

FORM 40: PERFORMANCE REPORT FOR JUNE 30, 2017

The FCMM Retirement Plan enables ministry staff to develop a successful retirement life plan with a reliable source of retirement savings and income from money deposited by employing ministry organizations.

FCMM operates the FCMM Retirement Plan, a 403(b)(9) defined contribution church plan that includes 7 different investment Options, comprising both FCMM managed funds and mutual funds for investment selection. The Plan is administered in accord with the tenets and polity of the Evangelical Free Church of America,

Of the seven different investment Options, three are FCMM managed funds: Options C, D and E. These funds use an asset allocation model of investing. Participation in FCMM gives an individual access to well-balanced investment options with some major tax advantages. FCMM invests the funds in portfolios which are rebalanced to reflect market conditions and investment policy. These FCMM plan portfolios include a Stock Portfolio and a Bond/Income Portfolio. An additional operational fund, the FCMM-Managed Portfolio, serves cash flow needs.

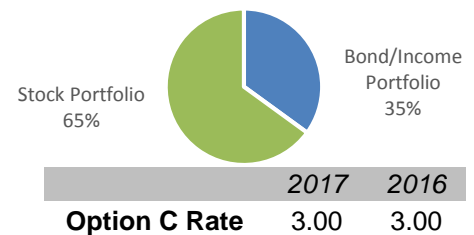
Individual performance reports for Option F (American Funds), Option G (Vanguard funds), and Option J (Timothy Plan funds and GuideStone funds) are available through the participant account access website. The interest rate of Option H (Adjustable Rate Investment through Christian Investors Financial) is available at www.christianinvestors.org by viewing the 403(b)(9) listing at the Rates tab.

RETIREMENT PLAN INVESTMENT OPTIONS

Conservative Growth with Annuity Benefit—Option C

This option invests in the FCMM Stock Portfolio and FCMM Bond Portfolio. Option C has a long time horizon, designed to level out the ups and downs of the market and to become a monthly retirement benefit (“annuity”) based on the accrued value. When taken as cash (“lump sum”), a fair market value (FMV) adjustment may be applied. At the date of this report, the FMV adjustment was 0% (i.e. market value equals accrued value). Participant accounts are currently credited with a 3% return. All costs, including investment expense and FCMM management, are deducted before this return. [FCMM management fee was 60 basis points (.6%) in 2016 and is anticipated to be similar in 2017.]

Option C Asset Allocation



Moderate Growth Stock Fund—Option D

100% of Option D is invested in the FCMM Stock portfolio. On June 30, 2017, the Option D Portfolio consisted of Large Cap Core (26%), International Equity (23%), Large Cap Value (20%), Large Cap Growth (12%), MLP Strategy (7%), Hedge (6%), Small Mid Cap Value (5%), REIT (1%), FCMM owns no stocks in which the corporate entity has significant involvement in the following industries: alcoholic beverages, tobacco, pornography, gambling, or abortion. Trailing returns for the Portfolio are shown in the table. These returns, but not the benchmark, are net of all investment fees. Additional cost after returns, for FCMM management, was 60 basis points (.6%) in 2016.

	Annual %	YTD	1 Year	3 Year	5 Year
Option D		8.44	15.26	4.51	9.30
Equity IPS Benchmark		7.78	14.27	4.39	9.59

Diversified Bond Fund—Option E

This fund is invested in the FCMM Bond & Income Portfolio. As of June 30, 2017, the Option E portfolio was made up of Pimco Income (25%), Hedge Fund-Bonds (22%), Short Term Bonds (20%), Doubleline Total Return (20%), Blackrock Total Return (11%), and Cash (<1%). Bonds can be used as a “core” investment to build the foundation of a balanced portfolio and provide a counterbalance when combined with equities a bonds typically fluctuate less than stocks. Option E can gain or lose value depending on the economic climate. Trailing returns for the Portfolio are shown in the table. These returns, but not the benchmark, are net of all investment fees. Additional cost after returns, for FCMM management, was 60 basis points (.6%) in 2016.

