



The Riverside Church – New York, New York



United Church Funds®
Investing Together for a Sustainable World



Client Town Hall Meeting

First Quarter 2026

February 5, 2026

United Church Funds (UCF) – Overview

Investing Together for a Sustainable Future

UCF Mission

To support our clients' missions through sustainable and responsible investing.

UCF Vision

A just and sustainable world for all.

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- Trusted investment provider to 1,200 local churches, religious judicatories and faith-based non-profits, with over \$1.3 billion in assets under management (as of December 2025).
 - Experienced partner to fiduciaries in the development, management and governance of endowment and investment strategies.
 - Recognized leader in responsible investing strategies aligned with the United Church of Christ and like-minded progressive Christians.



Welcome!

Town Hall Meeting Agenda

- **Welcome and Introduction** Charles Buck, *President and CEO*
- **UCF Organizational Updates** Kelsey Rose, *Associate, Institutional Relationships*
- **Responsible Investing Updates** Matthew Illian, *Director, Responsible Investing*
- **Market and Fund Updates** Matt Wagner, *Vice President, Institutional Relationships*
Stacey Pettice, *Executive, Institutional Relationships*
- **Q&A with Townhall Participants** Lan Cai, *Chief Investment Strategist*
Minoti Dhanaraj, *Senior Investment Strategist*

Organizational Updates – Q1 2026

- ✓ UCF 2025 Annual Report coming in March
- ✓ UCF Team on the Road:
 - NEXUS 2026/New Private Markets (Orlando) – February 22-25
 - Prepared to Serve (Pembroke, New Hampshire) – February 28
 - Pacific Northwest Conference Annual Meeting (Seattle) – March 13-14
 - UCF Board Meeting (Tulsa, Oklahoma) – March 19-20
 - ICCR Spring Conference (New York) – March 23-27
 - CHHSM Annual Gathering (Indianapolis) – March 24-26
- ✓ New Authorized Officers?
 - Update Names, Titles and Contact Information [HERE](#)
 - Download the UCF Trustee Checklist [HERE](#)
 - Familiarize Yourself with Investment Terminology [HERE](#)
- ✓ UCF Has Made Several Important Updates to Client Account Forms, Which Can Be Accessed [HERE](#).



Poll Questions

Responsible Investing

Responsible Investing – UCF 2026 Shareholder Resolutions

UCF Filed Resolutions with the Following Companies:



Seeking Enhanced Lobbying Transparency: Addresses gaps in its reporting on governance of lobbying and payments disclosure.



Seeking Enhanced Lobbying Transparency: Addresses gaps in its reporting on governance of lobbying and payments disclosure.



Seeking Report on Upholding Human Rights Across Enterprise Operations: Addresses concerns over many issues related to Pepsi's human rights violations at sugarcane cutters in India, Malaysian palm oil plantations, expanded sales into Russia.

UNITEDHEALTH GROUP

Seeking Report on Patient Care: Addresses concerns that accelerated mergers and acquisitions are having a negative impact on patient care.

Alphabet

Seeking Report on Data Privacy: Addresses concerns about gaps in oversight of client data privacy and references EU fines over inadequate consent process.

Responsible Investing – “Just Investing” Season 2 Guests



Sam Jones
President & Co-Founder
The Heartland Initiative



Tejal Patel
Executive Director
SOC Investment Group



Kees Gootjes
Executive Director
De Nieuwe Beurskoers



Courtney Stange-Tregear
*Vice President &
Chief Relationship Officer*
Cornerstone Fund



Timothy Smith
Strategic Policy Advisor
Interfaith Center on Corporate Responsibility



