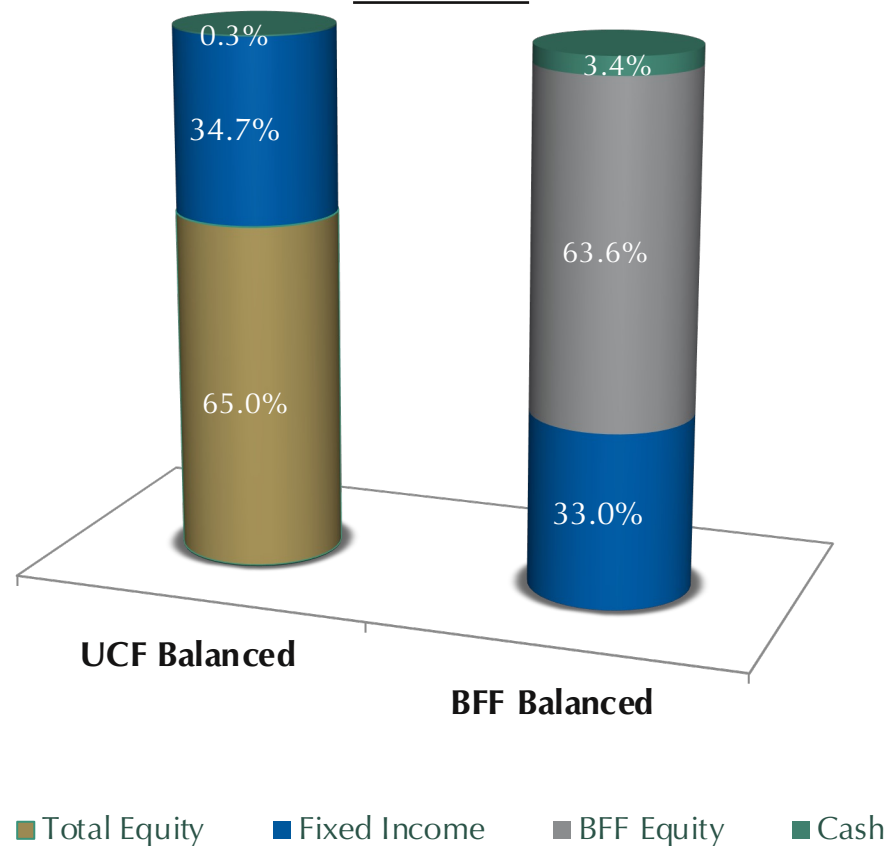
UCF Funds Allocation

Target Allocation Overview

- **UCF Balanced Fund**
60% Total Equity / 40% Fixed Income
- **Beyond Fossil Fuels Balanced Fund**
60% Beyond Fossil Fuels / 40% BFF Fixed Income

Active Management: UCF's investment team has the ability to move +/- 10% from the target allocation, as well as overweight or underweight asset classes within the fund, including holding cash, based on market conditions or other factors.

Actual Allocation as of 12/31/23



UCF Balanced Fund – Benchmark and Lipper Peer Comparison as of 12/31/2023

Fund Objective: Seek to provide investors with total returns consistent with a broadly diversified portfolio of high-quality fixed income securities and common stocks, with varying equity allocations in accordance with the desired risk/return tradeoff.

