





United Church Funds®
Investing Together for a Sustainable World

Client Town Hall Meeting

Fourth Quarter 2026

November 12, 2026

Poll Questions

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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 November 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**	Charles Buck, *President & 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* Vanessa Wong, *Investment Strategist*

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Organizational Updates – Q4 2026

- ✓ UCF has opened the UCF Beyond Fossil Fuels Fixed Income Fund to all institutional investors. Learn more about sustainable fixed income investing **HERE**
- ✓ UCF team members participated in fall investor conferences:
  - Climate Week NYC
  - Titan Investors One World Institutional Retreat
  - Xponance Investor Forum
  - 100 Women in Finance
  - Interfaith Center on Corporate Responsibility
  - Principles for Responsible Investment (PRI in Person)
- ✓ UCF offers stock donation processing services to clients. Donors who wish to support your church through a gift of appreciated securities should use the form found **HERE**.











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Responsible Investing

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Responsible Investing – SEC Shakeup

SEC Proposes Elimination of Rule Requiring Public Companies to Include Shareholder Proposals in Proxy Materials



- On September 16, the SEC proposed rescinding Rule 14a-8, which requires public companies to include shareholder proposals in their proxy materials.
- If rescinded, this will cause incredible disruption for investors and companies, because no plan has been established to transition oversight of this process to the States.
- UCF and other investors have filed comment letters and are weighing other actions.

Learn more about Rule 14a-8 **HERE**.

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Responsible Investing – Shareholder Engagements

UCF Co-Files Shareholder Resolution with Starbucks

- UCF calls for Starbucks to separate roles of CEO and Board Chair.
- Sixty percent of S&P 500 companies already separate the two roles.
- Starbucks Workers Union calling for boycott over contract negotiations and dissolution of Environmental, Partner and Community Impact Committee (EPCI).
- Vote expected in January 2027.



Read more and watch a video about the Starbucks action **here**. Read the full text of the Starbucks shareholder resolution **here**.

UCF Resolution with Microsoft Going to a Vote

- Resolution addresses human rights impacts of AI usage.
- Vote scheduled for December 8, 2026.



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Investment Performance and Strategy & Positioning

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Market Themes – Q3 2026 Takeaways

- ✓ **Yields Surge & Fed Hikes:** Global sovereign debt yields rallied due to higher oil prices, large bond issuance and mounting fiscal debt. U.S. 10-year yield reached 5.3%, and 30-year hit 5.67%, levels unseen for over two decades. The U.S. Federal Reserve, led by new Fed President Kevin Warsh, increased Fed Fund Rate by 25 bps in September, the first hike in three years.
- ✓ **U.S. Market Concentration Increases:** Leadership narrowed further, as tech "mega caps" (aka AI hyperscalers or "Magnificent 7") brought the rest of the market along for a roller coaster quarter. The Top 10 stocks in the S&P 500 Index total nearly $27 trillion in market capitalization, equal to about 40% of the overall index.
- ✓ **Uncertainty Persists**: Led by strong Mag 7 earnings and heavy AI spending, the S&P 500 is on track to achieve its fourth year of double-digit gains. Can earnings growth continue to offset geopolitical crises, policy uncertainties and higher interest rates?
- ✓ **What We're Watching:** The Democrats now control both houses of Congress, and U.S. markets digest the prospects of two years of divided government control. University of Michigan's Consumer Sentiment Index rose from October to November, but persistent inflationary pressures, including housing and energy, may start to weigh on consumer spending.

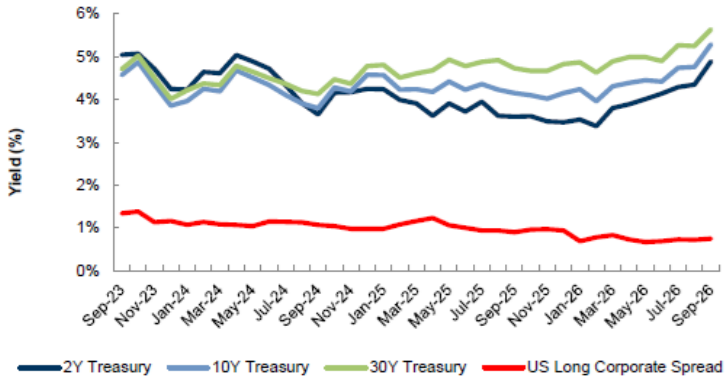
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Market Insights – Index Returns as of September 30, 2026

