CHURCH PENSION GROUP
Passionate About Our Purpose

Clear Commitment. Clear Focus. Clear Vision.

2024 Annual Report

The Church Pension Group exists to support clergy and lay employees of The Episcopal Church in their calling to spread the gospel.

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A Message from Mary Kate Wold

Chief Executive Officer and President

Dear Friends:

For more than a century, the Church Pension Group (CPG) has met the employee benefits, property and casualty insurance, and publishing needs of The Episcopal Church. Our current vision, which hearkens back to the bold vision of our founder, Bishop William Lawrence, is to make sure our clients have the highest possible level of financial security in retirement that is consistent with exemplary financial stewardship on our part and with the evolving needs of the Church. Consistency and agility—providing stability while advancing our capabilities to fulfill our purpose over time—are hallmarks of our work.

We are leveraging new technology to enhance client services and to protect the privacy of client data. We are recruiting and developing strong talent at CPG, trustworthy individuals who display high levels of professionalism and compassion in their work. We also are cultivating relationships with third-party vendors who fill gaps in our capabilities and offer state-of-the-art solutions to the people and institutions we serve.

In this Annual Report we share reflections from our Board of Trustees, a summary of our investment performance, and a description of some recent commitments we have made in our technology, talent, and vendor management for the benefit of the Church. We also offer updates on our property and casualty and publishing lines of business.

CPG was established a long time ago, but we are as committed as ever to responding to client needs. We look forward to continuing to serve the people and institutions of The Episcopal Church.

Faithfully,

Mary Kate Wold

Mary Kate Wold

A Message from The Church Pension Fund Board of Trustees

Dear Friends:

Over the past year, The Church Pension Fund Board of Trustees (CPF Board) has been able to tap into a well of diverse perspectives and professional expertise to tackle important issues for the Church Pension Group (CPG) and the clients it serves. As in the past, we evaluated CPG's work from many angles, asked a lot of questions, and found ourselves impressed with the strategic, operational, and financial strength of the organization.

In 2023, CPG exceeded all benchmarks and targets for customer service, investment performance, and financial management—its key performance indicators. The organization also recruited an extremely talented new chief investment officer and filled two key management-level roles in Church Relations and Client Engagement. *(Please see Management Changes.)*

At each of our four meetings last year, the CPF Board continued to work on diversity, equity, and inclusion (DEI). An intentional focus on DEI is vital to the CPF Board's effectiveness because our ability to make good decisions depends on our willingness to hear each other's perspectives.

The CPF Board is blessed by the presence of diverse experts in business, finance, investments, and all things Church. Our conversations are fulsome. We make every effort to ensure that CPG's assets—its finances, people, and other resources—are being put to their best use, which is to support the clergy and lay employees of The Episcopal Church in their calling to spread the gospel, through three lines of business—employee benefits, property and casualty insurance, and publishing.

Thank you for entrusting us with the oversight of an organization that takes so much pride in its work.

Faithfully,

Canon Kathryn McCormick
Chair

Canon Rosalie Simmonds Ballentine, Esq., DHL
Vice Chair

The Rt. Rev. Brian N. Prior
Vice Chair

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

New Perspectives

Canon Anne M. Vickers

Chair (effective June 28, 2024)

With deep appreciation for the outstanding leadership of Canon Kathryn McCormick who has served on the CPF Board for 12 years, most recently as CPF Board Chair, I am honored to serve as CPF's new Board Chair, effective with the adjournment of General Convention. I want to thank Kathryn personally for helping us navigate so much change over the past few years and for uniting the CPF Board in its commitment to diversity, equity, and inclusion. We will miss Kathryn and our other departing trustees, including Canon Rosalie Ballentine, who served as Vice Chair of the CPF Board. We are grateful for their service and their friendship.

We are also delighted to welcome the new and returning trustees who were elected at General Convention.

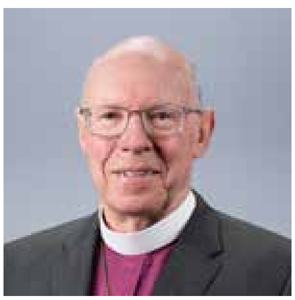
I look forward to updating you following every CPF Board meeting and to hearing your feedback as we continue our important work.