	Annual %	YTD	1 Year	3 Year	5 Year
Option E		3.54	4.73	2.22	3.11
Bond IPS Benchmark		1.92	-.92	1.06	.92

FCMM Funds are managed by registered investment advisors selected and monitored by the Trustees of FCMM. They are designed for returns comparable to the appropriate financial indexes.

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Self-Selected Mutual Funds—Option F, G & J

These funds are available for both employer and employee contributions. Overall performance reports for any of these mutual funds will be found on the respective websites of American Funds (Option F), www.americanfunds.com, Vanguard Funds (Option G), www.personal.vanguard.com, Timothy Plan Funds (Option J), www.timothyplan.com, and GuideStone Funds (Option J), www.guidestonefunds.com.

Adjustable Rate Investment—Option H

Available to employer and employee funds, this option is invested in an adjustable rate investment certificate with Christian Investors Financial (CIF). Effective April 15, 2016, the rate is 2.25% APR (2.28% APY). Current rate information is always available at www.christianinvestors.org; see the 403(b)(9) listing on the Rates tab.

Past performance does not guarantee future results. Investment return and principal value will fluctuate so that a member's value may be worth more or less than their original contributions as stated in the various portfolio descriptions.

IRS CODE SECTIONS 402(G) AND 415(C) CONTRIBUTION LIMITS

The lesser of \$54,000 or 100% of includible compensation (housing allowance is excluded) can be invested in the Plan for 2017. Within this amount a participant can elect to defer \$18,000 of annual compensation as salary deferral contributions. In 2017, a participant over age 50 can make salary deferral contributions up to \$6,000 above these limits. These limits apply to the total of all contributions to all 403(b) plans participated in and are adjusted annually by the IRS.

RETIREMENT PLAN FEE INFORMATION

FCMM provides high quality investment managers, continuous asset allocation rebalancing, and administrative and legal services for the local church's participation. The costs as a retirement plan are competitive with other investment funds. The annual Form 41 Retirement Plan Fees document, available at fcmmbenefits.org, gives more detailed information.

Investments in all FCMM-Managed funds (Options C, D, E) have transaction and investment management costs charged by the investment advisor and managers. These fees are deducted before returns are reported. Proportional operational costs (i.e. administration, legal, compliance, customer service) for the FCMM Retirement Plan are charged pro-rata to each Option. The operational costs in 2016 were 60 basis points (.6%). Similar costs are expected during 2017. There are no other sales commissions, charges, loads, 12b-1 fees, or taxes. No fees are charged directly to the employer.

For mutual funds (Options F, G, and J), the following fees are paid by after reported returns, assessed quarterly to the participant's account: (1) An annual online account maintenance fee of \$18; (2) A FCMM management fee of 48 basis points (.48%) annually.

The earnings rate received by the investor in the Adjustable Rate Investment (Option H) is set by Christian Investors Financial. CIF pays an administrative fee to FCMM. Participants incur no fees on their investment.

For a more detailed report of FCMM's fee information, see FCMM Fees (Form 41) available at fcmmbenefits.org.

Pension Plan (former Option A)

The defined benefit Pension Plan was merged into the defined contribution Retirement Plan at the end of 2016.

Annuity Fund

Any funds invested in the Retirement Plan may be converted to a Monthly Income Benefit ("annuity") upon election by the participant. Each Plan Year annuity is considered a separate annuity class with a distinct variable interest rate and specific mortality table. These benefits are managed through a separate annuity fund with a specific long-term investment strategy and actuarial basis. While a responsibly funded plan's ratio may vary over time due to market and economic conditions, a funded ratio of 80% or more is considered to be healthy. At the date of this report, the Annuity Fund is fully funded. As of June 30, 2017, the Annuity Fund portfolio was made up of AXA Equitable Annuity (48%), an equity portfolio (28%) and a bond portfolio (24%).