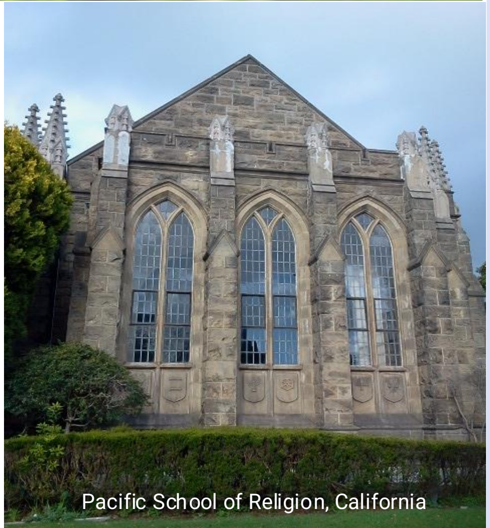
United Church Funds®
Investing Together for a Sustainable World


Eden Theological Seminary, Missouri


Pacific School of Religion, California

Client Town Hall Meeting
Third Quarter 2026

August 6, 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.

- Trusted investment provider to local churches, religious judicatories and faith-based non-profits, with over $1.4 billion in assets under management (as of August 2026).
- 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.

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Welcome!

Town Hall Meeting Agenda

• **Welcome and Introduction**	Matt Wagner, *Vice President, Institutional Relationships*
• **UCF Organizational Updates**	Kelsey Rose, *Associate, Institutional Relationships*
• **Responsible Investing Updates**	Noah Tabor, *General Counsel*
• **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* Vanessa Wong, *Investment Strategist*

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Poll Question

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Organizational Updates – Q3 2026

- ✓ UCF is preparing to open the UCF Beyond Fossil Fuels Fixed Income Fund to all investors in Q3 2026. Stay tuned for more details!
- ✓ UCF's "Just Investing" Podcast features the Rev. Darrell Goodwin talking about local church financial sustainability in the latest episode. Listen HERE.
- ✓ Is your church thinking about a 2027 Planned Giving campaign to boost your future financial sustainability? Find useful videos on how to set up campaign HERE.
- ✓ Summer 2026 - UCC Financial Ministry Events:
  - Pension Boards-UCC and UCC: "Together for Tomorrow" Provides access to UCC members to FreeWill. Create or update your will in minutes or leave a planned gift. Learn More and Access the Program HERE.
  - Insurance Board: Cybersecurity Awareness & CISA's No-Cost Resources for Your Ministry. Watch the Webinar HERE.

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Responsible Investing

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Responsible Investing – UCF 2026 Shareholder Resolutions

UCF Filed Resolutions with the Following Companies:

ICE

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Withdrawn for positive agreement.

Incyte

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

UNITEDHEALTH GROUP

Seeking Report on Patient Outcomes: Addresses concerns over worsening patient outcomes after UnitedHealth Group vertical acquisitions across medical value chain. Company omitted from Proxy.
Will not be going to vote.

PEPSICO

Seeking Report on Upholding Human Rights Across Enterprise Operations: Addresses concerns over issues related to Pepsi's human rights violations at sugarcane cutters in India, Malaysian palm oil plantations, expanded sales into Russia.
Shareholder Vote: 16.5%

Alphabet

Seeking Report on Data Privacy: Addresses concerns about gaps in oversight of client data privacy and references EU fines over inadequate consent process.
Shareholder Vote: 6%

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Poll Question

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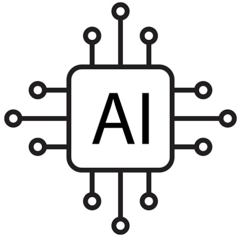
Responsible Investing – UCF 2026 Shareholder Resolutions

UCF Files Resolution with Microsoft:



- Seeking Human Rights Report
- Assessing effectiveness of human rights due diligence (HRDD) processes in preventing, identifying and addressing customer misuse of artificial intelligence (AI) and cloud products or services that violates human rights or international humanitarian law (IHL)
- Annual General Meeting in December