Public Markets Performance (USD)

	Q3	YTD	3 Yr	5 Yr	10 Yr
MSCI World	1.9%	11.8%	21.4%	11.9%	12.8%
MSCI World ESG Leaders	1.9%	11.9%	21.1%	11.8%	12.8%
ACWI IMI	1.1%	13.0%	21.3%	11.1%	12.1%
S&P 500	2.3%	12.7%	22.9%	13.8%	15.3%
Russell 1000	1.8%	12.3%	22.5%	13.0%	15.0%
MSCI EAFE	0.8%	10.3%	18.4%	9.3%	9.1%
Russell 2000	-7.2%	13.7%	17.7%	6.3%	9.8%
MSCI EM Equity	-0.4%	23.4%	24.1%	8.9%	9.1%
Bloomberg US Govt/Credit	-3.3%	-2.8%	3.9%	-0.8%	1.2%
Bloomberg Global Aggregate	-2.5%	-2.7%	3.8%	-1.9%	0.0%
Bloomberg US Long Treasury	-8.0%	-7.6%	1.0%	-7.3%	-2.1%
Bloomberg US Long Corporate	-7.5%	-6.5%	4.0%	-3.8%	1.1%
JPM EM Debt	-3.9%	-0.7%	9.7%	1.9%	2.9%
JPM EM Debt Local	-0.9%	0.6%	8.2%	2.6%	2.3%
Bloomberg Global High Yield	-2.2%	-0.1%	9.9%	3.8%	4.6%
FTSE/NAREIT Global	-6.1%	3.0%	9.5%	0.6%	2.5%
GSCI Commodities	25.1%	55.2%	17.5%	17.3%	10.3%

Yields & Spreads (%)



Changes in Yields and Spreads by Maturity (%)

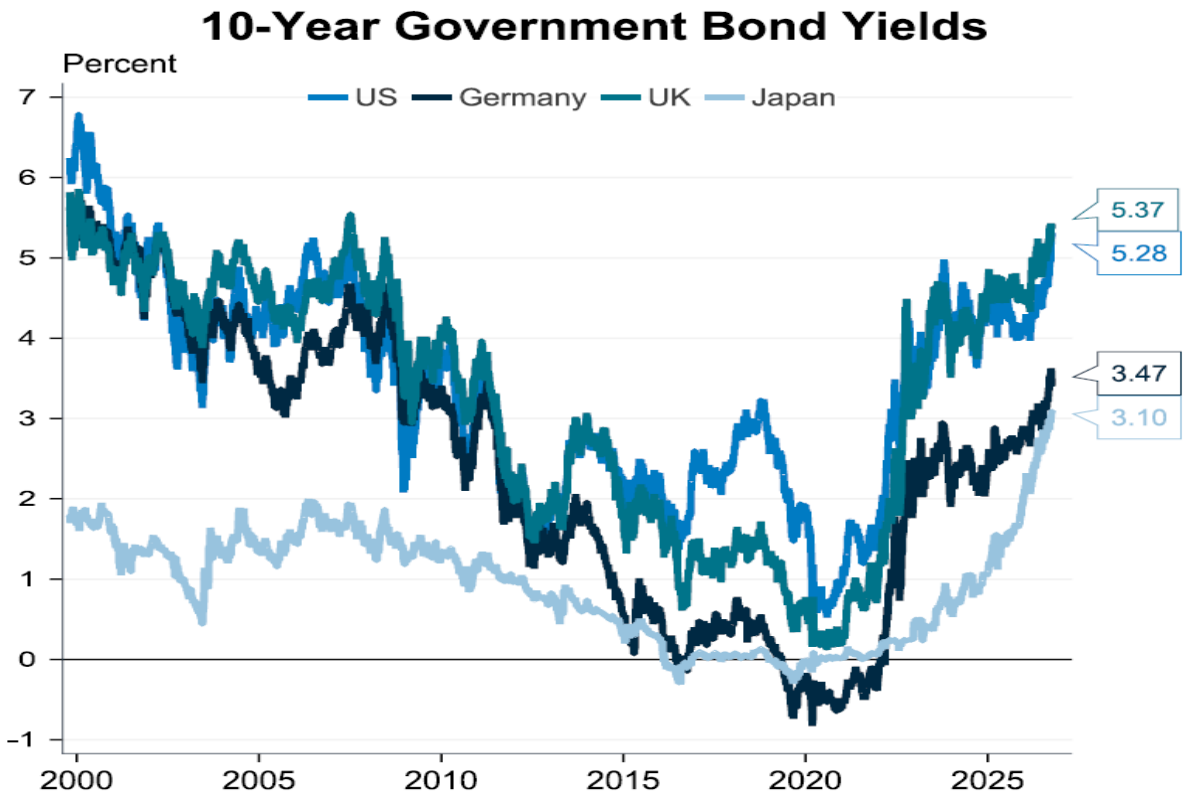
	Sep 2026 (%)	Δ MTD (%)	Δ QTD (%)	Δ YTD (%)
Risk Free				
2Y Treasury	4.89	0.54	0.75	1.42
10Y Treasury	5.29	0.54	0.87	1.14
30Y Treasury	5.64	0.39	0.74	0.81
US Long Corporate Yield	5.98	0.55	0.84	1.23
US Long Corporate Spread	0.75	0.02	0.06	0.02

