FORM 40: PERFORMANCE REPORT FOR DECEMBER 31, 2016

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 plans, administered in accord with the tenets and polity of the Evangelical Free Church of America. The Retirement Plan is a 403(b)(9) defined contribution church plan and includes 7 different investment options.

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 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 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 was 0%. Funds in Option C are currently receiving a 3% return, after payment of the FCMM office management fee which was 60 basis points (.6%) in 2016.

<table>
<thead>
<tr>
<th>Annual %</th>
<th>Last Qtr</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity IPS Benchmark</td>
<td>2.05</td>
<td>7.55</td>
<td>3.79</td>
<td>9.11</td>
</tr>
<tr>
<td>Option C</td>
<td>2.25</td>
<td>7.25</td>
<td>3.56</td>
<td>8.73</td>
</tr>
</tbody>
</table>

Moderate Growth Stock Fund—Option D
100% of Option D is invested in the FCMM Stock portfolio. On December 31, 2016, the Option D Portfolio consisted of Large Cap Value (28%), International (17%), Large Cap Growth (16%), Large Cap Core (16%), Hedge (10%), MLP Strategy (8%), REIT (2%), Small Mid Cap Value (2%). 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, but not the benchmark, are net of all investment fees. Additional cost for the FCMM office management fee was 60 basis points (.6%) in 2016.

<table>
<thead>
<tr>
<th>Annual %</th>
<th>Last Qtr</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond IPS Benchmark</td>
<td>-3.03</td>
<td>1.96</td>
<td>1.39</td>
<td>1.06</td>
</tr>
<tr>
<td>Option E</td>
<td>- .15</td>
<td>2.92</td>
<td>2.31</td>
<td>3.79</td>
</tr>
</tbody>
</table>

Diversified Bond Fund—Option E
This fund is invested in the FCMM Bond & Fixed Income Portfolio. As of December 31, 2016, the Option E portfolio was made up of Hedge Fund-Bonds (29%), Short Term Bonds (27%), Doubleline Total Return (23%), Pimco Income (14%), Blackrock Total Return (7%), 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 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, but not the benchmark, are net of all investment fees. An additional cost for the FCMM office management fee was 60 basis points (.6%) in 2016.

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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3/23/2017
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 MONTHLY INCOME BENEFIT (“ANNUITY”)
The Retirement Plan adjustable benefit (“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. The adjustable portion is currently 3%, making the total return 5%. This monthly benefit will only be adjusted after a major market downturn. Annual bonuses can be given. Distributions can be taken from all Options without “annuitizing”. Eligible clergy participants may use the housing allowance exclusion for all distributions at their request for such designation.

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