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Responsible Investing – Executive Compensation

UCF Calls for Stronger Oversight of Excessive Executive Compensation


HOME / BUSINESS / NEWS

David Zaslav 2025 Pay Rejected By WBD Shareholders In Non-Binding Vote

By Jill Goldsmith
June 12, 2026 11:10am

- **SEC to Remove Accountability for Executive Compensation**

On May 19, the SEC proposed significant amendments to its public company reporting framework. If the rules are adopted, more than 80% of publicly held companies would no longer be required to hold non-binding shareholder advisory votes – eliminating mandates for Say-on-Pay, Say-on-Frequency and Golden Parachute votes. UCF has written a letter urging the SEC not to adopt these changes. Read the letter here.

- **UCF Helps Form Executive Compensation Working Group**

UCF, working with the Interfaith Center on Corporate Responsibility (ICCR), have formed a working group on this issue representing investors with over $113 billion in assets under management and signed an investor statement questioning the current state of executive compensation and its implications for long-term value creation. Read the investor statement here.

- **UCF Votes Against Warner Bros. Executive Compensation**

UCF voted with over 84% of other Warner Bros. Discovery shareholders in June to reject a $100 million golden parachute pay package for outgoing CEO David Zaslav. UCF also joined the ICCR in submitting a letter to the company's Board drawing attention to this vote and the fact that such pay packages are unacceptable.

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Responsible Investing – The Role of Fixed Income

“Just Investing” Ep. 11: Andrew Russell Highlights the Importance of Fixed Income

Andrew Russell
Director of Fixed-Income Investments
Pension Boards - United Church of Christ

Listen to the whole interview on the “Just Investing” podcast at [Apple Podcasts]() or [Spotify](), and learn more about how UCF uses fixed income in our sustainable investing efforts [here]().

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Investment Performance and Strategy & Positioning

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Market Themes – Q2 2026 Takeaways

- ✓ **Strong Markets Despite War**: U.S. markets closed out the best quarter in six years, and emerging market equities did even better. Strong corporate earnings were the driver.
- ✓ **Semis Surge:** Semiconductor stocks staged a dramatic rally around the world, due to shortages in memories, optical components and insatiable demand for computer and AI data centers. Increases in levered investments amplified the rally.
- ✓ **The Mega-IPOs Are Here**: SpaceX debuted in early June at record-high valuations, with index providers like Russell and Nasdaq "fast-tracking" the inclusion of massive IPOs. This caused concerns over "forced" buying in index funds and the subsequent impact.
- ✓ **Inflation Heats Up**: Headline CPI reached 4.2% in May, the highest in three years, mostly due to energy prices. The labor market continues to demonstrate resilience. The U.S. Fed held rates steady, with the new Chair stating that the priority is price stability.
- ✓ **Diversified Allocation with Active Management:** We continue to remain diversified across asset classes and long-term focused with a lens of sustainability, while being risk- and cycle-aware. Asset allocation tilts helped year-to-date.

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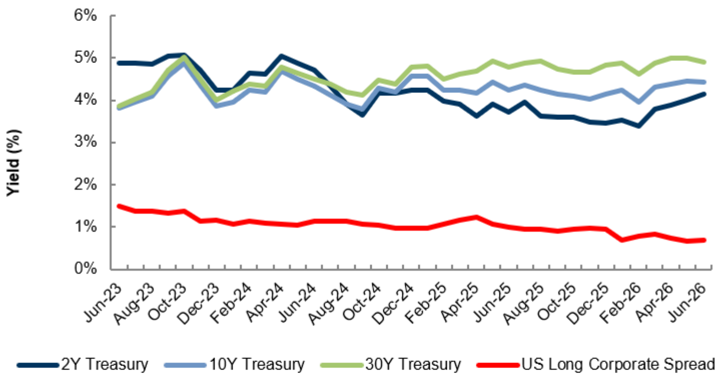
Market Insights – Index Returns as of June 30, 2026

