CHURCH PENSION GROUP
Passionate About Our Purpose

2022 Annual Report

Stability Behind the Numbers

A Message from Mary Kate Wold

Chief Executive Officer and President

"The Church Pension Group has been part of my life since my father, a rector, died suddenly when I was ten. He had only 19 years of credited service in The Church Pension Fund, had no life insurance, no Social Security, no health insurance, and only a small savings account. Yet combined with my mother's small income, his pension provided a decent living for my mother, left to raise me and my siblings alone.

When I retired, four decades after being ordained, I had more than 41 years of credited service. What I receive from The Church Pension Fund, along with an additional smaller check as a widower of a clergy wife and Social Security, has left me a comfortable retirement. I was even able to purchase a small retirement home and managed to pay off the mortgage in 22 years.

I feel so blessed to have this secure retirement income. And one of the ways I give back is by serving in CPG's Chaplains to the Retired program."

The Rev. Robert Edson
The Episcopal Parish of St. John the Evangelist, Hingham, Massachusetts

Dear Friends:

The Church Pension Group (CPG) exists to support members of the clergy like the Rev. Robert Edson and his wife, and lay employees like *Peter Pereira* of The Episcopal Church in their calling to spread the gospel. Our vision is to provide the highest possible level of financial security in retirement to the people we serve, in a manner that is consistent with exemplary financial stewardship on our part and with the evolving needs of the Church.

What does exemplary stewardship mean during periods of stock market volatility like we are currently experiencing? It means taking a disciplined approach to investing and spending, making smart decisions today that protect the financial strength of our pensions and other programs for decades to come, and managing expenses on an ongoing basis to ensure that we can continue to serve the Church long into the future.

Our discipline makes stories like Father Edson's and Mr. Pereira's possible, and stories like theirs are what keep the team at CPG focused.

Those We Serve

14,010
Active (5,689) and retired (8,321) participants in defined benefit plans[3]

10,225
Episcopal institutions served by CPG[2]

22,773
Active (18,182) and retired (4,591) lay participants with CPG benefits[2]

2,882
Active (993) and retired (1,889) participants in the Lay Defined Benefit Plan[2]

12,406
Active lay participants in defined contribution plans[2]

More Fast Facts on page 14

[2] *As of March 31, 2022*
[3] *As reported in the Actuarial Valuation Report dated March 31, 2022. The participant count in the report is as of December 31, 2021.*

Over the past year, we continued to find fresh, cost-effective ways to identify and respond to evolving needs. Online platforms like Zoom helped us connect with more people than ever before. We expanded the reach and diversity of our educational and other programming, and we collected insights on parity that informed recent reports to General Convention.

As we transition back to the office after two years of working remotely, I am thrilled to resume face-to-face meetings and strategic travel around the Church. I look forward to hearing more stories of ministry and candid feedback about our services. The insights we collect around the Church aid our work and confirm our commitment to be disciplined in our spending and investing.

If the past two years have taught us anything, it is that the people and institutions of The Episcopal Church are counting on us to be here, to be stable and strong when things are uncertain, and to keep our promises so they can have peace of mind while they continue to spread the gospel.

In this year's annual report, we offer a glimpse at how The Church Pension Fund Board and the CPG investment team think about our finances. We also provide updates on the benefits and other products and services we offer. It is an honor to serve The Episcopal Church in so many ways, and I look forward to continuing our work in the years ahead.

Faithfully,

Mary Kate Wold

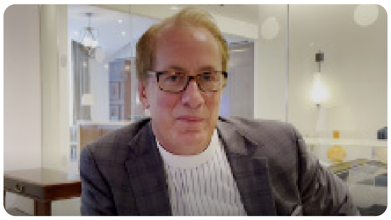
Mary Kate Wold

A Message from the Board

On Solid Ground

Margaret Niles, Chair of the Finance Committee, and Ellen Taggart, Chief Financial Officer of CPG, offer their perspectives on how vigilance, transparency, and efficiency keep The Church Pension Fund on strong footing.

Watch video at *youtu.be/7MgN-bpvh4I*



Reflections from the Board

What are your plans once your term on The Church Pension Fund Board of Trustees comes to an end? Retiring board members describe lives filled with ministry, volunteering—and gardening.

Watch video at *youtu.be/e-Zaiawjl3g*

Dear Friends:

This has been a year of focus and strong performance for CPG. We certainly have been tested, along with the rest of the world, by the COVID-19 pandemic and myriad social justice issues that surround us. Yet we are emerging with new insights, fresh resolve, and deep respect for the vital work of the Church Pension Group.

The CPF Board has been busy over the past year studying pension parity, monitoring the financial strength of CPG's pension and other programs, engaging in wonderful conversations with Church leadership, doing transformative work on diversity, equity, and inclusion as a board, and overseeing CPG's efforts to support the Church in the ways it is authorized to do. In a year that was hard on everyone, we are pleased to share that CPG exceeded expectations in investment performance, financial management, and client experience.

We are particularly proud of the organization's outreach over the past year, which included two webinars on CPG's financial performance, a wonderful sharing of prominent Black voices in the Church during Black History Month, several Insights & Ideas sessions on socially responsible investing, and listening events to understand issues of diversity, equity, and inclusion among clergy and Church lay employees of different races, ethnicities, genders, gender identities, and sexual orientations.

Thank you for allowing us to support the Church as members of the CPF Board. We all feel blessed to oversee CPG as it continues to do meaningful work for the Church that we all love so dearly.

Faithfully,

Thomas James Brown

The Rt. Rev. Thomas James Brown
Chair

Kathryn McCormick

Canon Kathryn McCormick
Vice Chair

The Rt. Rev. Brian N. Prior
Vice Chair

Mary Kate Wold

Mary Kate Wold
Chief Executive Officer and President
The Church Pension Fund

Stability Behind the Numbers

The Church Pension Fund (CPF) makes investments that are exposed to market risks and overall market volatility. As of March 31, 2022, the value of CPF's portfolio was $18.4 billion, compared to $17.3 billion the prior fiscal year. There has been significant turmoil in financial markets since March and CPF's investment portfolio value has been negatively impacted. Nevertheless, we believe our financial condition is still strong.

Over the past 10 years, CPF generated an annualized return of 9.9%, exceeding our investment goal of 6.8% and the market benchmark of 7.6%. The results also surpassed our investment goals over three and five years by an annualized 5% and 3.6%, respectively, and have exceeded market benchmarks.

CPF is able to deliver strong returns during volatile times due to our commitment to a long-term investment strategy, a well-funded and diversified portfolio of investments, and our practice of hiring expert investment managers. These managers know how to navigate choppy waters, take advantage of the opportunities presented by volatility, and remain mindful of CPF's objectives.

Notwithstanding this, due to the level of risk associated with certain investments, changes in investment values may continue to occur in the near term and such changes could materially affect the amounts reported in the combined *financial statements*.

We remain vigilant about recognizing and managing risks, and we are confident about maintaining the financial strength of CPF to meet our obligations for decades to come.

Maintaining Solid Footing

Senior leaders of CPG's investment team share how their background and expertise helps contribute to CPG's investment management strategy.

Chief Investment Officer Update

Roger Sayler, The Church Pension Fund's Chief Investment Officer, provides an update on performance and how we navigate market volatility.

Watch video at *youtu.be/dJH_oal6Y4E*

Steadfast Support

$417 Million

Benefits paid to clergy and lay employees this fiscal year[1,5]

1,272

Institutions that received pandemic pension waivers[2]

More Fast Facts on page 14

[1] April 1, 2021, to March 31, 2022
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Brian Jandrucko

Managing Director, Global Public Equity and Specialized Strategies

The public equity portfolio is really just stocks: In the US, that would include names such as IBM, Google, and Microsoft, and we also invest in non-US developed markets and in emerging markets.

The specialized portfolio is a little tougher to explain. I guess you could say we're the kitchen sink of The Church Pension Fund: If we find someone interesting doing something idiosyncratic, if it doesn't fit in June's portfolio, it generally comes into mine. A portion of the specialized portfolio is "absolute return," meaning we invest in things that aspire to produce a positive return in any type of market environment.

For example, we invest with a manager of a firm founded by a man from Norway who, as a young man, went into the special service and became the equivalent of a Navy SEAL. He used his military intelligence background to create an investment process that incorporates unusual market research to determine the worth of a potential investment target.

One technique the firm uses is linguistic examination of annual meeting transcripts, to see what questions a company refuses to answer. They also analyze body language of company executives to identify deception.

Sajith Ranasinghe

Managing Director, Real Estate

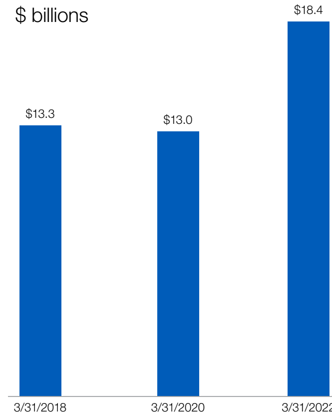
What does real estate mean to a large institutional investor? For us it's an interesting mix ranging from a German grocery store and UK industrial company to a Tokyo office and an Indian warehouse. While the bulk of what we own is multi-family rental apartment buildings in the US, it's very much a global portfolio. But we own several different flavors, from high-rent apartments to rent-regulated and low-income housing.

One recent investment was with a fund manager with a very strong ESG mindset. Instead of doing expensive gut rehabs that mean you have to push up the rent and maybe even displace tenants, this company's strategy is to be much more creative in their use of the capital they put into improving their real estate assets. So, for instance, they might install an attractive backsplash instead of granite countertops in a kitchen.

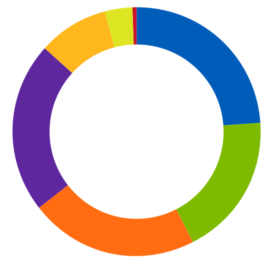
They also work with teachers and nurses to provide service amenities to their community, such as after school programming or healthcare consultation and neighborhood clinics for community members. In exchange for providing their expertise, the teachers and nurses might get subsidized rents.

CPF's Total Investments

$ billions



Asset Allocation

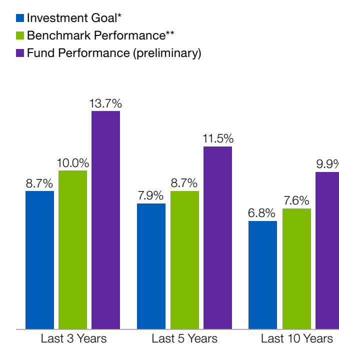


Capital privado	24.0%
Capital global	18.50%
Bonos globales	22.20%
Estrategias especializadas	22.20%
Bienes raíces	9.10%
Estrategias de specialidad privadas	3.50%
Efectivo	0.50%

As of 03/31/2022

Investment Performance

Annualized Total Returns for the period ending March 31, 2022



* *Investment Goal is CPI-U +4.5%.*
** *Benchmark is MSCI ACWI 67%/Barclays Agg 33%.*

Christopher Rowe

Managing Director, Investments

When I was in college, majoring in economics, I considered going into the ministry myself—but I was intimidated by the Hebrew and Greek. This was the time of the Free South Africa movement, and I became increasingly aware of the power of investment capital to make a difference in the world.

I've spent my career working in socially responsible investing (SRI). At CPG, I help oversee a four-part strategy that advances the values of the Church while at the same time generating strong returns for CPG:

Four-pronged approach to SRI

1. Investing for positive impact: proactively seeking out and investing with managers who deliver both strong returns and beneficial social outcomes
2. Shareholder engagement: using CPF's position as an institutional investor to influence the behavior of companies in our portfolio
3. Thought leadership: sharing CPF's experience and industry relationships to increase awareness of modern, effective strategies for using capital to achieve social impact
4. ESG incorporation: considering environmental, social, and governance (ESG) issues as part of investment analysis and review

Whether in socially responsible investing or any of the other areas, each one of the managers whom we select for a particular mandate has an edge, a competitive advantage, a way of doing business that we believe adds value to CPF's investment portfolio collectively.

June Yearwood

Managing Director, Private Specialty Strategies

Private specialty strategies, my area, is the smallest part of the portfolio. What it lacks in size and assets, it makes up in complexity. Private specialty strategies started out as our real assets portfolio—anything that you can touch or hold and that frequently provides a cashflow, like timber and gold.

When I took over about six years ago, this portfolio was largely oil and gas with some metals and mining—not very exciting, and very cyclical, so it was up and down. We began to move into "off the run" investments—things that zig when other things zag, everything from solar energy and California carbon allowances to music royalties.

Yes, music royalties! We have a manager who buys royalties, mainly from seasoned song writers and lyricists because they are the most predictable. We may not know where the next hit is coming from, but we know that Bob Marley, Whitney Houston, Stevie Nicks, and Prince, for example, are going to sell for a very long time at some capacity.

Business Updates

Listening to our clients is central to our work. So, from the beginning of the pandemic, we really tried to be purposeful, flexible, and innovative about staying connected with them and quickly addressing their needs.