Meet Canon Anne Vickers
new Chair of the CPF Board

With Gratitude

With endless gratitude, we bid farewell to our retiring board members:

Canon Rosalie Simmonds Ballentine, Esq., DHL
Vice Chair, The Church Pension Fund Board of Trustees
Attorney, Law Office of Rosalie Simmonds Ballentine, PC St. Thomas, US Virgin Islands



The Rt. Rev. Clifton Daniel III
Dean, The Cathedral Church of Saint John the Divine (retired)
Fort Lee, New Jersey

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

Delbert C. Glover, PhD
Vice President, DuPont (retired)
Washington, DC

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

Ryan K. Kusumoto
President and CEO,
Parents And Children Together
Honolulu, Hawaii

Canon Kathryn McCormick
Chair, The Church Pension Fund Board of Trustees
Canon for Administration & Finance, Episcopal Diocese of Mississippi (retired)
Jackson, Mississippi

Solomon S. Owayda
Partner, Monument Group
Boston, Massachusetts

Investment Performance

The Church Pension Fund's (CPF) investment portfolio must generate sufficient returns to pay benefits and related expenses for decades to come. In consultation with the CPF Board, the CPG Investment team establishes an asset allocation—a mix of stocks, bonds, real estate, and other assets—that is designed to achieve an appropriate investment return without taking on unnecessary risk. CPG then identifies carefully selected third-party investment managers to make and monitor specific investments.

A Conversation with CIO Michael Hood

Michael Hood, Chief Investment Officer, explains CPF's investment strategy, the importance of mitigating risk, and the outlook for the investment portfolio.

$17.5 billion

The Church Pension Fund's investment portfolio asset value as of March 31, 2024

As of March 31, 2024, the value of CPF's investment portfolio stood at $17.5 billion, compared to $17.0 billion the prior fiscal year. Publicly traded stocks delivered strong increases over the past year. Bond markets fluctuated widely during this period but finished with modest gains. Private asset classes, such as real estate and private equity, continue to adapt to the earlier rise in interest rates and posted muted returns amid subdued market activity.

Over the past 10 years, the CPF investment portfolio has generated an annualized return of 7.6%, which exceeds its investment goal of 7.3% and the market benchmark of 6.3%.

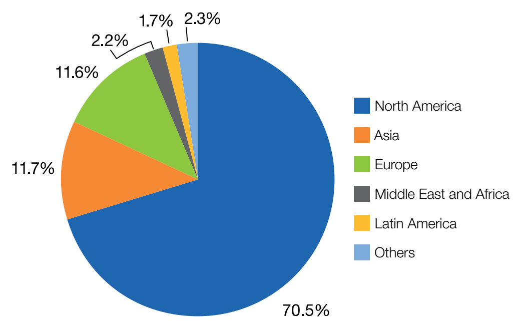
To the extent possible, the investment team incorporates socially responsible investment (SRI) principles in its broader investment strategy. CPG's four-pronged investment strategy includes evaluating how current and prospective investment managers reflect ESG issues in their analysis; investing for positive social impact when strong risk-adjusted returns can be achieved; engaging with companies on ESG issues as active shareholders; and sharing access to the expertise of thought leaders in SRI.

We remain vigilant about recognizing and managing risks and are poised to maintain the financial strength of CPF to meet our obligations for decades to come.