Public Markets Performance (USD)

	Q2	YTD	3 Yr	5 Yr	10 Yr
MSCI World	13.8%	9.7%	19.2%	11.5%	13.1%
MSCI World ESG Leaders	15.6%	9.8%	19.1%	11.5%	13.1%
ACWI IMI	14.9%	11.8%	19.5%	10.6%	12.5%
S&P 500	15.2%	10.2%	20.6%	13.4%	15.5%
Russell 1000	15.1%	10.3%	20.5%	12.7%	15.3%
MSCI EAFE	10.8%	9.4%	16.4%	9.0%	9.7%
Russell 2000	21.5%	22.6%	18.6%	7.0%	11.6%
MSCI EM Equity	24.1%	23.8%	23.0%	7.2%	10.1%
Bloomberg US Govt/Credit	0.7%	3.3%	4.0%	-0.1%	1.6%
Bloomberg Global Aggregate	0.9%	-0.2%	3.4%	-1.5%	0.4%
Bloomberg US Long Treasury	0.9%	0.4%	-0.5%	-5.6%	-1.3%
Bloomberg US Long Corporate	2.3%	1.1%	4.0%	-2.3%	2.2%
JPM EM Debt	4.6%	3.3%	10.3%	2.6%	3.7%
JPM EM Debt Local	3.9%	1.5%	7.3%	2.1%	2.7%
Bloomberg Global High Yield	3.5%	7.1%	10.6%	4.2%	5.4%
FTSE/NAREIT Global	8.5%	13.3%	9.7%	1.8%	3.5%
GSCI Commodities	-11.4%	30.4%	14.6%	13.4%	7.4%

Yields & Spreads (%)



Changes in Yields and Spreads by Maturity (%)

	Jun 2026 (%)	Δ MTD (%)	Δ QTD (%)	Δ YTD (%)
Risk Free				
2Y Treasury	4.14	0.13	0.34	0.67
10Y Treasury	4.42	(0.03)	0.11	0.27
30Y Treasury	4.90	(0.09)	0.01	0.07
US Long Corporate Yield	**5.14**	**0.07**	**0.07**	**0.39**
US Long Corporate Spread	**0.69**	**0.02**	**(0.14)**	**(0.04)**

As of 30-June-2026. Source: MAS, Plot Tool. Plot 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. Plot tool houses over 20 years of economic data. Indices are unhedged. **Past performance does not guarantee future results, which may vary**.

