



UNITED CHURCH
FOUNDATION

3	75	75	29	19.89	37.52	
5	76	2001	1	38.75		
6	190	389	6	17.47	17.02	
18	300	1710	85	42.45	40.86	
1	172	419	35	27.15	26.07	
19	415	208	37	22.59	21.71	
1	208	257	1	22.59	21.71	
1	225	257	1	23.97	22.74	
1	201	255	8	391.70	377.43	39
1	314	315	4	95.67	93.96	
1	541	515	1	25.32	24.74	
1	211	222	15	24.89	24.35	
1	242	234	1			
1	571	575	1			



Welcome to the United Church Foundation, a unique ministry that puts the power of the financial markets to work for local churches and organizations of the United Church of Christ.

Established in 1909 to administer the Pilgrim Memorial Fund for the benefit of retired pastors, the Foundation has developed into a comprehensive investment service, managing over \$700 million of United Church of Christ assets. Alongside some of the historic endowments of the UCC, the assets entrusted to the Foundation include the savings, gifts and endowments of local churches, associations, conferences and denominational ministries.

Offering an appealing alternative to commercial brokerage firms, the United Church Foundation pursues a mission to make more money available for ministry — ensuring UCC assets benefit from the best of Wall Street while remaining faithful to the values of the United Church of Christ. It's performance with a purpose: to empower ministry through proven asset management.

Our Mission

The United Church Foundation strengthens the Church's ministries through the faithful stewardship of resources by offering all parts of the United Church of Christ sound financial management services.

Expanding CHHSM Ministries

The UCC's Council for Health and Human Service Ministries (CHHSM) relies on the United Church Foundation to fulfill its pledge to provide CHHSM members with innovative, responsive business services developed in the spirit of shared UCC values. "Over \$12 million in endowment and operating reserves have been invested with the Foundation by our members," says Michael Readinger, CHHSM's Vice President for Business Services. "The Foundation provides for-profit levels of service and investment expertise while preserving faith-based, not-for-profit values."

MAXIMIZING ASSETS, STRENGTHENING MINISTRY.

Whether they hold investments of just \$10,000 or endowments of several million, United Church Foundation investors know they have found an ideal home for the money that fuels their ministry. A "mustard seed" gift that may have started life in a local bank savings account can blossom into a rich resource when managed well. And with nearly 100 years of experience, the Foundation prides itself on a track record of performance achieved by Wall Street's top managers — results that have enabled countless ministries to broaden their reach and deepen their impact.

Building Local Church Legacies

Many churches dream of an endowment that can grow over time. Others already enjoy the fruit of seeds planted by earlier generations — endowments intended to sustain the community of faith and support new avenues of ministry. With help from the Foundation, churches of every size can expand their dreams and their missions. Invested in one of the Foundation's nine Common Investment Funds, legacies small and large can grow, nourished by investment performance and new gifts, in time bearing fruit that offers the church a consistent harvest based on the total return of dividends and investment value.

Finding a Market Edge

The financial world seems to become more complex by the day, and investors must remain constantly on the lookout for a way to gain an edge in the market. Gone are the days when a portfolio containing just a few blue chip stocks could secure the future. Even the classic notion of "preserve the principal, spend the dividends" has been replaced by the principle of total return — now standard practice among major foundations and endowed institutions — which encourages investors to access the gain in their portfolio's value to advance their mission. In these challenging times, wise investors seek out proven investment management expertise — the kind offered by the United Church Foundation. A carefully-selected group of fund managers, dedicated to maximizing the return on the investments of UCC churches and ministries, works continually to find the market edge that will beat the industry standards. Their performance is constantly monitored, evaluated and ranked to ensure Foundation investors benefit from the best investment management available.



Advantages

Social Responsibility
consistent with UCC values

Competitive Fees
charged consistently to all
accounts

A Not-For-Profit Structure
that returns profits to ministry

Broad Diversification
to minimize portfolio risk

Active Management
with continuous evaluation

Valuing Every Investor

Nearly every organization starts small — and as a ministry of the United Church of Christ, the Foundation understands that every investor is important. Where a bank or commercial brokerage house may prefer to dedicate its best resources to its largest clients, the Foundation shares its talented team of professionals with every investor. Church treasurers with questions about their account find friendly service at the other end of the Foundation's toll-free line. Experienced financial professionals looking for more technical information get answers from Foundation staff who speak their language. At the United Church Foundation, every investor counts.

Extending Conference Services

When the New Hampshire Conference evaluated the management and administration of its \$45 million Consolidated Investment Fund, the Conference selected the United Church Foundation to meet its investment needs. "Diversity is as important to the health of our investment portfolio as it is to the health of our churches," says the Rev. David A. Richardson, Chair of the Investment Committee and Pastor of Hooksett Congregational UCC. "By pooling our resources with the much larger portfolios managed by the Foundation, we were able to attain more diversification at lower cost while still staying true to our commitment to socially responsible investing."

