




ANNUAL REPORT JUNE 30, 2009

New Covenant Growth Fund | New Covenant Income Fund
New Covenant Balanced Growth Fund | New Covenant Balanced Income Fund

A photograph of several bright yellow daisy flowers with dark brown centers, set against a clear, vibrant blue sky. The flowers are in various stages of bloom, with some fully open and others as buds. The stems are green and thin. The overall scene is bright and cheerful, suggesting a sunny day.

...KEEP SOUND WISDOM
AND PRUDENCE, AND
THEY WILL BE LIFE FOR
YOUR SOUL.

Proverbs 3:21-22

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NEW COVENANT FUNDS ANNUAL REPORT

Letter to Shareholders

Dear Shareholders:

We are pleased to present this annual report covering the 12-month period between July 1, 2008 and June 30, 2009. The national and global economies struggled for much of the period, but appeared to begin showing the first signs of recovery as the period ended. Domestic and international stock markets posted significant losses, while bonds generally produced modest positive returns.

Credit conditions deteriorated in the aftermath of the subprime mortgage crisis. As a result, a number of high-profile commercial and investment banks experienced catastrophic liquidity crises. Housing prices slumped during the period, while the unemployment rate reached its highest level in more than 26 years. Both factors sapped consumer spending and weighed heavily on financial markets. As the crisis continued, individuals pulled back on their debt-funded spending. The personal savings rate rose, and the national economy shrank. Congress responded by approving hundreds of billions of dollars in spending aimed at supporting credit markets and stimulating the economy.

Economic weakness spread to other countries, leading to concerns about a global recession. The combination of the worsening credit crisis and a weakening economy drove down global equity markets.

A number of leading economic indicators improved during the second half of the period, perhaps indicating the beginning of a recovery. The housing market began to show signs of stabilization, due in part to the federal government's efforts to lower interest rates. Spreads between yields on Treasury securities and other types of bonds narrowed dramatically although still at the high end of normal range, leading observers to suggest the credit crisis was beginning to subside. Investors' concerns about the economy apparently persisted, however, judging by high levels of volatility in the equity market.

Stocks dropped sharply for much of the period under review, then began to recover as the period ended. The S&P 500¹ reached its low point for the period on March 9, and subsequently posted a strong rally. Nevertheless, the broad-market index declined -26.21% for the 12 months ending June 30, 2009. Foreign stocks as a whole fared worse than the U.S. market, with the MSCI EAFE Index of stock markets in 21 developed countries falling -33.55%

Fixed-income securities generally benefited as investors fled to assets they believed to be safe. In particular, demand for Treasury securities increased dramatically. The Barclays Capital U.S. Aggregate Bond Index², which tracks the overall domestic bond market, returned 6.05% for the period. Meanwhile the Barclays Capital Intermediate Aggregate Index², which tracks government and investment-grade corporate bonds with maturities of 10 years or less, returned 6.14%.

The New Covenant Growth Fund

The New Covenant Growth Fund declined -28.16% during the 12-month period through June 30, 2009. That compared to a drop of -26.21% for the Fund's benchmark, the S&P 500 Index.

The Advisor acts as a "manager of managers" for the Fund, which holds core investments in large U.S. stocks, augmented by satellite portfolios managed by subadvisors who specialize in unique sectors of the global equity market. We allocate assets to five equity subadvisors, each of which focuses on particular segments of the domestic and international equity markets.

The Fund trailed its benchmark largely because of its allocation to international equities. Generally speaking, we expect the Fund's international allocation to exhibit a less than perfect correlation with domestic shares. International stocks' correlation with U.S. equities tends to increase during periods of global financial stress, however.

The Fund's subadvisors:

- Wellington Management Company, LLP, based in Boston, manages the core equity portfolio of New Covenant Growth Fund. Wellington uses a blend of proprietary fundamental and quantitative research to select stocks, and employs disciplined risk-management controls. As of June 30, 2009, the Wellington portfolio represented approximately 57%* of the New Covenant Growth Fund.
- Sound Shore Management, Inc., based in Greenwich, Connecticut, attempts to capitalize on disparities between large companies' stock prices and intrinsic values. This portfolio includes assets previously managed by Mazama Capital Management, Inc., which we released as a subadvisor in August, 2008. Russell Investments managed these assets during the transition between Mazama and Sound Shore. The Sound Shore portfolio represented approximately 15%* of the New Covenant Growth Fund as of June 30.
- Capital Guardian Trust Company, based in Los Angeles, manages the Growth Fund's foreign satellite portfolio. The firm's team of portfolio managers performs rigorous fundamental research to find undervalued stocks. As of June 30, 2009, the Capital Guardian portfolio represented approximately 13%* of the Growth Fund.
- Santa Barbara Asset Management, headquartered in Santa Barbara, California, pursues an investment strategy focused on shares of large, established companies its analysts expect to grow over time. This portfolio, like the Sound Shore portfolio, includes assets previously managed by Mazama Capital Management, Inc. Likewise, Russell Investments managed these assets during the transition between Mazama and Santa Barbara. As of June 30, 2009, the Santa Barbara portfolio represented approximately 13%* of the New Covenant Growth Fund.
- TimesSquare Capital Management, headquartered in Manhattan, assumed responsibility for the mid-cap growth portfolio in the second quarter of 2009. The TimesSquare approach emphasizes bottom-up equity research, fundamental analysis and security selection. As of June 30, 2009, the TimesSquare portfolio represented approximately 3%* of the New Covenant Growth Fund.

The New Covenant Income Fund

The New Covenant Income Fund returned -6.90% during the 12-month period ended June 30, 2009. That compared to a gain of 6.14% for its benchmark, the Barclays Capital Intermediate Aggregate Bond Index.

This Fund seeks to achieve returns commensurate with those of high quality, intermediate term fixed-income securities as a whole, 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 as well as performance relative to the benchmark.

During this period we released the Fund's subadvisor, Tattersall Advisory Group, and replaced the firm with the three subadvisors described below. Conditions in the credit market led us to engage subadvisors that emphasize fundamental credit analysis, rather than the kind of statistical or

NEW COVENANT FUNDS ANNUAL REPORT
Letter to Shareholders

technical analysis employed by Tattersall. Many traditional statistical models became ineffective during the past year, as global financial stress and unintended consequences of government intervention invalidated historical pricing relationships.

The Fund's subadvisors:

- Baird Advisors, headquartered in Milwaukee, Wisconsin, manages the intermediate, investment grade portfolio. The firm attempts to keep duration neutral relative to the benchmark, to mitigate risk associated with changes in interest rates. Baird also manages a separate transition account for the Fund, comprised primarily of mortgage-backed securities purchased by the Income Fund's former subadvisor. Baird is seeking opportunities to liquidate the securities near the company's estimate of their intrinsic value. In total, Baird managed 43% of the Fund's net assets as of fiscal year-end: 27% in the intermediate core portfolio and the remaining 16% in the transition account.
- Earnest Partners, LLC, based in Atlanta, pursues an intermediate, investment-grade approach. The firm emphasizes AAA-rated securities that are backed by the full faith and credit of the U.S. Treasury, but are not Treasury securities. Earnest managed 32% of the Fund's net assets as of June 30, 2009.
- Sterling Capital Management, headquartered in Charlotte, North Carolina, pursues a strategy that attempts to capitalize on duration-, sector- and credit-related opportunities among intermediate, investment-grade bonds. For part of the period under review Sterling also managed a separate transition account, comprised of securities purchased by the Fund's former subadvisor. Sterling finished liquidating its transition account near the end of the period. The company managed 25% of the Fund's net assets as of June 30, 2009.

The New Covenant Balanced Growth Fund

The New Covenant Balanced Growth Fund declined 19.96% during the 12-month period ended June 30, 2009. That compared to a decline of 13.85% for its benchmark, a composite index with a 60% weighting in the S&P 500 and a 40% weighting in the Barclays Capital Intermediate Aggregate Bond Index.

The Balanced Growth Fund trailed its composite benchmark due to underperformance by the Growth Fund and the Income Fund. As of June 30, 2009, the Fund held an asset allocation of approximately 60% of assets in the Growth Fund and 40% in the Income Fund.³

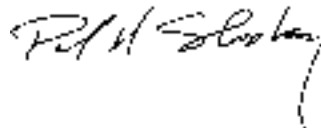
The New Covenant Balanced Income Fund

The New Covenant Balanced Income Fund declined 14.60% during the 12-month period ended June 30, 2009. That compared to a 5.71% return for its benchmark, a composite index with a 35% allocation to the S&P 500 Index and a 65% allocation to the Barclays Capital Intermediate Aggregate Bond Index.

The underperformance of both the Growth Fund and the Income Fund detracted from the Balanced Income Fund's relative return. 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.³

Thank you for choosing the New Covenant Funds. We believe the changes we have made to the Funds' portfolios will enhance their ability to help you achieve your financial goals, and we look forward to serving you in the years to come. If you have questions or would like to receive a prospectus, please call us at 877-835-4531.

Sincerely,



Paul Stropkay
Senior Vice President
Chief Investment Officer
One Compass Advisors⁴

Past performance does not guarantee future results.

* Portfolio holdings add to more than 100% due to rounding.

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 U.S. Aggregate Bond Index and the Barclays Capital Intermediate Aggregate Bond 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 A subsidiary of the Presbyterian Church (U.S.A.) Foundation.

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Letter to Shareholders

Portfolio Allocation as of 6/30/09 (unaudited) (subject to change)

GROWTH FUND:

Security Allocation	Percentage of Market Value
Information Technology	17.6%
Health Care	15.9%
Financials	14.4%
Energy	11.0%
Industrials	10.4%
Consumer Staples	10.4%
Consumer Discretionary	9.1%
Materials	4.0%
Utilities	3.8%
Telecommunication Services	3.4%
Total	100.0%

BALANCED GROWTH FUND:

Security Allocation	Percentage of Market Value
New Covenant Growth Fund	61.7%
New Covenant Income Fund	37.3%
Cash Equivalents(a)	1.0%
Total	100.0%

INCOME FUND:

Security Allocation	Percentage of Market Value
Government Agency/Mortgage Backed Securities	43.4%
Non-Government Agency/Mortgage Backed Securities	26.4%
Corporates	14.6%
Asset Backed	3.6%
Treasuries	1.6%
Other	9.0%
Closed End Investment Companies	0.1%
Cash Equivalents(a)	1.3%
Total	100.0%

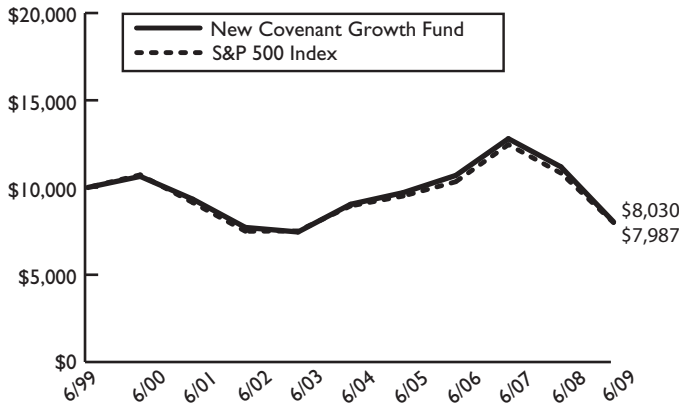
BALANCED INCOME FUND:

Security Allocation	Percentage of Market Value
New Covenant Income Fund	61.1%
New Covenant Growth Fund	36.6%
Cash Equivalents(a)	2.3%
Total	100.0%

(a) Includes other assets in excess of liabilities

Hypothetical Illustration of a \$10,000 Investment

As of June 30, 2009
New Covenant Growth Fund



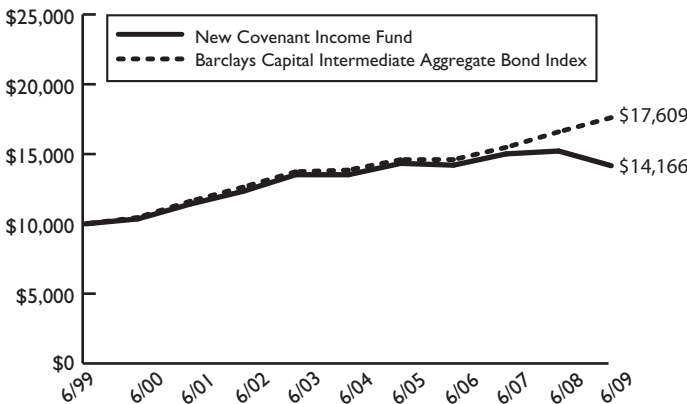
	Average Annual Total Return ¹			
	1 Year	3 Year	5 Year	10 Year
New Covenant Growth Fund ²	-28.16%	-9.09%	-2.33%	-2.17%
S&P 500 Index	-26.21%	-8.22%	-2.24%	-2.22%

Gross Expense Ratio: 1.35%
Net Expense Ratio: 1.18%

The **Gross Expense Ratio** is based on the most recent prospectus. The Fund's Adviser 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 Expense less the fees waived by the Adviser. Had this waiver not been in effect, the performance would have been lower.

The S&P 500 Index is a capitalization weighted index that measures the performance of 500 large-capitalization stocks representing all major industries. The index is unmanaged and does not reflect fees or expenses associated with a mutual fund. Investors cannot invest directly in an index.