We offered pension assessment waivers early on and extended premium payment grace periods. With our healthcare plans, we removed copays for telemedicine and we went beyond the legal mandate to provide no-cost COVID testing by also waiving cost sharing for COVID treatments. Our *Chaplains to the Retired* outreach program was especially active and helpful in identifying special needs.

We hosted more online workshops, launched our *Choose Well* podcast series, offered virtual conferences, and made key Church Publishing materials available without charge. Enhancements to our website now allow individuals the 24/7 flexibility of updating their personal and demographic information, obtaining pension estimates, and viewing their annual statements online in a centralized location.

And as congregations began thinking about returning to their buildings, we provided guidance on going back as safely as possible.

Most of all, we tried to give our clients peace of mind during extremely stressful times. And we all came away with a new understanding of the value of hybrid worship, gatherings, and resources.

Frank Armstrong
Executive Vice President and Chief Operating Officer

Frank Armstrong
Executive Vice President
and Chief Operating Officer

Our Lines of Business

1,787
Products and titles offered by Church Publishing Incorporated[2]

> 90%
Portion of every premium dollar used to pay healthcare claims in the Denominational Health Plan[4]

90%
Share of US Episcopal churches insured by The Church Insurance Companies[2]

More Fast Facts on page 14

[2] *As of March 31, 2022*
[4] *January 1, 2021, to December 31, 2021*

Benefits

Lifelong CPG Clergy Benefits*

"The Rev. C. Smith"

- Married clergyperson
- Ordained in 2022 at age 45
- Retires at age 65
- Passes away at age 88
- Median starting Total Assessable Compensation, with annual increases
- Spouse is three years younger and passes away at age 88
- 50% Joint and Survivor pension payment, with annual cost-of-living adjustments
- Monthly medical subsidy for the clergyperson and spouse

$303,333
Total assessments received for 20 years (age 45 through age 64)

$1,792,334
The gap between assessments and benefits covered by Church Pension Fund investment earnings

Pension	$1,291,884
Medical subsidy	720,783
Resettlement benefit	20,000
Christmas benefit	13,000
Life insurance benefit	50,000

$2,095,667
Total in benefits paid to clergyperson and spouse over retirement years (age 65 through age 87)

**For illustrative purposes only.*

This material is provided for informational purposes only and should not be viewed as investment, tax, or other advice. It does not constitute a contract or an offer for any products or services. In the event of a conflict between this material and the official plan documents or insurance policies, any official plan documents or insurance policies will govern. The Church Pension Fund ("CPF") and its affiliates (collectively, "CPG") retain the right to amend, terminate, or modify the terms of any benefit plan and/or insurance policy described in this material at any time, for any reason, and, unless otherwise required by applicable law, without notice.

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Pension Parity

We have taken a two-pronged approach to helping the Church look for ways to address pension parity issues. First, we have been examining our clergy and lay pension plan designs to see what, if any, adjustments might be made to mitigate differences. Second, we have conducted in-depth research to help the Church understand where disparity exists so that it can continue the work of pursuing greater parity where possible.

Our reports on General Convention *Resolution 2018-A237: Study Parity Between Lay and Clergy Pensions* and *Resolution 2018-D045: Study Equity in Clergy and Lay Pension Plans* address these issues in depth.

In addition, our annual *Clergy Compensation Report* and our clergy ordination and deployment trends findings are both informed by our research related to race, ethnicity, gender identity, and sexual orientation.

Denominational Health Plan Snapshot

The Episcopal Church's Denominational Health Plan (DHP) is a collective healthcare model that enables the Church to provide healthcare to clergy and lay employees. Episcopal employers offer health plans administered by The Episcopal Church Medical Trust (Medical Trust), an affiliate of The Church Pension Fund (CPF).

The DHP aggregates the purchasing power of dioceses, allowing the Medical Trust to offer

- affordable healthcare,
- comprehensive coverage, and
- robust cost containment.

We recognize that healthcare is expensive and presents financial burdens to those we serve. We will continue to be proactive in finding ways to control costs while providing comprehensive benefits options with broad access to providers.

1

Affordable Healthcare

- Medical Trust helps ensure that contributions are sufficient to fund health claims
- Closely watches industry trends to control costs
- Medical Trust plans avoid commissions, fees, other costs
- 94% of every premium dollar is used to pay healthcare claims
- Episcopal employers are relieved of many administrative burdens
- Overall Church savings = ~10%

2

Comprehensive Coverage

- Medical, behavioral health, pharmacy, vision, dental, hearing
- Tailored packages, portable plans, broad access to healthcare providers
- Range of pricing options (platinum, gold, silver plans)
- Variety of rate tiers (single, family, etc.)

3

Robust Cost Containment

- Average age in DHP is 53* vs. 42 national average
- Despite demographics, costs are lower than expected
- Medical Trust average rate increases: single-digit range
- Below-market increases amid benefit enhancements
- Continued reduction in healthcare cost disparity between highest- and lowest-priced dioceses

**As of May 31, 2021*

The Bottom Line

The DHP offers Episcopal employers a cost-effective solution by passing on savings while maintaining meaningful plan choice, enabling them to manage every benefit dollar.

Read the Denominational Health Plan 2021 Annual Report.

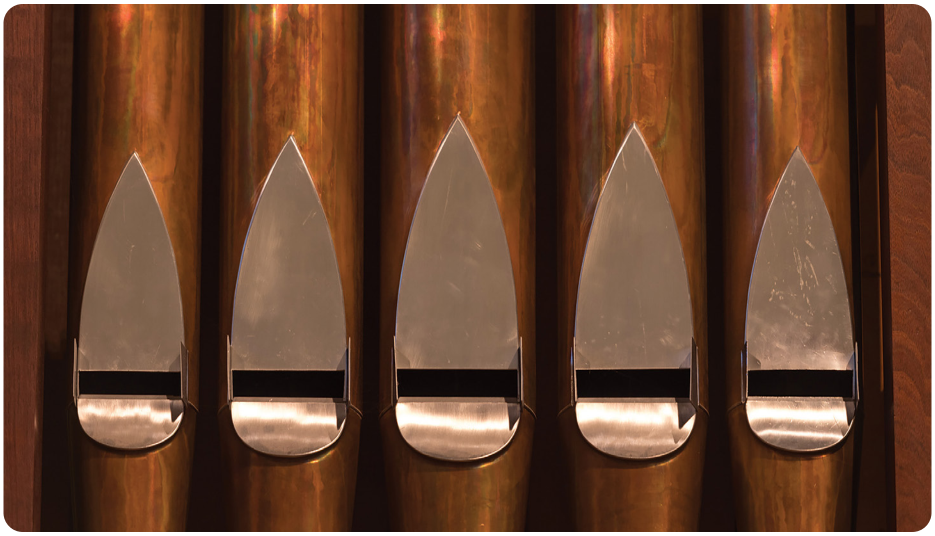
Enhanced Retiree Healthcare Benefits

For retirees, we introduced a new health plan on January 1, 2022: UnitedHealthcare® Group Medicare Advantage. It offers improved value, lower cost, and easier benefits management than the former Medicare Supplement Health Plan.

In addition to delivering all the benefits of Medicare, the plan provides coverage for hearing aids, travel insurance, fitness programs, and other benefits that are important to overall health. *Learn more.*

Changes at Church Life

We are continually exploring new avenues to improve how our clients interact with our products and services. On April 1, 2022, Forrest T. Jones & Company (FTJ) became administrator of Church Life's individual life insurance policies and annuity contracts. FTJ has many years of experience providing administrative services for insurance programs like ours. The size and scale of FTJ lends itself to more effective and efficient administration of these Church Life products.



Church Insurance Companies – Dependable Over the Long Run

Christopher R. Rourke, Senior Vice President and General Manager of The Church Insurance Companies, talks about the state of the insurance business, upcoming changes, and CPG's evergreen commitment to meeting client needs:

Adapting to Climate Change

As an industry, we're very good at looking backward with data to predict the future. But climate change is so dynamic that it makes it more challenging. As we've seen in recent years, weather events have been more significant, such as winter freezes in the South, wildfires in the West, and increasing numbers of tornados across the US.

Our reinsurance program, which is insurance for the insurance company, enables us to carry on through large weather events or large individual losses. It allows us to be financially sustainable over the long term and to be as consistent as we can for our clients. Previously, we had less protection for insured losses above $50 million, so we significantly increased that layer of coverage in 2021. We're also spending a lot of time with our clients on an individual basis to help them prepare for the possibility of future weather events.

Keeping Churches Up and Running

Whether it's providing a comprehensive product to protect our clients' assets or risk management advice to help eliminate or reduce a loss before it happens, I think seeing the difference we make every day with our clients is the best thing about the work we do. After Hurricane Ida, we had losses throughout the South and up the East Coast. We responded quickly to client claims and got those churches back up and running. Being a part of that work is rewarding.

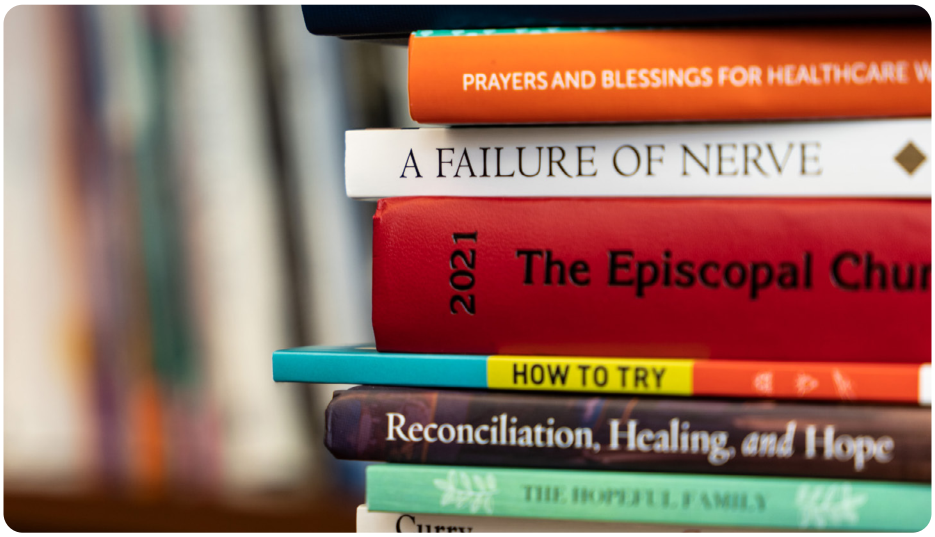
A Modest Rate Increase

We want to be as consistent as we can in what we provide to our clients. Nobody likes the ups and downs or large swings in prices. In light of significant weather-related losses these past few years, we've had a modest property and casualty insurance rate increase for 2022 of approximately 5% to 6% to keep up with claims costs, inflation (which is about 7%), and reinsurance expenses.

Active Listening

We are very well positioned to continue to meet the evolving needs of the Church. What's really important is for us to continue to listen and stay actively engaged so that we can fully understand what the Church is struggling with and the changes it's going through. That way, we can help anticipate future needs and provide custom solutions. Our aim is to be dependable and provide the highest level of client service over the long run.

To learn more, view *5 Questions: The Church Insurance Companies.*



Church Publishing Incorporated – Truly Inclusive

Airié Stuart, Senior Vice President and Publisher of Church Publishing Incorporated (CPI), discusses CPG's commitment to accessibility, inclusivity, and financial health:

Praise Progress

Over the past year, CPI embarked on three strategic initiatives: engaging third parties to manage the global distribution and sales of our books, creating a seamless experience for customers who purchase our digital products, and simplifying our lectionary insert business while building profit.

At the same time, we moved away from direct-to-consumer sales, which involved competing with booksellers and maintaining many processes that distract from the core focus of our publishing business: creating content.

Increasing Access

Now that we have a different infrastructure, we're working on increasing access to our products and services by creating and distributing special editions for specific markets. We can think about how to maximize new translations of The Book of Common Prayer, or develop a special low-cost edition, and make those available around the world.

Meeting the Needs of Today's World

We are listening to our clients and hearing the need and desire to have more material available online. This is where a subscription-based product like RitePlanning comes in, which is our worship planning resource and comprehensive online library of liturgical and music resources.

Another big movement across all of our product lines is ensuring that they are truly inclusive. This isn't just about having diverse voices on our list but also about making sure that the content itself is truly diverse—such as availability in languages other than English or increasing gender-inclusivity—even in music resources.

Communicating Who We Are

Previously, we were mostly focused on individual books, rather than clusters of content that communicated a consistent message about our mission. We want people to understand what our brand is and how CPI supports the Church and its principles of being an inclusive Christian denomination.