As of 30-Sep-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.**

Goldman Sachs Asset Management

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Market Insights – Global Bond Yields Surge

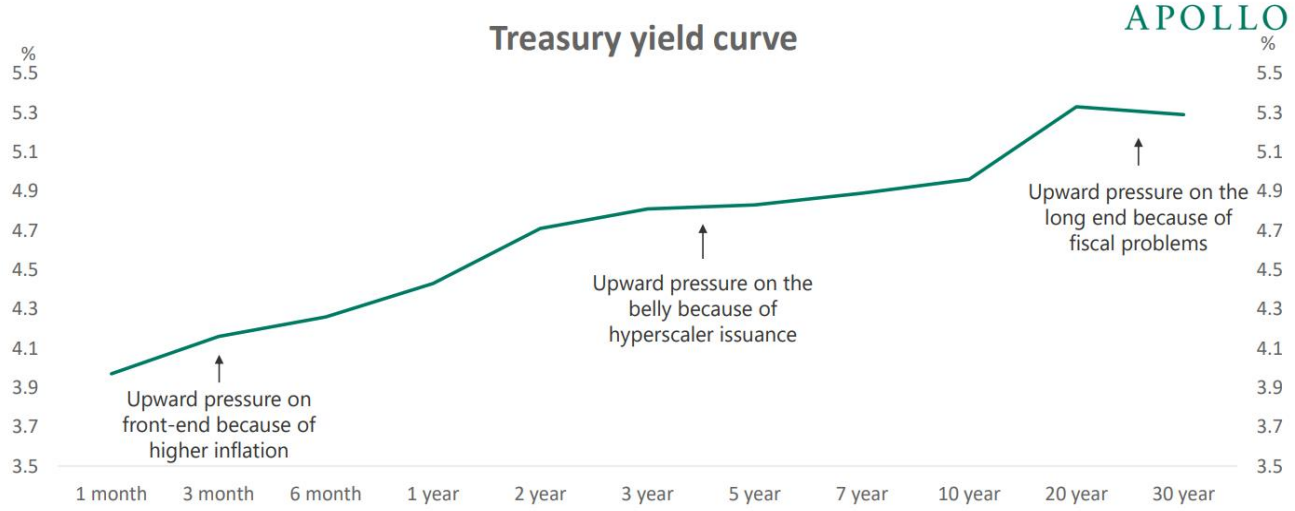


- ✓ Rising energy prices and supply constraints are inflationary factors.
- ✓ In response to inflation pressure, major central banks are raising short-term interest rates.