Poll Question

Investment Performance and Strategy & Positioning

Market Themes – Q4 2025 Take-Aways

- ✓ **International Equities Led Market Rally:** Both international developed and emerging markets outperformed the U.S. in the fourth quarter and the full year of 2025, boosted by a declining dollar, multiples expansion and earnings growth. In the U.S., equities ended the year with another all-time high. While the Mag 7 companies still dominate the S&P 500, only two of the seven outperformed the index.
- ✓ **Strong, Divergent Economy:** Real GDP growth strengthened to 4.3% in Q3 due to AI-related capital spending and increased consumption, particularly from high-income individuals. On the other hand, the job market has been sluggish.
- ✓ **Asset Class Performance Broadens:** Concerns over Fed independence, fiat currency debasement and geopolitical tensions, pushed gold and silver to record high in 2025. Copper and related materials important to AI chips and data centers also performed strongly. There is renewed interest in commodities and real assets.
- ✓ **Risks Rise:** Slew of global events spurred discussions on rule of power vs. rule of law, and a potential new world order. Domestically, income inequality, unpredictable policies from tariffs to immigration, erosion of institutional power and social unrest may continue in the lead-up to the November midterm elections. Doubts on AI profits commensurate with spending may also be a source of risk.
- ✓ **Diversified Allocation with Active Management:** We continue to remain diversified across asset classes and long-term focused with a lens of sustainability. Risk-aware and cycle-aware tactical changes are necessary in this market.

Market Insights – Index Returns as of December 31, 2025

Index Returns (%)

Equities	Level	1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	6846	-1.21	2.66	17.88	17.88	86.11
Dow Jones 30	48063	-1.33	4.03	14.92	14.92	53.53
Russell 2000	6168	-2.02	2.19	12.81	12.81	47.12
Russell 1000 Growth	3150	-1.49	1.12	18.56	18.56	125.59
Russell 1000 Value	1279	-1.01	3.81	15.91	15.91	47.76
MSCI EAFE	2893	-0.04	4.91	31.89	31.89	63.60
MSCI EM	1404	0.53	4.78	34.36	34.36	60.18
NASDAQ	23242	-1.48	2.72	21.14	21.14	127.03

Index Characteristics

NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
22.31	5.36	1.10	58438
20.69	5.59	1.67	20552
24.13	2.12	1.19	2870
29.28	13.80	0.48	32735
17.33	2.99	1.80	29844
15.46	2.11	2.59	20456
13.36	2.11	1.89	10229
27.78	7.32	0.18	39250

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.32	0.01	1.10	7.30	7.30	14.65
U.S. Corporate	4.82	-0.02	0.84	7.77	7.77	19.44
Municipals (10yr)	3.23	0.10	1.74	5.92	5.92	11.68
High Yield	7.06	0.18	1.31	8.62	8.62	33.32

Levels

Currencies	12/31/25	12/31/24
\$ per €	1.17	1.04
\$ per £	1.35	1.25
¥ per \$	156.75	157.16

Levels (%)

Key Rates	12/31/25	12/24/25	9/30/25	12/31/24	12/21/24	12/30/22
2-yr U.S. Treasuries	3.47	3.47	3.47	4.25	4.25	4.41
10-yr U.S. Treasuries	4.18	4.15	4.18	4.58	4.58	3.88
30-yr U.S. Treasuries	4.84	4.79	4.84	4.78	4.78	3.97
10-yr German Bund	2.86	2.87	2.86	2.35	2.35	2.53
SOFR	3.71	3.66	3.71	4.49	4.49	4.30
3-mo. EURIBOR	2.03	2.02	2.03	2.71	2.71	2.13
6-mo. CD rate	1.89	1.90	1.88	2.29	2.29	1.80
30-yr fixed mortgage	6.25	6.29	6.25	7.28	7.28	6.66
Prime Rate	6.75	6.75	6.75	7.50	7.50	7.50

Levels

Commod.	12/31/25	12/31/24
Oil (WTI)	57.40	72.44
Gasoline	2.81	3.01
Natural Gas	3.69	3.40
Gold	4368	2609
Silver	71.99	28.91
Copper	12504	8706
Corn	4.37	4.53
BBG Idx	276.25	238.62

UCF Fund Spotlight - UCF International Equity Fund

Benchmark and Lipper Peer Comparison as of 12/31/2025

Fund Objective: To provide investors with a total return consistent with a diversified portfolio of international stocks.

