



Meet Our Investment Management

The Mid-Atlantic United Methodist Foundation utilizes the Institutional Investment services of the following companies to diversify client portfolios. All investment managers contracted by the Foundation must use the social screening process outlined in the UMC *"Book of Discipline"* provided by the General Board of Pensions of the United Methodist Church. Each manager is measured quarterly against an established benchmark and is expected to add value above this benchmark on a consistent basis.

Value Equity, Large Cap

For **Boston Partners**, our sole mission is to produce top-notch investment returns for our clients. We are first and foremost an investment organization run by investment professionals following a disciplined investment. Our core offering, value equities, is managed by the Boston Partners team, using an investment approach that was developed by the firm's founders in the 1980's. Our key investment professionals have worked together since the founding of Boston Partners in 1995 and years before at a prior firm, where the investment philosophy was established. On August 20, 1987, founding partners of Boston Partners Asset Management outlined their thoughts about investing. Now known within Boston Partners as "The Fundamental Truths," the key principles that guide our investment approach were laid out as follows: What works is what beats market averages over long time periods:

1. Value works
2. Momentum works
3. Fundamental analysis must be grounded in value and momentum thinking
4. Quantitative methods should be the starting point of fundamental analysis

For more than two decades*, the investment team at Boston Partners has utilized these fundamental truths to build portfolios that seek to produce attractive absolute returns that outpace market averages and rank at the top of industry peer groups. The source of our

investment returns is security selection achieved through bottom-up fundamental research. Additionally, quantitative analysis is utilized to guide the fundamental work. When both are combined, they help uncover the three most important determinants of a successful equity investment:

- The price paid for the business
- The underlying strengths of the business
- The direction, positive or negative, of current business conditions

We follow these “investment laws of physics” to build a diversified portfolio of stocks that, when properly constructed, has an increased probability of success. For us, successful investing is executed at the margins where seemingly small gains can lead to long-term success. www.boston-partners.com

Growth Equity, Large Cap

ClearBridge Investments is a leading global equity manager with \$123.0 billion in assets under management. We are committed to delivering long-term results through active management as we have for more than 50 years and continue to offer investment solution that emphasize differentiated stock selection to move our clients forward. “Our strategies harness an active, bottom-up approach to stock selection that combines the market knowledge of long-tenured portfolio managers with the original research of a specialized group of analysts.” Scott Glasser CIO. www.ClearBridge.com

SMID Small & Mid Cap Equity

SouthernSun Asset Management, established in 1989, is a research-driven investment management firm implementing SMID Cap, Small Cap and Global Equity investment strategies. Our name reflects a commitment to shed light on investment opportunities both at home and around the globe—a commitment that has driven our work throughout our history. We believe that there is little substitute for critical reasoning, attention to detail, revealing query, hard work, and patience. Since our inception, we have used our painstaking and intensive research process to search out companies that have: Financial strength, Management adaptability, Niche dominance. While our roots are proudly established in Memphis, we travel around the globe to seek out the information we need to make sound investment decisions.

SouthernSun follows a proven investment process within its SMID Cap, Small Cap and Global Equity investment strategies. While these strategies differ in terms of the size of companies held in each portfolio, the investment team's approach to implementing them is the same. SMID Cap Strategy Our SMID Cap strategy was initiated in 1996. It holds between twenty (20) and thirty (30) positions at any time. The market capitalization of these domestic companies is between \$1 billion and \$8 billion at the time of initial purchase. No single company will be greater than ten percent (10%) of the portfolio value, and no single industry will be greater than twenty-five percent (25%) of the portfolio

value. Currently, this strategy may be accessed by two product types: direct separate account management (\$10MM minimum) and our mutual fund, the SouthernSun U.S. Equity Fund. SMID Cap and Small Cap strategies have generated positive gross excess returns versus the Russell 2500 and Russell 2000 respectively on a 3 year, 5 year, 10 year and Since Inception annualized gross basis.

At SouthernSun six core beliefs drive us every day in our approach to managing money:

- *Be thorough: Sweat the small stuff,*
- *Be systematic: Stick to a proven methodology*
- *Don't assume: Rigorously employ principles of logic*
- *Face facts: Reality trumps hype every time*
- *Reduce the influence of bias*
- *Remember: Risk equals not knowing*

With these principles in mind, we evaluate companies in three critical areas: financial strength, management adaptability, and niche dominance. **Portfolio Monitoring:** Once companies make it into our portfolios at SouthernSun our analysts conduct continuous evaluations of their financials, as well as monitor the business environment in which they operate. This work is performed from SouthernSun's headquarters as well as in the field. We visit management and their facilities on a regular basis. We do not believe we can truly know what is happening at a company unless we maintain regular contact with them. We also take advantage of event-driven market anomalies and adjust our positions, as determined by our investment committee. www.southernsunam.com

