

Funds with a Mission

Second Quarter 2020 Investment Review



SEI New ways.
New answers.®

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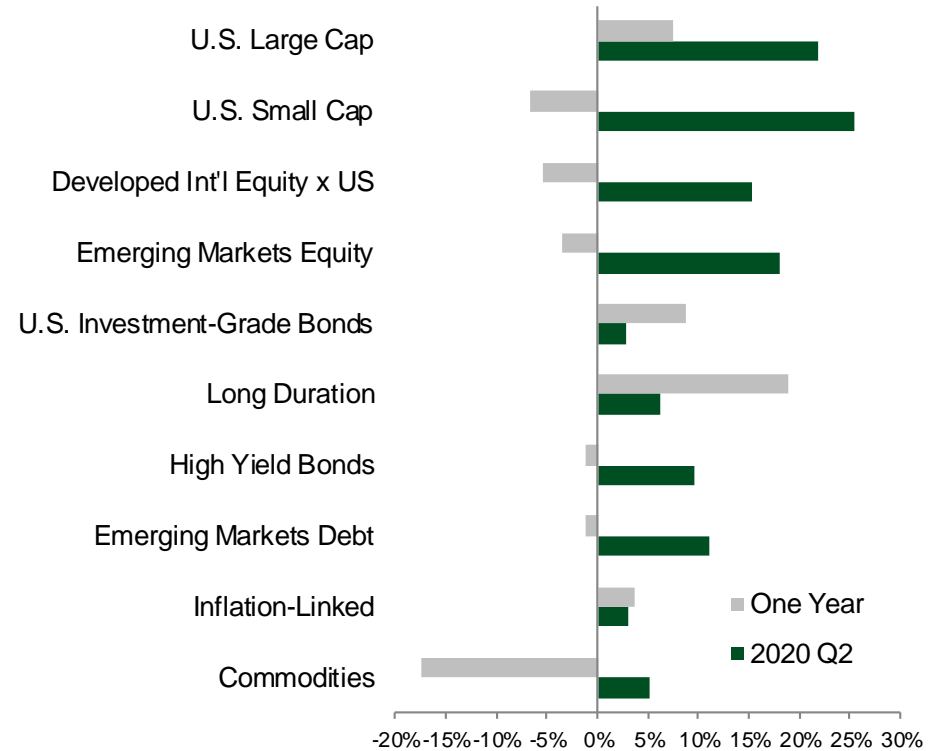
SEI Point of View

Economic and Market Review

Market performance overview

- Forceful policy actions by many governments and central banks in response to the Covid-19 pandemic provided strong support to financial assets in the second quarter.
- Bonds performed well, as central banks pledged to keep interest rates low and monetary policy stimulative in order to support healing of credit markets. Emerging and high yield debt did best, as credit spreads continued to narrow from their first-quarter blowouts.
- Developed (led by the U.S.) and emerging (led by Latin America and emerging Europe) performed well, as investors became less pessimistic about containment of the pandemic and an eventual return to normalcy.
- After a brutal first quarter caused by a surprise oil price war between Saudi Arabia and Russia, commodities regained their footing. A partial recovery of oil prices in May and June contributed, while industrial metals performed well on hopes of a rebound in global growth. Precious metals remained the best-performing group year to date on worries over government spending and stagflation risks.

Financial Markets Review



Commodities = Bloomberg Commodity Total Return Index (USD), Inflation-Linked = Bloomberg Barclays 1-5 Year US TIPS Index (USD), Emerging Markets Debt = 50/50 JPM EMBI Global Div & JPM GBI EM Global Div, High Yield Bonds = ICE BofAML US High Yield Constrained Index (USD), Long Duration = Bloomberg Barclays Long US Government/Credit Index (USD), U.S. Investment-Grade Bonds = Bloomberg Barclays US Aggregate Bond Index (USD), Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets) Index (Net) (USD), Developed Int'l Equity x US = MSCI World ex-USA Index (Net) (USD), U.S. Small Cap = Russell 2000 Index (USD), U.S. Large Cap = Russell 1000 Index (USD). Sources: SEI, index providers. Past performance is no guarantee of future results. As of 06/30/2020.

