



The National Christian Foundation

Investment Performance Report

For The Periods Ending December 31, 2010

Executive Summary

This Executive Summary presents the National Christian Foundation's investment pool performance for the periods shown and guides the reader toward more detailed information presented elsewhere in the complete report. The performance numbers in both the chart and the table below are cumulative, net of fees, for each period shown. The complete performance report includes an additional page on each pool and a page describing the pool benchmarks and performance metrics. All such information is available in the "Forms & Reports" section of the NCF's website (www.nationalchristian.com) or through one of our Local Christian Foundation Affiliate websites (find your local Affiliate at www.nationalchristian.com/lcf). In the "Forms and Reports" section, you will also find the quarterly Investment Strategy Report, in which we discuss the overall economy and the ways in which our investment strategies attempt to produce stable, long-term growth across all market environments. In that regard, we periodically highlight any significant changes we are making to the pool allocations.

Investment Pool Performance

All of NCF's equity pools produced positive returns for the fourth quarter of 2010 and for the trailing 12 months, as the table below details. Importantly, these pools also continue to exhibit the volatility and return characteristics that are conducive to long-term capital appreciation and preservation. In other words, the equity pools continue to capture most of the upside of strongly performing markets, while suffering only modest losses when the markets are performing poorly. The erratic stock market behavior of 2010 illustrates this phenomenon very clearly.

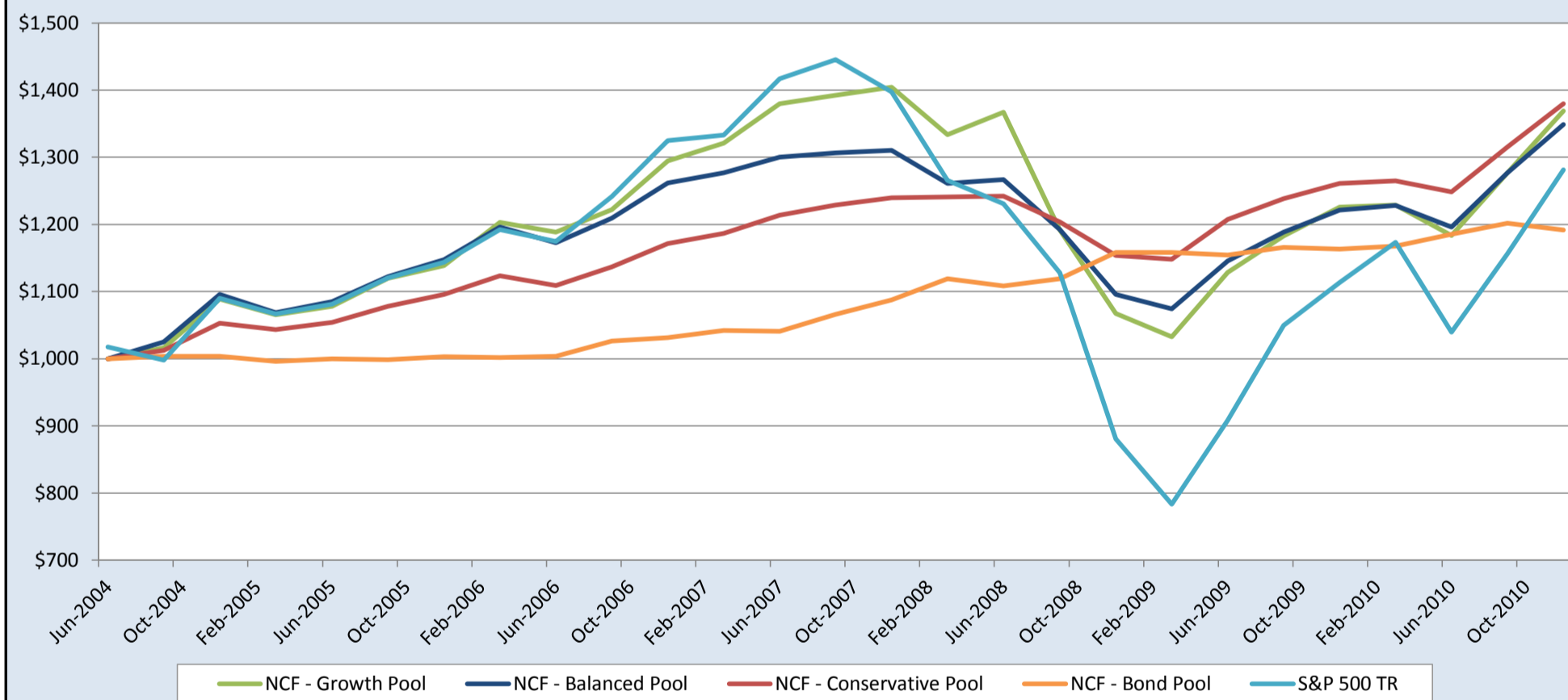
During the first, third and fourth quarters of this year, when the global equity markets were advancing strongly, all three of the NCF Equity Pools produced smaller positive returns than an all-U.S.-equity portfolio would have delivered. On the other hand, during the negative second quarter of this year, when most U.S. and global stock indices tumbled more than 11%, the pools suffered very small single-digit losses.

Most importantly, at the end of this twelve-month period of volatile stock market action, all three of the equity pools and the bond pool had outpaced their respective benchmarks.

Likewise, all three of the equity pools have outperformed their respective benchmarks over most intermediate- and long-term time frames. Furthermore, since inception all three equity pools have produced higher returns than an all-U.S. Equity portfolio would have produced.

Overall, we are extremely pleased with the performance of the NCF Investment Pools and do not anticipate implementing any major changes going forward. However, we will continue to make refinements as new opportunities emerge and/or as risk characteristics of the financial markets evolve.