MARKET-WISE MANAGEMENT, A WEALTH OF OPTIONS.

With nine different choices among the Foundation's set of Common Investment Funds, investors may select the mix of investments that best suits their risk tolerance and return goals. With the exception of the Cash & Equivalent Fund, the Foundation anticipates assets will remain invested over a multi-year period — usually at least five years — in order to mitigate down cycles and allow individual portfolios to benefit from more profitable periods. The Risk/Reward Profiles offered below provide only a quick glimpse of a particular portfolio's potential; a careful review of the portfolio's historic performance, available on the Foundation's website, offers the most accurate information.

MANAGED FUNDS

Domestic Core Equity Fund

Risk/Reward Profile: Moderately high

Benchmark: Standard & Poor's (S&P) 500 Index

A broadly diversified portfolio invested primarily in large capitalization common stocks of US-headquartered corporations, this fund may also hold up to 10% of its portfolio in international stocks.

Small Cap Equity Fund

Risk/Reward Profile: High

Benchmark: Russell 2000 Index

Carrying the highest degree of risk of any of the Foundation's domestic funds, the Small Cap Equity Fund invests primarily in a diversified portfolio of US small capitalization stocks — typically with a weighted average market capitalization under \$1.5 billion.

International Equity Fund

Risk/Reward Profile: High

Benchmark: Europe, Asia & Far East (EAFE) Index

Invested in the common stock of companies headquartered in developed countries in Europe and Asia — as well as in selected emerging markets — this fund offers the opportunity to gain from even broader diversification, but carries a degree of risk unique to international investment, including currency exchange fluctuations, reduced liquidity, less developed economies and governmental instability.

Fixed-Income Fund

Risk/Reward Profile: Moderately low

Benchmark: Lehman Brothers Government/Credit Bond Index

Carrying a relatively low degree of market risk and total return over time, this fund is invested primarily in intermediate and long-term US Dollar-denominated government and investment grade corporate fixed-income obligations.



Cash & Equivalent Fund

Risk/Reward Profile: Low

Benchmark: Lipper Money Market Funds Index

Invested primarily in high quality, US Dollar-denominated money market instruments with remaining maturities of 13 months or less, this fund provides investors with the least amount of market risk and consequently the lowest total rate of return over time of the Foundation's nine funds.

FUNDS OF FUNDS

Total Equity Fund

Risk/Reward Profile: Moderate

Asset Allocation: 50-60% Domestic Core, 15-25% Small Cap, 20-30% International

Comprising units of the Domestic Core, Small Cap and International Equity Funds, this fund invests primarily in a broadly diversified portfolio of domestic and international common stocks of both small and large capitalization, and carries a higher degree of risk than the Foundation's balanced funds.

Conservative Balanced Fund

Risk/Reward Profile: Moderately low

Asset Allocation: 30-40% Equity, 60-70% Fixed-Income

With a higher allocation of fixed-income to equities, this fund offers the lowest return potential of the Foundation's three balanced funds over time, but also the lowest market risk.

Moderate Balanced Fund

Risk/Reward Profile: Moderate

Asset Allocation: 55-65% Equity, 35-45% Fixed-Income

Pursuing a middle-of-the-road approach that emphasizes stocks for higher capital appreciation potential, this fund maintains a significant fixed-income component to temper principal volatility.

Aggressive Balanced Fund

Risk/Reward Profile: Moderately high

Asset Allocation: 70-80% Equity, 20-30% Fixed-Income

With the highest allocation to equities and a correspondingly high degree of market risk, this fund offers the highest return potential of the Foundation's three balanced funds.

Please note: Benchmarks for funds of funds are determined by the mid-point of the asset allocation range for each asset class.

Fees

The United Church Foundation's fees compare favorably with those of commercial banks and brokerage firms. And as a not-for-profit organization, the Foundation returns its net income to the ministry to keep costs low.

RISK/REWARD PROFILES



Educating The Next Generation

With their Woolley Endowment invested with the United Church Foundation, Naples United Church of Christ in Florida nurtures future generations of church leaders. The church has seen its endowment grow to create resources for a variety of important programs, including tuition supplements for students in the church's award-winning pre-school program and scholarships for exceptional seminary-bound students.

FAITH-BASED VALUES, VALUABLE SERVICES.

The United Church Foundation offers UCC churches and organizations the unique opportunity to align their values with their desire to maximize endowment and other assets — and the historic performance of the Foundation's Common Investment Funds proves that the achievement of top-ranking returns can coexist well with corporate responsibility.

