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GBPHB Board Approves Private Prison Investment Screen

Glenview, IL—The board of directors of the General Board of Pension and Health Benefits of The United Methodist Church (GBPHB) today announced the decision by the board's Fiduciary and Executive Committees of the addition of a sixth investment screen that would prohibit investment in companies that derive more than 10% of revenue from the management and operation of prison facilities. The GBPHB *Statement of Administrative Investment Policy* has been amended to include this screen.

Rationale

The Interagency Task Force on Immigration brought the issue of private or for-profit prisons to the attention of GBPHB. The board of directors' UMC Principles Committee engaged in extensive discussion earlier in 2011 regarding GBPHB investments in companies that operate prison facilities. In November, the committee recommended and referred a resolution to the Fiduciary Committee of the board to amend the *Statement of Administrative Investment Policy*, which governs the administration of the GBPHB's investment program. The committees recommended that companies that derive more than 10% of revenue from managing and/or operating prison facilities be screened out of the investment portfolio.

Statement of Administrative Investment Policy—Private Prisons

As a socially responsible investor, GBPHB screens its investments according to the investment policies adopted by our board of directors, guided by the Social Principles of The United Methodist Church. These policies seek to avoid investing in companies that derive significant revenues from gambling or the manufacture, sale or distribution of alcoholic beverages, tobacco-related products, weapons or pornography. Investments in private prisons will now be added to these screens by amending the *Statement of Administrative Investment Policy*: "Investments will not knowingly be made in any company/corporation in which 10% or more of gross revenue is derived from the management or operation of federal, state, county, or municipal correctional facilities (jails, prisons, penitentiaries, detention centers, prison camps, transfer centers)."

For additional information on the GBPHB socially responsible investing philosophy and portfolio screening, please visit our website at www.gbophb.org.

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About the General Board

The General Board of Pension and Health Benefits is a not-for-profit administrative agency of The United Methodist Church, responsible for the general supervision and administration of the retirement, health and welfare benefit plans, programs and funds for more than 74,000 clergy and lay employees of the Church.

The General Board is the largest faith-based pension fund in the United States and ranks among the top 100 pension funds in the country. As a socially responsible investor, the General Board is actively involved in shareholder advocacy, proxy voting, portfolio screening and community investing.