To learn more, view *5 Questions: Church Publishing Incorporated.*

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Financial Strength

$18.4 Billion
The Church Pension Fund's investment portfolio assets[2]

Steadfast Support

$417 Million
Benefits paid to clergy and lay employees this fiscal year[1,5]

1,272
Institutions that received pandemic pension waivers[2]

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> 90%
Portion of every premium dollar used to pay healthcare claims in the Denominational Health Plan[4]

90%
Share of US Episcopal churches insured by The Church Insurance Companies[2]

Our Embrace

136,469
Client service interactions[4]

14,018
Clergy, lay employees, and Church leaders who participated in CPG conferences, webinars, financial discussions, and meetings[4]

4,192
Visits to retirees by Chaplains to the Retired[4]

Clergy

299
Ordinations[1]

50
Average age at ordination[2]

66
Average age at retirement[2]

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[2] As of March 31, 2022

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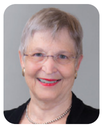
The Church Pension Fund Board of Trustees

The Rt. Rev. Thomas James Brown [1, 2, 5, 7, 8]
Chair, The Church Pension Fund Board of Trustees
Bishop, Episcopal Diocese of Maine
Portland, Maine

Canon Kathryn McCormick [1, 4, 5]
Vice Chair, The Church Pension Fund Board of Trustees
Canon for Administration & Finance,
Episcopal Diocese of Mississippi (retired)
Jackson, Mississippi

The Rt. Rev. Brian N. Prior [1, 4, 5]
Vice Chair, The Church Pension Fund Board of Trustees
Assisting Bishop, Episcopal Diocese of Alabama
Assisting Bishop, Episcopal Diocese of Olympia
Spokane Valley, Washington



Martha Bedell Alexander, EdD [1, 4, 5]
Former Legislator, North Carolina
House of Representatives
Charlotte, North Carolina

Canon Rosalie Simmonds Ballentine, Esq., DHL [3, 5, 7, 8]
Attorney, Law Office of Rosalie Simmonds Ballentine, PC
St. Thomas, US Virgin Islands

The Rt. Rev. Diane M. Jardine Bruce, DMin, DD [3, 5]
Bishop Provisional, Episcopal Diocese of West Missouri
Kansas City, Missouri

The Very Rev. Samuel G. Candler [2, 3]
Dean, The Cathedral of Saint Philip
Episcopal Diocese of Atlanta
Atlanta, Georgia

The Rt. Rev. Clifton Daniel III [3, 6]
Dean, The Cathedral Church
of Saint John the Divine
Episcopal Diocese of New York
New York, New York

Delbert C. Glover, PhD [1, 3, 6]
Vice President, DuPont (retired)
Washington

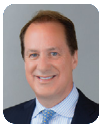
The Rt. Rev. Julio Holguín [4, 6]
Bishop, Episcopal Diocese
of the Dominican Republic (retired)
Santo Domingo, Dominican Republic

Ryan K. Kusumoto [5, 6]
President and CEO,
Parents And Children Together
Honolulu, Hawaii

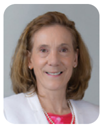
The Very Rev. Tracey Lind [1, 4, 6]
Dean, Trinity Cathedral (retired)
Episcopal Diocese of Ohio
Cleveland Heights, Ohio

Kevin B. Lindahl, Esq. [2, 4]
Executive Director, Fire and Police
Pension Association of Colorado
Denver, Colorado

Sandra Ferguson McPhee, Esq. [3, 4]
Attorney, Law Offices of Sandra Ferguson McPhee
Evanston, Illinois

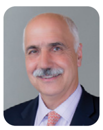


The Rev. Dr. Timothy J. Mitchell [2,3,7]
Rector, Church of the Advent
Episcopal Diocese of Kentucky
Louisville, Kentucky



Margaret A. Niles, Esq.[1,2,6]
Partner, K&L Gates LLP
Seattle, Washington

Yvonne O'Neal [3,4]
Social Justice Advocate
Financial Consultant (retired)
New York, New York



Solomon S. Owayda [1,2,6]
Founding Partner, Mozaic Capital Advisors
Boston, Massachusetts

The Rt. Rev. Gregory H. Rickel [4,6]
Bishop, Episcopal Diocese of Olympia
Seattle, Washington

The Rev. Austin K. Rios [2,4]
Rector, Saint Paul's Within the Walls Episcopal Church
Convocation of Episcopal Churches in Europe
Rome, Italy

Sandra S. Swan, DHL [2,6]
President Emerita, Episcopal Relief and Development
Chocowinity, North Carolina

Canon Anne M. Vickers [2,3]
Canon for Finance and Administration,
Episcopal Diocese of Southwest Florida (retired)
Tampa, Florida

The Hon. Linda E. Watt [3,6]
US Ambassador (retired)
Former Chief Operating Officer, Domestic and Foreign Missionary Society
Weaverville, North Carolina

The Very Rev. Sandye A. Wilson [2,3]
Dean, The Cathedral Church of All Saints
Episcopal Diocese of the Virgin Islands
St. Thomas, US Virgin Islands

Mary Katherine Wold, Esq. [1,2,4,6,7]
CEO and President, The Church Pension Fund
New York, New York

[1] *Member of Executive Committee*
[2] *Member of Investment Committee*
[3] *Member of Audit Committee*
[4] *Member of Benefits Policy Committee*
[5] *Member of Compensation, Diversity, and Workplace Values Committee*
[6] *Member of Finance Committee*
[7] *Member of Board of Directors of Church Life Insurance Corporation*
[8] *Member of Board of Directors and Audit and Principal Officer Oversight Committee of Church Life Insurance Corporation*

With Gratitude

We bid farewell to several retiring board members:

Martha Bedell Alexander, EdD
The Rt. Rev. Thomas James Brown
The Very Rev. Tracey Lind
The Rev. Dr. Timothy J. Mitchell
Margaret A. Niles, Esq.
Sandra S. Swan, DHL

Our current board chair, Bishop Brown, has led the board with distinction over the past four years. We will greatly miss him and his fellow departing trustees.

At the same time, we look forward to Canon Kathryn McCormick's leadership when she begins her service as board chair after General Convention.

It also is our hope that fellow board members who are running for re-election will be able to continue their service on the board. We are excited about the future.

Mary Kate Wold
CEO and President

Church Pension Group Officers & Principal Advisors

CPG's executive leadership team works with the CPF Board in determining the strategic direction of the organization, which drives the efforts of all officers and their units.

Church Pension Group Officers[1]

Chief Executive Officer and President
Mary Katherine Wold

Executive Vice Presidents
Francis P. Armstrong
The Rev. Clayton D. Crawley
Theodore J. Elias, Jr.
Patricia S. Favreau
The Rev. Canon Anne Mallonee
Nancy L. Sanborn
Roger A. Sayler
Ellen M. Taggart

Senior Vice Presidents
The Rev. Patrick S. Cheng
Jeffrey Cianci
Jocelyn Donat
Kathleen Floyd
Steven J. Follos
TraceyAnn L. Harvey
Martin Hossfeld
Laurie Kazilionis
Margarita Monegro
Elliot Orol
Matthew J. Price
William Psinakis
C. Curtis Ritter
Ann Robinson
Christopher Rourke
John Servais
Airié Stuart
Karen Vitale
Renee D. Ward

Managing Directors
John Angelica
Sharon Chiu
Helen Fox-O'Brien
Brian Jandrucko
Rhonda Kershner
Vikram Kuriyan
Eric Mason
Stephen T. Poulos
Sajith Ranasinghe
Christopher Rowe
Robert Smulowitz
Alan Snoddy
Mark Valery
June Yearwood

[1] *Includes officers of The Church Pension Fund and officers of affiliated companies, which include The Church Insurance Agency Corporation, The Church Insurance Company of Vermont, Church Life Insurance Corporation, Church Pension Group Services Corporation, The Episcopal Church Medical Trust, and Church Publishing Incorporated, between April 1, 2021, and March 31, 2022.*

Vice Presidents
Carolyn Bendana
Nancy Bryan
Deborah Burnette
Renee Cajigal-Delgado
Sean Chatterton
Samuel Carucci
Patricia Christensen
Kenneth Cody
Gerald Delk
Edward A. Feliciano
Robert Flannery
Camille Fredrickson
John Gallo
Max Giacomazzi
Angela L. Harris
The Rev. Garth Howe
Kenneth Jacobson
Stacie Joh
Alan Johnson
Linda A. Knowlton
Lisa LaRocca
Lianne Limoli
William M. Lodico
Jeffrey Lyngaas
Kirk Mason
Debbie Massi
Danette Patterson
Louanne Piccerill
Pat Rasile
Shawn Rawa
Jack Rutledge
John Scheffler
Andrew Scherer
Beena Shaffie
Lorraine Simonello
Paul W. Stephens
Andrea W. Still
Timothy Vanover
Joyce Flournoy Wade
Lisa Yoon

Assistant Vice Presidents
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Aloyse Brown
Anthony Cota
Rachel Christmas Derrick
Darryl Gaskins
Michael Guardiola
Laurie Harwell
Jill Hoffman
Reid Howard
Jeanne-Marie Istivan-Scanlon
Adam Knapp
William Lamb
Michelle Langone
Rose Lawson
Anita Manbodh
Jeannette Marsh
Marie McGurk
Alicia McKinney
Romit Mukherjee
Parul Parmar
The Rev. Laura Queen
Tobias Ruffin
Stephen Tihor
Tressa Violetto
Isabella White
Karen Yuen

Alan F. Blanchard, President Emeritus

David R. Pitts, Chair Emeritus

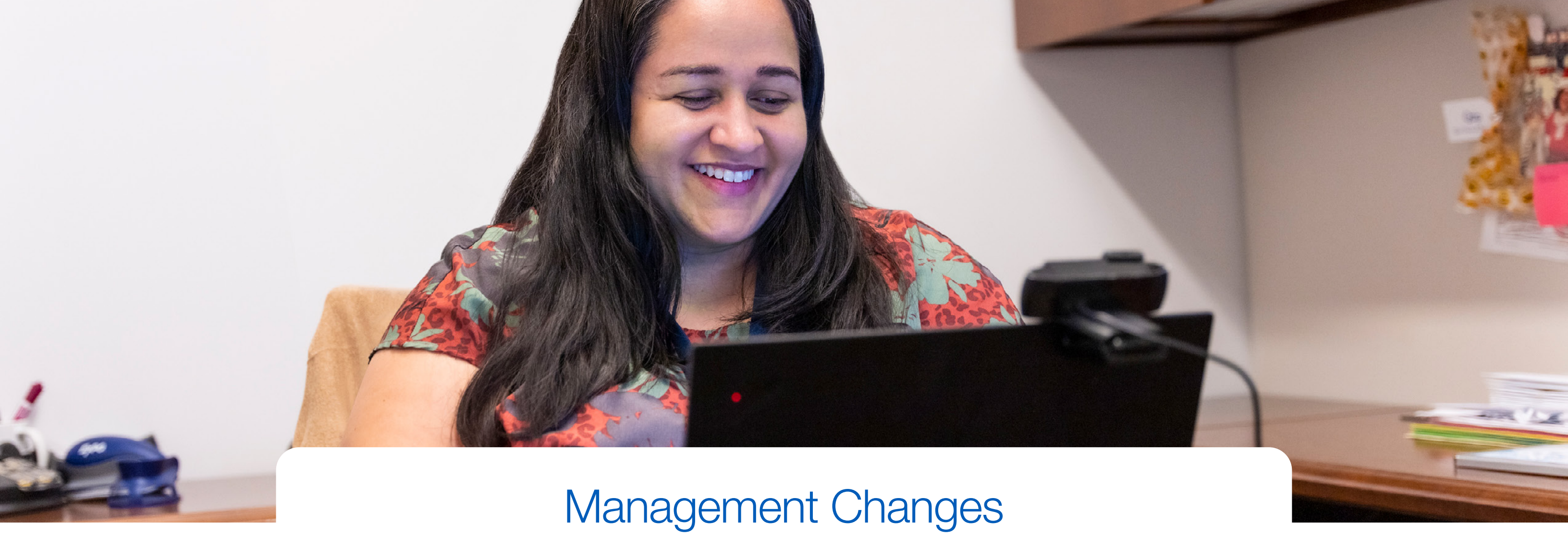
Principal Outside Advisors

Custodian
The Northern Trust Company

Independent Auditors
Ernst & Young LLP
Johnson Lambert LLP

Pension Actuary
Buck Global, LLC

Health Plan Actuary
Aon



Management Changes

Margarita Monegro

Promoted to Senior Vice President, Finance, Margarita Monegro joined CPG's Corporate Finance team as Vice President in 2017. She was previously a Senior Manager at Ernst & Young, one of the world's "Big Four" professional services networks, focusing on property and casualty insurance company audits of both private and public companies. Margarita got her MBA from Pace University's Lubin School of Business, where she was a proud member of the Association of Latino Professionals in Finance and Accounting (ALPFA) and an active board member of Beta Alpha Psi. She is a Certified Public Accountant.

Denominational Health Plan 2021 Annual Report

Download English PDF

Descarga PDF en Español

Since its inception, the *Denominational Health Plan (DHP)* has offered valuable healthcare coverage to members, while the *Episcopal Church Medical Trust (Medical Trust)* delivered on its responsibilities to manage overall healthcare costs, work with The Episcopal Church to achieve parity in cost sharing between clergy and lay employees, and reduce healthcare premium disparity among dioceses. While the DHP continues to meet its objectives, the Medical Trust recognizes that healthcare can create financial burdens and remains focused on addressing costs.

