

|                            |              |
|----------------------------|--------------|
| NET ASSETS                 | \$86,564,579 |
| NAV                        | 17.29        |
| DISTRIBUTION YIELD         | 2.70%        |
| Income Dividends           | 2.70%        |
| Capital Gain Distributions | 0.00%        |
| SEC 30-DAY YIELD           | 3.07%        |

|                  |              |
|------------------|--------------|
| 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 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 12/31/09)

| AVERAGE ANNUAL TOTAL RETURNS | NCBIX  | BLENDED INDEX <sup>1</sup> |
|------------------------------|--------|----------------------------|
| Latest Quarter <sup>2</sup>  | 2.46%  | 2.47%                      |
| Year to Date <sup>2</sup>    | 17.71% | 13.63%                     |
| 1 Year                       | 17.71% | 13.63%                     |
| 3 Year                       | -1.75% | 2.29%                      |
| 5 Year                       | 1.20%  | 3.65%                      |
| 7 Year                       | 3.39%  | 5.19%                      |
| 10 Year                      | 2.57%  | 3.91%                      |

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%.

<sup>1</sup>35% S&P 500 Index/65% Barclays Capital Intermediate Aggregate Index

<sup>2</sup>Aggregate total return

The S&P 500 Index is an unmanaged index of 500 large U.S. companies. Barclays 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.

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

\*The performance information prior to July 1, 1999 represents performance records of the private pools previously managed by the Presbyterian Church (U.S.A.) Foundation, the predecessor entity to the Advisor. 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 estimated expenses of the Funds and assumes reinvestment of dividends and distributions.



## 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.

**Capital Guardian Trust Company** manages the foreign satellite portfolio, using a team of portfolio managers that perform rigorous fundamental research to find undervalued stocks.

**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.

### 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.

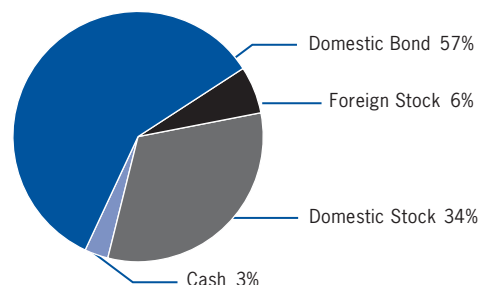
**Earnest Partners, LLC** has a core bond management approach, emphasizing AAA-rated securities that are backed by the full faith and credit of the U.S. Treasury, but are not Treasury securities.

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

## TOP TEN HOLDINGS (as of 12/31/09)\*

| NEW COVENANT INCOME FUND |      | NEW COVENANT GROWTH FUND |      |
|--------------------------|------|--------------------------|------|
| FNMA, 5.500%, 09/01/2034 | 1.4% | Microsoft Corp.          | 1.7% |
| FNMA, 5.000%, 04/25/2034 | 1.3% | Exxon Mobil Corp.        | 1.3% |
| FNMA, 6.200%, 01/01/2011 | 1.3% | Qualcomm Inc.            | 1.3% |
| FNMA, 5.000%, 03/01/2036 | 1.2% | IBM Corp.                | 1.2% |
| FNMA, 6.100%, 04/01/2011 | 1.2% | Pfizer, Inc.             | 1.1% |

## STYLE BREAKDOWN (as of 12/31/09)\*



\*Portfolio composition is subject to change.

## FUND NEWS

Fourth quarter 2009 marked the end of an eventful decade that included historic highs and lows. The S&P 500 made little progress starting the decade at 1,469 and ending at 1,115. The S&P 500 posted a fourth quarter gain of 6.04% adding to the strong rebound for the year of 26.46%. Bond markets also performed well as spreads narrowed. Bonds as measured by the Barclays Intermediate Aggregate Index were up 0.53% in the quarter and 6.46% in 2009.

In this environment, the New Covenant Balanced Income Fund posted strong results for the year, rising 17.71%.

While seeking to deliver benchmark-beating results is important to us, so is our dual objective to steward our Funds consistent with the social witness principles accepted by the General Assembly of the Presbyterian Church (U.S.A.). We feel socially-minded investors integrate the principles and values they use to guide their daily lives with their decisions about how to allocate their financial capital.

We thank you for your continued confidence in New Covenant Funds.

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

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

New Covenant Funds distributed by New Covenant Funds Distributor, Inc. 200 East 12th Street, Jeffersonville, IN 47130.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE