2014
Annual Report

General Board
Pension and Health Benefits

Caring For Those Who Serve Since 1908

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Bishop Paul L. Leeland
Chairperson,
Board of Directors

Barbara A. Boigegrain
General Secretary

Global Investor—Global Impact

"… Economic, political, social, and technological developments have increased our human numbers, and lengthened and enriched our lives. … these developments have led to regional defoliation, dramatic extinction of species, massive human suffering, overpopulation, and misuse and overconsumption of natural and nonrenewable resources, particularly by industrialized societies. This continued course of action jeopardizes the natural heritage that God has entrusted to all generations. … let us recognize the responsibility of the church and its members to place a high priority on … a more ecologically equitable and sustainable world leading to a higher quality of life for all of God's creation. …"

The Book of Discipline 2012, Social Principles ¶160

Much of what we are witnessing around the world today is the result of a burgeoning population. Today, it stands at 7.2 billion but is projected to reach 9 billion or more by 2050—not a very long time from now.

Today, we are feeling the pinch and witnessing the consequences of our *way of lif*e—is it sustainable?

Witness Worldwide

Over the past ten years, General Board of Pension and Health Benefits (General Board) employees have traveled across the U.S. and within the central conferences—we have witnessed the full spectrum from financial strength to poverty in our Church. We have seen conditions that demonstrate the shrinking supplies of fresh water and fertile land to grow food. On a 2014 trip with Global Ministries to the Democratic Republic of Congo, we saw first-hand those who have little to nothing—but their faith in the future is strong.

What we witness, what we read about and what we hear from others presents a multi-layered, complex, interconnected host of problems and challenges. Each of us, along with our worldwide family, is at the root of it. We are all participants in the cause of the effects we are now facing. *Is our future sustainable?*

Investment Approach

The General Board has many constituents—our plan participants; our conferences; and their district superintendents, bishops and others. And we hear from a variety of activist voices—they want us to be as responsive as we can to their concerns as we carry out our United Methodist Church (UMC)-charged investment role. We continue our successful past practices of engaging many voices on the issues of human rights, climate change, fossil fuels, the Middle East, conflict minerals, child labor and others. In 2014, we delivered the report from the Human Rights and Investment Ethics task force formed in partnership with Global Ministries.

While we don't have all the answers to complex issues facing global investors, our investment approach demonstrates our focus on maintaining the sustainability of the benefit plans for the tens of thousands who put their trust in us.

Sustainability Focus

Our long-term investment approach has been future-directed for many decades, and now we are putting particular emphasis on our *Sustainable Investment Strategies*. Sustainability, however, applies beyond our investments approach to the approach we take across all the plans we administer. Our goal is to have those plans in place, and able to provide benefits when they are expected, for as long as there are participants to be covered.

A Message from the Chairperson of the Board and the General Secretary

We continue to believe in and practice constructive engagement with the companies in which we invest—we are living into an environmental, social and governance (ESG) philosophy which addresses global issues. It is to the Church's advantage that we encourage partnerships—across the Church, in the U.S. and around the world—to understand the issues and their complexities. We use our leverage as the largest denominational investor and pension fund administrator to make a difference. But to make that difference—and to continue to be a major player among major players—we have to be engaged … in dialogue … at the table … having a voice that will be heard in the debate.

Our foremost goal is the sustainability of the pension and benefit plans we administer. Everything we do is in service to our participants and institutional investors.

Retirement, Health and Welfare Plans and Programs

In 2014, we continued to administer the Clergy Retirement Security Program (CRSP), the United Methodist Personal Investment Plan (UMPIP), the Horizon 401(k) Plan, the Comprehensive Protection Plan (CPP) and HealthFlex.

General Conference 2012 legislative changes (effective January 1, 2014) were implemented in 2013. We undertook a massive communications campaign in partnership with the annual conferences to help clergy understand General Conference 2012 changes to CRSP and to urge them to start or increase personal contributions to UMPIP to earn CRSP matching contributions, offsetting slight reductions in CRSP benefits. We saw UMPIP clergy participation increase from 53% in 2013 to 79% by the end of 2014.

Another General Conference 2012 change impacted CRSP eligibility. Clergy serving less-than-half-time are no longer eligible for CRSP, and conferences may elect whether to cover other less-than-full-time clergy in CRSP. Many conferences urged their local churches to sponsor UMPIP for clergy no longer eligible for CRSP. More than 500 local churches have chosen to make plan sponsor contributions to UMPIP for their less-than-full-time clergy.

We also continued to promote the use of LifeStage Retirement Income, which manages participant distributions through monthly payments that are designed to last for a participant's lifetime—payments adjust annually based on changes in inflation, a participant's age and the value of the participant's account. More than 21% of clergy retiring during the 2014 retirement season chose to use LifeStage Retirement Income.

Comprehensive Benefit Funding Plans were received from all conferences for the second year in a row, continuing efforts to improve financial information used to plan long-term pension funding goals.

The Comprehensive Protection Plan (CPP) continued to provide long-term disability coverage to nearly 19,000 eligible active clergy and death benefit coverage to those active clergy and certain retirees and dependents. *UMLifeOptions* is available to plan sponsors who desire to provide additional life insurance to eligible active clergy, as well as long-term disability and life insurance coverage for eligible lay employees and clergy. As of December 31, 2014, there were 221 *UMLifeOptions* plan sponsors with approximately 5,500 plan participants.

As of December 31, 2014, the HealthFlex plan served 29 plan sponsors covering approximately 19,500 lives in 26 annual conferences and three non-annual conference plan sponsors. This plan includes a broad spectrum of award-winning wellness programs in addition to medical, prescription drug, dental and vision benefits. HealthFlex also continued its health care reform consultation and support services for the UMC—both HealthFlex and non-HealthFlex plan sponsors—with regard to the impact of health care reform on their populations.

Central Conference Pensions (CCP)

The Central Conference Pension Initiative achieved its $25 million fundraising goal in the fall of 2013. Donations from individuals, local churches, conferences and five general agencies were collected in support of this effort, making it possible to transition from primarily a fundraising focus to full-time pension administration, support and investment of central conference pensions. As a result, the word "Initiative" was retired in 2014 and the program was re-named—Central Conference Pensions (CCP).

This was a significant achievement and a remarkable testament to a great Church and its generous members. Thousands of donations and pledges have been received through year-end 2014 and will continue to be accepted; thus far 95% of pledges have been realized.

The General Board's Wespath Investment Management division invests the donations. The earnings help cover the pension liabilities already accrued and make the initial payments from these new plans possible. Over time, the central conferences intend to grow these separate pension plans with self-sustaining contributions from their churches and active pastors. Through year-end 2014, $5.1 million had been disbursed since the inception of CCP, providing a financial foundation that gives central conferences time to build their own contribution base for future retirees.

In 2014, the first actuarial valuations for all Central Conference Pension plans were completed, providing information, education and training for each plan's leadership and clergy to help assure the long-term sustainability of these new plans. General Board CCP staff visited 17 central conference offices to verify that retirees are receiving payments as expected.

Institutional Investing—Wespath Continued Growth

During 2014, the funds managed by Wespath experienced net inflows from new and existing institutional clients (general agencies, foundations, annual conferences, retirement homes, children's homes and others) in excess of $250 million, marking the fourth consecutive year of meaningful growth. These new investments bring the total from this segment to over $2.6 billion of the $20.9 billion in total fund assets under management, as of year-end 2014. We believe that continuing to increase institutional assets under management and spreading operating costs over this larger asset base will improve returns for all fund investors.

Center for Health

The Virgin Pulse activity program is at the heart of the Center for Health's award-winning wellness programs. As of year-end 2014, this program was being sponsored by 47 annual conferences, as well as UMC general agencies and other UMC organizations.

The Center for Health continued its leadership with the UMC Health Ministry Network, a collaboration with UMC Global Ministries, launched in 2012. A bimonthly e-newsletter is provided to more than 1,700 Network members including clergy, health advocates and faith community nurses. The Network is dedicated to helping build health ministry initiatives across the UMC.

Support of clergy health and vitality continues in collaboration with the General Board of Higher Education and Ministry, with presentations made at the quadrennial Ministerial Assessment Specialist training, the development of a chapter on health and well-being for the Candidacy Guidebook, as well as a clergy health webinar for district superintendents.

The Center for Health was represented and made presentations at other denominational events and initiatives in 2014 (e.g., Black Clergy Women's Conference; United Methodist Women Assembly; clergy self-care workshops for the Detroit/Western Michigan School of Pastoral Ministry, the Northern Illinois provisional clergy, and the Western Pennsylvania retirement workshop; Vital Congregations Operations Team; UM Agency Researchers Group; UM session at Religious Research Association annual meeting; and at the Clergy Family Care and Sexual Ethics Task Forces).

A Message from the Chairperson of the Board and the General Secretary

Health Care Reform

The national health care reform law—the Affordable Care Act (ACA)—will be before the Supreme Court again. In June 2015, the Supreme Court is expected to decide whether the tax credit subsidies for individuals with modest income were intended to be available to all or just to those who purchase their coverage through a state-established health insurance exchange, referred to as a "Marketplace." Only 16 states have established their own Marketplaces; the other 34 have relied on the federal Marketplace. The decision could affect the health coverage for more than 7 million people who purchase subsidized coverage through the federal Marketplace.

In January 2015, the employer shared responsibility provision (also called the "employer mandate") of the ACA began to apply to *large employers* (those with more than 100 full-time equivalent employees) for the first time. The employer mandate is one of the major components of the ACA, requiring employers of a certain size to offer affordable health coverage to full-time employees or else pay a penalty. In 2016, the employer mandate will apply to employers with *50 or more* full-time equivalent employees, which will include many UMC annual conference offices and large local churches.

In 2014, the ACA opened Marketplaces for individuals and small employers. Individuals without affordable employer-provided coverage are able to purchase coverage through these Marketplaces. These Marketplaces for health coverage may be a challenge or an opportunity for local churches and annual conferences. At the end of 2014, two UMC annual conferences terminated their conference-wide group health plans. In lieu of providing health coverage, these conferences urged local churches to increase the compensation of previously covered clergy and other employees so that they could purchase coverage in the Marketplaces. Other conferences are allowing some local churches to opt-out of the conference health plan so that clergy serving these churches can obtain Marketplace coverage as an alternative.

Our Legal department continually monitors the ongoing implementation of the law, regularly issuing guidance for the denomination. We have devoted a portion of our website **www.gbophb.org/center-for-health/health-care-reform** to providing information about the law. The General Board supports the denomination with educational activities about the ACA through appearances at national and regional gatherings. Moreover, the General Board closely monitors the continuing impact on annual conferences, local churches and general agencies of the most significant reforms under the ACA in 2014, and the thinking of those organizations in response to the changes.

Sustainable Investment

In 2014, the General Board introduced "sustainable investment" as the preferred term for our investment program. We are committed to investing in a sustainable and responsible manner, creating long-term value for our participants and clients. This term highlights our expectations for the performance of our funds, as well as the positive impact that we intend our global investments will have on the environment and on society.

We have reflected this change in our "Statement of Administrative Investment Policy," including a discussion of our five sustainable investment strategies:

1) The General Board's *Ethical Exclusions* strategy continues our tradition of avoiding investment in companies that produce and/or provide products and services not aligned with United Methodist values.
2) Our *Active Ownership* strategy endeavors to use our influence as investors to promote corporate sustainability and improve company performance related to financially material environmental, social and governance (ESG) issues.
3) We identify like-minded global investors to form *Strategic Partnerships*, allowing us to pool our resources and achieve greater influence within the broader investment community.
4) We seek investments that have a positive social impact, demonstrated by our *Positive Social Purpose Lending Program*, offering affordable housing to families with low to moderate income and supporting the development of underserved communities.
5) Through our *Manager ESG Integration* strategy, we perform ongoing due diligence ensuring our external investment managers are integrating the consideration of ESG issues into their investment decisions.

In 2014, as part of our Active Ownership strategy, our Board of Directors adopted a new policy on the *management of excessive sustainability risk*. This policy assists us in developing pragmatic investment guidelines addressing situations when a particular ESG issue, set of companies or industries, or a combination of these pose high levels of risk to investors. At the end of the year, the Board of Directors approved two new investment policy guidelines: Human Rights and Climate Change (thermal coal-focused).

On December 31, the General Board launched the Equity Social Values Plus Fund (ESVPF)—the latest addition to our suite of sustainable investment options. ESVPF provides an alternative for investors who prefer to achieve long-term investment growth with additional selection criteria applying to companies' human rights and environmental policies and practices.

Wespath Investment Managers—Signatories to Principles for Responsible Investment (PRI)

The General Board was one of the 26 original signatories to the United Nations Principles for Responsible Investment (PRI) and helped establish the Principles at the invitation of the UN Secretary General. By the end of 2014, more than 1,300 institutional investors, asset owners and service providers, representing nearly $45 trillion in assets, had become signatories.

Our Wespath Investment Management division also encourages its investment managers to become signatories to PRI. At the end of 2014, 24 Wespath investment managers were PRI signatories. These firms manage 82% of our $20.9 billion in assets.

Economic Impact on Investments

The U.S. stock market's nearly 13% gain in 2014 represented the sixth consecutive year of positive results and the 11th year of gains recognized out of the past 12 years. U.S. stocks were driven by continued improvement in the U.S. economy, subdued inflationary pressures, and the continuation of a historically low interest rate environment. International stocks represented by a broad index of non-U.S. companies and measured in U.S. dollars declined nearly 4%. The negative performance was attributable to a strong U.S. dollar, which appreciated 12.8% compared to a basket of foreign currencies.