Investment Strategy: The Fund invests in foreign equities and other equity-type securities issued by companies domiciled in developed countries – Europe, Asia and the Far East (EAFE) – and emerging markets. The target allocation for emerging market exposure is 25% with a range of 15% - 35%. The Fund employs shareholder engagement and social and environmental screens.

Benchmark:

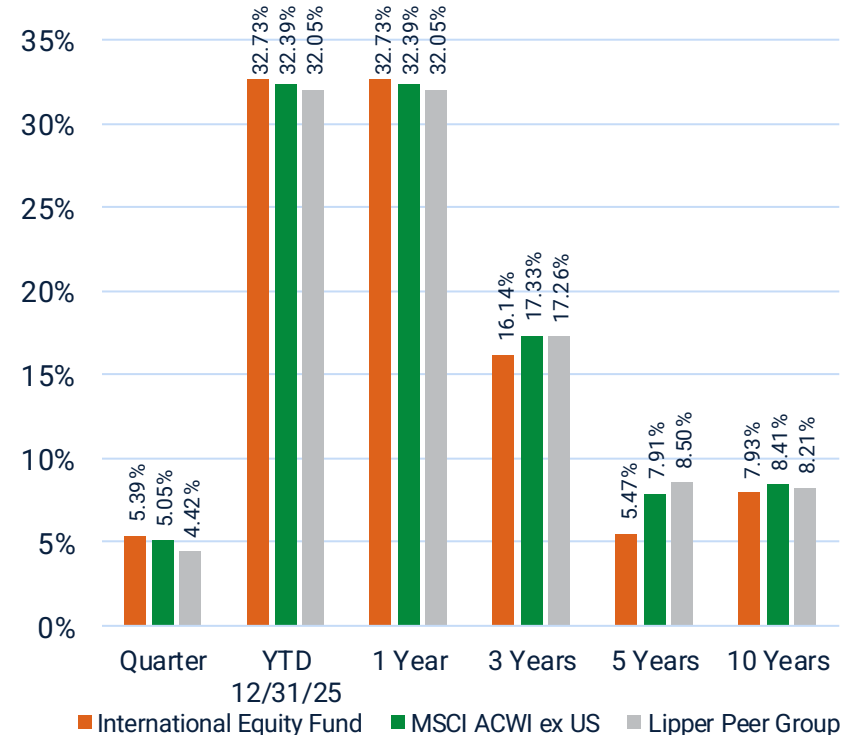
MSCI All Country World Index (ACWI) ex U.S.

Managers:

Baillie Gifford – Int'l Developed Markets Growth

LSV Asset Mgmt – Int'l Developed Markets Value

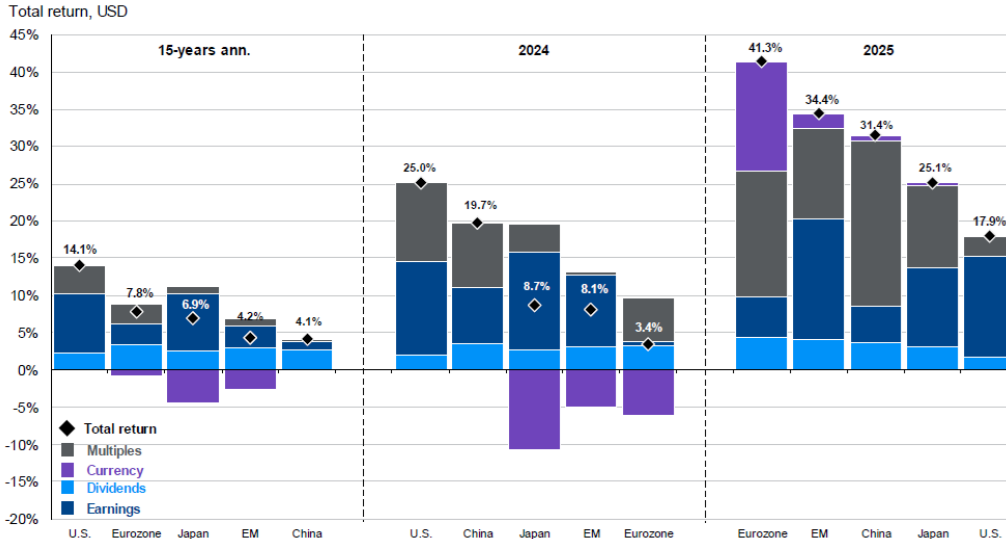
RBC Global Asset Management – Emerging Markets