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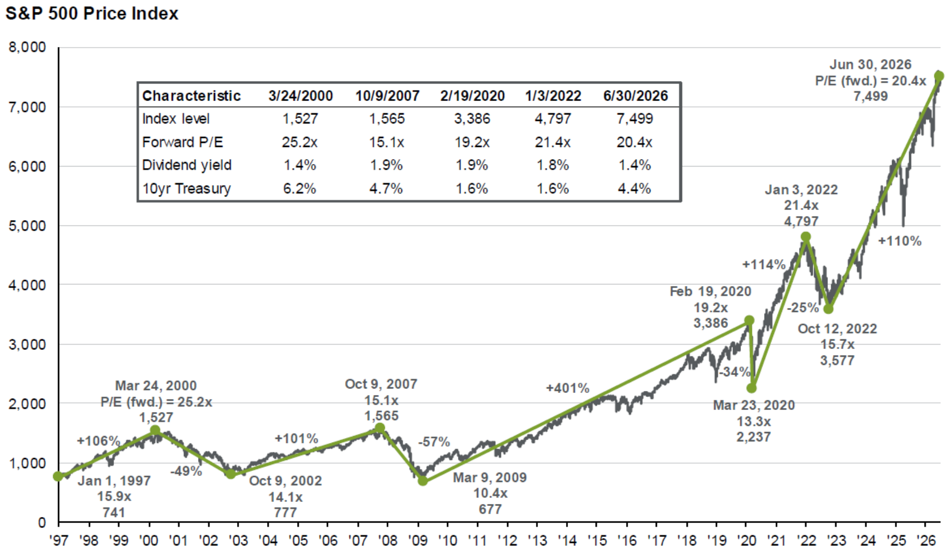
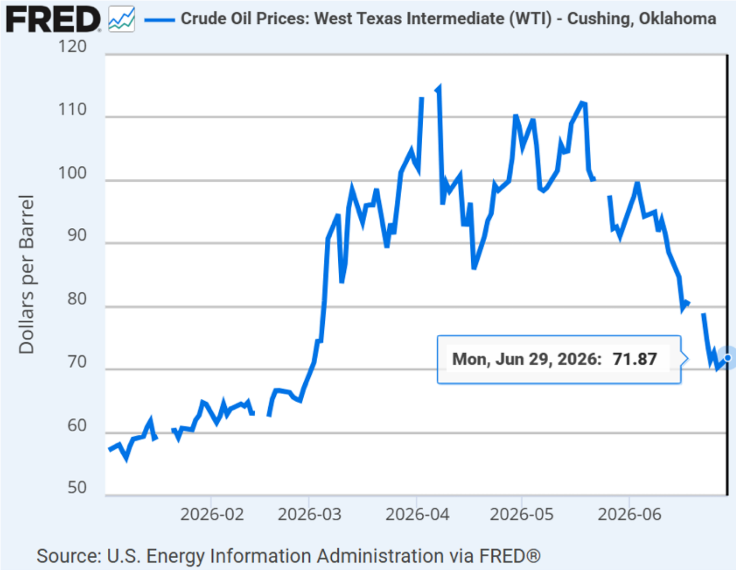
Source – Goldman Sachs Asset Management

Market Insights – What War?



Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	6/30/2026
Index level	1,527	1,565	3,386	4,797	7,499
Forward P/E	25.2x	15.1x	19.2x	21.4x	20.4x
Dividend yield	1.4%	1.9%	1.9%	1.8%	1.4%
10yr Treasury	6.2%	4.7%	1.6%	1.6%	4.4%



- The S&P 500 just closed out its best quarter in six years, propelled by the semiconductor rally and robust, broad-based corporate earnings.

- Oil price returned to the pre-war level despite continued uncertainties.

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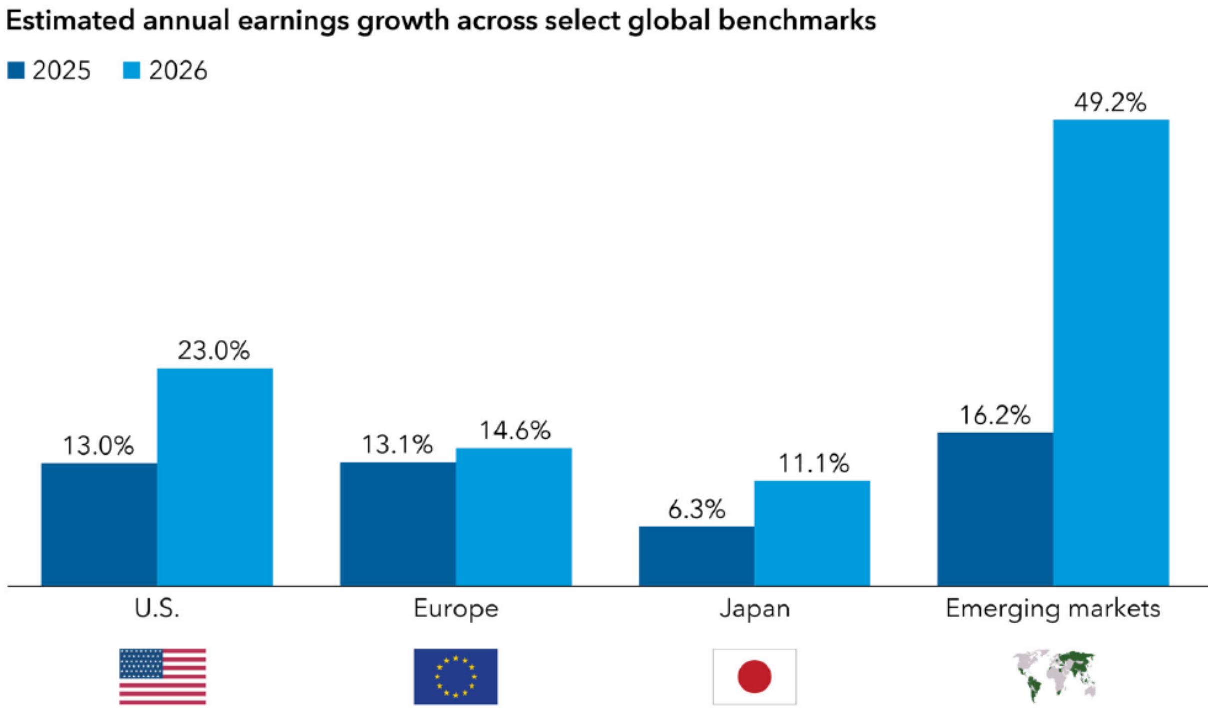
Source – JPMorgan's Guide to the Markets, FRED WTI Crude Spot