Among General Board managed funds, the U.S. Equity Fund gained 10.8% for the year, which is slightly higher than the historical average compounded rate of return for the U.S. stock market of 10.4%. The 5.9% decline in the International Equity Fund was the second consecutive year that international stocks have significantly underperformed U.S. stocks.

The most significant economic story for 2014 was the meaningful decline in the price of oil, which based on West Texas Intermediate price, fell 51% to $53 per barrel at year-end from its peak of $108 per barrel in June 2014. While lower oil prices have disrupted the robust employment growth in the largest oil-producing states, most observers believe that lower oil prices will ultimately have a positive impact on U.S. and world economic growth.

During 2014, interest rates declined in the U.S. largely due to efforts by various international monetary authorities to stimulate economic growth in their respective countries. The U.S. experienced significant inflows from foreign investors seeking higher earnings compared to unprecedented low interest rates in their home countries. This inflow of capital drove down U.S. interest rates and was largely responsible for U.S. dollar appreciation. Accordingly, both the Fixed Income Fund and Inflation Protection Fund recognized gains, appreciating 4.3% and 2.6% respectively.

As described later in this report, the performance for all but one of the funds offered by the General Board lagged relative to fund benchmarks. Despite this performance, the General Board remains committed to its focused, disciplined, long-term investment approach ensuring that our investments provide participants and United Methodist institutions with diversified funds that promote sustainable business practices.

A Message from the Chairperson of the Board and the General Secretary

Cost of Operations

In accordance with *The Book of Discipline*, the General Board does not receive general Church funds to support the cost of its operations. As a result, our operations (excluding certain direct plan expenses) are funded solely from investment income and the passing through to our funds of investment management, bank custody and fund administration expenses related to the various plans. The annual cost from the three components, as a ratio to our average portfolio value, was 58.9 basis points (bps) (0.589%) in 2014.

Global Investors—Global Impact

We are all travelers on this planet. The shift to a global perspective is important in achieving long-term, sustainable results—whether the decisions we make are personal, are made to help secure the financial future for plan participants or are directed at the companies in which we invest; whether we work to benefit the UMC or serve to improve our national discourse and direction, the planet we share is affected by all of them. We are listening—we are participating—we are working every day to make a difference.

Bishop Paul L. Leeland
Chairperson, Board of Directors

Barbara A. Boigegrain
General Secretary

Summary of 2014 Financial Markets and Investment Results

Financial Markets

For the sixth consecutive year, U.S. equities produced a positive return, with the bellwether S&P 500 Index gaining 13.7% in 2014. It was also the third straight year of double-digit gains. A number of economic factors contributed to continued U.S. stock market strength. Notable was global economic weakness, particularly in the eurozone, that motivated the European Central Bank (ECB) to take aggressive action in the hopes of stimulating economic growth by lowering the cost of borrowing. When combined with economic weakness in many of the world's developing economies, including Brazil, China and Russia, foreign capital flooded the U.S. financial markets because of the perceived relative attractiveness of U.S. investment assets. As a result, interest rates on U.S. Treasury securities declined despite already historically low levels.

A second outcome of increased foreign buying of U.S. assets was U.S. dollar strength. The dollar appreciated 12.8% compared to a basket of foreign currencies and was one of the major economic stories in 2014. Of equal significance, the price of a barrel of West Texas Intermediate oil declined 51% from its June peak of $108 per barrel to $53 per barrel. While cheaper energy is widely viewed as beneficial to economic growth, particularly in resource-dependent developing countries, lower costs of fossil fuel energy sources will likely delay the world's transition to more climate-friendly renewable energy sources.

In October, the Federal Reserve (Fed) concluded its own aggressive efforts to stimulate economic development in the U.S. when it discontinued its program of "quantitative easing." This program involved the Fed making significant purchases of longer-term U.S. Treasury and mortgage-backed securities. The Fed's objective was to drive down interest rates, which in theory would reduce borrowing costs. Accordingly, companies would be induced to borrow to invest in their businesses, and individuals would have access to lower-rate mortgage financing that would help facilitate the purchase of homes. Most observers believe that the Fed's program was successful, as economic growth accelerated throughout 2014 and the labor force unemployment rate fell below 6%.

Geopolitical events also influenced the performance of the financial markets in 2014. The U.S. and Europe imposed sanctions on Russia over its annexation of Crimea and its involvement with civil unrest in Eastern Ukraine. A new terror threat emerged with the rise of ISIS (Islamic State of Iraq and Syria) and its stated goal of creating an Islamic state. An Ebola outbreak in several West African countries resulted in contagion fears in the U.S. and many parts of the globe.

For the second consecutive year, the broad U.S. stock market as measured by the Russell 3000 Index, which gained 12.6%, significantly outperformed a broadly diversified index of non-U.S. companies. The MSCI All Country World (ex U.S.) Investable Market Index lost 3.9%, when measured in U.S. dollar terms. However, the loss in the value of this international stock index was entirely attributable to U.S. dollar strength. When measured in the currencies of each respective country that comprise the index, international stocks actually increased by 6.0%.

The returns for the U.S. bond market as measured by Barclays Capital U.S. Universal Bond Index, which is a broad universe of fixed income instruments, gained 5.6% and benefited from declining interest rates. An index comprised of U.S. Treasury Inflation Protected Securities (TIPS) gained 4.4% despite a very low rate of inflation in 2014. The U.S. Consumer Price Index for All Urban Consumers increased only 0.8% for the year.

Looking Ahead

As we look toward 2015, investor focus will be toward signs of a rebound in growth in Europe and the developing world. U.S. dollar strength means that the price of foreign goods and services will be relatively more competitive compared to similar goods and services offered by U.S. producers. This will positively influence economic growth overseas, but have an opposite impact here at home. In addition, cheaper energy will benefit consumers throughout the world, including here in the U.S. Lower oil prices, however, will adversely affect employment in the U.S. energy sector, which could have a temporary negative impact on overall U.S. employment and economic growth. In addition, several countries that rely heavily on oil as a source of government revenue, such as Venezuela, may experience increasing civil unrest as they strain to cope with shortages of government services funded by oil revenues.

Summary of 2014 Financial Markets and Investment Results

Investors will also closely watch announcements from the Fed regarding its exit from its six-year policy of near-zero interest rates. Fed Chairperson Janet Yellen has cautiously managed expectations by alerting the financial markets that the Fed would begin raising rates some time in 2015. The exact timing and magnitude of its action will depend on economic developments in both the United States and Europe. Raising rates prematurely could further exacerbate overseas capital flight to the U.S. and dollar strength, somewhat negating the efforts of foreign monetary authorities. Further delaying interest rate increases risks of overstimulating the U.S. economy, leading to excessive rates of inflation. Continued very low interest rates also limit the Fed's policy options should future economic growth stall.

Geopolitics also will be the focus of investor attention. In addition to continued unrest throughout the Middle East and Ukraine, investors will be paying close attention to the progress of negotiations between the world's leading countries and Iran over its nuclear ambitions. In the U.S., investors will be looking for evidence of a more amicable relationship between Congress and the White House, and the extent to which they will be able to address America's aging infrastructure, entitlement programs, health care reform, the U.S. debt burden, and the concerns about income inequality.

Investment Fund Performance

All but one of the funds offered by the General Board produced positive investment results in 2014, with the U.S. Equity Fund again producing the highest investment return of 10.8% net of fees. The Balanced Social Values Plus Fund, which was discontinued at the end of 2014 and replaced by the Equity Social Values Plus Fund, gained 9.8%. The Fixed Income Fund, Inflation Protection Fund and Stable Value Fund gained 4.3%, 2.6% and 1.9% respectively. The General Board's flagship and broadly-diversified Multiple Asset Fund (MAF), which is comprised of pre-specified allocations to four of the General Board's funds, gained 4.1%. The only fund with a negative return during 2014 was the International Equity Fund, which declined 5.9%.

In terms of benchmark-relative performance, 2014 was a disappointing year as all but one of the General Board's funds underperformed their respective performance benchmarks, with MAF underperforming its benchmark by 1.7 percentage points. The long-term results for MAF compare very favorably to other multi-asset pools of assets managed by mutual funds, pension funds, endowments and foundations.

The following charts and tables recap 2013-2014 investment performance for each of the General Board's funds directly available for investment by individual and institutional investors compared with each fund's respective performance benchmark. All investment results are net of investment management and fund administration expenses.

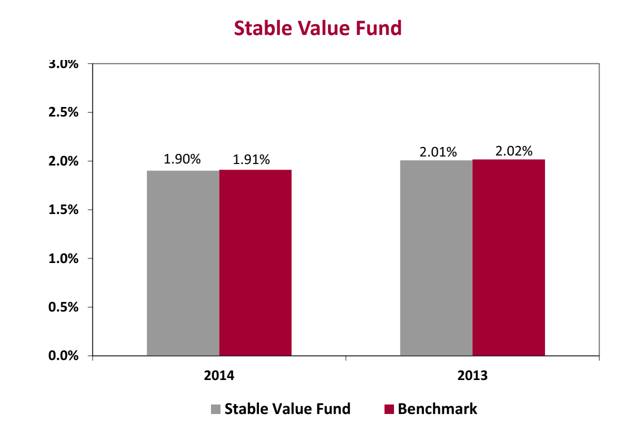
Performance Returns

Returns for periods ended December 31, 2014, except for the return information for 2013:

General Board Funds	2014	2013	3 Years	5 Years	10 Years	Inception
Stable Value Fund *Benchmark*	+1.90% *+1.91%*	+2.01% *+2.02%*	+2.14% *+2.12%*	+2.56% *+2.49%*	+3.36% *+3.16%*	+3.34% *+3.13%*
Short Term Investment Fund *Benchmark*	+0.09% *+0.03%*	+0.21% *+0.07%*	+0.34% *+0.07%*	+0.23% *+0.09%*	+1.57% *+1.54%*	+1.55% *+1.51%*
Inflation Protection Fund *Benchmark*	+2.63% *+4.43%*	-6.59% *-9.26%*	+1.08% *+0.55%*	+4.10% *+4.26%*	+4.00% *+4.44%*	+4.41% *+4.82%*
Fixed Income Fund *Benchmark*	+4.30% *+5.40%*	-0.73% *-1.32%*	+4.30% *+3.50%*	+5.53% *+5.25%*	+5.77% *+4.86%*	+6.02% *+5.55%*
Multiple Asset Fund *Benchmark*	+4.10% *+5.76%*	+17.08% *+15.99%*	+11.51% *+11.62%*	+9.48% *+9.73%*	+6.95% *+6.54%*	+7.46% *+6.99%*
Balanced Social Values Plus Fund *Benchmark*	+9.80% *+9.46%*	+20.06% *+20.08%*	+12.90% *+12.64%*	+10.23% *+9.97%*	+6.47% *+6.74%*	+5.50% *+6.23%*
U.S. Equity Fund *Benchmark*	+10.76% *+12.56%*	+34.29% *+33.55%*	+19.61% *+20.51%*	+14.94% *+15.63%*	+7.70% *+7.94%*	+6.60% *+6.76%*
International Equity Fund *Benchmark*	-5.92% *-3.89%*	+16.51% *+15.82%*	+9.46% *+9.22%*	+5.13% *+4.71%*	+5.85% *+5.05%*	+6.55% *+5.10%*

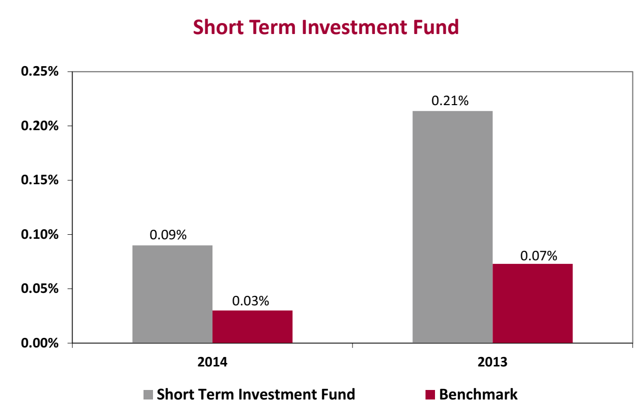
The inception dates are as follows: Multiple Asset Fund, May 1, 2002; Short Term Investment Fund, April 30, 2002; Stable Value Fund, November 30, 2002; Inflation Protection Fund, January 5, 2004; for all others, the inception date is December 31, 1997.

All fund returns are net of investment management, fund administration and bank custodial fees. Benchmark performance data do not reflect a provision for any fees.



The Stable Value Fund's performance closely matched the benchmark. Liquidity remains sufficient to support monthly rebalancing, and the fund's market value to book value ratio remains strong.

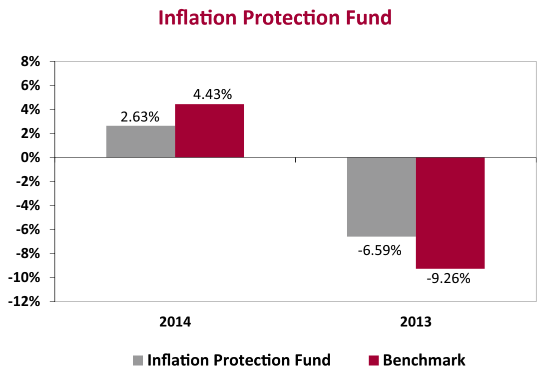
The benchmark for the Stable Value Fund is the Bank of America Merrill Lynch Wrapped 1-5 year Corporate/Government Index.



The Short Term Investment Fund balances are primarily annual conference deposit accounts and HealthFlex reserves. The low returns of the fund and benchmark are due to the Federal Reserve's accommodative monetary policy of maintaining the Fed Funds rate at 0.00% – 0.25%.