As of June 30, 2009
New Covenant Income Fund



	Average Annual Total Return ¹			
	1 Year	3 Year	5 Year	10 Year
New Covenant Income Fund ²	-6.90%	-0.09%	0.94%	3.54%
Barclays Capital Intermediate Aggregate Bond Index	6.14%	6.43%	4.91%	5.82%

Gross Expense Ratio: 1.11%
Net Expense Ratio: 0.86%

The **Gross Expense Ratio** is based on the most recent prospectus. The Fund's Adviser 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 Expense less the fees waived by the Adviser. Had this waiver not been in effect, the performance would have been lower.

The Barclays Capital Intermediate Aggregate Bond index is representative of Intermediate investment grade government and corporate debt securities with maturities of 10 years or less. Investors cannot invest directly in an index. The index is unmanaged and does not reflect fees or expenses associated with a mutual fund.

The Fund seeks investment results that correspond to the total return of the Barclays Capital Intermediate Aggregate Bond index. The portfolio normally invests at least 80% of assets, plus borrowings for investment purposes, in a portfolio of investment grade debt securities, rated at least A by Moody's Investors Service, Inc. or rated at least A by Standard & Poor's Ratings Group, or of comparable quality if unrated, included in the index, derivatives whose economic returns are, by design closely equivalent to the returns of the index or its components and exchange-traded funds.

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. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemptions of Fund shares. To obtain performance information current to the most recent month end, please call 877-835-4531 or visit our website at www.NewCovenantFunds.com.

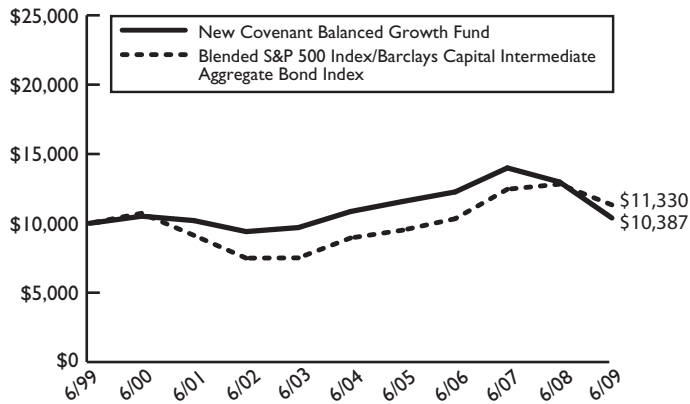
The growth charts above illustrate a hypothetical investment in the Fund versus the appropriate index and represent the reinvestment of dividends and capital gains. The performance of the Fund does not reflect any sales charge or the deduction of taxes that a shareholder would pay on Fund distributions or redemptions of Fund shares.

¹ Returns shown assume reinvestment of all dividends and distributions.

² The performance information for all of 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.

Hypothetical Illustration of a \$10,000 Investment

As of June 30, 2009
New Covenant Balanced Growth Fund



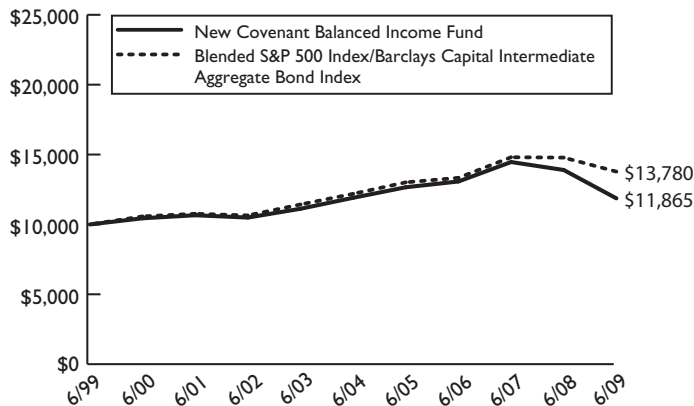
	Average Annual Total Return ¹			
	1 Year	3 Year	5 Year	10 Year
New Covenant Balanced Growth Fund ²	-19.96%	-5.39%	-0.87%	0.38%
Blended S&P 500 Index/Barclays Capital Intermediate Aggregate Bond Index	-13.85%	-2.19%	0.86%	1.26%

Gross Expense Ratio: 0.40%
Net Expense Ratio: 0.15%

The **Gross Expense Ratio** is based on the most recent prospectus. The Fund's adviser 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 Expense less the expenses reimbursed by the adviser. Had these expense reimbursements not been in effect, the performance would have been lower. The Fund expense, inclusive of your pro rata share of fees and expenses incurred by the Growth Fund and Income Fund in which the Balanced Growth Fund invests, is expected to be 1.21% and prior to any expense waivers and reimbursements 1.38%.

The Blended S&P 500 Index/Barclays Capital Intermediate Aggregate Bond Index is a composite index composed of 60% S&P 500 Index and 40% Barclays Capital Intermediate Aggregate Bond Index. The S&P 500 Index is a capitalization weighted index that measures the performance of 500 large capitalization stocks representing all major industries. The Barclays Capital Intermediate Aggregate Bond Index is representative of intermediate investment grade government and corporate debt securities with maturities of 10 years or less. These indices are unmanaged and do not reflect fees or expenses associated with a mutual fund. Investors cannot invest directly in an index.

As of June 30, 2009
New Covenant Balanced Income Fund



	Average Annual Total Return ¹			
	1 Year	3 Year	5 Year	10 Year
New Covenant Balanced Income Fund ²	-14.60%	-3.18%	-0.07%	1.72%
Blended S&P 500 Index/Barclays Capital Intermediate Aggregate Bond Index	-5.71%	1.47%	2.64%	3.26%

Gross Expense Ratio: 0.45%
Net Expense Ratio: 0.20%

The **Gross Expense Ratio** is based on the most recent prospectus. The Fund's adviser 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 Expense less the expenses reimbursed by the adviser. Had these expense reimbursements not been in effect, the performance would have been lower. The Fund expense, inclusive of your pro rata share of fees and expenses incurred by the Growth Fund and Income Fund in which the Balanced Growth Fund invests, is expected to be 1.19% and prior to any expense waivers and reimbursements 1.36%.

The Blended S&P 500 Index/Barclays Capital Intermediate Aggregate Bond Index is a composite index composed of 35% S&P 500 Index and 65% Barclays Capital Intermediate Aggregate Bond Index. The S&P 500 Index is a capitalization weighted index that measures the performance of 500 large capitalization stocks representing all major industries. The Barclays Capital Intermediate Aggregate Bond Index is representative of intermediate investment grade government and corporate debt securities with maturities of 10 years or less. These indices are unmanaged and do not reflect fees or expenses associated with a mutual fund. Investors cannot invest directly in an index.

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¹ Returns shown assume reinvestment of all dividends and distributions.

² The performance information for all of 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.

NEW COVENANT GROWTH FUND
SCHEDULE OF INVESTMENTS at June 30, 2009

Shares		Value	Shares		Value
COMMON STOCKS (97.5%)			COMMON STOCKS (cont.)		
Advertising (0.4%)			Computer Services & Software (cont.)		
67,000	Omnicom Group, Inc.	\$2,115,860	23,100	Amdocs Ltd.(a)	\$495,495
Automotive (1.0%)			42,500	Apple Computer, Inc.(a)	6,053,275
5,500	Bayerische Motoren Werke AG	207,090	36,400	BMC Software, Inc.(a)	1,229,956
24,100	BorgWarner, Inc.(L)	823,015	13,900	CA, Inc.	242,277
5,653	Compagnie Generale des Etablissements Michelin	322,012	225,500	Cisco Systems, Inc.(a)	4,203,320
244,500	Ford Motor Co.(a)	1,484,115	26,100	Citrix Systems, Inc.(a)	832,329
42,800	Mitsubishi Corp.	794,378	71,100	Dell, Inc.(a)	976,203
2,800	Magna International, Inc., Class A	118,272	97,600	Hewlett Packard Co.	3,772,240
36,000	Nissan Motor Co., Ltd.	218,986	72,300	International Business Machines Corp.	7,549,566
5,700	Peugeot SA(a)	149,691	152,500	Intuit, Inc.(a)	4,294,400
5,700	Peugot SA - rights(a)	—	390,800	Microsoft Corp.	9,289,316
3,640	Renault SA(a)	133,635	9,000	NetApp, Inc.(a)	177,480
20,000	Toyota Motor Corp.	761,925	247,400	Oracle Corp.	5,299,308
51,500	WABCO Holdings, Inc.	911,550	44,100	QLogic Corp.(a)	559,188
		<u>5,924,669</u>	51,500	Red Hats, Inc.(a)	1,036,695
Banks (4.2%)			63,000	SanDisk Corp.(a)	925,470
83,831	Banco Bilbao Vizcaya Argentaria SA	1,051,367	7,100	SAP AG	285,562
332,529	Bank of America Corp.	4,389,383	24,000	Trend Micro, Inc.	769,814
3,108,000	Bank of China Ltd.	1,479,800	29,200	Western Digital Corp.(a)	773,800
138,700	Barclays PLC	645,774			<u>51,479,886</u>
184,600	Commerce Asset Holdings	475,286	Construction & Building Materials (1.8%)		
273,985	Grupo Financiero Inbursa SA	726,979	31,200	AGCO Corp.(a)(L)	906,984
4,400	HSBC Holdings	37,272	116,000	Anhui Conch Cement Co. Ltd., Class H(L)	725,931
1,265,000	Industrial & Commercial Bank of China, Class H	881,414	19,531	Bouygues SA(L)	734,300
168,156	JPMorgan Chase & Co.	5,735,801	36,956	Cemex S.A.B. de CV - ADR(a)	345,169
45,800	PNC Financial Services Group	1,777,498	161,000	China Railway	248,458
7,200	Shinhan Financial Group Co., Ltd.(a)	182,268	26,000	Chiyoda Corp.	211,055
2,912	Standard Chartered(L)	56,361	50,244	CRH PLC	1,147,448
64,021	Standard Chartered PLC	1,200,729	16,700	Emcor Group, Inc.(a)(L)	336,004
3,400	Sumitomo Mitsui Financial Group, Inc.	138,703	16,190	Holcim Ltd.(a)	919,347
263,700	Wells Fargo & Co.	6,397,362	50,400	Jacobs Engineering Group, Inc.(a)	2,121,336
		<u>25,175,997</u>	10,518	Lafarge SA(L)	711,947
Chemicals (2.0%)			1,900	Martin Marietta Materials, Inc.	149,872
5,600	CF Industries Holdings, Inc.	415,184	1,200	Orascom Construction Industries - ADR	40,970
16,900	Eastman Chemical Co.(L)	640,510	10,900	Pool Corp.	180,504
9,600	Ecolab, Inc.	374,304	47,200	Stanley Works	1,597,248
26,400	FMC Corp.	1,248,720	4,300	URS Corp.(a)	212,936
18,732	Israel Chemicals, Ltd.	185,938			<u>10,589,509</u>
3,000	K&S	168,469	Consumer Products (2.8%)		
15,200	Lubrizol Corp.	719,112	19,000	Herbalife Ltd.(L)	599,260
42,600	Monsanto Co.	3,166,884	80,400	Kimberly-Clark Corp.	4,215,372
45,100	Mosaic Co., Inc.	1,997,930	101,100	Kimberly-Clark de Mexico	387,563
11,300	Potash Corp. of Saskatchewan, Inc.(a)	1,053,602	82,000	Li & Fung Ltd.	220,076
29,400	Praxair, Inc.	2,089,458	26,400	L'OREAL	1,973,065
		<u>12,060,111</u>	28,600	NIKE, Inc.	1,480,908
Commercial Services (2.8%)			3,700	Nintendo Co. Ltd.	1,022,795
171,800	Accenture Ltd., Class A	5,748,428	107,100	Nu Skin Enterprises, Inc., Class A(L)	1,638,630
6,400	Alliance Data Systems Corp.(a)	263,616	100,622	Procter & Gamble Co.	5,141,784
5,800	Copart, Inc.(a)	201,086			<u>16,679,453</u>
77,000	Discover Financial Services	790,790	Diversified Operations (1.5%)		
2,800	Dun & Bradstreet Corp.	227,388	35,981	BAE Systems	200,378
5,700	Harsco Corp.	161,310	18,908	Delta Electronics, Inc. - ADR(a)	213,849
5,200	Iron Mountain, Inc.(a)	149,500	39,300	Fluor Corp.(L)	2,015,697
25,300	Manpower, Inc.(L)	1,071,202	10,900	FPL Group, Inc.(L)	619,774
65,100	RR Donnelley & Sons Co.(L)	756,462	383,400	General Electric Co.	4,493,448
2,300	Stericycle, Inc.(a)	118,519	4,000	Johnson Controls, Inc.	86,880
1,100	Strayer Education, Inc.	239,921	27,800	Sercos Group PLC	193,143
18,700	Visa, Inc., Class A(L)	1,164,262	8,400	Seven & I Holdings Co., Ltd.	197,965
239,600	Western Union Co.	3,929,440	10,900	Siemens AG	751,714
320,400	Xerox Corp.	2,076,192	20,800	Sumitomo Corp.	212,027
		<u>16,898,116</u>	17,900	United Utilities Group PLC	146,362
Computer Services & Software (8.6%)					<u>9,131,237</u>
64,800	Activision Blizzard, Inc.(a)	818,424	Electronics (2.8%)		
7,500	Adobe Systems, Inc.(a)	212,250	100	Avnet, Inc.(a)	2,103
37,900	Affiliated Computer Services, Inc., Class A(a)	1,683,518	3,500	Dolby Laboratories, Inc.(a)	130,480
			84,600	Edison International	2,661,516
			47,500	Emerson Electric Co.	1,539,000

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

portfolio of investments (continued)

