



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

Caring For Those Who Serve

Accessing Capital: Non-Traditional Financing Sources

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Investment Program

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

- Established 1908
- Serves 66,000 clergy and lay employees
- \$15 billion in assets
- Serve and support the well-being of participants guided by the principles of The United Methodist Church
- Social Responsible Investing

Objective of the Positive Social Purpose Investment Program

- Earn market rate of return commensurate with investment
- Invest in underserved communities
- Improve the lives of low and moderate income people
- Serve as an example of the positive benefits of Socially Responsible Investing

Program History

- **Understanding the AHCD marketplace (1990-1995)**
 - ❖ Slow growth in dollar value of assets
- **Planning for future growth (1995-1998)**
 - ❖ Increased pace of asset growth
- **Expansion of Program (1999-2002)**
 - ❖ Faster pace of asset growth
- **Maturation of Program (2003-Present)**
 - ❖ Consistent asset growth

Partnership Structure



The General Board partners with intermediary organizations.



Intermediaries provide investment opportunities and enhances the investments with credit protection.



The General Board screens investments to ensure returns are commensurate with the risk of the investment and to ensure investment will achieve a measurable social impact.



Intermediaries provide ongoing investment loan servicing in addition to periodic project monitoring reports.



The General Board and its partners have financed 30,000 units of affordable housing since 1990.

Types of Current Program Investments

- Mortgage backed securities (MBS), guaranteed by Fannie Mae or Freddie Mac
- Multi-family apartment buildings and senior housing facilities
- Commercial buildings used for and to support community and economic development
- Charter Schools
- International Microfinance

Community Development Finance Landscape

- \$3 - \$4 billion market
- Growth is limited by capital
- Annual net loss of affordable housing units
- Increased use of market structures
- Need for credit enhancements and market rates

Accessing Institutional Investors

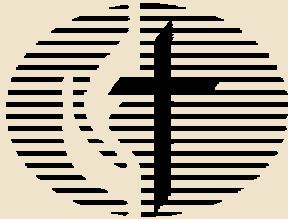
- Scale transactions
- Sophistication
- Risk adjusted rates
- Provide credit enhancements
- Documentation and Reporting

Accessing General Board of Pension Capital

- Work with GBOP Intermediaries
- Buy / Sell pools of seasoned mortgages
- Increase to Scale
- Market rates / structures

Future Opportunities

- Affordable Housing Preservation
- Work Force housing
- New Market Tax Credits



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