New Covenant Funds

SEI New ways.
New answers.®

Fund performance

	Fund Inception	Performance Cumulative Total Return as of 06/30/2020				Performance Annualized Total Return as of 06/30/2020					Performance Calendar Year Return as of 12/31				
		1 Mo	3 Mo	Ytd	Qtr	1 Yr	3 Yr	5 Yr	10 Yr	Since Incept	2019	2018	2017	2016	2015
New Covenant Growth*	7/1/1999	2.45	21.99	-3.12	21.99	7.18	9.64	8.44	11.70	4.86	30.18	-6.07	21.60	8.12	-1.98
<i>Russell 3000 Index (USD)</i>		2.29	22.03	-3.48	22.03	6.69	10.36	10.30	13.87	5.93	31.36	-4.78	21.69	12.05	0.92
<i>Expenses before waivers (%) = 0.97</i>															
<i>Expenses after waivers (%) = 0.72</i>															
New Covenant Income	7/1/1999	0.83	4.05	3.99	4.05	5.91	3.89	3.18	2.94	3.63	6.95	0.07	2.51	2.36	0.84
<i>Bloomberg Barclays Intermediate US Aggregate Bond Index (USD)</i>		0.41	2.13	4.67	2.13	6.60	4.28	3.39	3.14	4.67	6.67	0.92	2.27	1.97	1.21
<i>Expenses before waivers (%) = 0.95</i>															
<i>Expenses after waivers (%) = 0.80</i>															

New Covenant Growth: Benchmark performance between Nov 1, 2012 and December 17, 2019 is that of the prior benchmark, Russell 1000 Index; prior to Nov 1, 2012 is that of the former benchmark, the S&P 500 Index.

Performance for periods of less than one year is cumulative. **Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-877-835-4531.** Fee waivers are voluntary and may be discontinued at any time. Source: SEI Data Portal

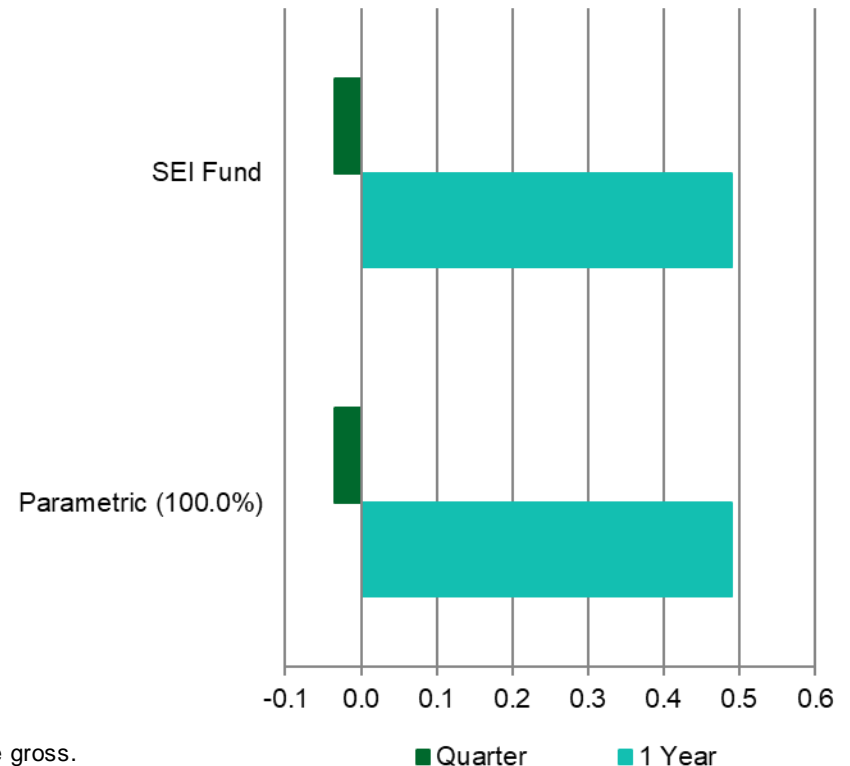
*From July 1999 to March 2014, the New Covenant Growth Fund had international equity exposure ranging from 10% to 20% of the portfolio's assets.

New Covenant Growth Fund

Performance Review

- The Growth Fund benefited from its environmental, social and governance screen (ESG), which led to underweights to the struggling tobacco and defense industries.
- While the ESG screen tends to overweight the information technology sector (which saw positive results for the quarter), the favorable overweight to the sector was not enough to overcome the negative effects of security selection.