NEW COVENANT GROWTH FUND
SCHEDULE OF INVESTMENTS at June 30, 2009

Shares	Value	Shares	Value
COMMON STOCKS (cont.)		COMMON STOCKS (cont.)	
Insurance (cont.)		Medical (cont.)	
51,239	The Travelers Cos., Inc.	144,400	Schering-Plough Corp.
7,400	Tokio Marine Holding, Inc.	54,500	St. Jude Medical, Inc.(a)
93,400	UnumProvident Corp.		
	<u>\$2,102,848</u>		<u>\$3,627,328</u>
	205,097		2,239,950
	1,481,324		<u>32,533,340</u>
	<u>24,709,459</u>		
Internet (1.7%)		Metals & Mining (1.2%)	
15,100	Amazon.com, Inc.(a)	1,300	AngloGold Ashanti
20,200	Genpact Limited(a)	7,200	AngloGold Ashanti Ltd. - ADR
6,800	Global Payments, Inc.	6,300	Barrick Gold Corp.
9,190	Google, Inc., Class A(a)	21,200	BHP Billiton PLC
1,760	NHN Corp.(a)	29,800	Cameco Corp.(a)
63,500	Softbank Corp.	73,600	Cliffs Natural Resources, Inc.
149,200	Symantec Corp.(a)	21,900	Consol Energy, Inc.
29,400	VeriSign, Inc.(a)(L)	19,700	Freeport-McMoRan Copper & Gold, Inc., Class B
	<u>9,978,996</u>	11,800	Harmony Gold Mining Co., Ltd. - ADR(a)
		8,803	Harmony Gold Mining Co., Ltd.(a)
Lodging (0.1%)		416	Newcrest Mining
4,400	Accor SA	8,284	Newcrest Mining Ltd.(a)(b)
56,000	Shangri-La Asia Ltd.(L)	28,300	Peabody Energy Corp.
	<u>174,406</u>	14,000	Sumitomo Metal Mining Co., Ltd.
	83,097		<u>6,773,537</u>
	<u>257,503</u>		
Machinery & Equipment (0.2%)		Oil & Gas (9.6%)	
8,900	Kurita Water Industries Ltd.	4,296	Air Liquide SA
4,200	PACCAR, Inc.	71,600	BG Group PLC
7,100	SMC Corp.(L)	6,300	Cairn Energy PLC(a)
3,300	Weatherford International Ltd.(a)	12,200	Canadian Natural Resources Ltd.(a)
	<u>288,244</u>	48,292	ChevronTexaco Corp.
	136,542	148,238	ConocoPhillips
	765,755	15,900	Denbury Resources, Inc.(a)
	<u>64,548</u>	40,000	Devon Energy Corp.
	<u>1,255,089</u>	5,500	E.ON AG
		5,200	Enbridge, Inc.(a)
Manufacturing (4.3%)		17,800	EOG Resources, Inc.
8,000	Altera Corp.	165,800	Exxon Mobil Corp.
11,700	Analog Devices, Inc.	9,300	Forest Oil Corp.(a)
9,200	ASML Holding N.V. - ADR	18,100	Gazprom - ADR(a)
16,900	Assa Abloy AB, Class B	6,600	GDF Suez SA
2,800	Church & Dwight Co., Inc.	79,300	Hess Corp.
51,100	Danaher Corp.(L)	102,000	Marathon Oil Corp.
87,100	Dover Corp.	59,900	Noble Corp.
36,700	Graftech International Ltd.(a)(L)	42,100	Occidental Petroleum Corp.
85,500	Honeywell International, Inc.	4,200	Petro-Canada(a)
45,300	Illinois Tool Works, Inc.	5,800	Range Resources Corp.
62,500	ITT Industries, Inc.	7,300	Reliance Industries Ltd. - (a)(b)
32,400	Nvidia Corp.(a)(L)	37,652	Royal Dutch Shell, Class A
254,200	ON Semiconductor Corp.(a)(L)	7,400	Sasol Ltd.
52,500	Owens-Illinois, Inc.(a)	1,800	Sasol Ltd. - ADR
90,450	Parker Hannifin Corp.(L)	104,000	Schlumberger Ltd.
40,600	Precision Castparts Corp.	52,000	Seadrill Ltd.(a)
16,200	Waters Corp.(a)	46,300	Snam Rete Gas SpA
	<u>25,881,187</u>	3,200	Total SA
		62,500	UGI Corp.
Media (2.3%)		35,800	Ultra Petroleum Corp.(a)
170,200	Comcast Corp., Class A	57,500	Williams Cos., Inc.
20,300	Discovery Communications, Inc.(a)	110,300	XTO Energy, Inc.
10,600	National CineMedia, Inc.		<u>4,206,842</u>
6,400	Shaw Communications, Inc.(a)		57,303,606
54,600	The McGraw-Hill Cos., Inc.		
15,202	Time Warner Cable, Inc.		
215,166	Time Warner, Inc.		
30,500	Virgin Media, Inc.		
23,008	Vivendi SA(L)		
6,512	Washington Post Co., Class B(L)		
	<u>2,293,396</u>		
	<u>13,810,442</u>		
Medical (5.5%)		Pharmaceuticals (6.1%)	
18,200	Alcon, Inc.	108,100	Abbott Laboratories
124,170	Alkermes, Inc.(a)(L)	9,900	Bayer AG
33,600	Allergan, Inc.	65,500	Cardinal Health, Inc.
63,400	Amgen, Inc.(a)	3,500	Cephalon, Inc.(a)
38,400	Baxter International, Inc.	98,400	Eli Lilly & Co.
19,400	Becton, Dickinson & Co.	72,800	Forest Laboratories, Inc.(a)
417,200	Boston Scientific Corp.(a)	91,600	Gilead Sciences, Inc.(a)
25,700	C.R. Bard, Inc.	101,400	Merck & Co., Inc.
91,200	Johnson & Johnson, Inc.	68,300	Novartis AG - ADR
90,300	Medtronic, Inc.	12,300	Novo Nordisk, Class B
8,900	Resmed, Inc.(a)	4,800	Perrigo Co.
	<u>2,113,384</u>	365,815	Pfizer, Inc.
	1,343,519		<u>5,085,024</u>
	1,598,688		530,811
	3,356,396		2,001,025
	2,033,664		198,275
	1,383,414		3,408,576
	4,230,408		1,828,008
	1,913,365		4,290,544
	5,180,160		2,835,144
	3,150,567		2,785,957
	362,497		664,996
			133,344
			5,487,225

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

portfolio of investments (continued)

NEW COVENANT GROWTH FUND SCHEDULE OF INVESTMENTS at June 30, 2009

Shares	Value	Shares or Principal Amount	Value
COMMON STOCKS (cont.)		COMMON STOCKS (cont.)	
Pharmaceuticals (cont.)		Telecommunications (cont.)	
16,996	Roche Holding AG	44,600	Corning, Inc.
	\$2,310,349	15,535	France Telecom SA
16,200	Shire Ltd.	56,800	Magyar Telekom PLC
11,100	Shire Pharmaceuticals PLC - ADR	7,600	Mobinil
40,100	Teva Pharmaceutical Industries Ltd. - ADR	49,700	Neustar, Inc.(a)
53,900	Wyeth	283	NTT DoCoMo, Inc.
	2,446,521	82,000	Qualcomm, Inc.
	<u>36,667,440</u>	6,600	Research In Motion Ltd.(a)
Real Estate (0.7%)		7,200	Rogers Communications Class B
129,700	Annaly Mortgage Management, Inc.(L)	102,100	Royal KPN NV
249,920	China Overseas Land & Investment Ltd.	8,700	SBA Communications Corp.(a)
160,000	China Res Land	711	Swisscom AG(L)
58,000	Kerry Properties Ltd.	9,203	Telefonica de Espana
161,000	Link REIT	54,600	Telefonos de Mexico SA - ADR
22,000	Sun Hung Kai Properties Ltd.	37,550	Telekomunikacija(a)
74,000	Wharf Holdings Ltd.	82,600	Telmex Internacional S.A.B. DE CV - ADR
	313,662	124,865	Telstra Corp., Ltd.
	<u>4,085,296</u>	80,500	Verizon Communications, Inc.
Restaurant (0.2%)			<u>2,473,765</u>
24,300	McDonald's Corp.		<u>24,777,427</u>
Retail (5.5%)		Transportation (2.1%)	
28,000	Abercrombie & Fitch Co., Class A(L)	10,296	Air France - KLM(L)
5,500	AutoZone, Inc.(a)	34,100	Burlington Northern Santa Fe Corp.
37,300	Best Buy Co., Inc.(L)	3,600	C. H. Robinson Worldwide, Inc.
33,000	Big Lots, Inc.(a)(L)	72,100	Delta Air Lines, Inc.(a)(L)
71,830	BJ's Wholesale Club, Inc.(a)	29,800	Expeditors International of Washington, Inc.
58,800	Coach, Inc.(a)	86,300	J.B. Hunt Transport Services, Inc.(L)
4,600	Fastenal Co.	38,000	Mitsui O.S.K. Lines Ltd.
157,600	Gap, Inc.(L)	27,200	Norfolk Southern Corp.
427,000	GOME Electrical Appliances Holdings Ltd.	163,078	Qantas Airways Ltd.
28,900	Home Depot, Inc.	279,600	Southwest Airlines Co.(L)
42,600	Kohl's Corp.(a)	25,100	United Parcel Service, Inc.
126,500	Limited Brands(L)	11,900	UTI Worldwide, Inc.(a)
78,800	Macy's, Inc.	62,990	Werner Enterprises, Inc.(L)
222,100	Office Depot, Inc.(a)(L)		<u>1,141,379</u>
19,600	Ross Stores, Inc.		<u>12,822,213</u>
4,400	Shoppers Drug Mart Corp.(L)		Waste Management (0.5%)
67,700	Staples, Inc.	37,800	Veolia Environnement(L)
116,400	Tesco PLC	70,400	Waste Management, Inc.
6,300	Tiffany & Co.		<u>1,113,059</u>
69,100	TJX Cos., Inc.		<u>1,982,464</u>
63,300	Walgreen Co.		<u>3,095,523</u>
138,900	Walmart De Mexico SA		Total Common Stocks
174,300	Wal-Mart Stores, Inc.		(Cost \$591,093,775)
30,500	Weight Watchers International, Inc.(L)		<u>582,934,281</u>
	<u>33,005,126</u>	PREFERRED STOCKS (0.1%)	
Schools (0.6%)		13,500	Tele Norte Leste Participacoes SA
40,900	Apollo Group, Inc., Class A(a)(L)	38,600	Vale SA
8,200	ITT Educational Services, Inc.(a)(L)		Total Preferred Stocks
	825,412		(Cost \$730,261)
	<u>3,734,220</u>		<u>793,255</u>
Technology (2.0%)		RIGHTS (0.3%)	
28,100	Amphenol Corp.	200,031	HSBC Holdings PLC
130,200	ARM Holdings PLC		Total Rights
6,400	Canon, Inc.		(Cost \$1,290,639)
59,900	Ingram Micro, Inc.(a)		<u>1,653,682</u>
145,990	Intel Corp.		CASH EQUIVALENT (3.1%)
6,600	Juniper Networks, Inc.(a)	\$26,083,756	JP Morgan Cash Trade Execution
101,600	Maxim Integrated Products, Inc.		Total Cash Equivalent
40,179	Nokia OYJ		(Cost \$26,083,756)
88,300	United Technologies Corp.		<u>26,083,756</u>
	<u>4,588,068</u>	INVESTMENTS HELD AS COLLATERAL FOR LOANED	
	<u>11,746,301</u>	SECURITIES (7.8%)	
Telecommunications (4.1%)		169,955	JP Morgan Trust ABS 06-HE5 A1, 0.36%, 07/31/09(c)
32,300	America Movil SA, Series L - ADR	1,559,224	GSAA Home Equity Trust ABS, 0.40%, 07/31/09(c)
21,400	American Tower Corp. - Class A(a)	33,226,737	JP Morgan Prime Money Market Fund
308,447	AT&T, Inc.	83,355	Long Beach Mortgage Loan Trust ABS, 0.35%, 07/31/09(c)
9,200	BCE, Inc.	7,000,000	Monumental Global Funding II MTN, 0.41%, 05/26/10(c)
5,300	Belgacom SA		
7,200	Broadcom Corp.(a)		
15,072	Chunghwa Telecom Co Ltd - ADR		

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

NEW COVENANT GROWTH FUND
SCHEDULE OF INVESTMENTS at June 30, 2009

Principal Amount	Value
INVESTMENTS HELD AS COLLATERAL FOR LOANED SECURITIES (cont.)	
\$3,000,000 Santander U.S. Debt SA MTN, 0.70%, 11/20/09(c)	\$2,981,382
2,500,000 Wachovia Bank N.A. Bank MTN, 0.38%, 08/10/09(c)	<u>2,498,240</u>
Total Investments Held As Collateral For Loaned Securities (Cost \$47,539,271)	<u>46,646,043</u>
TOTAL INVESTMENTS — (108.8%) (Cost \$666,737,702)	\$658,111,017
Liabilities in excess of other assets — (8.8)%	<u>(59,902,495)</u>
TOTAL NET ASSETS — 100.00%	<u>\$598,208,522</u>

- (a) Non-income producing security.
 - (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.
 - (c) Variable or Floating Rate Security. Rate disclosed is as of June 30, 2009.
 - (L) A portion or all of the security is on loan.
- ABS Asset Backed Security
 ADR American Depository Receipt
 GDR Global Depository Receipt
 MTN Medium Term Note
 PLC Public Liability Company

portfolio of investments (continued)

