



## SEMI-ANNUAL REPORT DECEMBER 31, 2008

New Covenant Growth Fund | New Covenant Income Fund

New Covenant Balanced Growth Fund | New Covenant Balanced Income Fund

...SEEK THE LORD  
AND HIS STRENGTH,  
SEEK HIS PRESENCE  
CONTINUALLY.

Psalm 105:4

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## NEW COVENANT FUNDS

December 31, 2008

Dear Shareholders:

We are pleased to deliver our semi-annual report, which covers the six-month period between July 1, 2008 and December 31, 2008.

While the word *unprecedented* is sometimes applied for mere effect, economic news during this period justified its use. Here is an abbreviated summary of the headlines that appeared during the second half of 2008.

- Some of the largest and most storied banks, brokerages, thrifts, and insurance companies faced failure, distressed sales, and bailouts.
- The price of crude oil reached a record high before falling more than \$100 per barrel.
- The Federal Reserve Bank and Treasury seized government sponsored entities Fannie Mae and Freddie Mac.
- The Reserve Primary Fund became the first money market fund to “break the buck” in nearly two decades.
- The Federal Reserve Bank issued four-week notes at 0%.
- Consumer spending and credit contracted for the first time since the early 1990s.
- The Federal Reserve Bank began lending directly to corporations.
- Global banks lowered rates in unison.
- The Federal-Funds rate was targeted to a range of 0% to 0.25%.
- Congress approved spending hundreds of billions of dollars to support the functioning of credit markets.

Uncertainty caused by global financial stress and government intervention intensified stock market volatility during this six-month period. The Standard & Poor's 500 Index<sup>1</sup> (the “S&P 500”) fell -28.48%.

In the bond market, Treasury securities benefited from investors' flight to perceived safety. Spreads between yields on Treasury securities and other fixed-income securities widened during the period, due to lack of liquidity and lack of demand for non-Treasury issues. The Barclays Capital Aggregate Index<sup>2</sup> returned 4.07% for the six-month period. The Barclays Capital Intermediate Aggregate Index<sup>2</sup> returned 3.45% for the six-month period.

Total Returns* as of December 31, 2008	Aggregate			Average Annual		
	Latest Qtr	Six Months	1 Year	3 Years	5 Years	10 Years
<b>New Covenant Growth Fund</b>	-22.56%	-31.85%	-38.93%	-10.04%	-2.86%	-1.73%
<b>New Covenant Income Fund</b>	-5.70%	-11.89%	-14.61%	-2.14%	-0.17%	2.78%
<b>New Covenant Balanced Growth Fund</b>	-15.80%	-24.06%	-29.86%	-6.68%	-1.61%	0.42%
<b>New Covenant Balanced Income Fund</b>	-11.54%	-18.95%	-23.69%	-4.71%	-0.92%	1.46%

Expense Ratios<sup>†</sup>

	Gross Expense Ratio	Net Expense Ratio
<b>New Covenant Growth Fund</b>	1.35%	1.10%
<b>New Covenant Income Fund</b>	1.11%	0.86%
<b>New Covenant Balanced Growth Fund</b>	1.38%	1.13%
<b>New Covenant Balanced Income Fund</b>	1.36%	1.11%

*Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Total return figures include change in share price and reinvestment of dividends and capital gains. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call (877) 835-4531 or visit our website at [www.NewCovenantFunds.com](http://www.NewCovenantFunds.com).*

\* The performance information for all the New Covenant Funds reflects performance prior to the July 1, 1999 inception date of the Funds. It represents performance records of the private pools previously managed by the Presbyterian Church (U.S.A.) Foundation, the predecessor entity to the Adviser. These private pools had investment objectives and policies in all material respects equivalent to those of the Funds. They were not subject to the requirements of the Investment Company Act of 1940 or the Internal Revenue Code of 1986, which may adversely affect performance results. The performance has been restated to reflect the total expenses of the Funds.

† The Gross Expense Ratio is based on the most recent prospectus. The Adviser has contractually agreed to limit the fees for the period from July 1, 2008 through June 30, 2009. The Net Expense Ratio is based upon the Gross Expenses less the fees waived by the Adviser. Had this waiver not been in effect, the performance would have been lower. For the New Covenant Income, Balanced Growth and Balanced Income Funds, the ratios also include those expenses incurred indirectly by the Fund as a result of investments in shares of one or more investment companies. Excluding these acquired fund fees and expenses, the Expense Ratios would be as follows: Income Fund: Gross 1.10% and Net 0.85%; Balanced Growth Fund: Gross 0.40% and Net 0.15%; and Balanced Income Fund: Gross 0.45% and Net 0.20%.

**NEW COVENANT FUNDS**  
December 31, 2008

**The New Covenant Growth Fund**

The New Covenant Growth Fund returned -31.85% during the six-month period through December 31, 2008. The Fund's benchmark, the S&P 500, declined -28.48%.

This Fund uses a core-satellite strategy<sup>4</sup>: It invests the majority of its assets in a core portfolio and adds satellite portfolios of value, growth and international stocks. The Fund also spreads its assets among small-, mid- and large-cap shares in order to gain exposure to the broad equity market.<sup>3</sup>

During the period, relative and absolute performance were adversely affected by owning international shares, which detracted from absolute and relative performance.<sup>3</sup>

**The New Covenant Income Fund**

The New Covenant Income Fund returned -11.89% during the six-month period ended December 31, 2008. That compared to a 3.45% return for its primary benchmark, the Barclays Capital Intermediate Aggregate Index and a return of 4.07% for the Barclays Capital Aggregate Index.

This Fund seeks to achieve returns commensurate with high quality, intermediate term, fixed income securities, while providing current income and preservation of capital.

The Fund's underweight position in Treasury securities and overweight position in non-agency mortgage-backed securities detracted from absolute investment results and performance relative to the benchmarks.<sup>3</sup>

On November 18, 2008 One Compass Advisors, investment adviser to New Covenant Funds, announced the selection of three new sub-advisers to provide asset management services to the New Covenant Income Fund. Baird Advisors; Earnest Partners, LLC; and Sterling Capital Management, LLC will replace Tattersall Advisory Group, Inc., a subsidiary of Wachovia Corporation, as sub-advisers to the New Covenant Income Fund effective January 2, 2009.

**The New Covenant Balanced Growth Fund**

The New Covenant Balanced Growth Fund declined -24.06% during the six-month period ended December 31, 2008. That compared to a -16.65% return for its primary benchmark, a composite index comprised of a 60% weighting in the S&P 500 Index and a 40% weighting in the Barclays Capital Intermediate Aggregate Index. It also compared to a -16.46% return for a composite index comprised of a 60% weighting in the S&P 500 Index and a 40% weighting in the Barclays Capital Aggregate Index.

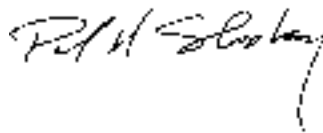
The Balanced Growth Fund trailed its composite benchmarks due to underperformance from the Growth Fund and the Income Fund. As of December 31, 2008, the Fund held an asset allocation of approximately 60% of assets in the Growth Fund and 40% in the Income Fund.<sup>3</sup>

**The New Covenant Balanced Income Fund**

The New Covenant Balanced Income Fund declined -18.95% during the six-month period ended December 31, 2008. That compared to a -8.63% return for its primary benchmark, a composite index comprised of a 35% weighting in the S&P 500 Index and a 65% weighting in the Barclays Capital Intermediate Aggregate Index. It also compared to a -8.28% return for a composite index comprised of a 35% weighting in the S&P 500 Index and a 65% weighting in the Barclays Capital Aggregate Index.

The underperformance of both the Growth Fund and the Income Fund relative to their benchmarks detracted from the Balanced Income Fund's performance relative to its composite indices. The Fund held a neutral asset allocation as of the end of the period, with approximately 35% of its assets in the Growth Fund and 65% of assets in the Income Fund.

Thank you for choosing the New Covenant Funds. We look forward to helping you achieve your most important financial objectives. If you have questions, please call us at (877) 835-4531.



Paul H. Stropkay, CFA  
Senior Vice President and Chief Investment Officer  
One Compass Advisors<sup>5</sup>

**Investment Concerns:**

*Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including investments in high-grade fixed income securities. The net asset value per share of the Fund will fluctuate as the value of the securities in the portfolio changes. Common stocks, and funds investing in common stocks, generally provide greater return potential when compared with other types of investments. International investing involves increased risk and volatility.*

*Bond funds will tend to experience smaller fluctuations in value than stock funds; therefore, fluctuations in price, especially for longer-term issues and in environments of rising interest rates, should be anticipated. Asset-backed and mortgage-backed securities are generally subject to higher prepayment risks than other types of debt securities, which can limit the potential for gain in a declining interest rate environment and increase the potential for loss in a rising interest rate environment. Mortgage-backed securities may also be structured so that they are particularly sensitive to interest rates. A high rate of defaults on the mortgages held by a mortgage pool may limit the pool's ability to make payments to the fund if the fund holds securities that are subordinate to other interests in the same mortgage pool; the risk of such defaults is generally higher in mortgage pools that include subprime mortgages. Other principal risks associated with securities in the Income Fund are the following: Interest Rate Risk, Call Risk, Credit Risk, Put and Call Option Risk, Foreign Securities Risk, Options and Futures Risk, Government Securities Risk and Rebalancing Risk. For a more complete description of these risks, please consult the Prospectus.*

**Past performance does not guarantee future results.**

1 The Standard & Poor's 500 Index ("S&P 500") of stocks is an unmanaged, capitalization weighted index that measures the performance of 500 large-capitalization stocks representing all major industries. It is not possible to invest directly in any index.

2 The Barclays Capital Aggregate Index and the Barclays Capital Intermediate Aggregate Index (formerly known as the Lehman Aggregate Bond Index and the Lehman Intermediate Aggregate Bond Index, respectively) are unmanaged indices of U.S. bonds, which include reinvestment of any earnings. They are widely used to measure the overall performance of the U.S. bond market. It is not possible to invest directly in any index. In the future, the Fund will use the Barclays Capital Intermediate Aggregate Index for comparison purposes because the Adviser believes this benchmark is more highly correlated to the holdings and style of the Fund.

3 Portfolio composition is subject to change.

4 Diversification does not guarantee a profit nor protect against a loss.

5 A subsidiary of the Presbyterian Church U.S.A. Foundation.

**NEW COVENANT FUNDS**  
December 31, 2008

**Portfolio Allocation as of 12/31/08 (unaudited) (subject to change)**

**GROWTH FUND:**

<b>Security Allocation</b>	<b>Percentage of Market Value</b>
Health Care	20.3%
Information Technology	17.6%
Financials	13.9%
Industrials	13.0%
Consumer Discretionary	12.2%
Energy	11.1%
Consumer Staples	7.2%
Utilities	2.1%
Materials	1.4%
Telecommunication Services	1.2%
<b>Total</b>	<b>100.0%</b>

**BALANCED GROWTH FUND:**

<b>Security Allocation</b>	<b>Percentage of Market Value</b>
New Covenant Growth Fund	61.1%
New Covenant Income Fund	37.6%
Cash Equivalents(a)	1.3%
<b>Total</b>	<b>100.0%</b>

**INCOME FUND:**

<b>Security Allocation</b>	<b>Percentage of Market Value</b>
Non-Government Agency/MBS	34.4%
Corporates	31.3%
Government Agency/MBS	24.6%
Cash Equivalents(a)	5.2%
Other	2.8%
Asset Backed	1.7%
<b>Total</b>	<b>100.0%</b>

**BALANCED INCOME FUND:**

<b>Security Allocation</b>	<b>Percentage of Market Value</b>
New Covenant Income Fund	61.3%
New Covenant Growth Fund	36.1%
Cash Equivalents(a)	2.6%
<b>Total</b>	<b>100.0%</b>

(a) Includes other assets in excess of liabilities.

**NEW COVENANT GROWTH FUND**  
**SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)**

Shares	Value	Shares	Value
<b>COMMON STOCKS - 94.4%</b>		<b>COMMON STOCKS (cont.)</b>	
<b>Advertising - 0.2%</b>		<b>Chemicals - 1.8%</b>	
8,360 Interpublic Group of Cos., Inc.(a)	\$33,106	1,841 Airgas, Inc.	\$71,781
45,400 Omnicom Group, Inc.	<u>1,222,168</u>	3,048 Albemarle Corp.	67,970
	<u>1,255,274</u>	94 Ashland, Inc.	988
<b>Aerospace-0.1%</b>		631 Balchem Corp.	15,718
675 Aerovironment, Inc.(a)	24,847	2,999 Calgon Carbon Corp.(a)	46,065
7,586 BE Aerospace, Inc.(a)	58,336	6,490 CF Industries Holdings, Inc.	319,048
687 Curtiss-Wright Corp.	22,939	391 Dionex Corp.(a)	17,536
3,697 Esterline Technologies Corp.(a)(L)	140,079	16,900 Eastman Chemical Co.(L)	535,899
9,803 Hexcel Corp.(a)	72,444	27,154 FMC Corp.	1,214,598
113 LMI Aerospace, Inc.(a)	1,285	186 Givaudan SA	145,134
596 ManTech International Corp., Class A(a)	32,297	4,220 Innospec, Inc.	24,856
881 Orbital Sciences Corp.(a)	17,206	1,533 International Flavors & Fragrances, Inc.	45,561
798 SRA International, Inc., Class A(a)	13,766	1,281 Intrepid Potash, Inc.(a)	26,606
696 Stanley, Inc.(a)	25,209	10,121 Metabolix, Inc.(a)	128,739
2,755 Teledyne Technologies, Inc.(a)(L)	122,735	6,400 Methanex Corp.(a)	71,025
758 TransDigm Group, Inc.(a)	<u>25,446</u>	555 Minerals Technologies, Inc.	22,699
	<u>556,589</u>	44,900 Monsanto Co.	3,158,715
<b>Automotive - 0.2%</b>		66,800 Mosaic Co., Inc.(L)	2,311,280
2,000 Bayerische Motoren Werke AG	60,078	2,488 Nalco Holding Co.	28,712
2,230 BorgWarner, Inc.	48,547	374 NewMarket Corp.	13,056
10,800 Bridgestone Corp.	158,098	3,700 Potash Corp. of Saskatchewan, Inc.(a)	268,366
4,100 Compagnie Generale des Etablissements Michelin	214,119	27,200 Praxair, Inc.	1,614,592
1,640 Fuel Systems Solutions, Inc.(a)(L)	53,726	5,900 Rhodia SA(a)	36,939
3,493 LKQ Corp.(a)	40,728	5,682 Terra Industries, Inc.(L)	94,719
7,700 Suzuki Motor Corp.	104,309	6,513 W.R. Grace & Co.(a)(L)	<u>38,883</u>
4,520 Tenneco Automotive, Inc.(a)(L)	13,334		<u>10,319,485</u>
3,917 The Goodyear Tire & Rubber Co.(a)	23,385	<b>Commercial Services - 3.2%</b>	
135,000 TRW Automotive Holdings Corp.(a)(L)	486,000	2,239 Aaron Rents, Inc.(L)	59,602
1,468 WABCO Holdings, Inc.	<u>23,180</u>	172,800 Accenture Ltd., Class A(L)	5,666,112
	<u>1,225,504</u>	2,128 Alliance Data Systems Corp.(a)(L)	99,016
<b>Banks - 2.8%</b>		28,001 Brambles Ltd.	144,855
128,400 Banco Bilbao Vizcaya Argentaria SA	1,545,655	740 Brinks Home Security Holdings, Inc.(a)	16,221
23,000 Bank Muscat SA - GDR(a)	190,426	3,024 Broadridge Financial Solutions, Inc.	37,921
124,929 Bank of America Corp.	1,759,000	3,962 Ciena Corp.(a)	26,545
4,645 Cardinal Financial Corp.	26,430	1,076 Clean Harbors, Inc.(a)	68,261
5,010 Center Financial Corp.	30,912	765 Coinstar, Inc.(a)	14,925
4,390 City Holding Co.	152,684	1,900 Consolidated Graphics, Inc.(a)(L)	43,016
184,600 Commerce Asset Holdings	312,113	2,295 Copart, Inc.(a)	62,401
1 Commercial International Bank	3	3,292 Corrections Corp. of America(a)	53,857
9,500 Dime Community Bancshares, Inc.	126,350	627 CoStar Group, Inc.(a)	20,653
3,700 First Bancorp Puerto Rico(L)	41,218	9,470 CSG Systems International Inc.(a)(L)	165,441
930 First Citizens BancShares, Inc.	142,104	167,700 Discover Financial Services	1,598,181
2,310 First Midwest Bancorp, Inc.(L)	46,131	5,100 Dollar Financial Corp.(a)(L)	52,530
236,785 Grupo Financiero Inbursa SA	553,128	781 Dun & Bradstreet Corp.	60,293
900 Home BancShares, Inc.	24,255	1,373 Equifax, Inc.	36,412
25,300 Huntington Bancshares, Inc.(L)	193,798	2,158 F5 Networks, Inc.(a)	49,332
7,710 International Bancshares Corp.	168,309	659 Forrester Research, Inc.(a)	18,590
95,256 JPMorgan Chase & Co.	3,003,422	1,276 FTI Consulting, Inc.(a)	57,012
4,200 Lakeland Bancorp, Inc.(L)	47,292	6,800 Genpact Ltd.(a)	55,896
3,300 Oriental Financial Group, Inc.	19,965	1,445 Harsco Corp.	39,998
21,500 PNC Financial Services Group	1,053,500	2,627 Hewitt Associates, Inc.(a)	74,554
65,018 Royal Bank of Scotland Group PLC	46,179	842 Hill International, Inc.(a)	5,928
4,000 Santander BanCorp(L)	49,960	1,113 IHS, Inc.(a)	41,649
2,090 SCBT Financial Corp.(L)	72,105	4,123 Iron Mountain, Inc.(a)	101,962
398 Standard Chartered(L)	4,730	66,300 Manpower, Inc.(L)	2,253,537
17,684 Standard Chartered PLC	222,471	3,164 Monster Worldwide, Inc.(a)	38,253
17,200 State Street Corp.	676,476	3,855 MSCI, Inc.(a)	68,465
8,000 Sterling Bancshares, Inc.(L)	48,640	4,900 On Assignment, Inc.(a)(L)	27,783
71 Sumitomo Mitsui Financial Group, Inc.	294,495	1,730 Pre-Paid Legal Services, Inc.(a)(L)	64,512
13,880 UMB Financial Corp.(L)	682,063	1,485 Priceline.com, Inc.(a)	109,370
161,900 Wells Fargo & Co.	<u>4,772,812</u>	2,436 Robert Half International, Inc.	50,718
	<u>16,306,626</u>	33,800 RR Donnelley & Sons Co.	459,004
		965 SAIC, Inc.(a)	18,798
		117,600 Sapient Corp.(a)(L)	522,144
		1,166 Sotheby's Holdings	10,366
		2,039 Stericycle, Inc.(a)	106,191
		775 Strayer Education, Inc.(L)	166,168
		962 SYKES Enterprises, Inc.(a)	18,393

The accompanying notes are an integral part of these financial statements.

