General Board Investing Opportunities

The Road to Financial Security

General Board of Pension and Health Benefits of The United Methodist Church

Caring For Those Who Serve


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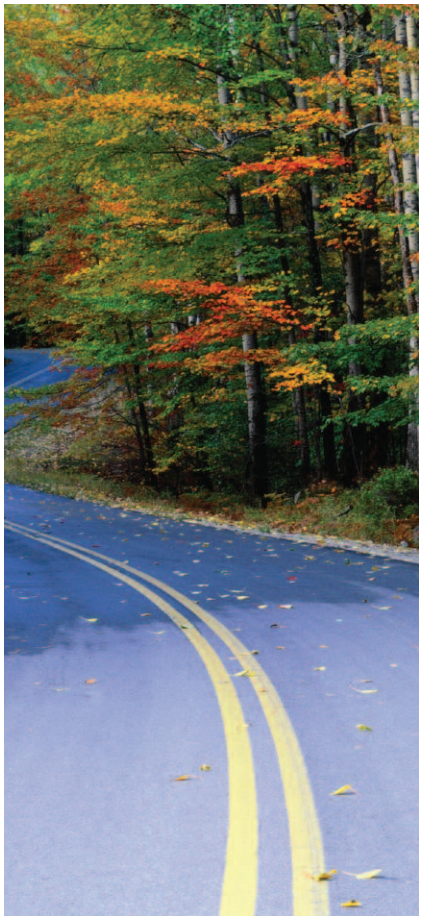
The Road to Financial Security

No doubt about it…

Investing can be complicated and confusing, even intimidating. But you don't have to manage your investments alone. The General Board of Pension and Health Benefits (General Board) can help you stay on the road to financial security with valuable resources to guide you, including the **LifeStage Investment Management Service*** (page 2) and **Ernst & Young Financial Planning Services** (page 7).

Informed investment decisions that take your personal circumstances into consideration prepare you financially for a successful retirement. These professional investment services, combined with the strength of the **seven General Board investment funds** (page 12), support your personal decision-making process and, in the long run, can help you achieve a financially secure retirement.

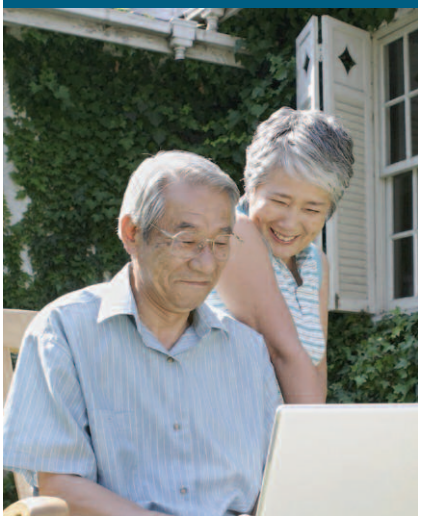
The General Board reserves the right to change the policies and rules in this booklet at any time.



* The LifeStage Investment Management Service is powered by ProManage, an investment management services company used by defined contribution (DC) plan sponsors to allocate and manage employees' plan assets.

LifeStage Investment Management Service

"Diversification" simply means spreading your account dollars among different types of investments.



Balancing Risk and Return

The LifeStage Investment Management Service (LifeStage) allocates your contributions and the contributions made on your behalf among five of the General Board investment funds. The allocation, or investment mix, represents your individual investment portfolio. It is based on your age, the assets in your General Board retirement accounts and the answers you may provide to the LifeStage *Personal Investment Profile*. After determining your investment fund allocation, LifeStage manages your account for you. As your circumstances change, LifeStage adjusts your fund allocations accordingly. Sometimes your circumstances will not change but differences in market returns may cause your individual investment fund allocations to fall outside a specified range compared to your original target fund allocations. LifeStage compares your actual investment fund allocations to your target allocations every three months and makes changes when needed but at least once a year.

LifeStage Uses a Proven Investment Strategy to Set an Appropriate Level of Risk/Return for Your Portfolio

"Investment fund allocation" refers to the size and mix of the five investment funds that comprise your General Board account balance(s). To determine your investment fund allocation, LifeStage applies the *principle of diversification*, a popular investment strategy used by professional investors and financial planners. Diversification means spreading your account dollars among different types of investments, such as U.S. and international stocks, bonds and inflation protection securities, rather than investing your balances in only one fund or even in one type of investment.

LifeStage Selects General Board Funds Especially for You

Using General Board investment funds and key information about you, LifeStage develops your customized investment fund allocation. For your convenience, you are not required to provide any data, complete any questionnaires or take any action.

LifeStage, however, does allow you to develop a LifeStage *Personal Investment Profile* to fine-tune the investment fund allocation created for you. To set up your LifeStage *Personal Investment Profile*, you will need to answer these questions:

1. What is your risk tolerance?

Investing involves risk. On one hand, if you invest too aggressively, you may lose money when the value of the investment falls. On the other hand, if you invest too conservatively, you may risk the opportunity to accumulate gains that could have been earned from investments with higher growth potential—gains that are important for maintaining the standard of living that you had before retirement. Also, you need to protect against the risk of inflation eroding the value of your hard-earned savings, and conservative investments do not fully protect against inflation.

The following risk descriptions are merely a guide. We recommend that you seek the advice of a professional financial planner, such as those provided through Ernst & Young Financial Planning Services (see page 7), to determine your risk tolerance.