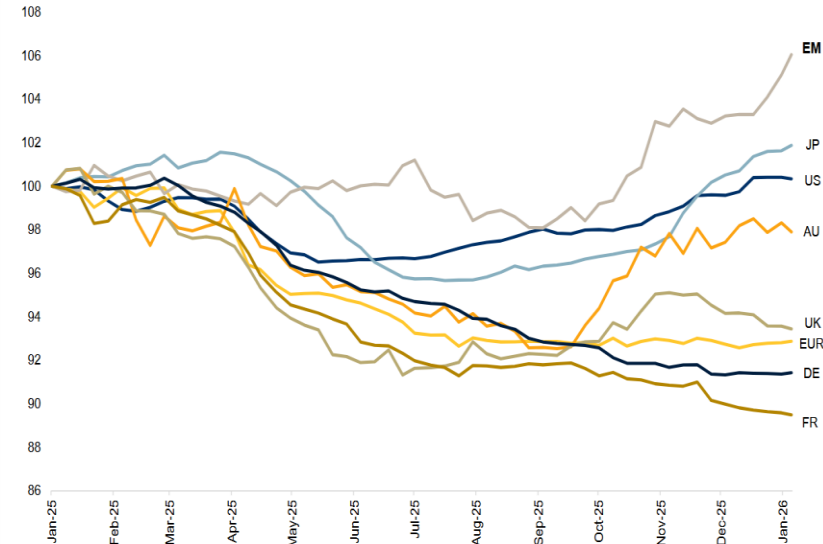
Market Insights – And the Winner of 2025 is... International

While the decline of the dollar is a significant factor in international outperformance, data shows that there is meaningful earnings growth in international markets. This trend is expected to continue in 2026.

Sources of global equity returns*



Revisions to 2026 consensus EPS expectations by region



UCF Fund Spotlight – UCF Balanced Fund and Beyond Fossil Fuels Balanced Fund

Benchmark and Lipper Peer Comparison as of 12/31/2025

UCF Beyond Fossil Fuels Balanced Fund

Investment Strategy: An enhanced global equity index portfolio (60%) invests in a broad array of U.S. and international equities and also employs a diversified fixed income (40%) strategy. 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 – in addition to UCF’s traditional divestment screens and shareholder engagement efforts.