**New Covenant Growth Fund
Manager Contribution to Excess Return (%)**



Benchmark: Russell 1000 Index (from October 1, 2019 through December 17, 2019), Russell 3000 Index

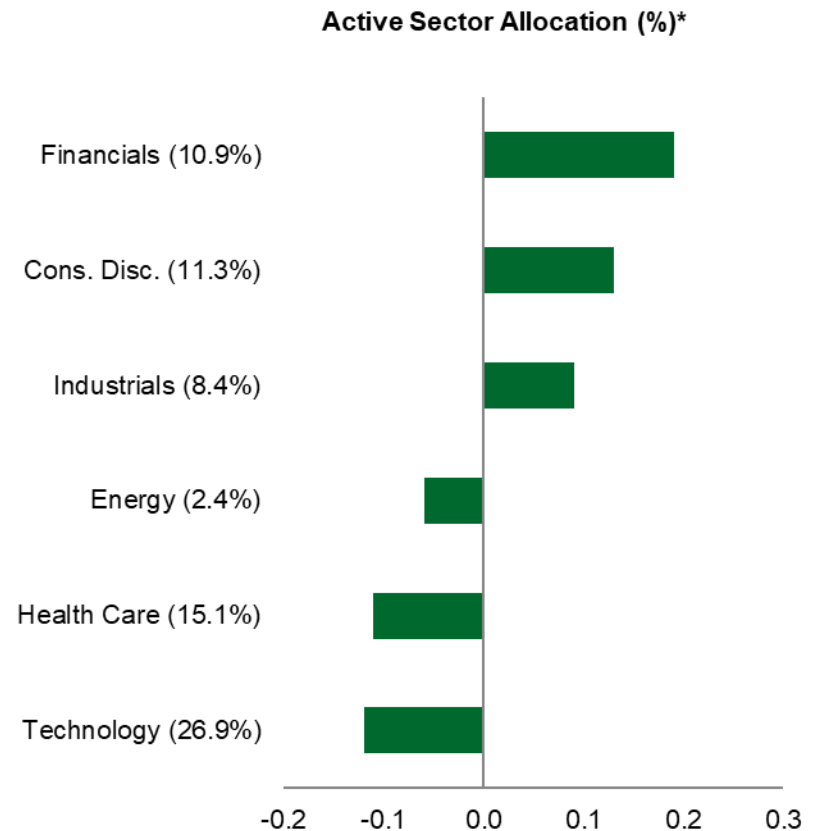
Source: SEI Data Portal. Fund return is net of fund fees; manager contributions are gross. Manager performance reflects performance provided by the manager before the Fund's exclusion list (socially responsible screen) and overlay activities are applied.

Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

New Covenant Growth Fund

Positioning Review

- The Growth Fund employs a passive strategy designed to track the performance of the Russell 3000 Index, which represents the largest 3,000 U.S. companies and approximately 98% of the investable U.S. equity market, subject to such variation as may arise as a result of implementation of the social witness principles of the General Assembly of the Presbyterian Church (U.S.A.).



Source: FactSet based on data from SEI.

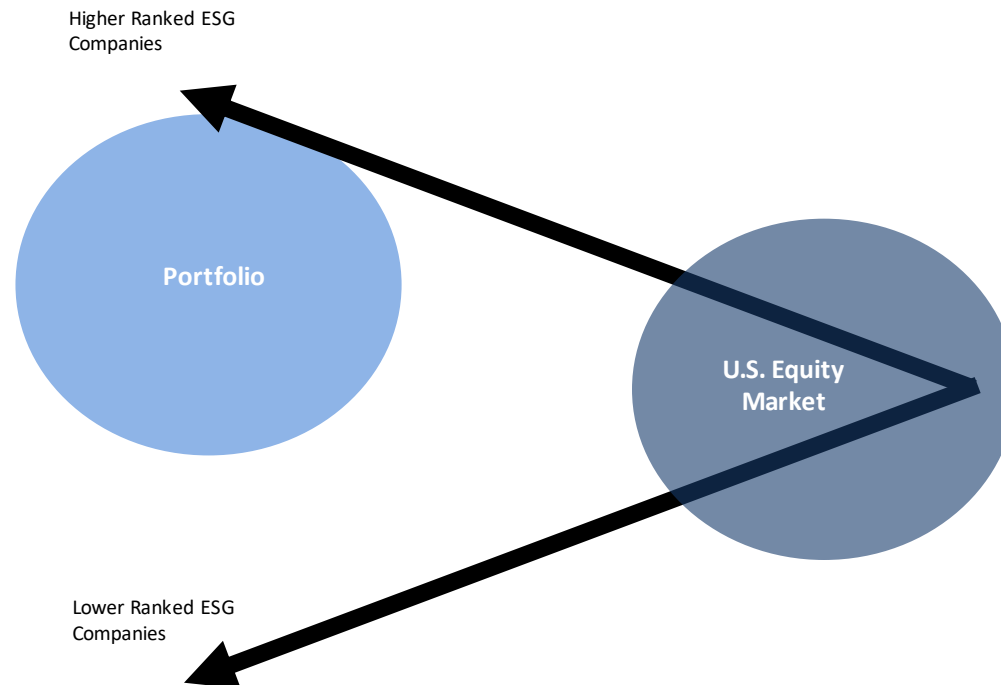
*Versus Russell 3000 Index. Figures in parentheses are ending fund weights, excluding cash. Only the three largest active sector over- and underweights are shown.

