

As of 6/30/10

NET ASSETS	\$85,049,096
NAV	17.06
DISTRIBUTION YIELD	2.20%
Income Dividends	2.20%
Capital Gain Distributions	0.00%
SEC 30-DAY YIELD (subsidized)	2.41%
SEC 30-DAY YIELD (unsubsidized)	2.24%

TICKER SYMBOL	NCBIX
LIPPER OBJECTIVE	Balanced
CUSIP NUMBER	643642408
INCEPTION DATE	July 1, 1999

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

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

INVESTMENT OBJECTIVE

The Fund seeks to produce current income and long-term growth of capital. It also seeks to provide capital appreciation with less risk than would be present in a portfolio of only common stocks. This fund may be suitable for investors who:

- seek a balanced portfolio of stocks and bonds, with an emphasis on income
- can tolerate performance that will vary from year to year
- have a long-term investment horizon

INVESTMENT STRATEGY

The Fund invests approximately 65% of its assets in shares of the Income Fund with the balance of its assets invested in shares of the Growth Fund. Investment decisions made by the Income Fund and the Growth Fund, in which the Balanced Income Fund invests, are consistent with the social-witness principles of the General Assembly of the Presbyterian Church (U.S.A.). The philosophy of socially-responsible investing integrates personal values and societal concerns with investment decisions. NCF is one of the largest socially-responsible mutual fund families. As a shareholder advocate, our goal is to affect positive change in the companies in which NCF invests by proxy voting and corporate resolutions.

INVESTMENT PERFORMANCE (as of 6/30/10)

AVERAGE ANNUAL TOTAL RETURNS	NCBIX	BLENDED INDEX ¹
Latest Quarter ²	-3.03%	-2.20%
Year to Date ²	-0.37%	0.85%
1 Year	11.31%	11.04%
5 Year	0.85%	3.63%
10 Year	2.38%	3.77%

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Total return figures include change in share price, reinvestment of dividends and capital gains. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please visit www.NewCovenantFunds.com or call 877.835.4531.

NET EXPENSE RATIO: 1.17% GROSS EXPENSE RATIO: 1.34%

The GROSS EXPENSE RATIO is based on the most recent prospectus. The Fund's advisor has contractually agreed to limit the fees for the period from July 1, 2009 through October 31, 2010.

The NET EXPENSE RATIO is based upon the Gross Expenses less the fees waived by the Advisor. Had this waiver not been in effect, the performance would have been lower. The ratios also include those expenses incurred indirectly by the Fund as a result of the investments in the Growth Fund and the Income Fund. Excluding these acquired fund fees and expenses, the Gross Expense Ratio would be 0.41% and the Net Expense Ratio would be 0.24%.

¹35% S&P 500 Index/65% Barclays Capital Intermediate Aggregate Index
²Aggregate total return

The S&P 500 Index is an unmanaged index of 500 large U.S. companies.
Barclay's Capital Intermediate Aggregate Index is an unmanaged index of fixed income securities.
Unmanaged indices are not available for direct investment.

INVESTMENT CONCERNS

Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including investments in high-grade fixed income securities. The net asset value per share of the Fund will fluctuate as the value of the securities in the portfolio changes. Common stocks, and funds investing in common stocks, generally provide greater return potential when compared with other types of investments. International investing involves increased risk and volatility. Bond funds will tend to experience smaller fluctuations in value than stock funds; therefore, fluctuations in price, especially for longer-term issues and in environments of rising interest rates, should be anticipated. Asset-backed and mortgage-backed securities are generally subject to higher prepayment risks than other types of debt securities, which can limit the potential for gain in a declining interest rate environment and increase the potential for loss in a rising interest rate environment. Mortgage-backed securities may also be structured so that they are particularly sensitive to interest rates. A high rate of defaults on the mortgages held by a mortgage pool may limit the pool's ability to make payments to the fund if the fund holds securities that are subordinate to other interest in the same mortgage pool; the risk of such defaults is generally higher in mortgage pools that include subprime mortgages. Other principal risks associated with securities in the Balanced Income Fund are the following: Interest Rate Risk, Call Risk, Credit Risk, Put and Call Option Risk, Foreign Securities Risk, Options and Futures Risk, Government Securities Risk and Rebalancing Risk. For a more complete description of these risks, please consult the Prospectus. Diversification does not assure a profit or protect against loss in a declining market.

INVESTMENT ADVISOR PROFILE

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

INVESTMENT SUB-ADVISOR PROFILE

NEW COVENANT GROWTH FUND

Wellington Management Company, LLP, manager of the core equity portfolio, is one of America's largest investment advisors, using a blend of proprietary fundamental research & quantitative valuation approach in a disciplined framework.

