



The Council for Health &
Human Service Ministries
United Church of Christ

Financial Innovation through Collaboration

UCC Cornerstone Fund and United Church Funds

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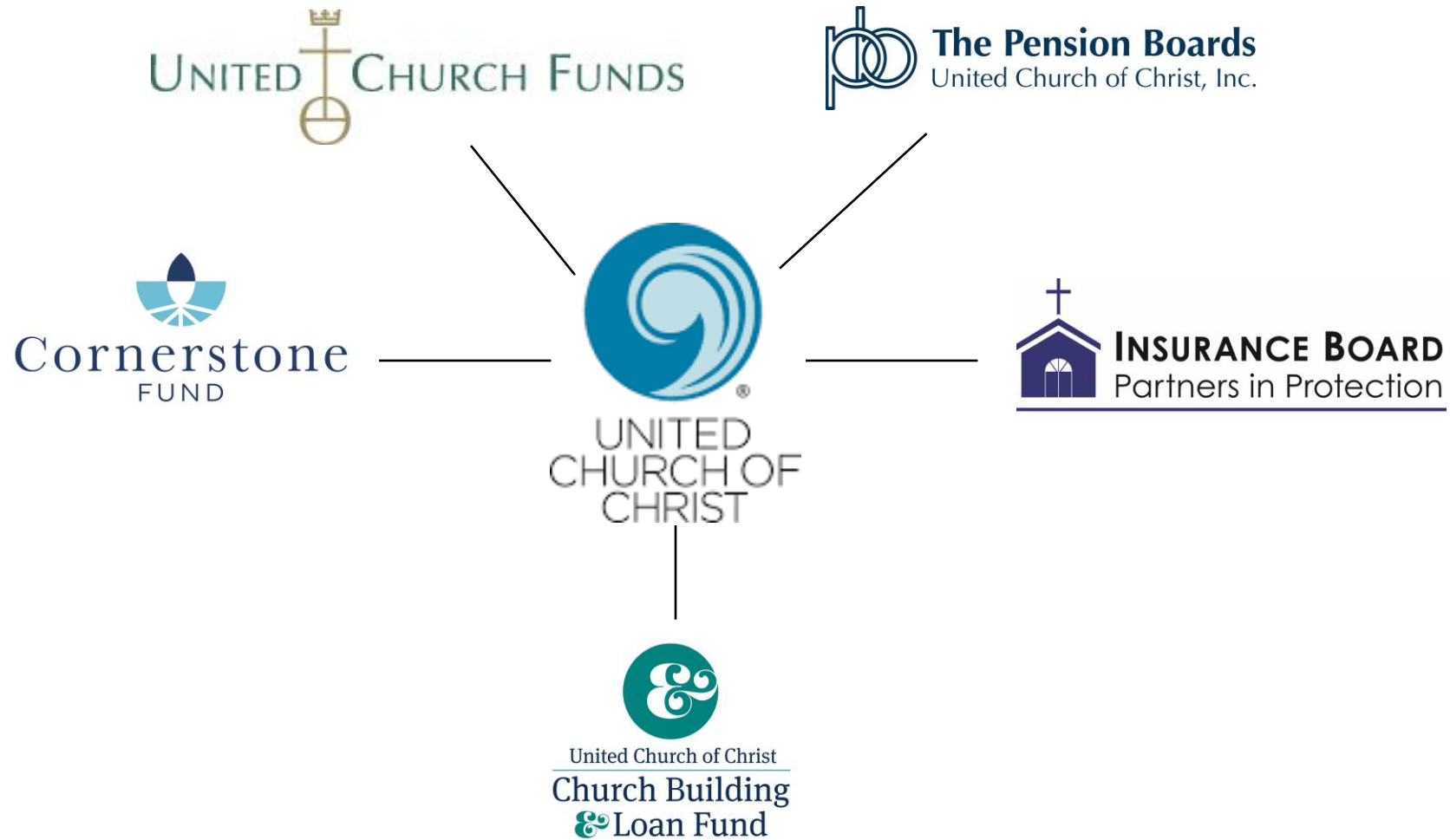
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Vice President, Institutional Relationships
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2024 CHHSM Annual Gathering: Collaboration as the Gateway to Innovation»

Workshop Agenda

- ✓ Introduction to the Financial Ministries of the UCC
- ✓ United Church Funds: An Overview
- ✓ The Cornerstone Fund: An Overview
- ✓ Examples of Collaboration