New Covenant Growth

Incorporating Environmental, Social, Governance (ESG) preferences

Strategy

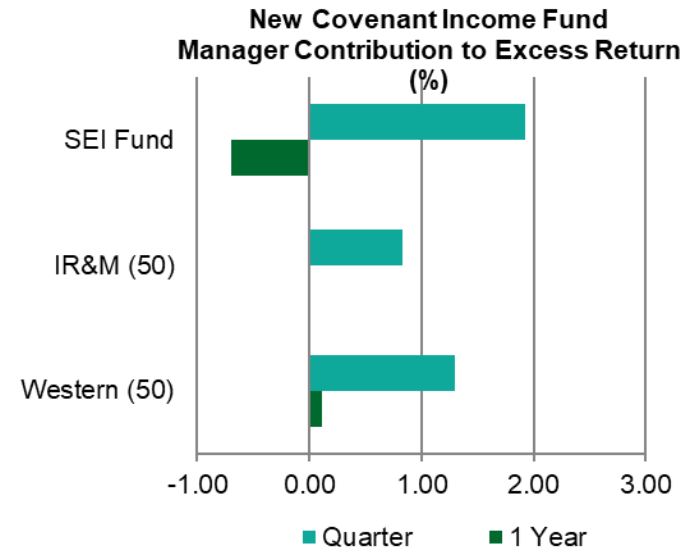
- Parametric, the investment manager, begins with replication of the broad U.S. equity market, minus the prohibited names from the negative SRI screens. They then use their limited ability to deviate from the underlying market exposures to select stocks based upon their ESG ratings.



New Covenant Income Fund

Performance Review

- The Income Fund benefited from an overweight to asset-backed securities (ABS) and higher-quality commercial mortgage-backed securities (CMBS) during the quarter; exposure to non-agency mortgage-backed securities (MBS), which continued their rebound after the first quarter's liquidity-induced sell-off; an overweight to agency MBS, particularly selection within specified pools; an overweight to corporate credit as spreads tightened during the quarter; and selection within industrials and financials (banks).
- The Income Fund's overweight to 30-year U.S. Treasury bonds detracted as yields rose during the quarter.
- Western Asset Management gained on an overweight to credit sectors as spreads tightened over the quarter. An overweight to energy and financials helped. Off-benchmark allocations to non-U.S.-dollar denominated securities contributed modestly. An overweight to agency MBS was beneficial, as was an allocation to non-agency MBS.
- Income Research & Management's overweight to investment-grade credit contributed as yield spreads between corporate and government bonds tightened (as interest rates on corporate bonds fell, their prices rose.) Selection within and an overweight to the financials sector helped. Overweights to ABS and CMBS were beneficial as markets recovered from the forced selling that happened during the market decline in March. While an overweight to taxable municipal bonds was a modest contributor, an underweight to government bonds detracted slightly. Security selection within industrials also hurt.



(#) indicates the percent target allocation in the Fund, excluding cash.

Benchmark: Bloomberg Barclays U.S. Intermediate Aggregate Bond Index

Source: SEI Data Portal with data from Fund sub-advisors. Fund return is net of fund fees; manager contributions are gross.

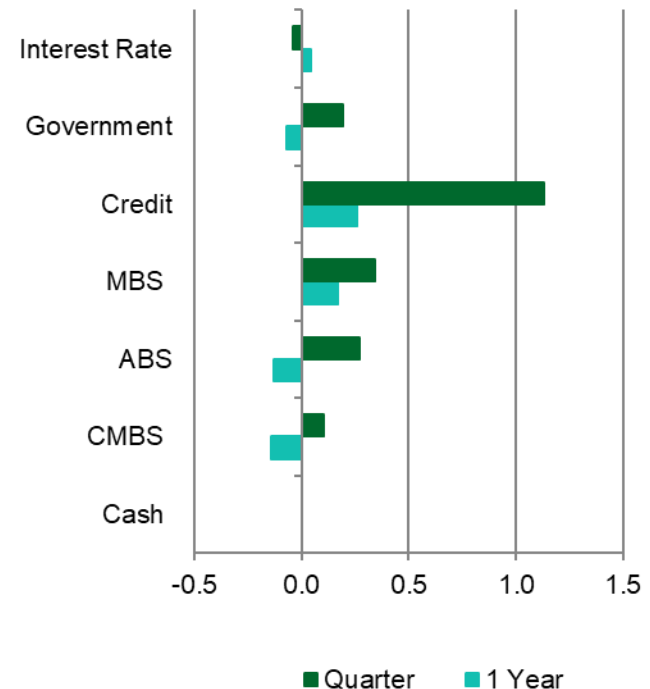
Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-877-835-4531.