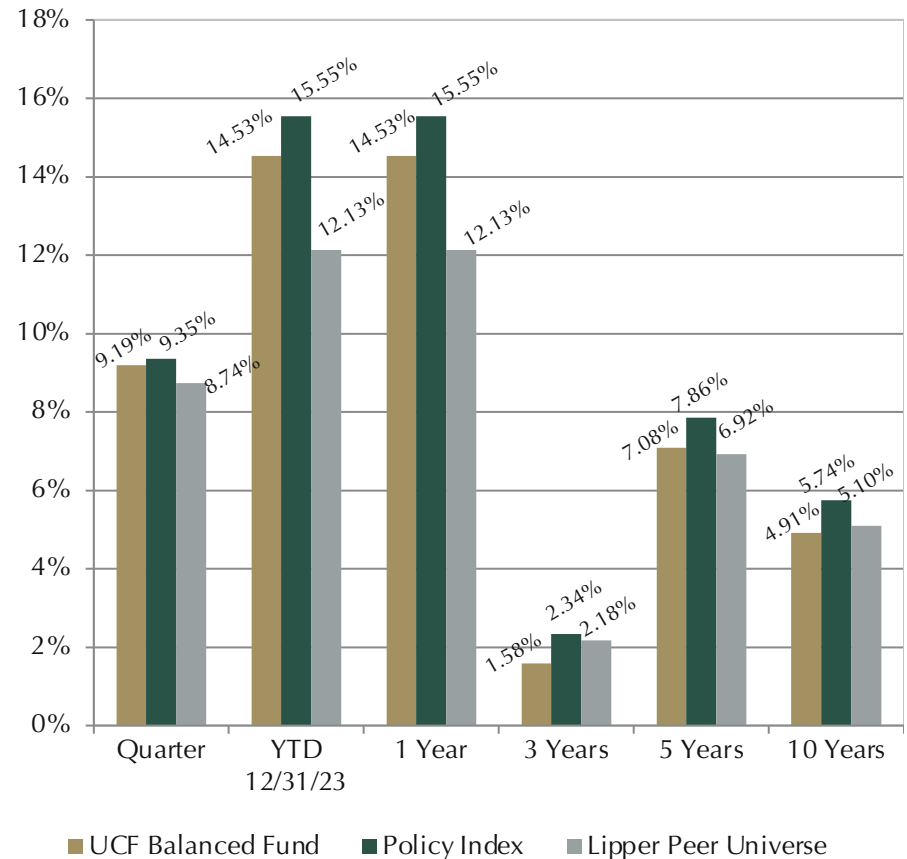
Investment Strategy: The Fund consists of units from the Fixed Income Fund and Total Equity Fund. The traditional balanced fund allocation (60% equity, 40% fixed income) provides global equity exposure – domestic large-cap and small-cap, and international – for greater capital appreciation, while bonds temper volatility and provide a stream of income. The Fund employs shareholder engagement and social and environmental screens.

Custom Benchmark:

60% MSCI All Country World Index (ACWI) IMI net
40% Fixed Income Policy Index

Target Allocation:

60% Total Equity
40% Fixed Income



Beyond Fossil Fuels Balanced Fund – Benchmark and Lipper Peer Comparison as of 12/31/2023

Fund Objective: Seeks to provide investors with a total return consistent with a globally diversified equity and fixed income portfolio free of investments in companies that explore for or produce fossil fuels.

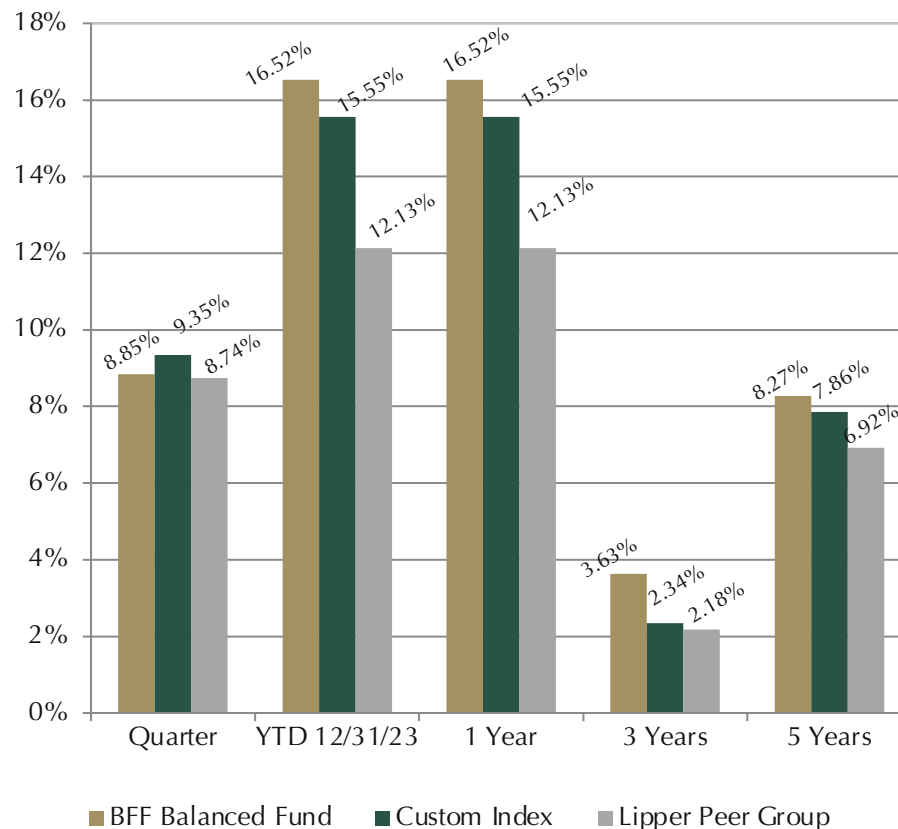
Investment Strategy: The Fund consists of units from the Fixed Income Fund and Beyond Fossil Fuels Fund. The enhanced global equity index portfolio invests in a broad array of U.S. common stocks, international developed market and emerging market countries. Both the fixed income and equity components of the Fund avoid investments in companies with the greatest amount of fossil fuel reserves – those that produce or explore for oil, gas or coal. The Fund employs shareholder engagement and social and environmental screens.