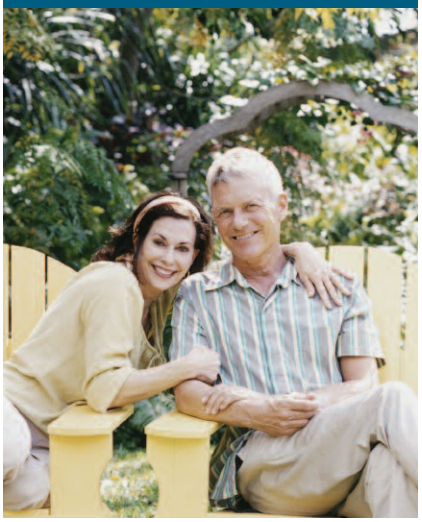
High–High risk tolerance means that you accept the possibility of significant reductions in the value of your account balance for short- or medium-term periods in exchange for the potential of higher long-term gains. You generally have an optimistic view of the U.S. and world economies but realize that the overall economy occasionally experiences periods of poor economic growth.

Moderate–Moderate risk tolerance means that you generally have a long-term investment horizon. Because there is always the potential for reductions in value, you realize that a certain amount of risk is prudent and essential to provide retirement security. However, you also believe that your risk exposure should be appropriate to your unique life circumstances. Someone with a moderate risk tolerance accepts that markets go through cycles, and that it is not possible to predict future market performance.

Low–Low risk tolerance means that you are troubled by fluctuations in the value of your account balance. You would rather sacrifice the opportunity for higher long-term gains to avoid significant short-term reductions in the value of your investments. Preservation of the value of your accumulated account balance is most important; however, you are willing to risk losing value to possible inflation to protect your account from market fluctuations.

LifeStage Investment Management Service

Your risk tolerance is just one of the factors that will affect how your portfolio is invested.



2. At what age do you anticipate starting your Ministerial Pension Plan (MPP) retirement benefits?

This variable applies only to clergy participants in MPP because they must convert a portion of their MPP account balance to a monthly benefit payment upon retirement.

While risk tolerance is a somewhat emotional indicator, a more objective measure is the age when you expect to begin receiving benefits. The later you begin receiving benefits, the longer the time period your investments may grow. It is important to indicate the age at which you expect to begin receiving retirement benefits rather than your retirement age. (You may retire before or after age 65 and may choose to defer the start of your retirement benefits until a later date.)

3. Will you qualify to receive Social Security benefits when you retire?

Some United Methodist clergy do not participate in Social Security and do not expect to receive Social Security benefits when they retire. Most, however, pay or have paid Social Security taxes and are qualified to receive a Social Security benefit. Some lay employees who do not spend at least 10 years in the non-governmental work force also may not qualify for Social Security. Social Security benefits may be another source of retirement income. Those who will receive Social Security benefits may be able to invest differently from those who will not receive Social Security benefits.

LifeStage Sets an Appropriate Level of Risk and Return for Your Portfolio

LifeStage uses the answers to these questions and other information about you to determine your appropriate investment fund allocation. For those who do not answer the questions, the General Board uses a pre-selected profile (moderate risk tolerance, benefits to begin at age 65 and participation in Social Security) that is appropriate for the majority of participants. Whether you set your own variables or rely on the General Board's pre-selected profile, there is nothing more for you to do. LifeStage will manage the investment of your account balance(s). You may review your LifeStage *Personal Investment Profile* periodically and change the first two variables at any time. You may set your Social Security variable only once.

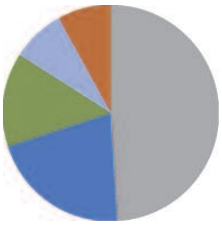
Sample LifeStage Fund Allocations

Participant 1

Age 35

UMPIP = $40,000 Salary = $30,000

High Risk Tolerance



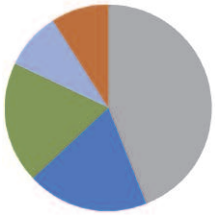
Domestic Stock Fund:	57%
International Stock Fund:	24%
Stable Value Fund:	9%
Inflation Protection Fund:	5%
Domestic Bond Fund:	5%

Participant 2

Age 45

UMPIP = $100,000 Salary = $40,000

Moderate Risk Tolerance



Domestic Stock Fund:	44%
International Stock Fund:	19%
Stable Value Fund:	19%
Inflation Protection Fund:	9%
Domestic Bond Fund:	9%

Participant 3

Age 55

UMPIP = $175,000 Salary = $50,000

Low Risk Tolerance

Domestic Stock Fund:	34%
International Stock Fund:	14%
Stable Value Fund:	26%
Inflation Protection Fund:	13%
Domestic Bond Fund:	13%

Participant 4

Age 60

UMPIP = $250,000 Salary = $50,000

Moderate Risk Tolerance

Domestic Stock Fund:	36%
International Stock Fund:	16%
Stable Value Fund:	24%
Inflation Protection Fund:	12%
Domestic Bond Fund:	12%

Is LifeStage Right for You?

There are a number of factors to consider when deciding how to manage your self-directed accounts.

LifeStage is an ideal way for most participants to invest their self-directed accounts effortlessly and sensibly, but it may not be appropriate for everyone. Your self-directed accounts might not benefit from LifeStage if you:

- have significant retirement resources outside of the General Board,
- have a pension from a prior employer,
- entered the work force relatively late in life,
- have an illness that could shorten your life expectancy,
- have some Social Security coverage but elected not to participate in Social Security as a clergyperson, or
- are planning to take your retirement benefits as one lump sum, when permitted under plan rules, and spend them, rather than reinvesting them.

Other situations could affect LifeStage's usefulness for you. Ernst & Young financial planners are available at no charge to help you determine if LifeStage is appropriate for your self-directed accounts (see page 7).

LifeStage automatically manages your MPP account. You decide whether you want LifeStage to manage your self-directed accounts.* To elect LifeStage, log on to the Online Account Services Information System (OASIS), available on our Web site at **www.gbophb.org**, or call **1-800-851-2201** and use the Interactive Voice Response (IVR) system. You also may submit a paper election form. To obtain a paper form, call the General Board at **1-800-851-2201** and speak to a customer service representative.

The LifeStage *Personal Investment Profile* is available on OASIS, via the IVR system or by calling the General Board and speaking to a customer service representative. A General Board customer service representative can either send you a *Personal Investment Profile* paper form or set up this profile over the phone.

* Your self-directed accounts include any accounts you may have in the United Methodist Personal Investment Plan (UMPIP), the defined contribution component of the Clergy Retirement Security Program (CRSP DC), the defined contribution component of the Retirement Security Program (RSP DC) for General Agencies and/or the Horizon 401(k) Plan (Horizon).

Ernst & Young Financial Planning Services

More than likely, your financial planning concerns extend beyond using LifeStage. You may have questions about your children's tuition costs, your spouse's retirement resources, home ownership, tax issues, estate planning or managing your debt. Where can you get sound financial advice? Today, many financial planners are compensated only when they sell investment products. Even if their advice is well intentioned, it may be limited by the products they sell.

What's best is solid, objective advice from a qualified financial professional. In 2009, eligible participants in General Board-administered retirement plans can receive financial planning assistance at no charge from Ernst & Young, a leading global financial services firm. Participants can call Ernst & Young as often as they like and spend as much time on the phone as necessary.

Ernst & Young Financial Planning Services is available to:

- active participants with an account balance,
- surviving spouses with an account balance, and
- terminated and retired participants with an account balance of at least $10,000.

Ernst & Young financial planners have been specially trained in topics important to participants in General Board-administered retirement plans, such as the clergy housing allowance, clergy tax issues and the General Board's plans and programs. And you can expect to receive objective advice—without the sales pitch. Unlike many financial planners, Ernst & Young planners will never try to sell you investment products or services, because they don't offer any.

To begin using this service, just call Ernst & Young directly at **1-800-360-2539** between 9:00 a.m. and 8:00 p.m., Eastern time, Monday through Friday (excluding holidays).

Ernst & Young Financial Planning Services

All General Board participants have access to the Ernst & Young Financial Planning Center Web site, which offers a wide range of financial planning tips.

What Information Will I Have to Provide?

Ernst & Young financial planners may request personal and financial information from you that will help them to address your particular financial concerns. Information you share with Ernst & Young will not be shared beyond the financial planner team.

What Information Will the General Board Provide?

For purposes of identification and communication, the General Board will forward to Ernst & Young your name, address and participant number (not your Social Security number). Ernst & Young representatives will only have your account balance information if you provide it to them.

Ernst & Young Web Site

All participants in General Board plans—even those not eligible for the Ernst & Young program—have access to the Ernst & Young Financial Planning Center Web site. Visit this Web site for tips on handling your money and expanding your knowledge of financial concepts.

The site includes:

- calculators on a wide range of topics, including debt consolidation, mortgage debt and retirement planning;
- the *Understanding Personal Finances* newsletter; and
- financial planning articles.

Access this Web site at **http://gbophb.eyfinancialplanner.com** (company code: gbophb; company program: gbophb).

LifeStage Questions and Answers

If I am a clergyperson with balances accumulated in MPP prior to January 1, 2007, how will this portion of my account be managed?
MPP balances are managed by LifeStage until a participant retires and converts his or her balance into a fixed monthly benefit payment. However, some participants who attained age 61 prior to October 1, 2005 have a Participant-Directed Account (PDA) for which they manage investments.

Is it possible that I will see a reduction in the value of my account with the LifeStage program?
Yes. Your account balance will fluctuate up and down with the value of the fund investments. Accordingly, you may see a reduction in the value of your account balance. The General Board, through LifeStage, will continue to invest for the long term.

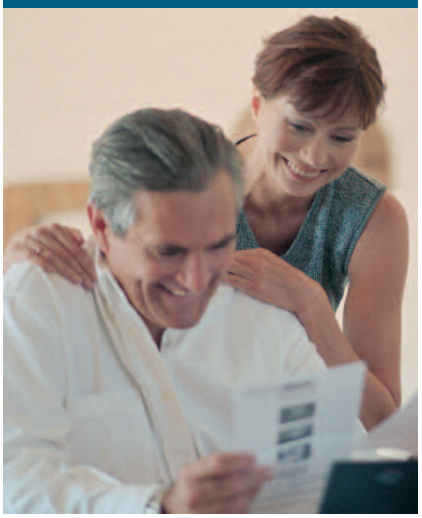
Why should I elect LifeStage for my self-directed accounts?
The General Board encourages all participants to consult with fee-only financial planners to determine their best investment fund allocation. However, the General Board recognizes that many participants choose not to consult with financial planners, yet do not have the experience to make educated investment fund elections. LifeStage will apply sound and proven investment management techniques to make investment fund election decisions on behalf of these participants.

