



invest
responsibly
strengthen
ministry





Welcome to United Church Funds, a unique ministry that puts the power of the financial markets to work helping local churches and faith-based organizations achieve their missions.

Established in 1909 to administer the Pilgrim Memorial Fund for the benefit of retired Congregational pastors, United Church Funds has developed into a comprehensive asset management and investment service. Alongside some of the historic endowments of the United Church of Christ, the assets entrusted to us include the savings, gifts and endowments of local churches, judicatories, denominational ministries, educational institutions and service organizations.

Offering an appealing alternative to commercial brokerage firms, United Church Funds pursues a mission to make more money available for ministry — ensuring faith-based investors benefit from the best thinking on Wall Street while investing in a manner consistent with their values. We offer performance with a purpose: investing responsibly to strengthen ministry.

MAXIMIZING ASSETS FOR MINISTRY

Whether they've been blessed with gifts of a few thousand dollars or endowments of millions, United Church Funds' investors enjoy the advantage of a trusted investment manager who shares their goals for the money that fuels their ministries.

Strengthening the Church for Future Generations

Building on a foundation of generosity established by earlier generations and present-day donors, well managed endowments and legacy funds can sustain a community of faith and support new avenues of ministry for years to come. A "mustard seed" gift that may have started life in a local bank savings account can blossom into a rich resource when managed with care and expertise. With over 100 years of experience managing legacies small and large, United Church Funds takes pride in a track record of results that has enabled countless ministries to broaden their reach and deepen their impact.

Managing Actively for Performance

The investment world grows more complex by the day, challenging investors to remain vigilant in a global, evolving and often volatile market. In these perplexing times, wise investors need the proven investment management expertise United Church Funds offers. A carefully selected group of managers, each with their own market specialty, actively works to maximize return and find the edge that will beat industry benchmarks and passive funds. We continually monitor, evaluate and rank each manager's performance to ensure our investors benefit from the industry's best minds and methods.

Easing the Fiduciary Burden

Managing endowments and other long-term assets requires attention and skill — and committees entrusted with that fiduciary responsibility face a daunting task. Confronted with an array of already complex investment decisions, faith-based investors must also consider the ethical, legal and long-term implications of their choices. United Church Funds' investors experience the confidence of knowing their assets are tended with a profound awareness of the many layers of fiduciary responsibility including —

- investment in well-diversified funds managed both for prudence and performance
- management by experts selected for their deep market knowledge and sharp analytical skill
- regular evaluation to achieve solid long-term results, mitigate risk and temper volatility
- active shareholding in support of faith-based values and a safer, more just world
- ongoing monitoring attuned to the legal issues governing the endowments of faith-based institutions

Invested with United Church Funds, churches and faith-based organizations avoid internal disputes and potential conflicts of interest — they are freed to dedicate their energies to accomplishing the mission and ministry they do best.



“ A mustard seed gift can blossom into a rich resource when managed with care and expertise. ”



AN ARRAY OF WELL-MANAGED CHOICES

From United Church Funds' family of equity and fixed income funds, funds of funds and alternatives options, investors may select the mix of investments that best suits their risk tolerance, time horizon and return goals. To mitigate market volatility and allow individual portfolios to benefit from more profitable periods, investors should think long-term, typically investing assets over a minimum period of five to seven years.

Asset Allocation Options to Suit Your Needs

Serving over 1,000 churches and faith-based organizations, United Church Funds understands that each investor brings unique criteria and capacity to their investment selection. Investors who prefer to specify their own allocations may choose from both traditional and alternatives funds to achieve their goals — and are welcome to rebalance their portfolios as often as they see fit. Investors who prefer to leave most decisions to experienced professionals may choose from balanced fund offerings that suit a range of risk tolerance profiles. In fact, most of United Church Funds' investors choose the time-tested blend of our Moderate Balanced Fund for their portfolios, easing their fiduciary burden to focus on mission.

Professionally Managed Funds, Responsive to the Market

Every one of United Church Funds' offerings benefits from the close attention of our investment team and their carefully selected group of managers — professionals chosen for their performance and expertise in a particular asset class or investment style. While maintaining a long-term perspective, United Church Funds continually monitors and evaluates managers against their peers and the industry, ensuring our investors benefit from the best thinking on market trends and opportunities. As conditions warrant, new managers may be added to enhance our exposure to a profitable market niche. Or as a particular interest grows, United Church Funds stands ready to respond to our investors' evolving needs.