UCF Balanced Fund

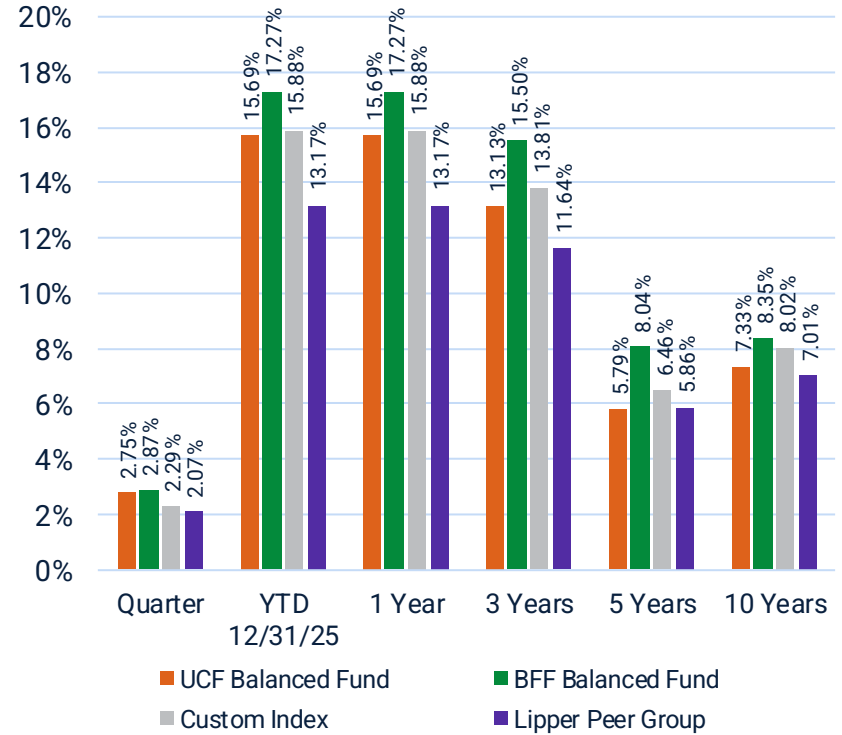
Investment Strategy: A moderate risk balanced fund allocation of 60% equity/40% fixed income provides global equity exposure – U.S. large-cap and small-cap, International (DM and EM) – using a multi-manager platform of active and passive strategies. The fund also employs multiple fixed income managers to provide diversification, capital appreciation and yield. The Fund employs shareholder engagement and divestment screens.

Custom Benchmark:

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

Target Allocation:

