

FORM 40: PERFORMANCE REPORT FOR DECEMBER 31, 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 investment Options, three are FCMM managed funds: Options C, D and E. Assets of these funds are pooled and managed according to fund objectives. Each participating investor has a proportionate share of the fund, which value is calculated monthly. Investments are screened to substantially eliminate holdings profiting from moral issues of abortion, pornography, alcohol, tobacco, casino gambling, anti-family entertainment, and alternative lifestyles.

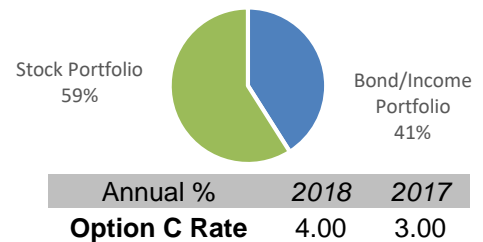
Individual performance reports for Option F (American Funds), Option G (Vanguard funds), and Option J (Timothy Plan funds and GuideStone funds) are available through the participant account access website. The interest rate of Option H (Adjustable Rate Investment through Christian Investors Financial)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

RETIREMENT PLAN INVESTMENT OPTIONS

FCMM Lifetime Fund—Option C

This collective fund has an investment strategy designed to build steady long-term performance. The earnings rate is determined by the FCMM trustees. The fund is structured to offer reliable value towards a monthly income benefit (in-plan “annuity”) for which 100% of accrued value can be applied. 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). On December 31, 2017, Option C investments consisted of International Equity (17%), Large Cap Core (15%), Large Cap Value (10%), Short Term Bonds (8%), Hedge Fund-Bonds (7%), Doubleline Total Return (7%), Low Volatility Model (7%), Pimco Income (6%), Large Cap Growth (6%), Blackrock Total Return (5%), Hedge Funds-Equity (4%), MLPs (4%), Small Mid Cap Value (3%), and REIT (1%). All costs, including investment expense and FCMM operating cost are deducted before this return.

Option C Asset Allocation



FCMM Managed Stock Fund—Option D

Option D is a managed, diversified stock portfolio. On December 31, 2017, Option D investments consisted of International Equity (28%), Large Cap Core (26%), Large Cap Value (17%), Large Cap Growth (10%), MLP Strategy (7%), Hedge (6%), Small Mid Cap Value (5%), REIT (1%). These returns, but not the benchmark, are net of all investment fees. FCMM operating costs are charged after these portfolio returns; participant account earnings reflect the net earnings after all costs.

Annual %	1 Year	3 Year	5 Year
Option D	18.31	7.32	9.88
Equity IPS Benchmark	17.68	7.67	9.91

FCMM Managed Bond/Income Fund—Option E

Option E is a managed, diversified portfolio for bonds and income. As of December 31, 2017, the Option E investments were made up of Short Term Bonds (20%), Doubleline Total Return (17%), Hedge Fund-Bonds (17%), Low Volatility Model (16%), Pimco Income (15%), Blackrock Total Return (13%), and Cash (2%). 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. FCMM operating costs are charged after these portfolio returns; participant account earnings reflect the net earnings after all costs.

Annual %	1 Year	3 Year	5 Year
Option E	5.52	2.82	2.37
Bond IPS Benchmark	3.07	1.55	.76

FCMM Managed 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. Fees for FCMM operating costs are deducted after mutual fund returns and appear in the participant's account.

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. Participants pay no fees on their investment in CIF. CIF pays to FCMM an administrative fee which is not deducted from participant earnings.

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 \$55,000 or 100% of includible compensation (housing allowance is excluded) can be invested in the Plan for 2018. Within this amount a participant can elect to defer \$18,500 of annual compensation as salary deferral contributions. In 2018, 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) and 401(k) 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.

Annuity Fund

Any funds invested in the Retirement Plan may be converted to an FCMM 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 December 31, 2017, the Annuity Fund portfolio was made up of AXA Equitable Annuity (64%), an equity portfolio (35%) and a bond portfolio (1%).