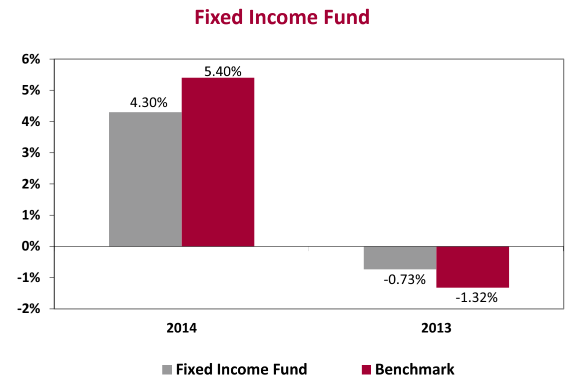
The benchmark for the Short Term Investment Fund is the Bank of America Merrill Lynch 3-Month Treasury Bill Index.

Summary of 2014 Financial Markets and Investment Results *(continued)*



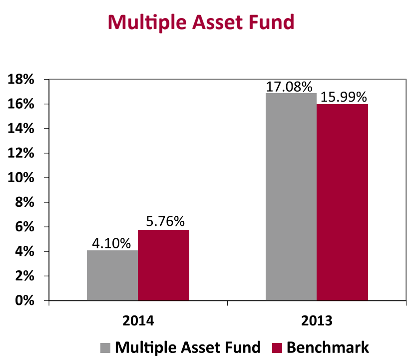
For the year, the Inflation Protection Fund gained **2.63%**, but underperformed the fund benchmark by **1.80%**. The fund's diversifying strategies of commodities futures contracts and inflation-linked bonds from developing countries declined **15.2%** and **1.2%**, respectively. The fund's allocation to hedged inflation-linked bonds from developed countries advanced **9.2%** for the year.

The benchmark for the Inflation Protection Fund is the Barclays Capital U.S. Government Inflation-Linked Bond Index.



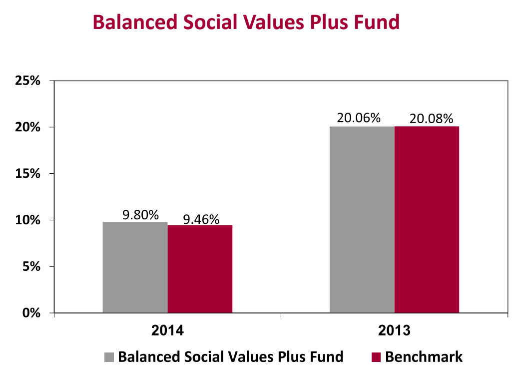
For the year, the Fixed Income Fund gained **4.30%**, but underperformed its benchmark return by **1.10%**. The fund's best-performing strategies were positive social purpose loans and investment-grade corporate debt, which gained **8.4%**. In addition, the fund's two core managers both outperformed their respective benchmarks by about **0.6%**. The positive contributions from these strategies, however, were more than offset by the fund's allocations to international bonds. The fund's allocation to developed country bonds and developing country bonds gained **2.5%** and **0.9%**, respectively, and were adversely affected by the U.S. dollar's strength.

The benchmark for the Fixed Income Fund is the Barclays Capital U.S. Universal Index (ex mortgage-backed securities).



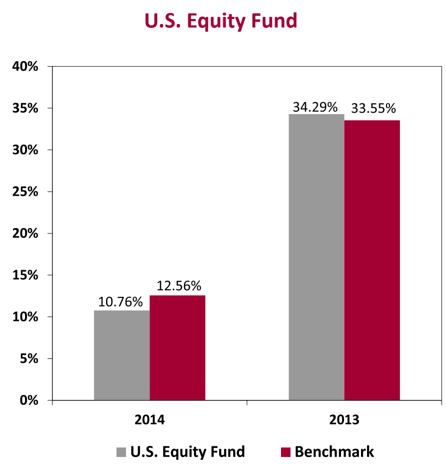
For the year, the Multiple Asset Fund gained **4.10%**, but underperformed its benchmark return by **1.66%**. All four of the Multiple Asset Fund's underlying strategies underperformed their respective benchmarks due to the two bond funds' exposure to securities denominated in foreign currencies. In addition, the fund was adversely affected by the higher-than-benchmark allocations to small company stocks in the U.S. Equity Fund, poor benchmark-relative performance by the International Equity Fund's small company investment manager, and a reduction in value of the International Equity Fund attributable to a significant decline in the U.S. stock market on December 31. The General Board's valuation methodology captures changes in non-U.S. securities values that arise because of time-zone differences among global securities markets. The International Equity Fund benchmark does not capture these changes.

The benchmark for the Multiple Asset Fund is 40% Russell 3000 Index, 25% MSCI All Country World Index (ACWI) ex U.S. Investable Market Index (IMI), 25% Barclays Capital U.S. Universal index (ex mortgage-backed securities) and 10% Barclays Capital U.S. Government Inflation-Linked Bond Index.



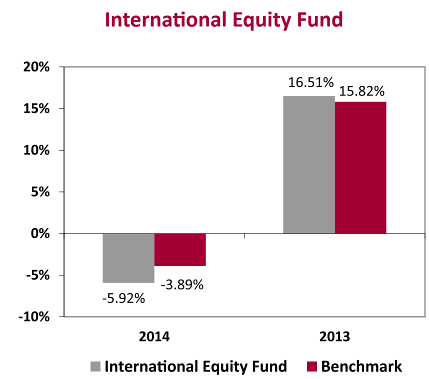
This will be the last report for the Balanced Social Values Plus Fund, as it was discontinued on December 31, 2014. The Balanced Social Values Plus Fund closely matched the performance of its benchmark for the year.

The benchmark composition for the Balanced Social Values Plus Fund is 60% MSCI KLD 400 Social Index, 30% Barclays Capital Mortgage-Backed Securities Index and 10% Bank of America Merrill Lynch 3-Month Treasury Bill Index.



For the year, the U.S. Equity Fund gained **10.76%** and underperformed its benchmark return by **1.80%**. Despite the strong relative performance from small company stocks during the fourth quarter, the fund's greater-than-benchmark allocation to the stocks of small companies detracted from its performance for the year, as the Russell 2000 Index only gained **4.9%** in 2014 compared with the **13.9%** gain for the large-cap S&P 500 Index. In addition, three of the fund's active managers significantly underperformed their respective benchmarks for the year. The fund's allocation to publicly traded real estate investment trusts (REITs) was the best-performing strategy among all General Board/Wespath funds and gained **33.5%** for the year.

The benchmark for the U.S. Equity Fund is the Russell 3000 Index.



For the year, the International Equity Fund declined **5.92%** and underperformed its benchmark return by **2.03%**. Approximately one-half of the fund's benchmark-relative underperformance is attributable to the benchmark-relative performance of the fund's small-company stock manager, which underperformed its benchmark by nearly **8%**. In addition, the fund recognized a reduction to its net asset value due to the significant decline in the U.S. stock market on December 31, which accounted for about one-third of the fund's below-benchmark performance. The fund's modest allocation to international private equity gained **17.0%** for the year and positively contributed to the fund's performance.

The benchmark for the International Equity Fund is the MSCI ACWI ex U.S. Investable Market Index (IMI).

Additional information regarding fund performance, including a detailed analysis of the factors that positively and negatively influenced results for the funds, is available on the General Board's website at the following web addresses:

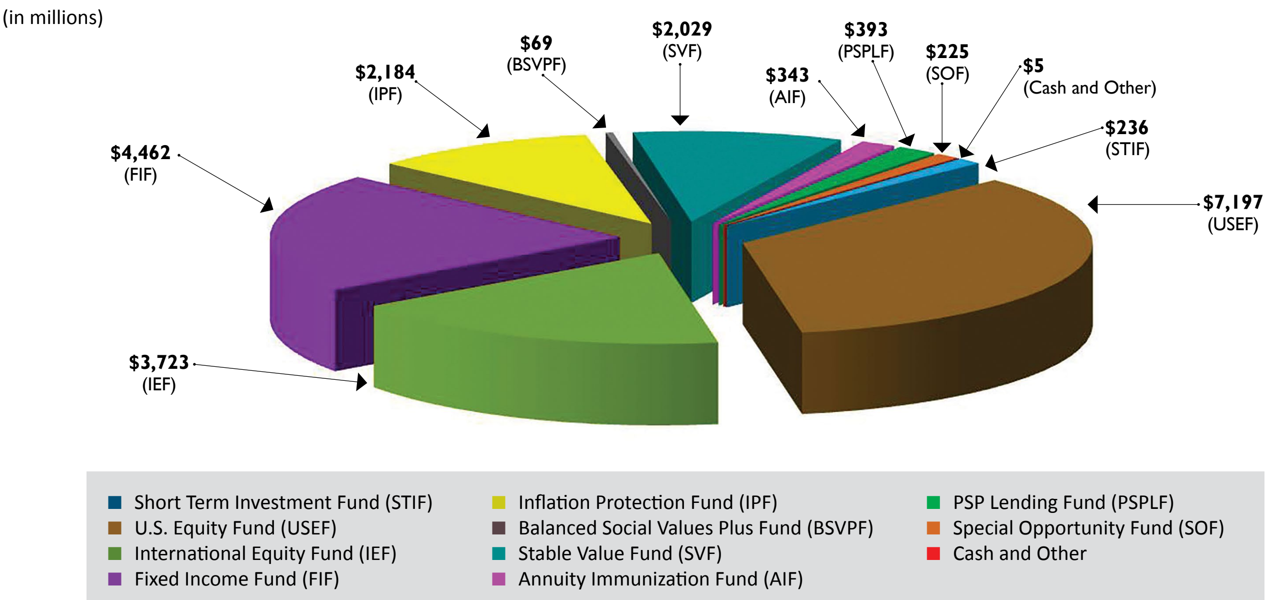
- For monthly economic commentary and discussion of investment performance results:
  www.gbophb.org/investments/performance/monthly-investment-report
- Investment Funds Description:
  www.gbophb.org/assets/1/7/3052.pdf

Summary of 2014 Financial Markets and Investment Results *(continued)*

Fund Assets

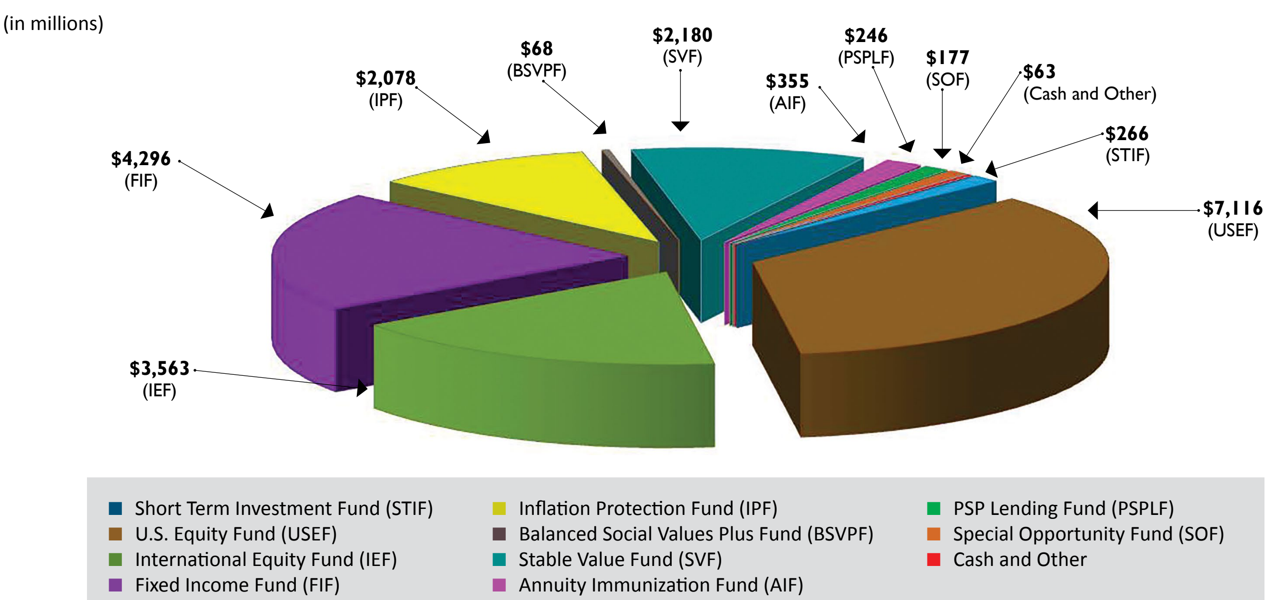
The following charts display the value of fund assets for each of the funds managed by the General Board as of December 31, 2014 and December 31, 2013:

Total Market Value $20.9 billion as of December 31, 2014



The Multiple Asset Fund is a composite of USEF, FIF, IEF and IPF. MAF's total as of December 31, 2014 was $9.1 billion.

Total Market Value $20.4 billion as of December 31, 2013



The Multiple Asset Fund is a composite of USEF, FIF, IEF and IPF. MAF's total as of December 31, 2013 was $9.0 billion.

Fund Expenses

Costs incurred by the General Board in managing and administering the funds are paid by the funds. Expenses include investment management fees, bank custodial fees, and costs incurred by the General Board to administer the plans and funds. The table below provides total expense information for each of the funds that are available to individuals and UMC-affiliated institutions.