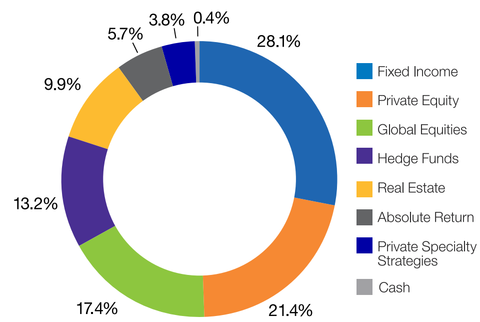
$460 million

Total benefits paid to clergy and lay employees, and their dependents, from April 1, 2023, to March 31, 2024

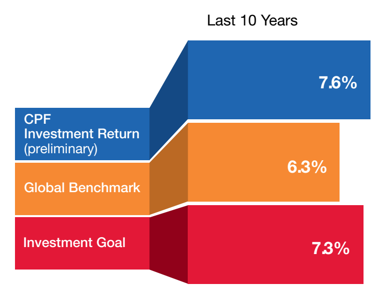
Investment Overview (As of March 31, 2024)



Regional Asset Allocation



Asset Class Exposure



Annualized Investment Returns

Clear Commitment to Socially Responsible Investing

How do investors reflect ethical values in the context of investment strategies and fiduciary duty? *Insights & Ideas* a series of discussions with investment thought leaders, brings together a range of perspectives on what it means to approach investing through a lens of social responsibility.

Experts from other organizations and members of the CPF team explore a range of topics that may be of interest to the Church. Recent sessions have focused on the social determinants of health and ways that investments can address them, the connection between faith and investment activity around climate change, and approaches for investing portfolios to achieve long-term financial objectives while also supporting Episcopal Church values.

Watch replays of recent Insights & Ideas conversations and *learn more* about how we put our commitment to socially responsible investing into action.

Technology You Can Trust

For the most part, our work focuses on people—the clergy and lay employees who serve The Episcopal Church in a variety of ways. CPG offers products, programs, and services to individuals, and collaborates with group administrators and vestry members to make sure all eligible Episcopal institutions are enrolled in the products, programs, and services that best suit their needs. Ours is a people-focused business, but every person and institution we serve has data that is valuable and people who are busy.

Our cybersecurity team works around the clock to keep CPG and client data safe *(see next page),* and over the past few years, we have updated our systems as well as our policies and procedures, to make service transactions easier and more convenient. In 2023, more than 85% of the most common service transactions were made via our newly updated web self-service portals. Now, with only a few clicks, individuals can manage their personal information, update plan beneficiaries, and tell us about births, marriages, and other significant life events. Also, newly hired clergy and lay professionals can enroll in their employers' CPG-provided retirement, group health, and life insurance plans online.

Later this year, we will be launching new self-service and other online tools for our property and casualty insurance business.

We are investing in new technology with people in mind, and the feedback thus far has been overwhelmingly positive.

Cybersecurity: A Constant Focus

Stephen Tihor, CPG's Enterprise Security Officer, talks about CPG's cybersecurity program.

Whether our ITS team members are carving out time to understand the latest cyber threats, implementing security safeguards, or planning how we will respond to hypothetical future attacks, we're working continuously to protect CPG and clients' personal information. I took stock of the number of hours our technology teams focused on enterprise security last year alone, and it was around 6,000 hours! And we also engage outside vendors to help with this effort.

Every CPG employee is expected to do their part to shield our organization and our clients from malicious cyber behavior. It's a message we reinforce through mandatory cybersecurity training at every level of the organization. Our clients may not realize it, but they also play a role in keeping their personal information safe. Everyone is now required to use multifactor authentication when they access their CPG accounts through the internet. It's an extra layer of protection that is needed in these times of heightened risk.

We have a robust technical infrastructure, an experienced and dedicated team of employees, and additional coverage provided by security service vendors who were chosen after a rigorous selection process.

We can't prevent all cyber threats, but we never stop working to mitigate the risks by implementing best practices with employees and clients and maintaining our vigilance through constant monitoring and testing.

People Who Make a Difference

At CPG, we are responsible for helping people prepare for retirement, protect their health, manage property and liability risk, and expand their horizons through books, music, and other content. It's important work that requires focused effort and expertise. We make every effort to recruit and develop diverse teams with the highest standards in mind, because every person at CPG contributes to the quality of care and support that we offer our clients and to the depth of relationships we enjoy around the Church.