The Medical Trust continues to provide broad access to high-quality benefits and consistent service, balancing compassionate benefits with financial stewardship for the Church.

Background

The General Convention of The Episcopal Church passed Resolution A177 in 2009, followed by Resolution B026 in 2012, requesting that the Medical Trust administer a national healthcare plan and provide an annual status. These resolutions

- established the DHP for all domestic dioceses, parishes, missions, and other ecclesiastical organizations or bodies subject to the authority of this church, covering clergy and lay employees who are scheduled to work a minimum of 1,500 hours annually;
- shall provide parity in cost sharing between clergy and lay employees; and
- requested that the Medical Trust continue to reduce the disparity of health care premiums among dioceses.

In addition, Resolution 2018-C023 requests that the Medical Trust strive to make available at least two national health insurance carriers in each diocese.

Value of the DHP

The DHP provides features that are not typically offered in most US corporate plans or state-based healthcare exchanges:

- **Meaningful choice –** The DHP allows dioceses greater flexibility in choosing and silver plans; and a choice between two pharmacy plan designs.
- **Comprehensive benefits –** In addition to comprehensive medical and pharmacy benefits, the DHP includes an Employee Assistance Plan (EAP) along with vision, hearing aid, travel medical assistance, health advocacy, and optional dental plans.
- **Broad, comprehensive networks –** The DHP continues to offer plans with broad, comprehensive national networks (Anthem and Cigna), plus a regional plan (Kaiser). Other US employers, and certainly state-based exchanges, offer smaller provider networks with much tighter contracts and greater utilization management. Although

these plans are lower in premium cost, there is a meaningful tradeoff in participant choice, access, and benefits.

COVID-19 Response and Outlook

The effects of COVID-19 continued to have a major impact on US healthcare and the DHP. In 2021, the Medical Trust paid $6.7 million in COVID-19 claims.[1]

For 2022, the Medical Trust expects to continue to have significant costs, although slightly lower, for COVID-19 claims, as well as costs for ongoing COVID-19 testing and vaccinations (including boosters for variants and reduced immunity over time) and acute and chronic "long COVID" treatment. In addition, services that were postponed due to lockdowns in 2020 were deferred to 2021and may rebound in higher claims in 2022. Members who neglected care also may have unmanaged chronic conditions that worsened during that time, resulting in higher costs for care.

The Medical Trust will continue to waive the following member out-of-pocket costs through at least December 31, 2022:

- copayments, deductibles, and in-network coinsurance for the treatment of COVID-19; and
- copayments, deductibles, and coinsurance for covered services received via carrier telehealth platforms.

In addition, the Medical Trust removed plan exclusions to allow virtual visits with members' personal healthcare providers to be covered at the usual in-person office visit cost share.

Controlling Health Care Costs

The Medical Trust recognizes that healthcare can create financial burdens and remains committed to providing the lowest possible premiums while maintaining competitive coverage for its members.

Premium increases continue to be on the lower end of annual national trends. In 2021, the Medical Trust delivered an annual increase of 5.4% compared to an estimated national trend of 4% to 10%.[2] This is especially noteworthy because DHP claim costs were 21% higher than the average US employer. These higher claim costs are driven by two main factors:

- *Older population* – The average age of employees covered by the DHP is 53[3] compared to 42 across the broader U.S. population. Older members are more likely to utilize healthcare services, including treatment for chronic conditions, leading to higher claims costs.
- *Richer plans* – As US employers generally shift to coverage with higher member out-of-pocket costs, 80% of DHP members are enrolled in our richest plans, which feature the lowest member out-of-pocket cost share.

Despite higher claims costs, the Medical Trust's efforts to manage overall costs and mitigate annual increases has kept DHP premium increases on the lower end of national trends.

Since the DHP's inception, annual average cost increases have ranged from 4% to 6%, versus 7% to 9% for other large employers during the same period. This resulted in accumulated savings of 45% ($80 million to $90 million) over the past 10 years.

Lower administrative costs. In 2021,94% of premiums collected went toward paying claims, and the remaining premium went toward fixed administrative costs to health plans (access to national networks, claims processing, member service, etc.) and internal operations (plan sponsor and administrative responsibilities, billing and collections, call center, etc.). The DHP allows the Church to provide healthcare to clergy and lay employees similarly to US Corporate employers by removing added costs (state premium taxes, commission fees, and risk/profit margin) for the Church.

[1] Does not include COVID-19 claims paid by government or public health entities.
[2] Custom comparison includes companies from Charities and Non-Profit, Higher Education sectors.
[3] As of May 31, 2021.

Lower premiums compared to state-based individual exchanges. In 2021, overall Medical Trust premiums were about 14% lower than average premiums for similar plans (i.e., broad network access and out-of-network benefit option) available on the exchanges for a similar demographic and geographic profile. It is important to note that most plans offered on the exchanges have narrow networks and in-network only options, which reduces costs by restricting access to a select number of physicians and hospitals. Compared with these more restrictive plans, 2021 Medical Trust premiums were still 2% lower on average for more robust coverage.

Economies of scale help contain costs. The DHP aggregates the purchasing power of Episcopal employers, which lowers overall healthcare rates for participating groups. In 2021, the DHP improved on its ability to bargain for the Church by maintaining 13,000 active clergy and lay employees in its healthcare plans.

Consultations with CPG professionals guide benefits administration. Since 2014, all domestic dioceses participate in the DHP and receive support from the Medical Trust for annual benefits planning and strategies to achieve parity in funding healthcare benefits for clergy and lay employees.

Multiple cost-saving initiatives. Over the course of the DHP, The Medical Trust implemented various measures to maintain low annual increases without raising out-of-pocket costs and/or watering down access or care for members, including:

- continued participation in prescription drug purchasing coalition with other denominations;
- implementation of the SaveonSP manufacturer copay assistance program;
- implementation and promotion of the Medicare Secondary Payer Small Employer Exception Plans;
- requiring appropriate utilization management to ensure optimal outcomes and use of evidence-based treatments; and
- partnering with another denomination on a Request for Proposal for an Employee Assistance Plan (EAP) vendor, which resulted in lower costs and enhanced service.

Reducing Cost Disparity

Resolution 2012-B026 reaffirmed the Denominational Health Plan and encouraged the Medical Trust to explore alternative strategies to arrive at a more equitable sharing of health care premium costs across the Church.

The DHP works to minimize cost disparities among dioceses. For example, without the DHP, geographic and demographic factors alone would result in a much wider cost disparity between dioceses, with many dioceses likely experiencing increases as high as 40% or above current average rates.

Analysis by an external consultant confirmed that the Medical Trust, given the age, gender, family size, geography, and plan value, is 3% more efficient compared to the marketplace, resulting in almost $6 million in annual savings to the Church.[4] While Resolution B026 limits our ability to be as competitive in all dioceses and the Medical Trust may not be the least expensive plan for every diocese, the resolution achieves its intent by enabling the delivery of quality healthcare to those dioceses that have fewer options.

For 2021, disparity in healthcare costs between the highest-priced and lowest-priced dioceses remained relatively flat:

- For the same plans, a steady 74% of dioceses fall between approximately 10% above or below the average Medical Trust rates (no change over 2020 or 2021). The Medical Trust strives to keep most dioceses within this range.
- Rates paid by 26% of dioceses fall 10% or more below the average Medical Trust rate for the same plans (up by 1%). This is mostly driven by the need to remain competitive with local market premiums in those dioceses as well as member demographics, geographic cost of healthcare, and claims history.

[4] *Custom comparison includes companies from Charities and Non-Profit, Higher Education sectors.*

Fund for Medical Assistance for Non-Domestic Dioceses

In 2021, The Church Pension Fund granted a total of $49,000 from the Fund for Medical Assistance to pay for healthcare expenses not covered by public or private insurance for eligible participants in non-domestic dioceses. These grants provide greater financial security to protect the health of those who receive them.

The Way Forward

In addition to its ongoing efforts to contain costs, the Medical Trust is exploring opportunities over the next two years that could improve member benefits and/or further manage costs:

Healthcare Navigator

Poor healthcare decisions can lead to higher costs and be detrimental to the health and well-being of members. A navigator serves as a single point of contact for members and makes it easier for them to overcome barriers, engage more effectively with providers, and experience better health outcomes.

Medical Channel Management

Medical Channel Management helps contain expensive specialty pharmaceutical costs by covering clinically appropriate specialty drugs from the pharmacy benefit only (versus medical). Nearly half of all specialty drugs are billed through the medical benefit where controls are typically lacking or are not as complete and precise as the pharmacy benefit. Mandating that specialty drugs be covered under the pharmacy benefit helps minimize inefficient spending practices, maximize site of care, and provide rebates not otherwise available.

Pharmacy Benefit Market Check

As part of the purchasing coalition of the *Church Benefits Association*, an organization dedicated to best practices at denominational boards and benefit plans, the Medical Trust performs market checks of comparable pharmacy benefit management services against the pricing terms of its current contract with Express Scripts, Inc. This allows the Medical Trust and its coalition partners to analyze the value of our current arrangement and negotiate better pricing terms when appropriate.

High Performance Networks

High performance networks deliver high-quality, efficient care that typically results in lower costs. The Medical Trust's national carriers offer high performance networks that could replace the existing broad network of providers in particular markets to steer members to a narrower network of quality providers.

Plan Improvements for Musculoskeletal Health

One of the top Medical Trust claim costs is treatment of musculoskeletal conditions. The Medical Trust is exploring the following approaches to help reduce costs and increase quality care:

- **Hinge Health –** convenient digital solutions for musculoskeletal pain or injuries. Members have access to a personal care team, including physical therapists and health coaches, virtual physical therapy sessions, and wearable technology that gives live feedback and tailors exercise recommendations to the member's individualized care plan.
- **Mandatory Second Opinion –** requires medical expert review for proposed back, knee, or hip surgeries as part of the health plan's prior authorization process. Requiring a second opinion for major medical treatments and costly surgeries can help ensure better patient outcomes and control costs.

Prescription Drug Design Changes

The Medical Trust is analyzing its prescription drug plan designs to address the impact of cost share erosion due to fixed copays. Elements of the prescription drug plan design under consideration include coinsurance-based plans, increased copays for copay-based plans, and adding a cost sharing tier for specialty drugs.

Identifying Social Determinants of Health

The US Department of Health and Human Services[5] defines social determinants of health (SDOH) as "conditions in the environments where people are born, live, work, play, worship and age that can affect a wide range of health, functioning and quality-of-life outcomes and risks." Employees negatively impacted by SDOH are more likely to suffer complications from chronic conditions, such as diabetes and cardiovascular disease, because they have less access to ongoing care management. These employees are more likely to end up in the emergency department with severe symptoms that often lead to expensive hospitalizations. The Medical Trust is committed to examining the SDOH that influence our population's health to identify ways we can help employees achieve positive outcomes.

In Summary

The outlook for the DHP remains positive. The DHP continues to provide valuable benefits with a broad array of nationwide networks at a cost that is difficult to match elsewhere for the level of benefits our members receive.

We continue to monitor the environment and trends, including COVID-19, inflation and supply chain issues, and their potential impact on healthcare costs. Our focus remains on cost-effective, comprehensive health benefits and compliance with applicable laws and best business practices, while improving member engagement and health outcomes.

The Denominational Health Plan in a Snapshot

1

Affordable Healthcare

- Medical Trust helps ensure that contributions are sufficient to fund health claims
- Closely watches industry trends to control costs
- Medical Trust plans avoid commissions, fees, other costs
- 94% of every premium dollar is used to pay healthcare claims
- Episcopal employers are relieved of many administrative burdens
- Overall Church savings = ~10%

2

Comprehensive Coverage

- Medical, behavioral health, pharmacy, vision, dental, hearing
- Tailored packages, portable plans, broad access to healthcare providers
- Range of pricing options (platinum, gold, silver plans)
- Variety of rate tiers (single, family, etc.)