Annual Costs as a Percentage of Fund Assets

General Board Funds	2014	2013
Stable Value Fund	0.35%	0.35%
Short Term Investment Fund	0.35%	0.34%
Inflation Protection Fund	0.53%	0.48%
Fixed Income Fund	0.55%	0.54%
Multiple Asset Fund	0.62%	0.59%
Balanced Social Values Plus Fund	0.37%	0.39%
U.S. Equity Fund	0.59%	0.57%
International Equity Fund	0.77%	0.78%

Sustainable Investment

The General Board is committed to investing in a sustainable and responsible manner, creating long-term value for our participants and clients while simultaneously upholding the values of the UMC. Our decision to use the term "sustainable investment" to describe our activities highlights our expectations for the performance of our funds, as well as the positive impact that we intend our global investments will have on the environment and on society.

We apply a comprehensive approach to sustainable investment that includes integrating environmental, social and governance (ESG) factors into investments across asset classes and our selection of external asset managers. We employ five major strategies to achieve our goals: Ethical Exclusions, Active Ownership, Strategic Partnerships, Positive Impact Investments and Manager ESG Integration. During 2014, we reviewed each of our approaches to respond to developments in the financial markets and ensure that we are well-positioned to address the risks and opportunities that ESG issues can present to our investments.

Ethical Exclusions

Since 1908, we have aspired to reflect the values of The United Methodist Church in achieving our investment objectives. During 2014, we concluded a thorough review of our ethical exclusions policies to avoid investing in companies that produce or provide products and services relating to alcoholic beverages, tobacco products, adult entertainment, weapons, gambling and privately-operated correctional facilities. While many exclusion decisions are self-evident, others are more challenging and benefit from in-depth analysis and debate to ensure that we reach the most accurate conclusions.

Active Ownership

Our Active Ownership strategy seeks to improve company performance relating to material ESG issues. As a global investor with over $20 billion under management, the General Board is in a privileged position to use its voice—or "engage"—to influence change that favors our investments. In 2014, we actively voted our proxies for the annual general meetings (AGMs) of more than 3,500 companies around the world and continued to engage with public policy makers and companies. In addition, we adopted a new investment policy on the management of excessive sustainability risk and implemented two new guidelines under this policy specifically relating to climate change and human rights.

Proxy Voting

In the absence of more direct engagement, proxy voting represents one of the most important tools the General Board has to influence a company's governance and business practices. We cast our votes in accordance with guidelines that are updated and approved by our Board of Directors annually. These guidelines reflect the financial interests of our plan participants and clients, and are aligned with the values of the UMC.

In 2014, we voted with management 68% of the time and "against" management 32% of the time[1]. Our votes against management predominantly related to concerns about the composition and independence of boards of directors and the structure of compensation plans, most notably the link between pay and performance. In addition, the General Board recognizes that, particularly in the U.S., shareholder resolutions can affect positive change where they are consistent with our fiduciary duties. During 2014, the General Board focused on supporting shareholder resolutions requesting companies prepare sustainability reports, implement greenhouse gas emissions management plans, disclose activities relating to political spending and lobbying activities, and manage human rights-related risks.

Engagement

Our public policy engagement focuses on how ESG issues affect the structure, function and governance of markets as a whole and how they affect investors' interests. During 2014, the General Board participated in a new initiative on Sustainable Stock Exchanges calling for uniform sustainability reporting requirements for companies listed on the world's major stock exchanges. Our hope is that higher reporting standards relating to the disclosure of ESG information will provide investors with better information regarding company performance.

We also supported the Global Investor Statement on Climate Change, which outlined several actions intended to increase low carbon and climate-resilient investments while calling upon governments "to develop an ambitious global agreement on climate change by the end of 2015." The statement was presented at the United Nations Secretary General's Climate Change Summit in New York City in September 2014. The statement aligns with the General Board's climate change engagement strategy as it highlights investor concerns that "gaps, weaknesses and delays in climate change and clean energy policies will increase the risks to our investments as a result of the physical impacts of climate change, and will increase the likelihood that more radical policy measures will be required to reduce greenhouse gas emissions. In turn, this could jeopardize the investments and retirement savings of millions of citizens." In a move that demonstrates heightened global investor coordination relating to climate change, the statement was jointly prepared by six leading global investor coalitions with representatives from around the world.

[1] This statistic covers our voting activity in relation to proposals put forward both by management and by shareholders ("shareholder resolutions").

The General Board's corporate engagements span a wide range of ESG issues that we believe favorably impact long-term company performance. In 2014, we conducted 529 engagements. We engage companies in one-on-one dialogues and also work through Strategic Partnerships (most frequently with like-minded global investors) that allow us to pool our resources and achieve greater influence within the broader investment community. During the year, we joined global investor peers in co-signing a letter encouraging gender diversity on boards of directors as a means of ensuring access to the widest pool of talent. In 2014, we also saw positive results from our long-standing engagement—conducted with a group of investors, including United Methodist Women (UMW)—with The Hershey Company. Hershey reported that it was comfortably on-track to achieve its goal of sourcing 100% of its cocoa from fair trade sources by 2020, creating both financial benefits and positive social and environmental impacts for cocoa farmers in West Africa.

Management of Excessive Sustainability Risk

In 2014, we enhanced our active ownership strategy by adopting a new investment policy to further guide our ESG-related activities. The policy reflects the General Board's belief that ESG issues can present excessive sustainability risk to our funds due to their fiduciary implications and their importance to the UMC. When the General Board identifies such issues, we will develop a guideline regarding our company-specific engagement priorities. The guideline may also lead to the exclusion of certain companies until the risk of holding securities in the affected companies has been resolved, or if we believe that we cannot reasonably mitigate the sustainability risk. In 2014, the General Board implemented two new guidelines, relating to human rights and climate change. The guidelines build on our existing engagement efforts in these two important areas.

The human rights guideline applies to companies operating in high-risk areas where human rights violations can be widespread in relation to business activities. The General Board will continue to evaluate the human rights-related impact and risk of the companies in which we invest. We will continue to use engagement where we believe it can improve both social and financial corporate performance, specifically encouraging companies to implement the UN Guiding Principles on Business and Human Rights. Where our analysis indicates that a company presents excessive sustainability risk, as a result of its exposure to certain countries with a prolonged and systemic pattern of human rights violations or to conflict-affected areas where human rights violations have been documented, we will exclude it from our funds.

The climate change guideline has a specific focus on the carbon-intensive thermal coal sector. This reflects the General Board's concern that without additional technologies to mitigate coal's environmental impact, coal will more than likely be replaced by alternative fuel sources or taxed heavily in the near future, resulting in a significant deterioration in the value of coal and coal-related securities. During 2015, the General Board will determine the companies with the highest exposure to thermal coal, primarily extraction and mining companies, but also electric utilities deriving 75% or more of their overall fuel mix from coal. We believe these companies present a risk of losses to our funds and we intend to exclude them from our investments. This analysis will supplement our ongoing climate change engagement activities, which focus on evaluating how companies are positioned for a lower carbon economy.

More information about our new Management of Excessive Sustainability Risk policy and guidelines can be found at **www.gbophb.org/climatechange** and **www.gbophb.org/humanrights**.

Positive Impact Investments

In 1990, the General Board began investing in loans to support affordable housing and community development in underserved communities. Through our Positive Social Purpose (PSP) Lending Program, we have financed hundreds of affordable housing loans in the United States—totaling more than $1.8 billion and resulting in the creation of more than 47,000 units of affordable housing. PSP loans help make safe, decent and affordable housing available to individuals and families who otherwise may not have access to a basic human need: shelter. The PSP Lending Program achieves a market rate of return and prudently diversifies the General Board's portfolio while also promoting affordable housing and community development.

The Dolores McCoy Villa I exemplifies the type of facility supported by the PSP Program. This $3 million loan for affordable housing in the Watts neighborhood of Los Angeles offers units to tenants earning less than 60% of the area's median income. Dolores McCoy Villa I targets formerly homeless and formerly incarcerated individuals, with particular emphasis on supporting single mothers re-establishing themselves in the community.

During 2014, the General Board funded over $190 million in new positive social purpose loan purchases or forward commitments to purchase loans.

ESG Manager Integration

As a signatory to the Principles for Responsible Investment (PRI), the General Board is dedicated to incorporating ESG issues into our investment analysis and decision-making processes. This includes our relationships with our external asset managers. During 2014, we enhanced our methodology for evaluating how well our external managers are integrating ESG issues into their activities, with the aim of assessing and benchmarking their performance in 2015 to promote continuous improvement.

More information about our Sustainable Investment Strategies can be found in our *2014 Sustainable Investing Report* at **www.gbophb.org/about/sustainable-investing-report**.

Management's Report on Financial Statements

We have prepared the accompanying financial statements of the General Board of Pension and Health Benefits of The United Methodist Church for the years ended December 31, 2014 and 2013. We are responsible for the content and integrity of the financial statements as well as the other financial information included in this annual report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and reflect our best estimates and judgments. The other financial information included in this annual report is consistent with the financial statements. We believe that the financial statements present fairly the General Board's financial position; results of operations and changes in net assets; changes in plan accumulations, plan sponsor deposits, endowments and net asset accounts; and cash flows.

The General Board's financial statements have been audited by Grant Thornton LLP, independent certified public accountants, whose report appears on page 17. Grant Thornton LLP was given unrestricted access to all financial records and related information, including minutes of meetings of the Board of Directors and committees. We believe that all representations made to Grant Thornton LLP during its audit were valid, timely and appropriate.

We recognize our responsibility for fostering a strong ethical climate so that the General Board's affairs are conducted according to the highest standards of conduct. This responsibility is characterized and reflected in the General Board's Code of Conduct (Code). The Code addresses, among other things, the necessity of assuring open communication within the General Board, potential conflicts of interest, compliance with all applicable domestic and foreign laws, and the confidentiality of proprietary information. We maintain a systematic program to assess compliance with the Code, including a requirement that all employees and board members must affirm their compliance annually.

Management of the General Board has established and maintains a system of internal controls that provides reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition, and the prevention and detection of fraudulent financial reporting. This system of internal controls provides for appropriate division of responsibility, and is documented by written policies and procedures that are communicated to employees with significant roles in the financial reporting process and are updated as necessary. Management monitors the system of internal controls for compliance. The General Board maintains an internal auditing program that independently assesses the effectiveness of the system of internal controls and recommends possible improvements. In planning and performing its audit of the General Board's financial statements, Grant Thornton LLP considered the General Board's internal controls relevant to the General Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Board's internal control. In addition, the General Board has an Audit Committee that oversees the internal and external audit processes. (See the Audit Committee section on page 37.)

Barbara A. Boigegrain
General Secretary

Timothy C. Koch
Chief Financial Officer

Report of Independent Certified Public Accountants

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Audit Committee of the Board of Directors
General Board of Pension and Health Benefits of The United Methodist Church and UMC Benefit Board, Inc.

We have audited the accompanying combined financial statements of the General Board of Pension and Health Benefits of The United Methodist Church and the UMC Benefit Board, Inc., which comprise the combined statements of assets and liabilities and net assets as of December 31, 2014 and 2013, and the related combined statements of operations and changes in net assets, changes in plan accumulations, plan sponsor deposits, endowments and net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes

Report of Independent Certified Public Accountants

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the General Board of Pension and Health Benefits of The United Methodist Church and UMC Benefit Board, Inc. as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Chicago, Illinois
May 29, 2015

Combined Statements of Assets and Liabilities and Net Assets

Assets (in thousands)	**December 31, 2014**	**December 31, 2013**
Investments (Notes 2, 3 and 5)		
Fixed income securities and contracts (Note 6)	$ 7,709,609	$ 7,730,958
Equity securities	7,629,427	8,940,468
Cash equivalents	1,128,991	1,100,090
Limited partnership investments (Note 2)	824,668	640,326
Emerging market funds (Note 2)	739,100	486,552
Securities loaned under securities lending agreements (Notes 2 and 4)	2,873,062	1,540,302
Total investments	20,904,857	20,438,696
Invested collateral from securities lending agreements (Note 4)	2,135,188	848,417
Other assets	162,994	198,300
Cash	50,740	32,515
Total assets	**$ 23,253,779**	**$ 21,517,928**

Liabilities and Net Assets (in thousands)	**December 31, 2014**	**December 31, 2013**
Plan accumulations, plan sponsor deposits and endowments (Note 2)		
Defined contribution plans	$ 8,399,685	$ 8,386,900
Defined benefit plans	4,072,586	4,078,011
Annuities	3,865,997	3,754,384
Disability, death and health benefit program deposits (Note 8)	1,604,540	1,575,651
Plan sponsor and other deposits	2,904,640	2,591,847
Endowments	44,549	44,922
Total plan accumulations, plan sponsor deposits and endowments	20,891,997	20,431,715
Payable under securities lending agreements (Note 4)	2,135,188	848,417
Other liabilities (Note 2)	166,836	184,457
Total liabilities	23,194,021	21,464,589
Net assets	59,758	53,339
Total liabilities and net assets	**$ 23,253,779**	**$ 21,517,928**

See accompanying "Notes to the Combined Financial Statements."

Combined Statements of Operations and Changes in Net Assets

Years Ended December 31 (in thousands)	**2014**	**2013**
Interest, dividend, partnership and trust investment income	$ 540,085	$ 501,479
Securities lending and other income	6,756	7,134
Investment income	546,841	508,613
Net realized gain on investments	908,174	1,006,516
Net unrealized (loss) gain on investments	(452,545)	985,098
Investment income and net gain on investments	1,002,470	2,500,227
Investment management and custodial fees	(68,087)	(56,930)
Net investment gain	934,383	2,443,297
Operating expenses (Note 9)	(53,313)	(52,284)
Net earnings before allocation (Note 2)	881,070	2,391,013
Allocated net earnings (Note 7)	(874,651)	(2,384,478)
Increase in net assets	6,419	6,535
Net assets:		
Beginning of year	53,339	46,804
End of year	$ 59,758	$ 53,339

See accompanying "Notes to the Combined Financial Statements."