Custom Benchmark:

60% MSCI All Country World Index (ACWI) IMI net
40% Fixed Income Policy Index

Target Allocation:

60% Total Equity
40% Beyond Fossil Fuels Fixed Income



UCF Expense Ratio (Fee) Schedule

UCF maintains fully inclusive **expense ratios** for all fund offerings. This means that you pay:

- NO sales commissions.
- NO investment and advisory fees.
- NO 12b-1 fees.
- NO transaction fees.
- NO out-of-pocket charges or payments.

Expense ratios cover all custodial, manager and administrative expenses.

Expense ratios are assessed quarterly to the Net Asset Value (NAV) of each fund, which means no fee is ever deducted directly from client accounts.

All UCF performance is reported net of fees.

2024 Expense Ratios (Annualized)

Cash & Equivalent	0.00%
Fixed Income Fund	0.60%
Domestic Core Equity Fund	0.54%
Beyond Fossil Fuels Fund	0.75%
Small Cap Equity Fund	1.11%
International Equity Fund	1.04%
Alternatives Fund	1.54%
Total Equity Fund	0.85%
UCF Balanced Fund	0.82%
Beyond Fossil Fuels Balanced Fund	0.77%
Alternatives Balanced Fund	0.99%

Responsible Investing

Investment that Creates a Just World for All



UCF – A Multi-Faceted Approach to Driving Change

FIVE TOOLS

in the RESPONSIBLE INVESTOR TOOLBOX



Managers selection with proven performance and commitment to responsible investing, diversity, equity and inclusion (DEI).

Invest in impact-first ventures that seek to solve social and environmental problems

Corporate Engagement with the companies in which we invest, holding them accountable for their actions.

Proxy voting on resolutions concerning issues like fairness in executive pay, corporate transparency, and DEI.

Divest from companies that fail to respond to dialogue and shareholder resolutions

UCF – Power Through Collaboration



- Coalition of 300+ Faith and Values Investors, of which UCF is a Founding Member.
- Focus areas include climate, DEI/racial justice, human & worker rights and political spending.
- 122 shareholder resolutions were withdrawn for agreement in 2023.
- 7 ICCR member resolutions received majority support in 2023.



- The world's largest ever engagement initiative on climate change.
- 700+ investors engaging with 170 focus companies responsible for 80% of global industrial emissions.
- 77% of focus companies now commit to Net Zero by 2050 (Scope 1 and 2 emissions).
- 5% of focus companies have transition plans developed in consultation with key stakeholders.

Responsible Investing – 2024 Shareholder Engagements

United Church Funds is Calling For:



Enhanced Lobbying
Disclosure*



Human Rights Audit*



Climate Transition
Plan*



Review of Proxy Voting on
Shareholder Resolutions*



Report impacts of state
restrictions on providing
emergency abortions.