Market Insights – Earnings Are Strong Everywhere



- Both the U.S. and international markets had historical rallies during the second quarter due to extraordinary earnings growth.
- High Bandwidth Memory (HBM) and other chip manufacturers, especially in South Korea and Taiwan, benefited immensely.

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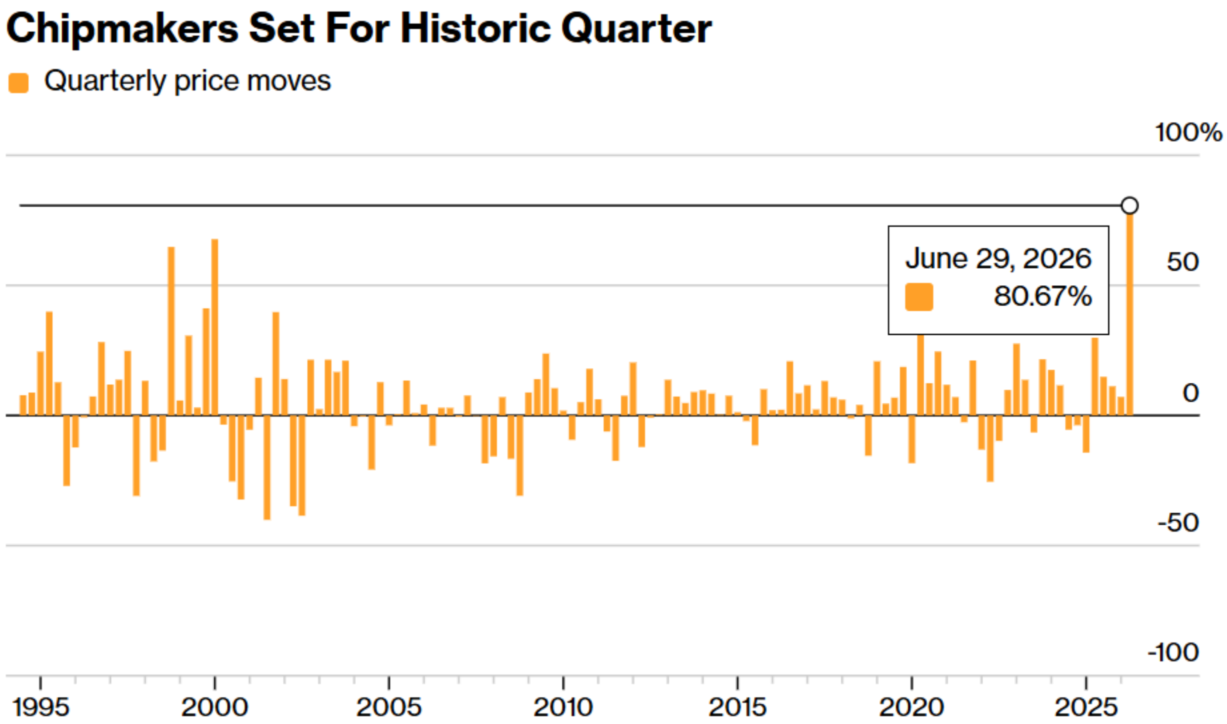
Source – Capital Group "Stock market outlook: 3 themes for the second half of 2026" (06/05/26)