Source – PGIM (updated 10/7/26)

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Market Insights – Surging U.S. Treasury Yields

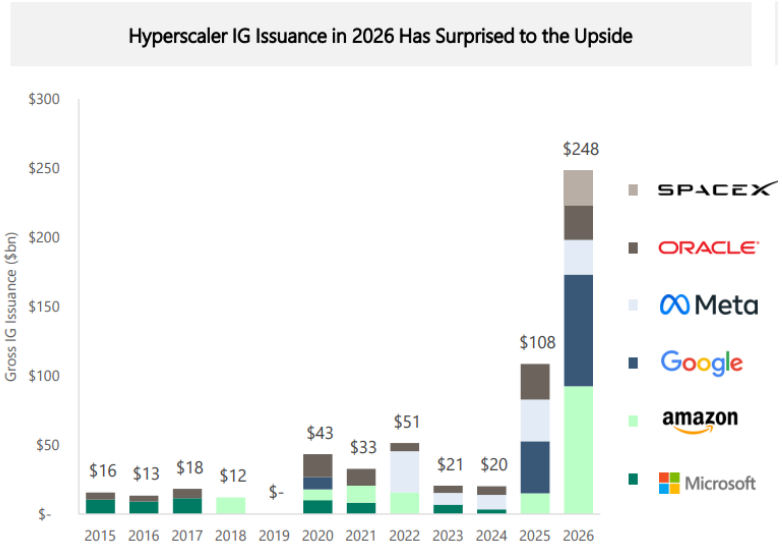


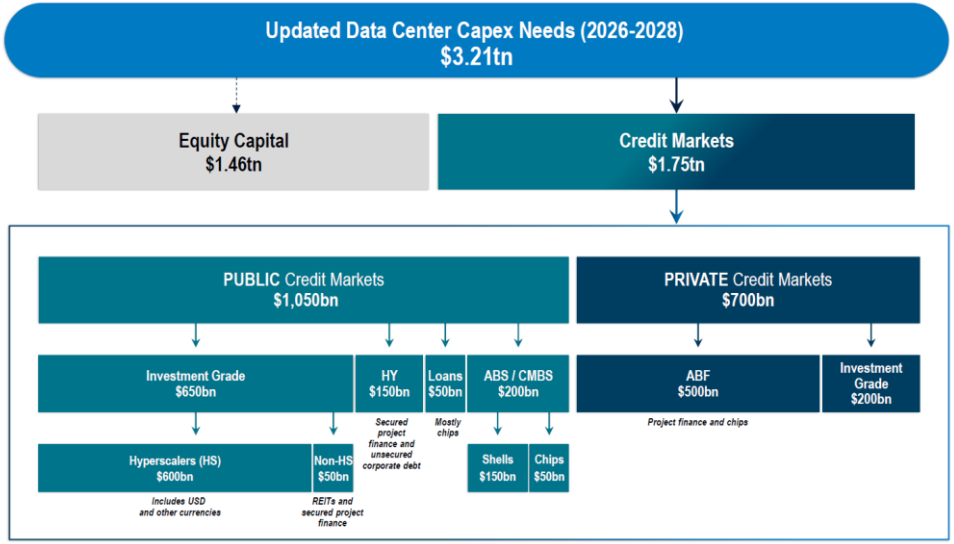
- ✓ For short-term bonds, war induced higher oil prices pressured the Fed to raise rates.
- ✓ For longer-term bonds, competition with AI corporate bond issuance and doubts over the U.S.'s fiscal health have led to a sell-off in Treasuries and decreased demand.

Source – Federal Reserve, Haver Analytics, Apollo Global Management

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Market Insights – Big Tech Turns to Debt