New Covenant Income Fund

Positioning Review

- During the quarter, the Income Fund increased its overweight to the industrials sector. The overweight to agency MBS was reduced.
- The Income Fund's duration positioning ended the quarter neutral to its benchmark, but remained overweight the long-term segment of the U.S. Treasury yield curve. Duration is a measure of risk in bond investing and indicates how price-sensitive a bond is to changes in interest rates. A long (overweight) duration stance indicates the portfolio duration is higher than that of the benchmark whereas a short (underweight) duration stance indicates a lower duration. Duration is measured in years and securities with longer durations are more sensitive to interest-rate changes. With yields near historic lows, the Fund's managers are likely to stay close to neutral until volatility subsides.
- The Income Fund was overweight corporate bonds.
- Credit allocations will likely increase incrementally, depending on the path of the COVID-19 pandemic and resulting economic recovery.
- Managers are expected to adjust duration and yield-curve positioning in response to changes in the market. They are pursuing a "follow the Fed" approach in adding to positions within investment-grade credit and agency MBS, as those are the two initial areas that the Federal Reserve ("Fed") has supported.

**New Covenant Income Fund
Sector Contribution to Excess Return (%)**



Source: BlackRock Solutions based on data from SEI. Gross of fees.

Benchmark: Bloomberg Barclays U.S. Intermediate Aggregate Bond Index

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Fund performance

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		1 Mo	3 Mo	Ytd	Qtr	1 Yr	3 Yr	5 Yr	10 Yr	Since Incept	2019	2018	2017	2016	2015
New Covenant Balanced Growth	7/1/1999	1.84	14.51	0.49	14.51	7.57	7.70	6.57	8.34	4.62	20.38	-3.37	13.47	5.87	-0.78
<i>New Covenant Balanced Growth Benchmark</i>		1.54	13.85	0.27	13.85	7.31	8.30	7.80	9.72	5.73	21.18	-2.24	13.57	8.08	1.25
<i>Expenses before waivers (%) = 0.95</i>															
<i>Expenses after waivers (%) = 0.87</i>															
New Covenant Balanced Income	7/1/1999	1.38	10.02	2.15	10.02	7.14	6.14	5.17	6.05	4.21	14.60	-1.99	8.69	4.32	-0.05
<i>New Covenant Balanced Income Benchmark</i>		1.07	8.88	2.28	8.88	7.25	6.76	6.05	7.02	5.40	15.02	-0.83	8.74	5.56	1.31
<i>Expenses before waivers (%) = 0.97</i>															
<i>Expenses after waivers (%) = 0.92</i>															

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New Covenant Balanced Growth Fund

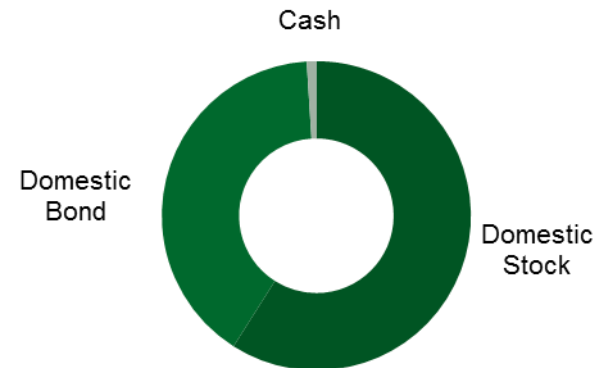
Equity Market

- The Growth Fund benefited from its environmental, social and governance screen (ESG), which led to underweights to the struggling tobacco and defense industries.
- While the ESG screen tends to overweight the information technology sector (which saw positive results for the quarter), the favorable overweight to the sector was not enough to overcome the negative effects of security selection.

Bond Market

- The Income Fund benefited from an overweight to asset-backed securities (ABS) and higher-quality commercial mortgage-backed securities (CMBS) during the quarter; exposure to non-agency mortgage-backed securities (MBS), which continued their rebound after the first quarter's liquidity-induced sell-off; an overweight to agency MBS, particularly selection within specified pools; an overweight to corporate credit as spreads tightened during the quarter; and selection within industrials and financials (banks).
- The Income Fund's overweight to 30-year U.S. Treasury bonds detracted as yields rose during the quarter.