International & Core Indexes

Capstone Asset Management Company, established in 1981, is a privately-owned investment adviser headquartered in Houston, Texas. With over \$2.8 billion in assets under management, Capstone offers active and indexed equity and fixed income portfolio management to a wide client base including individuals, endowments, foundations, retirement plans, trusts, corporations, unions, public funds, banks, healthcare organizations, and religious organizations. They manage an International & Core Indexes for the Foundation. Capstone has a number of strengths that we believe give us our competitive advantage. One of our most value-added strengths is the ability to customize portfolios and services to match our Social Screening needs. Capstone's equity indexation services provide long-term investors with a separately managed portfolio of stocks designed to closely track the total return of the benchmark MSCI EAFE index and the S&P 500 Index. All of our index portfolios can be screened for our client's specific social, ethical or financial criteria. www.Capstonefinancial.com

International Emerging markets:

Renaissance Investment Management www.reninv.com Founded in 1978, Renaissance Investment Management is a registered investment advisor based in the Greater Cincinnati Ohio area. Renaissance's strategies are based upon a foundation of intensive research and disciplined, process-oriented decision making. Our Emerging Markets Equity Strategy seeks to invest in companies located in emerging markets that are exhibiting above-average profitability and earnings growth and are trading at reasonable valuations. Exposure to these companies is gained through the purchase of American Depositary Receipts (ADRs) and U.S. listed shares of foreign companies. As a result, clients have the opportunity to invest in companies in emerging markets without the operational burdens inherent to owning ordinary shares. Our objective is to outperform comparable international stock indices over a full market cycle. • Outperformed the MSCI Emerging Markets Index (1) over the past 3 and 5-year periods and since inception (2), net of fees, on an annualized basis. The foundation of the Renaissance investment process is our proprietary quantitative modeling, employing factors that we regularly test and validate for effectiveness. This modeling process allows us to systematically identify the most quantitatively attractive stocks in the market. We believe that this combination of quantitative analysis with human judgment and experience is the basis for our performance track record. In evaluating candidate companies for ownership, Renaissance is looking for three key attributes: 1) Strong growth characteristics; 2) A high degree of earnings momentum; and 3) A reasonable valuation for the company.

Fixed Income

The Foundation operates Fixed Income Funds in order to provide investors with strong diversification of bond holdings, lower trading costs, and a more consistent income stream in both long and short durations.

Fixed Income Core:

Federated Securities, Intermediate Term

Investment: Federated Securities Intermediate Government/Credit Strategy. Objective: Bond management designed to provide a strong income stream with the possibility of some appreciation but with taking very little risk. The average maturity of the portfolio is typically in the 4-5 year range with the ability to shift longer or shorter as interest rate forecasts change. An average credit rating of AA/AAA is to be maintained. Sector

Weightings: The portfolio is generally invested 10 - 50% in US Government

Treasury and Agency bonds and 10%-50% in Corporate Bonds, shifting as attractiveness of relative yields shift.

Social Screening: Complies with Social Principles of the United Methodist Discipline (no alcohol, gambling, pornography or tobacco stocks).

Benchmark: Intermediate Government/Corporate. Bond Index

The portfolio holds a range of 40-50 bonds.

Account performance reviewed quarterly

Fixed Income Aggregate:

GW&K, Boston, Mass

Its strategy is to seek to generate income while preserving capital. Our Flexible multi-sector approach takes advantage of the relative valuations among distinct bond sectors, provides greater opportunities to generate income and capital appreciation, while helping to manage risk in changing economic environments. We manage duration to within +/- 20% of the duration of the Barclays Aggregate Bond Index. Holding an average number of securities in a fully invested portfolio ranges between 40-60 holdings.

Short Term Income Fund

Short Term investment management is provided by Vanguard Short-Term Federal Fund Admiral Shares.

- Seeks to provide current income with limited price volatility.
- Invests primarily in government agency securities with a dollar-weighted average maturity of 1 to 3 years.
- May provide more funds working for you, due to its low expense ratio.

Fulton Financial Advisors:

Approximately \$6 billion in Assets Under Management Parent Company – Fulton Financial Corporation

- \$16.4 billion regional financial services holding company
- Operating 270 banking offices across six affiliate banks in five states
- Recognized by Forbes as one of the **100 Most Trustworthy Companies** in the U.S. in 2010
- Traded on NASDAQ under ticker symbol **FULT**

Our clients receive personal attention at the community bank level coupled with a breadth of services and expertise typically available only at larger financial institutions.