UCC Financial Ministries – Serving UCC Institutions to Grow and Protect Assets



United Church Funds

Investing with a Mission: Performance Beyond the Numbers

United Church Funds (UCF) — Overview

- Trusted investment provider to 1,100 local churches, religious judicatories and faith-based non-profits, with over \$1 billion in assets under management
- Experienced non-profit partner to fiduciaries in the development, management and governance of endowments
- Recognized leader in responsible investing strategies aligned with the United Church of Christ and like-minded progressive Christians



UCF – A Family of Responsible Funds

- 11 Professionally-Managed Fund Options
 - Six actively Managed Funds with exposure to fixed income, domestic equity, international equity and alternative asset classes, plus a Money Market Fund
 - Four **Balanced Funds** providing pre-selected diversified risk and allocation profiles
- UCF assists clients in understanding their goals and risk tolerance to build diversified investment portfolios consistent with their long-term objectives.
- UCF tracks fund performance using industry-standard indexes and Lipper Peer metrics to report our returns to our clients.
- Traditional Funds provide daily liquidity to clients, with no penalties/fees for withdrawals at any time.



UCF – A Multi-Faceted Approach to Driving Change

FIVE TOOLS

in the RESPONSIBLE INVESTOR TOOLBOX



Managers selection
with proven
performance and
commitment to
responsible investing,
diversity, equity and
inclusion (DEI).



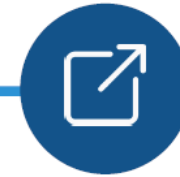
**Invest in impact-
first ventures** that
seek to solve social
and environmental
problems



**Corporate
Engagement** with
the companies in
which we invest,
holding them
accountable for their
actions.



Proxy voting on
resolutions
concerning issues
like fairness in
executive pay,
corporate
transparency, and
DEI.



Divest from
companies that fail to
respond to dialogue
and shareholder
resolutions

UCF – Power Through Collaboration



- Coalition of 300+ Faith and Values Investors, of which UCF is a Founding Member.
- Focus areas include climate, DEI/racial justice, human & worker rights and political spending.
- 122 shareholder resolutions were withdrawn for agreement in 2023.
- 7 ICCR member resolutions received majority support in 2023.



- The world's largest ever engagement initiative on climate change.
- 700+ investors engaging with 170 focus companies responsible for 80% of global industrial emissions.
- 77% of focus companies now commit to Net Zero by 2050 (Scope 1 and 2 emissions).
- 5% of focus companies have transition plans developed in consultation with key stakeholders.

UCF – 21st Century Exclusionary Screens

UCF avoids securities of companies which derive a relevant portion of their revenues from:











- Tobacco Production
- Firearm/Ammunition Production
- Military/Nuclear Weapons Production
- Private Prison Operation
- Coal (Thermal) Extraction
- Oil Extraction via Tar Sands

UCF avoids investment in companies whose practices within the following ESG impacts are unacceptable:

- Environmental Harm
 - Carbon Emissions
 - Toxic Emissions/Waste
 - Biodiversity
 - Water Stress
- Labor and Human Rights Harm
 - Focus on Conflict-Affected Territories
 - Compliance with Domestic and International Laws
 - Value Chain Partners