# portfolio of investments (continued)

## NEW COVENANT GROWTH FUND SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)

Shares	Value	Shares	Value
<b>COMMON STOCKS (cont.)</b>		<b>COMMON STOCKS (cont.)</b>	
<b>Commercial Services (cont.)</b>		<b>Computer Services &amp; Software (cont.)</b>	
583 Syntel, Inc.	\$13,479	3,960 Take-Two Interactive Software, Inc.	\$29,938
1,169 Tetra Tech, Inc.(a)	28,231	1,138 THQ, Inc.(a)	4,768
898 The Brink's Co.	24,138	24,000 Trend Micro, Inc.(L)	818,092
1,286 The Geo Group Inc.(a)	23,187	11,400 United Online, Inc.(L)	69,198
1,246 TNS, Inc.(a)	11,700	2,024 Vocus, Inc.(a)(L)	36,857
22,200 Visa, Inc., Class A	1,164,390	19,598 Wind River Systems, Inc.(a)(L)	176,970
1,252 VistaPrint Ltd.(a)	23,300		<u>38,133,009</u>
5,132 Watson Wyatt Worldwide, Inc.(L)	245,412	<b>Construction &amp; Building Materials - 1.5%</b>	
242,300 Western Union Co.	3,474,582	32,936 AGCO Corp.(a)(L)	776,960
141,500 Xerox Corp.	1,127,755	102,000 Anhui Conch Cement Co. Ltd., Class H(a)(L)	469,188
	<u>18,721,039</u>	2,200 Beacon Roofing Supply, Inc.(a)	30,536
<b>Computer Services &amp; Software - 6.6%</b>		3,400 BlueLinX Holdings, Inc.(L)	6,426
41,700 3Com Corp.(a)	95,076	22,230 Bouygues SA	933,203
338 Actuate Corp.(a)	1,000	2,750 Ceradyne, Inc.(a)(L)	55,852
4,002 Advent Software, Inc.(a)	79,920	161,000 China Railway(a)(L)	239,728
37,900 Affiliated Computer Services, Inc., Class A(a)	1,741,505	25,000 Chiyoda Corp.	134,859
6,024 ANSYS, Inc.(a)(L)	168,009	25,381 CRH PLC	634,260
38,400 Apple Computer, Inc.(a)	3,277,440	977 DXP Enterprises Inc.(a)	14,274
3,729 Ariba, Inc.(a)	26,886	25,047 Emcor Group, Inc.(a)(L)	561,804
7,983 Atheros Communications, Inc.(a)(L)	114,237	5,200 Gibraltar Industries, Inc.(L)	62,088
6,480 Avocent Corp.(a)	116,057	20,100 Gujarat Ambuja Cements Ltd.	28,743
3,290 Belden CDT, Inc.(L)	68,695	10,500 Gujarat Ambuja Cements Ltd. - ADR	15,097
1,227 Blackbaud, Inc.	16,564	11,822 Holcim Ltd.	669,767
793 Blackboard, Inc.(a)	20,800	145,500 Impulosra del Desarrollo y Empleo(a)	98,551
61,100 BMC Software, Inc.(a)	1,644,201	34,000 Jacobs Engineering Group, Inc.(a)	1,635,400
136,300 Cisco Systems, Inc.(a)	2,221,690	3,403 KBR, Inc.	51,726
8,364 Commvault Systems, Inc.(a)	112,161	4,700 Lafarge SA(L)	283,215
4,010 Compuware Corp.(a)	27,067	8,800 Larsen & Toubro	140,272
1,011 Concur Technologies, Inc.(a)	33,181	2,530 Lennox International, Inc.(L)	81,694
4,006 Cypress Semiconductor Corp.(a)	17,907	719 Martin Marietta Materials, Inc.	69,801
129,400 Dell, Inc.(a)	1,325,056	4,400 OJSC LSR Group(a)	3,344
816 DST Systems, Inc.(a)	30,992	1,962 Orascom Construction Industries - ADR(L)	99,936
5,952 Earthlink, Inc.(a)	40,236	3,250 Quanta Services, Inc.(a)	64,350
417 Ebix, Inc.(a)	9,966	35,400 Stanley Works	1,207,140
794 Equinix, Inc.(a)	42,233	722 Team, Inc.(a)	19,999
1,140 FactSet Research Systems, Inc.	50,434	1,850 The Shaw Group, Inc.(a)	37,870
1,355 Gartner, Inc.(a)	24,160	1,200 Trex Co, Inc.(a)(L)	19,752
118,000 Hewlett Packard Co.	4,282,220	457 URS Corp.(a)	18,632
10,811 Immersion Corp.(a)	63,677	925 USG Corp.(a)	7,437
2,248 Informatca Corp.(a)	30,865		<u>8,471,904</u>
2,600 Infosys Technologies Ltd. - ADR(L)	63,882	<b>Consumer Products - 3.7%</b>	
38,600 International Business Machines Corp.	3,248,576	721 Alberto-Culver Co.	17,672
140,200 Intuit, Inc.(a)	3,335,358	634 Aptargroup, Inc.	22,342
1,878 Jack Henry & Associates, Inc.	36,452	56,500 Avon Products, Inc.	1,357,695
7,100 Kenexa Corp.(a)(L)	56,658	1,943 Chattem, Inc.(a)	138,983
2,000 Lexmark International, Inc.(a)	53,800	13,818 Crocs, Inc.(a)	17,134
1,023 Manhattan Associates, Inc.(a)	16,174	268 Deckers Outdoor Corp.(a)	21,405
19,474 McAfee, Inc.(a)(L)	673,216	1,417 Energizer Holdings, Inc.(a)	76,716
7,969 MedAssets, Inc.(a)	116,347	3,349 Fossil, Inc.(a)	55,928
748 Mettler-Toledo International, Inc.(a)	50,415	3,972 Guess ?, Inc.	60,970
2,174 MICRO Systems, Inc.(a)	35,480	1,904 Hanesbrands, Inc.(a)	24,276
368,800 Microsoft Corp.	7,169,472	12,381 Herbalife Ltd.(L)	268,420
4,616 Nuance Communications, Inc.(a)	47,822	6,375 Herman Miller, Inc.	83,066
59,200 OpenTV Corp.(a)(L)	72,816	9,280 Hot Topic, Inc.(a)(L)	86,026
250,000 Oracle Corp.(a)	4,432,500	2,900 Inditex SA(L)	126,296
11,600 Oracle Corp. Japan(L)	495,223	2,790 Jakks Pacific, Inc.(a)(L)	57,558
8,951 Parametric Technology Corp.(a)	113,230	59,500 Kimberly-Clark Corp.	3,138,030
992 Phase Forward, Inc.(a)	12,420	52,700 Kimberly-Clark de Mexico SA B de CV	173,339
4,173 Progress Software Corp.(a)(L)	80,372	110,000 Li & Fung Ltd.(L)	188,486
8,130 QLogic Corp.(a)	109,267	7,600 Liz Claiborne, Inc.(L)	19,760
12,375 Red Hats, Inc.(a)	163,598	17,000 L'OREAL SA	1,472,199
11,043 Riverbed Technology, Inc.(a)(L)	125,780	140 Mannatech, Inc.	343
14,000 SAP AG	491,187	17,649 NBTY, Inc.(a)	276,207
5,373 Solera Holdings, Inc.(a)(L)	129,489	85,960 NIKE, Inc.	4,383,960
2,391 STEC, Inc.(a)	10,186	5,200 Nintendo Co. Ltd.	1,936,018
6,359 Sybase, Inc.(a)(L)	157,512	119,070 Nu Skin Enterprises, Inc., Class A(L)	1,241,900
1,070 Synaptics, Inc.(a)	17,719		

The accompanying notes are an integral part of these financial statements.

**portfolio of investments (continued)**

**NEW COVENANT GROWTH FUND**  
**SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)**

Shares	Value	Shares	Value
<b>COMMON STOCKS (cont.)</b>		<b>COMMON STOCKS (cont.)</b>	
<b>Consumer Products (cont.)</b>		<b>Electronics (cont.)</b>	
2,600 Nutri System, Inc.(L)	\$37,934	745 Tech Data Corp.(a)	\$13,291
1,730 Oxford Industries, Inc.(L)	15,172	10,744 Teradyne, Inc.(a)	45,340
5,183 Phillips-Van Heusen Corp.	104,334	148,800 Texas Instruments, Inc.	2,309,376
7,400 Prestige Brands Holdings, Inc.(a)	78,070	4,300 Tokyo Electron Ltd.	147,049
89,422 Procter & Gamble Co.	5,528,068	2,948 Trimble Navigation Ltd.(a)	63,706
3,990 Skechers U.S.A., Inc., Class A(a)(L)	51,152	8,660 TTM Technologies, Inc.(a)(L)	45,119
3,457 Tupperware Corp.(L)	78,474	3,737 Varian Semiconductor Equipment Associates, Inc.(a)(L)	67,714
13,460 Unifi, Inc.(a)(L)	37,957	6,092 Volterra Semiconductor Corp.(a)(L)	43,558
3,059 Warnaco Group, Inc.(a)	60,048		<u>14,337,603</u>
	<u>21,235,938</u>		
<b>Diversified Operations - 1.3%</b>		<b>Energy - 4.4%</b>	
765 Actuant Corp.	14,550	12,500 ABB Ltd.	182,975
4,732 Acuity Brands, Inc.(L)	165,194	211,700 AES Corp.(a)	1,744,408
100,400 BAE Systems	543,840	13,700 Alliant Energy Corp.	399,766
13,600 Compass Diversified Holdings	153,000	1,868 Alpha Natural Resources, Inc.(a)	30,243
366 Echelon Corp.(a)	2,983	1,012 American Superconductor Corp.(a)	16,506
16,200 Fluor Corp.	726,894	2,300 Avista Corp.(L)	44,574
10,900 FPL Group, Inc.(L)	548,597	26,100 Banpu Public Co., Inc.	172,599
256,400 General Electric Co.	4,153,680	4,307 Centerpoint Energy, Inc.	54,354
13,064 Martha Stewart Living Omnimedia, Inc., Class A(a)	33,966	294,500 China Shenhua Energy Co., Ltd.(L)	623,184
3,319 McCormick & Co., Inc.	105,743	9,971 Companhia Energetica Minas Gerais(a)	136,061
1,872 Rofin-Sinar Technologies, Inc.(a)	38,526	3,653 DPL, Inc.	83,435
42,000 Sumitomo Corp.	361,390	288,600 Duke Energy Corp.	4,331,886
62,300 United Utilities Group PLC	561,169	243,600 El Paso Corp.	1,907,388
24,900 Wolseley PLC	137,472	11,200 Electricite De France	646,094
	<u>7,547,004</u>	900 Empresa Nacional de Electricidad - ADR	30,141
		1,178 Energy Conversion Devices, Inc.(a)	29,697
<b>Electronics - 2.5%</b>		22,300 Enersis SA - ADR(L)	284,102
3,134 Ametek, Inc.	94,678	16,700 Entergy Corp.	1,388,271
4,827 ATMI, Inc.(a)	74,481	14,466 Evergreen Solar, Inc.(a)	46,147
36,760 Avnet, Inc.(a)(L)	669,400	78,274 Exelon Corp.	4,352,817
476 Axsys Technologies, Inc.(a)	26,113	27,300 FirstEnergy Corp.	1,326,234
8,000 Benchmark Electronics, Inc.(a)(L)	102,160	5,400 Headwaters, Inc.(a)(L)	36,450
1,200 Coherent, Inc.(a)(L)	25,752	1,593 ION Geophysical Corp.(a)	5,464
1,566 Dolby Laboratories, Inc.(a)	51,302	1,296 ITC Holdings, Inc.	56,609
7,900 DSP Group, Inc.(a)	63,358	836 Matrix Service Co.(a)	6,412
781 DTS, Inc.(a)	14,331	1,568 NV Energy, Inc.(a)	15,508
82,400 Edison International	2,646,688	1,773 Ormat Technologies, Inc.	56,505
42,900 Emerson Electric Co.	1,570,569	19,200 Pepco Holdings, Inc.	340,992
11,800 Emulex Corp.(a)	82,364	39,000 PG&E Corp.	1,509,690
11,300 Fanuc Ltd.	784,082	1,800 Pike Electric Corp.(a)(L)	22,140
502,900 Flextronics International Ltd.(a)	1,287,424	1,700 Portland General Electric Co.	33,099
3,500 FLIR Systems, Inc.(a)	107,380	35,200 Public Service Enterprise Group, Inc.	1,026,784
1,067 General Cable Corp.(a)	18,875	1,758 Roper Industries, Inc.	76,315
6,153 Gentex Corp.	54,331	7,900 Scottish & Southern Energy PLC	138,230
2,100 Hirose Electric Co., Ltd.(L)	208,958	135,600 Spectra Energy Corp.	2,134,344
7,237 Intersil Corp., Class A	66,508	27,100 Suncor Energy, Inc.(a)	520,706
1,836 Itron, Inc.(a)(L)	117,027	4,400 Suntech Power Holdings Co., Ltd. - ADR(a)(L)	51,480
2,550 Jabil Circuit, Inc.	17,212	6,776 Superior Energy Services, Inc.(a)	107,942
1,200 Keyence Corp.(L)	240,927	21,200 The Kansai Electric Power Co. Inc.	608,053
65,200 Lam Research Corp.(a)(L)	1,387,456	16,100 The Tokyo Electric Power Co. Inc.	532,819
1,210 LG Electronics, Inc.	71,857	6,110 Unisource Energy Corp.	179,390
7,725 LSI Corp.(a)	25,415	3,110 Westar Energy, Inc.(L)	63,786
3,845 MKS Instruments, Inc.(a)(L)	56,868	921 Woodward Governor Co.	21,201
852 Monolithic Power Systems, Inc.(a)	10,744		<u>25,374,801</u>
3,707 Multi-Fineline Electronix, Inc.(a)(L)	43,335	<b>Entertainment - 1.0%</b>	
5,800 Murata Manufacturing Co., Ltd.	223,298	1,564 Dreamworks Animation SKG, Inc.(a)	39,507
1,159 National Instruments Corp.	28,233	42,415 Hasbro, Inc.	1,237,246
820 Netlogic Microsystems, Inc.(a)	18,048	2,470 Marvel Entertainment, Inc.(a)(L)	75,952
844 Novellus Systems, Inc.(a)	10,415	4,654 Netflix, Inc.(a)(L)	139,108
2,971 Plexus Corp.(a)(L)	50,358	35,700 Royal Caribbean Cruises Ltd.(L)	490,875
2,767 Rambus, Inc.(a)	44,051	157,900 The Walt Disney Co.	3,582,751
390 Samsung Electronics Co., Ltd.	139,645	942 World Wrestling Entertainment, Inc.	10,437
2,634 Samsung Electronics Co., Ltd. - GDR(a)	460,950		<u>5,575,876</u>
10,900 Silicon Image, Inc.(a)	45,780	<b>Financial Services - 4.6%</b>	
1,098 Sunpower Corp.(a)	33,423	3,237 Affiliated Managers Group, Inc.(a)	135,695
1,500 Synopsis, Inc.(a)	27,780	80,100 Ameriprise Financial, Inc.	1,871,136
76,060 Taiwan Semiconductor - ADR	600,874		

The accompanying notes are an integral part of these financial statements.