Santa Barbara Asset Management manages the large-cap growth satellite portfolio, utilizing qualitative and quantitative research to identify large companies that exhibit above-average growth that, they believe, is sustainable over time.

Sound Shore Management, Inc. manages the value satellite portfolio. A value-oriented manager that looks for out-of-favor but financially sound companies, they buy stocks that sell at discounts to their historical prices and that, in their estimation, have sound catalysts with potential to lead to price increases.

TimesSquare Capital Management pursues a mid-cap growth mandate. The firm's investment discipline is focused on fundamental research which emphasizes management quality, demonstrated business franchises with sustainable competitive advantages, superior business models, and businesses with a history of strong, consistent growth.

Baillie Gifford Overseas advises the international equity allocation of the fund. The firm adheres to the belief that share prices follow company fundamentals and that growth outperforms over time. Baillie Gifford Overseas conducts extensive bottom-up research and works to add value by managing a relatively concentrated portfolio of well-managed, quality businesses that enjoy sustainable competitive advantages in their marketplaces.

NEW COVENANT INCOME FUND

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

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

Sterling Capital Management, LLC pursues a core strategy that will attempt to capitalize on *duration, sector, and credit opportunities.

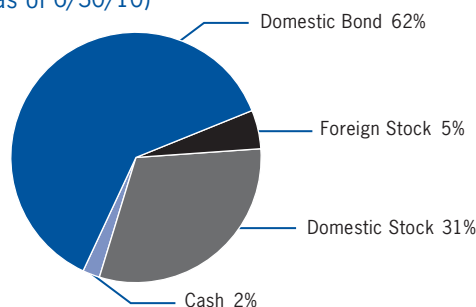
*Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with shorter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

TOP FIVE HOLDINGS (as of 6/30/10)*

NEW COVENANT INCOME FUND		NEW COVENANT GROWTH FUND	
US Treasury Bond 6.250%	4.4%	Microsoft Corp.	1.5%
US Treasury Note 2.375%	2.1%	Apple Inc.	1.4%
FNMA, 5.000%, 07/01/2035	2.0%	Exxon Mobil Corp.	1.3%
FNMA, 5.000%, 02/01/2036	1.7%	Bank of America Corp.	1.2%
FNMA, 5.000%, 04/25/2034	1.3%	Pfizer, Inc.	1.2%

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

STYLE BREAKDOWN (as of 6/30/10)*



*Portfolio composition is subject to change.

FUND NEWS

During the second quarter ending June 30, 2010 global financial markets demonstrated significant price volatility. Noteworthy sources of uncertainty, which led to dramatic declines in stock prices, included sovereign debt crises in Europe, a major oil spill in the Gulf of Mexico, the prospect of tighter financial regulation in the US, and tighter credit in China.

In response to uncertainty, investors' demand for long-dated Treasury notes resulted in a 10-year yield of less than 3%. In general, US bonds rose 2.92% during the quarter, as measured by Barclays Capital Intermediate Aggregate Index. The New Covenant Income Fund produced a total return of 2.41% during this same quarter ending June 30, 2010. Index-lagging results can be attributed, in part, to a relative underweight allocation to US Treasury securities as compared to the Barclays Capital Intermediate Aggregate Bond Index.

In this environment US stock prices fell 11.43% in the second quarter ending June 30, 2010, as measured by the S&P 500 Index. The New Covenant Growth Fund provided shareholders with a total return of -11.49% during this same period.

Non-US equities declined 12.26%, as measured by the *MSCI AC World Index ex USA due in part to weak local currency relative to the US dollar during the second quarter of 2010.

As previously disclosed, the Fund provides shareholders with a 15% target allocation to equities of internationally-domiciled companies. At the end of June, 2010, Baillie Gifford, based in Edinburgh, Scotland, began managing the international equity allocation of the New Covenant Growth Fund. Baillie Gifford emphasizes bottom-up equity research focused on businesses with sustainable competitive advantages. The firm manages a relatively concentrated portfolio of approximately 70 to 110 positions, which provides New Covenant Growth Fund shareholders with exposure to Baillie Gifford's highest conviction ideas.

*The MSCI AC World Index ex-US is a market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The MSCI All Country World Index Ex-U.S. includes both developed and emerging markets. One cannot invest directly in an index.

Visit www.NewCovenantFunds.com for monthly performance information. Simply click on the "Performance" tab of the fund you are interested in viewing.

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