What if I am uncomfortable with one or more of the funds elected by LifeStage? May I request that the General Board not invest in that fund?
No. Participants with accounts managed by LifeStage will have their accounts invested in the five funds used by LifeStage. LifeStage applies principles regarding the prudent allocation of assets through diversification. Therefore, all five funds used by LifeStage are necessary for a prudently diversified portfolio. If LifeStage is managing your self-directed accounts, you may elect to discontinue LifeStage and direct your plan investments yourself or with the advice of a financial advisor.

Is there a fee for LifeStage?
There is no direct fee to participants for LifeStage. The General Board will pay a fee to the investment fund manager for its intellectual property to determine investment fund allocations.

LifeStage Questions and Answers

Investing doesn't have to be complicated and confusing. The General Board can help you achieve a financially secure retirement.



How can I determine my risk tolerance?
The General Board encourages participants to consult with objective fee-only financial planners who are trained to ask the right questions to help you determine your risk tolerance. This service is available through Ernst & Young at no charge to you. If you prefer not to consult with a financial planner, refer to the risk tolerance descriptions provided by the General Board in this brochure or on our Web site.

May I change my risk tolerance after LifeStage begins managing my account(s)?
Yes. You may change your risk tolerance at any time. However, the General Board will apply any changes you make to your risk tolerance on a periodic schedule.

My spouse will receive Social Security benefits, but I will not. How should I set the Social Security variable?
You should set the Social Security variable based on *your* participation in Social Security. A financial planner, however, may be able to tell you how the benefits accruing to your spouse will affect your own retirement picture.

Will LifeStage continue to manage my account(s) after I retire or terminate?
LifeStage will manage all balances left on account in MPP after you retire. Additionally, self-directed balances left on account will continue to be managed by LifeStage, if so elected.

How will I know what investment funds LifeStage has chosen for me?
You can access your account at any time through OASIS or the IVR system to learn more about the funds selected by LifeStage. Additionally, your quarterly statements will provide details of your investment funds.

If I do not elect LifeStage now for my self-directed accounts, may I elect it some time in the future?
Yes. As long as you have not retained a PDA, you are free to select LifeStage to manage your self-directed accounts at any time. Similarly, you may choose to invest these plan accounts yourself at a later time.

How do I elect LifeStage to manage my self-directed accounts?
You can elect LifeStage at any time using OASIS or the IVR system. You can also complete the *LifeStage Investment Management Service Election Form*, available by calling the General Board at **1-800-851-2201**.

Will participants using LifeStage continue to invest in funds offered by the General Board?
Yes. All investment funds selected by LifeStage are General Board funds and meet the General Board's socially responsible investing criteria.

How often will LifeStage adjust my investments?
LifeStage will adjust your investments at least once annually. However, depending on market conditions, LifeStage may adjust your account balances more frequently to make sure that your investments are within your target investment allocations range.

How can I resume investment control of my LifeStage-managed accounts?
You can resume investment control of your self-directed accounts at any time. You simply have to make investment elections to your self-directed accounts through OASIS, the IVR system or a General Board representative. You cannot take control of your MPP LifeStage-managed account (unless you have retained your PDA, in which case you never relinquished control to LifeStage).

The General Board's Investment Funds

The General Board offers seven investment funds to eligible participants through benefit plans and programs of The United Methodist Church and its affiliated organizations. All funds are carefully monitored by the General Board and are administered according to the investment policy established and monitored by the board of directors of the General Board.

The descriptions of these funds will help you make investment choices for your existing balances and future contributions to UMPIP, CRSP DC, RSP DC or Horizon. The General Board recommends that you consult a fee-only financial planner and read thoroughly the descriptions on the following pages before making investment decisions regarding the funds.

Though your contributions (and earnings) are generally not available to you until you retire, you may transfer balances from one investment fund to another or redirect the investment of your future contributions, subject to certain limitations more fully described in the "Investment Funds Description" posted on the General Board's Web site, **www.gbophb.org**. For the six unitized funds, purchase and sale transactions are valued at the close of each business day based on the value of the investments held in each fund (see a listing of pricing holidays at the General Board's Web site). For the Stable Value Fund, each unit maintains a value of $1.00, and each participant's units vary based on contributions, withdrawals and the performance of the fund's investments.

All of the funds offered by the General Board are subject to management and administrative fees. These fees are used to calculate the expense ratio for each of the funds. The expense ratio will change from time to time based on the actual expenses incurred by the funds. There are no fees charged to participants for purchasing or selling units in the General Board's funds.

Participants in UMPIP, CRSP DC, RSP DC and Horizon can personally select from among the seven investment funds or elect LifeStage to choose investment funds for them.

Stable Value Fund (SVF)

Type of Fund
Low-risk bond fund.

Objective
To preserve capital and earn current income.

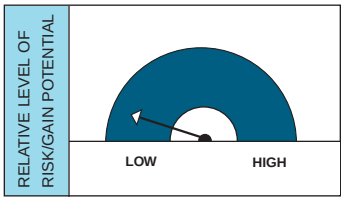
Who Should Invest
Investors with low risk tolerance who are unwilling to risk the loss of any capital contributions or accumulated interest.