Growth of \$1,000 - Since Inception*



Pool Performance

Cumulative - Net of Fees	Quarter	One Year	Two Years	Three Years	Five Years	Since Inception
Growth Pool	7.18%	11.67%	28.24%	-2.55%	20.23%	36.89%
Balanced Pool	5.64%	10.46%	23.10%	2.98%	17.55%	34.91%
Conservative Pool	4.88%	9.42%	19.57%	11.28%	25.92%	37.98%
Bond Pool	-0.85%	2.44%	2.85%	9.53%	18.78%	19.14%

Money Market Rates	Current Rate	Quarter	One Year	Two Years	Three Years
Annualized Returns	0.10%	0.10%	0.10%	0.13%	0.78%

*The information on this page covers the period from July 27, 2004 (inception), to December 31, 2010. The investment pool performance reported in the table above is time-weighted and net of all investment management fees and expenses. Actual returns in a donor's fund may vary slightly from reported performance as a result of additions and withdrawals at either the individual account or overall pool level. In addition, NCF typically holds 5% of each donor advised fund in a non-interest bearing cash account for liquidity and distribution purposes. This cash is not reflected in the pool performance numbers. Additional information is available upon request.



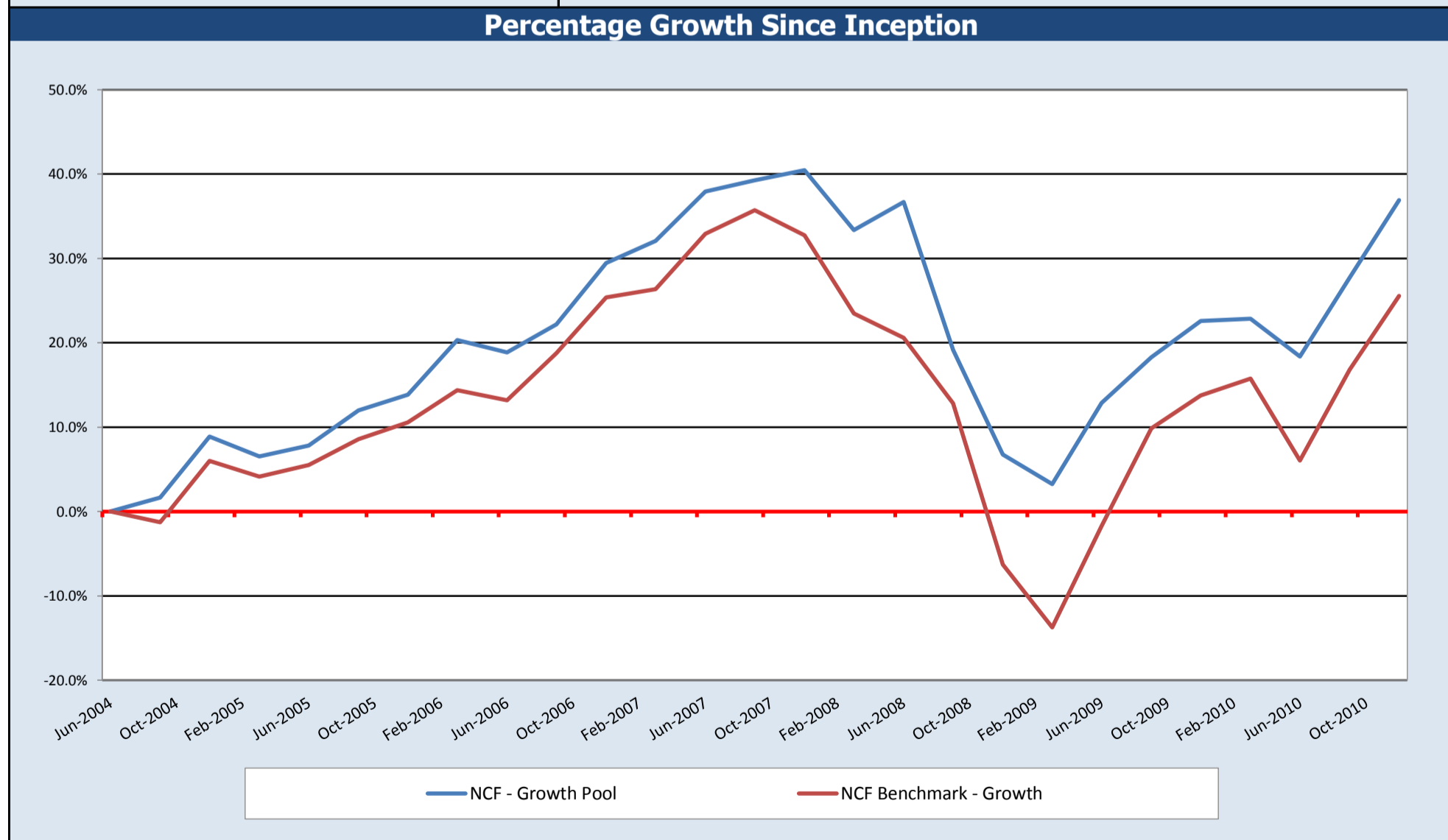
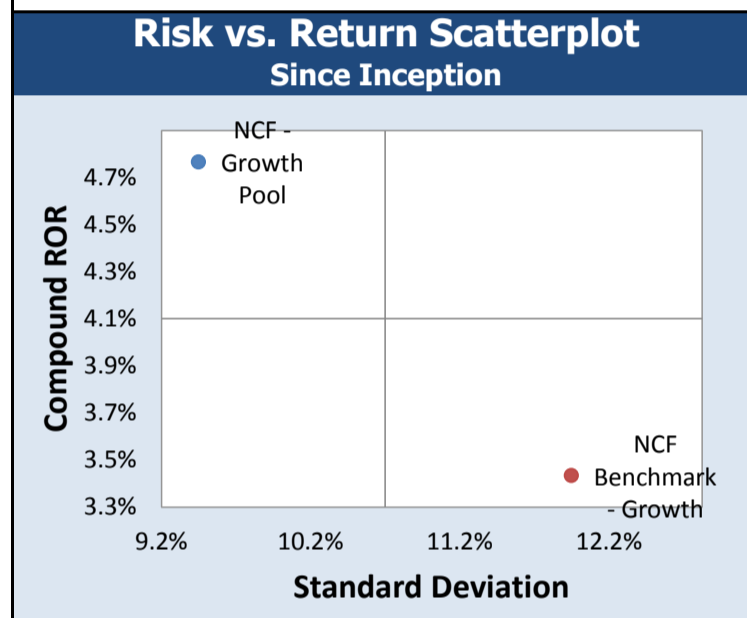
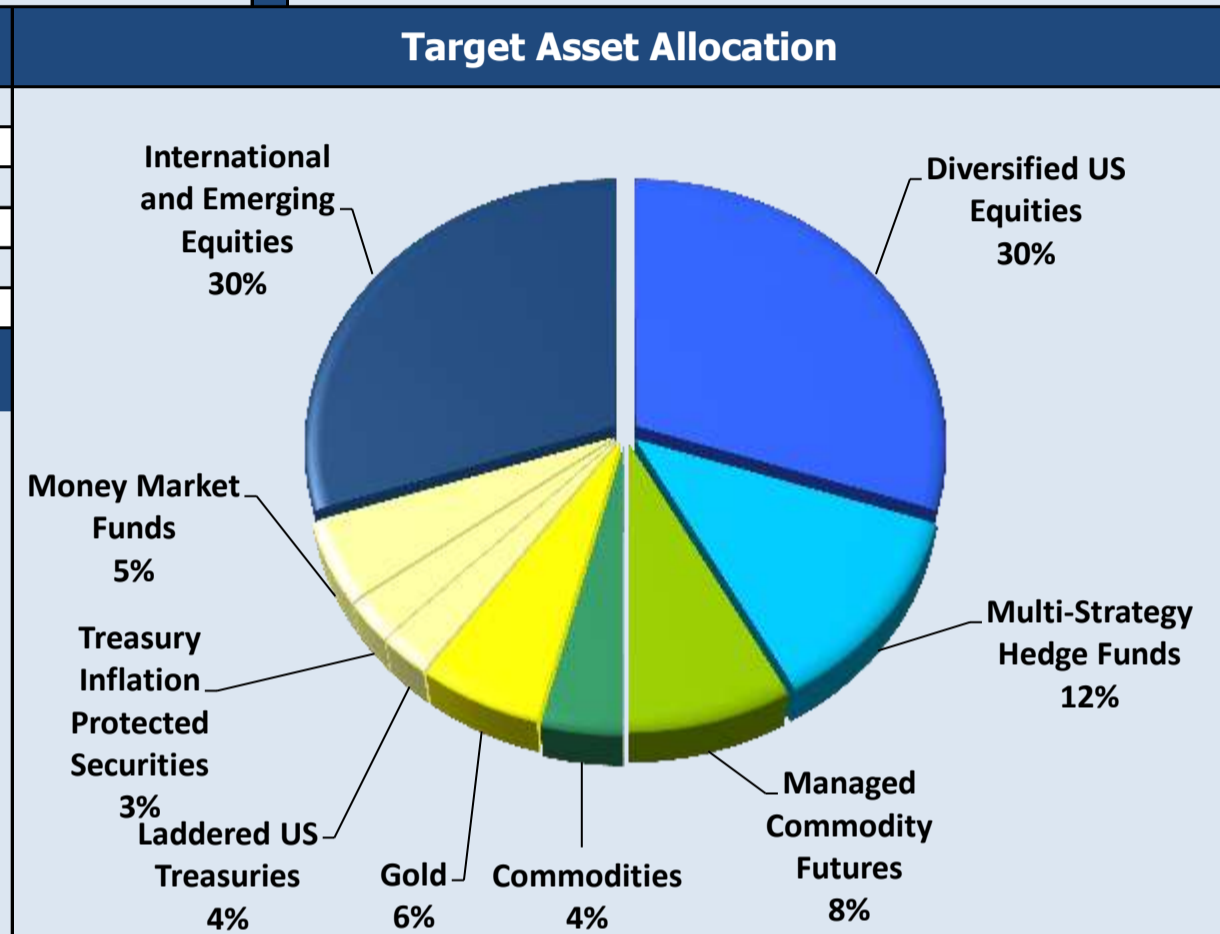
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NCF Growth Strategy Pool