Combined Statements of Changes in Plan Accumulations, Plan Sponsor Deposits, Endowments and Net Assets

Year Ended December 31, 2014 (in thousands)	**Balances Beginning of Year**	**Net Earnings Allocated to Unitized Funds**	**Contributions and Deposits**	**Distributions and Withdrawals**	**Net Transfers and Other**	**Balances End of Year**
Defined contribution plans	$ 8,386,900	$ 351,335	$ 203,794	$ (310,994)	$ (231,350)	$ 8,399,685
Defined benefit plans	4,078,011	163,469	132,356	(300,497)	(753)	4,072,586
Annuities	3,754,384	182,645	–	(309,047)	238,015	3,865,997
Disability, death and health benefit program deposits	1,575,651	56,234	171,425	(200,327)	1,557	1,604,540
Plan sponsor and other deposits	2,591,847	119,207	642,522	(467,963)	19,027	2,904,640
Endowments	44,922	1,761	76	(209)	(2,001)	44,549
Total plan accumulations, plan sponsor deposits and endowments	$ 20,431,715	$ 874,651	$ 1,150,173	$ (1,589,037)	$ 24,495	$ 20,891,997
Net assets	$ 53,339	$ 6,419	$ –	$ –	$ –	$ 59,758

Year Ended December 31, 2013 (in thousands)	**Balances Beginning of Year**	**Net Earnings Allocated to Unitized Funds**	**Contributions and Deposits**	**Distributions and Withdrawals**	**Net Transfers and Other**	**Balances End of Year**
Defined contribution plans	$ 7,868,773	$ 939,298	$ 193,771	$ (295,464)	$ (319,478)	$ 8,386,900
Defined benefit plans	3,541,277	645,722	176,189	(321,402)	36,225	4,078,011
Annuities	3,443,447	283,472	55	(295,026)	322,436	3,754,384
Disability, death and health benefit program deposits	1,378,111	211,297	187,629	(201,743)	357	1,575,651
Plan sponsor and other deposits	2,135,528	297,953	682,512	(491,360)	(32,786)	2,591,847
Endowments	41,245	6,736	103	(205)	(2,957)	44,922
Total plan accumulations, plan sponsor deposits and endowments	$ 18,408,381	$ 2,384,478	$ 1,240,259	$ (1,605,200)	$ 3,797	$ 20,431,715
Net assets	$ 46,804	$ 6,535	$ –	$ –	$ –	$ 53,339

See accompanying "Notes to the Combined Financial Statements."

Combined Statements of Cash Flows

Years Ended December 31 (in thousands)	**2014**	**2013**
Cash flows from operating activities		
Increase in net assets	$ 6,419	$ 6,535
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,565	3,986
Net unrealized loss (gain) on investments	452,545	(985,098)
Net realized gain on investments	(908,174)	(1,006,516)
Undistributed earnings – limited partnership investments	(12,635)	(13,676)
Changes in assets and liabilities:		
Increase in invested collateral from securities lending agreements	(1,286,771)	(284,021)
(Increase) decrease in other assets	33,013	(13,542)
Decrease in other liabilities	(17,621)	(109,650)
Increase in payable under securities lending agreements	1,286,771	284,021
Earnings allocated to unitized fund accounts	874,651	2,384,478
Contributions and deposits	1,150,173	1,240,259
Distributions and withdrawals	(1,589,037)	(1,605,200)
Net transfers and other	24,495	3,797
Net cash provided by (used in) operating activities	16,394	(94,627)
Cash flows from investing activities		
Purchases of investments	(24,980,483)	(24,489,991)
Sales of investments	24,982,586	24,556,428
Capital expenditures	(272)	(246)
Net cash provided by investing activities	1,831	66,191
Net increase (decrease) in cash	18,225	(28,436)
Cash at beginning of year	32,515	60,951
Cash at end of year	$ 50,740	$ 32,515

See accompanying "Notes to the Combined Financial Statements."

Notes to the Combined Financial Statements

Note 1:
Nature of Operations

The General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (the Illinois Corporation) is a not-for-profit, administrative general agency of the religious denomination known as The United Methodist Church (UMC). It functions with a related not-for-profit corporation: the UMC Benefit Board, Inc. (the Benefit Board), which acts as the trustee and the fund manager of the assets. (The Illinois Corporation and the Benefit Board are referred to collectively as the General Board.) The General Board is responsible for the general supervision and administration of retirement, disability, death and health benefit plans, programs and funds as authorized by General Conference, the denomination's highest legislative authority. One of the functions of the Illinois Corporation is to act as plan administrator for the various retirement, disability, death and health benefit plans, programs and funds that the General Board administers for plan sponsors.

Pension and retirement plans administered by the Illinois Corporation: As of December 31, 2014, the three Internal Revenue Code (IRC) section 403(b) retirement benefit plans are the Clergy Retirement Security Program (CRSP), providing retirement benefits to eligible clergy; the Retirement Plan for General Agencies (RPGA), providing retirement benefits to eligible employees of general agencies; and the United Methodist Personal Investment Plan (UMPIP), providing retirement benefits and savings opportunities for clergy and lay employees of United Methodist churches, church-related organizations and general agencies, and for plan sponsors that so elect, the opportunity to make any of several kinds of employer contributions for their participants. The current IRC section 401(k) plan is the Horizon Plan, a retirement savings plan for employee and employer contributions for employees of eligible United Methodist-related institutions. In addition, the Illinois Corporation administers certain former benefit plans, which no longer accrue additional service credit for plan participants or allow for the eligibility of new participants.

CRSP consists of two components: a defined benefit component, based on Denominational Average Compensation (DAC), and a defined contribution component, providing for a plan sponsor contribution based on a percentage of actual compensation. Beginning January 1, 2014, the defined contribution component was reduced to a contribution of 2% unless the clergyperson makes elective contributions to UMPIP. If the clergyperson makes elective contributions to UMPIP, 100% of the contributions will be matched by the plan sponsor—up to 1% of the clergyperson's plan compensation—and those matching funds will be credited to the clergyperson's CRSP defined contribution account upon receipt.

CRSP is an amendment and restatement of the Ministerial Pension Plan (MPP). The program consists of three parts covering three different time periods: CRSP for service beginning January 1, 2007; MPP for service from January 1, 1982 through December 31, 2006; and Supplement One to CRSP for service prior to 1982 (Pre-82 Plan).

RPGA became effective on January 1, 2010, and is an amendment and restatement of the Retirement Security Program for General Agencies (RSP), which is retained in Supplement Two to RPGA.

Disability, death, and health benefit plans and programs administered by the Illinois Corporation: The three current disability, death and health benefit programs include the Comprehensive Protection Plan (CPP), providing various welfare benefits to eligible clergy; *UMLifeOptions*, providing various welfare benefits to eligible clergy and lay employees of participating local churches, annual conferences, general agencies and other eligible United Methodist-related institutions; and HealthFlex (prior to 2014 legally named the Hospitalization and Medical Expense Program), providing group health coverage to employees of participating local churches, annual conferences, general agencies and other eligible United Methodist-related institutions.

Funding of benefit obligations: Plan sponsors are responsible for the funding and recording of all pension, disability, death and health benefit obligations. All sponsoring entities are responsible for funding both current and past service costs. Pension and other post-retirement obligations are the responsibility of the sponsoring entities.

The Benefit Board is the trustee of various trusts in which the assets are held. All of the assets of the trusts are invested in a prudent manner based on the investment policies of the General Board. As of December 31, 2014, the General Board administered 16 active investment funds. Seven funds are available for direct investment by UMPIP, CRSP and RPGA defined contribution participants: Multiple Asset Fund (MAF), Fixed Income Fund (FIF), Inflation Protection Fund (IPF), U.S. Equity Fund (USEF), International Equity Fund (IEF), Equity Social Values Plus Fund (ESVPF) and Stable Value Fund (SVF). The Balanced Social Values Plus Fund (BSVPF) was discontinued on December 31, 2014. SVF is not available for investment by institutional investors or for plan reserves. Instead, these groups can invest in the Short Term Investment Fund (STIF) and the U.S. Equity Index Fund (USEIF), as well as the other six funds listed above. The General Board also manages seven funds that provide indirect exposure to specialized investment strategies for participants, plan reserves and institutional investors: Positive Social Purpose Lending Fund (PSPLF), Domestic Private Real Estate Fund (DPRF), Domestic Private Equity Fund (DPEF), International Private Equity Fund (IPEF), International Private Real Estate Fund (IPRF), Annuity Immunization Fund (AIF) and Special Opportunity Fund (SOF).

Note 2:
Summary of Significant Accounting Policies

Basis of presentation: The combined financial statements consisting of the Combined Statements of Assets and Liabilities and Net Assets (Balance Sheets); Combined Statements of Operations and Changes in Net Assets (Statements of Operations); Combined Statements of Changes in Plan Accumulations, Plan Sponsor Deposits, Endowments and Net Assets (Statements of Changes); and the Combined Statements of Cash Flows (known collectively as the financial statements) include the accounts of the funds within the Illinois Corporation and the Benefit Board, prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates. All significant intercompany and interfund accounts and transactions have been eliminated in these financial statements.

Investments: All investment transactions are governed by the investment policy and guidelines of the General Board. In general, investments are stated at fair value. Changes in fair value of investments are recorded in the Statements of Operations as "Net unrealized gain on investments." Investment purchases and sales are recorded as of the trade date. Net gains and losses on the sale of investments, other than cash equivalent investments, are included in "Net realized gain on investments" in the Statements of Operations. Gains and losses on the sale of cash equivalent investments are included in interest income. Costs of investments sold are determined on an average cost basis. The fair value of the investments outlined below is measured under level 1 or 2, except for investments classified as level 3 detailed in Note 3 ("Fair Value Measurements").

Fixed income securities and contracts: Fixed income securities and contracts consist primarily of U.S. Treasury and agency securities, corporate bonds, mortgage-backed securities, asset-backed securities, sovereign securities denominated in U.S. dollars and foreign currencies, stated at fair value determined primarily by matrix pricing, and forward contracts and mortgage contracts or other loans that comprise investments in the General Board's Positive Social Purpose Lending Program.

The Positive Social Purpose Lending Program was established in 1990 to earn risk-adjusted market rates of return while funding a variety of projects in traditionally underserved communities. This includes, but is not limited to, the development of affordable housing for low- and moderate-income individuals and families, homeless shelters, health centers, senior living centers, microfinance and charter schools. The program invests primarily in privately placed mortgage-backed securities, mortgage loans and direct loans that meet certain criteria, such as specified minimum loan-to-value and debt coverage ratios. At December 31, 2014 and 2013, the General Board had outstanding positive social purpose investments of $727 million and $693 million, respectively. Mortgage contracts and other loans are stated on the financial statements at fair value based either on the net present value of the estimated future cash flows discounted at market equivalent rates or, for those mortgage contracts and other loans that are exchange-traded, by independent third-party pricing services.

At December 31, 2014 and 2013, the General Board had outstanding commitments to provide $127 million and $23 million, respectively, in additional funding related to the Positive Social Purpose Lending Program. These commitments are not recorded in the financial statements.

Funds set aside to cover these commitments are included under the captions “Fixed income securities and contracts” and “Cash equivalents.”

Also included in this category are derivative-based wrap contracts used in conjunction with the SVF portfolio. These contracts are utilized to mitigate market rate risk exposure on the underlying SVF portfolio of investments, stated at contract value as detailed in Note 6.

Equity securities: Equity securities consist primarily of common and preferred stocks, stated at fair value determined primarily by closing prices quoted on recognized U.S. and international security exchanges.

Cash equivalents: Cash equivalent investments are stated at fair value or at cost, which approximates fair value. Cash equivalents include cash, short-term securities that mature within three months or less at date of purchase, and cash collateral related to margin requirements on futures contracts, all of which are stated at cost.

Limited partnerships: Limited partnership investments consisting of real estate, private equity and real assets are carried at the General Board’s share of the partnership’s net asset value (NAV) or its equivalent based primarily on annual audited or unaudited year-end financial statements, which are used to estimate fair value at year-end. In some cases, management may use discretion in determining fair value for a particular partnership based on more current information regarding market conditions or applying a different valuation that better reflects the true underlying value of the investments.

Emerging market funds: Emerging market funds are valued using an estimated daily NAV.

Investments Valued at NAV as of December 31, 2014

(in thousands)	Fair Value	Unfunded Commitments	Redemption Notice Period
Open-end funds			
Real estate	$ 90,313	$ –	90 days
Emerging market	739,100	–	120 days
Closed-end funds			
Real estate	366,158	388,076	
Real assets	46,935	175,357	
Private equity	320,254	367,398	
Total	**$1,562,760**	**$930,831**	

Open-end real estate funds primarily invest in U.S. commercial real estate. These have an indefinite life, and investments may be redeemed on 90 days’ notice. However, the fund manager has the discretion not to accept the redemption request.

Emerging market funds are open-ended commingled funds invested in underlying international equities in emerging markets. These have an indefinite life, and investments may be redeemed on up to 120 days’ notice.

Closed-end real estate funds primarily invest in U.S. commercial real estate. Closed-end real assets funds primarily invest in real assets such as timber, energy, agriculture and infrastructure. Closed-end private equity funds primarily invest in privately held U.S. companies. These investments cannot be redeemed. Distributions from each fund occur as the underlying investments of the funds are liquidated. The General Board estimates that the underlying investments of the existing funds will be liquidated over the next 15 years.