NEW COVENANT INCOME FUND SCHEDULE OF INVESTMENTS at June 30, 2009

Principal Amount		Value	Principal Amount	Value
ASSET BACKED SECURITIES (3.6%)			CORPORATE BONDS (cont.)	
\$300,000	American Express Credit 2007-8 B, 1.02%, 05/15/15	\$272,747	\$2,700,000	Fifth Third Bancorp, 6.25%, 05/01/13(L)
750,000	Atlantic City Electric 2002-I A-3, 4.91%, 07/20/17	780,772	1,950,000	Firststar Bank, 7.13%, 12/01/09(L)
1,000,000	CarMax, Inc. 2007-1, 5.24%, 06/15/12	1,031,020	430,000	Fiserv, Inc., 6.13%, 11/20/12
750,000	CenterPoint Energy Transition Bond Co., 5.09%, 08/01/15	792,095	1,000,000	General Mills, Inc., 6.00%, 02/15/12
790,000	Chase Issuance Trust 2007-15A, 4.96%, 09/15/12	818,094	1,000,000	Goldman Sachs Group, Inc., 5.95%, 01/18/18
1,020,000	Honda Motor Auto 2008-1, 4.88%, 09/18/12	1,066,697	600,000	Goldman Sachs Group, Inc., 7.50%, 02/15/19
600,000	Hyundai Motor Co. 2008-A, 5.48%, 11/15/14	626,588	900,000	Hewlett Packard Co., 6.13%, 03/01/14
575,000	Lehman XS Trust 2005-1 3A3A, 5.11%, 07/25/35	167,419	200,000	Hewlett Packard Co., 4.75%, 06/02/14
565,000	Lehman XS Trust 2005-6 3A3A, 5.76%, 11/25/35	225,587	1,000,000	Home Depot, Inc., 5.40%, 03/01/16
2,391,059	Lehman XS Trust 2006-5 2A4A, 5.89%, 04/25/36	1,423,435	615,000	Honeywell International, Inc., 3.88%, 02/15/14
4,303,713	Master Asset Backed Securities 2005-AB1, 5.23%, 11/25/35	2,984,648	750,000	HSBC Finance Corp., 6.75%, 05/15/11
500,000	MBNA Credit Card Master Note Trust 2004-1B, 4.45%, 08/15/16	456,477	215,000	Korea Electric Power Corp., 7.75%, 04/01/13
550,000	Nissan Auto 2008-A, 4.28%, 06/15/14	561,985	1,000,000	Kraft Foods, Inc., 6.13%, 08/23/18
750,000	Nissan Auto 2009-a A-3, 2.92%, 12/15/11	754,724	1,000,000	Marsh & McLennan Cos., Inc., 6.25%, 03/15/12
275,000	Nissan Auto 2009-a A-3, 3.20%, 02/15/13	278,740	1,000,000	Merrill Lynch & Co., 6.50%, 08/15/12
600,000	USAA Auto Owner 2009-1, 4.77%, 09/15/14	615,114	590,000	Merrill Lynch & Co., 6.88%, 04/25/18
445,000	USAA Auto Owner, 5.36%, 06/15/12	457,081	1,000,000	MetLife, Inc., 5.00%, 06/15/15
	Total Asset Backed Securities (Cost \$16,132,262)	<u>13,313,223</u>	500,000	Metropolitan Life Global Funding, 5.13%, 04/10/13(a)
CORPORATE BONDS (14.6%)			1,000,000	Morgan Stanley, 5.63%, 01/09/12
510,000	3M Co., 4.38%, 08/15/13	542,792	460,000	Morgan Stanley, 6.00%, 05/13/14
650,000	Abbott Laboratories, 5.88%, 05/15/16	709,910	1,250,000	National City Corp., 4.50%, 03/15/10
675,000	Allied Waste North America, Inc., 6.88%, 06/01/17	669,256	500,000	PepsiCo, Inc., 7.90%, 11/01/18
600,000	America Movil SAB De CV, 5.50%, 03/01/14	613,824	750,000	Pfizer, Inc., 5.35%, 03/15/15
500,000	American Express Co., 7.25%, 05/20/14	517,745	500,000	Plum Creek Timberlands LP, 5.88%, 11/15/15
1,150,000	American Water Capital Corp., 6.09%, 10/15/17	1,105,837	725,000	PNC Funding Corp., 5.50%, 09/28/12
1,000,000	Amgen, Inc., 5.85%, 06/01/17	1,062,790	1,000,000	Rio Tinto Ltd., 5.88%, 07/15/13
1,000,000	Arden Realty LP, 5.25%, 03/01/15	948,412	450,000	Shell International Financial, 4.00%, 03/21/14
1,000,000	AstraZeneca PLC, 5.40%, 09/15/12	1,085,604	500,000	Simon Property Group, Inc., 6.75%, 05/15/14
700,000	AT&T, Inc., 4.85%, 02/15/14(L)	726,788	1,000,000	Stanford University, 4.25%, 05/01/16
500,000	AT&T, Inc., 5.80%, 02/15/19	508,583	1,175,000	Time Warner, Inc., 6.88%, 05/01/12(L)
1,300,000	AT&T Wireless Services, Inc., 8.13%, 05/01/12	1,456,383	450,000	Time Warner Cable, Inc., 8.75%, 02/14/19
1,000,000	Bank of America Commercial Mortgage, 5.30%, 03/15/17	849,731	1,032,000	Verizon Communications, Inc., 5.88%, 01/17/12
50,000	Bank of America Funding Corp., 7.63%, 06/01/19	50,309	800,000	Verizon Communications, Inc., 6.35%, 04/01/19
1,000,000	Bear Stearns Cos., Inc., 7.25%, 02/01/18	1,055,673	1,000,000	Vodafone Group PLC, 5.63%, 02/27/17
2,800,000	Carolina Power & Light Co., 6.50%, 07/15/12	3,051,950	550,000	Wells Fargo & Co., 5.63%, 12/11/17(L)
795,000	Chevron Corp., 4.95%, 03/03/19	823,042		Total Corporate Bonds (Cost \$54,005,755)
1,000,000	Citigroup, Inc., 6.13%, 11/21/17(L)	878,139		<u>54,407,586</u>
680,000	Coca-Cola Co., 4.88%, 03/15/19	700,071	NON-AGENCY MORTGAGE BACKED SECURITIES (26.4%)	
1,000,000	Comcast Cable Communications, Inc., 6.75%, 01/30/11	1,057,009	3,490,000	American Home Mortgage Investment Trust 2005-2 5A4C, 5.41%, 09/25/35
450,000	ConocoPhillips, 5.75%, 02/01/19	473,828	2,234,114	American Home Mortgage Investment Trust 2006-21A1, 5.48%, 09/25/46
500,000	Cox Communications, Inc., 7.88%, 08/15/09	503,009	168,201	American Home Mortgage Investment Trust 2007-1 A1, 5.22%, 02/25/47
560,000	Credit Suisse, 5.50%, 05/01/14(L)	582,420	2,310,000	Banc of America Commercial Mortgage 2004-3 A5, 5.32%, 06/10/39
1,150,000	Credit Suisse, 6.00%, 02/15/18	1,149,984	3,230,000	Banc of America Commercial Mortgage 2005-6 AM, 5.18%, 09/10/47
425,000	CVS Caremark Corp., 4.88%, 09/15/14	431,841	4,215,000	Banc of America Commercial Mortgage 2006-3, 5.81%, 07/10/44
360,000	Dartmouth College, 4.75%, 06/01/19	364,386	5,235,000	Banc of America Commercial Mortgage 2006-4, 0.06%, 07/10/46
500,000	Entergy Mississippi, Inc., 4.65%, 05/01/11	513,055	780,373	Banc of America Commercial Mortgage 2006-F, 5.18%, 07/20/36
1,666,977	FedEx Corp., 6.72%, 07/15/23	1,732,799	700,000	Banc of America Commercial Mortgage 2007-1, 5.45%, 01/15/49
			2,928,821	Bear Stearns Adjustable Rate Mortgage Trust 2007-5, 5.80%, 08/25/47

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

portfolio of investments (continued)

NEW COVENANT INCOME FUND
SCHEDULE OF INVESTMENTS at June 30, 2009

Principal Amount		Value	Principal Amount		Value
NON-AGENCY MORTGAGE BACKED SECURITIES (cont.)			NON-AGENCY MORTGAGE BACKED SECURITIES (cont.)		
\$1,470,000	Bear Stearns Commercial Mortgage Securities 2007-PVVR18, 6.21%, 06/11/50(a)	\$485,131	\$3,880,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-LDPI2, 5.83%, 02/15/51	\$3,449,733
750,000	BMW Vehicle Lease Trust t 2009-I A3, 2.91%, 08/15/11	754,617	4,165,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-LD12 A4, 5.88%, 02/15/51	3,130,855
2,075,000	Citigroup Commercial Mortgage Trust 2007-C6, 5.70%, 12/10/49	427,316	3,770,000	LB-UBS Commercial Mortgage Trust 2006-C6 AM, 0.05%, 09/15/36	2,091,184
1,596,000	Citigroup Commercial Mortgage Trust 2008-C7, 6.10%, 12/10/49	462,055	2,337,117	Master Adjustable Rate Mortgage 2006-OA2 4A1B, 5.72%, 12/25/46	712,978
815,503	Citigroup Mortgage Loan Trust Inc. 2005-7, 5.18%, 11/25/35	535,508	1,327,522	Master Reperforming Loan Trust 2006-2 1A1, 5.90%, 05/25/36(a)	990,901
2,980,000	Commercial Mortgage Pass-Through Certificate 2007-C9, 5.820%, 12/10/49	2,376,595	565,000	Merrill Lynch/Countrywide Commercial Mortgage Trust 2006-4 A3, 5.17%, 12/12/49	412,585
2,584,523	Countrywide Alternative Loan Trust 2007-26R A1, 7.00%, 01/25/37	1,515,652	2,145,000	Morgan Stanley Capital I 2004-IQ7, 5.41%, 06/15/38	1,951,976
5,135,451	Countrywide Alternative Loan Trust 2007-OA2 1A1, 5.36%, 03/25/47	1,777,683	915,000	Morgan Stanley Capital I A4a, 2005-HQ6, 4.98%, 08/13/42	783,835
974,517	Countrywide Home Loans 2005-HYB6 4A1B, 5.37%, 10/20/35	592,243	3,050,000	Morgan Stanley Mortgage Loan Trust 2006-7 5A2, 5.96%, 06/25/36	1,471,181
3,374,972	Countrywide Home Loans 2007-HY5 1A1, 5.95%, 09/25/47	2,115,031	560,000	Nomura Asset Acceptance Corp. 2006-AF2 1A4, 6.41%, 05/25/36	215,953
915,000	Credit Suisse First Boston Mortgage Securities Corp. 2005-C1, 4.81%, 02/15/38	845,242	1,966,511	PHH Alternative Mortgage Trust 2007-1 21A, 6.00%, 02/25/37	1,212,027
1,365,000	Credit Suisse First Boston Mortgage Securities Corp. 2003-C3 A5, 3.94%, 05/15/38	1,234,422	737,882	Residential Funding Mortgage Securities I 2006-SA2 2A1, 5.85%, 08/25/36	447,676
1,540,000	Credit Suisse First Boston Mortgage Securities Corp. 2005-C1 A4, 5.01%, 02/15/38	1,303,639	3,103,075	Structured Adjustable Rate Mortgage Loan 2007-3 3A1, 5.72%, 04/25/37	1,668,992
1,825,000	Credit Suisse First Boston Mortgage Securities Corp. 2007-4R 1A1, 5.70%, 10/26/36	1,038,115	2,529,829	TBW Mortgage Backed Pass-Through Certificates 2006-2 7A1, 7.00%, 07/25/36	1,357,579
1,205,000	Credit Suisse Mortgage Capital Certificate 2006-C1 AM, 5.55%, 02/15/39	760,535	2,385,000	Wachovia Bank Commercial Mortgage Trust 2004-C12 A4, 5.41%, 07/15/41	2,138,968
4,163,021	Deutsche ALTA Securities, Inc. Mortgage Loan Trust 005-3 5A5, 5.25%, 06/25/35	3,357,327	3,368,713	Wachovia Mortgage Loan Trust LLC 2006-A 3A1, 5.24%, 05/20/19	2,397,543
341,814	Deutsche ALTA Securities, Inc. Mortgage Loan Trust 2007-OA2, 2.59%, 04/25/47	130,837	4,130,000	Washington Mutual Mortgage Pass-Through Certificate 2005-AR5, 4.68%, 05/25/35	2,957,187
329,375	General Electric Capital Commercial Mortgage Corp., 4.35%, 06/10/48	321,223	3,451,710	Washington Mutual Mortgage Pass-Through Certificate 2006-AR17, 5.57%, 12/25/46	677,011
1,370,000	General Electric Capital Commercial Mortgage Corp., 4.60%, 11/10/38	1,233,979	3,072,918	Washington Mutual Mortgage Pass-Through Certificates 2006-AR2, 5.75%, 10/25/36	1,814,857
1,230,000	GMAC Commercial Mortgage Securities 2004-C2 A4, 5.30%, 08/10/38	1,080,095	1,895,193	Washington Mutual Mortgage Pass-Through Certificates 2006-AR2, 5.27%, 04/25/46	664,498
3,220,000	Goldman Sachs Mortgage Securities Corp. 2007-GG10 A2, 5.78%, 08/10/45	2,992,822	1,075,932	Washington Mutual Mortgage Pass-Through Certificates 2006-AR3, 5.30%, 05/25/46	428,489
1,235,000	Goldman Sachs Mortgage Securities Corp. 2007-GG10 A4, 5.99%, 08/10/45	936,758	431,362	Washington Mutual Mortgage Pass-Through Certificates 2006-AR8, 5.18%, 10/25/46	155,182
1,430,034	GSAA Home Equity Trust 2007-10 A1A, 6.00%, 11/25/37	795,829	522,197	Washington Mutual Mortgage Pass-Through Certificates 2006-AR9, 5.17%, 11/25/46	203,608
1,165,552	GSAA Home Equity Trust 2007-10 A1A, 6.50%, 11/25/37	683,642	2,696,423	Washington Mutual Mortgage Pass-Through Certificates 2007-HY5, 5.34%, 05/25/37	1,632,393
1,060,616	GSAA Home Equity Trust 2007-5, 2.49%, 05/25/37	621,173	8,668,857	Washington Mutual Mortgage Pass-Through Certificates 2007-HY6, 5.70%, 06/25/37	5,377,512
3,473,070	HSI Home Loan Obligation 2007-AR2 2A1, 6.00%, 09/25/37	1,838,741	1,641,947	Washington Mutual Mortgage Pass-Through Certificates 2007-HY6, 5.71%, 06/25/37	968,107
3,495,349	Indymac Index Mortgage Loan Trust 2006-AR11, 5.83%, 06/25/36	1,611,893	1,017,602	Washington Mutual Mortgage Pass-Through Certificates 2007-HY7, 5.91%, 07/25/37	602,130
2,445,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2004-CB9 A4, 5.39%, 06/12/41	2,115,917	824,640	Washington Mutual Mortgage Pass-Through Certificates 2007-OA3, 5.10%, 04/25/47	175,967
1,200,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2006-LDP7 A4, 6.07%, 04/15/45	1,021,664			
2,125,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2006-LPD8 B, 5.52%, 05/15/45	715,277			
1,305,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-CIBC18, 5.44%, 06/12/47	986,241			
1,565,000	JP Morgan Chase Commercial Mortgage Securities Corp. 2007-LDPI1 A4, 6.01%, 06/15/49(L)	1,199,496			

