

As of 12/31/11

NET ASSETS	\$452,886,143
NAV	23.02
DISTRIBUTION YIELD	3.07%
SEC 30-DAY YIELD	2.40%
ESTIMATED DURATION	3.68 Years

TICKER SYMBOL	NCICX
LIPPER OBJECTIVE	Intermediate Investment Grade
CUSIP NUMBER	643642200
INCEPTION DATE	July 1, 1999

DISTRIBUTION YIELD indicates the amount of dividends that the Fund actually pays out.

SEC 30-DAY YIELD is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period.

## INVESTMENT OBJECTIVE

The Fund seeks to provide a high level of current income with preservation of capital. This fund may be suitable for investors who seek a fixed income investment and:

- prefer a bond fund that invests in both corporate and US government securities
- desire income to complement a portfolio of more aggressive investments
- can tolerate performance that may vary from year to year
- prefer a relatively conservative investment for income

## INVESTMENT STRATEGY

The Fund invests primarily in corporate bonds and government bonds issued or guaranteed by the U.S. government or one of its agencies, and mortgage-backed securities of varying maturities. Investment decisions made by the Fund are consistent with the social-witness principles of the General Assembly of the Presbyterian Church (U.S.A.).

## INVESTMENT PERFORMANCE (as of 12/31/11)

AVERAGE ANNUAL TOTAL RETURNS	NCICX	Barclays Capital Intermediate Aggregate Index <sup>1</sup>
Latest Quarter <sup>2</sup>	1.10%	0.91%
Year to Date <sup>2</sup>	5.32%	5.97%
1 Year	5.32%	5.97%
5 Year	2.65%	6.09%
10 Year	3.59%	5.39%

*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, 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 visit [www.NewCovenantFunds.com](http://www.NewCovenantFunds.com) or call 877.835.4531.*

## EXPENSE RATIO: 0.76%

The EXPENSE RATIO is based on the most recent prospectus. The ratio also includes those expenses incurred indirectly by the Fund as a result of investments in shares of one or more investment companies. Effective January 1, 2011, the Management Fee was reduced from 0.75% to 0.65%. In addition, the Income Fund eliminated the expense limitation agreement with the Adviser.

<sup>1</sup>The Barclays Capital Intermediate Aggregate Index is an unmanaged indices of fixed income securities. Unmanaged indices are not available for direct investment.

<sup>2</sup>Aggregate total return

## INVESTMENT CONCERNS

**Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Bond Funds will tend to experience smaller fluctuations in value than stock funds. Fluctuations in price, especially for longer-term bonds in environments of changing 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 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 interest 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. Diversification does not assure a profit or protect against loss in a declining market.**

## INVESTMENT ADVISOR PROFILE

One Compass Advisors serves as investment advisor to the Funds. The Advisor's staff works with the investment advisor's committee to select the sub-advisors to recommend to the Funds and provide ongoing oversight of the activities and performance of the sub-advisors. The committee is comprised of volunteer Presbyterians who combine expertise in investment and marketing areas with faith-based values.

## INVESTMENT SUB-ADVISOR PROFILE

Robert W. Baird & Co. pursues a core, duration-neutral strategy, which will attempt to mitigate risk associated with changes in interest rates relative to the benchmark, while pursuing credit and sector opportunities.

Earnest Partners, LLC has a core bond management approach, emphasizing AAA-rated securities that are backed by the full faith and credit of the U.S. Treasury, but are not Treasury securities.

*Credit Quality Ratings are provided by Moody's or Standard & Poor's, who assign a rating based on their analysis of the issuer's credit worthiness. The highest rating given is AAA and the lowest is C.*

*\*Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with shorter duration.*

This material is authorized for distribution to prospective investors only when preceded or accompanied by a current prospectus which contains more complete information including fees and expenses. Please read it carefully before investing or sending money.