International securities: International securities primarily consist of equity and fixed income securities of entities domiciled outside the United States as well as foreign currency forward contracts. Investments in international fixed income securities and contracts are included under the caption “Fixed income securities and contracts.” Investments in international equity securities are included under the caption “Equity securities.” Investments in emerging market funds are included under the caption “Emerging market funds.” The total investment in international securities is $7,023 million and $5,877 million in 2014 and 2013, respectively.

Securities loaned under securities lending agreements: A portion of equity securities, fixed income securities and international securities has been loaned to qualified borrowers pursuant to the General Board's securities lending program, further described in Note 4. The fair value of securities on loan as of December 31 is comprised of the following:

(in thousands)	2014	2013
Domestic fixed income securities	$ 1,209,666	$ 950,303
Domestic equity securities	1,478,995	426,015
International securities	184,401	163,984
Total	**$ 2,873,062**	**$ 1,540,302**

Other assets: Other assets consist primarily of fixed assets and investment receivables. Fixed assets, which include property, furniture and equipment, are assets with cost in excess of $5,000 that have a useful life greater than one year. Fixed assets are stated at cost less allowance for depreciation. Depreciation of fixed assets is provided on a straight-line basis over the assets' estimated service life, typically five to seven years for furniture, fixtures and equipment; 15 years for land improvements; and 40 years for the building. Depreciation expense totaling $2.565 million for 2014 and $3.986 million for 2013 is included in operating expenses in the Statements of Operations. Receivables due from the purchasers of investments sold of $21 million and $69 million at December 31, 2014 and 2013, respectively, are included in "Other assets."

Property and equipment, which are components of "Other assets," are comprised of the following as of December 31:

(in thousands)	2014	2013
Land	$ 15,685	$ 15,685
Land improvements	3,726	3,726
Building	29,869	29,869
Computer and office equipment	22,688	22,416
	71,968	**71,696**
Less accumulated depreciation		
Land improvements	1,068	819
Building	3,170	2,423
Computer and office equipment	20,122	18,553
Property and equipment – net	**$ 47,608**	**$ 49,901**

Defined contribution plans: This liability represents the accumulated fair value of contributions to the defined contribution components of the three IRC Section 403(b) and one IRC Section 401(k) pension or retirement plans as remitted by the conference/salary-paying entity to a participant's account.

Defined benefit plans: Plan sponsors fund current and future benefits for service rendered under the defined benefit plans. For financial statement purposes, the General Board reflects only amounts that plan sponsors have contributed to date, with accumulated investment earnings. These plans have funded and unfunded liabilities. Plan sponsors of the Pre-82 Plan are required to contribute the unfunded amounts, plus any changes resulting from benefit improvements, no later than the end of the year 2021. Plan sponsors of CRSP contributed $131 million and $144 million to the plans in 2014 and 2013, respectively.

Annuities: Annuities are monthly benefit payments for retired individuals that have been established under defined contribution plans. Actuarially determined benefits are funded from the individual accounts of the retiring participants upon retirement. Participants make specific elections with regard to survivor benefits, post-retirement benefit increases and other terms of the annuity.

Disability, death and health benefit program deposits: These pooled accounts represent deposits to certain employee welfare benefit plans held to provide benefits to participants in the disability, death and health benefit programs.

Plan sponsor and other deposits: These deposits represent amounts received from plan sponsors to fund pension, disability, death, health benefit and other programs, and from institutional investors. These funds are invested at the discretion of the account holder.

Endowments: Included in the endowment liabilities, within the Benefit Board, are funds administered on behalf of member conferences and others. The General Board invests these funds as the trustee. Distributions of income are made in accordance with the provisions of the applicable governing documents. Many annual conferences, particularly those in the South Central and Southeastern jurisdictions, have Conference Superannuate Endowment Fund accounts. These funds, the principal of which may not be withdrawn as mandated by General Conference, represent endowment funds for the benefit of retirees of the former Methodist Episcopal Church, South. Also included in endowments, within the Illinois Corporation, are undesignated gifts, bequests and donations.

Other liabilities: Other liabilities primarily consist of payables for investment purchases of $79 million and $97 million at December 31, 2014 and 2013, respectively.

Net assets: Combined Net Assets at December 31, 2014 and 2013 represent the Illinois Corporation's unrestricted net assets. Net assets are determined based on increases or decreases in the value of assets not specifically allocated to plans or a specific investor.

Net earnings before allocation: Net earnings before allocation consist of the excess of net investment gain over operating expenses.

Note 3: Fair Value Measurements

The General Board uses the fair value hierarchy, which is based on the inputs used to measure fair value. Observable inputs are inputs that market participants use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants use in pricing the asset or liability based on the best information available in the circumstances. The General Board utilizes the following hierarchy to classify assets and liabilities held at fair value based on the transparency of inputs:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the report date.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. These types of securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in level 2 are investments measured using NAV per share, or its equivalent, that may be redeemed at that NAV at the date of the statement of financial position or in the near term, which is generally considered to be within 90 days.

Level 3: This includes securities that have little to no observable pricing inputs as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in level 3 are investments measured using a NAV per share, or its equivalent, that cannot be redeemed at the NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

When available, the General Board values securities at observable market prices, observable market parameters, or broker or dealer prices (bid and ask prices). In the case of securities transacted on recognized exchanges, the observable market prices represent quotations for completed transactions from the exchange on which the securities are principally traded. For investments in illiquid or privately held securities and private real estate, real asset or private equity limited partnership investments that do not have readily determinable fair values, the determination of fair value requires the General Board to estimate the value of the securities using the best information available.

Among the factors that may be considered by the General Board in determining the fair value of illiquid or privately held securities are the cost, terms and liquidity of the investment, the financial condition and operating results of the issuer, the quoted market price of publicly traded securities with similar quality and yield, and other factors generally pertinent to the valuation of these investments. In instances where a security is subject to transfer restrictions, the value of the security is based primarily on the quoted price of a similar security without restriction, but may be reduced by an amount estimated to reflect such restrictions. In addition, even where the value of a security is derived from an independent source, certain assumptions may be required to determine the security's fair value. The actual value realized upon disposition could be different from the currently estimated fair value. All of the General Board's investments in illiquid, infrequently traded or privately held securities have been valued using level 3 inputs.

Fixed income securities such as domestic government or corporate bonds are stated at fair value determined primarily by matrix pricing. Fair value estimates of guaranteed investment contracts are made according to the methodologies further detailed in Note 6. Mortgage contracts and other loans are stated at fair value based on the net present value of the estimated future cash flows discounted at market equivalent rates. Most of the General Board's fixed income securities have been valued at level 2. The exceptions relate to certain domestic government securities that have been valued at level 1 and to certain corporate bonds that have been valued at level 3. All mortgage contracts and other loans have been valued at level 2.

For private real estate limited partnership investments, fair value estimates of the underlying real estate investments are based on a combination of property appraisal reports prepared by third-party, independent appraisers and internal models developed by the underlying fund managers using a variety of market-based assumptions. The estimates of fair value are based on three conventional approaches to value, all of which require the exercise of subjective judgment. The three approaches are: 1) current cost of replacing the real estate less deterioration and functional and economic obsolescence; 2) discounting a series of expected income streams and reversion at a specific yield or by directly capitalizing a single-year income estimate by an appropriate factor; and 3) the value indicated by recent sales of comparable real estate in the market. In reconciliation of these three approaches, the independent appraiser uses one, or a combination of them, to determine an approximated fair value.

For private equity limited partnership investments, fair value estimates of the underlying private equity investments made by the respective partnerships require significant judgment and interpretation of the general partner's overall management. Underlying private equity partnership investment values are determined based on available market data, including observations of the trading multiples of public companies considered comparable to the investments being valued. Valuations also are adjusted to give consideration to the financial condition and operating results specific to the issuer, the lack of liquidity inherent in a non-public investment, the long-term nature of such investments, credit markets, and the fact that comparable public companies are not identical to the companies being valued.

For real assets limited partnership investments such as timberland, agricultural properties and private equity energy investment vehicles, fair value estimates of the underlying properties are determined by qualified third-party appraisers and internal models developed by the underlying fund managers using a variety of market-based assumptions. Estimates of fair value are based on factors such as current supply/demand dynamics for the underlying assets, commodity prices and sales of comparable properties.

All of the General Board's investments in private real estate, private equity and real asset limited partnership investments have been valued using level 3 inputs.

Emerging market funds are valued using an estimated daily NAV at level 2, based on estimated fair value of the underlying investments.

The General Board recognizes transfers between levels on the first day of the month in which the transfers occur. No significant transfers occurred in 2014 or 2013.

The following table summarizes financial assets at fair value, by levels, as of December 31, 2014:

(in thousands) Asset Class	Level 1	Level 2	Level 3	Total Investments
Domestic common stock[A]	$ 6,208,262	$ –	$ –	$ 6,208,262
International common stock[B]	3,084,046	–	–	3,084,046
Emerging market funds[C]	–	739,100	–	739,100
Preferred stock[D]	13,956	1,059	–	15,015
Domestic government fixed income[E]	1,749,615	–	–	1,749,615
International government fixed income[F]	–	1,288,575	–	1,288,575
Domestic government and other agencies[G]	–	260,161	–	260,161
Municipal fixed income[H]	–	35,782	–	35,782
Corporate fixed income[I]	116	2,238,294	314,919	2,553,329
Asset-backed securities[J]	–	548,003	66	548,069
Collateralized loan obligations[K]	–	563,175	–	563,175
Private equity/real estate partnerships[L]	–	–	777,733	777,733
Real assets partnerships[M]	–	–	46,935	46,935
Risk management instruments[N]	(9,383)	1,071	–	(8,312)
Cash equivalents[O]	9,137	2,100	–	11,237
Total investments at fair value	**$ 11,055,749**	**$ 5,677,320**	**$ 1,139,653**	**$ 17,872,722**
Cash equivalents at cost[P]				1,092,041
Wrap contracts at contract value[Q]				1,940,094
Total investments				**$ 20,904,857**

A Domestic common stock reflects investments in common stocks of companies primarily domiciled in the United States.

B International common stock includes common stock investments of companies domiciled outside of the United States.

C Emerging market funds represent equity ownership of comingled funds that primarily invest in international private equity securities.

D Preferred stock is comprised of straight and convertible preferred stock issues across various industry sectors.

E Domestic government fixed income represents investments in U.S. Treasury bonds, notes and U.S. Treasury inflation-adjusted securities at various interest rates and maturities.

F International government fixed income includes non-U.S. government investments, including inflation-adjusted securities, with both fixed and variable yields, and geographical concentrations in Europe, Asia and South America.

G Domestic government and other agencies include Government National Mortgage Association, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation investments with both variable and fixed rates ranging from 0% to 13.576%.

H Municipal fixed income is comprised of various state and local municipality investments with coupon rates from 0% to 8.084%.

I Corporate fixed income represents U.S. and international investment grade and high-yield corporate securities across various industry sectors.

J Asset-backed securities are comprised of investments collateralized by a specific pool of underlying assets such as auto loans, credit card receivables, whole loans, etc. The portfolio consists of both variable and fixed rate issues with interest rates up to 10.4%.

K Collateralized loan obligations reflect the Positive Social Purpose private loan portfolio. The purpose of this portfolio is to provide funds for affordable housing development while sustaining a competitive yield.

L Private equity partnerships represent primary and secondary investments in limited partnerships that invest in leveraged buyout and venture capital companies. Private real estate partnerships represent primarily investments in limited partnerships that hold commercial real estate debt and equity securities.

M Real assets partnerships include investment in limited partnerships that invest in timberland and private equity energy properties.

N Risk management instruments include derivatives held primarily as hedges to mitigate risk exposure. Investments include foreign currency and futures contracts, forward commitments, options on futures contracts and swap contracts.

O Cash equivalents include investments in commercial paper, U.S. Treasury bills and money market funds.

P Cash equivalents at cost include investments in commercial paper, repurchase agreements and time deposits. These investments are carried at cost, which approximates fair value.

Q Wrap contracts at contract value represent investments that insulate the holder from changes in fair value in the underlying portfolio of the Stable Value Fund. These investments are reported at contract value (Note 6).

