



BOARD BOOKSHELF

To see the current list of non-compliant companies based upon ¶ 716 of the Book of Discipline, go to the website of the General Board of Pension and Health Benefits at:

www.gbophb.org

From that main screen, choose "**Socially Responsible Investing & Funds**" on the blue banner across the top. On this pull-down menu, scroll down to "**SRI**". Here you may learn more about GBOPHB's advocacy and engagement efforts on behalf of all of us.

Click on "**Portfolio Screening**" down the left hand border to access their **Portfolio Screening Guidelines** and to access the **List of Failed/Ineligible Companies** per those criteria.

The list is organized alphabetically with additional identifying information for each company, as well as the specific criterion on which it failed. U.S. companies are listed first, and international companies are listed after that. At present, about 250 U.S. companies are on the failed/ineligible list and about 350 international companies are on the list.

FAITH HAS CONSEQUENCES

United Methodist Bishop Reuben Job put it this way in his book, **Three Simple Rules**: 1. Do no harm, 2. Do good, 3. Stay in love with God. That is his modern-day distillation of John Wesley's General Rules for the United Societies of the early Methodist movement.

Dr. Francis Schaeffer has posed the question as, "How should we then live?" at the intersection of faith and daily living.

Because faith matters to us, all we do is impacted by that faith. And that includes stewardship.

Our United Methodist Church has reflected upon that very question of how faith should inform stewardship. The result is ¶ 716 of our Book of Discipline, which is entitled "Socially Responsible Investments," and which advises "to avoid investments that...support racial discrimination, violation of human rights, sweatshop or forced labor, gambling, or the production of nuclear armaments, alcoholic beverages or tobacco, or companies dealing in pornography."

This is important to the Kentucky United Methodist Foundation because one of our primary tasks is to provide our churches, agencies and districts with investment choices where they may place their permanent endowment funds, their bequest gifts, and their reserve funds. The Foundation takes seriously not only that responsibility, but also the responsibility to perform that stewardship function in full accordance with ¶ 716.

How do we accomplish this? As a connectional system, the various resources of the United Methodist church make this possible.

Each quarter, we access a list maintained by the United Methodist church's General Board of Pension and Health Benefits, the general agency responsible for the investment of all clergy and lay retirement plans. Among other activities, they research companies sources of revenues, engage companies in dialogue about their business practices, and advocate at companies annual stockholders meetings for business practices that more closely reflect the values of our United Methodist church as reflected in ¶ 716 and the Social Principles.

They then compile and publish a list of companies whose revenues or practices are not consistent with these policies on socially responsible investment. Since the list is dynamic (always changing), we require our investment consultant to download it each quarter and filter all of the Foundations stock and bond holdings against the list. Any non-compliant holdings are removed from the portfolio (*see Scott Kelly's box on back*).

The screening protocol not only works, it also allows the Foundation to offer our churches a distinctively faith-informed and principled approach to their stewardship.

David

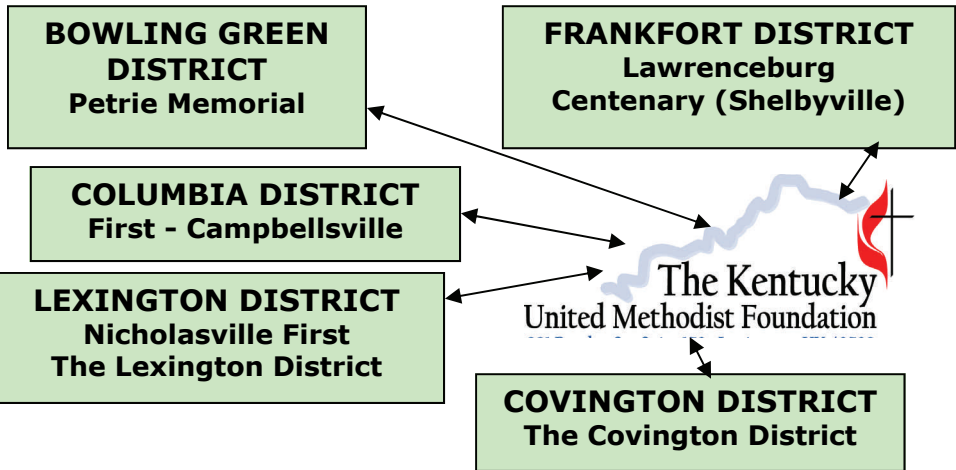


Meet A Member
Rev. Kelly McClendon

Our newest member of the Board of Directors is Rev. Dr. Kelly McClendon. He is senior pastor at Immanuel UMC in Lakeside Park (Covington District). Kelly has served at St. Paul UMC in Louisville, Gateway Community UMC, and St. John in Louisville and assumed his present position as senior pastor at Immanuel in 2007.

He and his wife Mary Beth, have two adult sons. He enjoys singing, playing the guitar, reading, skiing, camping, hiking and playing with the family dog Sandy.

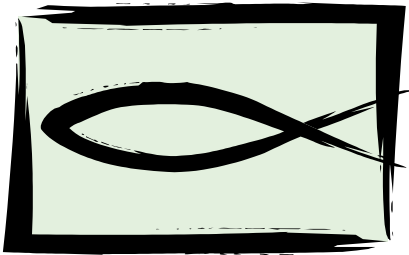
Rev. McClendon will serve on the Finance Committee.



What do these churches, agencies and districts all have in common? They have each recently made additions to their funds managed by KUMF.

If you don't see your name give us a call today to schedule a workshop, presentation or committee meeting.

KUMF partners with your church to help faithful people live generous lives.



ON THE ROAD

CHAPEL HILL - Henderson
Establishing Our Endowment
Tuesday, July 17

LEXINGTON CENTENARY
Estate Planning 101
Sunday, August 26

MT. ZION - Winchester
Increasing Bequests
Thursday, September 13



Scott Kelly, First Vice-President of Merrill Lynch and principal of the Mitchell-Kelly Group, Louisville, serves as investment consultant for the Foundation.

SRI: The Devil is in the Details

"Socially responsible investing (SRI) is important to KUMF as well as Merrill Lynch. We go beyond just "best effort" when complying with The Book of Discipline of the UMC. Our system assists KUMF in its goal to be 100% compliant by first providing all investment managers with a screen that they can apply to their portfolio with the intent of eliminating all violating securities."

"A second review is conducted quarterly by Merrill Lynch directly, where every security in the fund is matched up against the quarterly list of security violations that is published on the UMC Board of Pensions website."

Save these August dates:

- Nominating Committee
Conference Call
Friday, August 3, 10 am
- Finance Committee
Wednesday, August 9, 10 am
Elizabethtown Memorial
- Investment Committee
Tuesday, August 14, 10 am
Elizabethtown Memorial
- Executive Committee
Tuesday, August 14, Noon
Elizabethtown Memorial