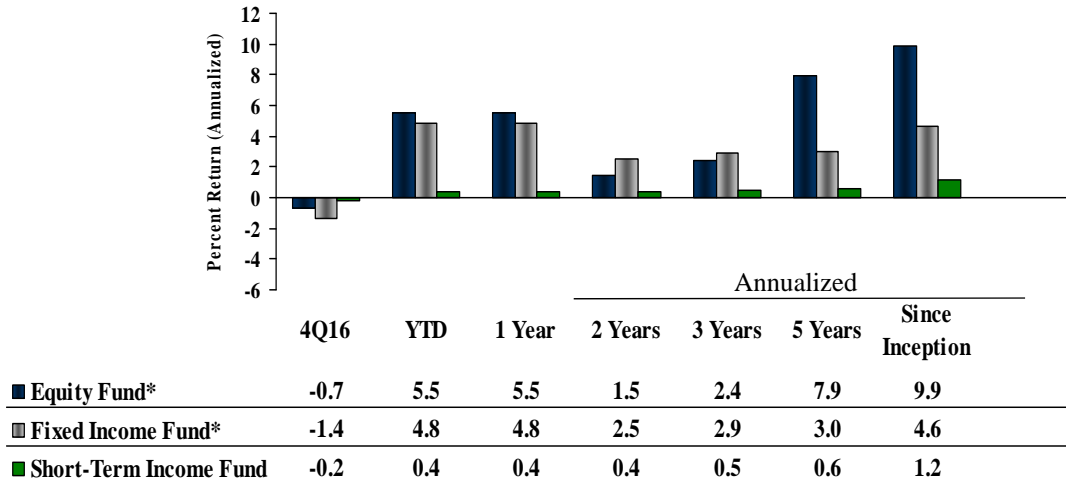


## Performance – Period Ending 12/31/16



\*Net of Fees returns presented are net of manager fees for separate account relationships, custody fees, and DMS fees.

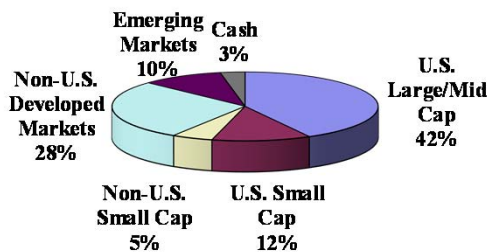
**Equity Fund:** This investment fund seeks growth through long-term capital appreciation in stocks. Where available, the underlying portfolios are screened under the Social Principles of The United Methodist Church. This fund consists of multiple well diversified equity strategies. Inception date is 01/26/09.

**Fixed Income Fund:** This investment fund seeks to provide as high a level of current income as is consistent with the preservation of capital. Where available, the underlying portfolios are screened under the Social Principles of The United Methodist Church. This fund consists of multiple well diversified fixed income strategies. Inception date is 01/12/09.

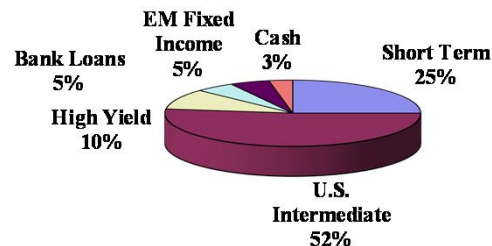
**Short-Term Income Fund:** This investment fund invests in U.S. Treasury obligations and/or jumbo certificates of deposit insured by the FDIC, with maturities of 36 months or less. Inception date is 01/01/09.

## Fund Asset Allocation – Target Weights

### Equity Fund



### Fixed Income Fund





# Quarterly Investment Summary

December 2016

## Asset Allocation Scenarios – Performance Ending 12/31/16

	Equity	Fixed Income	4Q16	1 Year	Annualized		Since Inception
					3 Year	5 Year	
<b>Conservative*</b>	30%	70%	-1.2	5.0	2.8	4.5	6.7
<b>Moderate*</b>	60%	40%	-1.0	5.2	2.6	5.9	7.8
<b>Moderate/Aggressive*</b>	70%	30%	-0.9	5.3	2.6	6.4	8.3
<b>Aggressive*</b>	80%	20%	-0.8	5.4	2.5	6.9	8.8

\*Net of Fees returns presented are net of manager fees for separate account relationships, custody fees, and DMS fees.

Note: Scenario portfolio performance is calculated by taking the percentage of equity allocation multiplied by the Equity Fund return added to the percentage of fixed income allocation multiplied by the Fixed Income Fund return. Equity Fund since inception is 01/26/09. Fixed Income Fund since inception is 01/12/09.

Past performance does not guarantee future results.

## Market Commentary

- Value stocks lead growth stocks by a wide margin in the quarter and one year. Energy and financial stocks, which have a large weighting in value indexes, caused the wide divergence in annual performance.
- Small cap stocks far outpaced large cap stocks for the quarter and for the year, but still trail the three-year period. The S&P 500 Index increased 3.8% for the quarter and 11.9% for the trailing 12 months. Small Cap stocks, represented by the Russell 2000, increased 8.8% for the quarter and 21.3% for the past 12 months.
- Developed international stocks, as represented by the MSCI EAFE, increased 4.3% in the quarter and were up 13.0% over the past 12 months. International small cap stocks decreased 2.9% for the quarter and were up 2.2% for the year, as shown by the MSCI EAFE Small Cap Index.
- The MSCI Emerging Markets index decreased 4.2% in the quarter and were up 11.2% for the past 12 months.
- Investment grade corporate bonds continue to perform the best within all bond sectors in the quarter, one-year and three-year time periods. Even with the yield pickup, corporate bond returns were in the low single digits for the past three years and five years.

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