

THE CAPITAL MARKETS

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The Dow Jones Industrial Average (DJIA) finished August at 35,360 up +1.22% for the month, and +15.53% year-to-date. The S&P 500 closed August at 4,523, up +2.90% for the month, and +20.41% so far for the year. The NASDAQ Composite gained +4.00% in August, up +18.40% for the year. Small-company stocks as measured by the Russell 2000, ended August up +2.13% for the month, up +15.14% year-to-date. Financials (+5.16%) was the best performing sector in August.

"Investors are also watching closely to make sure executives live up to their ESG promises. This proxy season, in particular, institutional investors ratcheted up the pressure on company executives to take action ..."

(The Wall Street Journal, *The New Math of Socially Responsible Investing*, Cheryl Winokur Munk, June 27, 2021)

SPECIAL EDITION - 2021 STEWARDSHIP UPDATE

New Covenant Trust Company has been an active participant in the socially responsible investing (SRI) community for decades. We seek to not only achieve successful investment outcomes for investors and to invest faithfully according to our social witness principles, but also to help proactively spark the positive environmental and social change our faith heritage calls us toward. In this special edition of the Capital Markets, we'll highlight a few positive outcomes from a historic 2021 corporate proxy season.

- The Presbyterian Church (U.S.A.), through the committee on Mission Responsibility Through Investment (MRTI), was lead filer on a proposal dealing with climate related lobbying disclosure at United Airlines. The proposal received a majority 65% vote. A similar proposal at Delta Airlines was also passed successfully in 2021 after failing in 2020. NCTC investors support the work of MRTI through shares owned in our separately managed accounts and certain other strategies. Ask your Relationship Officer for more information on supporting these initiatives.
- One of our long-time mutual fund partners, Calvert Management, has advocated for decades on environmental and social issues. In late 2020, Calvert wrote to 100 of the largest companies in their portfolios, asking for the release of their EEO-1 reports. These reports provide details about a company's workforce - broken down by several racial and ethnic categories and by gender at each of 10 professional levels. By focusing on disclosure, Calvert has sought to improve the transparency around what companies are doing to promote diversity in their workforces and management teams. By early 2021, there were 27 companies who newly committed to releasing their reports. Calvert is and has been a core component of NCTC's socially responsible client portfolios.
- Praxis Funds, an Impact Bond manager for NCTC's socially responsible portfolios, purchased bonds supporting the John D. and Catherine T. MacArthur Foundation's grants to assist non-profits and communities affected by the COVID-19 pandemic. NCTC investors have also supported affordable housing and clean energy projects through Praxis.

"Sustainable investing can no longer be categorized as the future of investing. It is a reality today, just as issues such as climate change, cybersecurity, data protection, workplace diversity and inclusion, and better stakeholder alignment are now widely accepted as vital for better corporate citizenship and social outcomes."

(Barron's, *Don't Mind the Naysayers. ESG Investing Is Here to Stay*, Matt Christensen, March 26, 2021)

2021 STEWARDSHIP UPDATE - CONTINUED

- In 2021, NCTC added Community Capital Management (CCM) to our SRI portfolios. Since 1999, CCM has been investing in impact bonds across 18 themes including affordable housing, economic inclusion, environmental sustainability, and minority advancement. These investments include projects qualified under the Community Reinvestment Act. To date, NCTC has earmarked investments in affordable housing apartments, low and moderate income mortgages, childhood and post secondary education programs, and state affordable housing agencies.

We are honored to be able to invest on behalf of our clients in ways that support the impact and mission so important to them. 2020-2021 marked a turning point for values based investing, and we are committed to remaining on the forefront of this growing movement. Ask your Relationship Officer about more ways you can participate.

Market Metrics

INDEX OR METRIC	CLOSE AS OF 07/31/2021	CLOSE AS OF 08/31/2021	CHANGE PREVIOUS MONTH END	2021 YTD % CHANGE
Dow Jones Industrial Average	34,933.47	35,360.73	+425.26	+15.53%
S&P 500	4,395.26	4,522.68	+127.42	+20.41%
NASDAQ Composite	14,672.68	15,259.23	+586.56	+18.40%
RUSSELL 2000	2,226.25	2,273.77	+47.52	+15.14%
Fed Funds Rate	0.00%-0.25%	0.00%-0.25%	UNCHANGED	
2-Year Treasury	0.19%	0.20%	+0.01%	
10-Year Treasury	1.24%	1.30%	+0.06%	
Crude Oil \$ per Barrel	\$73.95	\$68.50	-\$5.45	+41.18%
Gold \$ per Troy oz.	\$1,817.20	\$1,818.10	+\$0.90	-4.06%
UK Point in U.S. \$	\$1.3904US=1€	\$1.3763US=1€	\$ STRONGER	+0.68
Euro in U.S. \$	\$1.1858US=1€	\$1.1805US=1€	\$ STRONGER	-3.52%
Canada \$ per U.S. \$	\$1.24835C=\$1.00US	\$1.26365C=\$1.00US	\$ STRONGER	-0.81%
Japan Yen per U.S. \$	109.75¥=\$1.00US	109.86¥=\$1.00US	\$ STRONGER	+6.41%