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

portfolio of investments (continued)

NEW COVENANT INCOME FUND
SCHEDULE OF INVESTMENTS at June 30, 2009

Principal Amount	Value	Principal Amount	Value
INVESTMENT COMPANIES (0.1%)		INVESTMENTS HELD AS COLLATERAL FOR LOANED SECURITIES (4.6%)	
\$37,289	MFS Government Markets Income Trust	\$111,944	CVL 2006-14 2AI ABS, 0.57%, 04/02/09(b)
45,216	Putnam Master Intermediate Income Trust(L)	15,038,223	JP Morgan Prime Money Market Fund
340	Western Asset/Claymore US Treasury Fund	2,000,000	Santander U.S. Debt SA MTN, 1.33%, 11/20/09(b)
	<u>3,934</u>		<u>1,987,600</u>
	Total Investment Companies		Total Investments Held As Collateral For Loaned Securities
	(Cost \$668,567)		(Cost \$17,150,167)
	<u>497,852</u>		<u>17,135,263</u>
OTHER SECURITIES (1.0%)		Total Investments — (103.8%)	
1,000,000	European Investment Bank, 3.00%, 04/08/14(L)		\$387,475,324
945,000	Export Development Canada, 4.50%, 10/25/12(L)		(14,029,325)
800,000	International Bank For Reconstruction & Development, 2.00%, 04/02/12(L)		Liabilities in excess of other assets — (3.8)%
1,000,000	KfW Bankengruppe, 2.25%, 04/16/12		<u>\$373,445,999</u>
	<u>1,010,038</u>		
	Total Other Securities		
	(Cost \$3,797,772)		
	<u>3,811,198</u>		
CASH EQUIVALENT (5.1%)			
18,960,756	JP Morgan Cash Trade Execution		
	<u>18,960,756</u>		
	Total Cash Equivalent		
	(Cost \$18,960,756)		
	<u>18,960,756</u>		

(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.

(b) Variable or Floating Rate Security. Rate disclosed is as of June 30, 2009.

(L) A portion or all of the security is on loan.

ABS Asset Backed Security
LP Limited Partnership
MTN Medium Term Note
PLC Public Liability Company

portfolio of investments (continued)

NEW COVENANT BALANCED GROWTH FUND SCHEDULE OF INVESTMENTS at June 30, 2009

Shares		Value
INVESTMENT COMPANIES (99.0%):		
6,006,005	New Covenant Growth Fund(a)	\$136,276,250
3,939,855	New Covenant Income Fund(a)	<u>82,461,172</u>
	Total Investment Companies (Cost \$254,089,343)	<u>218,737,422</u>
CASH EQUIVALENTS (1.7%):		
3,805,955	JP Morgan Cash Trade Execution	<u>3,805,955</u>
	Total Cash Equivalents (Cost \$3,805,955)	<u>3,805,955</u>
	TOTAL INVESTMENTS — (100.7%) (Cost \$257,895,298)	\$222,543,377
	Liabilities in Excess of Other Assets — (0.7)%	<u>(1,473,306)</u>
	NET ASSETS — 100.00%	<u>\$221,070,071</u>

(a) Investment in affiliate.

NEW COVENANT BALANCED INCOME FUND SCHEDULE OF INVESTMENTS at June 30, 2009

Shares		Value
INVESTMENT COMPANIES (97.7%):		
1,269,591	New Covenant Growth Fund(a)	\$28,807,028
2,295,605	New Covenant Income Fund(a)	<u>48,047,020</u>
	Total Investment Companies (Cost \$85,964,705)	<u>76,854,048</u>
CASH EQUIVALENTS (3.1%):		
2,450,589	JP Morgan Cash Trade Execution	<u>2,450,589</u>
	Total Cash Equivalents (Cost \$2,450,589)	<u>2,450,589</u>
	TOTAL INVESTMENTS — (100.8%) (Cost \$88,415,294)	\$79,304,637
	Liabilities in Excess of Other Assets — (0.8)%	<u>(639,396)</u>
	NET ASSETS — 100.00%	<u>\$78,665,241</u>

(a) Investment in affiliate.

statements of assets and liabilities

NEW COVENANT FUNDS

June 30, 2009

	Growth Fund	Income Fund	Balanced Growth Fund	Balanced Income Fund
Assets:				
Investments, at value (Cost \$666,737,702, \$442,838,172, \$3,805,955 and \$2,450,589, respectively)(a)	\$658,111,017	\$387,475,324	\$3,805,955	\$2,450,589
Investments in affiliates, at value (Cost \$0, \$0, \$254,089,343 and \$85,964,705, respectively)	—	—	218,737,422	76,854,048
Cash	18,699	741,363	78,770	25,275
Foreign currency, at value	2,209	—	—	—
Interest and dividends receivable	720,105	2,843,287	3	2
Receivable for capital shares issued	661,821	441,214	375	961
Receivable for investments sold	1,466,430	2,789,046	—	3,530
Receivable from Adviser	—	—	43,115	15,491
Reclaims receivable	81,355	—	—	—
Prepaid expenses	20,381	17,168	11,006	3,619
Total Assets	661,082,017	394,307,402	222,676,646	79,353,515
Liabilities:				
Payable for investments purchased	10,318,900	3,449,127	1,103,035	323,130
Payable for capital shares redeemed	4,305,908	3,354	396,558	314,176
Payable for return of collateral received on securities loaned	47,539,271	17,150,167	—	—
Payable for dividend withholding tax	22,522	—	—	—
Accrued expenses and other payables:				
Investment advisory, net	436,804	100,082	—	—
Administration	26,967	16,751	8,015	6,302
Shareholder service	84,888	47,687	41,983	15,224
Transfer agent	8,601	5,838	14,912	4,742
Accounting	14,569	27,981	3,982	2,425
Chief Compliance Officer	6,158	4,546	2,431	858
Other	108,907	55,870	35,659	21,417
Total Liabilities	62,873,495	20,861,403	1,606,575	688,274
NET ASSETS	\$598,208,522	\$373,445,999	\$221,070,071	\$78,665,241
Capital	804,773,873	461,802,122	282,038,759	92,914,693
Undistributed (distributions in excess of) net investment income	(35,818)	292,365	—	—
Accumulated net realized losses from investment and foreign currency transactions	(197,902,616)	(33,285,640)	(25,616,767)	(5,138,795)
Net unrealized depreciation on investment transactions and translation of assets and liabilities denominated in foreign currency	(8,626,917)	(55,362,848)	(35,351,921)	(9,110,657)
Net assets	\$598,208,522	\$373,445,999	\$221,070,071	\$78,665,241
Shares outstanding	26,370,755	17,843,040	3,491,827	5,023,635
Net asset value, offering price and redemption price per share	\$22.68	\$20.93	\$63.31	\$15.66

(a) Includes value of securities on loan of \$46,298,973, \$16,797,036, \$0 and \$0, respectively.

statements of operations

NEW COVENANT FUNDS For the year ended June 30, 2009

	Growth Fund	Income Fund	Balanced Growth Fund	Balanced Income Fund
INVESTMENT INCOME:				
Interest	\$98,970	24,233,110	\$19,402	\$13,376
Dividends	13,904,846	392,942	—	—
Dividend income from affiliates	—	—	6,344,551	2,981,166
Foreign tax withholding	(285,306)	—	—	—
Income from securities lending	496,048	74,065	—	—
Total Investment Income	<u>14,214,558</u>	<u>24,700,117</u>	<u>6,363,953</u>	<u>2,994,542</u>
EXPENSES (Note 3):				
Investment advisory	6,208,729	3,080,304	—	—
Shareholder servicing	1,123,015	652,129	564,303	198,607
Other	304,535	195,302	142,675	67,582
Accounting	133,351	103,572	30,875	10,779
Administration	131,766	86,303	49,728	17,297
Custodian	127,637	6,357	1,330	225
Transfer agent	70,368	48,629	82,674	34,588
Chief Compliance Officer	23,621	17,371	9,335	3,282
Total expenses before contractual fee reductions	<u>8,123,022</u>	<u>4,189,967</u>	<u>880,920</u>	<u>332,360</u>
Expenses contractually reduced by Adviser	<u>(1,123,015)</u>	<u>(652,129)</u>	<u>(564,303)</u>	<u>(198,607)</u>
Total net expenses	<u>7,000,007</u>	<u>3,537,838</u>	<u>316,617</u>	<u>133,753</u>
NET INVESTMENT INCOME	<u>7,214,551</u>	<u>21,162,279</u>	<u>6,047,336</u>	<u>2,860,789</u>
REALIZED AND UNREALIZED LOSSES FROM INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS				
Net realized losses on investment transactions	(179,906,993)	(23,733,742)	(10,454,971) [†]	(2,919,678) [†]
Net realized losses on foreign currency transactions	(49,221)	—	—	—
Net change in unrealized appreciation/depreciation on investments and foreign currency transactions	<u>(62,955,346)</u>	<u>(35,428,867)</u>	<u>(57,528,038)</u>	<u>(14,878,617)</u>
Net realized/unrealized losses from investments and foreign currency transactions	<u>(242,911,560)</u>	<u>(59,162,609)</u>	<u>(67,983,009)</u>	<u>(17,798,295)</u>
Change in net assets resulting from operations	<u><u>\$(235,697,009)</u></u>	<u><u>\$(38,000,330)</u></u>	<u><u>\$(61,935,673)</u></u>	<u><u>\$(14,937,506)</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 year ended June 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2009	For the year ended June 30, 2008
OPERATIONS:				
Net investment income	7,214,551	\$6,682,015	\$21,162,279	\$24,875,128
Net realized gains (losses) from investment and foreign currency transactions	(179,956,214)	13,400,987	(23,733,742)	(1,484,526)
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currency	(62,955,346)	(143,982,348)	(35,428,867)	(14,848,719)
Change in net assets resulting from operations	<u>(235,697,009)</u>	<u>(123,899,346)</u>	<u>(38,000,330)</u>	<u>8,541,883</u>
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(6,717,989)	(6,213,533)	(21,145,431)	(24,383,715)
From net realized gains on investments	—	(50,587,280)	—	—
Tax return of capital	(517,962)	(583,333)	—	—
Change in net assets from distributions to shareholders	<u>(7,235,951)</u>	<u>(57,384,146)</u>	<u>(21,145,431)</u>	<u>(24,383,715)</u>
CAPITAL TRANSACTIONS:				
Proceeds from shares issued	65,384,239	79,145,233	17,538,879	57,836,439
Dividends reinvested	564,472	37,621,232	1,578,804	4,783,382
Cost of shares redeemed	(60,893,582)	(132,932,426)	(82,851,257)	(87,797,578)
Change in net assets from capital transactions	5,055,129	(16,165,961)	(63,733,574)	(25,177,757)
Change in net assets	<u>(237,877,831)</u>	<u>(197,449,453)</u>	<u>(122,879,335)</u>	<u>(41,019,589)</u>
NET ASSETS:				
Beginning of year	836,086,353	1,033,535,806	496,325,334	537,344,923
End of year	<u>\$598,208,522</u>	<u>\$836,086,353</u>	<u>\$373,445,999</u>	<u>\$496,325,334</u>
SHARE TRANSACTIONS:				
Issued	2,988,749	2,172,726	818,415	2,329,879
Reinvested	18,600	1,063,966	76,839	194,341
Redeemed	(2,807,279)	(3,635,350)	(3,964,503)	(3,528,009)
Net increase (decrease)	<u>200,070</u>	<u>(398,658)</u>	<u>(3,069,249)</u>	<u>(1,003,789)</u>
Undistributed (distributions in excess of) net investment income . . .	<u>\$(35,818)</u>	<u>\$(502,255)</u>	<u>\$292,365</u>	<u>\$452,350</u>