Diversity, equity, and inclusion (DEI) are critical to our ability to anticipate and respond to ever-changing needs. DEI gives us an operational advantage and is the right thing to do. Our commitment to DEI is unwavering. In 2023, people of color comprised 46% of full-time employees, 54% of new hires, and 58% of promotions at CPG. We are proud of these numbers but even more proud of the values and commitment they prove.

A Spotlight on the Investment Department

The Investment team at CPG is responsible for generating the investment returns needed to cover the cost of benefits and other related expenses for decades to come. Their work requires expertise in different asset classes and experience under different market conditions. At CPG, we are fortunate to have experienced leaders in investments who have a long-term commitment to CPG and its vision. Collectively, the 10 most senior members of the Investment Department have worked at CPG for more than 150 years, and they average 25 years of experience in the investment industry. CPF's assets are in very good hands.

25 Years

Average years of experience of the 10 most senior members of the Investment Department

While the entire Investment team shares responsibility for the CPF portfolio, specialized groups within the team handle particular asset classes, such as fixed income and public equity, as well as other functions, including operations and risk. Three team members work from our Hong Kong office, bringing this distinct perspective into the investment process. All this experience goes into the Investment Department's work in identifying attractive asset classes, selecting outside investment managers, and mitigating the risks inherent in global investing.

The Investment Department cultivates a collaborative, supportive environment committed to the growth of next-generation talent. CPG recruits analysts and associates with demonstrated intellectual and professional ability. They support our investment decision making through quantitative skills and data analysis, due diligence, qualitative research, and information management.

CPG's financial strength is an outcome of this team's strength and focus. We are honored to call them colleagues.

How Sajith Ranasinghe Built a Career at CPG

Sajith Ranasinghe, Managing Director, Global Real Estate, notes that senior leadership has been a critical reason for his long tenure and successful career at CPG.

CPG's Core Values at Work Every Day

Did you know that CPG's home office processes more than 300,000 pieces of mail, scans thousands of pieces of correspondence, and delivers nearly 3,000 packages via FedEx and UPS annually? It's behind-the-scenes work that requires great care and charisma to do well.

Manalac Can Handle That

Eryl Manalac has worked in our mailroom for almost 22 years and embodies our core values of professionalism, trustworthiness, and compassion every day.

In Good Company: Vendors That Help Us Deliver

John Servais,

Senior Vice President of Benefits Policy and Design, explains how CPG's vendor alliances enable us to deliver optimal benefit solutions.

We constantly monitor the market to identify vendors that can help us enhance the benefits we offer and upgrade the services we provide.

Take our decision to move our dental benefit offerings to Delta Dental, effective January 2024. Delta Dental has the largest network of dentists nationwide, which means plan members have broader access to in-network providers who can deliver cost-effective care. In the first quarter of 2024, we had 3.4% more members in our dental plans and still realized 7% cost savings over the same period in 2023. Savings like this enabled The Episcopal Church Medical Trust (Medical Trust) to enhance benefits, like increasing the annual benefit maximum and the lifetime maximum for orthodontia services and eliminating the deductibles for two of our Delta Dental plans. These benefit enhancements allow member dollars to go further.

At the end of 2022, we began offering Hinge Health to Anthem and Cigna plan members and their eligible dependents at no additional cost. Hinge Health takes an online approach to addressing musculoskeletal pain and injuries. As of February 2024, more than 500 members had engaged with the program, completed nearly 19,000 exercise therapy sessions, and reported a 48% reduction in pain.

We look to Fidelity Investments, the recordkeeper for our retirement savings plans, to augment our internal resources. While our financial education specialists can help individuals understand more about their finances, Fidelity has even more capacity to offer consultations, tools, and education that can help participating lay employees and clergy set financial goals and achieve them.

12,848

Active lay participants in defined contribution savings plans as of March 31, 2024

2,123

Active clergy participants in defined contribution savings plans as of December 31, 2023

This year, we are announcing a new benefit that will help members navigate complexities in the healthcare system, pursue even better healthcare outcomes, and save money. Beginning January 1, 2025, Quantum Health care coordinators will help Medical Trust members make the most of their benefits and support their healthcare needs. Throughout the summer and fall, we will educate members about Quantum, our vendor, and all it has to offer.