**portfolio of investments (continued)**

**NEW COVENANT GROWTH FUND**  
**SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)**

Shares	Value	Shares	Value
<b>COMMON STOCKS (cont.)</b>		<b>COMMON STOCKS (cont.)</b>	
<b>Insurance (cont.)</b>		<b>Machinery &amp; Equipment (cont.)</b>	
10,740 Amerisafe, Inc.(a)	\$220,492	858 MSC Industrial Direct Co., Inc.	\$31,600
39,800 Aon Corp.	1,818,064	730 Nordson Corp.	23,572
23,120 Arch Capital Group Ltd.(a)(L)	1,620,712	2,739 Pall Corp.	77,870
1,401 Argo Group International Holdings Ltd.(a)	47,522	699 RBC Bearings, Inc.(a)	14,176
29,214 AXA	643,447	3,354 Schneider SA	247,097
43,423 Axis Capital Holdings Ltd.	1,264,478	5,600 SMC Corp.	562,162
70,600 CIGNA Corp.	1,189,610	688 TAL International Group, Inc.	9,701
4,690 Employers Holdings, Inc.	77,385	4,190 Tecumseh Products Co.(a)(L)	40,140
10,200 Everest Re Group Ltd.	776,628	2,600 Titan Machinery, Inc.(a)(L)	36,556
49,900 Humana, Inc.(a)	1,860,272	536 Valmont Industries, Inc.	32,889
6,200 Manulife Financial Corp.(a)	104,463	24,041 Westinghouse Air Brake Technologies Corp.(L)	955,630
141,900 Marsh & McLennan Cos., Inc.	3,443,913	<u>2,913,591</u>	
6,380 Max Re Capital Ltd.(L)	112,926	<b>Manufacturing - 4.1%</b>	
32,200 Millea Holdings, Inc.	916,448	1,820 A.O. Smith Corp.	53,726
1,825 Muenchener Rueckversicherungs AG	281,589	2,350 AAON, Inc.(L)	49,068
15,379 QBE Insurance Group Ltd.	276,741	13,100 Assa Abloy AB, Class B(L)	146,606
11,000 Reinsurance Group of America, Inc.(a)(L)	471,020	618 Ball Corp.	25,703
5,800 Sun Life Financial Services, Inc.(a)(L)	133,618	2,824 Church & Dwight Co., Inc.	158,483
33,500 The Chubb Corp.	1,708,500	541 Columbus McKinnon Corp.(a)	7,385
114,700 The Progressive Corp.	1,698,707	4,074 Crown Holdings, Inc.(a)	78,221
47,939 The Travelers Cos., Inc.	2,166,843	39,500 Cummins, Inc.	1,055,835
810 Transatlantic Holdings, Inc.	32,448	51,600 Danaher Corp.	2,921,076
180,000 UnumProvident Corp.	3,348,000	923 Diodes, Inc.(a)	5,593
	<u>28,280,495</u>	1,641 Donaldson Co, Inc.	55,220
<b>Internet - 1.5%</b>		88,000 Dover Corp.	2,896,960
4,261 Akamai Technologies, Inc.(a)	64,298	658 Enersys(a)	7,238
5,000 Alibaba.com Ltd.(a)(L)	3,600	3,949 Enpro Industries, Inc.(a)(L)	85,061
15,100 Amazon.com, Inc.(a)	774,328	2,020 Federal Signal Corp.	16,584
2,595 Blue Nile, Inc.(a)	63,552	12,300 Flowserve Corp.	633,450
1,637 Cybersource Corp.(a)	19,628	3,900 Force Protection, Inc.(a)	23,322
973 Digital River, Inc.(a)	24,130	52,299 Graftech International Ltd.(a)	435,128
9,000 Giant Interactive Group, Inc. - ADR(a)(L)	58,410	1,839 Greif, Inc., Class A	61,478
1,804 Global Payments, Inc.	59,153	12,130 Hankook Tire Co., Ltd.	147,345
9,200 Google, Inc., Class A(a)	2,830,380	100,200 Honeywell International, Inc.	3,289,566
6,843 GSI Commerce, Inc.(a)	71,988	1,248 Il-VI, Inc.(a)	23,824
5,500 Infospace, Inc.	41,525	24,700 Illinois Tool Works, Inc.	865,735
4,420 Insight Enterprises, Inc.(a)(L)	30,498	29,200 ITT Industries, Inc.	1,342,908
5,442 J2 Global Communications, Inc.(a)(L)	109,058	4,256 Kaydon Corp.	146,194
1,818 MercadoLibre, Inc.(a)	29,833	659 Lincoln Electric Holdings, Inc.	33,563
1,100 NHN Corp.(a)	113,533	344 Lindsay Manufacturing Co.	10,936
1,542 Omniture, Inc.(a)	16,407	555 Matthews International Corp.	20,357
3,520 Overstock.com, Inc.(a)(L)	37,946	1,510 Microsemi Corp.(a)	19,086
2,700 PetMed Express, Inc.(a)(L)	47,601	940 NACCO Industries, Inc.(L)	35,165
86,200 Softbank Corp.	1,524,309	56,000 Nippon Sheet Glass Co., Ltd.(L)	179,768
742 Sohu.com, Inc.(a)	35,126	128,217 ON Semiconductor Corp.(a)	435,938
149,400 Symantec Corp.(a)	2,019,888	2,490 Packaging Corp of America(L)	33,515
1,763 ValueClick, Inc.(a)	12,059	105,150 Parker Hannifin Corp.	4,473,081
47,600 VeriSign, Inc.(a)(L)	908,208	41,000 Precision Castparts Corp.	2,438,680
1,226 Websense, Inc.(a)	18,353	3,044 Robbins & Myers, Inc.	49,221
	<u>8,913,811</u>	695 Silgan Holdings, Inc.	33,228
<b>Lodging - 0.2%</b>		914 Silicon Laboratories, Inc.(a)	22,649
5,100 Accor SA	248,903	36,635 Skyworks Solutions, Inc.(a)(L)	202,958
108,000 Shangri-La Asia Ltd.(L)	124,162	122,000 Sumitomo Metal Industries, Ltd.	292,046
80,100 Sunstone Hotel Investors Inc.(L)	495,819	3,070 Sun Hydraulics Corp.(L)	57,839
	<u>868,884</u>	22,600 Timken Co.(L)	443,638
<b>Machinery &amp; Equipment - 0.5%</b>		954 Titan International, Inc.	7,871
1,585 Altra Holdings, Inc.(a)	12,537	11,230 Trimas Corp.(a)	15,497
504 Badger Meter, Inc.	14,626	10,900 United States Steel Corp.	405,480
2,654 Chart Industries, Inc.(a)	28,212	2,301 Waters Corp.(a)	84,332
1,150 CIRCOR International, Inc.(L)	31,625	1,068 Zebra Technologies Corp.(a)	21,638
682 Clarcor, Inc.	22,629	<u>23,848,195</u>	
1,300 Gardner Denver, Inc.(a)	30,342	<b>Media - 2.0%</b>	
1,389 Graco, Inc.	32,961	4,692 Arbitron, Inc.	62,310
2,004 IDEX Corp.	48,396	872 Central European Media Enterprises(a)	18,940
7,200 Joy Global, Inc.(L)	164,808	132,400 Comcast Corp., Class A	2,234,912
55,676 Manitowoc Co., Inc.	482,154	845 CTC Media, Inc.(a)	4,056
510 Middleby Corp.(a)	13,908	92,000 DIRECTV Group, Inc.(a)	2,107,720

The accompanying notes are an integral part of these financial statements.





# portfolio of investments (continued)

## NEW COVENANT GROWTH FUND SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)

Shares	Value	Shares	Value
<b>COMMON STOCKS (cont.)</b>		<b>COMMON STOCKS (cont.)</b>	
<b>Real Estate (cont.)</b>		<b>Schools - 0.7%</b>	
1,133 Digital Realty Trust, Inc.	\$37,219	1,090 American Public Education, Inc.(a)	\$40,537
125 Essex Property Trust, Inc.	9,594	28,000 Apollo Group, Inc., Class A(a)	2,145,360
1,720 Forest City Enterprises, Inc.	11,524	2,280 Corinthian Colleges, Inc.(a)	37,324
1,620 Hatteras Financial Corp.	43,092	1,650 Devry, Inc.	94,726
2,889 Health Care REIT, Inc.	121,916	18,248 ITT Educational Services, Inc.(a)(L)	1,733,195
47,230 Liberty Property Trust	1,078,261		<u>4,051,142</u>
161,000 Link REIT	265,903	<b>Technology - 1.4%</b>	
669 Nationwide Health Properties, Inc.	19,214	935 ADTRAN, Inc.	13,913
911 Omega Healthcare Investors, Inc.	14,549	2,111 AECOM Technology Corp.(a)	64,871
617 Rayonier, Inc.	19,343	6,400 Canon, Inc.	195,565
136,000 SP Setia Berhad	121,850	1,674 CommScope, Inc.(a)	26,014
905 Tanger Factory Outlet Centers, Inc.	34,046	1,046 Data Domain, Inc.(a)	19,665
35,188 Taubman Centers, Inc.(L)	895,886	1,538 Diebold, Inc.	43,202
1,567 The St. Joe Co.(a)	38,109	414 Digimarc Corp.(a)	4,148
787 Ventas, Inc.	26,420	1,950 El Paso Electric Co.(a)	35,276
	<u>5,026,966</u>	105,600 Ingram Micro, Inc.(a)	1,413,984
<b>Restaurants - 0.2%</b>		114,990 Intel Corp.	1,685,753
1,639 Burger King Holdings, Inc.	39,139	1,700 Interdigital, Inc.(a)	46,750
3,555 Chipotle Mexican Grill, Inc., Class A(a)	220,339	2,610 JDA Software Group, Inc.(a)	34,269
19,800 McDonald's Corp.	1,231,362	38,200 Juniper Networks, Inc.(a)(L)	668,882
735 Papa John's International, Inc.(a)	13,546	757 Life Technologies Corp.(a)	17,646
10,910 The Cheesecake Factory(a)	110,191	769 Luminex Corp.(a)	16,426
4,411 Wendy's Arby's Group, Inc.	21,791	88,300 Maxim Integrated Products, Inc.	1,008,386
	<u>1,636,368</u>	56,400 National Semiconductor Corp.(L)	567,948
<b>Retail - 3.7%</b>		2,844 Polypore International, Inc.(a)	21,501
2,177 Advance Auto Parts	73,256	652 ScanSource, Inc.(a)	12,564
43,300 Aeon Co Ltd.	426,074	41,700 United Technologies Corp.	2,235,120
1,349 Aeropostale, Inc.(a)	21,719	11,858 Universal Display Corp.(a)	112,058
1,862 American Eagle Outfitters	17,428		<u>8,243,941</u>
174 Bebe Stores, Inc.	1,300	<b>Telecommunications - 4.9%</b>	
34,847 Big Lots, Inc.(a)(L)	504,933	2,204 Alaska Communications Systems Group, Inc.	20,673
76,740 BJ's Wholesale Club, Inc.(a)	2,629,112	38,400 America Movil SA, Series L - ADR	1,190,016
3,971 Carmax, Inc.(a)	31,292	311,547 AT&T, Inc.	8,879,089
1,390 Carter's, Inc.(a)(L)	26,771	1,800 Atlantic Tele-Network, Inc.	47,790
23,035 Chico's FAS, Inc.(a)	96,286	21,600 BCE, Inc.	439,699
1,950 Citi Trends, Inc.(a)	28,704	42,500 Broadcom Corp.(a)	721,225
2,870 Collective Brands, Inc.(a)	33,636	62,000 CenturyTel, Inc.(L)	1,694,460
3,054 Dick's Sporting Goods, Inc.(a)	43,092	22,000 China Mobile Ltd.	220,846
1,889 Dollar Tree, Inc.(a)	78,960	22,501 Chunghwa Telecom Co Ltd - ADR	351,016
215,200 Gap, Inc.	2,881,528	11,837 Clearwire Corp.(a)	58,356
2,100 Genesco, Inc.(a)	35,532	680 Comtech Telecommunications Corp.(a)	31,158
427,000 GOME Electrical Appliances Holdings Ltd.(a)	46,721	2,344 Frontier Communications Corp.	20,486
4,041 J. Crew Group, Inc.(a)	49,300	563 Global Crossing Ltd.(a)	4,470
8,560 Jo-Ann Stores, Inc.(a)(L)	132,594	786 Iowa Telecomm Services, Inc.	11,224
4,106 Lululemon Athletica, Inc.(a)	32,561	2,627 JDS Uniphase Corp.(a)	9,588
80,750 OfficeMax, Inc.(L)	616,930	23,800 LG Telecom Ltd.	187,634
1,077 O'Reilly Automotive, Inc.(a)	33,107	45,100 Magyar Telekom PLC	126,620
2,637 PetSmart, Inc.	48,653	2,400 Mobile Tele Systems - ADR(a)	64,032
1,900 Regis Corp.	27,607	7,600 Mobinil	202,520
4,850 Rent-A-Center, Inc.(a)	85,603	1,294 Neustar, Inc.(a)	24,754
3,298 Ross Stores, Inc.	98,050	1,772 NTELOS Holding Corp.(L)	43,697
2,200 Shimamura Co., Ltd.	167,700	597 NTT DoCoMo, Inc.	1,161,730
4,400 Shoppers Drug Mart Corp.(L)	171,260	11,982 Polycom, Inc.(a)	161,877
81,400 Staples, Inc.	1,458,688	1,401 Premiere Global Services, Inc.(a)	12,063
79,800 Tesco PLC	413,038	82,000 Qualcomm, Inc.	2,938,060
23,390 The Wet Seal, Inc.(a)(L)	69,468	97,200 Royal KPN NV	1,402,469
5,327 Tiffany & Co.	125,877	3,216 SBA Communications Corp.(a)	52,485
79,700 TJX Cos., Inc.(L)	1,639,429	89,575 Singapore Telecommunications Ltd.	158,540
2,530 True Religion Apparel, Inc.(a)(L)	31,473	3,500 Starent Networks Corp.(a)(L)	41,755
6,279 Urban Outfitters, Inc.(a)	94,059	517 Swisscom AG	164,910
59,300 Walgreen Co.	1,462,931	3,910 Syniverse Holdings, Inc.(a)(L)	46,685
224,300 Walmart De Mexico SA	599,278	3,600 Tele Norte Leste Participacoes SA	50,112
125,200 Wal-Mart Stores, Inc.	7,018,712	3,900 Telecommunication Systems, Inc.(a)(L)	33,501
7,666 Whole Foods Market, Inc.	72,367	17,600 Telefonaktiebolaget LM Ericsson - ADR	137,456
10,772 Williams-Sonoma, Inc.	84,668	189,200 Telefonaktiebolaget LM Ericsson, Class B(L)	1,406,807
	<u>21,509,697</u>		

The accompanying notes are an integral part of these financial statements.