Additional Performance Information
For The Periods Ending December 31, 2010

Period	Cumulative Returns		Year	Calendar Year Returns	
	Pool	Benchmark		Pool	Benchmark
Quarter	7.18%	7.49%	2010	11.67%	10.39%
1 Year	11.67%	10.39%	2009	14.84%	21.36%
2 Years	28.24%	33.97%	2008	-24.01%	-29.39%
3 Years	-2.55%	-5.40%	2007	8.50%	5.87%
4 Years	5.74%	0.15%	2006	13.71%	13.41%
5 Years	20.23%	13.59%	2005	4.55%	4.28%
Since Inception*	36.89%	25.57%	2004*	8.90%	6.01%

	Historical Data	
	Pool	Benchmark
Annualized Return	4.76%	3.43%
Standard Deviation	9.46%	11.96%
Alpha (Annualized)	2.18%	
Max Drawdown	-30.25%	-40.00%
Drawdown Length (M)	16	16



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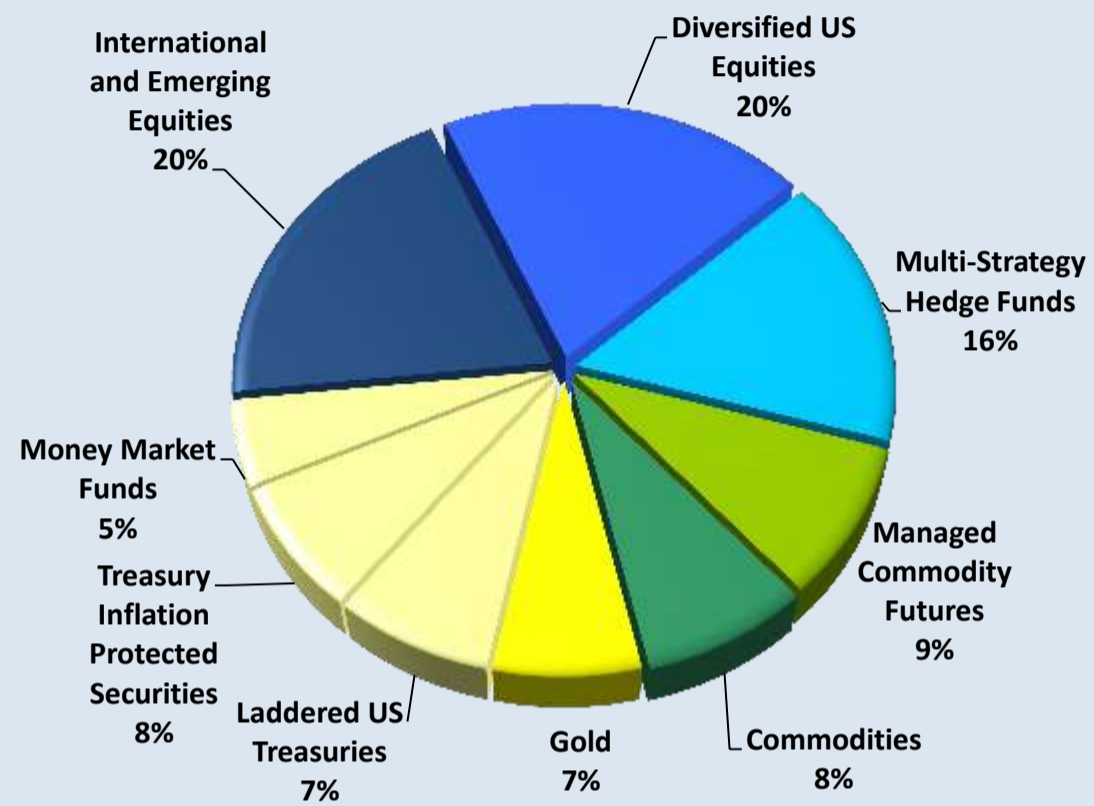
NCF Balanced Strategy Pool

Additional Performance Information
For The Periods Ending December 31, 2010

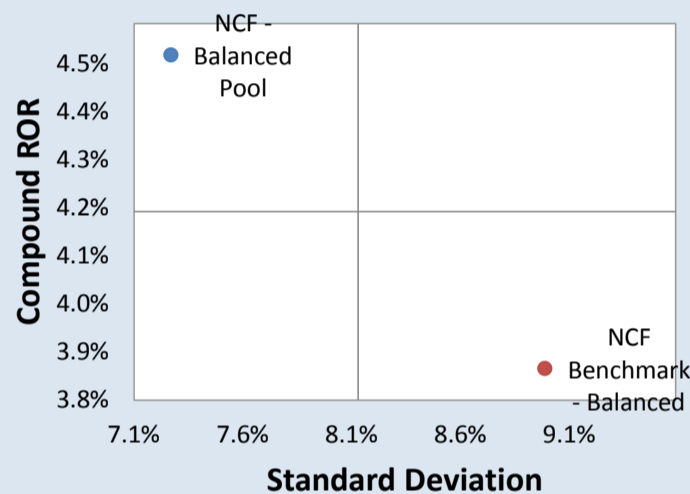
Period	Cumulative Returns		Year	Calendar Year Returns	
	Pool	Benchmark		Pool	Benchmark
Quarter	5.64%	6.71%	2010	10.46%	9.45%
1 Year	10.46%	9.45%	2009	11.45%	17.08%
2 Years	23.10%	28.14%	2008	-16.35%	-21.23%
3 Years	2.98%	0.94%	2007	3.85%	6.20%
4 Years	6.95%	7.20%	2006	9.91%	11.05%
5 Years	17.55%	19.04%	2005	4.75%	3.65%
Since Inception*	34.91%	29.33%	2004*	9.56%	4.82%

	Historical Data	
	Pool	Benchmark
Annualized Return	4.54%	3.88%
Standard Deviation	7.29%	9.01%
Alpha (Annualized)	1.59%	
Max Drawdown	-21.03%	-29.59%
Drawdown Length (M)	16	16