The following table summarizes the change in fair value associated with level 3 financial assets for the year ended December 31, 2014:

(in thousands)	Corporate Fixed Income	Asset-Backed Securities	Private Equity/ Real Estate Partnerships	Real Assets Partnerships	Total
Balance as of December 31, 2013	$ 317,455	$ 909	$ 626,419	$ 13,907	$ 958,690
Purchases	232,649	34	204,447	35,735	472,865
(Sales)	(224,576)	(1,405)	(131,698)	(133)	(357,812)
Income earned	–	–	15,635	(3,000)	12,635
Realized gains/(losses) – net	664	(510)	30,132	5	30,291
Unrealized (losses)/gains – net	(11,273)	1,038	32,798	421	22,984
Balance as of December 31, 2014	**$ 314,919**	**$ 66**	**$ 777,733**	**$ 46,935**	**$ 1,139,653**

The following table summarizes financial assets at fair value, by levels, as of December 31, 2013:

Asset Class (in thousands)	Level 1	Level 2	Level 3	Total Investments
Domestic common stock[A]	$ 6,198,453	$ –	$ –	$ 6,198,453
International common stock[B]	3,301,578	–	–	3,301,578
Emerging market funds[C]	–	486,552	–	486,552
Preferred stock[D]	23,484	–	–	23,484
Domestic government fixed income[E]	1,661,480	–	–	1,661,480
International government fixed income[F]	–	1,359,604	–	1,359,604
Domestic government and other agencies[G]	–	279,271	–	279,271
Municipal fixed income[H]	–	55,122	–	55,122
Corporate fixed income[I]	112	2,060,242	317,455	2,377,809
Asset-backed securities[J]	–	497,220	909	498,129
Collateralized loan obligations[K]	–	504,455	–	504,455
Private equity/real estate partnerships[L]	–	–	626,419	626,419
Real assets partnerships[M]	–	–	13,907	13,907
Risk management instruments[N]	51,650	27,977	–	79,627
Cash equivalents[O]	7,884	8,297	–	16,181
Total investments at fair value	**$ 11,244,641**	**$ 5,278,740**	**$ 958,690**	**$ 17,482,071**
Cash equivalents at cost[P]				956,988
Wrap contracts at contract value[Q]				1,999,637
Total investments				**$ 20,438,696**

The following table summarizes the change in fair values associated with level 3 financial assets for the year ended December 31, 2013:

(in thousands)	Corporate Fixed Income	Asset-Backed Securities	Private Equity/ Real Estate Partnerships	Real Assets Partnerships	Total
Balance as of December 31, 2012	$ 170,537	$ 701	$ 737,628	$ –	$ 908,866
Purchases	323,954	–	118,241	13,907	456,102
Sales	(179,150)	(101)	(309,353)	–	(488,604)
Transfers (out)	(23)	–	–	–	(23)
Income earned	–	–	13,676	–	13,676
Realized gains – net	2,459	–	62,270	–	64,729
Unrealized (losses)/gains – net	(322)	309	3,957	–	3,944
Balance as of December 31, 2013	**$ 317,455**	**$ 909**	**$ 626,419**	**$ 13,907**	**$ 958,690**

For the years ended December 31, 2014 and 2013, the net change in unrealized (losses)/gains associated with level 3 financial assets held at year-end are $10.7 million and $22.3 million, respectively.

Note 4:
Securities Lending Agreements

The General Board enters into securities lending transactions in its fixed income and equity portfolios, for which it receives compensation. Loans of securities are collateralized by cash and securities equal to at least 102% and 105% of the carrying value of the securities on loan for domestic and international securities, respectively. The General Board typically reinvests the cash collateral in repurchase agreements. The General Board monitors the fair value of the collateral relative to the amounts due under the agreements and, when required, requests through its advisors additional collateral or reduces the loan balance in order to maintain the contractual margin protection. The amount of the collateral related to its reinvestment agreements is carried at amortized cost, which approximates fair value, and is reported on the Balance Sheets as "Invested collateral from securities lending agreements." Repurchase agreements are collateralized by securities with a fair value equal to at least 100% of the General Board's investment in the agreement.

The fair value of the securities loaned totaled $2,873 million and $1,540 million at December 31, 2014 and 2013, respectively. The securities loaned are recorded in the Balance Sheets as "Securities loaned under securities lending agreements." The fair value of the "Invested collateral from securities lending agreements" includes only cash collateral received and reinvested that totaled $2,135 million and $848 million at December 31, 2014 and 2013, respectively. These amounts are offset by a liability recorded as "Payable under securities lending agreements."

At December 31, 2014 and 2013, the General Board had received non-cash collateral of $815 million and $731 million, respectively, in the form of government-backed securities not included in the Balance Sheet totals.

Note 5:
Risk Management Instruments

The General Board may, from time to time, enter into financial futures contracts, foreign-currency forward contracts, forward contracts to purchase U.S. government agency obligations for trading purposes and commodity futures contracts. Equity futures contracts are used as a means to replicate the performance of the broad stock market and to reduce transaction costs associated with rebalancing a market-based indexed portfolio when there are cash inflows or outflows. Foreign-currency forward contracts are used to manage the risk of foreign currency fluctuations and to ensure that adequate funds, denominated in the local currency, are available to settle purchases of foreign securities. Forward contracts to purchase U.S. government agency obligations are used to take advantage of market yield premiums available for delayed settlement contracts. Fixed income financial futures (both exchange-traded and over-the-counter, including forward contracts and futures contracts) are used for hedging purposes. Hedging transactions that use fixed income futures contracts are defined as transactions that are substitutes for fixed income securities that the portfolio could own, and that have the comparable economic impact of managing the risks of the portfolio. In addition, fixed income financial futures are used for obtaining efficient investment exposure to certain financial market sectors that may not be economically accessible outside of the derivatives market. Commodity futures contracts are used to gain exposure to price changes of various commodities, such as energy, agriculture, metals and livestock. The General Board does not use derivative instruments or strategies to leverage its investments.

Financial futures contracts, commodity futures contracts, foreign-currency forward contracts and forward contracts to purchase U.S. government agency obligations are stated at fair value determined by prices quoted on national security exchanges. Fluctuations in value prior to maturity are recognized as unrealized gains or losses in the period during which they arise. At maturity, realized gains or losses are recognized and settled daily with cash through a margin account. Other liabilities, including the payables related to forward contracts to purchase U.S. government agency obligations, are stated at face value.

As with all of the securities included in the General Board's investment portfolio, these instruments are exposed to both market and credit risk. The market risk associated with these instruments is that equity prices or foreign exchange rates could change, resulting in a loss in the value of the investment. These risks may be offset partially by holding positions in the underlying securities. The credit risk associated with these instruments relates to the failure of the counterparty to pay based on the contractual terms of the agreement. The General Board anticipates, however, that counterparties will be able to fully satisfy their obligations under the contracts, given their high credit ratings. Each equity futures contract requires that the General Board place on deposit with the executing counterparty an amount equal to the margin requirement for the contract. The margin requirement is recalculated daily to reflect the change in fair value.

Fund transfers to or from the General Board depend on the change in margin requirement. Hence, the General Board's daily credit exposure is limited to the margin requirement attributable to one day's price fluctuation.

The notional value of the net positions of risk management instruments and the location of related unrealized gains/(losses) in the Balance Sheets as of December 31 are listed in the tables below:

(in thousands)	2014	2013	Location on Balance Sheet
Forward commitments			
Federal National Mortgage Association	$ –	$ 26,079	Fixed income securities
Federal Home Loan Mortgage Association	–	1,574	Fixed income securities
Contracts to sell foreign currency	810,112	841,936	Other assets
Contracts to (buy) foreign currency	(244,966)	(267,400)	Other liabilities
Contracts to (buy) equity futures			
S&P 500 Index	(132,078)	(161,017)	Equity securities
Russell 2000 Index	(18,971)	(6,620)	Equity securities
Other index futures	(194,165)	(65,836)	Equity securities
Contracts to (buy) sell other futures			
Fixed income securities	(35,726)	(53,503)	Equity securities
Cash and equivalents	170,881	(536,230)	Equity securities
Commodities	(183,964)	(212,810)	Equity securities
Other			
Net credit default swap contracts	1,718	(303)	Fixed income securities
Interest rate swap contracts	(1,479)	613	Fixed income securities
Inflation rate swap contracts	(549)	–	Fixed income securities
Purchased options	1,631	251	Fixed income securities
Written options	(2,259)	(1,487)	Other liabilities

Net gains/(losses) from risk management instruments, included in the Statements of Operations, are listed in the tables below for the years ended December 31:

Derivative investments (in thousands)	2014 Net Gains/(Losses) on Investments Realized	2014 Net Gains/(Losses) on Investments Unrealized	2013 Net Gains/(Losses) on Investments Realized	2013 Net Gains/(Losses) on Investments Unrealized
Forward commitments	$ 714	$ 75	$ (2,023)	$ (95)
Foreign exchange contracts	34,068	21,304	(4,479)	(3,767)
Futures contracts	(8,377)	(21,732)	38,322	7,450
Credit default swap contracts	850	(294)	298	670
Interest rate swap contracts	464	(1,720)	291	409
Inflation rate swap contracts	(2)	(549)	–	–
Options contracts	617	110	908	149
Total	**$ 28,334**	**$ (2,806)**	**$ 33,317**	**$ 4,816**

Note 6:
Stable Value Fund

Investments in fixed income securities and contracts include the investments of the Stable Value Fund. GAAP requires that fair value be based upon the standard discounted cash flow methodology for traditional and variable Guaranteed Investment Contracts (GICs). Fair value is based on fair value of underlying portfolios for fixed maturity, constant duration synthetic and insurance company account GICs.

Stable value funds generally consist of four types of investment contracts, which are described in detail below. All investment contracts are benefit-responsive, unless otherwise noted.

Traditional Guaranteed Investment Contracts: Traditional GICs are unsecured, general account obligations of insurance companies. The obligation is backed by the general account assets of the insurance company that writes the investment contract. The crediting rate on this product typically is fixed for the life of the investment.

Fair value of traditional GICs is calculated using the present value of the contract's future cash flow values discounted by comparable duration *Wall Street Journal* GIC Index rates.

In the absence of an actively traded market, discounted cash flows are used to estimate the contract's economic value. These values are not used for participant statement purposes, nor are they representative of the value that may be received from those contracts in either a participant disbursement or an early termination of the contract.

Fixed Maturity Synthetic Guaranteed Investment Contracts: Fixed maturity synthetic GICs consist of an asset or collection of assets that are owned by the fund and a benefit-responsive, book-value wrap contract purchased for the portfolio. The wrap contract provides book-value accounting for the assets and assures that benefit-responsive payments will be made at book value for participant-directed withdrawals. Generally, fixed maturity synthetic GICs are held to maturity. The initial crediting rate is established based on the market interest rates at the time the initial asset is purchased.

Fair value of fixed maturity synthetic GICs is calculated on a monthly basis using the sum of all assets' fair values provided by a third-party vendor engaged to provide fixed income prices.

Constant Duration Synthetic Guaranteed Investment Contracts: Constant duration synthetic GICs consist of a portfolio of securities owned by the fund and a benefit-responsive, book-value wrap contract purchased for the portfolio. The wrap contract amortizes gains and losses of the underlying securities over the portfolio duration and assures that benefit-responsive payments will be made at book value for participant-directed withdrawals. The initial crediting rate is established based on the market interest rates at the time the underlying portfolio is funded. Fair value of constant duration synthetic GICs is calculated using market values provided by external investment managers.

Insurance Company Separate Account Guaranteed Investment Contracts: Insurance company separate account GICs are investments in a segregated account of assets maintained by an insurance company for the benefit of the investors. The total return of the segregated account assets supports the insurance company separate account GIC's return. The credited rate on this product will reset periodically and will have an interest rate of not less than zero percent (0%).

Fair value for insurance company separate account GICs is calculated using the market values provided by the insurance companies that manage the underlying assets of the product.

Most investment contracts have book value crediting rates that are reset periodically. The crediting rates are initiated at the inception of each contract and are typically recalculated on a quarterly basis. Applicable book value wrap fees, underlying asset management fees and/or product fees are subtracted from the gross crediting rate to determine a net crediting rate for each reset period.

The primary variables impacting the future crediting rates of security-backed contracts include the current yield of the assets underlying the contract, the duration of the assets underlying the contract, and the existing difference between the fair value of the assets underlying the contract and the contract value. The security-backed contracts are designed to reset their respective crediting rates on a quarterly basis, and the interest credited cannot be less than zero percent (0%).

The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

To the extent that the underlying portfolio of a security-backed contract has unrealized and/or realized losses, a positive adjustment is made to the adjustment from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the then-current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made to the adjustment from fair value to contract value, and the future crediting rate may be higher than the then-current market rates.

Certain employer-initiated events (e.g., layoffs, plan terminations, mergers, early retirement incentives, employer communications designed to induce participants to transfer from the fund, competing fund transfers, violation of equity wash or equivalent rules in place, and changes of qualification status of employer or plan) are not eligible for book-value disbursements even from fully benefit-responsive contracts. These events may cause liquidation of all or a portion of a contract at a market-value adjustment.

In general, issuers may terminate the contract and settle at other-than-contract value for the following reasons: changes in the qualification status of employer or plan changes, breach of material obligations under the contract, misrepresentation by the contract holder or failure of the underlying portfolio to conform to the pre-established investment guidelines. Issuers may also make payments at a value other than book value when withdrawals are caused by certain employer-initiated events.

The contract values of the Stable Value Fund as of December 31 are as follows:

(in thousands)	**2014**	**2013**
Investments at fair value	$ 2,083,315	$ 2,223,110
Wrap contracts at fair value	455	(92)
Total assets at fair value	2,083,770	2,223,018
Adjustment from fair value to contract value	(54,953)	(42,051)
Net assets at contract value	2,028,817	2,180,967
Less: cash equivalents	88,723	181,330
Wrap contracts	**$ 1,940,094**	**$ 1,999,637**

Portfolio Characteristics (gross of fees):

Average yield earned by the entire fund	2.17%	2.10%
Return on assets for 12 months	2.27%	2.36%
Current crediting rate	2.29%	2.20%
Duration (years)	3.15	3.21

Note 7: Allocated Net Earnings

The assets in the various General Board-administered investment funds are priced daily and recorded in units to the accounts of plan participants, plan sponsors, institutional investors and plan reserves. The accounts are allocated with their portion of actual earned returns, including realized and unrealized gains and losses, net of all operating expenses. Where appropriate, certain administrative costs that are strictly related to the administration of various plans such as HealthFlex are charged directly to those plans through an expense allocation process.

Note 8:
HealthFlex

HealthFlex is a self-funded church plan, contracting with certain outside firms for administrative services only. Some of the benefit programs under HealthFlex are insured by third-party providers. The General Board also has entered a purchasing coalition with other church benefit program administrators, in which a single pharmacy benefit manager with beneficial economies of scale administers prescription drug claims.

As the HealthFlex plan administrator, the General Board bills plan sponsors a premium for benefits received by the plan participants. The premium is actuarially determined to cover all plan costs, including premiums paid to insurance companies, self-funded claims and all administrative costs.