**portfolio of investments (continued)**

**NEW COVENANT GROWTH FUND**  
**SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)**

Shares	Value	Principal Amount	Value
<b>COMMON STOCKS (cont.)</b>		<b>CORPORATE BOND - 0.1%</b>	
<b>Telecommunications (cont.)</b>		\$707,000	Suzlon Energy Ltd. (0.00%), 06/12/2012 <u>\$263,058</u>
9,203	Telefonica de Espana		<b>Total Corporate Bond</b>
56,400	Telefonos de Mexico SA - ADR	1,181,016	(Cost \$745,228) <u>263,058</u>
16,950	Telekomunikacija	107,632	
103,000	Telekomunikasi Indonesia(a)	65,202	<b>CASH EQUIVALENT - 3.0%</b>
46,000	Telenor ASA	304,166	17,442,058 JP Morgan Cash Trade Execution <u>17,442,058</u>
79,500	Telmex Internacional S.A.B. DE CV - ADR(L)	903,120	<b>Total Cash Equivalent</b>
104,800	Telstra Corp., Ltd.	279,845	(Cost \$17,442,058) <u>17,442,058</u>
3,178	TW Telecom, Inc.(a)	26,918	
4,700	USA Mobility, Inc.	54,379	<b>INVESTMENTS HELD AS COLLATERAL FOR LOANED SECURITIES - 9.1%</b>
78,400	Verizon Communications, Inc.	2,657,760	2,500,000 Bayerische Landesbank, 2.25%, 01/12/09(c) <u>2,502,112</u>
110,784	Vodafone Group PLC	221,399	522,180 BSABS 06-HE5 A1 ABS, 0.52%, 01/26/09(c) <u>504,353</u>
		<u>28,122,003</u>	6,000,000 Citigroup Funding Inc. MTN, 0.41%, 06/01/09(c) <u>5,891,352</u>
<b>Transportation - 2.2%</b>			6,000,000 Goldman Sachs Group, Inc. MTN, 0.17%, 02/13/09(c) <u>5,980,056</u>
1,750	Alaska Air Group, Inc.(a)(L)	51,187	2,008,501 GSAA ABS, 0.56%, 01/26/09(c) <u>1,276,537</u>
3,697	AMR Corp.(a)	39,447	22,065,834 JP Morgan Prime Money Market Fund, 281,912 Long Beach Mortgage Loan Trust ABS, 0.51%, 01/16/09(c) <u>270,696</u>
26,000	Burlington Northern Santa Fe Corp.	1,968,460	7,000,000 Monumental Global Funding II MTN, 0.20%, 05/26/10(c) <u>6,022,117</u>
7,700	Celadon Group, Inc.(a)(L)	65,681	2,500,000 Raiffeisen Centrobank AG, 1.75%, 01/20/09 <u>2,502,508</u>
1,174	Eagle Bulk Shipping, Inc.	8,007	3,000,000 Santander U.S. Debt SA MTN, 2.87%, 11/20/09(c) <u>2,961,714</u>
54	East Japan Railway Co.	410,436	2,500,000 Wachovia Bank N.A. Bank MTN, 7.14%, 08/10/09(c) <u>2,456,233</u>
19,100	Expeditors International of Washington, Inc.	635,457	<b>Total Investments Held As Collateral For Loaned Securities</b>
708	Forward Air Corp.	17,183	(Cost \$54,378,427) <u>52,433,512</u>
756	Genco Shipping & Trading Ltd.	11,189	
577	Genesee & Wyoming, Inc.(a)	17,598	<b>TOTAL INVESTMENTS — 109.3%</b>
42,000	Hankyu Holdings, Inc.	239,537	(Cost \$754,729,768) <u>\$631,803,504</u>
5,000	Hawaiian Holdings, Inc.(a)(L)	31,900	<b>Liabilities in excess of other assets — (9.3)%</b>
4,623	HUB Group, Inc., Class A(a)	122,648	(53,549,599)
83,792	J.B. Hunt Transport Services, Inc.(L)	2,201,216	<b>TOTAL NET ASSETS — 100.00%</b>
1,827	Kansas City Southern(a)	34,804	<u>\$578,253,905</u>
870	Kirby Corp.(a)	23,803	
973	Knight Transportation, Inc.	15,685	(a) Non-income producing security.
2,099	Landstar System, Inc.	80,665	(b) Security exempt from registration under Rule 144A of the Securities Act of 1933 or otherwise restricted as to resale. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. The Adviser, using procedures approved by the Board of Trustees, has deemed these securities to be liquid.
12,600	Norfolk Southern Corp.	592,830	(c) Variable or Floating Rate Security. Rate disclosed is as of December 31, 2008.
700	Overseas Shipholding Group, Inc.	29,477	(L) A portion or all of the security is on loan.
598	Ryder System, Inc.	23,190	ABS Asset Backed Security
866	Ship Finance International Ltd.	9,569	ADR American Depository Receipt
302,100	Southwest Airlines Co.	2,604,102	GDR Global Depository Receipt
1,464	UTI Worldwide, Inc.	20,994	MTN Medium Term Note
29,126	Veolia Environnement	898,801	PLC Public Liability Company
121,200	Werner Enterprises, Inc.	2,101,608	
23,000	Yamato Holdings Co., Ltd.	294,319	
		<u>12,549,793</u>	
<b>Waste Management - 0.4%</b>			
775	American Ecology Corp.	15,679	
3,544	Covanta Holding Corp.(a)	77,826	
9,506	Darling International, Inc.(a)	52,188	
1,330	Waste Connections, Inc.(a)	41,988	
70,400	Waste Management, Inc.	2,333,056	
		<u>2,520,737</u>	
<b>Total Common Stocks</b>			
(Cost \$666,201,043)		<u>545,954,713</u>	
<b>INVESTMENT COMPANIES - 2.7%</b>			
7,300	BioMed Realty Trust, Inc.	85,556	
597	Federal Realty Investment Trust	37,062	
40,600	iShares Russell 1000 Index Fund	1,988,588	
16,220	iShares Russell 2000 Index Fund	799,159	
139,800	SPDR Trust Series I	12,615,552	
	<b>Total Investment Companies</b>	<u>15,525,917</u>	
(Cost \$15,703,661)			
<b>PREFERRED STOCK - 0.0%</b>			
17,300	Vale Rio Doce	184,245	
	<b>Total Preferred Stock</b>	<u>184,245</u>	
(Cost \$259,351)			

The accompanying notes are an integral part of these financial statements.

portfolio of investments (continued)

NEW COVENANT INCOME FUND  
SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)

Principal Amount		Value	Principal Amount	Value
<b>ASSET BACKED SECURITIES - 1.7%</b>				
\$575,000	Lehman XS Trust 2005-1 3A3A, 5.11%, 07/25/35	\$289,530		
565,000	Lehman XS Trust 2005-6 3A3A, 5.76%, 11/25/35	258,992		
2,420,000	Lehman XS Trust 2006-5 2A4A, 5.89%, 04/25/36	1,675,565		
4,850,819	Master Asset Backed Securities 2005-ABI, 5.23%, 11/25/35	4,219,926		
	<b>Total Asset Backed Securities</b> (Cost \$8,387,796)	<u>6,444,013</u>		
<b>CORPORATE BONDS - 31.3%</b>				
1,650,000	Abbott Laboratories, 5.88%, 05/15/16	1,789,745		
3,600,000	American International Group, Inc., 4.70%, 10/01/10	3,181,788		
2,150,000	American Water Capital Corp., 6.09%, 10/15/17	1,875,787		
3,700,000	Amgen, Inc., 5.85%, 06/01/17	3,827,472		
3,100,000	Arcelormittal Sa Luxembourg, 5.38%, 06/01/13	2,339,995		
2,500,000	AstraZeneca Plc, 5.40%, 09/15/12	2,642,425		
3,600,000	AT&T Wireless Services, Inc., 8.13%, 05/01/12	3,863,336		
2,800,000	Bank of America Commercial Mortgage, 5.30%, 03/15/17	2,663,004		
3,200,000	BP Capital Markets, LLC, 5.25%, 11/07/13	3,344,153		
2,800,000	BRE Properties, Inc., 5.50%, 03/15/17	1,428,224		
3,800,000	Burlington Northern Santa Fe Corp., 6.75%, 07/15/11	3,864,843		
2,800,000	Carolina Power & Light Co., 6.50%, 07/15/12	2,759,243		
850,000	Citigroup, Inc., 5.50%, 08/27/12	825,779		
2,285,000	Citigroup, Inc., 6.13%, 11/21/17	2,313,005		
2,850,000	Comcast Cable Communications, Inc., 6.75%, 01/30/11	2,862,198		
2,500,000	Covidien Ltd., 5.45%, 10/15/12	2,447,985		
1,150,000	Credit Suisse, 6.00%, 02/15/18	1,057,871		
1,125,000	Eaton Vance Corp., 6.50%, 10/02/17	998,452		
2,775,000	ERP Operating LP, 5.75%, 06/15/17	1,918,344		
1,000,000	Federated Retail Holdings, Inc., 5.90%, 12/01/16	607,949		
1,732,748	FedEx Corp., 6.72%, 07/15/23	1,667,389		
3,700,000	Fifth Third Bancorp, 6.25%, 05/01/13(L)	3,434,925		
1,950,000	Firststar Bank, 7.13%, 12/01/09	1,969,947		
4,100,000	General Electric Capital Corp., 6.13%, 02/22/11	4,245,599		
3,350,000	General Mills, Inc., 6.00%, 02/15/12	3,477,635		
875,000	GlaxoSmithKline Plc, 4.85%, 05/15/13	878,529		
3,100,000	Goldman Sachs Group, Inc., 5.30%, 02/14/12	2,927,972		
3,000,000	Goldman Sachs Group, Inc., 5.95%, 01/18/18	2,849,376		
2,500,000	Home Depot, Inc., 5.40%, 03/01/16	2,240,515		
1,500,000	HSBC Finance Corp., 4.13%, 11/16/09	1,486,503		
750,000	HSBC Finance Corp., 6.75%, 05/15/11	747,151		
3,700,000	International Business Machines Corp., 7.63%, 10/15/18	4,444,962		
3,300,000	International Lease Finance Corp., 6.38%, 03/25/13	2,243,561		
1,750,000	Kinder Morgan Energy Partners LP, 7.40%, 03/15/31	1,504,157		
1,000,000	Kraft Foods, Inc., 6.13%, 08/23/18	987,645		
2,100,000	May Department Stores Co., 7.45%, 09/15/11	1,650,692		
1,600,000	Merrill Lynch & Co., 4.13%, 09/10/09	1,586,389		
3,450,000	Merrill Lynch & Co., 6.50%, 08/15/12	3,406,416		
3,250,000	MetLife, Inc., 5.00%, 06/15/15	3,048,347		
3,400,000	Morgan Stanley, 5.63%, 01/09/12	3,226,423		
2,900,000	Morgan Stanley, 5.95%, 12/28/17	2,410,906		
<b>CORPORATE BONDS (cont.)</b>				
\$1,250,000	National City Corp., 4.50%, 03/15/10	\$1,203,870		
2,375,000	National City Corp., 6.88%, 05/15/19	1,907,650		
600,000	Nationwide Financial Services, Inc., 5.90%, 07/01/12	542,981		
1,500,000	PepsiCo, Inc., 7.90%, 11/01/18	1,841,756		
725,000	PNC Funding Corp., 5.50%, 09/28/12	735,093		
2,630,000	PNC Funding Corp., 6.13%, 02/15/09	2,637,322		
2,100,000	Prudential Financial, Inc., 6.10%, 06/15/17	1,724,717		
2,500,000	Rio Tinto Ltd, 5.88%, 07/15/13	1,993,148		
2,000,000	SunTrust Banks, Inc., 4.25%, 10/15/09	1,981,300		
600,000	SunTrust Banks, Inc., 5.25%, 11/05/12	588,318		
3,175,000	Time Warner, Inc., 6.88%, 05/01/12	3,052,423		
1,732,000	Verizon Communications, Inc., 5.88%, 01/17/12	1,706,235		
2,725,000	Vodafone Group PLC, 5.63%, 02/27/17	2,571,730		
200,000	WellPoint, Inc., 5.88%, 06/15/17	182,321		
	<b>Total Corporate Bonds</b> (Cost \$128,394,101)	<u>119,715,501</u>		
<b>MORTGAGE BACKED SECURITIES - 34.4%</b>				
3,490,000	American Home Mortgage Investment Trust 2005-2 5A4C, 5.41%, 09/25/35	2,365,391		
2,315,744	American Home Mortgage Investment Trust 2006-21A1, 5.48%, 09/25/46	1,030,506		
174,415	American Home Mortgage Investment Trust 2007-1 A1, 5.22%, 02/25/47	60,173		
4,310,000	Banc of America Commercial Mortgage 2004-3 A5, 5.32%, 06/10/39	3,792,776		
3,825,000	Banc of America Commercial Mortgage 2004-4 A6, 4.88%, 07/10/42	3,210,574		
3,230,000	Banc of America Commercial Mortgage 2005-6 AM, 5.18%, 09/10/47	1,910,805		
4,215,000	Banc of America Commercial Mortgage 2006-3, 5.81%, 07/10/44	2,189,457		
5,235,000	Banc of America Commercial Mortgage 2006-4, 0.06%, 08/10/16	2,635,168		
836,702	Banc of America Commercial Mortgage 2006-F, 5.18%, 07/20/36	565,543		
700,000	Banc of America Commercial Mortgage 2007-1, 5.45%, 01/15/49	522,030		
2,075,000	Citigroup Commercial Mortgage Trust 2007-C6, 5.70%, 12/10/49	370,913		
1,596,000	Citigroup Commercial Mortgage Trust 2008-C7, 6.10%, 12/10/49	429,109		
878,096	Citigroup Mortgage Loan Trust Inc. 2005-7, 5.18%, 11/25/35	568,284		
2,980,000	Commercial Mortgage Pass-Through Certificate 2007-C9, 5.82%, 12/10/49	2,268,987		
4,262,064	Countrywide Alternative Loan Trust 2005-50CB 1A1, 5.50%, 11/25/35	2,116,656		
2,696,274	Countrywide Alternative Loan Trust 2007-26R A1, 7.00%, 01/25/37	1,452,752		
5,229,014	Countrywide Alternative Loan Trust 2007-OA2 1A1, 5.36%, 03/25/47	1,958,789		
1,014,082	Countrywide Home Loans 2005-HYB6 4A1B, 5.37%, 10/20/35	567,311		
3,656,821	Countrywide Home Loans 2007-HY5 1A1, 5.95%, 09/25/47	1,918,566		
1,365,000	Credit Suisse First Boston Mortgage Securities Corp. 2003-C3 A5, 3.94%, 05/15/38	1,164,227		
1,540,000	Credit Suisse First Boston Mortgage Securities Corp. 2005-C1 A4, 5.01%, 02/15/38	1,282,882		
1,825,000	Credit Suisse First Boston Mortgage Securities Corp. 2007-4R 1A1, 5.70%, 10/26/36	907,937		
1,205,000	Credit Suisse Mortgage Capital Certificate 2006-C1 AM, 5.55%, 02/15/39	627,109		
6,060,000	Credit Suisse Mortgage Capital Certificate 2006-C4 A3, 5.47%, 09/15/39	4,477,716		

The accompanying notes are an integral part of these financial statements.

portfolio of investments (continued)

NEW COVENANT INCOME FUND  
SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)