Finally, we've teamed up with an electronic solution provider to simplify the billing and payment experience, allowing our clients to spend less time processing payments for pension assessments, health plan contributions, and life insurance premiums. We plan to launch electronic bill presentment and payment for various benefits in the latter half of 2025.

As our participants' needs evolve, we will continue to seek out vendors who can help us deliver quality care while lowering costs.

Client Voice: Hinge Health

"I thought my jogging days were over because of my hip and hamstring issue, but thanks to Hinge Health, I have resumed light jogging recently! My husband uses it, too, and his back is much improved. Whenever he feels any setback, the exercises prescribed by Hinge Health keep him from further injury. He has recommended Hinge Health to several coworkers as well."

Kara Werner
Spouse of a lay employee in the Diocese of New York

Other Business Updates

The Church Insurance Companies

In a year marked by challenging weather and economic conditions, the Church Insurance Companies (CIC) have doubled down on a commitment to client education and service. We recognize that in an ever-evolving landscape of risks, it is imperative for us to continuously adapt and innovate to provide the best possible service to our clients.

More than 90%

Share of US Episcopal churches insured
by The Church Insurance Companies
as of March 31, 2024

Notably, this past year, we successfully implemented an automated risk management tool within our Episcopal Safety Program. Leveraging state-of-the-art technology, advanced analytics, and the expertise of CPG's Research & Data team, we created a real-time management tool that has revolutionized how we assess, mitigate, and monitor risk. By harnessing the power of data-driven insights, we enhanced our ability to identify potential threats and proactively manage risks, thereby strengthening the overall resilience of our business.

The new tool allows our team to complete more risk management visits, dive deeper into risk concerns, and provide an electronic report instantly to our clients. By providing more effective and efficient risk management analysis, our clients can mitigate risks, which positively affects the claims experience and ultimately premiums.

Furthermore, we improved the transparency and clarity of our communications around premium increases and policy changes. We studied the drivers of the higher-than-usual premium increases experienced in 2023—reinsurance[1] markets, the construction cost index, and climate changes. We then implemented a comprehensive communication strategy and published a simple, one-page explanation to effectively demystify the factors influencing premium increases and assist our clients in making well-informed decisions.

Our focus on client education has helped us retain 99% of our business year over year, significantly higher than the industry standard. This gives us confidence that our approach is working, but we plan to continue to explore even better ways to communicate, serve, and deliver critical value to our clients.

[1] Like other property and casualty insurers, CIC purchases its own insurance (reinsurance) to cover portions of the largest claims it may encounter. Reinsurance premiums have risen substantially over the past several years.

Church Publishing Incorporated

This year, Church Publishing has made significant strides in broadening access to our books and other resources to meet the needs of The Episcopal Church, its people, and its mission. Through strategic initiatives and innovative digital solutions, we have ensured that our content reaches a wider audience than ever before.

1,192

Products and titles offered by Church Publishing Incorporated as of March 31, 2024

Our focus on maximizing print-on-demand has allowed readers from all over the globe to easily access our extensive catalog of titles. We have also begun working with global Christian booksellers, expanding our reach into new markets. Anyone, anywhere, can now access our books in English.

Our participation in international book fairs, including the London Book Fair and the Frankfurt Book Fair, provided invaluable opportunities to build a global network of representatives to help us broaden our footprint in the world of translation. Soon, our titles will be available for many more to read in their native languages and audio form. Look out for the audio publication of Catherine Meeks's *The Night Is Long but Light Comes in the Morning* later this year.

We have also made noteworthy advancements in the realm of worship planning resources. By establishing a landmark collaboration with the Association of Anglican Musicians (AAM), we have been able to expand our offerings through our *RiteSong* music library with new music selected or commissioned by AAM.