Review of Support for Single-
Use Plastics



Independent Report on Shifting
from Virgin to Recycled Plastics



Enhanced Lobbying
Disclosure



Enhanced Recognition of
Indigenous People's Rights



Respect for Freedom of
Association (Partnering with AFL-
CIO)

*Resolution withdrawn.

UCF – 21st Century Exclusionary Screens

UCF avoids securities of companies which derive a relevant portion of their revenues from:

- Tobacco Production
- Firearm/Ammunition Production
- Military/Nuclear Weapons Production
- Private Prison Operation
- Coal (Thermal) Extraction
- Oil Extraction via Tar Sands

UCF avoids investment in companies whose practices within the following ESG impacts are unacceptable:

- Environmental Harm
 - Carbon Emissions
 - Toxic Emissions/Waste
 - Biodiversity
 - Water Stress
- Labor and Human Rights Harm
 - Focus on Conflict-Affected Territories
 - Compliance with Domestic and International Laws
 - Value Chain Partners

UCF screens out 421 companies in our portfolio and, in the Beyond Fossil Fuels funds, an additional 152 companies that produce and/or explore for coal, oil or gas, totaling 573 exclusions.

UCF - Staff and Service Offerings

Our Team Delivers the Highest Standards of Service



The Rev. Dr. Charles C. Buck
President & CEO



Mr. Matthew W. Wagner, MBA, AIF
Vice President, Institutional Relationships



Ms. Karen Sherman-Chang, CPA
Director, Finance & Administration



Mr. Matthew Illian, CFP
Director, Responsible Investing



Ms. Deborah Cho
Senior Accountant



Mr. Jason Gonzalez
Accounting and Client Services Associate



Ms. Michele Hamilton
Staff Accountant



Ms. Stacey Pettice
Executive, Institutional Relationships



Ms. Kelsey Cameron Rose
Institutional Relationships Associate



Mr. Adam Sank
Associate, Communications & Administration



Ms. Debbie Wibowo
Associate, Marketing & Communications



Ms. Tiffany Williams
Accounting & Client Services Associate

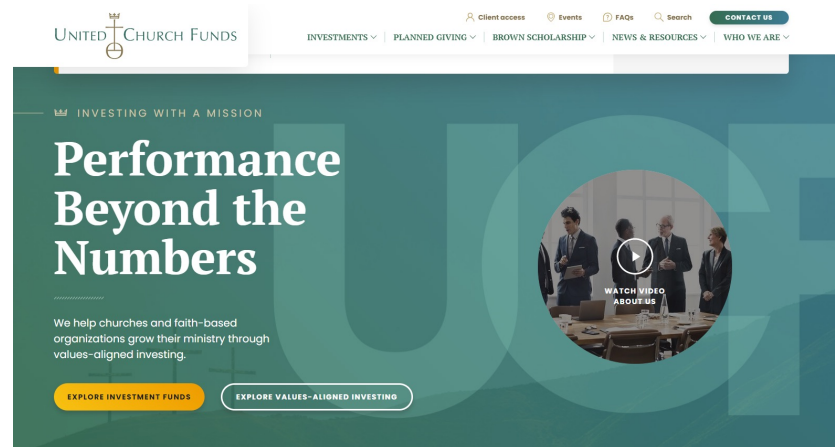


Mr. Michael Zivanov
Junior Accountant

UCF – Top-Tier Client Services Model

➤ UCF's Client Services team personally handles the daily needs of our clients:

- Asset Transfers
- Distributions or Withdrawals
- Account and Statement Information
- Stock Donations



➤ www.UCFunds.org gives clients access to:

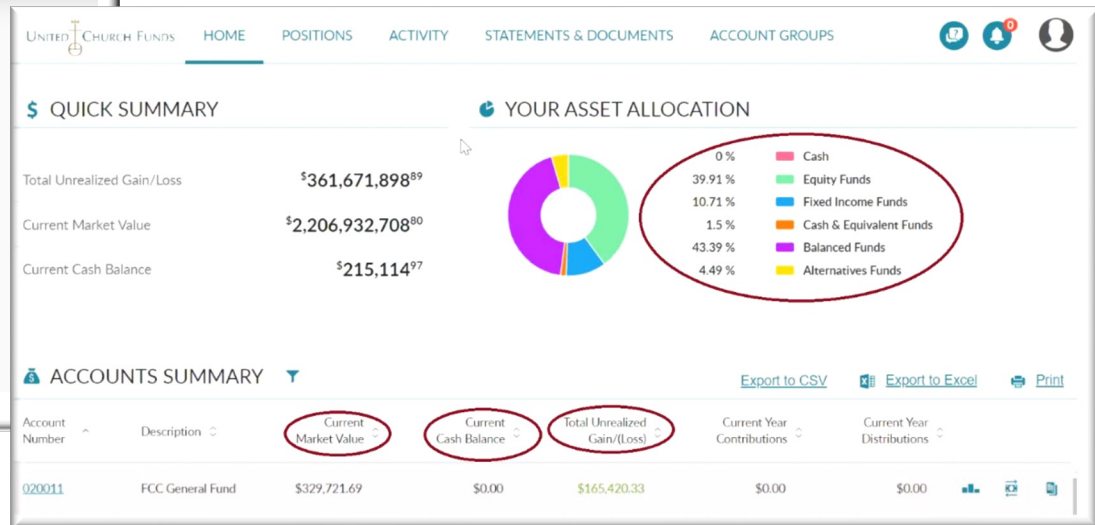
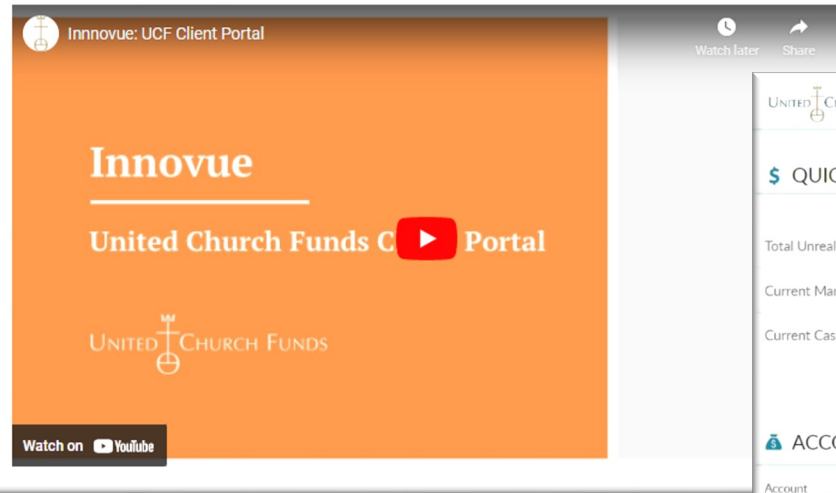
- Account statements via our online customer portal
- Investment information and quarterly Fund Fact Sheets for each fund
- Webinars and videos on a variety of topics
- Planned Giving and endowment best practices news and resources.

UCF Client Portal – Direct Access to Your Investments

- Provides view-only access to daily balances, transactions and statements.
- For UCF Client Portal step-by-step guide and video tutorial, visit <https://ucfunds.org/innovue-video-tutorial/>

Following is a video tutorial on using Innovue and taking advantage of all its features.

[Click here](#) to download the tutorial in PDF.