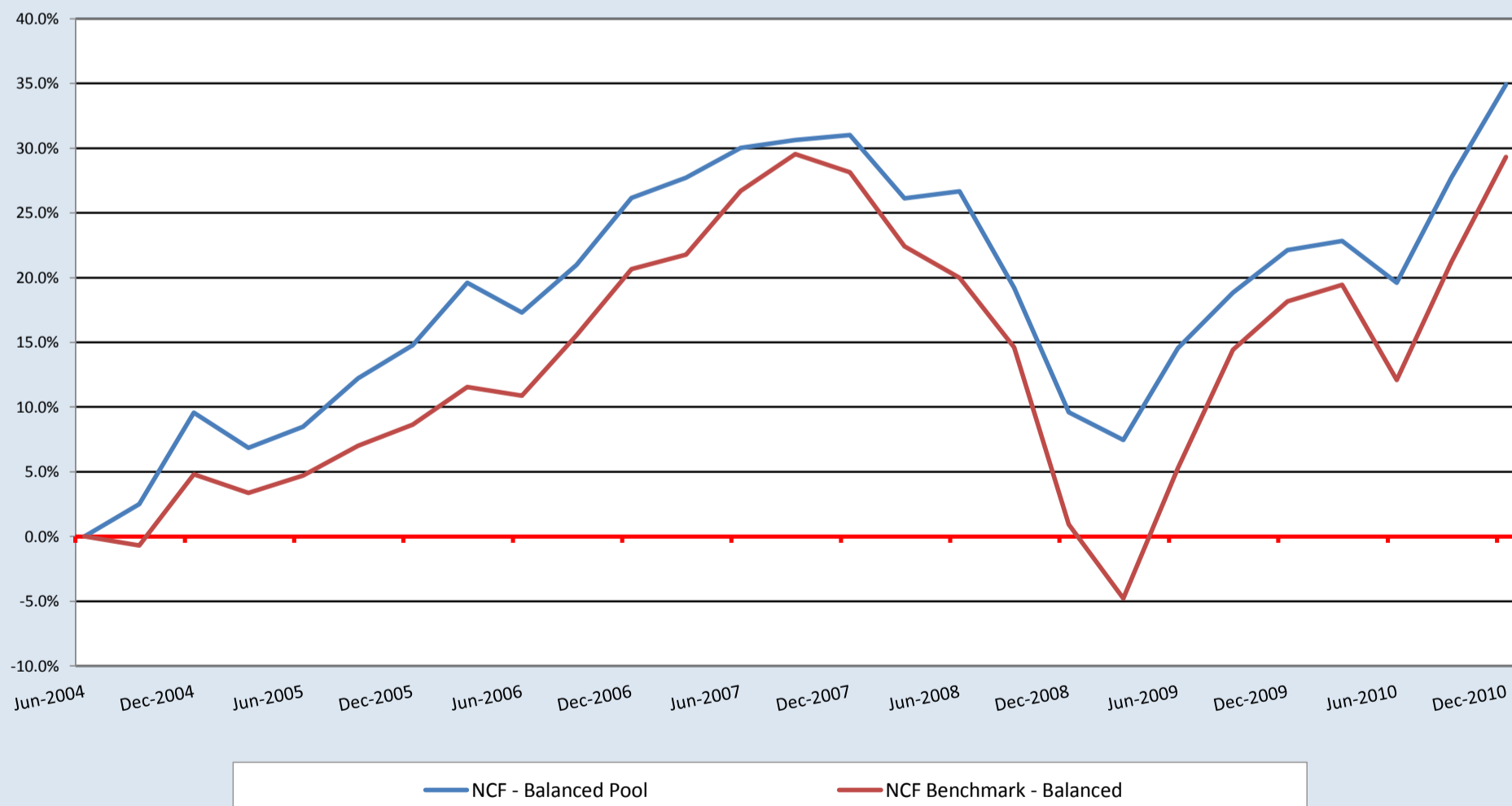
Target Asset Allocation



Risk vs. Return Scatterplot Since Inception



Percentage Growth Since Inception



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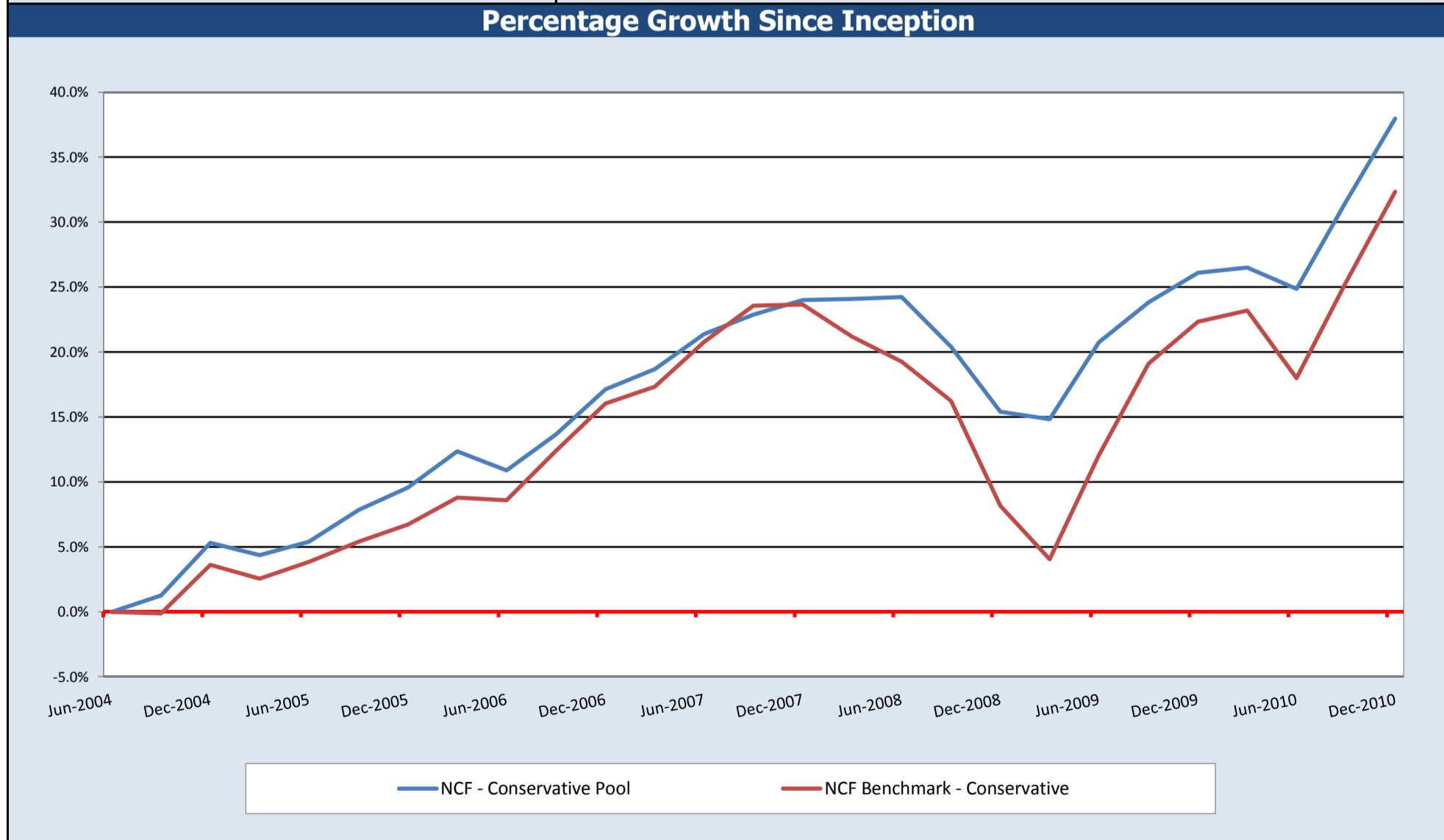
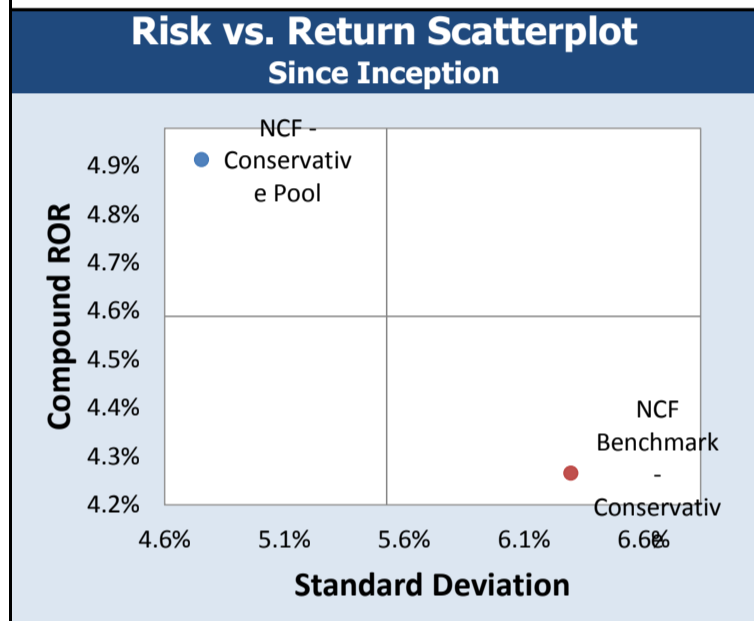