The General Board invests the assets of HealthFlex in MAF and STIF, and incurs the expense of staff support and other costs to administer HealthFlex.

Activity for the HealthFlex plan for the years ended December 31 is as follows:

(in thousands)	2014	2013
Premiums		
Medical	$ 131,068	$ 148,329
Other expenses	4,038	4,526
Total premiums	135,106	152,585
Claims		
Medical (net of rebates)	(108,594)	(125,938)
Other expenses	(3,963)	(4,105)
Total claims	(112,557)	(130,043)
Administration		
Illinois Corporation	(2,437)	(2,680)
Third-party	(11,925)	(12,053)
Total administration	(14,362)	(14,733)
Net experience	8,187	7,809
Investment income	2,218	7,835
Performance dividend*	(20,000)	–
(Decrease) increase in accumulated reserves	(9,595)	15,644
Accumulated reserves		
Beginning of year	143,896	128,252
End of year	$ 134,301	$ 143,896

* In 2014, HealthFlex declared a performance dividend of $20 million to plan sponsors. The distribution was based on the plan sponsors' underwriting experience for the 2012 and 2013 plan years. The dividend was distributed to plan sponsors in March 2014.

The HealthFlex accumulated reserves are included in the Balance Sheets as part of "Disability, death and health benefit program deposits."

Note 9:
Operating Expenses

The components of operating expenses for the years ended December 31 are as follows:

(in thousands)	2014	2013
Salaries	$ 23,675	$ 22,666
Current and retired employee benefits	7,861	7,726
Professional services	8,178	8,718
Occupancy and other office expenses	4,776	4,749
Computers and other equipment	2,027	3,388
Meetings and travel	1,383	1,361
Additional annuities funding	4,000	3,075
Other expenses	1,413	601
Total operating expenses	**$ 53,313**	**$ 52,284**

All operating expenses are considered to be programmatic and are allocated to the unitized fund accounts or benefit plans.

Note 10:
Tax Status and Positions

The General Board operates exclusively for religious and charitable purposes and is exempt from federal income taxes under IRC section 501(c)(3). The Financial Accounting Standards Board issued guidance that requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management believes there are no material uncertain tax positions that require recognition in the accompanying financial statements. While exempt from income tax under IRC section 501(c)(3), the General Board is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by IRC. The tax years ending 2011, 2012, 2013 and 2014 are still open to audit for both federal and state purposes. There were no interest or penalties related to income taxes that have been accrued or recognized as of and for the years ended December 31, 2014 and 2013.

Note 11:
Related Party Transaction

The General Board borrowed certain funds from the CPP welfare plan, one of the plans managed by the General Board, to fund the cost of construction of the headquarters at 1901 Chestnut Avenue, Glenview, Illinois. In exchange, CPP received a note receivable. During construction, the loan bore interest at a rate of 4% (the market rate at the time of the transaction), compounded monthly. No payments for the accrued interest were made; the amounts were added to the loan balance at the end of each month. At the time of conversion to a permanent mortgage, the General Board repaid $6.5 million in principal.

On March 1, 2011, the construction loan payable to CPP was converted to a mortgage note payable to CPP, secured by the Glenview property, in the amount of $27.9 million bearing an interest rate of 6% (the market rate at the time of the transaction). Beginning April 1, 2011, the General Board is making monthly payments of $167 thousand, which includes interest, through March, 2041. The annual principal payments are as follows:

Years ending December 31 (in thousands)

2015	$ 429
2016	455
2017	483
2018	513
2019	545
Thereafter	24,075
	$ 26,500

Note 12:
Subsequent Events

In preparing these financial statements, the General Board has evaluated events and transactions for potential recognition or disclosure through May 29, 2015, the date the financial statements were available to be issued.

Other Information

Executive Compensation

The General Board regularly reviews and analyzes market compensation data to help ensure that we can attract, retain and help motivate superior leadership in a competitive market while maintaining our commitments to stewardship and strong investment returns. The General Board Senior Leadership Team, Personnel Committee and Board of Directors take their roles in setting executive compensation seriously—striving to balance the values of the Church in which we serve and the business environment in which we compete for talent.

The executive compensation philosophy for our top five positions developed with input from an independent compensation consulting firm is to target the 50th percentile of the comparable market data (excluding long-term incentives) from the composite talent market (+/-10%). A detailed review of total compensation for executives within comparable organizations was completed by an independent compensation consulting firm. The executive compensation program was found to be consistent with the General Board's compensation philosophy and within range of competitive compensation market practices.

In choosing the comparable organizations, several factors were considered, including the mix and complexity of the products and services offered, the clients being served and asset size. Companies with whom we compete for talent were considered, as well as data from a published survey of other church organizations. The General Board, with over $20 billion in assets under management, is the largest participating organization in the church survey.

Total Cash Compensation (in thousands)	**2014**
Chief Executive Officer	
Financial Services*	$1,986.4
Composite**	1,441.6
General Board	724.5
Chief Operating Officer	
Financial Services	$ 861.5
Composite	634.3
General Board	492.5
Chief Investment Officer	
Financial Services	$ 660.2
Composite	515.1
General Board	414.5
Chief Legal Officer	
Financial Services	$ 653.9
Composite	491.1
General Board	380.0
Chief Financial Officer	
Financial Services	$ 523.3
Composite	419.2
General Board	356.1

* Median (50th percentile) of total cash compensation at comparable financial services organizations.

** Median (50th percentile) of total weighted cash compensation including financial services organizations (50%), general industry (25%) and not-for-profit organizations (25%).

Audit Committee

The General Board's Audit Committee is composed of five members from the Board of Directors and four non-Board committee members who have specialized accounting experience and expertise. The Board of Directors of the General Board has adopted a written charter for the Audit Committee. The Board of Directors of the General Board has determined that more than one member of the Audit Committee has accounting or related financial management expertise.

The Audit Committee selects the General Board's independent certified public accounting firm and reviews the professional services it provides. It reviews the scope of the audit performed by the independent certified public accounting firm, its report on the audit, the General Board's annual financial statements, any material comments contained in the auditor's communication to the Audit Committee, the General Board's internal accounting controls, and other matters relating to accounting, auditing and financial reporting as it deems appropriate. The Audit Committee has discussions at least once a year with the external auditor without management being present. The Audit Committee reviews the external auditor's scope of work and expenses to ensure we have not hired the firm for other significant amounts of work. Also, the Audit Committee monitors significant internal audit activities.

Investment Managers, Positive Social Purpose Lending Program Intermediaries, Banks, Auditors and Consultants

Investment Managers

Adams Street Partners, LLC
Chicago, Illinois
USEF – *private equity*
IEF – *private equity*

Allianz Global Investors/RCM Capital Management, LLC
San Francisco, California
USEF – *domestic equity*

Baillie Gifford
Edinburgh, Scotland
IEF – *international equity*

BlackRock, Inc.
San Francisco, California
and New York, New York
IPF – *inflation-protected fixed income*
FIF – *corporate fixed income*
USEF – *domestic equity*
USEIF – *domestic equity*
IEF – *international equity*

Blackstone Group LP
New York, New York
IEF – *private real estate*
SOF – *private real estate distressed debt*

Brown Capital Management, Inc.
Baltimore, Maryland
USEF – *domestic equity*

The Bank of New York Mellon
Pittsburgh, Pennsylvania
USEF, USEIF, ESVPF, IEF, FIF, IPF, SVF, STIF, MAF – *securities lending*

Cabot Partners, Inc.
Boston, Massachusetts
USEF – *private real estate*

Capital Group
Los Angeles, California
FIF – *emerging market debt*
IEF – *developed and emerging-markets international equity*
IPF – *emerging market inflation bonds*

CBRE Global Investors
Los Angeles, California
USEF – *private real estate*

Center Square Investment Management
Plymouth Meeting, Pennsylvania
USEF – *private real estate*

Cerberus Institutional Real Estate Partners
New York, New York
USEF – *private real estate*

Conservation Forestry, LLC
Exeter, New Hampshire
SOF – *timber*

Credit Suisse Asset Management, LLC
New York, New York
IPF – *senior secured loans*

Daruma Asset Management, Inc.
New York, New York
USEF – *domestic equity*

Deutsche Asset & Wealth Management, Inc.
Chicago, Illinois
USEF – *domestic REITs*

Dodge & Cox
San Francisco, California
SVF – *stable value fixed income*

Disciplined Growth Investors
Minneapolis, Minnesota
USEF – *domestic equity*

Epoch Investment Partners
New York, New York
USEF – *domestic equity*

Equity International Management, LLC
Chicago, Illinois
IEF – *private real estate*

Genesis Investment Management, Ltd.
London, England
IEF – *emerging-markets equity*

Gresham Investment Management, LLC
New York, New York
IPF – *commodities*

Hancock Timber Resource Group
Boston, Massachusetts
IPF – *timber*
SOF – *timber*

HarbourVest Partners
Boston, Massachusetts
IEF – *private equity*

Hotchkis and Wiley Capital Management
Los Angeles, California
USEF – *domestic equity*

H/2 Capital Partners
Stamford, Connecticut
SOF – *private real estate distressed debt*

JP Morgan Investment Management
New York, New York
USEF – *private equity*
IPF – *international infrastructure*
SOF – *international infrastructure*

LM Capital, Inc.
San Diego, California
FIF – *fixed income*

Lone Star Funds
Dallas, Texas
FIF – *fixed income*
SOF – *private real estate distressed debt*

Marathon Real Estate
New York, New York
SOF – *private real estate distressed debt*

Miller Howard
Woodstock, New York
USEF – *domestic equity*

Neuberger Berman Fixed Income LLC
Chicago, Illinois
FIF, SVF – *fixed income*
IPF – *inflation-protected fixed income*

Northern Trust Quantitative Advisors
Chicago, Illinois
USEF – *domestic equity*
ESVPF – *domestic and international sustainable equity*
IEF – *international equity*

Northwood Securities LLC
New York, New York
IEF – *international REITs*

Investment Managers, Positive Social Purpose Lending Program Intermediaries, Banks, Auditors and Consultants *(continued)*

Investment Managers (continued)

Oaktree Capital Management, LLC
Los Angeles, California
FIF – *fixed income*
IEF – *emerging market international equity*

Pacific Investment Management Company (PIMCO)
Newport Beach, California
FIF – *fixed income*

Parametric Clifton
Minneapolis, Minnesota
USEF – *U.S. equity index financial futures*
IEF – i*nternational equity index financial futures*
ESVPF – *U.S. and international equity index financial futures*
MAF – *equity and fixed income financial futures*

Pearlmark Real Estate Partners
Chicago, Illinois
USEF – *private real estate*

Prism Capital
Chicago, Illinois
USEF – *private equity*

Prudential Investment Management
Newark, New Jersey
SVF – *stable value fixed income*

Prudential Real Estate Investors, Inc.
Parsippany, New Jersey
USEF – *private real estate*

Putnam Investments
Boston, Massachusetts
IEF – *international equity*

Pyramis Global Advisors, a Fidelity Investments Company
Smithfield, Rhode Island
USEF – *domestic equity*

Schroders Investment Management
New York, New York
FIF – *fixed income*

Sprucegrove Investment Management
Toronto, Ontario, Canada
IEF – *international equity*

Stafford Capital Partners
San Francisco, California
USEF – *private equity*

Standish Mellon Asset Management
Pittsburgh, Pennsylvania;
Boston, Massachusetts; and
San Francisco, California
Sweep Account – *short term fixed income*
SVF – *stable value fixed income*

TA Associates Realty
Boston, Massachusetts
USEF – *private real estate*

Townsend Group
Cleveland, Ohio
USEF – *private real estate*

Tricon Capital Group, Inc.
Toronto, Ontario, Canada
USEF – *private real estate*

Urban American
West New York, New Jersey
USEF – *private real estate*

Waterfall Asset Management
New York, New York
IPF – *asset-backed securities*

Wellington Management Company
Boston, Massachusetts
FIF – *fixed income*
USEF – *domestic equity*

Wespath Investment Management
Glenview, Illinois
FIF, Sweep Account – *loans to support affordable housing and community development*

Zevenbergen Capital Management
Seattle, Washington
USEF – *domestic equity*

Positive Social Purpose Lending Program Intermediaries

Bellwether Enterprise Real Estate Capital, LLC
Columbia, Maryland

California Community Reinvestment Corporation
Los Angeles, California

Community Development Trust, Inc.
New York, New York

Community Investment Corporation
Chicago, Illinois

Community Preservation Corporation
New York, New York

Community Reinvestment Fund
Minneapolis, Minnesota

Delaware Community Investment Corporation
Wilmington, Delaware

Great Lakes Capital Fund
Lansing, Michigan

Greystone Servicing Corporation, Inc.
Atlanta, Georgia

Local Initiatives Managed Assets Corporation
New York, New York

The Low Income Investment Fund
San Francisco, California

Mercy Loan Fund
Denver, Colorado

Capital Impact Partners
Arlington, Virginia

The Reinvestment Fund
Philadelphia, Pennsylvania

Shared Interest
New York, New York

Investment Managers, Positive Social Purpose Lending Program Intermediaries, Banks, Auditors and Consultants *(continued)*

Custodial Bank
The Bank of New York Mellon
Corporation
Pittsburgh, Pennsylvania

Commercial Bank
The Northern Trust Company
Chicago, Illinois

Independent Certified Public Accounting Firm
Grant Thornton LLP
Chicago, Illinois

Actuarial Consultants
Mercer Health & Benefits LLC
Chicago, Illinois

Towers Watson
New York, New York

Milliman
Milwaukee, Wisconsin

Internal Auditors
Experis
Chicago, Illinois

Protiviti
Chicago, Illinois

PC Connection
Merrimack, New Hampshire

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