Investments
The investment portfolio consists of a broad selection of short- and medium-term, fixed-income securities, including U.S. government and agency bonds, corporate bonds, mortgages and asset-backed securities. Additionally, the fund may hold insurance company-issued Guaranteed Investment Contracts (GICs) or similar instruments, as well as cash equivalents.

Management
San Francisco-based BNY Mellon Cash Investment Strategies (a division of BNY Mellon Bank) manages $9 billion of stable value assets and is the lead manager of the fund. Additionally, the fund engages the services of highly regarded fixed-income managers to manage a portion of the fund's assets.

Strategy
The primary objective of the Stable Value Fund (SVF) is preservation of capital while earning current income higher than that of money market funds. Accordingly, the manager will invest in a broad range of high-quality, low-risk, fixed-income instruments. These include U.S. government and agency bonds, corporate bonds, mortgages, asset-backed securities and other similar types of investments.

The manager will contract with highly rated insurance companies, which will provide the principal protection feature that assures participants can transfer or withdraw the value of all contributions and accumulated interest. A list of insurance companies used by SVF is available on the General Board Web site at **www.gbophb.org/sri_funds/svfins.asp**.



The General Board will price this fund consistent with standard industry pricing practices for money market funds. It will maintain a constant unit price of $1.00 and credit participants with interest at month end. Each month, the General Board posts on its Web site the interest rate earned by the fund during the previous month.

Performance Benchmark
Ryan Labs 3-Year GIC Index.

Performance Objective
The fundamental investment objectives of SVF are to preserve both invested principal and earned interest, to earn a stable fixed-income yield and to provide liquidity for participant-directed disbursements.

Expense Ratio
The General Board will charge participants in SVF expenses equal to approximately 0.39% of total fund assets.

SVF Risk Disclosures
For more detailed information regarding the investments of SVF and the inherent risks thereof, please see the "Investment Funds Description," available at **www.gbophb.org/TheWell/Root/ALL/3052.pdf**.

Inflation Protection Fund (IPF)

Type of Fund
Fixed income, inflation-protected securities fund.

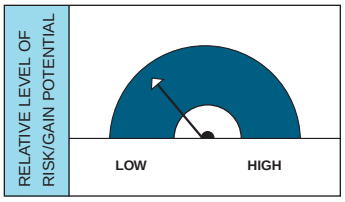
Objective
To provide investors with current income and to protect principal from loss of purchasing power due to inflation.

Who Should Invest
Risk-averse investors who wish to attain long-term protection from the loss of purchasing power due to inflation but are willing to incur some short-term losses of principal.

Investments
The investment portfolio consists primarily of U.S. and international government-issued, inflation-protected securities, which are designed to protect investors from inflation and are normally backed by the credit of the issuing government. IPF's investment portfolio also includes commodities, derivative contracts, cash and cash equivalents.

Management
Neuberger Investment Management, based in Chicago, Illinois, manages the U.S. Inflation Protection Bonds. Bridgewater Associates, based in Westport, Connecticut, manages the Global Inflation Protection Bonds. Neuberger Investment Management, with sub-advisor Gresham Investment Management, LLC, based in New York, manages the commodity exposure.

Strategy
IPF seeks modest current income while preserving capital. The fund holds bonds with an average maturity of 12 years. The fund also attempts to modestly improve investment returns by investing up to 10% of its assets in commodities.



Performance Benchmark
Barclays Capital U.S. Government Inflation-Linked Bond Index.

Performance Objective
Outperform the performance benchmark over a market cycle (three to five years) by 0.25%.

Expense Ratio
The General Board charges participants in IPF expenses equal to approximately 0.45% of total fund assets.

IPF Risk Disclosure
For more detailed information regarding the investments of IPF and the inherent risks thereof, please see the "Investment Funds Description," available at **www.gbophb.org/TheWell/Root/ALL/3052.pdf**.

Domestic Bond Fund (DBF)

Type of Fund
Bond fund composed of a broad range of primarily investment-grade and domestic fixed-income securities.

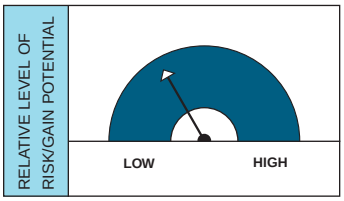
Objective
To earn current income by investing in a broad mix of fixed-income securities.

Who Should Invest
Investors who seek a greater portion of their investment return from current income but exhibit willingness to incur some risk for the potential of modest capital appreciation.

Investments
The fund is primarily composed of a broad range of fixed-income securities, such as U.S. Treasury and agency securities, corporate bonds, mortgage-backed securities and asset-backed securities. The fund may hold up to 10% in bonds with a below-investment-grade rating and up to 20% in bonds denominated in currencies other than the U.S. dollar. The fund will also hold mortgages and other types of loans initiated through the General Board's Affordable Housing and Community Development Program.

Management
Approximately 10 different investment management firms, selected by the General Board, manage the assets of DBF.

Strategy
DBF seeks high current income while preserving capital. DBF employs a blended approach of enhanced passive and active investment management. For the enhanced passive management component, the fund's manager attempts to slightly exceed the return of the performance of the benchmark. For the active management component, the fund employs different investment management firms to make decisions about the fund's investments. The fund relies on the professional judgment of its investment managers to seek investments in attractively valued securities that, in their opinion, represent good long-term investment opportunities.