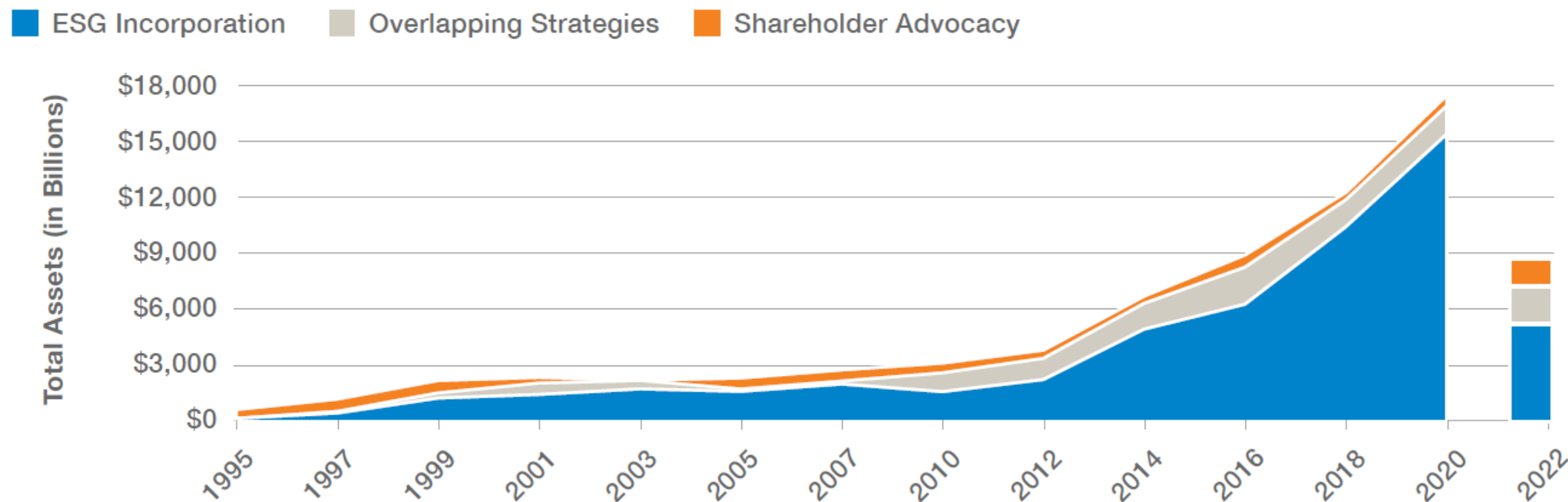
UCF screens out **421** companies in our portfolio and, in the Beyond Fossil Fuels funds, an additional **152** companies that produce and/or explore for coal, oil or gas, totaling **573** exclusions.

UCF– 2024 Shareholder Engagements

 Enhanced Lobbying Disclosure*	 Report impacts of state restrictions on providing emergency abortions.	 Enhanced Lobbying Disclosure
 Human Rights Audit*	 Review of Support for Single-Use Plastics	 Enhanced Recognition of Indigenous People's Rights
 Climate Transition Plan*	 Independent Report on Shifting from Virgin to Recycled Plastics	 Respect for Freedom of Association (Partnering with AFL-CIO)
 Review of Proxy Voting on Shareholder Resolutions*	*Resolution withdrawn.	