Principal Amount		Value	Principal Amount		Value
<b>MORTGAGE BACKED SECURITIES (cont.)</b>			<b>MORTGAGE BACKED SECURITIES (cont.)</b>		
\$4,585,000	Deutsche ALTA Securities, Inc. Mortgage Loan Trust 005-3 5A5, 5.25%, 06/25/35	\$3,383,719	\$2,071,281	PHH Alternative Mortgage Trust 2007-1 21A, 6.00%, 02/25/37	\$996,269
357,740	Deutsche ALTA Securities, Inc. Mortgage Loan Trust 2007-OA2, 3.25%, 04/25/47	158,908	790,232	Residential Funding Mortgage Securities I 2006-SA2 2A1, 5.85%, 08/25/36	397,708
1,149,876	First Horizon Mortgage Trust, 2007-AR2, 5.89%, 07/25/37	699,408	3,264,611	Structured Adjustable Rate Mortgage Loan 2007-3 3A1, 5.72%, 04/25/37	1,582,663
1,370,000	General Electric Capital Commercial Mortgage Corp., 4.60%, 11/10/38	1,176,583	2,554,023	TBW Mortgage Backed Pass-Through Certificate 2006-2 7A1, 7.00%, 07/25/36	1,267,824
1,230,000	GMAC Commercial Mortgage Securities 2004-C2 A4, 5.30%, 08/10/38	1,054,865	4,995,000	Wachovia Bank Commercial Mortgage Trust 2004-C11, 5.22%, 01/15/41	4,202,947
3,220,000	Goldman Sachs Mortgage Securities Corp. 2007-GG10 A2, 5.78%, 08/10/45	2,457,088	4,885,000	Wachovia Bank Commercial Mortgage Trust 2004-C12 A4, 5.41%, 07/15/41	4,120,230
1,235,000	Goldman Sachs Mortgage Securities Corp. 2007-GG10 A4, 5.99%, 08/10/45	900,128	3,669,395	Wachovia Mortgage Loan Trust LLC 2006-A 3A1, 5.24%, 05/20/36	2,839,460
1,243,032	GSAA Home Equity Trust 2007-5, 2.49%, 05/25/37	660,789	4,051,278	Washington Mutual Mortgage Pass-Through Certificates 2005-AR3 4.64%, 03/25/35	2,782,692
1,470,511	GSAA Home Equity Trust 2007-10 A1A, 6.00%, 11/25/37	780,400	4,130,000	Washington Mutual Mortgage Pass-Through Certificates 2005-AR5, 4.68%, 05/25/35	2,594,318
1,184,008	GSAA Home Equity Trust 2007-10 A1A, 6.50%, 11/25/37	556,456	3,349,000	Washington Mutual Mortgage Pass-Through Certificates 2006-AR2, 5.75%, 10/25/36	1,898,338
3,625,557	HSI Home Loan Obligation 2007-AR2 2A1, 6.00%, 09/25/37	1,880,432	2,019,784	Washington Mutual Mortgage Pass-Through Certificates 2006-AR2, 5.27%, 04/25/46	900,420
3,638,294	Indymac Index Mortgage Loan Trust 2006-AR11, 5.83%, 06/25/36	1,675,207	1,135,354	Washington Mutual Mortgage Pass-Through Certificates 2006-AR3, 5.30%, 05/25/46	501,826
3,098,514	JP Morgan Chase Adjustable Rate Mortgage Trust 2007-5, 5.80%, 08/25/47	1,525,762	451,776	Washington Mutual Mortgage Pass-Through Certificates 2006-AR8, 5.18%, 10/25/46	134,991
5,445,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2004-CB9 A4, 5.39%, 06/12/41	4,618,537	546,227	Washington Mutual Mortgage Pass-Through Certificates 2006-AR9, 5.17%, 11/25/46	205,217
1,200,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2006-LDP7 A4, 6.07%, 04/15/45	961,108	3,557,302	Washington Mutual Mortgage Pass-Through Certificates 2006-AR17, 5.57%, 12/25/2046	1,029,839
2,125,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2006-LPD8 B, 5.52%, 05/15/45	450,670	4,820,727	Washington Mutual Mortgage Pass-Through Certificates 2007-HY3, 5.35%, 08/25/36	2,763,801
4,270,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2006-LDP9 A4, 5.34%, 05/15/47	3,216,209	2,971,908	Washington Mutual Mortgage Pass-Through Certificates 2007-HY5, 5.34%, 05/25/37	1,745,345
1,305,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-CIBC18, 5.44%, 06/12/47	945,701	9,102,006	Washington Mutual Mortgage Pass-Through Certificates 2007-HY6, 5.70%, 06/25/37	4,470,453
1,565,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-LDPI1 A4, 6.01%, 06/15/49	1,110,273	1,736,399	Washington Mutual Mortgage Pass-Through Certificates 2007-HY6, 5.71%, 06/25/37	902,827
3,880,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-LDP12, 5.83%, 02/15/51	3,036,725	1,059,666	Washington Mutual Mortgage Pass-Through Certificates 2007-HY7, 5.91%, 07/25/37	559,203
4,165,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-LD12 A4, 5.88%, 02/15/51	2,975,184	852,275	Washington Mutual Mortgage Pass-Through Certificates 2007-OA3, 5.10%, 04/25/47	170,455
1,470,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-PWR18, 6.21%, 06/11/50	398,992	1,108,514	Washington Mutual Mortgage Pass-Through Certificates 2007-OA4, 5.09%, 04/25/47	221,703
4,364,000	LB-UBS Commercial Mortgage Trust 2004-C7 A6, 4.79%, 10/15/29	3,502,034	894,604	Washington Mutual Mortgage Pass-Through Certificates 2007-OA5, 5.78%, 06/25/47	178,921
3,770,000	LB-UBS Commercial Mortgage Trust 2006-C6 AM, 0.05%, 09/15/36	1,840,115	1,601,602	Washington Mutual Mortgage Pass-Through Certificates 2007-OA6, 5.14%, 07/25/47	677,318
2,440,012	Master Adjustable Rate Mortgage 2006-OA2 4A1B, 5.72%, 12/25/46	782,512	4,053,834	Wells Fargo Mortgage Backed Securities Trust 2006-AR10 5A1, 5.60%, 07/25/36	2,302,781
1,395,642	Master Reperforming Loan Trust 2006-2 1A1, 5.90%, 05/25/36(a)	1,172,339	5,320,000	Wells Fargo Mortgage Backed Securities Trust 2006-AR7 2A5, 5.61%, 05/25/36	3,239,626
565,000	Merrill Lynch/Countrywide Commercial Mortgage Trust 2006-4 A3, 5.17%, 12/12/49	426,635		<b>Total Mortgage Backed Securities</b> (Cost \$208,024,444)	<u>131,506,110</u>
2,145,000	Morgan Stanley Capital I, 2004-IQ7, 5.41%, 06/15/38	1,869,036			
5,945,000	Morgan Stanley Capital I, 2004-IQ15 A-4, 5.88%, 06/11/49	4,423,435			
3,050,000	Morgan Stanley Mortgage Loan Trust 2006-7 5A2, 5.96%, 06/25/36	1,595,526			
560,000	Nomura Asset Acceptance Corp. 2006-AF2 1A4, 6.41%, 05/25/36	190,498			

The accompanying notes are an integral part of these financial statements.

portfolio of investments (continued)

NEW COVENANT INCOME FUND  
SCHEDULE OF INVESTMENTS at December 31, 2008 (Unaudited)

Principal Amount		Value	Principal Amount or Shares	Value
<b>U.S. GOVERNMENT AGENCIES - 24.6%</b>				
<b>Fannie Mae</b>				
\$2,044,437	7.56%, 12/01/10	\$2,119,717		
7,563,884	6.41%, 01/01/11	7,862,171		
1,877,140	6.70%, 01/01/11	1,955,523		
4,505,824	5.90%, 04/01/11	4,688,209		
1,415,929	6.09%, 05/01/11	1,474,655		
1,262,626	6.52%, 05/01/11	1,318,954		
2,745,000	6.28%, 08/01/11	2,877,871		
2,633,575	6.13%, 10/01/11	2,756,576		
1,417,291	6.01%, 11/01/11	1,476,805		
5,484,912	5.71%, 02/01/12	5,769,205		
1,514,626	5.78%, 07/01/12	1,583,578		
1,928,308	5.77%, 06/01/13	2,029,814		
2,000,000	5.52%, 05/01/17	2,101,066		
774,714	6.50%, 08/01/17	805,080		
2,587,626	5.00%, 01/01/21	2,671,666		
855,000	5.00%, 03/25/32	874,391		
960,000	4.50%, 07/25/33	968,215		
4,935,000	5.00%, 04/25/34	4,979,199		
3,546,673	5.50%, 12/25/34	3,670,432		
995,885	5.44%, 01/01/36	996,537		
758,037	5.48%, 03/01/36	775,712		
2,824,475	5.90%, 07/25/42	2,891,015		
		<u>56,646,391</u>		
<b>Freddie Mac</b>				
1,943,147	4.50%, 07/15/16	1,970,179		
4,150,000	5.00%, 02/15/20	4,250,595		
3,030,397	5.00%, 12/01/20	3,119,347		
5,270,000	5.00%, 08/15/31	5,405,277		
1,230,000	5.00%, 03/15/32	1,258,739		
4,150,000	5.00%, 06/15/33	4,152,840		
3,395,000	5.00%, 03/15/34	3,427,298		
3,859,999	5.00%, 04/01/38	3,949,426		
2,285,000	5.00%, 08/01/38	2,337,938		
7,264,999	5.00%, 12/01/38	7,436,507		
		<u>37,308,146</u>		
<b>Total U.S. Government Agencies</b>				
(Cost \$90,566,315)		<u>93,954,537</u>		
<b>CLOSED-END INVESTMENT COMPANIES - 1.6%</b>				
156,000	BlackRock Income Trust	917,280		
25,300	First Trust/FIDAC Mortgage Income Fund	418,968		
49,589	MFS Government Markets Income Trust	391,753		
297,100	MFS Intermediate Income Trust	1,856,875		
76,216	Putnam Master Intermediate Income Trust(L)	308,675		
221,136	Putnam Premier Income Trust(L)	855,796		
73,600	Western Asset/Claymore US Treasury Fund	772,064		
72,500	Western Asset/Claymore US Treasury Inflation Protected Securites Fund 2(L)	783,000		
<b>Total Closed-End Investment Companies</b>				
(Cost \$6,897,603)		<u>6,304,411</u>		
<b>CASH EQUIVALENT - 5.6%</b>				
21,102,558	JP Morgan Cash Trade Execution	21,102,558		
<b>Total Cash Equivalent</b>				
(Cost \$21,102,558)		<u>21,102,558</u>		
<b>INVESTMENTS HELD AS COLLATERAL FOR LOANED SECURITIES - 1.2%</b>				
	190,985 CVL 2006-14 2AI ABS, 0.52%, 02/02/09(b)			\$190,985
	2,474,390 JP Morgan Prime Money Market Fund,			2,474,390
	2,000,000 Santander U.S. Debt SA MTN, 2.26%, 11/20/09(b)			<u>2,000,000</u>
				<u>4,665,375</u>
<b>Total Investments Held As Collateral For Loaned Securities</b>				
(Cost \$4,665,375)				<u>4,665,375</u>
<b>TOTAL INVESTMENTS — 100.4%</b>				
(Cost \$468,038,192)				\$383,692,505
<b>Liabilities in excess of other assets — (0.4)%</b>				<u>(1,537,714)</u>
<b>TOTAL NET ASSETS — 100.00%</b>				<u>\$382,154,791</u>
<p>(a) Security exempt from registration under Rule 144A of the Securities Act of 1933 or otherwise restricted as to resale. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. The Adviser, using procedures approved by the Board of Trustees, has deemed these securities to be liquid.</p> <p>(b) Variable or Floating Rate Security. Rate disclosed is as of December 31, 2008.</p> <p>(L) A portion or all of the security is on loan.</p> <p>ABS Asset Backed Security LP Limited Partnership MTN Medium Term Note PLC Public Liability Company</p>				

**portfolio of investments (continued)**

**NEW COVENANT BALANCED GROWTH FUND**  
**SCHEDULE OF INVESTMENTS at December 31, 2008**  
(Unaudited)

Shares		Value
<b>INVESTMENT COMPANIES - 98.7%:</b>		
6,253,105	New Covenant Growth Fund(a)	\$135,379,728
4,098,995	New Covenant Income Fund(a)	<u>83,373,563</u>
	<b>Total Investment Companies</b> (Cost \$267,013,097)	<u>218,753,291</u>
<b>CASH EQUIVALENTS - 1.4%:</b>		
3,045,071	JP Morgan Cash Trade Execution	<u>3,045,071</u>
	<b>Total Cash Equivalents</b> (Cost \$3,045,071)	<u>3,045,071</u>
	<b>TOTAL INVESTMENTS — 100.1%</b> (Cost \$270,058,168)	221,798,362
	<b>Liabilities in Excess of Other Assets — (0.1)%</b>	<u>(179,845)</u>
	<b>NET ASSETS — 100.00%</b>	<u>\$221,618,517</u>

(a) Investment in affiliate.

**NEW COVENANT BALANCED INCOME FUND**  
**SCHEDULE OF INVESTMENTS at December 31, 2008**  
(Unaudited)

Shares		Value
<b>INVESTMENT COMPANIES - 97.4%:</b>		
1,298,715	New Covenant Growth Fund(a)	\$28,117,183
2,346,863	New Covenant Income Fund(a)	<u>47,735,201</u>
	<b>Total Investment Companies</b> (Cost \$88,559,134)	<u>75,852,384</u>
<b>CASH EQUIVALENTS - 2.6%:</b>		
2,071,354	JP Morgan Cash Trade Execution	<u>2,071,354</u>
	<b>Total Cash Equivalents</b> (Cost \$2,071,354)	<u>2,071,354</u>
	<b>TOTAL INVESTMENTS — 100.0%</b> (Cost \$90,630,488)	\$77,923,738
	<b>Liabilities in Excess of Other Assets — (0.0)%</b>	<u>(27,498)</u>
	<b>NET ASSETS — 100.00%</b>	<u>\$77,896,240</u>

(a) Investment in affiliate.

# statements of assets and liabilities

## NEW COVENANT FUNDS December 31, 2008 (Unaudited)

	Growth Fund	Income Fund	Balanced Growth Fund	Balanced Income Fund
<b>ASSETS:</b>				
Investments, at value (Cost \$754,729,768, \$468,038,192, \$3,045,071 and \$2,071,354, respectively)(a) . . . . .	\$631,803,504	\$383,692,505	\$3,045,071	\$2,071,354
Investments in affiliates, at value (Cost \$0, \$0, \$267,013,097 and \$88,559,134, respectively) . . . . .	—	—	218,753,291	75,852,384
Foreign currency, at value (cost \$645,458, \$0, \$0, \$0, respectively) . . . . .	642,430	—	—	—
Interest and dividends receivable . . . . .	1,263,093	3,556,235	3,687	2,772
Receivable for capital shares issued . . . . .	—	—	1,285	—
Receivable for investments sold . . . . .	299,971	1,302,798	—	—
Receivable from Adviser . . . . .	—	—	41,358	14,998
Reclaims receivable . . . . .	16,033	—	—	—
Other receivables . . . . .	34,945	—	—	—
Prepaid expenses . . . . .	48,202	27,944	15,866	4,207
Total Assets . . . . .	<u>634,108,178</u>	<u>388,579,482</u>	<u>221,860,558</u>	<u>77,945,715</u>
<b>LIABILITIES:</b>				
Payable for investments purchased . . . . .	680,908	1,293,805	—	—
Payable for capital shares redeemed . . . . .	133,784	11,296	143,932	—
Payable for return of collateral received on securities loaned . . . . .	54,378,427	4,665,375	—	—
Cash overdraft . . . . .	84,486	273,250	—	—
Accrued expenses and other payables:				
Investment advisory, net . . . . .	356,719	60,030	—	—
Administration . . . . .	10,150	7,103	3,242	4,557
Shareholder service . . . . .	85,750	50,429	42,570	15,210
Transfer agent . . . . .	17,211	12,538	17,638	8,173
Accounting . . . . .	20,342	14,819	3,331	4,531
Chief Compliance Officer . . . . .	12,763	6,938	4,439	1,548
Other . . . . .	73,733	29,108	26,889	15,456
Total Liabilities . . . . .	<u>55,854,273</u>	<u>6,424,691</u>	<u>242,041</u>	<u>49,475</u>
<b>NET ASSETS . . . . .</b>	<b><u>\$578,253,905</u></b>	<b><u>\$382,154,791</u></b>	<b><u>\$221,618,517</u></b>	<b><u>\$77,896,240</u></b>
Capital . . . . .	812,672,642	481,187,470	289,943,031	94,788,917
Undistributed (distributions in excess of) net investment income . . . . .	(438,788)	390,686	764,062	246
Accumulated net realized losses from investment and foreign currency transactions . . . . .	(111,044,342)	(15,077,678)	(20,828,770)	(4,186,173)
Net unrealized depreciation on investment transactions and translation of assets and liabilities denominated in foreign currency . . . . .	(122,935,607)	(84,345,687)	(48,259,806)	(12,706,750)
Net assets . . . . .	<u>\$578,253,905</u>	<u>\$382,154,791</u>	<u>\$221,618,517</u>	<u>\$77,896,240</u>
Shares outstanding . . . . .	26,713,396	18,784,760	3,627,609	5,148,389
Net asset value, offering price and redemption price per share . . . . .	\$21.65	\$20.34	\$61.09	\$15.13

(a) Includes value of securities on loan of \$46,049,840, \$4,580,499, \$0 and \$0, respectively.

**NEW COVENANT FUNDS**  
For the six months ended December 31, 2008 (Unaudited)

	Growth Fund	Income Fund	Balanced Growth Fund	Balanced Income Fund
<b>INVESTMENT INCOME:</b>				
Interest . . . . .	\$126,330	\$12,848,759	\$22,839	\$15,948
Dividend . . . . .	7,211,889	285,290	—	—
Dividend income from affiliates . . . . .	—	—	3,390,404	1,573,406
Foreign tax withholding . . . . .	(82,437)	—	—	—
Income from securities lending . . . . .	293,475	36,258	—	—
Total Investment Income . . . . .	<u>7,549,257</u>	<u>13,170,307</u>	<u>3,413,243</u>	<u>1,589,354</u>
<b>EXPENSES (Note 3):</b>				
Investment advisory . . . . .	3,457,986	1,682,887	—	—
Shareholder servicing . . . . .	629,895	351,089	316,147	109,025
Other . . . . .	129,197	82,048	67,530	35,027
Custodian . . . . .	69,369	3,489	11,266	1,265
Administration . . . . .	67,883	43,613	25,471	8,589
Accounting . . . . .	46,838	30,038	15,874	11,429
Transfer agent . . . . .	29,225	19,041	40,067	16,459
Chief Compliance Officer . . . . .	15,500	9,400	5,603	1,914
Total expenses before contractual fee reductions . . . . .	<u>4,445,893</u>	<u>2,221,605</u>	<u>481,958</u>	<u>183,708</u>
Expenses contractually reduced by Adviser . . . . .	(629,895)	(355,588)	(316,147)	(109,025)
Total expenses . . . . .	<u>3,815,998</u>	<u>1,866,017</u>	<u>165,811</u>	<u>74,683</u>
<b>NET INVESTMENT INCOME</b> . . . . .	<u>3,733,259</u>	<u>11,304,290</u>	<u>3,247,432</u>	<u>1,514,671</u>
<b>REALIZED AND UNREALIZED LOSSES FROM INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS</b>				
Net realized losses on investment transactions . . . . .	(93,027,689)	(5,348,947)	(5,666,983)+	(1,967,056)+
Net realized losses on foreign currency transactions . . . . .	(32,881)	—	—	—
Net change in unrealized appreciation/depreciation on investments and foreign currency transactions . . . . .	<u>(177,264,036)</u>	<u>(64,411,706)</u>	<u>(70,435,923)</u>	<u>(18,474,710)</u>
Net realized/unrealized losses from investments and foreign currency transactions . . . . .	<u>(270,324,606)</u>	<u>(69,760,653)</u>	<u>(76,102,906)</u>	<u>(20,441,766)</u>
Change in net assets resulting from operations . . . . .	<u><u>\$(266,591,347)</u></u>	<u><u>\$(58,456,363)</u></u>	<u><u>\$(72,855,474)</u></u>	<u><u>\$(18,927,095)</u></u>

+ Represents realized gains (losses) from investment transactions with affiliates.