Performance Benchmark
Barclays Capital U.S. Universal Index (excluding Mortgage-Backed Securities).

Performance Objective
Outperform the performance benchmark by 0.50% (net of fees) over a market cycle (three to five years). Because many of the investment managers are making active investment decisions and will hold securities that are not included in the performance benchmark, there is a risk of underperformance versus the benchmark.

Expense Ratio
The General Board charges participants in DBF expenses equal to approximately 0.46% of total fund assets.

DBF Risk Disclosure
For more detailed information regarding the investments of DBF and the inherent risks thereof, please see the "Investment Funds Description," available at **www.gbophb.org/TheWell/Root/ALL/3052.pdf**.

Multiple Asset Fund (MAF)

Type of Fund
Diversified multiple-asset-class "fund of funds."

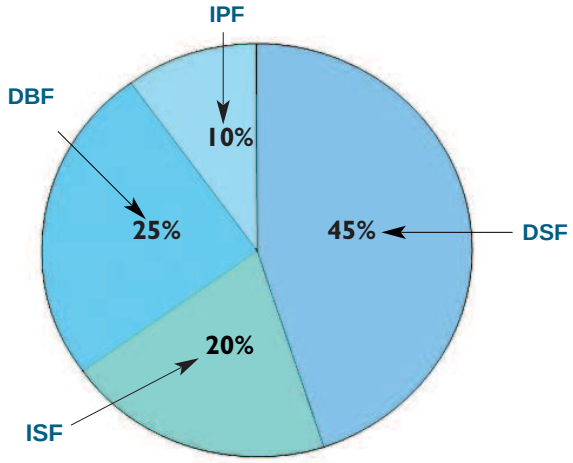
Objective
To attain current income and capital appreciation by investing in a broad mix of different types of investments.

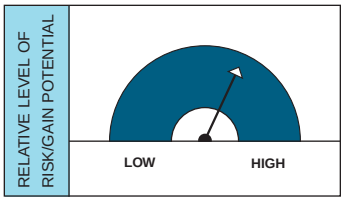
Who Should Invest
Investors with a relatively long time horizon who seek long-term investment growth and income from exposure to a broadly diversified portfolio composed of stocks, bonds, real estate and various other types of investments. Investors should be willing to experience some fluctuations in the value of the fund, though not as much as from holding a fund composed exclusively of common stocks.

Investments
Pre-specified mix of units of other General Board funds: 10% IPF, 25% DBF, 45% DSF and 20% ISF.

Management
Through its investment in other General Board funds, MAF participates in the management styles of more than 30 different investment management firms selected by the General Board. Additionally, through the underlying funds, MAF participates in investments managed by the General Board; these currently comprise less than 5% of MAF assets. Prior to January 1, 2006, the MAF was composed of multiple asset classes that invested directly in these same assets. While having changed structurally, the underlying investments, investment managers and styles have remained essentially unchanged.

MAF Pre-Defined Asset Allocation





Strategy
The pre-specified allocation of the underlying funds closely adheres to the long-term strategic asset allocation established by the Board of Directors. Market fluctuations may cause the actual MAF asset allocation to not conform to the pre-specified mix. The General Board will rebalance MAF back to the pre-specified mix when the actual holdings fall outside of a pre-specified range. IPF holdings will be rebalanced when they fall outside of a range of 8-12% of MAF; DBF holdings will be rebalanced when they fall outside of a range of 22-28% of MAF; DSF holdings will be rebalanced when they fall outside of a range of 42-48% of MAF; and ISF holdings will be rebalanced when they fall outside of a range of 17-23% of MAF.

The underlying funds employ a blended use of active and passive (index) strategies. Generally, MAF will have significant index exposure for large-cap U.S. equity and will use active management for less efficient types of investments.

(continued)

Performance Benchmark

The fund uses a blended benchmark to measure the success of its performance. The benchmark includes the following:

45%	Russell 3000 Index
20%	Morgan Stanley Capital International All Country World Index, ex USA
25%	Barclays Capital U.S. Universal Index excluding Mortgage-Backed Securities
10%	Barclays Capital Government Inflation-Linked Bond Index

Performance Objective

As stated in the General Board's Investment Policy, the performance objective for MAF is to produce a return that, on average, exceeds that of the performance benchmark by 0.8% per year, net of all fees, over an extended investment cycle (10 to 20 years).

Expense Ratio

The General Board does not charge participants any direct fees for MAF. Through the underlying funds, MAF participants pay expenses of approximately 0.64% of the total fund assets. This cost includes investment management fees, operating expenses and bank custodial fees.

MAF Risk Disclosure

For more detailed information regarding the investments of MAF and the inherent risks thereof, please see the "Investment Funds Description," available at **www.gbophb.org/TheWell/Root/ALL/3052.pdf**.

Balanced Social Values Plus Fund (BSVPF)

Type of Fund
Diversified multiple-asset-class fund with exceptional attention to social issues.

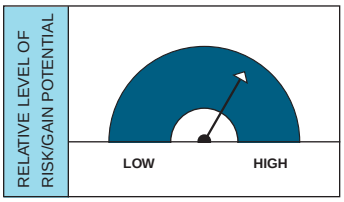
Objective
To attain current income and capital appreciation by investing in a broad mix of different types of investments with added emphasis on the socially responsible investing objectives of The United Methodist Church.