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

statements of changes in net assets

NEW COVENANT FUNDS

	Balanced Growth Fund		Balanced Income Fund	
	For the year ended June 30, 2009	For the year ended June 30, 2008	For the year ended June 30, 2009	For the year ended June 30, 2008
OPERATIONS:				
Net investment income	\$6,047,336	\$6,889,718	\$2,860,789	\$3,327,286
Net realized gains (losses) from investment and foreign currency transactions	(10,454,971) [†]	12,564,601 [†]	(2,919,678) [†]	3,060,100 [†]
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currency	(57,528,038)	(43,833,206)	(14,878,617)	(10,660,838)
Change in net assets resulting from operations	<u>(61,935,673)</u>	<u>(24,378,887)</u>	<u>(14,937,506)</u>	<u>(4,273,452)</u>
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(5,929,883)	(6,897,814)	(2,836,623)	(3,327,286)
From net realized gains on investments	(3,339,267)	—	—	—
Tax return of capital	(122,690)	—	(28,265)	(4,188)
Change in net assets from distributions to shareholders	<u>(9,391,840)</u>	<u>(6,897,814)</u>	<u>(2,864,888)</u>	<u>(3,331,474)</u>
CAPITAL TRANSACTIONS:				
Proceeds from shares issued	10,263,042	28,451,471	3,012,500	5,908,103
Dividends reinvested	7,951,390	5,431,198	1,804,880	2,087,756
Cost of shares redeemed	(31,111,094)	(50,655,654)	(11,006,677)	(19,589,213)
Change in net assets from capital transactions	<u>(12,896,662)</u>	<u>(16,772,985)</u>	<u>(6,189,297)</u>	<u>(11,593,354)</u>
Change in net assets	<u>(84,224,175)</u>	<u>(48,049,686)</u>	<u>(23,991,691)</u>	<u>(19,198,280)</u>
NET ASSETS:				
Beginning of year	305,294,246	353,343,932	102,656,932	121,855,212
End of year	<u>\$221,070,071</u>	<u>\$305,294,246</u>	<u>\$78,665,241</u>	<u>\$102,656,932</u>
SHARE TRANSACTIONS:				
Issued	146,240	321,476	196,869	292,233
Reinvested	127,800	62,912	115,769	105,772
Redeemed	(483,294)	(572,086)	(688,928)	(971,203)
Net decrease	<u>(209,254)</u>	<u>(187,698)</u>	<u>(376,290)</u>	<u>(573,198)</u>
Undistributed net investment income	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>

[†] Represents realized gains (losses) from investment transactions with affiliates.

NEW COVENANT FUNDS

For a Share outstanding throughout the year

	Growth Fund				
	For the year ended June 30, 2009	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
Net Asset Value, Beginning of Year	\$31.95	\$38.90	\$32.76	\$29.92	\$28.07
INVESTMENT ACTIVITIES:					
Net investment income(a)	0.29	0.26	0.26	0.18	0.21
Net realized and unrealized gains (losses) on investments and foreign currency transactions . . .	(9.29)	(4.98)	6.17	2.86	1.85
Total from Investment Activities	(9.00)	(4.72)	6.43	3.04	2.06
DIVIDENDS:					
Net investment income	(0.25)	(0.24)	(0.29)	(0.20)	(0.21)
Net realized gains	—	(1.97)	—	—	—
Tax return of capital	(0.02)	(0.02)	—	—	—
Total Dividends	(0.27)	(2.23)	(0.29)	(0.20)	(0.21)
Change in net asset value per share	(9.27)	(6.95)	6.14	2.84	1.85
Net Asset Value, End of Year	\$22.68	\$31.95	\$38.90	\$32.76	\$29.92
Total Return	(28.16)%	(12.61)%	19.68%	10.17%	7.38%
RATIOS/SUPPLEMENTARY DATA:					
Net assets at end of year (in 000's)	\$598,209	\$836,086	\$1,033,536	\$906,010	\$878,583
Ratio of expenses to average net assets	1.12%	1.10%	1.08%	1.07%	1.11%
Ratio of expenses to average net assets, excluding waivers	1.30%	1.29%	1.28%	1.28%	1.36%
Ratio of net investment income to average net assets	1.15%	0.73%	0.73%	0.58%	0.75%
Ratio of net investment income to average net assets, excluding waivers	0.97%	0.54%	0.53%	0.37%	0.50%
Portfolio turnover rate	94%	65%	65%	51%	76%

NEW COVENANT FUNDS

For a Share outstanding throughout the year

	Income Fund				
	For the year ended June 30, 2009	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
Net Asset Value, Beginning of Year	\$23.73	\$24.52	\$24.28	\$25.56	\$25.17
INVESTMENT ACTIVITIES:					
Net investment income	1.11	1.16	1.12	1.00	0.94
Net realized and unrealized gains (losses) on investments.	(2.79)	(0.81)	0.25	(1.23)	0.55
Total from Investment Activities	(1.68)	0.35	1.37	(0.23)	1.49
DIVIDENDS:					
Net investment income	(1.12)	(1.14)	(1.13)	(1.04)	(1.04)
Net realized gains	—	—	—	(0.01)	(0.06)
Tax return of capital	—	—	—*	—*	—
Total Dividends	(1.12)	(1.14)	(1.13)	(1.05)	(1.10)
Change in net asset value per share	(2.80)	(0.79)	0.24	(1.28)	0.39
Net Asset Value, End of Year	\$20.93	\$23.73	\$24.52	\$24.28	\$25.56
Total Return	(6.90)%	1.36%	5.65%	(0.90)%	6.02%
RATIOS/SUPPLEMENTARY DATA:					
Net assets at end of year (in 000's)	\$373,446	\$496,325	\$537,345	\$526,359	\$527,208
Ratio of expenses to average net assets	0.86%	0.85%	0.84%	0.84%	0.86%
Ratio of expenses to average net assets, excluding waivers	1.02%	1.01%	1.01%	1.01%	1.08%
Ratio of net investment income to average net assets.	5.15%	4.70%	4.49%	4.04%	3.68%
Ratio of net investment income to average net assets, excluding waivers.	4.99%	4.54%	4.32%	3.87%	3.46%
Portfolio turnover rate	230%	170%	258%	263%	206%

* Less than \$0.005.

NEW COVENANT FUNDS

For a Share outstanding throughout the year

	Balanced Growth Fund				
	For the year ended June 30, 2009	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
Net Asset Value, Beginning of Year	\$82.49	\$90.86	\$81.30	\$78.20	\$74.65
INVESTMENT ACTIVITIES:					
Net investment income(a)	1.70	1.83	1.83	1.52	1.41
Net realized and unrealized gains (losses) on investments(a)	(18.25)	(8.37)	9.56	3.10	3.54
Total from Investment Activities	(16.55)	(6.54)	11.39	4.62	4.95
DIVIDENDS:					
Net investment income	(1.69)	(1.83)	(1.83)	(1.52)	(1.40)
Net realized gains	(0.93)	—	—	—	—
Tax return of capital	(0.01)	—	—	—*	—
Total Dividends	(2.63)	(1.83)	(1.83)	(1.52)	(1.40)
Change in net asset value per share	(19.18)	(8.37)	9.56	3.10	3.55
Net Asset Value, End of Year	\$63.31	\$82.49	\$90.86	\$81.30	\$78.20
Total Return	(19.96)%	(7.26)%	14.11%	5.93%	6.68%
RATIOS/SUPPLEMENTARY DATA:					
Net assets at end of year (in 000's)	\$221,070	\$305,294	\$353,344	\$312,077	\$305,524
Ratio of expenses to average net assets(b)	0.13%	0.15%	0.12%	0.12%	0.14%
Ratio of expenses to average net assets, excluding waivers(b).	0.37%	0.39%	0.37%	0.38%	0.22%
Ratio of net investment income to average net assets.	2.56%	2.07%	2.11%	1.85%	1.83%
Ratio of net investment income to average net assets, excluding waivers.	2.32%	1.83%	1.86%	1.59%	1.75%
Portfolio turnover rate	7%	17%	7%	10%	5%

* Less than \$0.005.

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

(b) Expense ratios do not include expenses of underlying funds.

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For a Share outstanding throughout the year

	Balanced Income Fund				
	For the year ended June 30, 2009	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
Net Asset Value, Beginning of Year	\$19.01	\$20.40	\$18.99	\$18.90	\$18.24
INVESTMENT ACTIVITIES:					
Net investment income(a)	0.56	0.60	0.59	0.52	0.48
Net realized and unrealized gains (losses) on investments(a)	(3.35)	(1.39)	1.41	0.09	0.66
Total from Investment Activities	(2.79)	(0.79)	2.00	0.61	1.14
DIVIDENDS:					
Net investment income	(0.55)	(0.60)	(0.59)	(0.52)	(0.48)
Net realized gains	—	—	—	—	—
Tax return of capital	(0.01)	—	—*	—	—
Total Dividends	(0.56)	(0.60)	(0.59)	(0.52)	(0.48)
Change in net asset value per share	(3.35)	(1.39)	1.41	0.09	0.66
Net Asset Value, End of Year	\$15.66	\$19.01	\$20.40	\$18.99	\$18.90
Total Return	(14.60)%	(3.95)%	10.65%	3.26%	6.32%
RATIOS/SUPPLEMENTARY DATA:					
Net assets at end of year (in 000's)	\$78,665	\$102,657	\$121,855	\$122,512	\$124,809
Ratio of expenses to average net assets(b)	0.16%	0.20%	0.15%	0.15%	0.17%
Ratio of expenses to average net assets, excluding waivers(b).	0.40%	0.44%	0.40%	0.41%	0.25%
Ratio of net investment income to average net assets	3.47%	2.97%	2.95%	2.71%	2.58%
Ratio of net investment income to average net assets, excluding waivers	3.23%	2.73%	2.70%	2.45%	2.50%
Portfolio turnover rate	10%	10%	7%	13%	6%

* Less than \$0.005.

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

(b) Expense ratios do not include expenses of underlying funds.

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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 advisor is 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 with a remaining maturity of sixty days or more, when purchased, are valued using a pricing service when such prices are believed to reflect fair market value. Debt securities with a remaining maturity of less than sixty days, when purchased, are valued at amortized cost, which approximates market value. Open-end mutual funds are valued at net asset value. Closed-end mutual funds are valued at market 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 June 30, the Funds did not hold 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 New York Stock Exchange (“NYSE”). Occasionally, events affecting the value of such securities may occur between such times and the close of the NYSE 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”) and FASB Staff Position No. 157-4 (“FSP 157-4”). FSP 157-4 clarifies FAS 157 and requires an entity to evaluate certain factors to determine whether there has been a significant decrease in volume and level of activity for the asset or liability such that recent transactions and quoted prices may not be determinative of fair value and further analysis and adjustment may be necessary to estimate fair value. The FSP 157-4 also requires enhanced disclosure regarding the inputs and valuation techniques used to measure fair value in those instances as well as expanded disclosure of valuation levels for major security types. 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.).

Level 3 — Significant unobservable inputs (including a fund’s own assumptions in determining the fair value of investments). Some of the factors which may be considered in determining fair value are fundamental analytical data relating to the investment; the nature

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and duration of any restrictions on disposition (trading in similar securities of the same issuer or 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 June 30, 2009, each Fund's investments in securities were classified as follows:

Growth Fund	Level 1	Level 2	Level 3	Total Market Value
Common Stocks				
Health Care	\$92,875,068	\$—	\$—	\$92,875,068
Information Technology	103,057,407	—	—	103,057,407
Financials	83,317,768	—	—	83,317,768
Industrials	61,295,099	—	—	61,295,099
Consumer Discretionary	52,712,185	—	—	52,712,185
Energy	64,735,153	—	—	64,735,153
Consumer Staples	60,328,890	—	—	60,328,890
Utilities	22,287,452	—	—	22,287,452
Materials	24,725,088	—	—	24,725,088
Telecommunication Services	20,047,108	—	—	20,047,108
Other Investment Companies	51,974,554	—	—	51,974,554
Fixed Income Securities				
Asset-Backed Securities	—	1,202,184	—	1,202,184
Corporate Bonds	—	12,217,122	—	12,217,122
Total Investments	\$637,355,772	\$13,419,306	\$—	\$650,775,078

Income Fund	Level 1	Level 2	Level 3	Total Market Value
Fixed Income Securities				
U.S. Government Agencies	\$—	\$162,081,613	\$—	\$162,081,613
Non-Agency Mortgage Backed Securities	—	98,612,636	—	98,612,636
Corporate Bonds	—	56,395,186	—	56,395,186
Asset-Backed Securities	—	13,422,663	—	13,422,663
Other Agency Securities	—	10,677,498	—	10,677,498
U.S. Treasury Obligations	—	5,926,229	—	5,926,229
Other Securities	—	3,811,198	—	3,811,198
Municipal Bonds	—	2,051,470	—	2,051,470
Investment Companies				
Other Investment Companies	33,998,979	—	—	33,998,979
Closed-End Funds	497,852	—	—	497,852
Total Investments	\$33,998,979	\$353,476,345	\$—	\$387,475,324

Balanced Growth Fund	Level 1	Level 2	Level 3	Total Market Value
Other Investment Companies	\$222,543,377	\$—	\$—	\$222,543,377
Total Investments	\$222,543,377	\$—	\$—	\$222,543,377

Balanced Income Fund	Level 1	Level 2	Level 3	Total Market Value
Other Investment Companies	\$79,304,637	\$—	\$—	\$79,304,637
Total Investments	\$79,304,637	\$—	\$—	\$79,304,637

Securities Transactions and Investment Income: 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. 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

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current market value of the option purchased. The Fund is subject to the risk of an imperfect correlation between movement in the 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 June 30, 2009.