Furthermore, we made substantial additions to *RitePlanning*—the go-to source for weekly and special worship services—including the newest editions of Lesser Feasts and Fasts, the Book of Occasional Services, and the lectionary readings from the bestselling book by the Rev. Wilda C. Gafney, PhD, *A Women's Lectionary for the Whole Church–Year B.*

As we continued to identify evolving client needs, we heard a growing demand for addressing the challenges of clergy burnout. Callie E. Swanlund's *From Weary to Wholehearted* is a restorative resource for overcoming the stresses of dedicated service.

We are incredibly grateful for the support of clergy and lay employees as we bolster them in their calling to spread the gospel and as we expand our diverse voices into broader audiences.

Church Publishing Incorporated: One vision. Three imprints.

Our three Church Publishing Incorporated imprints all produce resources designed to have a positive impact on the world around us. With Church Publishing, we provide core liturgical works and other materials for The Episcopal Church. Through Morehouse Publishing, we offer books that are grounded in Episcopal values yet have the potential to inspire, inform, and spark dialogue in general audiences too. And we are deepening our academic impact with Seabury Books, which features peer-reviewed scholarly volumes on religion and theology.

Denominational Health Plan Annual Report

Since its inception in 2009, the *Denominational Health Plan (DHP)* has offered valuable healthcare coverage to members. Meanwhile, The *Episcopal Church Medical Trust (Medical Trust)* has 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 cost disparities among dioceses.

While the DHP continues to meet its objectives, the Medical Trust nonetheless recognizes that healthcare can create financial burdens, and it remains focused on addressing costs and providing consistent service and broad access to high-quality benefits, thus balancing compassionate care with financial stewardship for the Church.

Background

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

- established the DHP in order to provide health benefits to clergy and lay employees who work a minimum of 1,500 hours annually for domestic dioceses, parishes, missions, and other ecclesiastical organizations or bodies subject to the authority of the Church;
- tasked employers to provide parity in cost-sharing between clergy and lay employees; and
- requested that the Medical Trust continue to reduce healthcare cost disparities among dioceses.

Six years later, Resolution 2018-C023 requested that the Medical Trust strive to make available at least two national health insurance carriers in each diocese.

Task Force to Advise the Church on the Denominational Health Plan

The 80th General Convention of The Episcopal Church passed Resolution 2022-D034 establishing the Task Force to Advise the Church on the

Denominational Health Plan (DHP Task Force) for the purpose of reviewing the structure and offerings of the DHP and reporting back to the 81st General Convention with a list of options to reduce healthcare costs across the Church and a full explanation of the reasoning, costs, and benefits of each option.

Following this review, the DHP Task Force made several observations and recommendations to continue managing overall healthcare costs and achieve parity in cost-sharing between clergy and lay employees while still balancing high-quality benefits with financial stewardship for the Church. The DHP Task Force also introduced other factors (e.g., ability to pay) for considering how to share cost burdens across the Church. The DHP Task Force's recommendations, as well as the independent actuarial report supporting its work, were included in the 81st General Convention Blue Book.

Value of the DHP

The following DHP features are not typically found in US corporate plans or state-based healthcare exchanges:

- **Meaningful choice –** The DHP allows dioceses greater flexibility in choosing options offered by the Medical Trust, which include platinum, gold, and silver plans and two pharmacy plan designs.
- **Comprehensive benefits –** The DHP offers an Employee Assistance Plan (EAP) plus 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). State-based exchanges offer smaller provider networks. Although plans from these exchanges may feature lower premiums, they do so at the expense of benefits, participant choice, and access.

Controlling Healthcare Costs

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

Annual cost increases continue to be on the lower end of national trends. In 2024, the Medical Trust required an average annual increase in contribution rates of 6.4%, compared with an estimated national increase of 7%[1]. This is especially noteworthy because DHP claim costs were 21% higher than those of the average US employer. These higher costs were driven primarily by three factors:

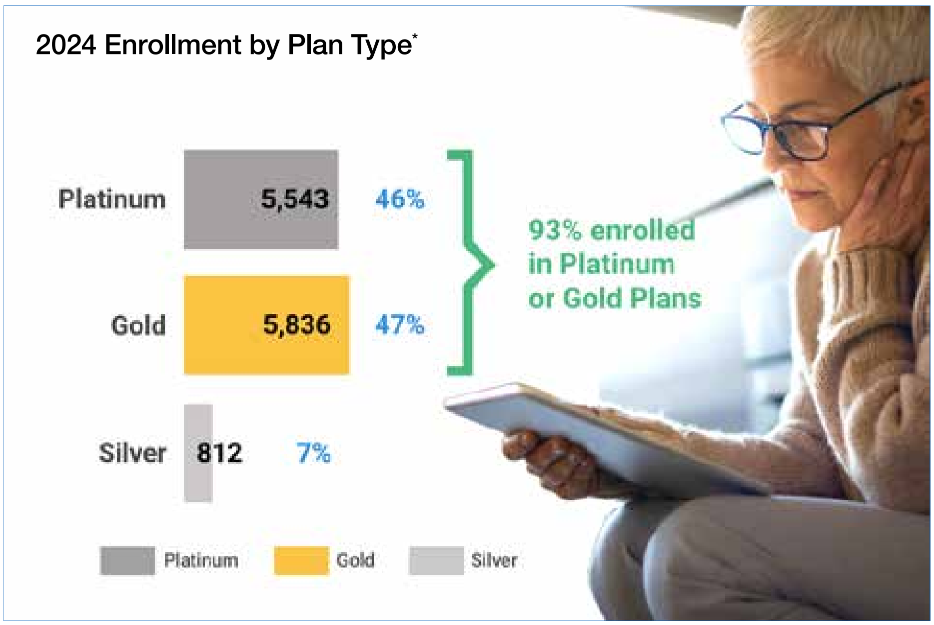
- **Older population –** The median age of individuals covered by the DHP is 52, compared with 42[2] among those covered by employer-provided

> 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.

[1] *PricewaterhouseCoopers, "Medical cost trend: Behind the numbers 2024," PwC, n.d.*
[2] Alliant, *Claims Cost Benchmarking: 2024 Alliant Reforecast, May 15, 2024.*

health plans. This is significant because older adults are more likely to use healthcare services, including for chronic conditions, and thus raise the cost of claims.

- **Richer plans –** Whereas US employers have tended to shift to coverage with higher out-of-pocket costs for their insured, 93% of DHP members are enrolled in its richest plans, which feature the lowest member out-of-pocket cost share.
- **Higher specialty prescription costs –** Specialty prescriptions continue to be a cost driver. Their cost increase was 16.2% compared to a 5.5% cost increase for non-specialty prescriptions.



Clergy and lay employee participant enrollment as of January 1, 2024. Excludes fully insured plans.

Since the DHP's inception, annual average cost increases have ranged from approximately 4% to 6% versus 7% to 9%[3] for other large US employers during the same period.

Lower administrative costs. Ninety-four percent of contributions to the Medical Trust are budgeted to pay for the cost of healthcare services utilized by clergy, lay employees, and their families who participate in the DHP. The remaining portion goes toward costs to administer our health plans (access to national networks, claims processing, member services, etc.) and to internal operations (plan sponsor and administrative responsibilities, billing and collections, call center, etc.). The DHP allows the Church to provide healthcare to clergy, lay employees, and their families by removing added costs (state premium taxes, commission fees, and risk/profit margin) in a manner similar to that in which US corporations provide healthcare to employees.

Comparison to federal and state-based individual exchanges. It is important to note that most plans offered on the exchanges have narrower networks and in-network-only options that reduce costs by restricting

[3] *Custom comparison includes companies from charities and nonprofit, higher education sectors*

access to a select number of physicians and hospitals. These plans do not match the richness of the DHP design.

Economies of scale help contain costs. The DHP aggregates the purchasing power of Episcopal employers, thus lowering overall healthcare rates for Participating Groups. In 2023, the DHP improved on its ability to bargain for the Church by maintaining approximately 13,000 active clergy and lay employees in its healthcare plans.