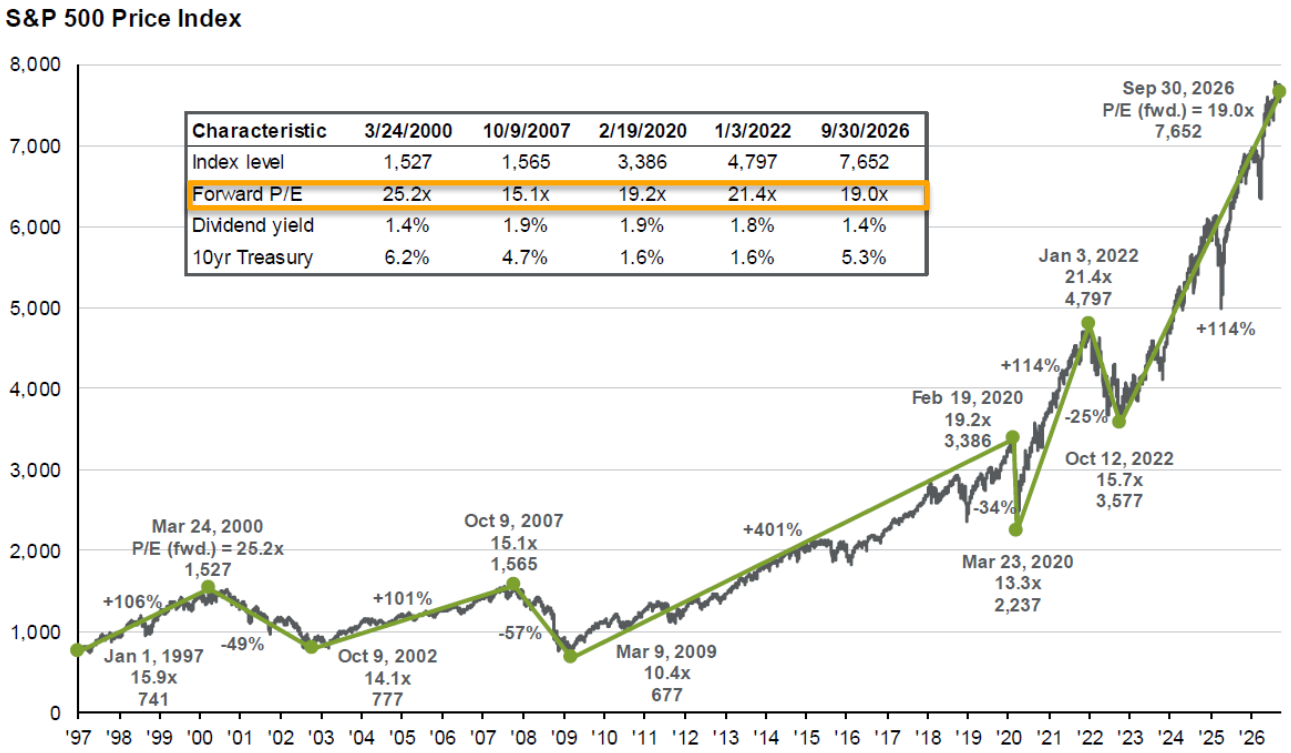


- ✓ With operating free cash flow turning negative, hyperscalers are tapping into external sources to sustain their AI spending: raising equity, using circular financing and issuing bonds.
- ✓ As of August, the largest tech companies have issued over $250 billion in debt. Despite the enthusiastic market demand towards these new bonds, investor anxiety has been renewed around the outsized capex and how this will eventually affect earnings.

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Source – Apollo Global Management, PGIM (updated 10/7/26)

Market Insights – Stronger Earnings, Lower Valuations



Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	9/30/2026
Index level	1,527	1,565	3,386	4,797	7,652
Forward P/E	25.2x	15.1x	19.2x	21.4x	19.0x
Dividend yield	1.4%	1.9%	1.9%	1.8%	1.4%
10yr Treasury	6.2%	4.7%	1.6%	1.6%	5.3%

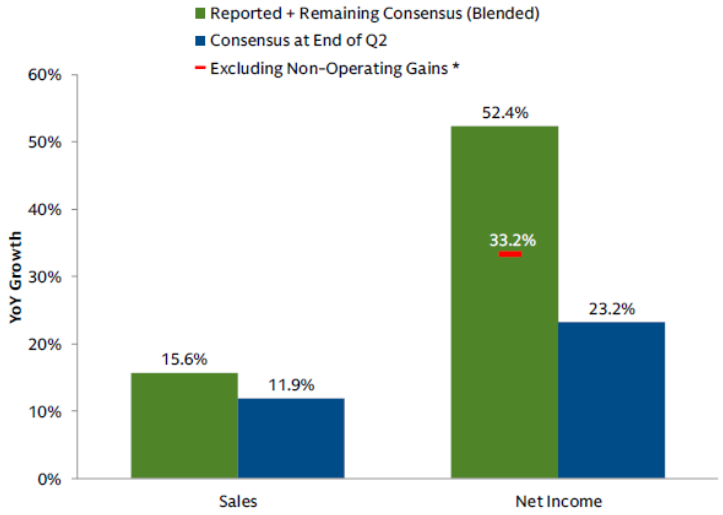
- ✓ With earnings growth outpacing increases in stock prices, valuations have compressed, meaning equities are now cheaper.
- ✓ The bull market may have more room to run.