Sector Allocations (Target Weights)



Source: SEI

New Covenant Balanced Income Fund

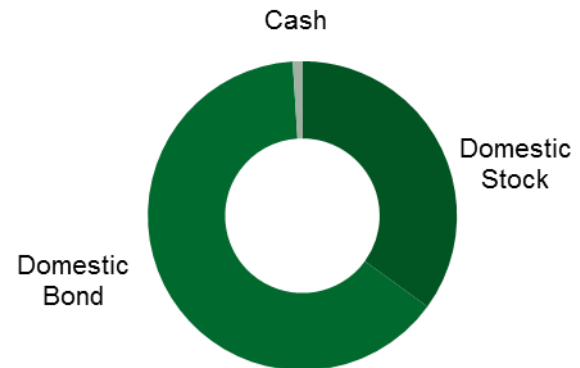
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Equity Market

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- While the ESG screen tends to overweight the information technology sector (which saw positive results for the quarter), the favorable overweight to the sector was not enough to overcome the negative effects of security selection.

Sector Allocations (Target Weights)



Source: SEI

Indexes

Definitions

The Russell 3000 Index includes 3000 of the largest U.S. equity securities based on market cap and current index membership; it is used to measure the activity of the U.S. equity market.

The Bloomberg Barclays Intermediate U.S. Aggregate Bond Index is an unmanaged benchmark index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors with remaining maturities of less than 10 years.

Benchmarks

New Covenant Growth

benchmark: 100% Russell 3000

New Covenant Income

benchmark: 100% Bloomberg Barclays
US Intermediate Aggregate

New Covenant Balanced Growth

benchmark: 60% Russell 3000
Bloomberg Barclays
40% US Intermediate Aggregate

New Covenant Balanced Income

benchmark: 35% Russell 3000
Bloomberg Barclays
65% US Intermediate Aggregate

Important Information

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Important Information

This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the Funds or any stock in particular, nor should it be construed as a recommendation to purchase or sell a security, including futures contracts. There is no assurance as of the date of this material that the securities mentioned remain in or out of New Covenant Funds.

For those New Covenant Funds which employ the ‘manager of managers’ structure, SEI Investments Management Corporation (SIMC) has ultimate responsibility for the investment performance of the Funds due to its responsibility to oversee the sub-advisers and recommend their hiring, termination and replacement. SIMC is the adviser to the New Covenant Funds, which are distributed by SEI Investments Distribution Co. (SIDCO). SIMC and SIDCO are wholly owned subsidiaries of SEI Investments Company.

To determine if the Funds are an appropriate investment for you, carefully consider the investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the Funds’ full and summary prospectuses, which can be obtained by calling 1.877.835.4531. Read them carefully before investing.

There are risks involved with investing, including loss of principal. Current and future portfolio holdings are subject to risks as well. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Narrowly focused investments and smaller companies typically exhibit higher volatility. Bonds and bond funds will decrease in value as interest rates rise. High-yield bonds involve greater risks of default or downgrade and are more volatile than investment-grade securities, due to the speculative nature of their investments. The Funds’ social policy may cause it to make or avoid investments for social reasons when it may be disadvantageous to do so. The Growth Fund is subject to tracking error risk or the risk that the Fund's performance may vary substantially from the performance of the Index it tracks.

Diversification may not protect against market risk. There is no assurance the objectives discussed will be met. Past performance does not guarantee future results.

Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

Not FDIC Insured No Bank Guarantee May Lose Value

Prior to 5/13/2019, the New Covenant Growth Fund’s investment approach was an “active” investment strategy where an Investment manager would buy and sell securities based on its own economic, financial and market analysis. On May 13, 2019, the Fund implemented a more “passive” investment strategy which seeks to track an index return along with a social screen and ESG tilt.

Important Information

The Standard & Poor's 500 Index (S&P 500) is an unmanaged, capitalization weighted index that measures the performance of 500 large-capitalization stocks representing all major industries.

The Russell 1000 Index includes 1000 of the largest U.S. equity securities based on market cap and current index membership; it is used to measure the activity of the U.S. large-cap equity market.

The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price/book ratios and higher forecasted growth values.

The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price/book ratios and lower forecasted growth values.

The Russell 2000 Index includes 2,000 small-cap U.S. equity names and is used to measure the activity of the U.S. small-cap equity market.

The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The MSCI All Country World Index is a market-capitalization-weighted index composed of over 2,000 companies, and is representative of the market structure of 48 developed and emerging-market countries in North and South America, Europe, Africa, and the Pacific Rim. The index is calculated with net dividends reinvested in U.S. dollars.

The MSCI All Country World Index ex-US is an equity index that includes both emerging and developed world markets and is designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies.

The MSCI Emerging + Frontier Markets (EFM) Index is a free float-adjusted market-capitalization weighted index that captures large- and mid-cap representation across 23 Emerging Markets (EM) countries and 24 Frontier Markets (FM) countries.