# statements of changes in net assets

## NEW COVENANT FUNDS

	Growth Fund		Income Fund	
	For the six months ended December 31, 2008 <sup>#</sup>	For the year ended June 30, 2008	For the six months ended December 31, 2008 <sup>#</sup>	For the year ended June 30, 2008
<b>OPERATIONS:</b>				
Net investment income . . . . .	\$3,733,259	\$6,682,015	\$11,304,290	\$24,875,128
Net realized gains (losses) from investment and foreign currency transactions . . . . .	(93,060,570)	13,400,987	(5,348,947)	(1,484,526)
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currency . . . . .	(177,264,036)	(143,982,348)	(64,411,706)	(14,848,719)
Change in net assets resulting from operations . . . . .	<u>(266,591,347)</u>	<u>(123,899,346)</u>	<u>(58,456,363)</u>	<u>8,541,883</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income . . . . .	(3,669,792)	(6,213,533)	(11,365,954)	(24,383,715)
From net realized gains on investments . . . . .	—	(50,587,280)	—	—
Tax return of capital . . . . .	—	(583,333)	—	—
Change in net assets from distributions to shareholders . . . . .	<u>(3,669,792)</u>	<u>(57,384,146)</u>	<u>(11,365,954)</u>	<u>(24,383,715)</u>
<b>CAPITAL TRANSACTIONS:</b>				
Proceeds from shares issued . . . . .	46,069,605	79,145,233	8,236,880	57,836,439
Dividends reinvested . . . . .	300,904	37,621,232	859,708	4,783,382
Cost of shares redeemed . . . . .	(33,941,818)	(132,932,426)	(53,444,814)	(87,797,578)
Change in net assets from capital transactions . . . . .	<u>12,428,691</u>	<u>(16,165,961)</u>	<u>(44,348,226)</u>	<u>(25,177,757)</u>
Change in net assets . . . . .	<u>(257,832,448)</u>	<u>(197,449,453)</u>	<u>(114,170,543)</u>	<u>(41,019,589)</u>
<b>NET ASSETS:</b>				
Beginning of period/year . . . . .	836,086,353	1,033,535,806	496,325,334	537,344,923
End of period/year . . . . .	<u>\$578,253,905</u>	<u>\$836,086,353</u>	<u>\$382,154,791</u>	<u>\$496,325,334</u>
<b>SHARE TRANSACTIONS:</b>				
Issued . . . . .	1,984,401	2,172,726	366,442	2,329,879
Reinvested . . . . .	6,293	1,063,966	41,494	194,341
Redeemed . . . . .	(1,447,983)	(3,635,350)	(2,535,465)	(3,528,009)
Net increase (decrease) . . . . .	<u>542,711</u>	<u>(398,658)</u>	<u>(2,127,529)</u>	<u>(1,003,789)</u>
Undistributed (distributions in excess of) net investment income . . . . .	<u>\$(438,788)</u>	<u>\$(502,255)</u>	<u>\$390,686</u>	<u>\$452,350</u>

# Unaudited

# statements of changes in net assets

## NEW COVENANT FUNDS

	Balanced Growth Fund		Balanced Income Fund	
	For the six months ended December 31, 2008 <sup>#</sup>	For the year ended June 30, 2008	For the six months ended December 31, 2008 <sup>#</sup>	For the year ended June 30, 2008
<b>OPERATIONS:</b>				
Net investment income . . . . .	\$3,247,432	\$6,889,718	\$1,514,671	\$3,327,286
Net realized gains (losses) from investment and foreign currency transactions . . . . .	(5,666,983) <sup>+</sup>	12,564,601 <sup>+</sup>	(1,967,056) <sup>+</sup>	3,060,100 <sup>+</sup>
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currency . . . . .	(70,435,923)	(43,833,206)	(18,474,710)	(10,660,838)
Change in net assets resulting from operations . . . . .	<u>(72,855,474)</u>	<u>(24,378,887)</u>	<u>(18,927,095)</u>	<u>(4,273,452)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income . . . . .	(2,483,370)	(6,897,814)	(1,514,425)	(3,327,286)
From net realized gains on investments . . . . .	(3,339,267)	—	—	—
Tax return of capital . . . . .	—	—	—	(4,188)
Change in net assets from distributions to shareholders . . . . .	<u>(5,822,637)</u>	<u>(6,897,814)</u>	<u>(1,514,425)</u>	<u>(3,331,474)</u>
<b>CAPITAL TRANSACTIONS:</b>				
Proceeds from shares issued . . . . .	7,827,188	28,451,471	1,206,858	5,908,103
Dividends reinvested . . . . .	5,121,462	5,431,198	961,249	2,087,756
Cost of shares redeemed . . . . .	(17,946,268)	(50,655,654)	(6,487,279)	(19,589,213)
Change in net assets from capital transactions . . . . .	<u>(4,997,618)</u>	<u>(16,772,985)</u>	<u>(4,319,172)</u>	<u>(11,593,354)</u>
Change in net assets . . . . .	<u>(83,675,729)</u>	<u>(48,049,686)</u>	<u>(24,760,692)</u>	<u>(19,198,280)</u>
<b>NET ASSETS:</b>				
Beginning of period/year . . . . .	305,294,246	353,343,932	102,656,932	121,855,212
End of period/year . . . . .	<u>\$221,618,517</u>	<u>\$305,294,246</u>	<u>\$77,896,240</u>	<u>\$102,656,932</u>
<b>SHARE TRANSACTIONS:</b>				
Issued . . . . .	105,431	321,476	73,218	292,233
Reinvested . . . . .	80,748	62,912	59,954	105,772
Redeemed . . . . .	(259,651)	(572,086)	(384,708)	(971,203)
Net decrease . . . . .	<u>(73,472)</u>	<u>(187,698)</u>	<u>(251,536)</u>	<u>(573,198)</u>
Undistributed net investment income . . . . .	<u>\$764,062</u>	<u>\$—</u>	<u>\$246</u>	<u>\$—</u>

<sup>#</sup> Unaudited

<sup>+</sup> Represents realized gains (losses) from investment transactions with affiliates.

NEW COVENANT FUNDS

For a Share outstanding throughout the period/year

	Growth Fund					
	For the six months ended December 31, 2008(b)	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005	For the year ended June 30, 2004
Net Asset Value, Beginning of Period/Year . . . . .	\$31.95	\$38.90	\$32.76	\$29.92	\$28.07	\$23.51
<b>INVESTMENT ACTIVITIES:</b>						
Net investment income(a) . . . . .	0.14	0.26	0.26	0.18	0.21	0.07
Net realized and unrealized gains (losses) on investments and foreign currency transactions . . . . .	(10.30)	(4.98)	6.17	2.86	1.85	4.58
Total from Investment Activities . . . . .	(10.16)	(4.72)	6.43	3.04	2.06	4.65
<b>DIVIDENDS:</b>						
Net investment income . . . . .	(0.14)	(0.24)	(0.29)	(0.20)	(0.21)	(0.09)
Net realized gains . . . . .	—	(1.97)	—	—	—	—
Tax return of capital . . . . .	—	(0.02)	—	—	—	—
Total Dividends . . . . .	(0.14)	(2.23)	(0.29)	(0.20)	(0.21)	(0.09)
Change in net asset value per share . . . . .	(10.30)	(6.95)	6.14	2.84	1.85	4.56
<b>Net Asset Value, End of Period/Year . . . . .</b>	<b>\$21.65</b>	<b>\$31.95</b>	<b>\$38.90</b>	<b>\$32.76</b>	<b>\$29.92</b>	<b>\$28.07</b>
Total Return . . . . .	(31.85)%(c)	(12.61)%	19.68%	10.17%	7.38%	19.81%
<b>RATIOS/SUPPLEMENTARY DATA:</b>						
Net assets at end of period (in 000's) . . . . .	\$578,254	\$836,086	\$1,033,536	\$906,010	\$878,583	\$834,575
Ratio of expenses to average net assets . . . . .	1.09%(d)	1.10%	1.08%	1.07%	1.11%	1.13%
Ratio of net investment income to average net assets . . . . .	1.07%(d)	0.73%	0.73%	0.58%	0.75%	0.32%
Ratio of expenses to average net assets(a) . . . . .	1.28%(d)	1.29%	1.28%	1.28%	1.36%	1.39%
Ratio of net investment income to average net assets(a) . . . . .	0.88%(d)	0.54%	0.53%	0.37%	0.50%	0.06%
Portfolio turnover rate . . . . .	48%(c)	65%	65%	51%	76%	94%

- (a) Ratios excluding waivers.
- (b) Unaudited.
- (c) Not annualized.
- (d) Annualized.

The accompanying notes are an integral part of these financial statements.

NEW COVENANT FUNDS

For a Share outstanding throughout the period/year

	Income Fund					
	For the six months ended December 31, 2008(b)	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005	For the year ended June 30, 2004
Net Asset Value, Beginning of Period/Year . . . . .	\$23.73	\$24.52	\$24.28	\$25.56	\$25.17	\$26.62
<b>INVESTMENT ACTIVITIES:</b>						
Net investment income . . . . .	0.58	1.16	1.12	1.00	0.94	0.96
Net realized and unrealized gains (losses) on investments . . . . .	(3.39)	(0.81)	0.25	(1.23)	0.55	(0.96)
Total from Investment Activities . . . . .	(2.81)	0.35	1.37	(0.23)	1.49	0.00
<b>DIVIDENDS:</b>						
Net investment income . . . . .	(0.58)	(1.14)	(1.13)	(1.04)	(1.04)	(0.90)
Net realized gains . . . . .	—	—	—	(0.01)	(0.06)	(0.44)
Tax return of capital . . . . .	—	—	—*	—*	—	(0.11)
Total Dividends . . . . .	(0.58)	(1.14)	(1.13)	(1.05)	(1.10)	(1.45)
Change in net asset value per share . . . . .	(3.39)	(0.79)	0.24	(1.28)	0.39	(1.45)
<b>Net Asset Value, End of Period/Year . . . . .</b>	<b>\$20.34</b>	<b>\$23.73</b>	<b>\$24.52</b>	<b>\$24.28</b>	<b>\$25.56</b>	<b>\$25.17</b>
Total Return . . . . .	(11.89)%(c)	1.36%	5.65%	(0.90)%	6.02%	0.00%
<b>RATIOS/SUPPLEMENTARY DATA:</b>						
Net assets at end of period (in 000's) . . . . .	\$382,155	\$496,325	\$537,345	\$526,359	\$527,208	\$524,025
Ratio of expenses to average net assets . . . . .	0.83%(d)	0.85%	0.84%	0.84%	0.86%	0.86%
Ratio of net investment income to average net assets . . . . .	5.05%(d)	4.70%	4.49%	4.04%	3.68%	3.70%
Ratio of expenses to average net assets(a) . . . . .	0.99%(d)	1.01%	1.01%	1.01%	1.08%	1.11%
Ratio of net investment income to average net assets(a) . . . . .	4.89%(d)	4.54%	4.32%	3.87%	3.46%	3.45%
Portfolio turnover rate . . . . .	176%(c)	170%	258%	263%	206%	242%

- \* Less than \$0.005.
- (a) Ratios excluding waivers.
- (b) Unaudited.
- (c) Not annualized.
- (d) Annualized.

## NEW COVENANT FUNDS

For a Share outstanding throughout the period/year

	Balanced Growth Fund					
	For the six months ended December 31, 2008(c)	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005	For the year ended June 30, 2004
Net Asset Value, Beginning of Period/Year . . . . .	\$82.49	\$90.86	\$81.30	\$78.20	\$74.65	\$67.88
<b>INVESTMENT ACTIVITIES:</b>						
Net investment income(a) . . . . .	0.89	1.83	1.83	1.52	1.41	1.34
Net realized and unrealized gains (losses) on investments(a) . . . . .	(20.68)	(8.37)	9.56	3.10	3.54	6.73
Total from Investment Activities . . . . .	(19.79)	(6.54)	11.39	4.62	4.95	8.07
<b>DIVIDENDS:</b>						
Net investment income . . . . .	(0.68)	(1.83)	(1.83)	(1.52)	(1.40)	(1.23)
Net realized gains . . . . .	(0.93)	—	—	—	—	—
Tax return of capital . . . . .	—	—	—	—*	—	(0.07)
Total Dividends . . . . .	(1.61)	(1.83)	(1.83)	(1.52)	(1.40)	(1.30)
Change in net asset value per share . . . . .	(21.40)	(8.37)	9.56	3.10	3.55	6.77
<b>Net Asset Value, End of Period/Year . . . . .</b>	<b>\$61.09</b>	<b>\$82.49</b>	<b>\$90.86</b>	<b>\$81.30</b>	<b>\$78.20</b>	<b>\$74.65</b>
Total Return . . . . .	(24.06)%(d)	(7.26)%	14.11%	5.93%	6.68%	11.95%
<b>RATIOS/SUPPLEMENTARY DATA:</b>						
Net assets at end of period (in 000's) . . . . .	\$221,619	\$305,294	\$353,344	\$312,077	\$305,524	\$302,446
Ratio of expenses to average net assets . . . . .	0.13%(e)	0.15%	0.12%	0.12%	0.14%	0.15%
Ratio of net investment income to average net assets . . . . .	2.48%(e)	2.07%	2.11%	1.85%	1.83%	1.52%
Ratio of expenses to average net assets(b) . . . . .	0.37%(e)	0.39%	0.37%	0.38%	0.22%	0.15%
Ratio of net investment income to average net assets(b) . . . . .	2.24%(e)	1.83%	1.86%	1.59%	1.75%	1.52%
Portfolio turnover rate . . . . .	6%(d)	17%	7%	10%	5%	12%

\* Less than \$0.005.

(a) Includes income or gains (losses) from affiliates.

(b) Ratios excluding waivers.

(c) Unaudited.

(d) Not Annualized.

(e) Annualized.

NEW COVENANT FUNDS

For a Share outstanding throughout the period/year

	Balanced Income Fund					
	For the six months ended December 31, 2008(c)	For the year ended June 30, 2008	For the year ended June 30, 2007	For the year ended June 30, 2006	For the year ended June 30, 2005	For the year ended June 30, 2004
Net Asset Value, Beginning of Period/Year . . . . .	\$19.01	\$20.40	\$18.99	\$18.90	\$18.24	\$17.52
<b>INVESTMENT ACTIVITIES:</b>						
Net investment income(a) . . . . .	0.29	0.60	0.59	0.52	0.48	0.53
Net realized and unrealized gains (losses) on investments(a) . . . . .	(3.88)	(1.39)	1.41	0.09	0.66	0.70
Total from Investment Activities . . . . .	(3.59)	(0.79)	2.00	0.61	1.14	1.23
<b>DIVIDENDS:</b>						
Net investment income . . . . .	(0.29)	(0.60)	(0.59)	(0.52)	(0.48)	(0.48)
Net realized gains . . . . .	—	—	—	—	—	—
Tax return of capital . . . . .	—	—	—*	—	—	(0.03)
Total Dividends . . . . .	(0.29)	(0.60)	(0.59)	(0.52)	(0.48)	(0.51)
Change in net asset value per share . . . . .	(3.88)	(1.39)	1.41	0.09	0.66	0.72
<b>Net Asset Value, End of Period/Year . . . . .</b>	<b>\$15.13</b>	<b>\$19.01</b>	<b>\$20.40</b>	<b>\$18.99</b>	<b>\$18.90</b>	<b>\$18.24</b>
Total Return . . . . .	(18.95)%(d)	(3.95)%	10.65%	3.26%	6.32%	7.07%
<b>RATIOS/SUPPLEMENTARY DATA:</b>						
Net assets at end of period (in 000's) . . . . .	\$77,896	\$102,657	\$121,855	\$122,512	\$124,809	\$124,915
Ratio of expenses to average net assets . . . . .	0.17%(e)	0.20%	0.15%	0.15%	0.17%	0.18%
Ratio of net investment income to average net assets . . . . .	3.40%(e)	2.97%	2.95%	2.71%	2.58%	2.34%
Ratio of expenses to average net assets(b) . . . . .	0.41%(e)	0.44%	0.40%	0.41%	0.25%	0.18%
Ratio of net investment income to average net assets(b) . . . . .	3.16%(e)	2.73%	2.70%	2.45%	2.50%	2.34%
Portfolio turnover rate . . . . .	8%(d)	10%	7%	13%	6%	12%

\* Less than \$0.005.

- (a) Includes income or gains (losses) from affiliates.
- (b) Ratios excluding waivers.
- (c) Unaudited.
- (d) Not Annualized.
- (e) Annualized.