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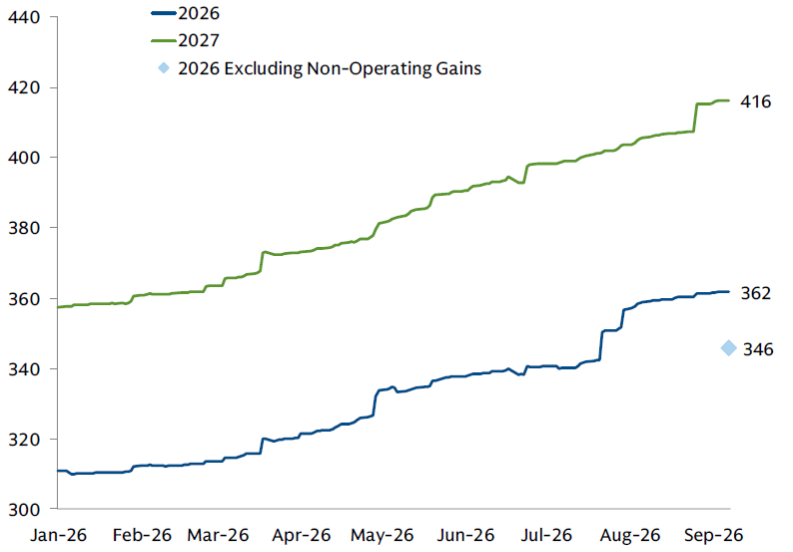
Source – JPMorgan Q4 2026 Guide to the Markets

Market Insights – Earnings Beating Expectations

1. S&P 500 YoY Sales and Earnings Growth in Q2 2026



Evolution of Consensus 2026 and 2027 S&P 500 EPS Estimates: From Jan 1st to Sep 8th 2026



✓ U.S. corporate earnings continued to exhibit tremendous growth. Q2 EPS grew over 50%. S&P 500 firms excluding the tech sector grew earnings by 21%. Market consensus is that this robust earnings trend will continue.

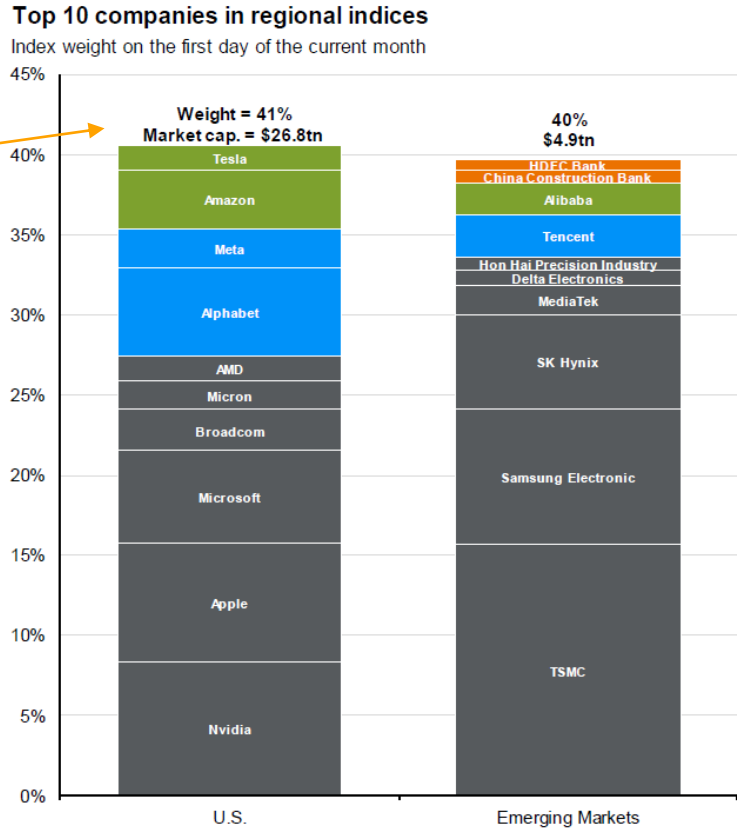
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Source – Goldman Sachs