3

Robust Cost Containment

- Average age in DHP is 53* vs. 42 national average
- Despite demographics, costs are lower than expected
- Medical Trust average rate increases: single-digit range
- Below-market increases amid benefit enhancements
- Continued reduction in healthcare cost disparity between highest- and lowest-priced dioceses

As of May 31, 2021

[5] *health.gov/healthypeople/priority-areas/social-determinants-health*

The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates

Combined Financial Statements
Years Ended March 31, 2022 and 2021
Report of Independent Auditors

Ernst & Young LLP

Building a better working world

THE CHURCH PENSION FUND, THE CHURCH PENSION FUND CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT PLAN OF THE CHURCH PENSION FUND AND AFFILIATES

TABLE OF CONTENTS

Ernst & Young LLP
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New York, NY 10001-8604

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Report of Independent Auditors

Board of Trustees of The Church Pension Fund

Opinion

We have audited the financial statements of The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates, which comprise the combined statements of net assets available for benefits as of March 31, 2022 and 2021, and the related combined statements of changes in net assets available for benefits for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates at March 31, 2022 and 2021, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Church Pension Fund, The Church Pension Fund Clergy Pension Plan, The Episcopal Church Lay Employees' Retirement Plan and The Staff Retirement Plan of The Church Pension Fund and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Building a better
working world

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

June 30, 2022

THE CHURCH PENSION FUND, THE CHURCH PENSION FUND CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT PLAN OF THE CHURCH PENSION FUND AND AFFILIATES

COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS MARCH 31, 2022 AND 2021

	2022	2021
ASSETS		
Investments, at fair value	$ 18,009,509,832	$ 16,923,334,020
Receivables and other assets:		
Receivable from brokers	101,080,704	70,846,982
Assessments receivable, less allowance for doubtful accounts (2022 – $537,000; 2021 – $753,000)	2,605,999	2,298,912
Accrued investment income and other assets	61,369,665	62,259,550
Cash and cash equivalents	729,363,573	714,909,707
TOTAL ASSETS	18,903,929,773	17,773,649,171
LIABILITIES		
International Clergy Pension Plan	205,445,911	201,443,700
Payable to brokers	106,812,448	123,765,153
Accrued expenses and other liabilities	222,723,756	152,132,678
Total liabilities	534,982,115	477,341,531
TOTAL NET ASSETS	$ 18,368,947,658	$ 17,296,307,640
COMPONENTS OF NET ASSETS		
Net assets with donor restrictions:		
Legacy and gift fund	$ 49,647,417	$ 44,279,651
Total net assets with donor restrictions	49,647,417	44,279,651
Net assets without donor restrictions:		
Legacy and gift fund	34,734,020	31,216,289
Total net assets without donor restrictions	34,734,020	31,216,289
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	968,208,654	877,209,124
Clergy Life Insurance Plan	312,802,668	343,918,170
Benefit Equalization Plan	75,660,412	59,800,405
Clergy Child Benefit Plan	12,065,162	11,483,560
Clergy Short-Term Disability Plan	4,599,549	4,874,528
Clergy Long-Term Disability Plan	102,761,462	102,242,417
Investment in affiliated companies	170,403,469	158,382,685
Available for benefits:		
Designated for assessment deficiency	1,190,444,653	1,207,708,856
Net assets available for benefits:		
The Clergy Plan	14,822,517,319	13,901,084,164
The Episcopal Church Lay Employees' Retirement Plan	265,794,998	236,116,417
Staff Retirement Plan of the Church Pension Fund and Affiliates	359,307,875	317,991,374
Total net assets available for benefits	15,447,620,192	14,455,191,955
Total internally designated	18,284,566,221	17,220,811,700
TOTAL NET ASSETS	$ 18,368,947,658	$ 17,296,307,640

See accompanying notes to the combined financial statements.

THE CHURCH PENSION FUND, THE CHURCH PENSION FUND CLERGY PENSION PLAN, THE EPISCOPAL CHURCH LAY EMPLOYEES' RETIREMENT PLAN AND THE STAFF RETIREMENT PLAN OF THE CHURCH PENSION FUND AND AFFILIATES

COMBINED STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED MARCH 31, 2022 AND 2021

	2022	2021
ADDITIONS (REDUCTIONS) TO NET ASSETS		
Assessments	$ 98,848,223	$ 99,348,246
Interest	89,693,079	87,265,485
Dividends and other income	33,420,853	16,068,930
Net appreciation (depreciation) in fair value of investments	1,393,529,932	4,641,040,392
Total additions (reductions) to net assets	1,615,492,087	4,843,723,053
DEDUCTIONS FROM NET ASSETS		
Benefits and expenses:		
Pensions and other benefits	368,119,216	360,216,926
Medical supplement	39,224,567	41,050,718
Life insurance	18,419,444	18,491,651
Total benefits	425,763,227	419,759,295
Investment management and custodial fees	40,529,321	34,290,804
General and administrative	99,079,788	97,599,465
Total benefits and expenses	565,372,336	551,649,564
Other (additions) deductions:		
International Clergy Pension Plan	(302,134)	(4,139,789)
Other liabilities (assets)	(22,218,134)	(23,315,782)
Increase in total net assets	1,072,640,019	4,319,529,060
(INCREASE) DECREASE IN NET ASSETS		
Net assets with donor restrictions	(5,367,766)	(11,364,565)
Net assets without donor restrictions	(3,517,731)	(5,688,346)
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	(90,999,530)	402,557,230
Clergy Life Insurance Plan	31,115,502	13,302,991
Benefit Equalization Plan	(15,860,007)	7,899,185
Clergy Child Benefit Plan	(581,602)	762,464
Clergy Short-Term Disability Plan	274,979	162,924
Clergy Long-Term Disability Plan	(519,045)	3,060,639
Investment in affiliated companies	(12,020,785)	(16,009,308)
Assessment deficiency	17,264,203	516,693,556
Increase in net assets available for benefits	992,428,237	5,230,905,830
Net assets available for benefits at beginning of year	14,455,191,955	9,224,286,125
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 15,447,620,192	$ 14,455,191,955

See accompanying notes to the combined financial statements.

1. ORGANIZATION

The Church Pension Fund ("CPF") is a not-for-profit corporation chartered in 1914 by the Legislature of the State of New York. CPF is authorized by the Canons of The Episcopal Church to establish and administer the clergy pension system of The Episcopal Church, including pension, life and health benefits, as well as the lay employee pension system and the denominational health plan of The Episcopal Church. Since its founding, CPF has elected to be examined by the New York State Department of Financial Services.

CPF began its operations on March 1, 1917. Subsequently, affiliates of CPF were formed as its activities expanded. Major affiliates and their years of formation include: Church Publishing Incorporated, 1918; Church Life Insurance Corporation, 1922; The Church Insurance Company, 1929; The Church Insurance Agency Corporation, 1930; The Episcopal Church Clergy and Employees' Benefit Trust, 1978; The Church Insurance Company of Vermont, 1999; Church Pension Group Services Corporation, 2002.

All operations of CPF and its affiliates, informally known as the Church Pension Group, are governed by CPF's Board of Trustees. Except for the Chief Executive Officer ("CEO"), all CPF Trustees serve without compensation and are elected by the General Convention of The Episcopal Church from a slate of nominees submitted by the Joint Standing Committee on Nominations of The Episcopal Church.

2. DESCRIPTION OF THE PLANS

CPF's assets are primarily used to fund a defined benefit plan and related benefits for eligible clergy of The Episcopal Church (the "Clergy Plan") and their beneficiaries. A portion of these assets are held in The Church Pension Fund Clergy Pension Plan, which is sponsored and administered by CPF. CPF is also the plan sponsor and administrator of The Episcopal Church Lay Employees' Retirement Plan (the "Lay Plan") and The Staff Retirement Plan of The Church Pension Fund and Affiliates (the "Staff Plan"). The Church Pension Fund Clergy Pension Plan, the Lay Plan and the Staff Plan are collectively referred to as the "Qualified Plans." The following is a brief description of the Clergy Plan, the Lay Plan and the Staff Plan for general information purposes only. Participants in these plans should refer to the plan documents of their respective plan for more complete information. In the event of a conflict between this brief description and the terms of the plan documents, the terms of the plan documents shall govern.

2. DESCRIPTION OF THE PLANS (CONTINUED)

The Church Pension Fund Clergy Pension Plan is a defined benefit plan providing retirement, death and disability benefits to eligible clergy of The Episcopal Church. The Lay Plan is a defined benefit plan providing retirement, death and disability benefits to eligible lay employees of participating employers of The Episcopal Church. The Staff Plan is a defined benefit plan providing retirement and death benefits to eligible employees of Church Pension Group Services Corporation. The respective assets of these defined benefit plans and other benefit plans maintained by CPF are pooled, solely for investment purposes, for the benefit of all participants. The Qualified Plans qualify as church plans under Section 414(e) of the Internal Revenue Code (the "Code"). As church plans, the Qualified Plans and other plans are exempt from Titles I and IV of the Employee Retirement Income Security Act of 1974 and, therefore, are not subject to Pension Benefit Guaranty Corporation requirements or guarantees. These plans have long been recognized as exempt from federal income taxes. CPF and its affiliates are also exempt from certain federal, state and local income taxes.

Management believes the Qualified Plans are being operated in compliance with their applicable requirements under Section 401(a) of the Code and, therefore, believes that the Qualified Plans, as amended, are qualified and the related trust is tax exempt under section 501(a) of the Code. The Qualified Plans and other plans may be terminated by CPF at any time. Upon termination of any of these plans, CPF has the obligation to distribute the plan assets in accordance with the terms of the applicable plan documents.

Accounting principles generally accepted in the United States ("GAAP") require CPF and the Qualified Plans to evaluate uncertain tax positions taken by CPF and the Qualified Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service. There were no uncertain tax positions taken by CPF or the Qualified Plans as of March 31, 2022 and 2021.

CPF maintains a master trust with an undivided ownership interest in the portion of CPF's assets allocable to (1) The Church Pension Fund Clergy Pension Plan benefits for vested participants and their dependents, (2) the Lay Plan benefits for participants and their dependents, and (3) the Staff Plan benefits for participants and their dependents. The master trust agreement names CPF as Trustee and The Northern Trust Company as Custodian.

Effective March 31, 2021, the portion of the master trust attributable to The Church Pension Fund Clergy Pension Plan is funded, as necessary, to be at least equal to the actuarial liability of the benefits payable under that plan to vested participants (retired and not yet retired) and their dependents. Prior to March 31, 2021, The Church Pension Fund Clergy Pension Plan was funded, as necessary, to be at least equal to the actuarial liability of The Church Pension Fund Clergy Pension Plan benefits payable to retired participants and their dependents. The portion of the master trust (1) attributable to the Lay Plan is funded by assessments paid by participating employers, and (2) attributable to the Staff Plan is funded at the discretion of CPF.

2. DESCRIPTION OF THE PLANS (CONTINUED)

The assets in the master trust can only be used to pay the plan benefits described above and certain plan expenses. As of March 31, 2022 and 2021, the master trust assets included in the combined statements of net assets available for benefits, relating to the plan benefits described above, amounted to $6.0 billion and $5.4 billion, respectively.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accompanying combined financial statements include the accounts of CPF and the Qualified Plans and have been prepared in accordance with GAAP. All inter-plan balances and balances with CPF have been eliminated in these combined financial statements.

The preparation of the combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the combined financial statements and accompanying notes. The fair value of investments and accumulated plan benefit obligations represent the most significant estimates and assumptions. Actual results could differ significantly from these estimates and assumptions.

A. Summary of Significant Accounting Principles

The following are the significant accounting policies followed by CPF and the Qualified Plans:

Investments

Investments are stated at fair value. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the combined financial statements.

Fair values of financial instruments are determined using valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Fair values are generally measured using quoted prices in active markets for identical assets or other inputs, such as quoted prices for similar assets that are observable, either directly or indirectly. In those instances where observable inputs are not available, fair values are measured using unobservable inputs for the asset. Unobservable inputs reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. Fair value estimates derived from unobservable inputs are significantly affected by the assumptions used, including the discount rates and the estimated amounts and timing of future cash flows. The derived fair value estimates cannot be substantiated by comparison to independent markets and are not necessarily indicative of the amounts that would be realized in a current market exchange.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include (1) quoted prices for similar assets and liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in markets that are not active, (3) observable inputs other than quoted prices that are used in the valuation of the assets or liabilities (for example, interest rate and yield curve quotes at commonly quoted intervals), and, (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs; for example, investments in limited partnerships, which cannot be withdrawn within 90 days from the balance sheet date.

Investments in limited partnerships are carried at fair value. The fair value of these investments is based upon CPF's share of the equity value of the partnership while giving consideration, from a market participant's perspective, to the features that are unique to CPF's partnership agreements. Because of the inherent uncertainty of the valuations of these investments, the estimated fair values may differ, perhaps materially, from the values that would have been used had a ready market for the investments existed.

The carrying value of CPF's investment in affiliated companies is determined using the equity method of accounting, which approximates fair value.

All investment transactions are recorded on a trade date basis. Realized capital gains and losses on the sales of investments are computed on the first-in, first-out basis. Unrealized capital gains and losses are recorded in the period in which they occurred. Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term highly liquid investments with original maturities of three months or less and are carried at cost which approximates fair value.

Basis of Accounting

The combined financial statements are prepared based on the accrual basis of accounting.

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Net Assets

Net assets are classified as with or without donor restrictions or as internally designated for a specific purpose. All gifts, grants and bequests are considered to be without donor restrictions unless specifically subject to a donor-imposed restriction either for use during a specified time period or for a particular purpose. When a donor-imposed restriction is fulfilled or when a time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions. Internally designated assets represent net assets that are identified for a specific purpose.