The Bloomberg Barclays Capital U.S. Intermediate Aggregate Bond Index is an unmanaged index of U.S. Bonds which include reinvestment of any earnings. It is widely used to measure the overall performance of the U.S. bond market. It is not possible to invest directly in an index.

The Bloomberg Barclays U.S. Aggregate Bond Index is a benchmark index composed of U.S. securities in Treasury, government-related, corporate, and securitized sectors. It includes securities that are of investment-grade quality or better, have at least 1 year to maturity, and have an outstanding par value of at least \$250 million.

Important Information

The Bloomberg Barclays Long Government/Credit Index measures the investment return of all medium and larger public issues of U.S. Treasury, agency, investment-grade corporate, and investment-grade international dollar-denominated bonds with maturities longer than 10 years. The average maturity is approximately 20 years.

The Bloomberg Barclays 1-5 Year US TIPS Index measures the performance of inflation-protected public obligations of the U.S. Treasury that have a remaining maturity of one to five years.

The ICE BofA High Yield Master II Constrained Index is a market-value-weighted index of all domestic and Yankee high-yield bonds, including deferred interest bonds and payment-in-kind securities. Its securities have maturities of one year or more and a credit rating lower than BBB-/Baa3 but are not in default.

JPMorgan EMBI Global Diversified Index tracks the performance of external debt instruments (including U.S.-dollar-denominated and other external-currency-denominated Brady bonds, loans, Eurobonds and local market instruments) in the emerging markets.

JPMorgan GBI-EM Global Diversified Index tracks the performance of debt instruments issued in domestic currencies by emerging market governments.

The Bloomberg Commodity Total Return Index is composed of futures contracts and reflects the returns on a fully collateralized investment in the Index. This combines the returns of the Index with the returns on cash collateral invested in 13-week (3-month) U.S. Treasury bills.

Duration is a measure of risk in bond investing and indicates how price sensitive a bond is to changes in interest rates. A higher duration value means that a bond's price is more sensitive to a change in the relevant interest rate.

Option-Adjusted Spreads estimate the difference in yield between a security or collection of securities and comparable Treasuries after removing the effects of any special features, such as provisions that allow an issuer to call a security before maturity.

Appendix:

Socially Responsible Investing

Socially Responsible Investing

- Socially responsible investing is a way that investors can feel comfortable knowing that their financial decisions reflect their values and principles. New Covenant Funds were created by Presbyterians and incorporate Christian values.
- As a shareholder advocate our goal is to affect positive change in certain companies in which New Covenant Funds invests.
 - Proxy voting
 - Shareholder resolutions
 - Engaging in dialogue with management regarding issues and changes
- New Covenant Funds works with the Presbyterian Church (U.S.A.) Mission Responsibility Through Investing (MRTI) committee (www.pcusa.org/mrti), ecumenical groups, Interfaith Center for Corporate Responsibility, and environmental groups like CERES (Coalition on Environmentally Responsible Economies). The strength of voices pooled with those of other churches and advocacy groups is more likely to get management's attention.
- New Covenant Funds prohibits investments that are included on the MRTI list. Prohibiting investment as a means of “social witness” demonstrates a position by consciously choosing not to allocate capital to corporations dependent on sales volume of products mentioned.

New Covenant Funds

As investors in socially responsible mutual fund families, our clients have an opportunity to help bring about positive change in the companies in which we invest – reflecting the basic principles of our Presbyterian faith. Our goal is not only to invest in the companies that are within our target allocations, but to engage in dialogue with companies whose business practices may be in conflict with our faith-based guidelines to affect positive change.

New Covenant Funds' goal is to enable investors to address their long-term financial needs and goals in a manner consistent with their values and principles.