UCF Sustainable Investing – Decades of Upward Trends

Sustainable Investing in the United States 1995-2022

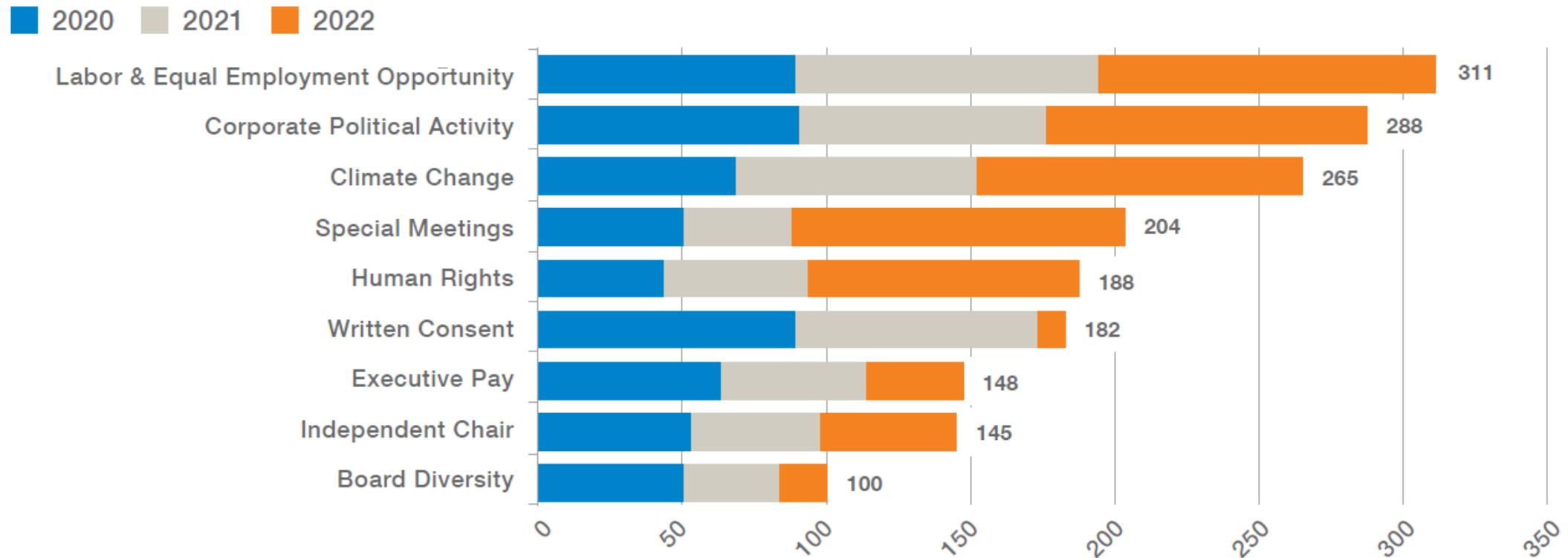


NOTE: Assets under management in 2022 represent US SIF's new modified methodology.

Source: US SIF Foundation

UCF Sustainable Investing – Aligning Mission and Finances

Leading ESG Issues 2020-2022, by Number of Shareholder Proposals Filed



Source: US SIF Foundation

UCF – Additional Valued Services



UCF stands ready to be your trusted partner to grow your financial assets for use in mission and ministry:

- UCF provides resources to help our clients understand and implement essential elements of building a strong endowment and related governance policies.
- UCF manages the Planned Giving program for the UCC and assists our clients in creating sustainable customized legacy programs.
- UCF offers trust management services.

Example: The Richard & Helen Brown Endowment for Pastoral Scholarships has provided more than \$5 million to train pastors and seminarians for over 20 years.

Cornerstone Fund

Joining Together in Faith to Invest in and Build Community

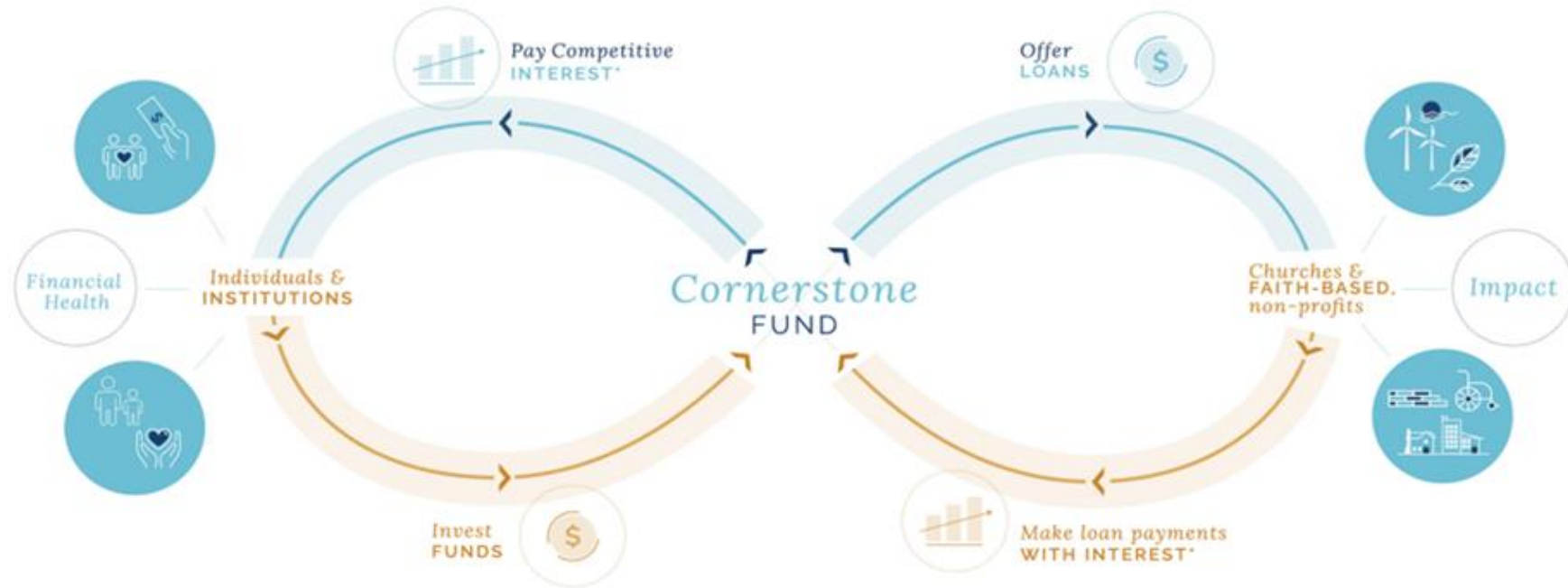
Thank You, CHHSM, for Your Partnership

- The CHHSM Organization is itself an investor in the Cornerstone Fund; as well as several CHHSM organizations and members of those organizations
- Various CHHSM Member Organizations are current and pending borrowers from the Cornerstone Fund for total loans of over \$15,000,000
- CHHSM's President & CEO, Jamar Doyle sits on the Cornerstone Fund Board of Directors