Foreign Currency Translation: The books and records of the Funds are maintained in U.S. dollars. Investment valuation and other assets and liabilities initially expressed 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 foreign currency forward 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 currency 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 at least 102% of the market value of the securities loaned. The amount of collateral required is determined based on values obtained by the securities lending agent which may, from time to time, differ from the values obtained using the Funds’ valuation policies, based upon certain differences that may exist in their respective valuation policies. 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 June 30, 2009, the cash collateral received by the Growth Fund and the Income Fund was invested in a money market mutual fund and other fixed income securities; 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 activities. The investments purchased with the cash collateral are valued daily based on the investment’s prior day’s valuation, in connection with the calculation of the Growth Fund and Income Fund’s net asset value. 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 Portfolios 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 of 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 June 30, 2009, was as follows:

Fund	Value of Securities Loaned	Value of Cash Collateral
Growth Fund	\$46,298,973	\$46,646,043
Income Fund	16,797,036	17,135,263

All collateral received as cash and securities is received, held and administered by the Funds’ custodian for the benefit of the Funds in the applicable custody account or other account established for the purpose of holding collateral.

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%

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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 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 Adviser 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.

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. 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 June 30, 2009, the Funds 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 quarterly. For all Funds, all net realized long-term or short-term capital gains, if any, will be declared and distributed at least annually.

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.

	Accumulated Net Realized Gain (Loss)	Undistributed Net Investment Income	Portfolio Capital
Growth Fund	\$37,370	\$(30,125)	\$(7,245)
Income Fund	176,833	(176,833)	—
Balanced Growth Fund	(9)	(117,453)	117,462
Balanced Income Fund	—	(24,166)	24,166

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 Subchapter M the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal income tax has been made.

Financial Accounting Standards Board ("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 Fund to analyze all open tax years, as defined by the Statute of Limitations, for all major jurisdictions. Open tax years are those that are open for exam by taxing authorities. Major jurisdictions for the fund include Federal and Massachusetts. Tax years include the tax years ended June 30, 2006 through 2009. The Funds have no examination in progress.

The Trust has reviewed all open tax years and major jurisdictions and concluded that the adoption of FIN 48 resulted in no effect to the Trust's financial position or results of operations. There is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on the tax return for the fiscal year-end June 30, 2009. The Funds are also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

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.

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New Accounting Pronouncements. In June 2009, the FASB issued Statement of Financial Accounting Standards No. 168, "The FASB Accounting Standards Codification TM and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No 162" ("SFAS 168"). SFAS 168 replaces SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" and establishes the "FASB Accounting Standards Codification TM" ("Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. All guidance contained in the Codification carries an equal level of authority. On the effective date of SFAS 168, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other nongrandfathered non-SEC accounting literature not included in the Codification will become nonauthoritative. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Funds have evaluated SFAS 168, and have determined that it will not have a significant impact on the determination or reporting of the Funds' financial statements.

3. Investment Advisory and Other Agreements

The Trust, on behalf of each Fund, has entered into an Investment Advisory Agreement (the "Agreement") with the Adviser. 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 eight sub-advisors (the "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, Santa Barbara Asset Management Inc., Sound Shore Management Inc., TimesSquare Capital Management and Wellington Management Company, LLP. Russell Implementation Services, Inc. was a sub-advisor to the Growth Fund for the period August 5, 2008 to March 17, 2009.

The following are the Sub-Advisers for the Income Fund: Earnest Partners, LLC, Sterling Capital Management, LLC and Robert W. Baird & Company, Incorporated. Tattersall Advisory Group was the sub-advisor to the Income Fund for the period July 1, 2008 to December 31, 2008.

The Trust employs a Chief Compliance Officer ("CCO") who receives a portion of her compensation from the Trust, as approved by the Board of Trustees, as well as reimbursement of out-of-pocket expenses related to her services as CCO. The CCO is also an employee of the Adviser. For the year ended June 30, 2009, the Growth Fund, the Income Fund, the Balanced Growth Fund, and the Balanced Income Fund were allocated \$23,621, \$17,371, \$9,335 and \$3,282 for CCO compensation, respectively.

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 whom they have a servicing relationship. Under the terms of the Shareholder Services Agreements, each Fund is authorized to pay monthly 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 Authorized Service Provider under the Shareholder Services Agreements.

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.

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The Trust has a Custodian Agreement with JPMorgan Chase & Co.

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.

A summary of each Balanced Fund's investment in the Growth Fund and Income Fund for the year ended June 30, 2009, is as follows:

Fund	Share Activity				Realized Gain (Loss)	Income	Value June 30, 2009
	Balance June 30, 2008	Purchases	Sales	Balance June 30, 2009			
Balanced Growth Fund							
Growth Fund	5,798,140	691,732	483,867	6,006,005	\$(6,387,760)	\$1,640,984	\$136,276,250
Income Fund	4,844,231	72,745	977,121	3,939,855	(4,067,211)	4,703,567	82,461,172
Balanced Income Fund							
Growth Fund	1,153,258	245,130	128,797	1,269,591	(1,149,903)	337,600	28,807,028
Income Fund	2,637,195	122,005	463,595	2,295,605	(1,769,775)	2,643,566	48,047,020

4. Purchases and Sales of Securities

The cost of purchases and proceeds from sales of securities, excluding short-term investments, for the year ended June 30, 2009, were as follows:

Fund	Purchases (excluding U.S. Government Securities)	Sales (excluding U.S. Government Securities)	Purchases of U.S. Government Securities	Sales of U.S. Government Securities
Growth Fund	\$590,303,514	\$582,925,951	\$—	\$—
Income Fund	834,150,497	907,071,855	68,736,929	64,468,886
Balanced Growth Fund . .	17,635,934	31,119,698	—	—
Balanced Income Fund . . .	8,222,270	12,997,146	—	—

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 Funds 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 fees and brokerage costs

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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 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. Distribution Information

Income and long-term capital gain distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. The tax character of distributions paid during the fiscal years ended June 30, 2009 and June 30, 2008, was as follows:

	Distributions Paid From								Total Distributions Paid*	
	Ordinary Income		Net Long-Term Capital Gains		Total Taxable Deductions		Return of Capital		2009	2008
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Growth Fund	6,717,989	\$9,729,900	\$—	\$47,070,913	6,717,989	\$56,800,813	\$517,962	\$583,333	7,235,951	\$57,384,146
Income Fund	21,145,431	24,383,715	—	—	21,145,431	24,383,715	—	—	21,145,431	24,383,715
Balanced Growth Fund . . .	6,780,207	6,897,814	2,488,943	—	9,269,150	6,897,814	122,690	—	9,391,840	6,897,814
Balanced Income Fund . . .	2,836,623	3,327,286	—	—	2,836,623	3,327,286	28,265	4,188	2,864,888	3,331,474

7. Federal Income Taxes

As of June 30, 2009, the Funds had available for federal tax purposes unused capital loss carryforwards expiring as follows:

	2012	2013	2014	2015	2016	2017	Total
Growth Fund	\$—	\$—	\$—	\$—	\$—	\$61,581,089	\$61,581,089
Income Fund	—	—	1,591,357	5,673,243	517,116	6,784,158	14,565,874
Balanced Growth Fund	—	—	—	—	—	764,364	764,364
Balanced Income Fund	1,227,811	792,155	—	—	—	335,058	2,355,024

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, 2009, the Funds deferred to July 1, 2009, post-October capital losses of:

	Post-October Losses
Growth Fund	\$125,246,971
Income Fund	18,719,766
Balanced Growth Fund	8,440,942
Balanced Income Fund	1,644,919

NEW COVENANT FUNDS
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As of June 30, 2009, the components of accumulated earnings/(deficit) on a tax basis were as follows:

	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Accumulated Earnings	Dividends Payable	Accumulated Capital and Other Losses	Unrealized Appreciation/ (Depreciation)*	Total Accumulated Earnings/ (Deficit)
Growth Fund	\$—	\$—	\$—	\$—	\$(186,828,060)	\$(19,737,291)	\$(206,565,351)
Income Fund	292,365	—	292,365	—	(33,285,640)	(55,362,848)	(88,356,123)
Balanced Growth Fund	—	—	—	—	(9,205,306)	(51,763,382)	(60,968,688)
Balanced Income Fund	—	—	—	—	(3,999,943)	(10,249,509)	(14,249,452)

* The difference between the book-basis and tax-basis unrealized appreciation (depreciation) is attributable primarily to: tax deferral of losses on wash sales and passive foreign investment companies ("PFICs").

At June 30, 2009, the cost, gross unrealized appreciation and gross unrealized depreciation on securities, for federal income tax purposes, were as follows:

	Tax Cost	Tax Unrealized Appreciation	Tax Unrealized (Depreciation)	Net Unrealized Appreciation (Depreciation)
Growth Fund	\$677,848,076	\$67,317,527	\$(87,054,818)	\$(19,737,291)
Income Fund	442,838,172	7,091,999	(62,454,847)	(55,362,848)
Balanced Growth Fund	274,306,759	2,508,310	(54,271,692)	(51,763,382)
Balanced Income Fund	89,554,146	1,152,506	(11,402,015)	(10,249,509)

8. Subsequent Events

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" (SFAS No. 165). The Funds adopted SFAS No. 165 which requires an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, an entity will be required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. In addition, SFAS No. 165 requires an entity to disclose the date through which subsequent events have been evaluated. The Funds have evaluated subsequent events through the issuance of their financial statements on August 28, 2009.

9. Other Federal Income Tax Information (unaudited)

For the fiscal year ended June 30, 2009, certain dividends paid by the Funds may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

Growth Fund	100.00%
Income Fund	2.78%
Balanced Growth Fund	29.08%
Balanced Income Fund	14.49%

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended June 30, 2009 was as follows:

Growth Fund	100.00%
Income Fund	2.80%
Balanced Growth Fund	31.98%
Balanced Income Fund	14.51%

NEW COVENANT FUNDS

June 30, 2009

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for each Fund were as follows:

Growth Fund	0.00%
Income Fund	0.00%
Balanced Growth Fund	12.32%
Balanced Income Fund	0.00%

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders
of the New Covenant Funds:

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of the New Covenant Funds (comprised of New Covenant Growth Fund, New Covenant Income Fund, New Covenant Balanced Growth Fund, and New Covenant Balanced Income Fund) (collectively the "Funds"), as of June 30, 2009, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of June 30, 2009, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the respective portfolios constituting the New Covenant Funds at June 30, 2009, the results of their operations, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Cincinnati, Ohio
August 28, 2009

NEW COVENANT FUNDS
June 30, 2009

Proxy Voting Policy and Proxy Voting Record

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 Funds' website at <http://www.newcovenantfunds.com> and (iii) on the Securities and Exchange Commission's 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 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.

Additional Fund Information - Hypothetical Cost of Investing

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 January 1, 2008 through June 30, 2009.

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 1/1/09	Ending Account Value 6/30/09	Expense Paid During Period* 1/1/09 - 6/30/09	Expense Ratio During Period** 1/1/09 - 6/30/09
Growth Fund	\$1,000.00	\$1,054.60	\$5.86	1.15%
Income Fund	1,000.00	1,056.60	4.59	0.90%
Balanced Growth Fund	1,000.00	1,053.90	0.71	0.14%
Balanced Income Fund	1,000.00	1,053.60	0.81	0.16%

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 1/1/09	Ending Account Value 6/30/09	Expense Paid During Period* 1/1/09 - 6/30/09	Expense Ratio During Period** 1/1/09 - 6/30/09
Growth Fund	\$1,000.00	\$1,019.09	\$5.76	1.15%
Income Fund	1,000.00	1,020.33	4.51	0.90%
Balanced Growth Fund	1,000.00	1,024.10	0.70	0.14%
Balanced Income Fund	1,000.00	1,024.00	0.80	0.16%

* Expenses are equal to the average account value times the Fund's annualized expense ratio (reflecting fee waivers in effect) multiplied by 181/365 (to reflect the one-half year period)

**Annualized.

NEW COVENANT FUNDS

June 30, 2009

Approval of the Continuation of the Investment Advisory and Sub-Advisory Agreements

The current Investment Advisory Agreement for the New Covenant Funds (the “Funds” or the “Trust”) and certain of the Sub-Advisory Agreements for the New Covenant Growth Fund (collectively, the “Agreements”) were most recently re-approved by the Board of Trustees of the Trust on May 18, 2009, for a one-year period ending June 30, 2010. Relevant provisions of the Investment Company Act of 1940 (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 continuation of the Agreements, and it is the duty of the Adviser and the Sub-Advisers to furnish the Trustees with such information as is responsive to their request. Accordingly, in determining whether to renew the Agreements, the Board of Trustees requested, and the Adviser and the applicable Sub-Advisers provided, information and data relevant to the Board’s consideration. This included materials regarding the investment performance of the Funds and information regarding the fees and expenses of the Funds, 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 Funds, the Adviser and the Sub-Advisers 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 Funds and their operations. The Independent Trustees discussed the materials prior to the May 18, 2009 Board meeting as well as in an executive session during the meeting. 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).