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**I. Organization**

New Covenant Funds (the "Trust"), an open-end, diversified management investment company, was organized as a Delaware statutory trust on September 30, 1998. It currently consists of four investment funds: New Covenant Growth Fund ("Growth Fund"), New Covenant Income Fund ("Income Fund"), New Covenant Balanced Growth Fund ("Balanced Growth Fund"), and New Covenant Balanced Income Fund ("Balanced Income Fund"), (individually, a "Fund," and collectively, the "Funds"). The Funds commenced operations on July 1, 1999. The Trust's authorized capital consists of an unlimited number of shares of beneficial interest of \$0.001 par value. The Funds' investment adviser is the One Compass Advisors, a wholly owned subsidiary of the Presbyterian Church (U.S.A.) Foundation (the "Adviser").

The objectives of the Funds are as follows:

<i>Growth Fund</i>	Long-term capital appreciation. Dividend income, if any, will be incidental.
<i>Income Fund</i>	High level of current income with preservation of capital.
<i>Balanced Growth Fund</i>	Capital appreciation with less risk than would be present in a portfolio of only common stocks.
<i>Balanced Income Fund</i>	Current income and long-term growth of capital.

**2. Significant Accounting Policies**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Funds in the preparation of their financial statements. The policies are in conformity with GAAP.

**Portfolio Valuation:** Fund investments are recorded at market value. Portfolio securities listed on a domestic or foreign exchange are valued at the last sale price on the day of valuation or, if there was no sale that day, at the last reported bid price as of the close of trading. Equity securities traded on NASDAQ use the official closing price. Equity securities which are traded in the over-the-counter market only, but which are not included on NASDAQ, are valued at the mean between the last preceding bid and ask prices. Debt securities acquired with a remaining maturity of sixty days or more are valued using a pricing service when such prices are believed to reflect fair market value. Debt securities acquired with a remaining maturity of less than sixty days are valued at amortized cost, which approximates market value. Investments in open-end mutual funds are valued at net asset value. All other assets and securities with no readily determinable market values are valued using procedures adopted by the Board of Trustees. Factors used in determining fair value include but are not limited to: type of security or asset, fundamental analytical data relating to the investment in the security, evaluation of the forces that influence the market in which the security is purchased and sold, and information as to any transactions or offers with respect to the security. As of December 31, 2008, the Funds did not hold any securities for which market quotations were not readily available.

Foreign securities traded outside the United States are generally valued as of the time their trading is complete, which is usually different from the close of the U.S. markets. Occasionally, events affecting the value of such securities may occur between such times and the close of the New York Stock Exchange that will not be reflected in the security's market value. If events materially affecting the value of such securities occur during such period, these securities will be valued at their fair value according to procedures adopted by the Board of Trustees. All securities and other assets of a Fund initially expressed in foreign currencies will be converted to U.S. dollar values at the foreign exchange rate every business day, generally at 4:00 PM ET.

The Funds adopted Statement of Financial Accounting Standard No. 157, *Fair Value Measurements* ("FAS 157"), on July 1, 2008. FAS 157 requires each Fund to classify its securities based on valuation method, using the following three levels:

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Other significant observable inputs (including quoted prices for similar securities, with similar interest rates, prepayment speeds, credit risk, etc.). [Generally, the types of securities included in Level 2 of a bond fund are corporate bonds, asset-backed securities, mortgage-backed securities, convertible bonds, U.S. government and agencies securities, U.S. treasury bills and swaps.]

Level 3 - Significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments). [Generally, the types of securities included in Level 3 of a fund are securities for which there is limited or no observable fair value inputs available, and as such the fair value is determined through management's fair value procedures established by the board of directors. Some of the factors which may be considered in determining fair value are fundamental analytical data relating to the investment; the nature and duration of any restrictions on disposition (trading in similar securities of the same issuer or

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comparable companies); information from broker-dealers; and/or evaluation of the forces that influence the market in which the securities are purchased and sold.]

As of December 31, 2008, each fund's investments in securities were classified as follows:

**Growth Fund**

Description	Investments in Securities
Level 1 - Quoted prices	\$601,172,767
Level 2 - Other significant observable inputs	30,630,736
Level 3 - Significant unobservable inputs	0
<b>Total</b>	<b>\$631,803,503</b>

**Income Fund**

Description	Investments in Securities
Level 1 - Quoted prices	\$29,881,359
Level 2 - Other significant observable inputs	353,811,146
Level 3 - Significant unobservable inputs	0
<b>Total</b>	<b>\$383,692,505</b>

**Balanced Growth Fund**

Description	Investments in Securities
Level 1 - Quoted prices	\$221,798,362
Level 2 - Other significant observable inputs	0
Level 3 - Significant unobservable inputs	0
<b>Total</b>	<b>\$221,798,362</b>

**Balanced Income Fund**

Description	Investments in Securities
Level 1 - Quoted prices	\$77,923,738
Level 2 - Other significant observable inputs	0
Level 3 - Significant unobservable inputs	0
<b>Total</b>	<b>\$77,923,738</b>

The valuation levels are not necessarily an indication of the risk associated with investing in these securities. While uniformity of presentation is the objective of the standard, industry implementation has just begun and it is likely that there will be a range of practices utilized. It may be some period of time before industry practices become more uniform. For this reason, care should be exercised in interpreting this information and/or using it for comparison with other mutual funds.

**Securities Transactions and Investment Income:** During the period, security transactions are accounted for no later than one business day following the trade date. For financial reporting purposes, however, security transactions are accounted for on trade date on the last business day of the reporting period. Securities sold are determined on a specific identification basis. Interest income is recognized on the accrual basis and includes, where applicable, the amortization of premium or accretion of discount for both financial reporting and tax purposes. Dividend income is recorded on the ex-dividend date. Gains or losses realized on sales of securities are determined by comparing the identified cost of the security lot sold with the net sales proceeds.

**Options:** The Income Fund may purchase or write options which are traded over-the-counter to hedge fluctuation risks in the prices of certain securities. When the Fund writes a call or put option, an amount equal to the premium received is reflected as a liability. The liability is subsequently "marked-to-market" to reflect the current market value of the option written. The premium paid by the Fund for the purchase of a call or put option is recorded as an investment and subsequently "marked-to-market" to reflect the current market value of the option purchased. The Fund is subject to the risk of an imperfect correlation between movement in the

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price of the option and the price of the underlying security. Risks may also arise due to illiquid secondary markets for the options. There were no options outstanding at December 31, 2008.

**Foreign Currency Translation:** The books and records of the Funds are maintained in U.S. dollars. Investment valuation and other assets and liabilities initially transacted in foreign currencies are converted each business day into U.S. dollars based upon current exchange rates. Purchases and sales of foreign investments and income and expenses are converted into U.S. dollars based upon exchange rates prevailing on the respective dates of such transactions. That portion of unrealized gains or losses on investments due to fluctuations in foreign currency exchange rates is not separately disclosed.

The Funds do not isolate the portion of gains and losses on investments in securities that is due to changes in the foreign exchange rates from that which is due to changes in the market prices of such securities. The Funds report gains and losses on foreign currency related transactions as realized and unrealized gains and losses for financial reporting purposes, whereas such gains and losses are treated as ordinary income or loss for U.S. federal income tax purposes.

**Forward Foreign Currency Contracts:** The Growth Fund may enter into forward foreign currency contracts as hedges against either specific transactions or portfolio positions. All commitments are “marked-to-market” daily at the applicable foreign exchange rate and any resulting unrealized gains or losses are recorded currently. The Fund realizes gains and losses at the time foreign forward contracts are extinguished.

**Loans of Portfolio Securities:** The Growth Fund and the Income Fund may lend their securities pursuant to a securities lending agreement (“Lending Agreement”) with JPMorgan Chase Bank, N.A. (“JPMorgan”). Security loans made pursuant to the Lending Agreement are required at all times to be secured by collateral valued at least 102% of the market value of the securities loaned. Cash collateral received is invested by JPMorgan pursuant to the terms of the Lending Agreement. All such investments are made at the risk of the Funds and, as such, the Funds are liable for investment losses. To the extent a loan is secured by non-cash collateral, the borrower is required to pay a loan premium. Non-cash collateral received cannot be sold or repledged. Net income earned on the investment of cash collateral and loan premiums received on non-cash collateral are allocated between JPMorgan and the Funds in accordance with the Lending Agreement. Income allocated to the Funds is included in investment income in the respective Statements of Operations.

At December 31, 2008, the cash collateral received by the Growth Fund and the Income Fund was invested in repurchase agreements and other short-term securities, at the time of purchase; however, such investments are subject to risk of payment delays or default on the part of the issuer or counterparty or otherwise may not generate sufficient interest to support the costs associated with securities lending. A Fund could also experience delays in recovering its securities and possible loss of income or value if the borrower fails to return the borrowed securities, although this risk is mitigated by the collateral and by contract with the securities lending agent. Information on the investment of cash collateral is shown in the Schedules of Investments. The Growth Fund and the Income Fund receive payments from borrowers equivalent to the dividends and interest that would have been earned on the securities lent while simultaneously seeking to earn income on the investment cash collateral. One of the risks is that, from time to time, the cost of borrowing cash could exceed income generated from the securities in the reinvestment portfolio. There is also the risk that, when lending portfolio securities, the securities may not be available to a Fund on a timely basis and a Fund may, therefore, lose the opportunity to sell the securities at a desirable price. In addition, in the event that a borrower of securities would file for bankruptcy or become insolvent, disposition of the securities may be delayed pending court action. However, loans will be made only to borrowers deemed by the Adviser to be creditworthy under guidelines established by the Board of Trustees and when, in the judgment of the Adviser, the consideration which can be earned currently from such securities loans justifies the attendant risks. Loans are subject to termination by the Funds or the borrower at any time, and are, therefore, not considered to be illiquid investments.

The value of the loaned securities and related collateral at December 31, 2008, was as follows:

Fund	Value of Securities Loaned	Value of Collateral
Growth Fund . . . . .	\$46,049,840	\$52,433,512
Income Fund . . . . .	4,580,499	4,665,375

**Repurchase Agreements:** The Funds may enter into repurchase agreements which are secured by obligations of the U.S. government with a bank, broker-dealer or other financial institution. Each repurchase agreement is at least 102% collateralized and marked-to-market. However, in the event of default or bankruptcy by the counterparty to the repurchase agreement, realization of the collateral may be subject to certain costs, losses or delays.

**Forward Commitments, When-Issued Securities and Delayed-Delivery Transactions:** The Growth Fund and the Income Fund may purchase or sell securities on a when-issued or delayed-delivery basis and make contracts to purchase or sell securities for a fixed price at a future date beyond customary settlement time. Debt securities are often issued on that basis. No income will accrue on securities purchased on a when-issued or delayed-delivery basis until the securities are delivered. Securities purchased or sold on a

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when-issued, delayed-delivery or forward-commitment basis involve a risk of loss if the value of the security to be purchased declines prior to settlement date. Although the Funds would generally purchase securities on a when-issued, delayed-delivery or forward-commitment basis with the intention of acquiring the securities, the Funds may dispose of such securities prior to settlement if the portfolio manager deems it appropriate to do so.

The Funds may dispose of or renegotiate a when-issued or forward-commitment security. The Funds will normally realize a capital gain or loss in connection with these transactions. For purposes of determining the Income Fund's average dollar-weighted maturity, the maturity of when-issued or forward-commitment securities will be calculated from the commitment date.

When the Funds purchase securities on a when-issued, delayed-delivery or forward-commitment basis, the Funds will maintain cash, U.S. government securities or other liquid portfolio securities having a value (determined daily) at least equal to the amount of the Funds' purchase commitments. In the case of a forward commitment to sell portfolio securities, the custodian will hold the portfolio securities in a segregated account while the commitment is outstanding. These procedures are designed to ensure that the Funds will maintain sufficient assets at all times to cover their obligations under when-issued purchases, forward commitments and delayed-delivery transactions.

As of December 31, 2008, the Fund had no outstanding when-issued or delayed-delivery purchase commitments with corresponding assets segregated.

**Dividends and Distributions to Shareholders:** Dividends from net investment income of all Funds are declared and paid at least annually. For all Funds, all net realized long-term or short-term capital gains, if any, will be declared and distributed at least annually. Interest and dividend payments will normally be distributed as income dividends on a quarterly basis for each of the Funds.

Income dividends and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments of income, gains and losses on various investment securities held by a Fund, timing differences in the recognition of income, gains and losses and differing characterizations of distributions made by the Fund.

These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences do not require reclassifications. To the extent that distributions exceed net investment income and net realized gains for tax purposes, they are reported as returns of capital.

**Federal Income Taxes:** It is each Fund's intention to continue to qualify annually as a regulated investment company by complying with the appropriate provisions of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal income tax has been made.

FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48") provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold would be recorded as a tax benefit or expense in the current year. As of December 31, 2008, the Funds did not have any tax positions that did not meet the "more-likely-than-not" threshold of being sustained by the applicable tax authority. Generally, tax authorities can examine all the tax returns filed for the last three years.

**Allocation of Expenses:** Expenses directly attributable to a Fund are charged directly to that Fund, while expenses which are attributable to more than one Fund of the Trust are allocated among the respective Funds based upon relative net assets or some other reasonable method.

**Expenses Paid Indirectly:** The Growth Fund directs certain portfolio trades to brokers who rebate a portion of their commissions in cash to the Fund. The recaptured commissions are used to pay expenses of the Fund, including, but not limited to, administration fees, custody fees, audit fees and printing fees, as directed by the Trust. Under this arrangement, the Growth Fund had expenses reduced by \$83,123, or less than 0.01%, as a percentage of the average daily net assets of the Fund on an annualized basis for the period ended December 31, 2008.

**New Accounting Pronouncements.** In March 2008, Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161") was issued and is effective for fiscal years beginning after November 15, 2008. SFAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position. Management is currently evaluating the implications of SFAS 161. The impact on the Fund's financial statement disclosures, if any, is currently being assessed.

**Guarantees and Indemnifications:** Under the Trust's organizational documents, its Trustees and Officers are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Trust

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enters into contracts with its vendors and others that provide general indemnification. Each Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against a Fund. However, based on experience, the Funds expect the risk of loss to be remote.

**3. Investment Advisory and Other Agreements**

The Trust, on behalf of each Fund, has entered into an Investment Advisory Agreement with the One Compass Advisors. Under the Agreement, the Adviser is responsible for managing the Funds' investments as well as furnishing the Funds with certain administrative services. The Growth Fund pays the Adviser a monthly fee at the annual rate of 0.99% of the Growth Fund's average daily net assets and the Income Fund pays the Adviser a monthly fee at the annual rate of 0.75% of the Income Fund's average daily net assets. The Adviser does not receive advisory fees for the Balanced Growth and Balanced Income Funds (the "Balanced Funds"). The Adviser has entered into Sub-Advisory Agreements with six Sub-Advisers to assist in the selection and management of the Growth Fund's and Income Fund's investment securities. It is the responsibility of the Sub-Advisers, under the direction of the Adviser, to make day-to-day investment decisions for these Funds. The Adviser, not the Funds, pays each Sub-Adviser a quarterly fee for their services. The Adviser pays the Sub-Adviser's fee directly from its own advisory fees. The sub-advisory fees are based on the assets of a Fund for which the Sub-Adviser is responsible for making investment decisions.

The following are the Sub-Advisers for the Growth Fund: Capital Guardian Trust Company, Russell Implementation Services Inc., Santa Barbara Asset Management Inc., Sound Shore Management Inc., and Wellington Management Company, LLP.

Tattersall Advisory Group ("Tattersall") is the Sub-Adviser for the Income Fund. Tattersall is a subsidiary of Wachovia Corporation ("Wachovia"). On October 3, 2008, Wachovia announced it had entered into a merger agreement with Wells Fargo & Company.

The Trust employs a Chief Compliance Officer ("CCO") who receives a portion of his compensation from the Trust as approved by the Board of Trustees, as well as reimbursement of out-of-pocket expenses. The CCO is also an employee of the Adviser. For the six months ended December 31, 2008, the Growth Fund, the Income Fund, the Balanced Growth Fund and the Balanced Income Fund were allocated \$15,500, \$9,400, \$5,603 and \$1,914, respectively, for CCO compensation.

The Trust is a party to Shareholder Services Agreements pursuant to which each Fund is authorized to make payments to certain entities which may include investment advisors, banks, trust companies and other types of organizations ("Authorized Service Providers") for providing administrative services with respect to shares of the Funds attributable to or held in the name of the Authorized Service Provider for its clients or other parties with which they have a servicing relationship. Under the terms of the Shareholder Services Agreement, each Fund is authorized to pay monthly to an Authorized Service Provider (which may include affiliates of the Funds) a shareholder services fee at the rate of 0.25% on an annual basis of the average daily net assets of the shares of the Fund attributable to or held in the name of the Authorized Service Provider for providing certain administrative services to Fund shareholders with whom the Authorized Service Provider has a servicing relationship. In connection with the Shareholder Services Agreement, the Adviser has agreed to waive the amount of the investment advisory fees payable to it by any Fund to the extent of the amount paid in fees by a Fund to any affiliated Authorized Service Provider under the Shareholder Services Agreement.