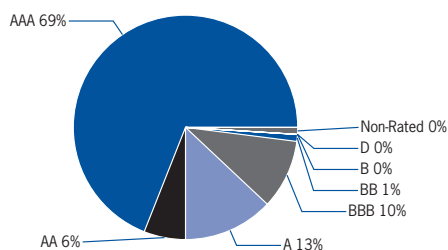
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NO BANK GUARANTEE

## TOP TEN HOLDINGS (as of 12/31/11)

NEW COVENANT INCOME FUND			
US Treasury Notes 2.375%, 7/31/2017	6.9%	FNMA, 5.000%, 04/25/2034	1.2%
US Treasury Bond 6.250%, 8/15/2023	2.9%	FNMA, 5.000%, 07/01/2035	1.2%
FHLMC, 4.500%, 08/01/2040	1.8%	FNMA, 4.000%, 02/01/2041	1.1%
FHLMC, 4.500%, 08/01/2040	1.5%	GE Capital, 0.328%, 6/15/2015	1.0%
Banc of America, 5.675%, 07/10/2046	1.2%	GNMA, 4.500%, 05/20/2040	0.9%

## QUALITY BREAKDOWN (as of 12/31/11)



Primary credit rating utilized is Moody's. If Moody's does not rate a holding then S&P or another nationally recognized credit rating agency is used. In the event of a split credit rating among agencies, the higher credit rating is used.

## SECTOR BREAKDOWN (as of 12/31/11)

	NCICX	Barclays Capital Intermediate Aggregate Index <sup>1</sup>
U.S. Treasury	10%	34%
Government - Related	51%	47%
Corporate	22%	17%
Commercial MBS**	8%	2%
Asset Backed	4%	0%
Non - Agency Residential MBS**	2%	0%
Municipal	0%	0%
Cash	3%	0%

\*\*MBS - Mortgage-Backed Securities.

*Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.*

## FUND NEWS

During the fourth quarter of 2011, capital markets continued the volatile swings that became characteristic of the year. The S&P 500 Index started the quarter by marking a new low for 2011 in early October—but then rallied to end the year almost exactly where it began 2011. All told, we believe a “flat” 2011 for U.S. stocks demonstrates remarkable resilience by investors, just as record-high U.S. corporate profit margins demonstrate remarkable resilience at the corporate level. The bond market, as measured by the Barclay's Capital Intermediate Aggregate Bond Index, was much less volatile rising just under 1% in 2011.

Bonds certainly had an eventful year, though for investors the experience was mostly favorable. The Barclay's Capital Intermediate Aggregate Bond Index returned 5.97% with Treasuries being the unlikely driver. Treasuries often trail other types of bonds due to lower relative yields. Additionally, during the year, US Government debt was downgraded by one of the rating agencies. Despite lower relative yields and a downgrade, longer term Treasuries and TIPS (Treasury Inflation Protected Securities) enjoyed equity like returns in the low teens. Investors flocked to US Treasuries as European distress created significant global uncertainty and positioned the US as a relative safe haven.

In the fourth quarter ending December 31, 2011, the Barclays Intermediate Aggregate Bond Index rose 0.91%, while the New Covenant Income Fund provided shareholders with a total return of 1.10%. Unlike the third quarter, U.S. Treasuries underperformed. Relative to the benchmark, the Income Fund continued to maintain its underweight allocation to Treasury securities and overweight allocations to spread sector securities including corporate bonds and commercial mortgage backed securities. The allocation of the Fund within these sectors outperformed and helped the Fund's overall performance. This positioning may subject the Fund to additional price volatility versus the benchmark, but we remain pleased with the Fund's yield profile.

*Please note that indices are unmanaged and an investment cannot be made directly in an index. Index results are not adjusted for fees or socially responsible investment (SRI) restrictions.*

Visit [www.NewCovenantFunds.com](http://www.NewCovenantFunds.com) for monthly performance information. Simply click on the “Performance” tab of the fund you are interested in viewing.