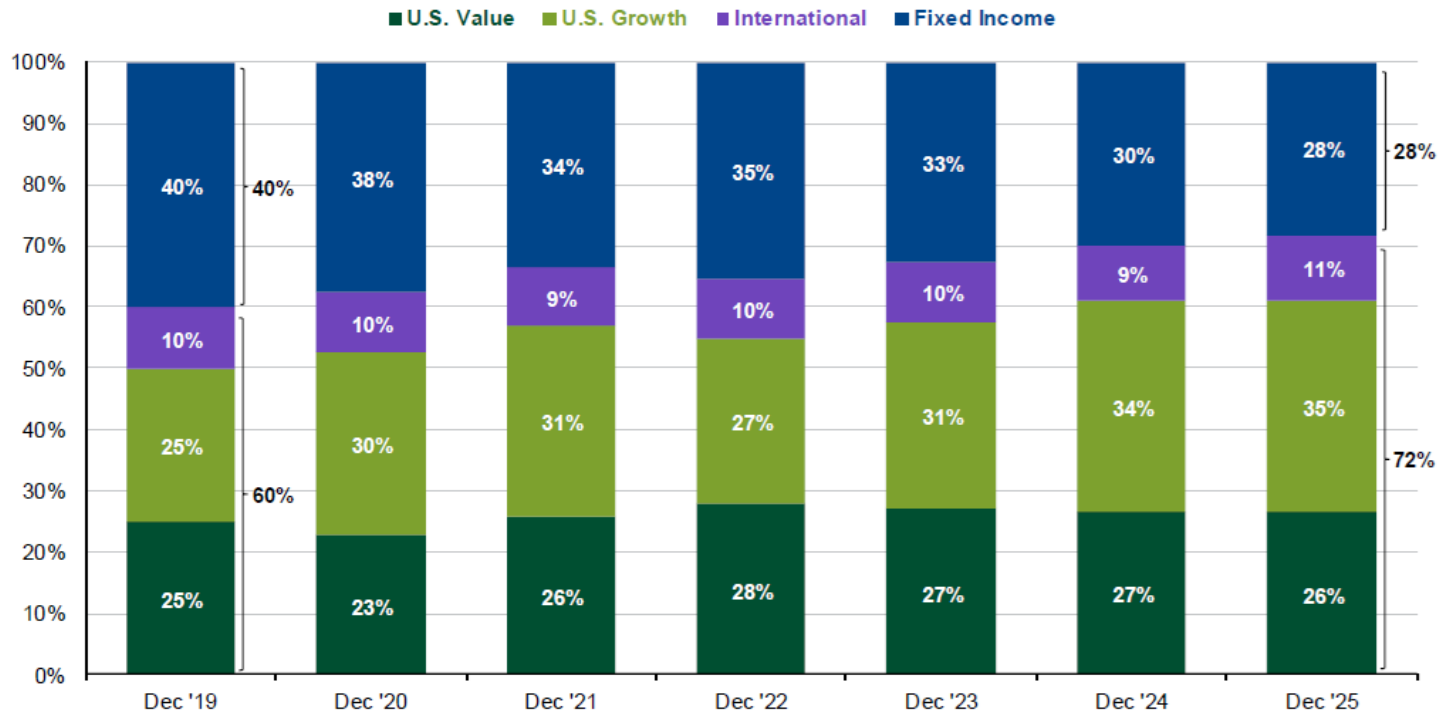
60% Total Equity
40% Fixed Income



Market Insights – 60/40 Portfolio Drift

60/40 portfolio composition by asset class

December 31, 2019 - present, no rebalancing

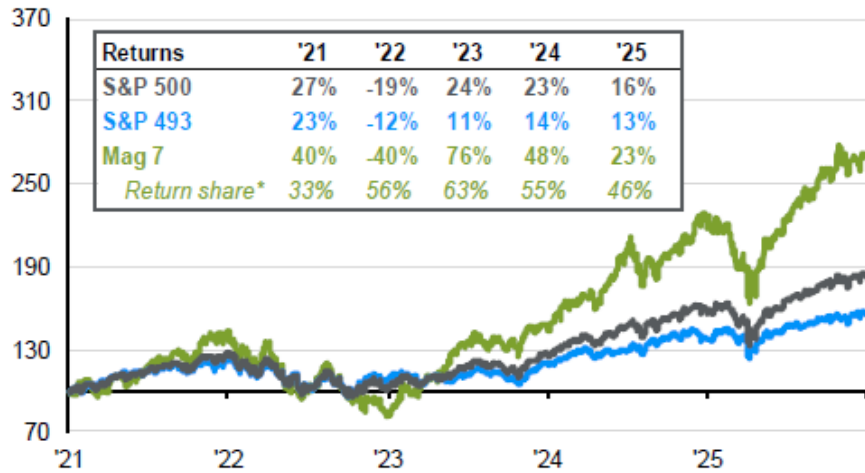


Source: Bloomberg, FactSet, MSCI, Russell, Standard & Poor's, J.P. Morgan Asset Management. Standard asset allocation at the end of 2019 assumes 60% weight to global equities and 40% to U.S. fixed income. U.S. Value: Equal-weighted Russell 1000 Value and Russell 2000 Value, U.S. Growth: Equal-weighted Russell 1000 Growth and Russell 2000 Growth, International MSCI ACWI ex-US, Fixed Income: 10% Bloomberg Global HY Index and 30% Bloomberg U.S. Aggregate. Past performance is no guarantee of future results. Guide to the Markets – U.S. Data are as of December 31, 2025.

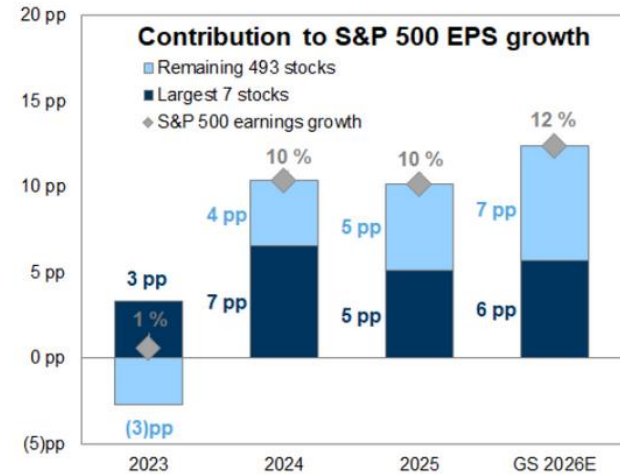
Market Insights – Highly Concentrated, but Rotation Has Started