The Cornerstone Fund Difference

- **Cornerstone Fund** provides low cost, no-fee **loans** to churches and faith-based non-profits.
- Our **investing program** offers an opportunity for individuals and organizations to take part in projects ranging from worship space renovations to transitional housing developments and everything in between.
- When you invest with Cornerstone Fund, you are investing in **church vitality, antiracism, climate care, and more.**

The Cornerstone Fund Difference



* This is not an offer to sell securities and is not a solicitation to buy securities. The offering is made solely by the Offering Circular. The purchase of securities is subject to risks, which are described in the Offering Circular. Cornerstone Fund will offer and sell securities only in states where authorized. Not FDIC or SIPC insured. Not a bank deposit. Not guaranteed by the United Church of Christ. Past performance is no guarantee of future results. View the Offering Circular at www.cornerstonefund.org/circular

The Cornerstone Fund Difference

Cornerstone Fund's Investing Program is NOT a donation

- While our Investment Program feels like a donation or tithe, we are actually able to do tremendous good with your investment while you also earn a fixed interest rate return.

Cornerstone Investment Options for Individuals and Organizations

- Demand and Demand Plus Notes
- Term Notes of various Terms: 3-, 6-, 9-, 12-, 24-, 36- and 60-month terms are currently available
- Kids Club
- Creation Care
- Giving Bonus Programs:
 - CHHSM Giving Bonus
 - Racial Equity Giving Bonus
 - LGBTQIA+ Giving Bonus

**Investing
Program**

=

**Ministry
Expansion**



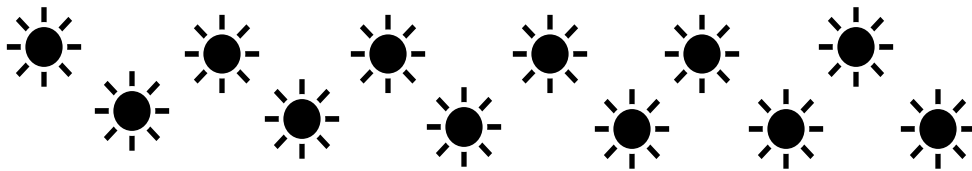
Cornerstone
FUND

God Math: \$1million Investment Example



4 units of housing
OR

12 solar panel projects



All while earning
\$250,000+ in interest
over 5 years (at current
rates).

Telling the Story with Data

Remodeling - merging 2 UCCs	Property Improvement/Maintenance	Spiritual Home
3 denominations coming together to	Missional Redevelopment	Spiritual Home
Parking Lot	Property Improvement/Maintenance	Spiritual Home
Reno of parsonage and church	Property Improvement/Maintenance	Spiritual Home
Painting - nefer drew on LOC	Property Improvement/Maintenance	Spiritual Home
Fire suppression	Property Improvement/Maintenance	Spiritual Home
Weatherization, save \$5k/yr	Environment/CC	Spiritual Home
Roof	Environment/CC	Spiritual Home
Roof, other repairs	Property Improvement/Maintenance	Spiritual Home
Reno of parsonage and church	Property Improvement/Maintenance	Spiritual Home
Boiler	Environment/CC	Spiritual Home
Kitchen for food program	Property Improvement/Maintenance	Feeding
Commercial kitchen, homeless outreach	Property Improvement/Maintenance	Feeding
Kitchen for food program	Property Improvement/Maintenance	Feeding
Dylan has call soon, will ask #s	Financial Health	Refugee
Acquisition - Nourish Bridgeport	New Purchase/Expansion	Feeding + Caring
Refi of hard money; elder daycare	Financial Health	Caring
Solar	Environment/CC	Spiritual Home
HVAC	Environment/CC	Clergy Support
funeral expenses for pastor	Financial Health	Clergy Support