Investing Responsibly

The Foundation's social responsibility screens establish the maximum percentage of revenue that a corporation may derive from particular products or services. While investment in the stock of a few corporations may be prohibited by the Foundation's social responsibility screens, the Foundation's team of skilled investment managers continues to produce benchmark-beating results. More than only screening out selected investments, however, the United Church Foundation engages in shareholder activism in collaboration with ecumenical partners and the Interfaith Center for Corporate Responsibility. In addition to voting proxies in a manner that reflects UCC values around issues of human health and dignity, environmental integrity and moral responsibility, the Foundation often joins other investors in advancing shareholder resolutions, such as those demanding greater transparency in corporate governance. The Foundation also seeks to comply with General Synod resolutions that call on the church to use its economic power to promote justice and peace.

Easing the Fiduciary Burden

With all of the investment options and strategies available in the market, making investment decisions has become a challenging task. From the smallest church to the largest corporation, committees entrusted with investment management must consider not just financial issues, but also the ethical and legal implications of their decisions — a heavy burden that few want to shoulder, particularly in these confusing times. Investors in the United Church Foundation enjoy the comfort of knowing their organization's assets are not only invested responsibly, they are also invested in well-diversified funds that are managed both for prudence *and* performance. With a group of expert fund managers — selected for their deep market knowledge and sharp analytical skill — the Foundation ensures the funds in its care achieve the best long-term results, mitigating investment risk and market volatility, and enabling UCC churches and organizations to dedicate their energies to mission and ministry.



Social Screens

The United Church Foundation limits its investments to corporations whose revenues in selected areas do not exceed the following levels—

Alcohol	10%
Gambling	10%
Tobacco	1%
Conventional Weapons	10%
Nuclear Weapons	5%

Providing Trustee Services

In addition to serving as the manager for gifts made to the United Church of Christ through the denomination's planned giving program, the Foundation offers other services that assist donors. A donor or church, for instance, may want to endow a ministry without maintaining responsibility for managing the progress of the established fund. For those donors, the United Church Foundation offers complete trustee services — from helping to establish the endowment and its policies to overseeing distribution of proceeds. Trustee services are provided at no additional cost, giving donors the confidence that their legacy is being well managed, and offering the church more money for ministry.

Stewarding Resources

More than supporting the many and varied ministries of the United Church of Christ, the United Church Foundation is itself a ministry. As a not-for-profit corporation, the Foundation has no shareholders expecting dividends, no executives looking for huge bonuses at year-end. Any net profit earned through its operations is returned to the Foundation's ministry: offering quality investment management services at the lowest possible price. That's an additional level of stewardship unknown among most in the investment community — a level that Foundation investors see reflected in their bottom lines, and in the money they earn to do more ministry.



475 Riverside Drive, Suite 1020
New York, NY 10115

Toll-free: 877-806-4989

www.ucfoundation.org

info@ucfoundation.org

SUPPORTING INVESTORS, SERVING THE CHURCH.

For the staff of professionals at the United Church Foundation, wise management of entrusted assets doesn't end at Wall Street. Investor education remains a high priority in the Foundation's mission. The better informed investors and church members become, the better decisions they will make — and the more money they are likely to earn to pursue their mission and ministry.

Educating Investors

Foundation staff members regularly attend conference and regional gatherings, meet with churches, and conduct educational events. While our professionals are available to answer questions and provide information to Foundation investors and interested church members, an array of information may also be found on the Foundation's website, including a quarterly newsletter that highlights the latest news and current investment performance.

Developing Resources

The Foundation is constantly working to develop materials that help churches manage their investments more effectively and more wisely. From assisting in investment and endowment policy development to collaborating with other UCC ministries to expand the range of services, the Foundation strives to support investors with the tools they need to maximize the money available for ministry.

Awaiting Your Call

Whether you have a question or want to schedule a visit or workshop, call the United Church Foundation today to discover how we can help empower your organization to earn more money for ministry.

1	249	765	29	19.80	37.52	
3	776	2001	1	38.75	17.02	
6	1600	388	6	17.47	40.86	
15	300	1710	85	42.45	26.07	
1	170	428	35	27.15	21.71	
19	418	2089	37	22.59	22.74	
2	278	257	1	23.97	377.43	3
1	226	256	8	391.70	93.96	
1	201	256	8	95.67	24.74	
3	314	315	4	25.32	24.35	
1	841	815	1	24.89		
16	218	222	15			
1	242	234	1			
1	576	576	1			

The logo features a stylized cross with a crown on top. The vertical bar of the cross is a thin gold line, and the horizontal bar is a gold circle. The text "UNITED CHURCH" is positioned above the cross, and "FOUNDATION" is positioned below it, with the gold circle of the cross acting as the letter "O" in "FOUNDATION".

UNITED CHURCH
FOUNDATION

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New York, NY 10115