Market Insights – Concentration Increases, Again

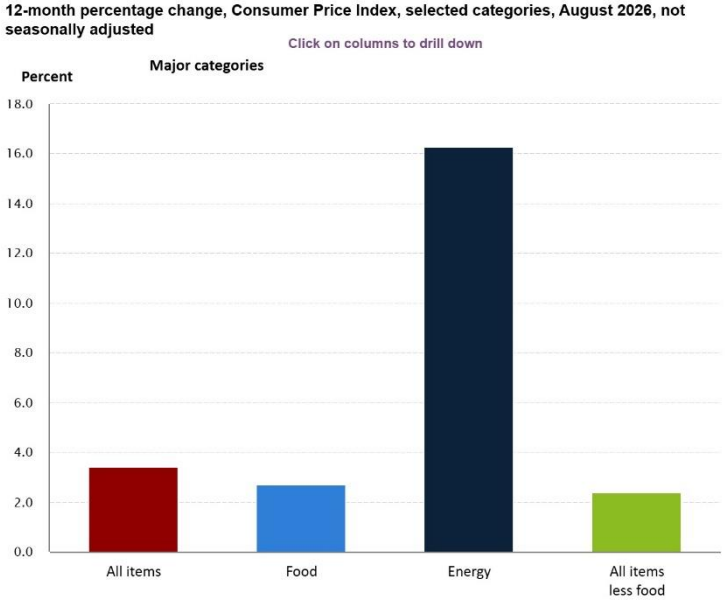
- ✓ Volatile movements in the global AI trade this quarter: In July, semiconductor companies fell after a historic "chip frenzy," and investors rotated back into software and the Mag 7.
- ✓ Tech companies rebounded in August following strong Q2 earnings, but September was a mixed bag due to investor concerns around continued AI infrastructure spending and policy and government guardrails.
- ✓ Overall, leadership narrowed, with tech mega-caps masking lackluster performance in many other sectors in the index.