Who Should Invest
- Investors with a relatively long time horizon who seek long-term investment growth and income from exposure to a diversified portfolio composed of stocks, bonds and cash instruments
- Investors who are willing to experience fluctuations in the value of the fund, though not as much as from holding a fund composed exclusively of common stocks
- Investors who do not want any exposure to military contractors or direct obligations of the U.S. government or who would like to more actively support socially responsible investing through the investment in affordable housing mortgages

Investments
The investment portfolio consists of U.S. stocks, U.S. agency bonds, corporate bonds, mortgage-backed securities, asset-backed securities, cash equivalents and bonds used to fund affordable housing mortgages.

Management
Northern Trust Global Investments (NTGI) manages the equity portion of the fund in an index fund based on the Domini 400 Social Index℠. The Domini 400 is composed of 400 U.S. corporations that pass multiple, broad-based social screens, including both exclusionary screens and positive screens. The exclusionary screens align with the social screens of The United Methodist Church. The positive screens seek to identify companies with positive records in the environment, diversity, employee relations, human rights, product quality and safety. The General Board manages the fixed-income portion of the portfolio through its investments in affordable housing.

Strategy
BSVPF is a balanced fund whose investment objective is to maximize long-term investment returns while



reducing short-term risk through the use of diversification. This fund, which is active on the fixed-income side and indexed on the equity side, is designed to outperform a mix of commonly recognized indices representing the performance of the U.S. stock and bond markets.

The fund also takes an active social position by investing in bonds backed by affordable housing developments. These investments seek to attain a market rate of return commensurate with risk while helping to provide shelter to low- and moderate-income people.

There are restrictions on direct obligations of the U.S. government, and investment in the top 100 military weapons contractors is prohibited.

Performance Benchmark

60%	Domini 400 Social Index℠
30%	Barclays Capital Mortgage Backed Securities Index
10%	Merrill Lynch Treasury 90-day Treasury Bill Index

Performance Objective
To produce a return that, on average, exceeds that of the performance benchmark by 1% per year over a market cycle (three to five years).

Expense Ratio
The General Board charges participants in BSVPF expenses equal to approximately 0.35% of total fund assets.

BSVPF Risk Disclosure
For more detailed information regarding the investments of BSVPF and the inherent risks thereof, please see the “Investment Funds Description,” available at **www.gbophb.org/TheWell/Root/ALL/3052.pdf**.

Domestic Stock Fund (DSF)

Type of Fund
U.S. stock fund.

Objective
To attain long-term capital appreciation available from a broadly diversified portfolio that includes stocks from among the 3,000 largest U.S.-domiciled publicly owned companies.

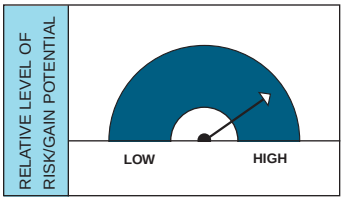
Who Should Invest
Investors who seek long-term investment growth through exposure to the broad U.S. stock market and who are willing to accept the possible risk of wide fluctuations in the unit price of the fund.

Investments
The portfolio is 100% invested in stocks/stock index futures. The stocks of all companies held will primarily be domiciled in the U.S. Investment managers may invest up to 10% of the portfolio in non-U.S.-domiciled companies.

Management
More than 15 different investment management firms selected by the General Board, including Barclays Global Investors.

Strategy
The fund employs a blended use of passive and active investment management.

For passive management, the fund includes investments that are designed to closely match the performance of various indexes representing different market segments. An index fund holds all, or a representative sample, of the securities that make up its target market index.



For active management, the fund employs different investment management firms to make decisions about the fund's portfolio investments. The fund relies on the professional judgment of its investment managers to seek investments in attractively valued companies that, in their opinion, represent good long-term investment opportunities. The fund primarily employs investment managers that will accomplish this objective through fundamental analysis, including meeting with company executives and employees, suppliers, customers and competitors. Securities may be sold when the adviser no longer believes that they represent attractive investment opportunities.

Performance Benchmark
Russell 3000 Index.

Performance Objective
To produce a return that, on average, exceeds that of the performance benchmark by .75% per year over the market cycle.

Expense Ratio
The General Board charges participants in DSF expenses equal to approximately 0.68% of total fund assets.

DSF Risk Disclosure
For more detailed information regarding the investments of DSF and the inherent risks thereof, please see the "Investment Funds Description," available at **www.gbophb.org/TheWell/Root/ALL/3052.pdf**.

International Stock Fund (ISF)

Type of Fund
International (non-U.S.) stock fund.

Objective
To attain long-term capital appreciation from a diversified portfolio.

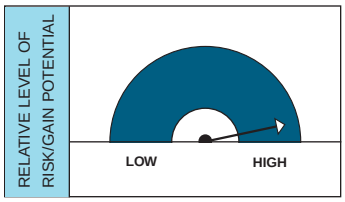
Who Should Invest
Investors who seek long-term investment growth through exposure to companies based in foreign countries and who are willing to accept the possible risk of wide fluctuations in the unit price of the fund.

Investments
The fund's investments are stocks based in both developed and emerging markets. The fund may also invest in stock index futures and foreign currency forward contracts.

Management
More than five different investment management firms selected by the General Board, including Capital Guardian Trust Company.

Strategy
ISF seeks a favorable long-term rate of return from a broadly diversified portfolio of foreign stock domiciled in developed and emerging markets.