UCF – Key Differentiators for UCF Clients

INVESTMENTS

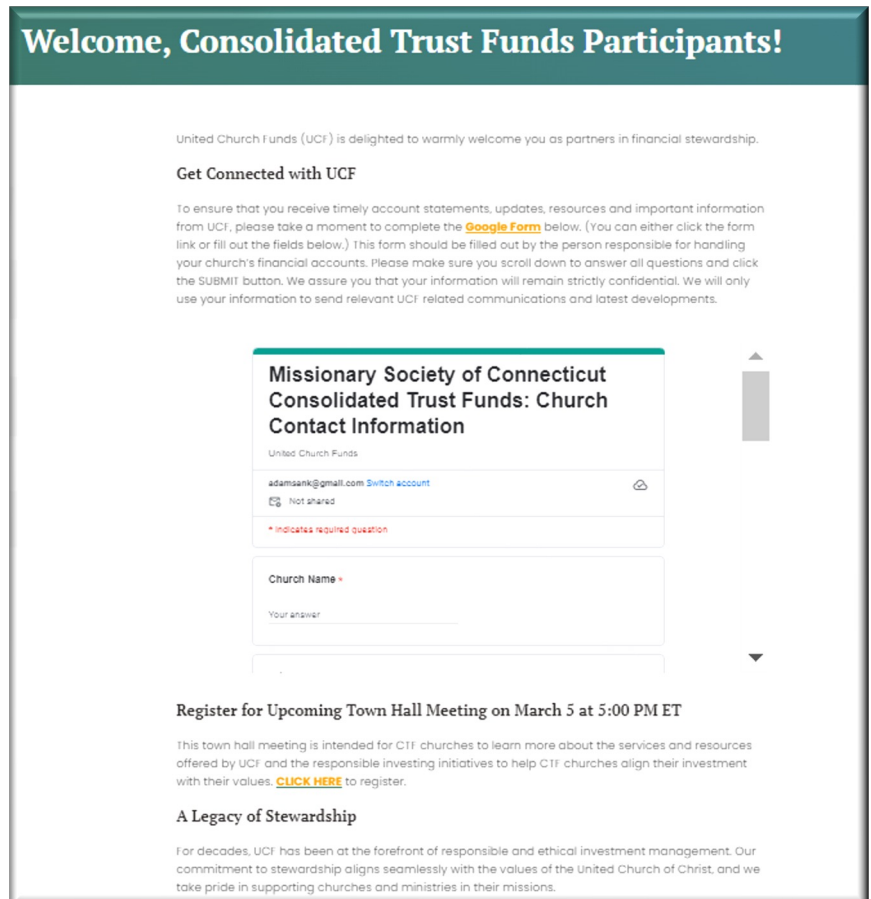
- Experienced Institutional Relationships Team
- Professionally-Managed Platform of Funds
- 11 Values-Aligned Funds for Portfolio Customization Options
- Unlimited Accounts
- Daily Liquidity for Stock/Bond Portfolios

CLIENT SERVICES

- Dedicated Client Services Team
- Secure Client Portal Updated Daily
- Electronic Statements
- ACH Transactions
- Stock Donation Services
- Planned Giving Resources
- Endowment Governance

Next Steps

- Anticipated Transfer Date: April 16, 2024
- Visit www.ucfunds.org/ct and enter the contact info and email for the person responsible for your church's investments.
- Provide your church's authorized officers and banking instructions using the CTF Account Transition Form.
- Stay tuned for further updates via email!



Welcome, Consolidated Trust Funds Participants!

United Church Funds (UCF) is delighted to warmly welcome you as partners in financial stewardship.

Get Connected with UCF

To ensure that you receive timely account statements, updates, resources and important information from UCF, please take a moment to complete the [Google Form](#) below. (You can either click the form link or fill out the fields below.) This form should be filled out by the person responsible for handling your church's financial accounts. Please make sure you scroll down to answer all questions and click the SUBMIT button. We assure you that your information will remain strictly confidential. We will only use your information to send relevant UCF related communications and latest developments.

**Missionary Society of Connecticut
Consolidated Trust Funds: Church
Contact Information**

United Church Funds

adamsank@gmail.com [Switch account](#)

🔒 Not shared

* Indicates required question

Church Name *

Your answer

Register for Upcoming Town Hall Meeting on March 5 at 5:00 PM ET

This town hall meeting is intended for CTF churches to learn more about the services and resources offered by UCF and the responsible investing initiatives to help CTF churches align their investment with their values. [CLICK HERE](#) to register.

A Legacy of Stewardship

For decades, UCF has been at the forefront of responsible and ethical investment management. Our commitment to stewardship aligns seamlessly with the values of the United Church of Christ, and we take pride in supporting churches and ministries in their missions.

Questions? We're Happy to Help!



UCF Client Services:

Tel: 877-612-8798

Email: CTF@ucfunds.org



Stacey L. Pettice

Executive, Institutional Relationships

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Matthew W. Wagner

VP, Institutional Relationships

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Charlie Kuchenbrod

*Church Legacy Specialist Consultant
Southern New England Conference*

Tel: 508-244-4457

Email: legacychurch@sneucc.org

Thank You!

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.