NCF Conservative Strategy Pool

Additional Performance Information
For The Periods Ending December 31, 2010

Cumulative Returns			Calendar Year Returns		
Period	Pool	Benchmark	Year	Pool	Benchmark
Quarter	4.88%	5.56%	2010	9.42%	8.18%
1 Year	9.42%	8.18%	2009	9.28%	13.10%
2 Years	19.57%	22.35%	2008	-6.94%	-12.53%
3 Years	11.28%	7.02%	2007	5.87%	6.55%
4 Years	17.81%	14.03%	2006	6.89%	8.74%
5 Years	25.92%	24.00%	2005	4.05%	3.00%
Since Inception*	37.98%	32.33%	2004*	5.31%	3.61%

Historical Data		
	Pool	Benchmark
Annualized Return	4.88%	4.24%
Standard Deviation	4.71%	6.25%
Alpha (Annualized)	1.99%	
Max Drawdown	-11.00%	-18.33%
Drawdown Length (M)	9	16



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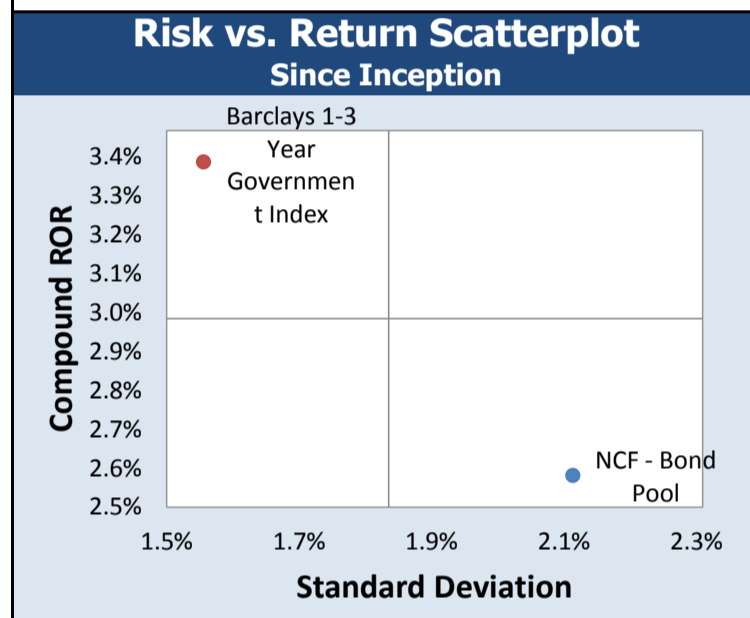
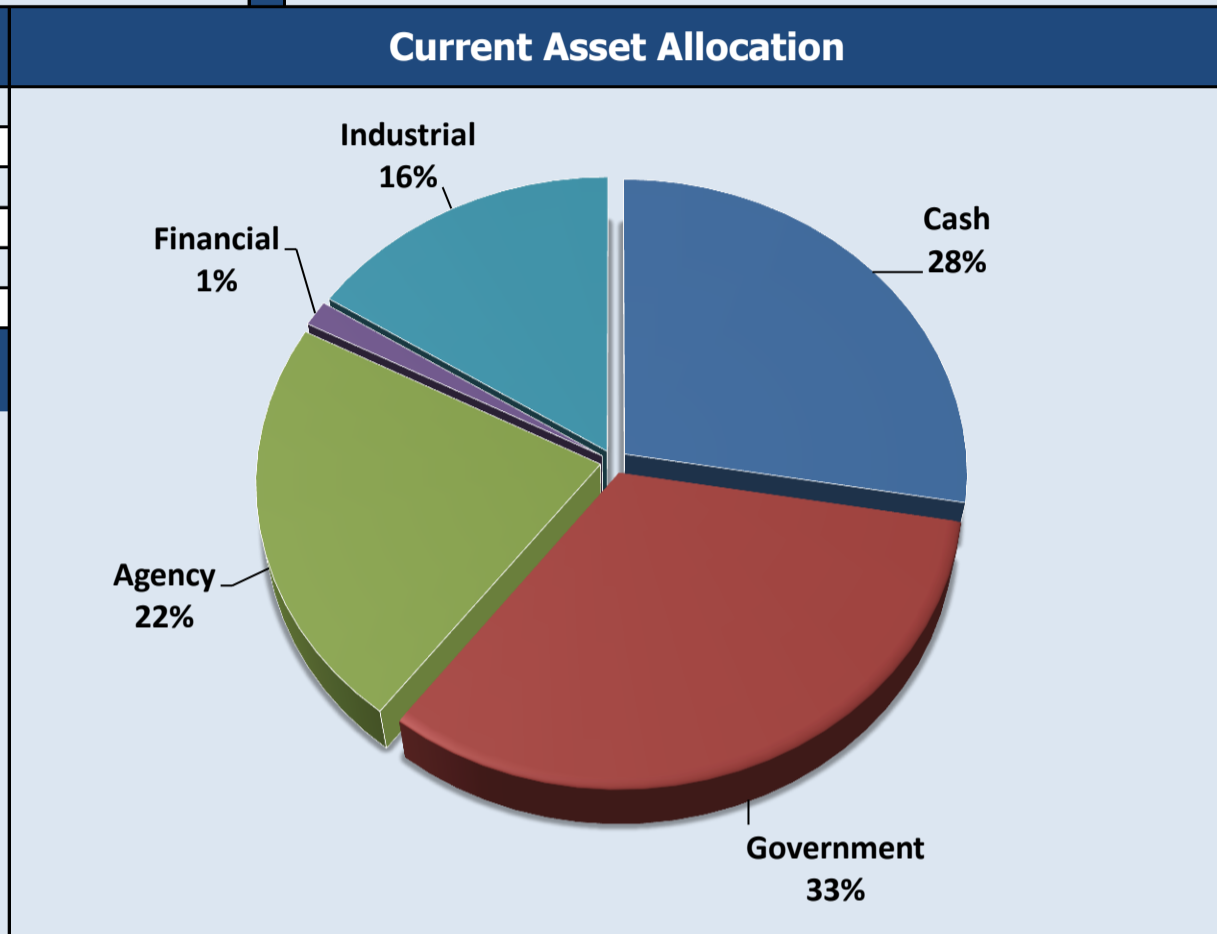
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NCF Bond Strategy Pool