The Trust has entered into servicing agreements with U.S. Bancorp Fund Services, LLC ("USBFS"), an indirect, wholly owned subsidiary of U.S. Bancorp. Under the servicing agreements, USBFS provides transfer agency, administrative and fund accounting services to the Funds. Under the terms of the Transfer Agency Agreement, USBFS is entitled to account based fees and annual fund level fees, as well as reimbursement of out-of-pocket expenses incurred in providing transfer agency services. Under the Fund Accounting Agreement, USBFS is entitled to a fee computed at an annual rate of 0.02% of the Trust's average daily net assets for the first \$500,000,000, 0.01% for \$500,000,001 to \$1,000,000,000, and 0.0075% over \$1,000,000,000. Under the Administration Agreement, USBFS is entitled to a fee computed at an annual rate of 0.03% of the Trust's average daily net assets for the first \$500,000,000, 0.02% for \$500,000,001 to \$1,000,000,000, and 0.01% over \$1,000,000,000.

The Trust issues shares of the Funds pursuant to a Distribution Agreement with New Covenant Funds Distributor, Inc. (the "Distributor"), a wholly-owned subsidiary of New Covenant Trust Company, N.A., a subsidiary of the Presbyterian Church (U.S.A.) Foundation, under which the Distributor serves as the principal distributor of the Funds' shares. The Funds do not pay the Distributor in its capacity as principal distributor.

The Trust has a Custodian Agreement with JPMorgan.

No officer, trustee or employee of the Trust, USBFS, or any affiliate thereof, except the CCO, receives any compensation from the Funds for serving as a Trustee or officer of the Trust. The Funds reimburse expenses incurred by the Trustees and Officers in attending Board and Committee meetings.

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A summary of each Balanced Fund's investment in the Growth Fund and Income Fund for the six months ended December 31, 2008, is as follows:

Fund	Share Activity			Balance December 31, 2008	Realized Gain (Loss)	Income	Value December 31, 2008
	Balance June 30, 2008	Purchases	Sales				
<b>New Covenant Balanced Growth Fund</b>							
New Covenant Growth Fund . . . . .	5,798,140	662,563	207,598	6,253,105	\$(2,444,311)	\$837,389	\$135,379,728
New Covenant Income Fund . . . . .	4,844,231	51,665	796,901	4,098,995	(3,222,672)	2,553,015	83,373,563
<b>New Covenant Balanced Income Fund</b>							
New Covenant Growth Fund . . . . .	1,153,258	222,151	76,694	1,298,715	(623,281)	169,126	28,117,183
New Covenant Income Fund . . . . .	2,637,195	79,541	369,873	2,346,863	(1,333,774)	1,404,280	47,735,201

**4. Purchases and Sales of Securities**

The cost of purchases and proceeds from sales of securities, excluding short-term U.S. government and other short-term investments, for the six months ended December 31, 2008, were as follows:

Fund	Purchases (excluding U.S. Government)	Sales (excluding U.S. Government)	Purchases of U.S. Government	Sales of U.S. Government
Growth Fund . . . . .	\$560,757,185	\$549,045,991	—	—
Income Fund . . . . .	183,439,602	223,267,462	\$236,111,272	\$409,759,912
Balanced Growth Fund . . . . .	32,027,743	37,684,527	—	—
Balanced Income Fund . . . . .	15,726,344	19,368,098	—	—

**5. Risk Factors**

The performance of a Fund's investments in non-U.S. companies and in companies operating internationally or in foreign countries will depend principally on economic conditions in their product markets, the securities markets where their securities are traded, and currency exchange rates. These risks are present because of uncertainty in future exchange rates back into U.S. dollars and possible political instability, which could affect foreign financial markets and local economies. There are also risks related to social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject.

The Funds will not invest more than 15% of the value of their net assets in securities that are illiquid because of restrictions on transferability or other reasons. Repurchase agreements with deemed maturities in excess of seven days are subject to this 15% limit. The Funds may purchase securities which are not registered under the Securities Act of 1933 (the "Securities Act") but which can be sold to "qualified institutional buyers" in accordance with Rule 144A under the Securities Act. In some cases, such securities are classified as "illiquid securities"; however, any such security will not be considered illiquid so long as it is determined by the Adviser, under guidelines approved by the Board of Trustees, that an adequate trading market exists for that security. This investment practice could have the effect of increasing the level of illiquidity in a Fund during any period that qualified institutional buyers become uninterested in purchasing these restricted securities.

The Income Fund may invest a limited amount of assets in debt securities which are rated below investment grade (hereinafter referred to as "lower-rated securities") or which are unrated but deemed equivalent to those rated below investment grade by the portfolio managers. The lower the ratings of such debt securities, the greater their risks. These debt instruments generally offer a higher current yield than that available from higher-grade issues, and typically involve greater risks. The yields on lower-rated securities will fluctuate over time. In general, prices of all bonds rise when interest rates fall and fall when interest rates rise. Lower-rated securities are subject to adverse changes in general economic conditions and to changes in the financial condition of their issuers. During periods of economic downturn or rising interest rates, issuers of these instruments may experience financial stress that could adversely affect their ability to make payments of principal and interest, and increase the possibility of default.

The Balanced Growth Fund and Balanced Income Fund invest their assets primarily in the Growth Fund and the Income Fund. By investing primarily in shares of these Funds, shareholders of the Balanced Funds indirectly pay a portion of the operating expenses, management expenses and brokerage costs of the underlying Funds as well as their own operating expenses. Thus, shareholders of the Balanced Funds may indirectly pay slightly higher total operating expenses and other costs than they would pay by directly owning shares of the Growth Fund and Income Fund. Total fees and expenses to be borne by investors in either Balanced Fund will depend on the portion of the Funds' assets invested in the Growth Fund and in the Income Fund. A change in the asset allocation of either Balanced Fund could increase or reduce the fees and expenses actually borne by investors in that Fund. The Balanced Funds are also

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subject to rebalancing risk. Rebalancing activities, while undertaken to maintain a Fund's investment risk-to-reward ratio, may cause the Fund to under-perform other funds with similar investment objectives. For the Balanced Growth Fund, it is possible after rebalancing from equities into a greater percentage of fixed-income securities, that equities will outperform fixed-income investments. For the Balanced Income Fund, it is possible that after rebalancing from fixed-income securities into a greater percentage of equity securities, that fixed-income securities will outperform equity investments. The performance of the Balanced Growth Fund and the Balanced Income Fund depends on the performance of the underlying Funds in which they invest.

**6. Federal Income Taxes**

As of June 30, 2008, the Funds had available for federal tax purposes unused capital loss carryforwards expiring as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
Income Fund . . . . .	—	—	\$1,591,357	\$5,673,243	\$517,116	\$7,781,716
Balanced Income . . . . .	\$1,227,811	\$792,155	—	—	—	\$2,019,966

Under tax law, certain capital and foreign currency losses realized after October 31, and within the taxable year, may be deferred and treated as occurring on the first business day of the following fiscal year. For the year ended June 30, 2008, the Funds deferred to July 1, 2009, post-October capital losses of:

	<u>Post-October Losses</u>
Growth Fund . . . . .	\$11,487,881
Income Fund . . . . .	1,935,521
Balanced Growth Fund . . . . .	304,193
Balanced Income Fund . . . . .	98,625

At December 31, 2008, the cost, gross unrealized appreciation and gross unrealized depreciation on securities, for federal income tax purposes, were as follows:

<u>Fund Name</u>	<u>Tax Cost</u>	<u>Tax Unrealized Appreciation</u>	<u>Tax Unrealized (Depreciation)</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
Growth Fund . . . . .	\$761,938,239	\$40,225,946	\$(170,114,032)	\$(129,888,086)
Income Fund . . . . .	468,049,686	5,589,959	(89,947,140)	(84,357,181)
Balanced Growth Fund . . . . .	284,798,211	1,518,365	(64,518,214)	(62,999,849)
Balanced Income Fund . . . . .	90,731,014	589,259	(13,396,535)	(12,807,276)

**7. Subsequent Event**

Robert W. Baird & Co., Incorporated, EARNEST Partners, LLC and Sterling Capital Management, LLC were each approved by the Board of Trustees of the Trust on November 17, 2008, to serve as sub-advisers for the New Covenant Income Fund, replacing Tattersall Advisory Group, Inc. This change in sub-advisers took effect on January 2, 2009.

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**Proxy Voting Policy and Proxy Voting Records**

A description of the policies and procedures that the Trust uses to determine how to vote proxies related to portfolio securities is available (i) without charge, upon request, by calling 800-858-6127 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>. Information regarding how each Fund voted proxies related to securities held during the most recent 12 month period ended June 30 is (i) available without charge, upon request, by calling 800-858-6127; (ii) on the Trust's website at <http://www.newcovenantfunds.com> and (iii) on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

**Quarterly Holdings**

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Form N-Qs are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

**Expense Example For the Six Months Ended December 31, 2008**

As a shareholder of the New Covenant Funds, you incur ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the New Covenant Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2008 through December 31, 2008.

**Actual Expenses**

The table below provides information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

	Beginning Account Value 7/1/08	Ending Account Value 12/31/08	Expenses Paid During Period* 7/1/08 - 12/31/08	Expense Ratio During Period** 7/1/08 - 12/31/08
Growth Fund . . . . .	\$1,000.00	\$681.50	\$4.62	1.09%
Income Fund . . . . .	1,000.00	881.10	3.94	0.83%
Balanced Growth Fund . . . . .	1,000.00	759.40	0.58	0.13%
Balanced Income Fund . . . . .	1,000.00	810.50	0.78	0.17%

**Hypothetical Example for Comparison Purposes**

The table below provides information about hypothetical account values and hypothetical expenses based on each of the New Covenant Funds' actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

	Beginning Account Value 7/1/08	Ending Account Value 12/31/08	Expenses Paid During Period* 7/1/08 - 12/31/08	Expense Ratio During Period** 7/1/08 - 12/31/08
Growth Fund . . . . .	\$1,000.00	\$1,019.71	\$5.55	1.09%
Income Fund . . . . .	1,000.00	1,021.02	4.23	0.83%
Balanced Growth Fund . . . . .	1,000.00	1,024.55	0.66	0.13%
Balanced Income Fund . . . . .	1,000.00	1,024.35	0.87	0.17%

\* Expenses are equal to the average account value multiplied by the Fund's annualized expense ratio (reflecting fee waivers in effect) multiplied by 184/365 (to reflect the one-half year period).

\*\*Annualized.

**NEW COVENANT FUNDS**  
December 31, 2008**Approval of Sub-Advisory Agreements for the New Covenant Income Fund**

During the semi-annual period ended December 31, 2008, the Board of Trustees of the New Covenant Funds (the "Trust") was called upon to take action with respect to certain Sub-Advisory Agreements relating to the New Covenant Income Fund (the "Fund") in accordance with applicable provisions of the Investment Company Act of 1940, as amended (the "1940 Act"). As described more fully below, the Board was called upon: (i) to approve an interim 150-day Sub-Advisory Agreement (the "Interim Agreement") with Tattersall Advisory Group, Inc. ("Tattersall") as a result of the presumed change in control of Tattersall's corporate parent, Wachovia Corporation ("Wachovia") in October 2008; (ii) to approve a new Sub-Advisory Agreement with Tattersall to be effective upon the acquisition of Wachovia by Wells Fargo & Company ("Wells Fargo") in December 2008; and (iii) to approve new Sub-Advisory Agreements (the "New Sub-Advisory Agreements") with three newly selected sub-advisers for the Fund, Robert W. Baird & Co. Incorporated, EARNEST Partners, LLC and Sterling Capital Management, LLC (collectively, the "New Sub-Advisers") to be effective upon the termination of Tattersall as sub-adviser to the Fund.

The relevant provisions of the 1940 Act specifically provide that it is the duty of the Board to request and evaluate such information as the Board determines is reasonably necessary to allow the Board to properly consider the adoption of any new sub-advisory agreements with respect to the Fund, and it is the duty of the Adviser and any sub-advisers to furnish the Trustees with such information as is responsive to their request. Accordingly, in determining whether to approve the Interim Agreement and the New Sub-Advisory Agreements, the Board of Trustees requested, and the Adviser and the New Sub-Advisers provided, information and data relevant to the Board's consideration. This included materials regarding the investment performance of the Fund and information regarding the fees and expenses of the Fund, as compared to other similar mutual funds, including other mutual funds having socially responsible investment ("SRI") mandates. As part of their deliberations, the Trustees also considered and relied upon the information about the Fund that had been provided to them throughout the past year in connection with their regular Board meetings at which they engage in the ongoing oversight of the Fund and its operations. During this process the Independent Trustees were counseled by their own independent legal counsel (as such term is defined in the rules under the 1940 Act).

With respect to the Interim Agreement, the Board was informed of the presumed change in control of Wachovia which was deemed to have occurred on October 20, 2008, when Wachovia issued a series of Wachovia's Class A Preferred Stock to Wells Fargo which entitled Wells Fargo to a number of votes equal to 39.9% of the aggregate voting power of the outstanding capital stock of Wachovia. The Board was informed that this may have resulted in a change of control of Wachovia for purposes of the 1940 Act and therefore an assignment of the Fund's Sub-Advisory Agreement with Tattersall, resulting in the automatic termination of that agreement. The Board was further informed that it would be advisable for the Board to take certain action intended to comply with the relevant provisions of Rule 15a-4 under the 1940 Act which provides for the use of an interim investment advisory agreement under certain conditions. The Board determined that it was advisable to continue to retain the services of Tattersall on an interim basis following the presumed change in control event and the Board therefore took action to approve the Interim Agreement. In connection with its decision, the Board considered the fact that Tattersall had represented to the Board that the level of services provided to the Fund by Tattersall would not be reduced under the Interim Agreement. In accordance with the provisions of Rule 15a-4, the Interim Agreement had a term of 150 days from the date of the presumed change in control event involving Wachovia. The Board convened a special meeting on October 28, 2008 for purposes of approving the adoption of the Interim Agreement. At that time, the Board was also informed by the Adviser that the Adviser was considering the termination of Tattersall as a sub-adviser to the Fund and was reviewing the proposed selection of replacement sub-advisers to manage the Fund, and the Board determined to retain the services of Tattersall on only this interim basis while the Adviser completed the process to retain the services of the New Sub-Advisers.

With respect to the Board's consideration and approval of the New Sub-Advisory Agreements, the Board met on November 17, 2008, to consider the approval of the selection of the New Sub-Advisers. At this meeting, upon the recommendation of the Adviser, the Board took action to terminate Tattersall as the sub-adviser to the Fund. In connection with its review of the investment performance of Tattersall, the Board took into consideration the below-benchmark performance of Tattersall in connection with its management of the Fund's portfolio and the Board considered the Adviser's recommendation with respect to the proposed replacement of Tattersall. At the conclusion of their consideration of the performance results achieved by Tattersall, and in accordance with the recommendation of the Adviser, the Board determined to replace Tattersall with the New Sub-Advisers. The Board reviewed information and materials regarding each of the New Sub-Advisers, including their prior investment performance, their proposed portfolio management process and their proposed level of fees. The Board also considered the nature, quality and extent of the services to be provided by each of the New Sub-Advisers. Following their consideration of each of these factors, the Board determined to select each of the New Sub-Advisers to manage a portion of the Fund. Due to the fact that the New Sub-Advisers were not expected to begin managing Fund assets prior to January 1, 2009, the Board also approved, on a temporary basis, the adoption of a new sub-advisory agreement with Tattersall to take effect upon the expected completion of the acquisition of Wachovia by Wells Fargo in December 2008.

In connection with their review of each of the New Sub-Advisory Agreements, the Trustees considered, in addition to the performance and other information discussed above, the favorable compliance report submitted by the Trust's Chief Compliance Officer on each New Sub-Adviser. In addition, the Trustees took into consideration the fees charged by the New Sub-Advisers to other clients as compared to the fees to be received from the Adviser with respect to the Fund. The Board noted the fact that the fees payable to the New Sub-Advisers had been negotiated at arm's length and were to be paid by the Adviser from the investment

**NEW COVENANT FUNDS**

December 31, 2008

advisory fee that it receives from the Fund. The Board also considered the brokerage practices of each of the New Sub-Advisers and found them to be in accordance with relevant industry practices and applicable regulatory requirements.

In reaching their conclusion with respect to the adoption of the New Sub-Advisory Agreements, the Trustees did not identify any one single factor as being controlling; rather, the Trustees took note of a combination of factors that influenced their decision-making process. The Board did, however, identify the favorable prior performance results of the New Sub-Advisers and the level of expenses of the Fund as being important elements of their consideration.

Based upon their review and consideration of these factors and other matters deemed relevant by the Board in reaching an informed business judgment, the Board of Trustees, including a majority of the Independent Trustees, concluded that the terms of the New Sub-Advisory Agreements were fair and reasonable in light of the services to be provided and the Board therefore voted to approve the New Sub-Advisory Agreements.



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This report is authorized for distribution only if preceded by a current prospectus.  
Shares of New Covenant Funds are distributed by New Covenant Funds Distributors, Inc.,  
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