Among the factors the Board considered was the overall performance of each Fund and each applicable Sub-Adviser relative to the performance of similar mutual funds in each Fund’s peer group and relative to applicable benchmark indexes on a long-term basis and over shorter periods of time. The Board took note of the fact that the performance results achieved for the Funds were favorable as compared to other SRI Funds on both a short-term and on a long-term basis and that the Adviser produced these results in a manner consistent with the stated investment objective and policies of each of the Funds. The Board considered the contribution made by each applicable Sub-Adviser to the short-term and, as relevant, long-term performance. The Board also considered that while the performance of the Income Fund for certain periods reflected performance that trailed the performance of its applicable benchmark index, the Adviser had taken action during the past fiscal year to replace the former Sub-Adviser to the Income Fund and retain three new Sub-Advisers for the Income Fund. The Board also took note of the long-term relationship between the Adviser and the Funds and the efforts that have been undertaken by the Adviser to foster the growth and development of the Funds since their inception.

In connection with its consideration of the continuation of the Agreement with the Adviser, the Board compared the expenses of each of the Funds to the expenses of their peers, based on data compiled by an independent source. The Board noted the range of investment advisory and administrative services provided by the Adviser to the Funds and the nature, extent and quality of these services. The Board also reviewed financial information concerning the Adviser relating to its operation of the Funds, noting the overall profitability of the relationship with the Funds to the Adviser and the financial status of the Adviser as demonstrated by the financial information provided. In addition, the Board discussed with the Adviser economies of scale that could be realized by the Funds and the impact of potential economies of scale on the fees assessed on the Growth and Income Funds. The Board reviewed the fees charged by the Adviser to its other investment advisory clients and the Board took into consideration the different types of services that the Adviser provides to the Funds as compared to other managed accounts when considering the different level of fees charged by the Adviser in connection with the Funds. The members of the Board also considered the fact that the Adviser makes available the services of its subsidiary New Covenant Funds Distributor, Inc. (the “Distributor”) to serve as the distributor of the shares of each of the Funds and they noted that the Adviser bears all of the costs of the distribution services for the Funds that are provided by the Distributor. The Board also took note of the fact that the Distributor continued to undertake efforts to expand the marketing of the Funds and to provide for expanded distribution of the Funds at no direct cost to the Funds. The Trustees considered the services performed by the Trust’s Chief Compliance Officer (who is an employee of the Adviser), particularly in connection with the oversight of the Sub-Advisers; the services provided by the Adviser in managing the Funds’ proxy voting program; and other additional services provided by the Adviser to the Funds, and concluded that the shareholders continue to benefit from these additional services under the Investment Advisory Agreement with the Adviser. The Board also discussed the function of the Adviser’s Social Witness Committee of its board to raise the visibility and importance of the social responsibility aspect of investing the Funds’ portfolios, and the Adviser’s participation on the Mission Responsibility Through Investment Committee of the Presbyterian Church (U.S.A.) Foundation.

In connection with their review of each of the applicable Sub-Advisory Agreements, the Trustees considered, in addition to the performance information discussed above, the Sub-Advisers’ adherence to the Funds’ investment objectives and policies, the Trust’s Chief Compliance Officer’s favorable compliance report on each applicable Sub-Adviser and the fees charged by the Sub-Advisers to other clients as compared to the fees they receive from the Adviser. While the Board considered financial information regarding each applicable Sub-Adviser, it did not consider information as to the profitability of each Sub-Advisory Agreement to the relevant Sub-Adviser, since the fees payable to the Sub-Advisers had been negotiated at arm’s length and were paid by the Adviser. The Board considered the soft dollar practices of certain of the Sub-Advisers to the Growth Fund and they noted that those Sub-Advisers that do engage in soft dollar transactions with respect to portfolio transactions for the Growth Fund do so in a manner that is consistent with industry practice within the mutual fund industry and also consistent with relevant regulatory guidance and that these transactions reflect a small portion of the overall portfolio trading done for the Growth Fund.

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In reaching their conclusion with respect to the continuation of the 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 performance of the Funds, the commitment of the Adviser to the successful operation of the Funds, and the level of expenses of the Funds as being important elements of their consideration. The Board took particular note of the performance of each Fund compared to that of similar SRI funds. The Board also took particular note of the unique duties that the Adviser undertakes in order to assure that the Funds are invested in a manner that is consistent with the social-witness principles of the Presbyterian Church (U.S.A.). The Board further considered the fact that the Adviser had undertaken during the year to waive its investment advisory fees and reimburse certain operating expenses of the Funds to the extent of the amount of shareholder services fees paid by the Funds during the year in order to limit the overall operating expenses of the Funds. The Board also considered the fact that the Adviser proposed to modify the extent of its fee waiver and reimbursement undertakings during the current fiscal year of the Funds, and the Board determined that the Funds continue to benefit from the fee waiver and reimbursement arrangements, as modified. The Board also took into consideration the fact that the Adviser manages the Funds under a “manager of managers” arrangement pursuant to which the Adviser is responsible for the ongoing oversight of the investment program of each of the Sub-Advisers with respect to their management of the Funds and the Board determined that the Adviser has continued to successfully implement the “manager of managers” program for the Funds in a manner that has been beneficial to the Funds and their shareholders. In connection with this, the Board considered the actions taken during the past fiscal year by the Adviser to retain several new Sub-Advisers.

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 Advisory Agreement and the applicable Sub-Advisory Agreements are fair and reasonable in light of the services provided and the Board therefore voted to renew the Agreements for an additional one-year period.

Approval of New Sub-Advisory Agreement for the New Covenant Growth Fund

In addition to the annual contract renewal process described above for each of the Funds, during the semi-annual period ended June 30, 2009, the Board of Trustees was also called upon to take action with respect to the approval of a new Sub-Advisory Agreement (the “New Sub-Advisory Agreement”) relating to the New Covenant Growth Fund (the “Growth Fund”) with TimesSquare Capital Management, LLC (“TimesSquare”).

As discussed more fully above with respect to the annual contract renewal process, 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 a 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 New Sub-Advisory Agreement with TimesSquare, the Board of Trustees requested, and the Adviser and TimesSquare provided, information and data relevant to the Board’s consideration. This included materials regarding the investment performance of TimesSquare and information regarding the fees and expenses of the Fund, as compared to other similar mutual funds, including other mutual funds having SRI mandates. 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).

At a special meeting of the Trust’s Board held on March 22, 2009, the Trustees, including the Independent Trustees, approved the New Sub-Advisory Agreement with TimesSquare for the Growth Fund. Apart from the fees payable thereunder and the commencement date, the terms and conditions of the New Sub-Advisory Agreement with TimesSquare are generally similar in all material respects to those of the Sub-Advisory Agreements with the other current sub-advisers to the Growth Fund, which the Board reviewed and approved, as described above, at its meeting held on May 18, 2009.

With respect to the Board’s consideration and approval of the New Sub-Advisory Agreement with TimesSquare, the Board met on February 23, 2009 and March 22, 2009 to consider the approval of the selection of TimesSquare. At the February 23, 2009 meeting, upon the recommendation of the Adviser, the Board determined to begin an orderly transition of Growth Fund assets currently being managed by Russell Implementation Services, Inc. (“Russell”) to Sound Shore Management, Inc. and Santa Barbara Asset Management, LLC, two of the other sub-advisers to the Growth Fund. In connection with its determination, the Board took into consideration that the approval of Russell’s sub-advisory agreement in July 2008 was intended for the management of Fund assets on an interim basis. At the February 23, 2009 and March 22, 2009 meetings, the Board reviewed information and materials regarding TimesSquare, including its prior investment performance, its proposed portfolio management process and its proposed level of fees. The Board also considered the nature, quality and extent of the services to be provided by TimesSquare. Following their consideration of each of these factors, on March 22, 2009, the Board determined to select TimesSquare to manage a portion of the Growth Fund.

In connection with their review of the New Sub-Advisory Agreement, the Trustees considered, in addition to the performance and other information discussed above, the compliance report submitted by the Trust’s former Chief Compliance Officer on TimesSquare and noted that the Trust’s new Chief Compliance Officer had agreed to conduct an on-site visit of TimesSquare. In addition, the Trustees took into consideration the fees charged by TimesSquare to other clients as compared to the fees to be

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June 30, 2009

received from the Adviser with respect to the Growth Fund. The Board noted the fact that the fees payable to TimesSquare had been negotiated at arm's length and were to be paid by the Adviser from the investment advisory fee that it receives from the Growth Fund. The Board also considered the brokerage practices of TimesSquare and found them to be in accordance with relevant industry practices and applicable regulatory requirements.

In reaching their conclusion with respect to the approval of the New Sub-Advisory Agreement, 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 TimesSquare and the recommendation of the Adviser's independent consultant 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 Agreement were fair and reasonable in light of the services to be provided and the Board therefore voted to approve the New Sub-Advisory Agreement. As a result of the Board's determination, TimesSquare became a sub-adviser to the Growth Fund effective April 20, 2009.

NEW COVENANT FUNDS
June 30, 2009

Trustees and Officers of the New Covenant Funds

Name and Age	Position(s) Held With Trust	Length of Time Served	Term of Office and Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/ Directorships Held by Trustee
INDEPENDENT TRUSTEES					
F. Kenneth Bateman 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 69	Trustee and Chairman of the Board	Since inception	Attorney, Gerber & Bateman, P.A. (1999 to present); Attorney, Potter, Mills & Bateman, P.A. (1997 to 1999); Trustee, Presbyterian Church (U.S.A.) Foundation (1995 to 2001)	4	None
Gail C. Duree 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 63	Trustee and Vice Chair of the Board	Since inception May 2008	Independent Financial Consultant (1990 to present); Montview Boulevard Presbyterian Church Treasurer (1999 to 2009); Women's Foundation of Colorado (1995 to 2009); Alpha Gamma Delta Foundation Board (2005 to present)	4	None
Donald B. Register 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 72	Trustee	Since inception	Retired; From 1988 to May 2005, Pastor, Sixth-Grace Presbyterian Church, Chicago, IL	4	None
William C. Lauderbach 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 66	Trustee	August 2005	Retired; (1985 to 2008), Executive Vice President and Senior Investment Officer, Chemical Bank and Trust Company, Midland, Michigan	4	None
Elinor K. Hite 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 66	Trustee	May 2008	Independent Human Resource Consultant (2008 to present); Senior Vice President of Human Resources, YMCA of the USA, Chicago, Illinois (2005 to 2008); Director of Human Resources, Jenner & Block LLP (1999 to 2005)	4	None
Henry H. Gardiner, CFA 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 58	Trustee	May 2008	National Accounts Manager, SunGard iWORKS, Greenwood Village, Colorado (2000 to present)	4	None
INTERESTED TRUSTEES					
Robert E. Leech 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 64	President and Trustee	May 2005	Consultant to the New Covenant Trust Company (2009 - Present); Retired; From 2000 - 2009, President and Chief Executive Officer of the Presbyterian Church (U.S.A.) Foundation; Retired; From 2000 - 2009, Chief Executive Officer of the New Covenant Trust Company	4	None
Samuel W. McNairy 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 67	Trustee	August 2005	Retired; From 1964 to 2001, Deloitte & Touche LLP (retired as Partner, 2001); Trustee, Presbyterian Church (U.S.A.) Foundation (January 2005 to present)	4	None

trustees and officers (continued)

NEW COVENANT FUNDS

June 30, 2009

Trustees and Officers of the New Covenant Funds (continued)

Name and Age	Position(s) Held With Trust	Length of Time Served	Term of Office and Principal Occupation(s) During Past 5 Years
EXECUTIVE OFFICERS			
Paul H. Stropkay, CFA 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 37	Senior Vice President	August 2008	Senior Vice President & Chief Investment Officer, New Covenant Trust Company, N.A. (August 2008 to present); Vice President, Harvey Investment Company, LLC (2001-2008)
Cathy Benge 200 E. Twelfth St. Jeffersonville, IN 47130 Age: 53	Chief Compliance Officer & Anti-Money Laundering Officer	March 2009	Chief Compliance Officer, New Covenant Trust Company, N.A. (2009-present); Compliance Specialist, Presbyterian Foundation (2006-2009); ADM Specialist, New Covenant Trust Company, N.A. (2005-2006), Account Implementation Manager, Humana (2004-2005)
Patrick J. Rudnick, CPA 315 E Michigan St., Milwaukee, WI 53202 Age: 36	Treasurer	April 2008	Vice President, U.S. Bancorp Fund Services, LLC (2006 to present); Audit Manager, PricewaterhouseCoopers, LLP (1999-2006)
James R. Matel 315 E. Michigan St., Milwaukee, WI 532002 Age: 38	Secretary	April 2008	Assistant Vice President, U.S. Bancorp Fund Services, LLC (1995 to present)



200 East Twelfth Street
Jeffersonville, IN 47130

Annual/Semi-Annual Report to Shareholders

These reports include financial statements and information about the portfolio of investments for each Fund. The Trust's Annual Report includes a discussion of the market conditions and investment strategies that significantly affected each Fund's performance during its last fiscal year.

Statement of Additional Information (SAI)

The SAI contains more detailed information on all aspects of the Funds. It has been filed with the Securities and Exchange Commission and is legally considered to be a part of the prospectus. To request a free copy of the current Annual or Semi-Annual Report, SAI, or to request other information about the Funds, you can visit www.NewCovenantFunds.com or write or call:

New Covenant Funds
Box 701
Milwaukee, WI 53201-0701
877-835-4531

Text-only versions of Fund documents can be viewed online or downloaded from the SEC's EDGAR database at <http://www.sec.gov>.

You may review and copy the SAI and other information about the Funds by visiting SEC's Public Reference Room in Washington, D.C. You can obtain information about the Public Reference Room by calling the SEC at 202-942-8090. Copies of this information also may be obtained, upon payment of a duplicating fee, by electronic request at publicinfo@sec.gov, or by writing to the Public Reference Section of the SEC, Washington, D.C. 20549-0102.

SEC File #

NCF 14-09-03