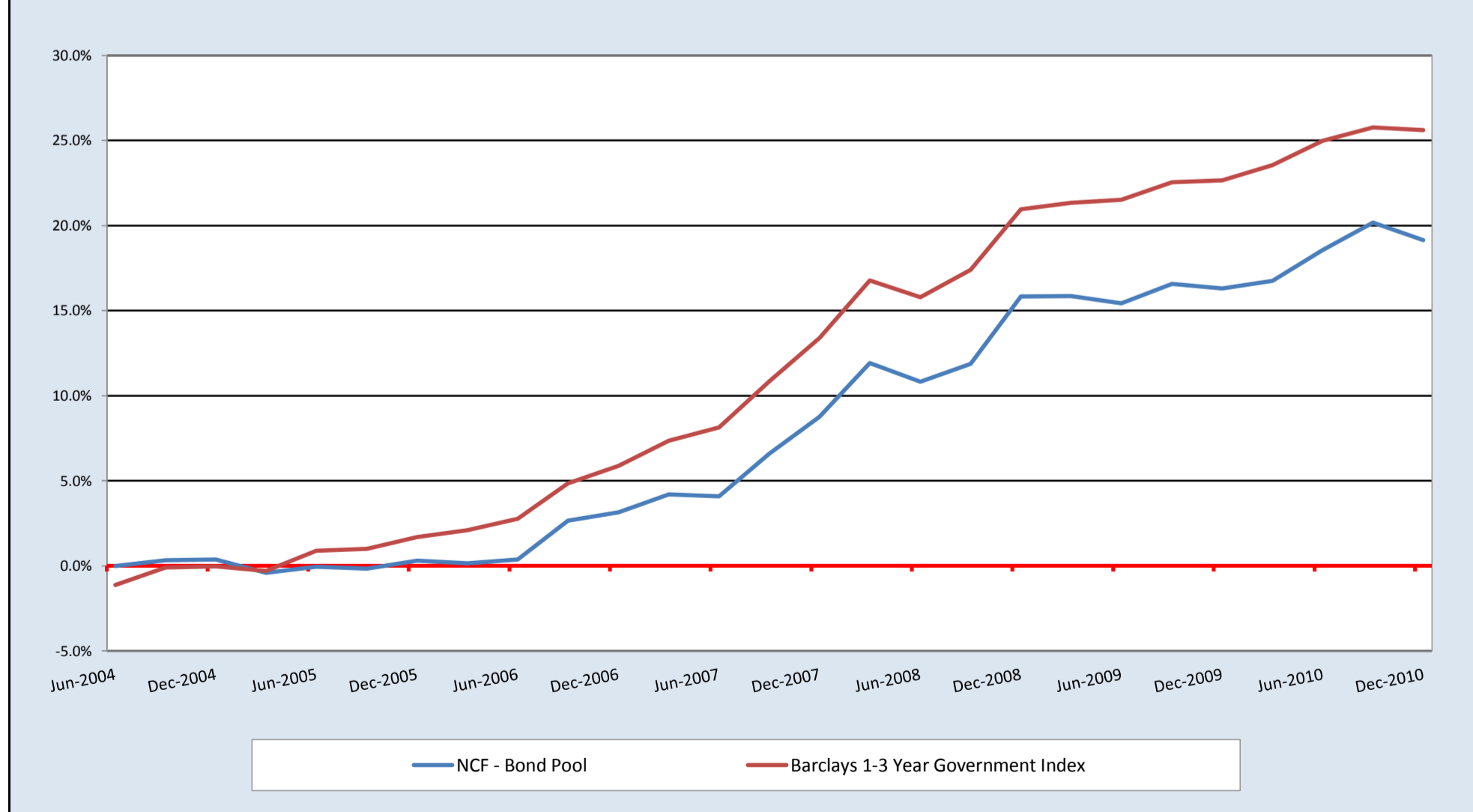
Additional Performance Information
For The Periods Ending December 31, 2010