Funds with a Mission

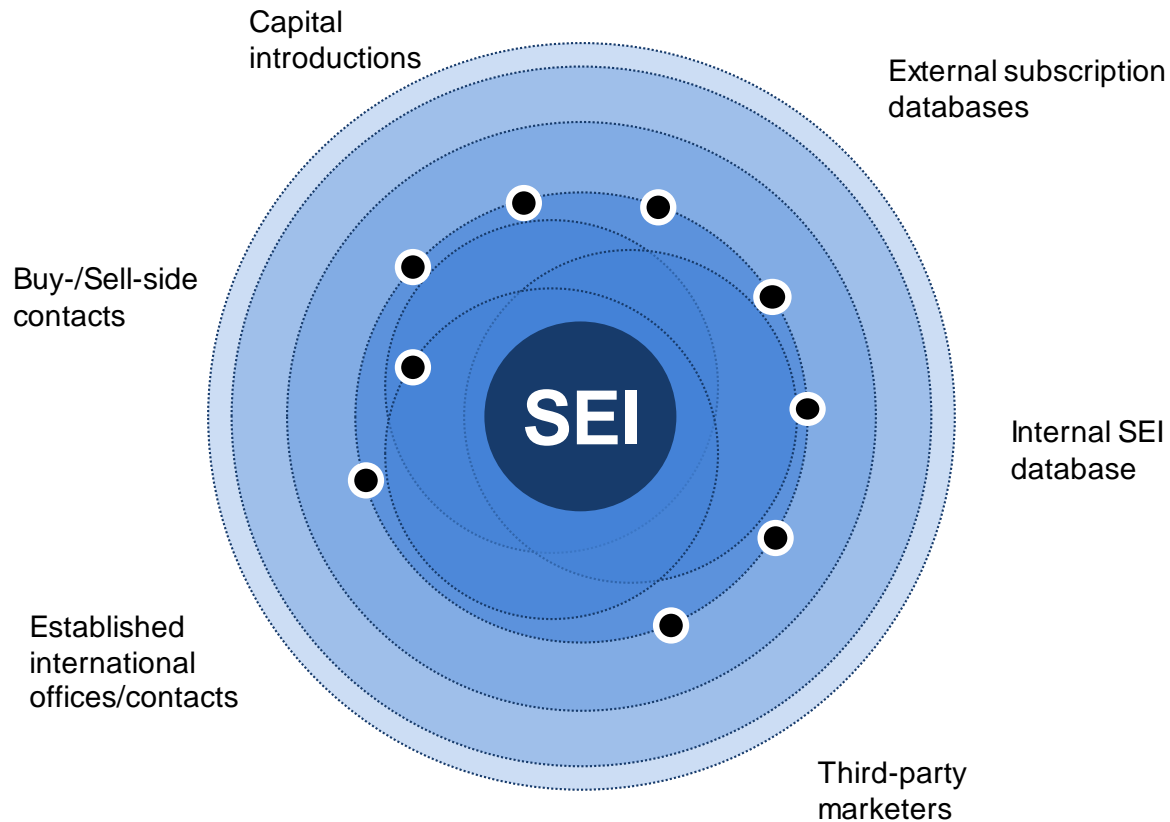
SEI overview

- Founded in 1968
- Publicly held firm (NASDAQ: SEIC)
- U.S. headquarters in Oaks, Pennsylvania
- Offices in seven countries with more than 3,800 employees worldwide
- Over \$318 billion* in assets under management, including \$85 billion* in institutional assets
- Provides asset management and investment operations solutions for institutional and personal wealth management
- Team of 300 advice and investment professionals
- Nearly 500 institutional clients*, including more than 100 endowments and foundations.



*As of June 30, 2020. Source: SEI second quarter earnings release July 2020.

Manager Sourcing: Leveraging an experienced investment team



Qualitative & Quantitative Research

Selectively Identify Managers with Competitive Advantage

Source: SEI.

Website Enhancements: New Covenant Funds allow investors to align investment decisions with core values and mission

New Covenant Funds website provides access to:

- Fund pricing and performance updates
- Current perspectives
 - Financial markets
 - Economy
- Latest knowledge and resources including:
 - Weekly and quarterly market updates
 - Prospectus
 - Fact sheets
 - Portfolio updates
 - Reports

NEW COVENANT FUNDS ACCOUNT ACCESS

HOME FUNDS KNOWLEDGE & RESOURCES GET STARTED SOCIALLY RESPONSIBLE INVESTING CONTACT US

Fund Tracker

Fund Name	Price
Balanced Growth Fund (NCBGX)	\$103.28
Balanced Income Fund (NCBIX)	\$21.52
Growth Fund (NCGFX)	\$38.9
Income Fund (NCICX)	\$23.42

* Price as of April 17, 2015

Funds

Latest Knowledge & Resources

Weekly Market Update

03/27/2015 - The U.S. economy expanded in the fourth quarter, alongside more recent gains in employment and consumer prices. In the U.K., consumer prices remained flat and year-over-year inflation reached a historical low, while eurozone consumer confidence reflects sustained growth. SEI anticipates the North American and U.K. economies to maintain steady growth, while the eurozone is expected to make slow economic improvement.

Download PDF

Explore Your Alternatives
 Your source for perspectives on financial markets and the economy.

Whether your mission is to find a particular investment style, strive to meet personal or organizational goals, adopt socially responsible investing principles, or support the mission of the Presbyterian Church - New Covenant Funds offer a diversity of investment approaches and charitable giving options.

Whatever your mission, New Covenant Funds may be right for you.

Get Started! Open An Account
 or click here to [access your account](#)