The fund relies on the professional judgment of its investment managers to decide how to allocate fund assets among different countries and/or regions of the world and in which stocks the fund should invest. The investment managers seek to invest in attractively valued companies that represent above-average long-term investment opportunities. The investment managers accomplish this objective primarily through fundamental analysis, which may include meeting with a company's management, competitors, suppliers and customers in order to evaluate a company's future prospects.



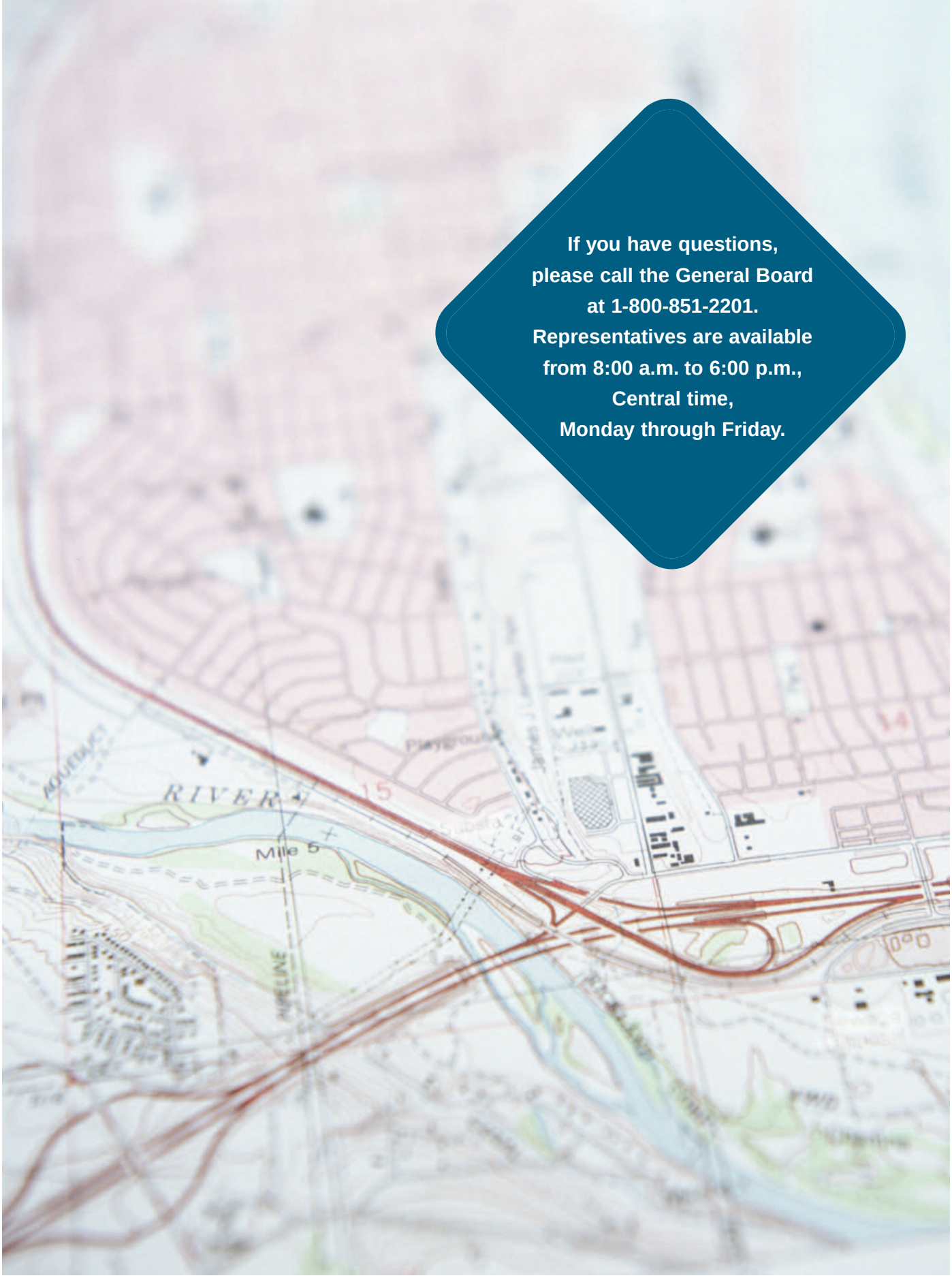
Performance Benchmark
Morgan Stanley Capital International All Country World (MSCI ACWI) ex-USA Index.

Performance Objective
To produce a return that exceeds that of the performance benchmark by 2% on average per year over a market cycle (three to five years).

Expense Ratio
The General Board charges participants in ISF expenses equal to approximately 0.77% of total fund assets.

In 2004, the General Board began imposing a seven-day holding period between interfund transfer purchases and sales in ISF. This action was taken to discourage short-term market timing trades within the fund.

ISF Risk Disclosure
For more detailed information regarding the investments of ISF and the inherent risks thereof, please see the "Investment Funds Description," available at **www.gbophb.org/TheWell/Root/ALL/3052.pdf**.



If you have questions, please call the General Board at 1-800-851-2201. Representatives are available from 8:00 a.m. to 6:00 p.m., Central time, Monday through Friday.

GENERAL BOARD OF PENSION AND HEALTH BENEFITS
OF THE UNITED METHODIST CHURCH

Caring For Those Who Serve

1201 Davis Street
Evanston, Illinois 60201
1-800-851-2201
www.gbophb.org