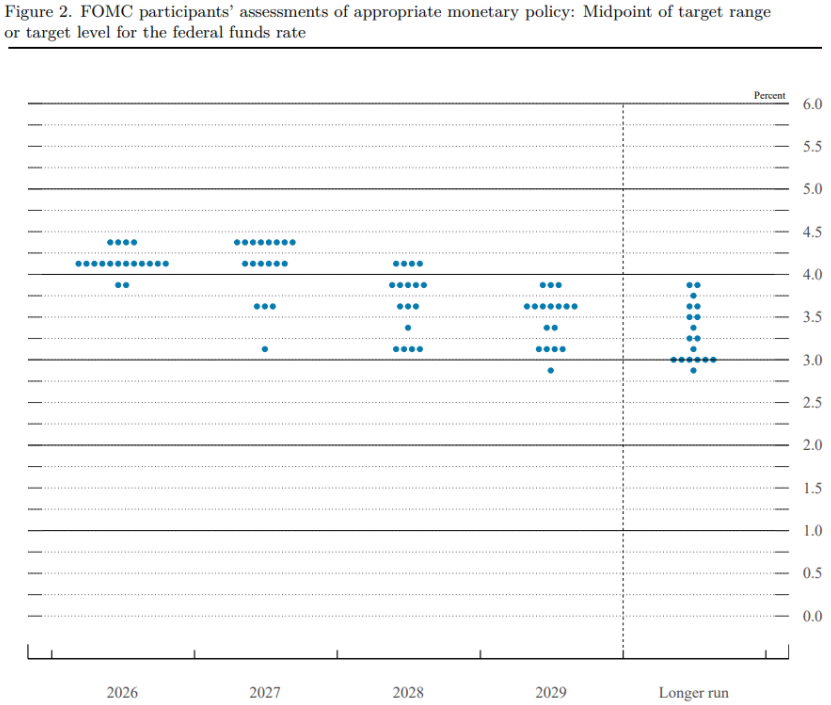




Source – JPMorgan Q4 2026 Guide to the Markets

Market Insights – Sticky Inflation and a Rate Hike



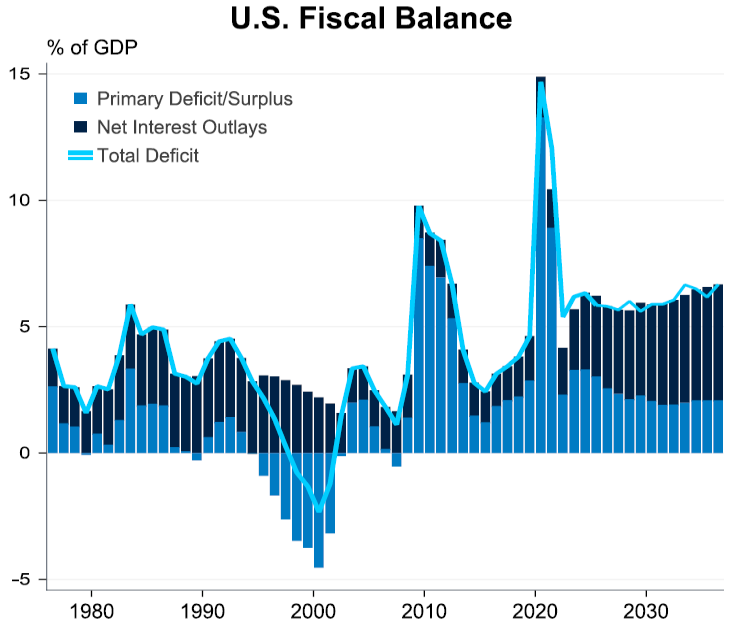


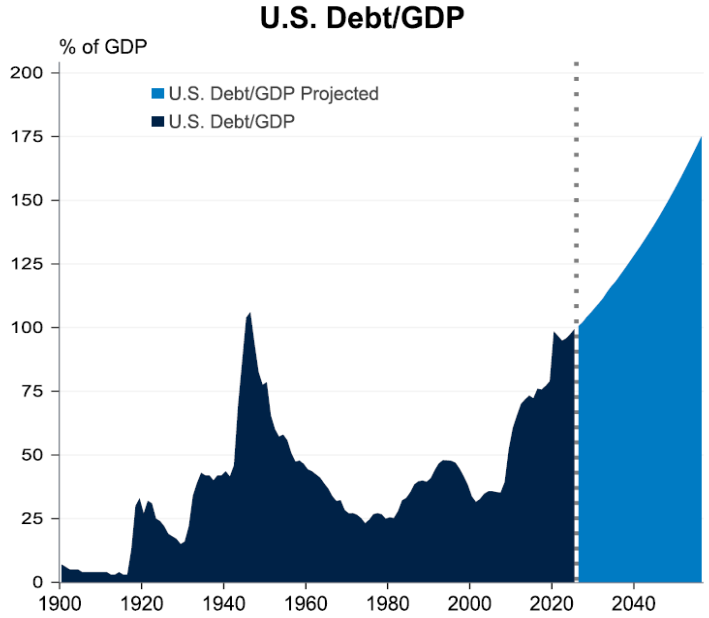
- ✓ August CPI reached 3.4% YoY, mostly due to increases in gasoline prices and mobile services.
- ✓ This prompted the Fed to increase interest rates by 25 bps to the 3.75%-4.00% range, with many FOMC members expecting further rate hikes.

Source – U.S. Bureau of Labor Statistics, FOMC Summary of Economic Projections (9/16/26)

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Market Insights – Fiscal Anxiety





- ✓ In August, U.S. national debt reached $40 trillion, or 126% of GDP, fueling market anxiety. There could be potential for a dangerous spiral emerging: As investors demand extra compensation for the risk of holding long-term U.S. government bonds, the government needs to pay more to service the interest.

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Source – PGIM (updated 10/7/26)

Thank You!

Q&A



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