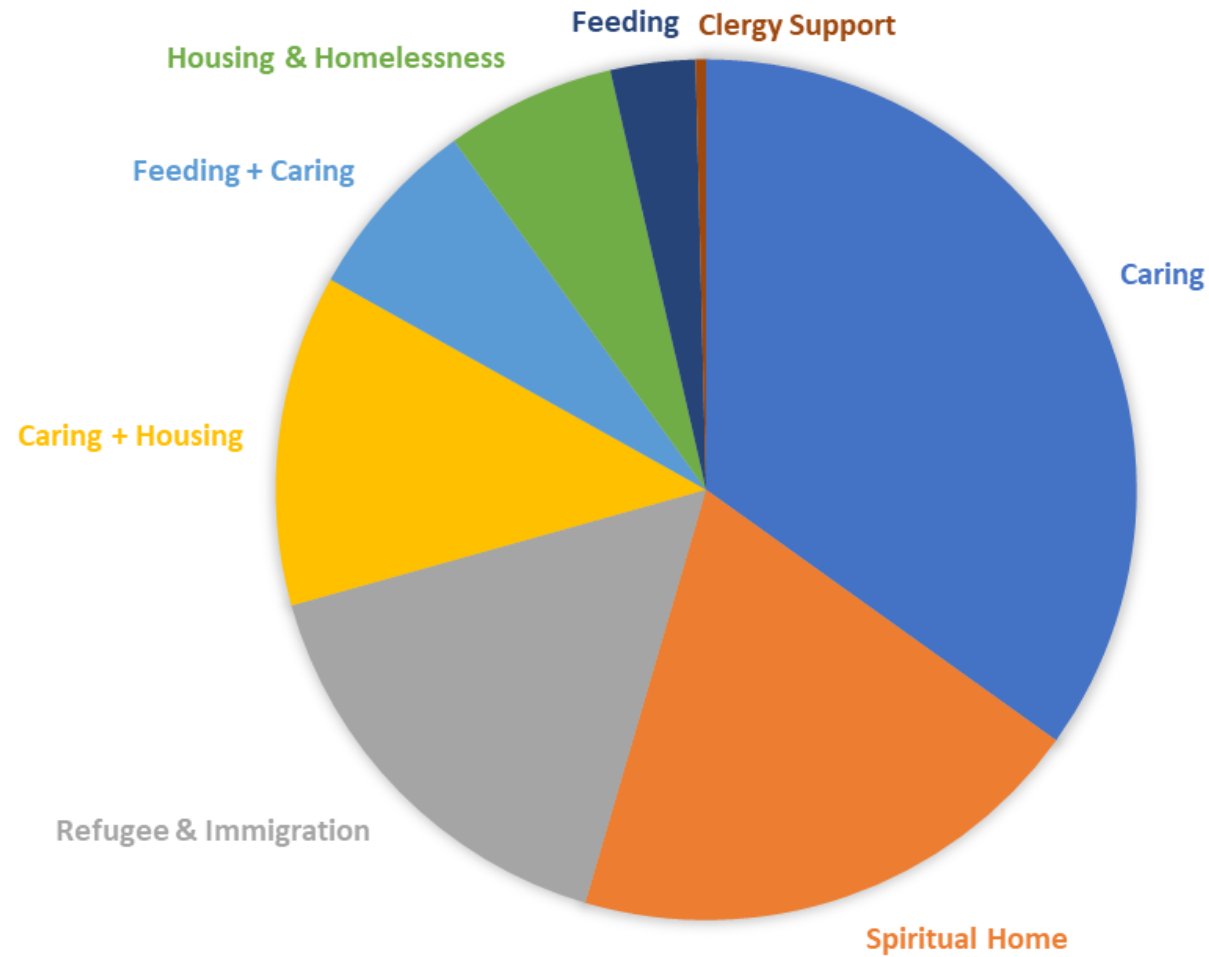
Impact

Race/Ethnicity

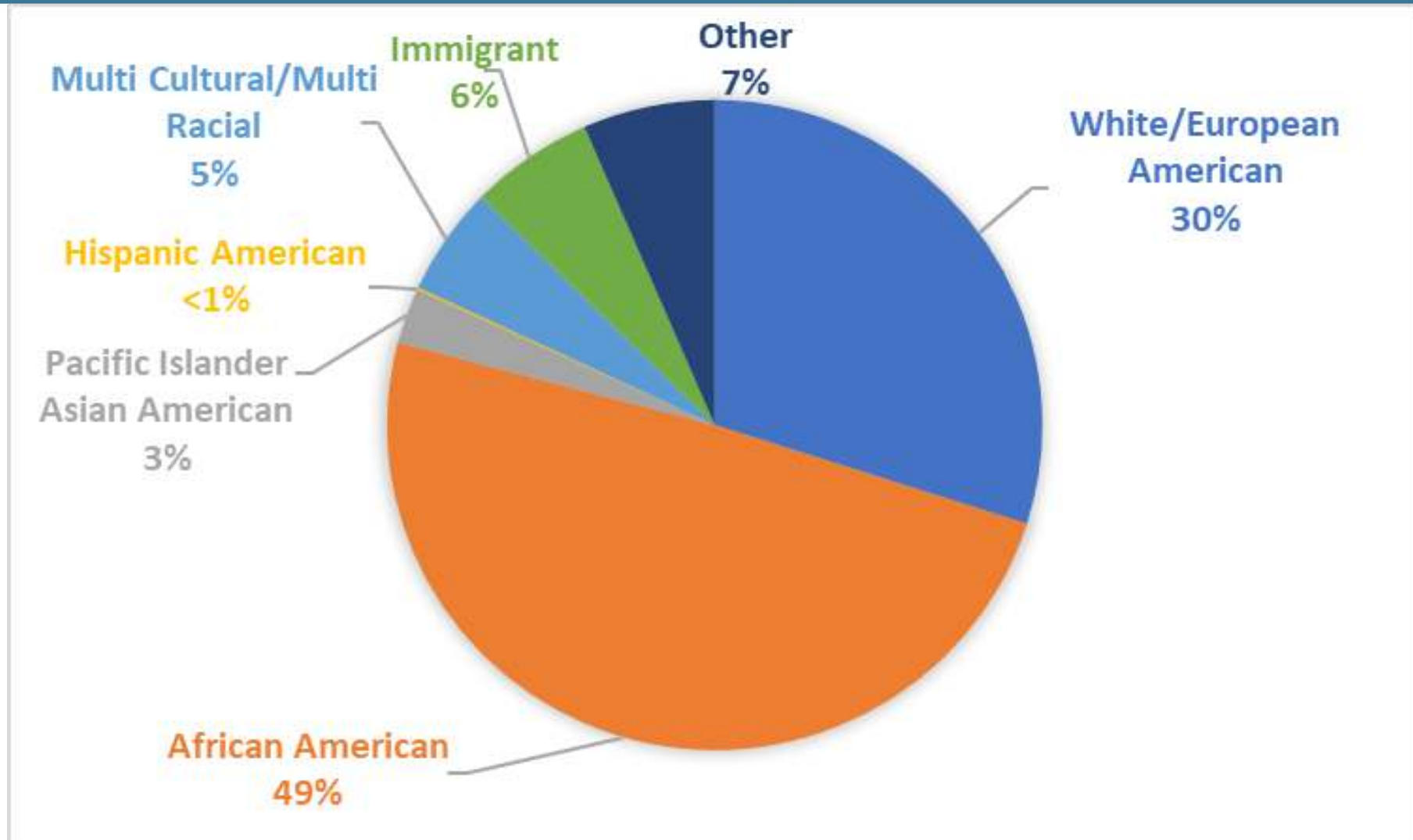
Purpose

Income Generation

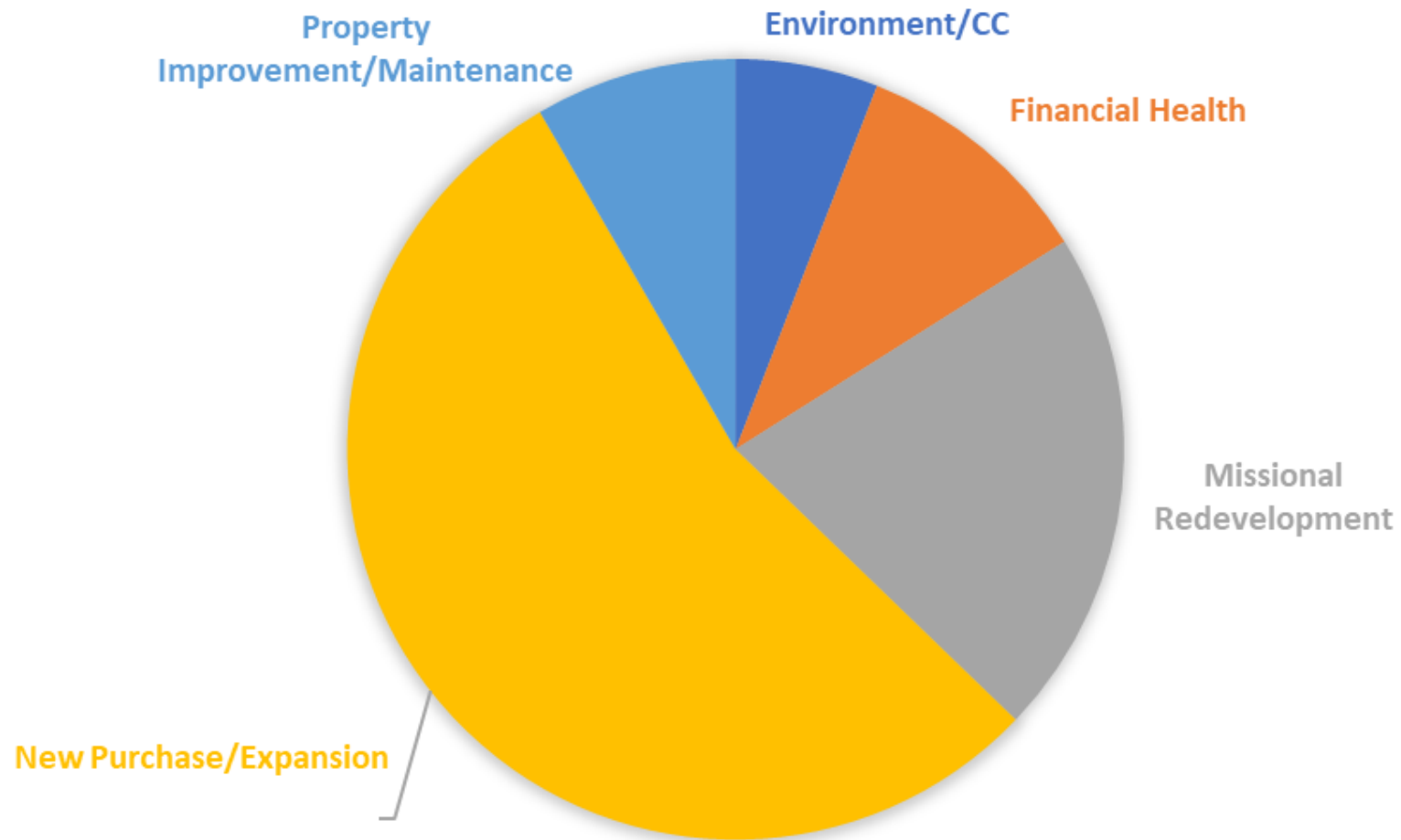
Lending by Impact



Lending by Race/Ethnicity



Lending by Loan Purpose



Example: Genesis Worship Center



Housing 20 men for up to 18 months, residents are supported with 4 full time staff engaged in case management, job readiness and other supports.

A nondenominational church located in Oakland, CA transformed their existing fellowship hall into 12 units of transitional housing for formerly incarcerated men.



Example: Genesis Worship Center

\$4.6 mil loan to build transitional housing on church property in Oakland CA

12 units build to house 20 formerly incarcerated men for up to 18 months

County Subsidies fully fund housing, support services, staff and loan payments totaling approx. \$1 mil annually

Example: Christ UCC



Example: Christ UCC

REAL-LIFE EXAMPLE - SOLAR

\$80,000 to install solar,
paid for with a loan from
Cornerstone

\$60,000 reimbursed in
Solar Renewable Energy
Credits (SRECs) from the
state



Minimum monthly savings of
\$500 in electricity costs for at
least 15 years = \$90,000 saved

\$20,000 left on the loan,
monthly payments of \$375
for five years

UCF and Cornerstone Collaborations: Some Examples

Portfolio Construction



Joint Presentations



Church or Organization Closure



Collateral Obligations for Loans



UCF – Thank you!

United Church Funds and the Cornerstone Fund appreciate the opportunity to share in and support the mission of your ministry. Please reach out to us to find out more about how we can partner with you!



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Investing involves risk. Consider the funds' investment objectives, risks and other factors. Past performance is no guarantee of future results.