Reclassification

Certain amounts reported in the prior year financial statements have been reclassified to conform to the current year's presentation. Under Note 7, *Net Assets*, the category "Other" has been included in "Expenses Paid and Other."

Recently Adopted Accounting Standards

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which amends Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*. ASU 2018-13 modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption was permitted for any eliminated or modified disclosures upon issuance of ASU 2018-13. For the year ended March 31, 2020, the combined entities elected to early adopt the modifications or elimination of ASU 2018-13 disclosures related to the rollforward of Level 3 fair value measurements and the policy for the timing of transfers between levels. The early adoption of these modifications did not have a material effect on the combined financial statements. For the year ended March 31, 2021, the standard was fully adopted with no additional required disclosures to the combined financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (ASC Topic 842)*, which requires lessees to recognize a right-of-use asset and a lease liability for all leases with terms of more than 12 months. The lease liability will be measured as the present value of the lease payments, and the asset will be based on the liability. For income statement purposes, expense recognition will depend on the lessee's classification of the lease as either finance, with a front-loaded amortization expense pattern similar to current capital leases, or operating, with a straight-line expense pattern similar to current operating leases. Lessor accounting will be similar to the current model, and lessors will be required to classify leases as operating, direct financing, or sales-type. ASU 2016-02 also addresses the classification of leases in the statement of operations and comprehensive loss and the statement of cash flows requires additional

3. **BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

disclosures for all leases. The provisions of ASU 2016-02 are effective on a modified retrospective basis for fiscal years beginning after December 15, 2021 for non-public companies, including interim periods, with early adoption permitted. The impact of the adoption of the provisions of ASU 2016-02 are expected to be immaterial for The Church Pension Fund.

4. INVESTMENTS

The fair value of investments as of March 31, 2022 and 2021 summarized by general investment type are as follows:

	2022	**2021**
	(In Thousands)	
Common and preferred stocks	$ 988,222	$ 957,729
U.S. treasury securities	553,672	670,773
Municipal securities	18,161	18,155
Corporate bonds	391,450	486,903
Foreign government securities	1,387	1,860
Limited partnership interests:		
Real estate	2,140,452	1,835,921
Private equity	4,489,373	4,145,804
Other alternative investments	3,275,510	3,530,864
Commingled funds	5,895,563	5,028,903
Affiliated companies, equity interest	255,720	246,422
Totals	$ 18,009,510	$ 16,923,334

As of March 31, 2022 and 2021, CPF was not exposed to any significant concentration of risk within its investment portfolio.

Common and preferred stocks consist primarily of direct investments in the common and preferred stocks of a wide range of unaffiliated companies, which include domestic and foreign corporations and holdings in large as well as midsize and small companies.

U.S. treasury securities consist primarily of securities issued or guaranteed by the U.S. government, or its designated agencies, including Small Business Administration ("SBA") loans.

Municipal securities include direct investments in state and local governments.

Corporate bonds consist primarily of investment securities issued by a corporate entity at a stated interest rate payable on a particular future date, such as bonds, convertible bonds, and collateralized mortgage obligations.

4. INVESTMENTS (CONTINUED)

Foreign government securities include government securities and debt securities.

Limited partnership interests include investments in real estate, private equity and other alternative investments.

Real estate limited partnerships primarily include investments across all major property types including commercial properties, such as office, retail, hotel and land, residential properties and real and other assets such as energy, timber and royalties.

Private equity limited partnerships include strategies focused on venture capital and growth equity/buyout transactions across many industry sectors.

Other alternative investment limited partnerships primarily include investments in hedge funds and absolute return strategies, such as (1) long/short equity hedge funds, which invest primarily in long and short equity securities, (2) credit/distressed debt securities that are generally rated below investment grade with managers that invest in debt or debt-related securities or claims associated with companies, assets or sellers whose financial conditions are stressed, distressed, or in default, (3) multi-strategy hedge funds that pursue multiple strategies and capture market opportunities and (4) fixed income funds. The redemption frequency is semi-annually and/or annually, and the redemption notice period can be from 90 to 360 days.

Certain other alternative investments in limited partnerships are subject to withdrawal “gates” that restrict the ability of investors to withdraw from the investment. The general partners and/or investment managers of the limited partnerships also have rights to suspend withdrawal requests for various reasons, including, but not limited to, insufficient liquidity at the limited partnerships to satisfy withdrawal requests or to preserve the capital interests of the limited partners not withdrawing from the limited partnerships. As of March 31, 2022, none of the general partners or investment managers has exercised these suspension rights.

Limited partnership investments generally span a minimum of ten years, during which committed capital is contributed and distributions are made when income is earned or investments are liquidated.

At March 31, 2022, CPF had open investment commitments to limited partnerships of $2.3 billion which are expected to be funded during future years. In this regard, from April 1, 2022 through April 30, 2022, CPF invested an additional $81.9 million in existing limited partnerships and made $31.5 million in commitments to limited partnerships. Most limited partnership investments are illiquid; however, there is a secondary market in limited partnership interests. There may be penalties should CPF not fulfill its funding commitments; however, CPF seeks to maintain adequate liquidity to ensure that all unfunded commitments are met.

4. INVESTMENTS (CONTINUED)

Commingled funds include funds that invest in (1) long and short equity securities, or (2) debt or debt-related securities, or (3) corporate bonds and other fixed income securities. The redemption frequency is daily, bi-monthly, monthly or quarterly, and the redemption notice period can be from 5 to 180 days; however, due to restrictions, the entire capital may not be redeemable within 180 days.

Derivative Financial Investments

Futures contracts are used primarily to maintain CPF's asset allocation within ranges determined by the Investment Committee of CPF's Board of Trustees. Currency forward contracts are used to hedge foreign currency risk. Such futures and forward contracts trade on recognized exchanges and with recognized counterparties, respectively. Margin requirements are met by pledging cash and cash equivalents. The net amount of the open equity futures contracts aggregated approximately $0.8 billion short and $0.7 billion long and the net amount of open fixed income futures contracts aggregated approximately $1.3 billion long and $0.9 billion long both at March 31, 2022 and 2021, respectively. Currency forward contracts aggregated approximately $0.5 billion and $0.4 billion at March 31, 2022 and 2021, respectively.

The amounts of these instruments are indications of the open transactions and do not represent the level of market, foreign exchange, or credit risk to the portfolio. Since some of the futures and forwards held are adjusting market risk elsewhere in the portfolio, the measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. Market risks to the portfolio are caused by changes in interest rates, foreign exchange rates, or in the value of equity markets.

With respect to credit risk, futures and forward contracts require daily cash settlement, thus limiting the cash receipt or payment to the change in fair value of the underlying instrument.

Accordingly, the amount of credit risk represents a one-day receivable. Futures settlements resulted in losses of $100 million and gains of $100 million for the years ended March 31, 2022 and 2021, respectively, and currency forward settlements resulted in losses of $17 million and $27 million for the years ended March 31, 2022 and 2021, respectively. These transactions are recorded in the accompanying combined financial statements as a component of net appreciation in fair value of investments.

Affiliated Companies

All of the affiliated companies other than The Episcopal Church Clergy and Employees' Benefit Trust are wholly owned and/or controlled by CPF. The financial results of The Church Insurance Company and Church Life Insurance Corporation are prepared on a statutory basis of accounting prescribed by the New York State Department of Financial Services. This statutory basis of accounting results in a fair value of these companies that is not materially different from the fair value that would be required under GAAP. The other affiliates are reported on a GAAP basis of accounting. The primary activities and financial status of each of the major affiliates are described in the sections below for the years ended December 31, 2021 and 2020, except for Church Pension Group Services Corporation, which is described for the years ended March 31, 2022 and 2021.

Church Pension Group Services Corporation

Church Pension Group Services Corporation ("CPGSC") provides certain services, primarily personnel, general and administrative processing and facilities related, to CPF and its affiliated companies on a cost-reimbursement basis. Church Pension Group 34th Street Realty, LLC is a wholly owned subsidiary of CPGSC that owns the condominium office space that is the headquarters of the Church Pension Group. As of March 31, 2022 and March 31, 2021, the fair value of the condominium office space was $85.4 million and $88.1 million, respectively. CPGSC also does business as The Episcopal Church Medical Trust and is the sponsor of the health plan options funded by The Episcopal Church Clergy and Employees' Benefit Trust. Mary Katherine Wold is the Chief Executive Officer and President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of CPGSC.

The Church Insurance Companies[1]

The Church Insurance Companies have provided property and liability coverage for Episcopal Church institutions since 1929. Today, more than 90% of Episcopal Church dioceses and churches rely on The Church Insurance Companies for their commercial package insurance coverage. The Church Insurance Agency Corporation (the "Agency") provides insurance agency and risk-management services to The Episcopal Church. The Agency accesses a broad range of property, casualty and other insurance products tailored for the special needs of Episcopal Church institutions through its sister company, The Church Insurance Company of Vermont ("CICVT") and through its product partners. CICVT is a single-parent captive insurance company incorporated in 1999 to allow Episcopal Church institutions to benefit from the coverage flexibility and potential cost advantages of this shared risk-financing approach. On August 23, 2012, Church Insurance Services LLC ("CIS"), a Delaware limited liability company and wholly-owned subsidiary of CICVT, was formed to provide captive manager

[1] "The Church Insurance Companies" means, collectively, The Church Insurance Agency Corporation, The Church Insurance Company, and The Church Insurance Company of Vermont.

4. INVESTMENTS (CONTINUED)

services. CIS is currently inactive. Mary Katherine Wold is the President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of each of The Church Insurance Companies.

Financial Summary	December 31 2021	December 31 2020
	(In Thousands)	
Assets	$ 240,937	$ 241,437
Liabilities	160,971	152,791
Capital and surplus	89,263	88,646
Earned premiums	55,918	60,095
Net income	4,608	9,473

Church Life Insurance Corporation

Since 1922, Church Life Insurance Corporation ("Church Life") has provided life insurance protection and retirement savings products to clergy and lay workers who serve The Episcopal Church and to their families. Church Life's insurance products historically included individual and group life insurance and individual and group annuity products. Group life and group annuity premiums comprise the majority of the premium revenue. Effective April 1, 2022, Church Life has entered into an agreement with Forrest T. Jones for the administration of its individual life and individual annuity products. Effective July 1, 2022, the group annuity contract between Church Life and CPF will be terminated. This is expected to decrease Church Life's assets and related liabilities by approximately $95 million. Mary Katherine Wold is the President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of Church Life.

Financial Summary	December 31 2021	December 31 2020
	(In Thousands)	
Assets	$ 309,408	$ 317,760
Liabilities	231,557	247,246
Capital and surplus	77,851	70,514
Insurance in force	1,686,619	1,766,211
Earned premiums	36,438	43,672
Net income	7,377	7,221

4. INVESTMENTS (CONTINUED)

Church Publishing Incorporated

Since 1918, Church Publishing Incorporated ("Church Publishing") has produced the official worship materials of The Episcopal Church. In addition to basic, gift, and online editions of prayer books and hymnals, Church Publishing publishes in the fields of liturgy, theology, church leadership, financial and spiritual wellness, evangelism, racial reconciliation, creation care ministry and mission and Anglican spirituality alongside a wide range of products and resources for parishes and individuals. This product portfolio includes church supplies, such as lectionary inserts, calendars, parish registers; and eProducts, including RitePlanning, RiteSong, and the eCP (electronic common prayer) app. Church Publishing also produces resources on behalf of the Office of General Convention and its Standing Commission on Liturgy and Music; the Church Annual (aka Redbook) and the Episcopal Clerical Directory. It also offers an array of faith formation materials. Mary Katherine Wold is the President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of Church Publishing.

Financial Summary	December 31 2021	December 31 2020
	(In Thousands)	
Assets	$ 5,665	$ 6,902
Liabilities	9,051	12,004
Capital	(3,386)	(5,102)
Revenue	3,835	3,383
Net loss	(962)	(1,017)
Capital contribution received from CPF	2,600	–

The Episcopal Church Clergy and Employees' Benefit Trust ("The Benefit Trust")

Since 1978, The Benefit Trust has funded the welfare benefit plans that are offered by The Episcopal Church Medical Trust. The Episcopal Church Medical Trust provides eligible active and retired clergy and lay employees of the Episcopal Church and their dependents with a broad array of welfare benefit plan options and serves as the plan sponsor and administrator of such plans. The Episcopal Church Medical Trust offers a variety of self-funded plan offerings, providing comprehensive medical, behavioral health, prescription drug, vision and dental benefits. The Episcopal Church Medical Trust also offers a few fully insured health care plans, providing comprehensive medical and dental benefits. For retired participants, The Episcopal Church Medical Trust offers Medicare supplement plans, as well as Medicare HMOs in selected regions of the country. The Benefit Trust has entered into an agreement with UnitedHealthcare to offer a fully insured Group Medicare Advantage Plan effective January 1, 2022. The Benefit Trust also contracts with fully insured plans to provide group life and disability plans to eligible employers and their eligible employees.