Market Insights – Chip Frenzy

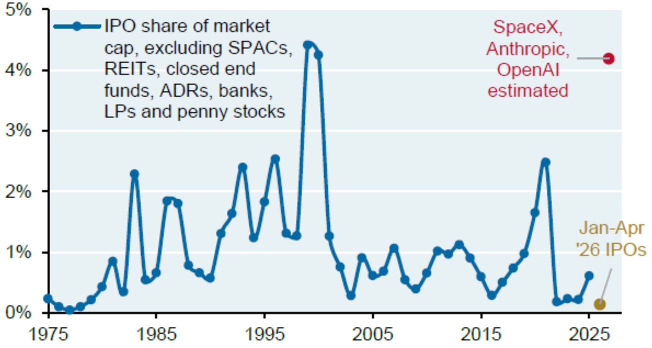


- The craze for semis is representative of the “picks and shovels” trade, as the data center buildout continues.
- This dramatic rally is not without some volatility, especially in June.

Sources – Bloomberg

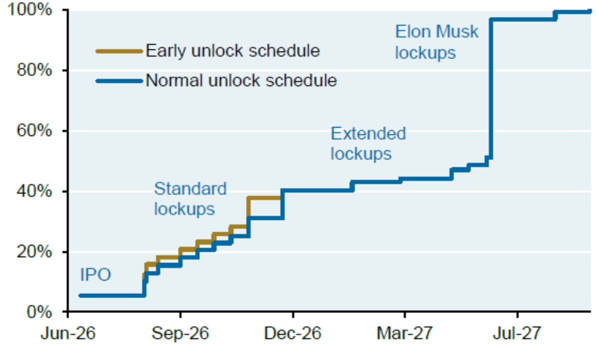
Market Insights – The Mega-IPOs are Here

Market cap of IPO companies as % of US total market cap
IPO market cap at first close / US total market cap



Source: Jay Ritter (U Florida), World Bank, Bloomberg, JPMAM, June 15, 2026

Estimates of SpaceX free float timeline
% of SpaceX market cap



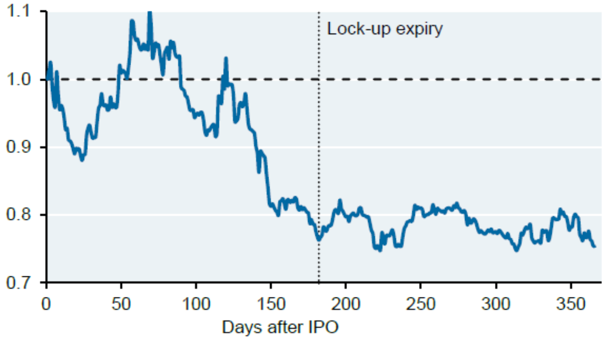
Source: Rand Group Research, June 2026

- Unlike prior large IPOs with average 45% free float on day one, SpaceX IPO is less than 5%. Available shares will increase over time as lockup periods expire.

- SpaceX went public in early June at a $1.75T valuation but with a tiny share amount (<5%). OpenAI and Anthropic still deciding on the details of their debut.

- The extraordinary valuations of these “mega IPOs” and index providers fast tracking their inclusion, have led to concerns about forced buying in passive funds and subsequent impact.

10 largest IPOs since 2010 relative performance
Avg price performance relative to Nasdaq 100, index (1 = first close)



Source: Bloomberg, JPMAM, June 10, 2026

- Historically, IPOs post lock-up period tend to underperform the market.