Magnificent 7 performance in the S&P 500

Indexed to 100 on 1/1/2021, price return



Earnings Growth Contributions Are Shifting Beyond the Largest Stocks



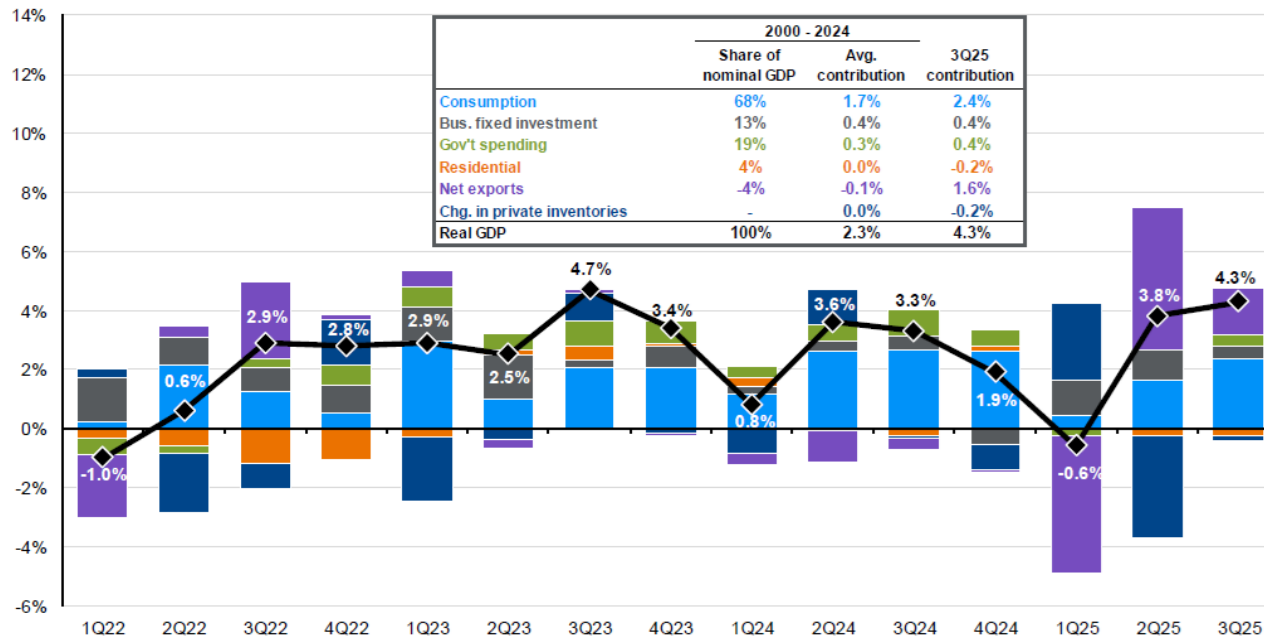
Although still dominant in the index, Mag 7 outperformance softened in 2025. Only two out of the seven outperformed the index in 2025 – GOOGL and NVDA.

In 2026, markets will be laser-focused on any ROI given rising AI capex. The earnings growth of the other 493 companies increased in 2025, signaling improving breadth in the index.

Market Insights – GDP Grew, Supported by AI Spending and Consumers

Contributors to real GDP growth

Quarter-over-quarter, seasonally adjusted annualized rate



Consumer spending, business investments in AI, and government spending are three pillars of GDP growth. Net exports also contributed in 2025.

Thank You!

Q&A



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