Performance and Service at a Competitive Cost

Faith-based investors want benchmark-beating performance at the lowest possible cost — a goal United Church Funds understands and embraces. We charge none of the fees typically assessed by commercial active managers. No account maintenance fees, no transaction charges, no costs to make changes to your asset allocation or your distribution schedule. We even offer unlimited subaccounts to simplify accounting for special funds and designated gifts — at no cost. But perhaps even better than competitive fees, we offer service that speaks to the needs of faith-based organizations, where busy volunteers want a human voice when they call and quick responses to questions about their account. And where those who serve know they have a partner in ministry — trusted professionals with a mission of our own to build our investors knowledge and skill, and simplify fiduciary oversight. After all, we're a faith-based organization as well, eschewing the exorbitant salaries and bonuses of commercial firms in favor of managing costs and enhancing services to our investors.



The risk/reward profiles for each fund are included in the insert in the back pocket, offering a quick glimpse of each fund's potential. A careful review of the Funds Description Statement and each fund's historic performance offers the most detailed and up-to-date information.



A WEALTH OF MARKET-WISE MANAGERS

In a world where investment options become more complex by the day, expertise matters. Each of United Church Funds' investment managers specializes in a particular asset class, investment style or strategy, market segment, or niche within a segment — specialization that offers the potential for excess performance that can often be found in the minutiae of a market teeming with choices.

A Process of Research and Diligence

United Church Funds scouts managers from a broad range of US and international firms, filtering our list of possibilities to find managers for knowledge of their sector, organizational consistency, and a track record of performance. With support from our external consultant, our investment team continues to refine the short list — asking questions, gathering references, judging appropriateness — and finally meets not just with principals but also with the individuals who will serve our portfolios. Our process takes time, but we're not looking for vendors. We're seeking partners in accomplishing our mission to serve our investors and make the most of the money they need for ministry.

Thorough Evaluation and Ongoing Monitoring

Guided by an experienced investment committee accountable to our board of directors, United Church Funds' investment team and our external consultant conduct ongoing analysis and review to evaluate manager performance, ensure adherence to agreed guidelines, and examine strategies to maximize investment opportunities. We assess consistent outperformance as well as underperformance. We talk with managers who drift from the style we sought and those who narrow their focus. We keep an eye out for too much staff turnover, as well as for rapid client growth that could begin to exceed capacity. Using myriad tools for both qualitative and quantitative analysis, we maintain a constant watch over the money you've entrusted to our care.

Ensuring Accountability for Every Faith-Based Investor

There's no getting around it: the more money you have, the more access you enjoy. With hundreds of millions of dollars in our portfolios, managers take us seriously. And because we have access, you have access. From our smallest accounts to our largest, every United Church Funds investor benefits from a level of manager accountability unavailable to local brokers and smaller firms. The power of the collective, faith-based voice that United Church Funds represents ensures you benefit from some of the best thinking in the financial marketplace. Your account enjoys a higher level of service and attention. And ultimately, you enjoy an easier fiduciary burden — instead of focusing on the minutiae of investing, you can focus on putting your investments to work for mission.

For more detail on each of our managers and their fund allocations, see the insert in the back pocket or visit us online at ucfunds.org



Funds of funds offer investors a diversified portfolio with asset allocation managed by professionals attuned to market shifts and trends.



ADVOCATING RESPONSIBLE CAPITALISM

In his Parable of the Talents, Jesus clearly encourages his followers to make the most of the resources entrusted to them. But faith-based investing in the 21st century requires balancing the need for return — the return that funds ministry — with the desire to avoid profiting from undesirable corporate practices. As United Church Funds' historic performance demonstrates, justice-minded investors can achieve benchmark-beating results, balancing their objectives with our program of active shareholding that holds corporations accountable and pursues sustainable profitability.

Employing an Array of Tools

Since 1971, United Church Funds has helped lead the faith-based investing community in pursuing active shareholding as a fundamental practice. Committed to proclaiming the expectation of ethical behavior to boardrooms across the country, we collaborate with ecumenical partners and other socially responsible investors to achieve meaningful and permanent change in corporate practices. In addition to screening a limited set of industries, United Church Funds votes proxies, dialogues with corporate executives, files shareholder resolutions, and participates in a range of ongoing activities to confront problematic corporate conduct.

Focusing on What Matters

With thousands of corporations doing billions of dollars of business around the world every day, effective shareholder engagement requires discernment and focus. By collaborating with like-minded partners, United Church Funds participates in a wide range of Environmental, Social and Governance (ESG) engagements. The majority of our efforts, however, concentrate on areas of particular concern to the United Church of Christ as expressed in General Synod actions. From addressing the impact of fossil fuel company practices on climate change to demanding corporate action to preserve the human rights of people living in regions of conflict, United Church Funds uses the power of ownership to move corporations toward better citizenship, sustainable operation, and responsible capitalism.