4. INVESTMENTS (CONTINUED)

The Benefit Trust is not a subsidiary of CPF. Accordingly, its assets, liabilities and financial results are not included in the combined statements of net assets available for benefits. The Northern Trust Company is the Trustee of The Benefit Trust.

Financial Summary	December 31 2021	2020
	(In Thousands)	
Assets	$ 91,291	$ 97,703
Liabilities	37,515	29,157
Accumulated surplus	53,776	68,546
Revenues	277,505	276,566
Net (loss) income	(14,769)	33,407

5. FAIR VALUE MEASUREMENTS

The following tables provide information about the financial assets measured at fair value by general type as of March 31, 2022 and 2021:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
		(In Thousands)		
March 31, 2022				
Common and preferred stock	$ 988,222	$ –	$ –	$ 988,222
U.S. treasury securities	–	494,581	59,091	553,672
Municipal securities	–	18,161	–	18,161
Corporate bonds	–	391,450	–	391,450
Foreign government securities	–	1,387	–	1,387
Limited partnership interests:				
Real estate	–	–	2,140,452	2,140,452
Private equity	–	–	4,489,373	4,489,373
Other alternative investments	–	–	3,275,510	3,275,510
Affiliated companies	–	–	255,720	255,720
	$ 988,222	$ 905,579	$ 10,220,146	12,113,947
Investments measured at net asset value				
Commingled funds				5,895,563
Total assets at fair value				$ 18,009,510

5. FAIR VALUE MEASUREMENTS (CONTINUED)

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
	(In Thousands)			
March 31, 2021				
Common and preferred stock	$ 957,729	$ –	$ –	$ 957,729
U.S. treasury securities	–	612,538	58,235	670,773
Municipal securities	–	18,155	–	18,155
Corporate bonds	–	486,903	–	486,903
Foreign government securities	–	1,860	–	1,860
Limited partnership interests:				
Real estate	–	–	1,835,921	1,835,921
Private equity	–	–	4,145,804	4,145,804
Other alternative investments	–	–	3,530,864	3,530,864
Affiliated companies	–	–	246,422	246,422
	$ 957,729	$ 1,119,456	$ 9,817,246	11,894,431
Investments measured at net asset value				
Commingled funds				5,028,903
Total assets at fair value				$ 16,923,334

The following table summarizes all additions to Level 3 assets by general type for the years ended March 31, 2022 and 2021:

	Level 3 Purchases/Additions	
	March 31	
	2022	2021
Limited partnership interests:		
Real estate	$ 368,383	$ 264,999
Private equity	430,836	378,429
Other alternative investments	589,153	402,770
Affiliated companies, equity interest	1,000	1,600
Total	$ 1,389,372	$ 1,047,798

There were no transfers into Level 3 for the years ended March 31, 2022 and 2021. There were no transfers out of Level 3 for the years ended March 31, 2022 and 2021.

5. FAIR VALUE MEASUREMENTS (CONTINUED)

Limited Partnership interests in real estate, private equity and other alternative investments with a fair value of $9.9 billion are primarily valued by using CPF's proportionate share of the limited partnership's equity value as derived from the financial statements provided by the investment managers. This requires a significant amount of judgment by management due to the absence of readily available quoted market prices and the long-term nature of the investments. There are no significant related unobservable inputs.

Affiliated companies with a fair value of $255.7 million as of March 31, 2022, are valued by using the underlying financial statements of these companies. There are no significant related unobservable inputs.

6. INTERNATIONAL CLERGY PENSION PLAN

The International Clergy Pension Plan ("ICPP") represents the liabilities associated with a group of non-qualified, multiple-employer retirement plans that are administered by CPF on behalf of dioceses of The Episcopal Church that are located outside the 50 United States and certain Anglican churches located outside the 50 United States that were previously part of The Episcopal Church. Non-qualified plans are not subject to Section 401(a) of the Code, which, among other things, requires that the assets be held in a trust. Accordingly, the assets of all ICPP plans are held by CPF and are not part of the master trust (see page 6).

Management utilizes a third-party specialist, Buck Global, LLC, an actuarial consulting firm, to assist with determining the actuarial liabilities of all plans included in the ICPP.

CPF also has administrative and investment agreements with The Episcopal Church of Liberia, Iglesia Anglicana de México, the Diocese of Puerto Rico (for the provision of retirement benefits for their lay employees only), and each of the five dioceses of the Iglesia Anglicana de la Region Central de America ("IARCA"). Each of these dioceses sponsors its own retirement plan.

The liabilities for these plans totaled $205.4 million and $201.4 million at March 31, 2022 and 2021.

7. NET ASSETS

The Legacy and Gift Fund stems from bequests and contributions received by CPF from individuals for the purpose of supporting tax-exempt purposes of CPF, of which a portion may be subject to donor-imposed restrictions. The portion of the principal balance or interest subject to a donor-imposed restriction must be maintained and spent only in accordance with the wishes of the donors, but the remainder is available for use at the discretion of CPF, in accordance with its tax-exempt purposes.

	Beginning of Year	Contributions and Investment Gains (Losses)	Expenses Paid and Other	End of Year
	(In Thousands)			
March 31, 2022				
Legacy and Gift Fund with donor restrictions	$ 44,280	$ 5,420	$ (53)	$ 49,647
Legacy and Gift Fund without donor restrictions	31,216	3,878	(360)	34,734
Total	$ 75,496	$ 9,298	$ (413)	$ 84,381
March 31, 2021				
Legacy and Gift Fund with donor restrictions	$ 32,915	$ 11,150	$ 215	$ 44,280
Legacy and Gift Fund without donor restrictions	25,527	8,241	(2,552)	31,216
Total	$ 58,442	$ 19,391	$ (2,337)	$ 75,496

Internally Designated Net Assets

The Clergy Post-Retirement Medical Assistance Plan represents the estimated liability for a discretionary benefit that CPF has provided to eligible participants in the Clergy Plan and the ICPP and their eligible spouses to (1) subsidize some or all of the cost to purchase a Medicare Supplement Health Plan offered by The Episcopal Church Medical Trust for eligible participants in the Clergy Plan and their eligible spouses, or (2) pay a monthly cash subsidy to eligible participants in the ICPP and their eligible spouses. CPF has reserved the right, in its discretion, to change or discontinue this discretionary benefit.

Management engaged healthcare actuaries, Aon, to assist in estimating the liability for benefits under the Clergy Post-Retirement Medical Assistance Plan. Aon's calculation is based on the current dollar amount of this discretionary subsidy, the expected participation rate for eligible plan members, and CPF's goal of providing this discretionary subsidy to contribute towards medical costs. Effective January 1, 2022, medical and prescription drug coverage for most retired participants is offered through a fully insured plan, UnitedHealthcare's Group Medicare Advantage Plan.

7. NET ASSETS (CONTINUED)

The Clergy Life Insurance Plan represents the estimated liability for future annual insurance premiums required to provide eligible participants in the Clergy Plan with life insurance during active service and when retired.

The Benefit Equalization Plan represents the estimated liability for the benefit provided to those participants in the Clergy Plan whose pension payments would be limited by certain sections of the Code to an amount below their entitlement under the present benefit formula. Subject to certain other provisions of the Code, the Benefit Equalization Plan provides for payment of the difference between the Code limitation and such participant's earned pension benefits.

The Clergy Child Benefit Plan represents the estimated liability for the benefits provided to eligible children of deceased clergy who earned a vested benefit under the Clergy Plan.

The Clergy Short-Term Disability Plan represents the estimated liability for the short-term disability benefit provided to eligible active clergy in the Clergy Plan.

The Clergy Long-Term Disability Plan represents the estimated liability for the long-term disability benefit provided to eligible clergy in the Clergy Plan who became disabled on or after January 1, 2018. Eligible clergy who became disabled prior to January 1, 2018, will continue to receive a disability retirement benefit under the Clergy Plan.

No specific assets are designated to fund the Clergy Post-Retirement Medical Assistance Plan, the Clergy Life Insurance Plan, the Benefit Equalization Plan, the Clergy Child Benefit Plan, the Clergy Short-Term Disability Plan or the Clergy Long-Term Disability Plan payments.

The significant assumptions utilized to estimate the liabilities include the discount rate and mortality table assumptions. The Clergy Life Insurance Plan, the Benefit Equalization Plan, the Clergy Child Benefit Plan, the Clergy Short-Term Disability Plan or the Clergy Long-Term Disability Plan apply the same discount rate and mortality table assumptions as those utilized to calculate the accumulated benefit obligation for the Clergy Plan (described on page 22).

For the Clergy Post-Retirement Medical Assistance Plan, the discount rate was 3.89% and 3.25% as of March 31, 2022 and 2021, respectively. Other significant assumptions included for this plan are the current and expected subsidy to provide for medical costs and the participation rate, which was 80% as of March 31, 2022 and 2021.

7. NET ASSETS (CONTINUED)

The following charts summarize the changes in the Net Assets described above for the years ended March 31, 2022 and 2021:

	Beginning of Year	Benefits Paid	Changes in Assumptions	Benefits Accumulated and Other	End of Year
			(In Thousands)		
March 31, 2022					
Clergy Post-Retirement Medical Assistance Plan	$ 877,209	$ (39,616)	$ 139,800	$ (9,184)	$ 968,209
Clergy Life Insurance Plan	343,918	(18,330)	(29,456)	16,671	312,803
Benefit Equalization Plan	59,800	–	(2,785)	18,645	75,660
Clergy Child Benefit Plan	11,484	(734)	–	1,315	12,065
Clergy Short-Term Disability Plan	4,875	(282)	–	7	4,600
Clergy Long-Term Disability Plan	102,242	(2,169)	(115)	2,803	102,761
Total	$ 1,399,528	$ (61,131)	$ 107,444	$ 30,257	$ 1,476,098

For the year ended March 31, 2022, the Clergy Post-Retirement Medical Assistance Plan increased by $140 million due to changes in assumptions, primarily driven by $257 million increase due to updated medical trend rates, offset by a $120 million decrease due to the change in the discount rate. There were no other significant changes to assumptions.

For the year ended March 31, 2022, the Clergy Life Insurance Plan decreased by $29 million due to change in the discount rate.

	Beginning of Year	Benefits Paid	Changes in Assumptions	Benefits Accumulated and Other	End of Year
			(In Thousands)		
March 31, 2021					
Clergy Post-Retirement Medical Assistance Plan	$ 1,279,766	$ (41,051)	$ (427,300)	$ 65,794	$ 877,209
Clergy Life Insurance Plan	357,221	(18,391)	(11,000)	16,088	343,918
Benefit Equalization Plan	67,700	(1,988)	(9,000)	3,088	59,800
Clergy Child Benefit Plan	12,246	(754)	(8)	–	11,484
Clergy Short-Term Disability Plan	5,037	(1,148)	–	986	4,875
Clergy Long-Term Disability Plan	105,303	(1,571)	(9,000)	7,510	102,242
Total	$ 1,827,273	$ (64,903)	$ (456,308)	$ 93,466	$ 1,399,528

For the year ended March 31, 2021, the Clergy Post-Retirement Medical Assistance Plan decreased by $427 million due to changes in assumptions, primarily driven by $358 million decrease due to expected lower medical costs under the Group Medicare Advantage Plan and a $55 million decrease due to the change in the discount rate. There were no other significant changes to assumptions.

7. NET ASSETS (CONTINUED)

The amount designated for investment in affiliated companies represents the investment in affiliated companies, at fair value, excluding the condominium office space that is the headquarters of the Church Pension Group. This asset is not restricted from use by CPF and, as of March 2022 and 2021, had a fair value of $85.4 million and $88.1 million, respectively.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS

Buck Global, LLC, is an actuarial consulting firm that estimates the actuarial present value of the accumulated plan benefit obligations owed to participants in the Clergy Plan, the Lay Plan and the Staff Plan to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Accumulated plan benefit obligations are the estimated discounted present value of the future periodic payments, including lump-sum distributions that are attributable, under the plan provisions, to services rendered by the plan participants to the valuation date. Accumulated plan benefit obligations include benefits that are expected to be paid to: (a) retired or terminated participants or their beneficiaries, and (b) present participants or their beneficiaries based on assumptions for future compensation levels, rates of mortality and disability, and other factors. The effect of plan amendments on the accumulated plan benefit obligations is recognized during the years in which such amendments become effective. Effective February 2021, the Clergy Plan's actuarial equivalence basis used to calculate all lifetime forms of payment was updated. Effective February 2021, the Lay Plan's actuarial equivalence basis used to calculate joint and survivor and certain and life options and the early retirement reduction factors for grandfathered members who retire before age 60 was updated.

The significant assumptions and plan provisions underlying the actuarial estimates are as follows:

	Discount Rate as of March 31		**Cost-of-living-adjustment as of March 31**	
Plan	**2022**	**2021**	**2022**	**2021**
Clergy Plan	3.89%	3.25%	3.00%	2.50%
Lay Plan	3.82%	3.25%	0%	0%
Staff Plan	3.84%	3.25%	0%	0%

- Discount rate:

  The discount rate is compounded annually and developed considering annualized yields for long-term government and long-term high-quality corporate bonds that reflect the duration of the pension obligations using the cashflows of the plans.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

For the year ended March 31, 2022, the discount rate was calculated using a yield curve based on high quality fixed income securities and the cashflows of each of the defined benefit plans. Prior to March 31, 2022, the discount rate was calculated using a high-quality bond index yield, adjusted for the difference in the duration between the bond index yield and the combined cashflows of the plans.