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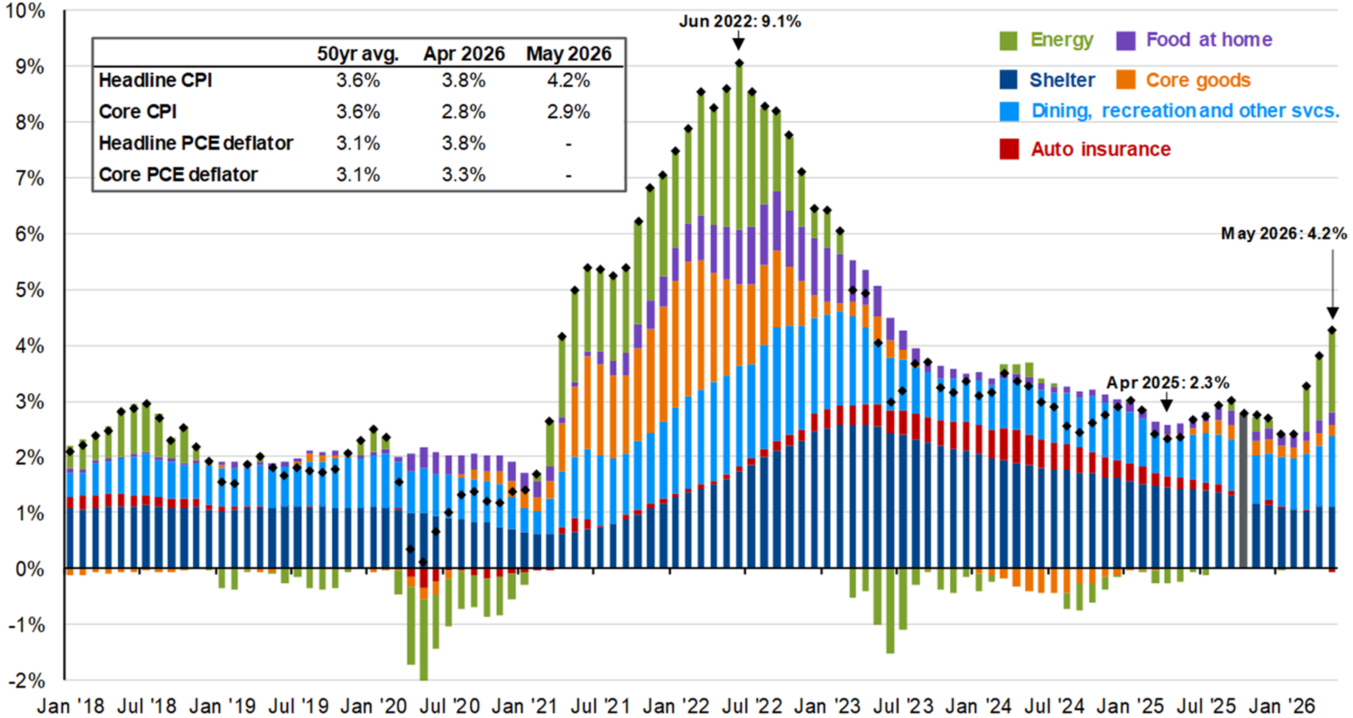
Sources –JPMorgan’s Eye on the Market

Market Insights – Has Inflation Peaked?

Contributors to headline CPI inflation

Contribution to year-over-year % change in CPI, non-seasonally adjusted



	50yr avg.	Apr 2026	May 2026
Headline CPI	3.6%	3.8%	4.2%
Core CPI	3.6%	2.8%	2.9%
Headline PCE deflator	3.1%	3.8%	-
Core PCE deflator	3.1%	3.3%	-

- Investors are examining the timing and resolution of the peace negotiations to determine whether inflation will continue to grow.
- Beyond gas and groceries, Apple increasing prices on consumer products could be a sign for higher inflation due to supply constraints.

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Source – JPMorgan's Guide to the Markets

Thank You!

Q&A

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