Period	Cumulative Returns		Year	Calendar Year Returns	
	Pool	Benchmark		Pool	Benchmark
Quarter	-0.85%	-0.13%	2010	2.44%	2.40%
1 Year	2.44%	2.40%	2009	0.40%	1.41%
2 Years	2.85%	3.85%	2008	6.50%	6.66%
3 Years	9.53%	10.76%	2007	5.44%	7.10%
4 Years	15.49%	18.63%	2006	2.85%	4.12%
5 Years	18.78%	23.52%	2005	-0.07%	1.72%
Since Inception*	19.14%	25.60%	2004*	0.37%	1.11%

	Historical Data	
	Pool	Benchmark
Annualized Return	2.63%	3.43%
Standard Deviation	2.12%	1.57%
Alpha (Annualized)	-1.08%	
Max Drawdown	-2.08%	-1.14%
Drawdown Length (M)	1	2



Percentage Growth Since Inception



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The National Christian Foundation

Explanation of Return Metrics and Benchmarks

In an effort to provide greater clarity and simplicity, we have revised the format of the one-page performance reports for each of the NCF Pools. Much of the information and formatting is identical to the previous format. But we have added a new section that provides popular statistical measures of portfolio performance.

In the section entitled, "Historical Data," you will find five metrics of investment performance: Rate of Return, Standard Deviation, Alpha (Annualized), Max. Drawdown and Drawdown Length (M). The following is a simplified description of each of these metrics:

1 Year	-7.88%	-6.25%	2008	-24.01%	-29.39%
2 Years	-6.98%			8.50%	5.87%
3 Years	2.10%			13.71%	13.41%
4 Years	15.24%			4.55%	4.28%
5 Years	22.87%			8.90%	6.01%
Since Inception*					

Rate of Return: The compound annualized rate of return, or what most people would call simply the "annual return."

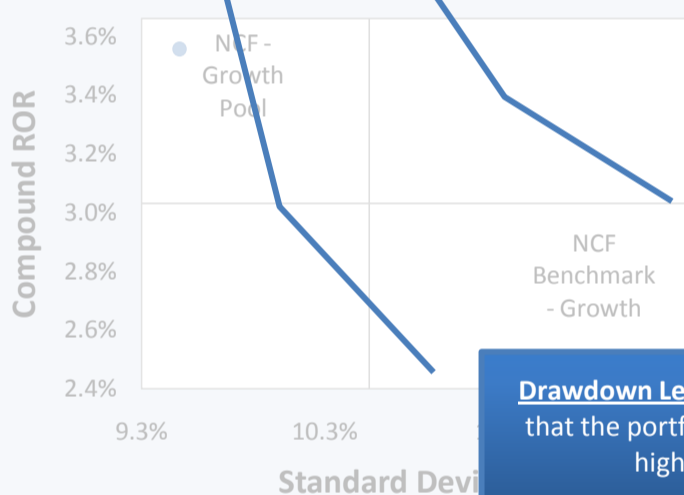
Standard Deviation: A common measure of portfolio volatility. The higher the reading, the higher the volatility. Technically, standard deviation shows how much variation there is from the "average" (mean) of a specific data set. A low standard deviation indicates that the data points tend to be very close to the mean, whereas a high standard deviation indicates that the data are spread out very far from the mean.

	Historical Data Pool	Benchmark
Rate of Return	3.59%	2.54%
Standard Deviation	9.50%	11.57%
Alpha (Annualized)	1.63%	
Max Drawdown	-30.25%	-40.00%
Drawdown Length (M)	16	16

Alpha (Annualized): Alpha is a measure of the value that a portfolio manager adds to or subtracts from a fund's return. It takes the volatility (price risk) of a portfolio and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is the portfolio's alpha. A positive alpha of 1.0, for example, means the portfolio has outperformed its benchmark index by 1%. (The benchmark will always have an alpha of zero, because it is the basis of the alpha calculation).

Max Drawdown: The largest percentage loss from peak to trough that the portfolio or index has suffered during a specific timeframe. In the case of the NCF Pools, the timeframe begins July 2004.

Risks vs. Return Scatterplot Since Inception



Drawdown Length (M): The longest amount of time (in months) that the portfolio or index has ever remained below its all-time high. This metric is displayed in Months (M).

Benchmark Descriptions

From the Growth Pool's inception in July 2004 through December 2008, the Growth Pool Benchmark consisted of an 80% allocation to the S&P 500 Index and a 20% allocation to the Barclays One- to Three-Year Treasury Index. Effective January 2009, in consideration of revised Growth Pool allocations, we revised the Growth Pool Benchmark as follows:

- 30% - S&P 500 Index
- 30% - MSCI EAFE Index
- 10% - BarCap US Government 1-3 Year Treasury Index
- 10% - Reuters/Jefferies CRB Index
- 12% - HFRI Fund of Funds Composite Index
- 8% - Eurekahedge CTA Fund of Funds Index

From the Balanced Pool's inception in July 2004 through December 2008, the Balanced Pool Benchmark consisted of an 60% allocation to the S&P 500 Index and a 20% allocation to the Barclays One- to Three-Year Treasury Index. Effective January 2009, in consideration of revised Balanced Pool allocations, we revised the Balanced Pool Benchmark as follows:

- 20% - S&P 500 Index
- 20% - MSCI EAFE Index
- 20% - BarCap US Government 1-3 Year Treasury Index
- 15% - Reuters/Jefferies CRB Index
- 15% - HFRI Fund of Funds Composite Index
- 10% - Eurekahedge CTA Fund of Funds Index

From the Conservative Pool's inception in July 2004 through December 2008, the Conservative Pool Benchmark consisted of an 40% allocation to the S&P 500 Index and a 60% allocation to the Barclays One- to Three-Year Treasury Index. Effective January 2009, in consideration of revised Conservative Pool allocations, we revised the Conservative Pool Benchmark as follows:

- 12.5% - S&P 500 Index
- 12.5% - MSCI EAFE Index
- 30% - BarCap US Government 1-3 Year Treasury Index
- 15% - Reuters/Jefferies CRB Index
- 18% - HFRI Fund of Funds Composite Index
- 12% - Eurekahedge CTA Fund of Funds Index