For the year ended March 31, 2022, the total impact of the change in the discount rate resulted in a decrease in the accumulated benefit obligations of $515 million for Clergy Plan, $16 million for the Lay Plan and $21 million for the Staff Plan of which $305 million, $11 million and $14 million, respectively, related to the change in the calculation of the discount rate.

For the year ended March 31, 2021, the impact of the change in the discount rate resulted in a decrease in the accumulated benefit obligations of $214 million for Clergy Plan, $7.8 million for the Lay Plan, and $9.6 million for the Staff Plan.

- Cost-of-living adjustment:

  CPF Board of Trustees grants cost-of-living adjustments at its discretion. The decision is made annually. As of January 1, 2022, a 5.9% COLA was granted for retiree benefits compared to the 2.5% assumed COLA, resulting in an increase of $155 million in the accumulated benefit obligation of the Clergy Plan.

  For the year ended March 31, 2022, the cost-of-living-adjustment assumption was increased from 2.5% to 3.0% due to current economic outlook, resulting in an increase of $330 million in the accumulated benefit obligation of the Clergy Plan.

  For the year ended March 31, 2021, the cost-of-living-adjustment was decreased from 3% to 2.5% due to several years of low inflation, resulting in a decrease of $398 million in the accumulated plan benefit obligation of the Clergy Plan.

- Vesting for the years ended March 31, 2022 and 2021:

  – Clergy Plan: After five years of credited service or at age 65 or older while an active participant.

  – Lay Plan: After five years of credited service, at age 55 or older while an active participant, or the date the participant becomes eligible for disability retirement, whichever occurs first.

  – Staff Plan: After five years of credited service, or at age 65 or older while an active participant after completing 12 full calendar months of service as a regular full-time or regular part-time employee.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

- Retirement for the years ended March 31, 2022 and 2021:

  – Clergy Plan: Normal, at age 65 and after; early, with no reduction at age 55 with 30 years of credited service; reduced benefits, at age 55 with at least 5 years credited service; compulsory, at age 72.

  – Lay Plan: Normal, at age 65 and after; early, with reduced benefits at age 55.

  – Staff Plan: Normal, at age 65 and after; early, with no reduction at age 55 if combined years and months of credited service and age equals or exceeds 85; otherwise, early with a reduced benefit at age 55 with at least 5 years of credited service.

- Mortality for the years ended March 31, 2022 and 2021:

  – Clergy Plan: The RP-2014 Employee White-Collar Mortality Table was used for participants and the RP-2014 Healthy Annuitant White-Collar Mortality Table was used for retirees, spouses and beneficiaries. Special mortality tables were used for disability retirements.

  – Lay Plan: The RP-2014 Employee Total Mortality Table was used for participants and the RP-2014 Healthy Annuitant Total Mortality Table was used for retirees, spouses and beneficiaries.

  – Staff Plan: The RP-2014 Employee White-Collar Mortality Table was used for participants and the RP-2014 Healthy Annuitant White-Collar Mortality Table was used for retirees, spouses and beneficiaries.

  Improvement in mortality was projected from 2006 on a fully generational basis for the years ended March 31, 2022 and 2021 using Scale MP-2021 and Scale MP-2020, respectively. This update increased the accumulated plan benefit obligation for the Clergy Plan by $20 million, for the Lay Plan by $1 million and for the Staff Plan by $1 million for the year ended March 31, 2022.

These actuarial assumptions are based on the presumption that the Clergy Plan, the Lay Plan and the Staff Plan will continue. If a plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefit obligations.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

The actuarial present value of the accumulated plan benefit obligations of the Clergy Plan, the Lay Plan and the Staff Plan as of March 31, 2022 and 2021 are summarized as follows:

	Clergy Plan	Lay Plan	Staff Plan
		(In Thousands)	
March 31, 2022			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	$ 4,684,066	$ 118,270	$ 97,064
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	1,866,567	101,877	117,388
Nonvested benefits	132,383	2,399	14,302
Total	$ 6,683,016	$ 222,546	$ 228,754
March 31, 2021			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	$ 4,537,584	$ 120,954	$ 97,950
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	1,960,379	109,337	122,433
Nonvested benefits	138,347	2,582	15,228
Total	$ 6,636,310	$ 232,873	$ 235,611

The amount designated for assessment deficiency represents the actuarial present value of the estimated amount to be paid out in benefits in excess of the estimated amount to be received in assessments in connection with the Clergy Plan, the Lay Plan and the Staff Plan. The assumptions used to estimate the assessment deficiency are consistent with the assumptions used in the estimates of the actuarial present value of the accumulated plan benefit obligations.

For the years ended March 31, 2022 and 2021, the impact of the change in the discount rate assumption resulted in a decrease of $325 million and an increase of $154 million for the Clergy Plan, respectively. For the years ended March 31, 2022 and 2021, the impact of the change in the COLA assumption resulted in an increase of $233 million and a decrease of $190 million for the Clergy Plan, respectively.

8. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

The net increase (decrease) in the actuarial present value of the accumulated plan benefit obligations of the Clergy Plan, the Lay Plan and the Staff Plan for the years ended March 31, 2022 and 2021 is summarized as follows:

	Clergy Plan	Lay Plan	Staff Plan
		(In Thousands)	
March 31, 2022			
Actuarial present value of accumulated plan benefit obligations at beginning of year	$ 6,636,310	$ 232,873	$ 235,611
(Decrease) increase during the year attributable to:			
Plan amendments	–	–	–
Actual benefit adjustment vs. expected	155,407	–	–
Change in actuarial assumptions	(164,649)	(15,446)	(21,004)
Benefits accumulated	182,455	8,768	14,937
Increase for interest due to decrease in the discount period	210,251	7,391	7,524
Benefits paid	(336,758)	(11,040)	(8,314)
Net increase (decrease)	46,706	(10,327)	(6,857)
Actuarial present value of accumulated plan benefit obligations at end of year	$ 6,683,016	$ 222,546	$ 228,754
March 31, 2021			
Actuarial present value of accumulated plan benefit obligations at beginning of year	$ 7,345,848	$ 240,746	$ 233,411
(Decrease) increase during the year attributable to:			
Plan amendments	(2,450)	(978)	–
Actual benefit adjustment vs. expected	(84,037)	–	–
Change in actuarial assumptions	(715,561)	(9,901)	(11,574)
Benefits accumulated	208,643	7,802	13,496
Increase for interest due to decrease in the discount period	215,439	7,031	6,904
Benefits paid	(331,572)	(11,827)	(6,626)
Net (decrease) increase	(709,538)	(7,873)	2,200
Actuarial present value of accumulated plan benefit obligations at end of year	$ 6,636,310	$ 232,873	$ 235,611

9. FUNDING

Participating employers pay assessments to CPF on behalf of the eligible participants in each respective plan. The assessments for the participants in the Clergy Plan are equal to 18% of the applicable participants' compensation as defined under The Church Pension Fund Clergy Pension Plan. The assessments for the participants in the Lay Plan are equal to 9% of the applicable participants' compensation as defined under the Lay Plan. The assessments for the participants in the Staff Plan are equal to 15% of the applicable participants' compensation as defined under the Staff Plan.

Assessments paid to CPF on behalf of the participants in the Clergy Plan, the Lay Plan and the Staff Plan were $84.0 million, $4.6 million and $9.8 million, respectively, during the year ended March 31, 2022 and $85 million, $5 million and $10 million, respectively, during the year ended March 31, 2021.

The funding positions of the Clergy Plan, the Lay Plan and the Staff Plan as of March 31, 2022 and 2021 are summarized as follows:

	Clergy Plan	Lay Plan	Staff Plan
		(In Thousands)	
March 31, 2022			
Net assets available for pension benefits after amount designated for assessment deficiency	$ 14,822,517	$ 265,795	$ 359,308
Actuarial present value of accumulated plan benefit obligations	6,683,016	222,546	228,754
Surplus	$ 8,139,501	$ 43,249	$ 130,554
March 31, 2021			
Net assets available for pension benefits after amount designated for assessment deficiency	$ 13,901,084	$ 236,116	$ 317,991
Actuarial present value of accumulated plan benefit obligations	6,636,310	232,873	235,611
Surplus	$ 7,264,774	$ 3,243	$ 82,380

10. EXPENSES

During the years ended March 31, 2022 and 2021, CPGSC provided certain services, primarily personnel, general and administrative expense processing and facilities related, to CPF on a cost-reimbursement basis and billed \$120.9 million and \$116.5 million, respectively, for such services.

The executive compensation philosophy is established by the Compensation, Diversity and Workplace Values Committee of the Board of Trustees. The total remuneration of certain key officers of CPGSC is approved by the Compensation, Diversity and Workplace Values Committee of the Board of Trustees. In addition, the total remuneration paid to the Chief Executive Officer and President is approved by the Board of Trustees. As part of approving the total remuneration of key officers, the Compensation Diversity and Workplace Values Committee and the Board of Trustees review the remuneration targets for functionally comparable positions in other financial services organizations and not-for-profits with similar complexity, as well as individual and corporate performance. Supplemental retirement and life insurance benefits are provided to certain officers under the terms of individual agreements.

The cash compensation for the two officers of CPF receiving the highest total cash compensation for the year ended March 31, 2022, was as follows:

Mary Katherine Wold, Chief Executive Officer and President	\$	2.0 million
Roger A. Sayler, Executive Vice President and Chief Investment Officer	\$	2.0 million

CPF maintains a defined contribution plan for eligible employees of CPGSC, under which employees may contribute up to 100% of their salaries, subject to federal limitations. Employee contributions of up to 6% of salary are matched 75% by CPGSC. Total employer-matching contributions under this plan were \$2.3 million and \$2.1 million for the years ended March 31, 2022 and 2021, respectively.

CPGSC also provides healthcare, disability and life insurance benefits for eligible active and retired employees. CPGSC accrues the cost of providing these benefits during the active service period of the employee. For each of the years ended March 31, 2022 and 2021, CPF and its affiliates recorded expenses of \$1.4 million and \$1.3 million, respectively for these benefits. This obligation is estimated at \$25.8 million and \$25.4 million as of March 31, 2022 and 2021, respectively. Management performs a valuation every three years as the impact of doing the valuation annually is immaterial. For measuring the expected post-retirement healthcare benefit obligation, average annual rates of increase in the per capita claims cost for 2022 and 2021 were assumed to be 6.0% and 6.5%, respectively. The increases in medical costs are assumed to decrease annually to 4.75% in 2025 and remain at that level thereafter. The weighted average discount rates used in determining the expected post-retirement benefit obligation was 3.25% at March 31, 2021. If the healthcare cost trend rate were increased by 1%, the accumulated post-retirement benefit obligation as of March 31, 2022 would increase by approximately \$0.4 million.

11. LINE OF CREDIT

On December 30, 2019, CPF entered into an Unsecured Revolving Line of Credit with The Northern Trust Company, to provide $100.0 million of committed and an additional $100.0 million of uncommitted available credit. On December 28, 2020, CPF amended the terms and included an increase of $150 million of uncommitted available credit to allow for more liquidity flexibility. The total credit facility is $350 million as of March 31, 2022. Advances under the Unsecured Revolving Line of Credit may be repaid and redrawn, in accordance with the terms of the loan agreements, with all amounts outstanding due in full on or before December 26, 2022. Advance requests must first be made under the committed line of credit; once committed principal is fully drawn, the principal available under uncommitted line of credit can be drawn. The commitment fee is payable on the average daily amount of committed principal undrawn, and is equal to fifteen one-hundredths of one percent (0.15 of 1%) of such amount per annum.

At March 31, 2022 and 2021 CPF did not have any amounts outstanding under the Unsecured Revolving Line of Credit and has yet to borrow any amounts and therefore no interest expense has been incurred for the years ended March 31, 2022 and 2021.

12. COMMITMENTS AND CONTINGENCIES

The Church Pension Fund invests in various securities as part of its ongoing operations. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, changes in the values of investment securities may occur in the near term and such changes could materially affect the amounts reported in the combined financial statements. Current world events, including inflation, are increasingly affecting economic and global financial markets. There continues to be uncertainty surrounding the duration and the broader impact of these events on the global economy and the ultimate impact cannot be determined at this time.

In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which led to a global health emergency. While the pandemic did not significantly impact CPF's operations for the years ended 2021 and 2022, there continues to be uncertainty surrounding further developments and the ultimate impact cannot be reasonably estimated at this time.

13. SUBSEQUENT EVENTS

Management has performed an evaluation of subsequent events through June 30, 2022, which is the date the combined financial statements were available to be issued.