The Pension Boards
United Church of Christ

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Greetings at the start of a New Year!

We are happy to report that all Pension Boards Funds recorded positive returns during the fourth quarter of 2009 and exceeded their respective benchmarks for the year!

The Equity Fund fell short of the Standard & Poor's (S&P) 500 return in the fourth quarter due to the underperformance of international stocks relative to domestic stocks as well as the returns of the domestic large cap core and small cap growth managers returning less than the S&P 500. However, for the year, the Equity Fund returned 28.01%, beating the S&P 500 as a result of strong performance of international and emerging stocks during the year. The Bond Fund managed to record a positive return of 0.80% in the fourth quarter and a stellar 11.31% return for the year compared with the benchmark Barclays Capital Government/Credit Index 2009 return of 4.52%. The portfolio was positioned to take advantage of generous yields on corporate securities while at the same time limiting exposure to rising interest rates. The Balanced Fund fell short of the policy benchmark in the quarter, but benefited from the strong performance of both the Equity and Bond Funds during the year, returning 21.14% and besting the benchmark return of 16.64%. The Stable Value Fund continued to outperform the stingy returns of money market funds, returning 0.87% for the quarter and 3.27% for the year. The Target Annuitization Date Funds recorded positive returns across the board in the fourth quarter and registered double-digit gains for the year.

Will the recovery continue in 2010? Prognosticators are equally divided on whether the rally will continue. Those who feel that the equity market will move up are focused on substantial earnings increases projected in 2010 and 2011, continued low interest rates and fuller effects to be felt from the government's stimulus programs. Others opine that, given the substantial rally, stock prices reflect future earnings gains and thus are no longer cheap, the pace of economic recovery is likely to be sluggish with higher than normal unemployment, and government stimulus programs such as "cash for clunkers" have pushed forward consumer demand robbing sales from future months.

Our feeling is that, given deeply divided opinions and mixed economic signals, further significant gains are going to be more difficult to come by in the months ahead, although not out of the question. If consumer and business demand continue to grow and corporate profits benefit, then further gains can be supported. Cost cutting has been an important element supporting corporate earnings. It will be increasingly difficult for companies to rely on this alone for significant earnings improvement. The return of the consumer both in confidence and spending – whether individuals or businesses, and whether in the U.S. or abroad – is important for the sustainability of earnings gains. These earnings, good or bad, will drive future equity values.

The Trustees and staff join me in wishing you health, joy and peace in 2010. We thank you, our members, for your continued confidence and trust in us.

Faithfully,

Michael A. Downs

Michael A. Downs
President/Chief Executive Officer

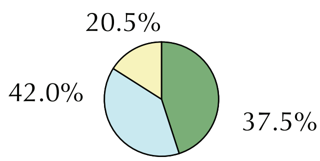
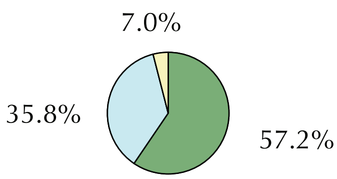
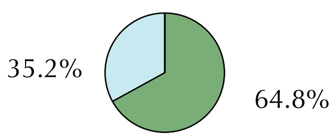
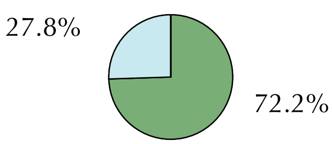
PERFORMANCE SUMMARY

Total Return Investment Performance for Periods Ended December 31, 2009

Fund and *Benchmark Index*	This Quarter	Year-to-Date	Annualized Total Return: 1 Year	3 Years	5 Years	10 Years
Stable Value Fund	**0.87%**	**3.27%**	**3.27%**	**3.77%**	**3.63%**	***na***
Lipper Index	*0.01%*	*0.24%*	*0.24%*	*2.46%*	*2.90%*	*na*
Bond Fund	**0.80%**	**11.31%**	**11.31%**	**6.71%**	**5.14%**	***na***
Barclays Government/Credit Index	*-0.21%*	*4.52%*	*4.52%*	*5.81%*	*4.71%*	*na*
Equity Fund (61% Large/Mid Cap, 17% Small Cap, 22% Non-U.S.)	**4.87%**	**28.01%**	**28.01%**	**-6.07%**	**0.74%**	**0.47%**
*S&P 500**	*6.04%*	*26.47%*	*26.47%*	*-5.63%*	*0.42%*	*-0.96%*
Balanced Fund (58% Equity Fund/42% Bond Fund)	**2.93%**	**21.14%**	**21.14%**	**-0.58%**	**3.03%**	**2.94%**
55% S&P 500/45% Barclays Government/Credit Index	*3.23%*	*16.64%*	*16.64%*	*-0.16%*	*2.65%*	*2.64%*

Target Annuitization Date (TAD) Funds

Inception date: April 1, 2007

Target Annuitization Date Fund	Target Asset Allocation	Total Return: This Quarter	Year-to-Date	1 Year	Since Inception
TAD 2015		2.40%	16.01%	16.01%	0.20%
TAD 2020		3.25%	20.68%	20.68%	-0.94%
TAD 2025		3.59%	22.97%	22.97%	-2.93%
TAD 2030		3.84%	23.87%	23.87%	-3.47%

Equity Fund   Bond Fund   Stable Value Fund

- Fund performance is net of all expenses and includes price changes and reinvestment of interest, dividends and capital gains, if any. *Past performance is no guarantee of future results.*
- No expenses are associated with benchmarks, which are unmanaged indices generally considered to be representative of their respective markets. It is not possible to invest directly in such unmanaged indices.
- Expenses (or expense ratios) are reported as the percentage of total expenses for the management and administration of the funds divided by the total average assets of the fund. Expenses in 2009 for the PB Equity Fund were 0.71% compared to an average expense ratio of 1.59% as reported by Morningstar for equity funds with global securities similar to the types of securities in our Fund. Expenses for the Bond Fund were 0.42% compared to the Morningstar average of 0.95% for similar funds. The Balanced Fund had expenses of 0.61% compared to the Morningstar average of 1.27% for similar funds. Expenses for the Stable Value fund in 2009 were 0.47%. Expenses for the TAD 2015, 2020, 2025, and 2030 Funds were 0.54%, 0.59%, 0.61%, and 0.62%, respectively.

* *This benchmark index is used solely for the convenience of Members. The Equity Fund consists of a wide variety of common stocks, including small capitalization stocks, medium capitalization stocks, non-U.S. stocks, and other stocks, in addition to the large capitalization stocks such as those found in the S&P 500 Common Stock Index. Members should not expect the Equity Fund to track, or correlate in any way with, the performance of the S&P 500 Common Stock Index.*