

FORM 40: PERFORMANCE REPORT FOR DECEMBER 31, 2014

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 two retirement income plans. The Retirement Plan is a 403(b)(9) defined contribution church plan and includes seven different investment options. FCMM also operates the legacy Pension Plan (Option A) which is a 401(a) defined benefit plan.

Retirement Plan

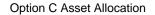
Of the seven different investment options in the Retirement Plan, three are FCMM managed funds: Options C, D and E. These funds use an asset allocation model of investing. Participation in FCMM gives an individual access to well-balanced investment options with some major tax advantages. FCMM invests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

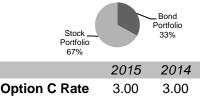
Individual performance reports for Option F (American Funds), Option G (Vanguard funds), and Option J (Timothy Plan funds) are available through the Alliance Benefit Group's account access website for participants. The interest rate of Option H (Adjustable Rate Investment through Christian Investors Financial) is available at www.christianinvestors.org.

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. This option is designed to level out the ups and downs of the market and to be annuitized at retirement. If Option C money is taken as cash ("lump sum"), a fair market value assessment may be applied. Funds in Option C are receiving a 3% return in 2015.





Moderate Growth Stock Fund—Option D

100% of Option D is invested in the FCMM Stock Portfolio. On December 31, 2014, the Stock Portfolio consisted of Large Cap Core (10%), Large Cap Growth (28%), Large Cap Value (27%), International (18%), MLP 1 Year3 Year5 YearOption D6.3113.299.20Equity Benchmark7.3715.1811.18

Strategy (9%), Hedge (7%), 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. The trailing returns for the Stock Portfolio are shown in the table. These returns are net of all investment fees. An additional cost for the FCMM office management fee was 56 basis points (.56%) in 2014.

Diversified Bond Fund—Option E

This fund is invested in the FCMM Bond & Fixed Income Portfolio. As of December 31, 2014, Option E was made up of Hedge Fund-Bonds (30.4%), Short Term Bonds (34.3%), Doubleline

	1 Year	3 Year	5 Year
Option E	3.97	5.35	5.83
Bond IPS Benchmark	2.57	1.24	3.63

Total Return (30.2%), and Foreign Bond Fund (5.1%). Bonds can be used as a "core" investment to build the foundation of a balanced portfolio and provide a counterbalance when combined with equities because bonds typically fluctuate less than stocks. Option E can gain or lose value depending on the economic climate. The trailing returns for the Bond Portfolio are shown in the table. These returns are net of all investment fees. An additional cost for the FCMM office management fee was 56 basis points (.56%) in 2014.

The above FCMM Trustee 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, and Timothy Plan Funds (Option J), <u>www.timothyplan.com</u>.

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 August 1, 2014, the rate is 2.25% APR (2.28% APY). Current rate information is always available at www.christianinvestors.org.

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 \$53,000 or 100% of includible compensation (housing allowance is excluded) can be invested in the Plan for 2015. Within this amount a participant can elect to defer \$18,000 of annual compensation as salary deferral contributions. In 2015, 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 ANNUITY

The Retirement Plan adjustable annuity begins with a base investment return of 2% per year along with an adjustable portion established every year by the FCMM Board of Trustees. That amount is currently set at 3%, making the total return 5% for annuities. This annuity will only be adjusted after a major market downturn. Annual bonuses can be given. Alternatively, distributions can be taken without annuitizing directly from Options D, E, F, G, H, and J. Eligible clergy participants can use the housing allowance exclusion for all payments.

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.

Investments in all FCMM options 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 2014 were 56 basis points (.56%). 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 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.

Pension Plan (Option A)

The Defined Contribution Pension Plan has been closed to new contributions since 2004. The plan is invested in the Stock, Bond, and FCMM Managed Portfolios and an AXA Equitable 6% Annuity. The reported participant balance represents the value of the participant pension fund at an age 65 retirement. The plan provides a 6% annuity in retirement.

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