A Preference for Presence

As a faith-based investor, United Church Funds bears a dual responsibility: using the economic leverage of the shareholder to build a more just and sustainable world, while responsibly managing invested assets to maximize returns that fuel the ministries of a diverse clientele. Supportive of the goals underlying calls for additional screens or divestment, we must always remember our fiduciary duty to investors. Our duty requires constant consideration of the impact of any action on appropriate asset allocation and portfolio diversification, as well as on the ability to attract and retain the best managers for our investors and their endowments. Alongside actions by consumers and legislators, faith-based investors like United Church Funds help transform business by maintaining and exercising the owner's right to publicly address issues of concern — bringing pressure on executives, influencing corporate direction, and when necessary, demanding change.



A Blissful Result

After years of engagement with Hershey — seeking improvements in supply chain labor issues on West African farms — United Church Funds celebrates Hershey's commitment to certifying its Bliss product as sustainably and ethically sourced. And we're pleased Hershey has agreed to use only sustainably sourced cocoa in all of its products by 2020. United Church Funds congratulates The Hershey Company as it seeks to help eliminate the worst forms of child labor on cocoa farms.



Social Responsibility
makes chocolate a little sweeter!

SUPPORTING & SERVING INVESTORS

At United Church Funds, earning an investor's business launches our team of managers and staff on a journey of building a lasting relationship of service and trust. Supporting our investors' needs and interests shapes our work every day of the year.

Meeting Investors' Evolving Needs

More than 2,500 years ago, Greek philosopher Heraclitus noted that *nothing endures but change* — and these days, change seems to occur faster than ever. As investors' needs expand and shift, United Church Funds seeks to combine the best of old-school customer service with innovative technological options to give our clients the responsive results they desire. And where a bank or commercial brokerage may reserve its best resources and services for its largest clients, United Church Funds shares its talented team of professionals with every investor. Volunteer treasurers who call with questions encounter a friendly human voice at the other end of our toll-free line. Experienced financial professionals looking for more technical information about investment or account options get answers from staff who speak their language. At United Church Funds, service matters — and every investor counts.

Building Investor Knowledge & Skill

A well-informed investor makes better decisions, and better decisions mean mission with more impact. United Church Funds continually develops educational resources to help committees and individuals strengthen their knowledge, develop more effective policies, and manage their endowments more wisely. From downloadable articles and regular webinars to regional workshops and national gatherings, United Church Funds meets investors where they are, offering the tools they need to maximize the money available to advance their mission and ministry.

Providing a Range of Endowment Services

Whether a ministry enjoys a venerable legacy worth millions or cherishes the promise of future generosity from donors considering planned gifts, United Church Funds offers individualized services that support donors, beneficiaries, and the missions they value with —

- unlimited subaccounts that simplify management and recordkeeping for restricted or named gifts
- comprehensive trust services for donors or organizations wanting to endow a program or ministry without taking on the responsibility of fund management and distribution
- endowment policy development assistance for organizations starting or reinvigorating an endowment, and seeking to encourage current and future gifts

Best of all, United Church Funds' services carry no additional fees, to ensure investors and beneficiaries maximize funding for the pursuit of ministry.



“ We meet investors where they are, providing the tools they need to maximize the money available for their ministry. ”



PARTNER WITH US



Churches and ministries blessed with legacy assets or an endowment bear a responsibility to generations of donors: past, present and future. At United Church Funds, we see ourselves as partners who share that burden. On behalf of our investors, we take advantage of opportunities across the investable universe to provide an ongoing source of income for ministry, while using the power of ownership to help transform the world.

Investing with United Church Funds ensures your legacy benefits from —

- well-diversified funds managed both for prudence and performance
- active management by experts selected for their deep market knowledge and analytical skill
- regular evaluation to achieve solid long-term results, mitigate risk and temper volatility
- active shareholding in support of faith-based values and a safer, more just world
- ongoing monitoring attuned to fiduciary issues governing the endowments of faith-based institutions

What's more, when a church or organization invests with United Church Funds, they help build the power of the faith-based investing community. Larger investors partner with those of more modest means to create an even broader pool of assets, which in turn reduces proportional costs and ensures access for every investor to quality investment management services.

When it's all said and done, United Church Funds and faith-based organizations share a common goal: investing well to provide more money for ministry — now and for generations to come. If you have a question or would like to schedule a visit, call United Church Funds today to discover how we can partner with you to invest responsibly and strengthen ministry.





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