Analysis by an external consultant confirmed that given plan value and member age, gender, family size, and geographic location, the Medical Trust claims cost is approximately 1% more efficient than actuarially adjusted benchmarks and saves the Church more than $2 million per year.[4]

Consultations with Church Pension Group (CPG) professionals guide benefits administration. Since 2014, all domestic dioceses have participated in the DHP and received 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's existence, the Medical Trust has taken various measures to maintain low annual cost increases without making significant increases to out-of-pocket costs or watering down access or care for members, including

- continued participation in a prescription drug purchasing coalition with other denominations;
- implementation of the SaveOnSP manufacturer copay assistance program;
- implementation of medical channel management to cover certain specialty medications exclusively within the Express Scripts pharmacy benefit;
- introduction of Hinge Health, a digital musculoskeletal wellness program, for Anthem and Cigna members to address a top plan cost driver;
- introduction of a coinsurance-based prescription drug benefit plan and a new cost-sharing tier for specialty drugs;
- implementation and promotion of the Medicare Secondary Payer Small Employer Exception Plans;
- requirement of appropriate utilization management to ensure optimal outcomes and use of evidence-based treatments; and
- collaboration with another denomination to conduct a review 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 healthcare costs across the Church.

CPG has therefore worked to minimize health plan cost disparities among dioceses. Without the DHP, geographic and demographic factors alone

[4] *Alliant, Claims Cost Benchmarking: 2024 Alliant Reforecast, May 15, 2024.*

would result in a much wider cost disparity among dioceses, with many dioceses likely experiencing increases as high as 40% or more above current average rates.

Although Resolution 2012-B026 limits our ability to be as competitive in all dioceses and the Medical Trust may not be the least expensive option for every diocese, the DHP has achieved the intent of Resolution 2009-A177.

As represented in the table below, the disparity in healthcare rates between the highest-priced and lowest-priced dioceses remained relatively flat in 2023:

- For the same plans, rates for 73% of dioceses fall between approximately 10% above and below the average Medical Trust rates (flat since 2022). The Medical Trust strives to keep most dioceses within this range.

Rates paid by 27% of dioceses fall 10% or more below the average Medical Trust rate for the same plans (flat since 2022). This is primarily driven by the need to remain competitive with local market premiums in those dioceses as well as by member demographics, geographic cost of healthcare, and claims history.

Rate Disparity Between Dioceses*

Difference from Average Rate	Number of Dioceses
-31%+	1
-21% to -30%	6
-11% to -20%	19
-10% to +10%	71
11% to 20%	0
21% to 30%	0
31%+	0
Total	**97**

**Excludes the Diocese of Hawaii since the plan is fully insured as required by state law.*

Fund for Medical Assistance for Non-Domestic Dioceses

The Fund for Medical Assistance (FMA) was established to provide grants to eligible clergy, eligible lay employees, and their eligible family members in dioceses that do not participate in the DHP, to pay qualified healthcare expenses not otherwise covered by public or private insurance. The Board of Trustees has extended the Fund for Medical Assistance (FMA) through December 31, 2027, and revised its guidelines to expand the availability of funds. For example, effective January 1, 2023:

- The requirement that individuals be employed for at least one year before accessing the FMA was removed.
- Domestic partners and surviving children under age 30 of eligible clergy and eligible lay employees were added as eligible for FMA grants, as were disabled children 30 years or older (if their disability occurred prior to their reaching age 25).

- The Church Pension Fund's annual commitment was increased from $280,000 to $350,000.

More recently, The Church Pension Fund's annual commitment was increased to $370,000.

In 2023, The Church Pension Fund granted a total of $86,000 from the Fund for Medical Assistance to pay for healthcare expenses for eligible participants in non-domestic dioceses. These grants provide greater financial security to protect the health of those we serve.

The Way Forward

In addition to its ongoing efforts to enhance benefits while containing costs, the Medical Trust is exploring opportunities that could improve member benefits and/or further manage costs, including:

Healthcare Navigator

Overwhelming healthcare decisions can be detrimental to the health and well-being of members and lead to higher costs. A navigator serves as a single point of contact for members and helps them overcome barriers to healthcare, engage more effectively with providers, and experience better outcomes. As part of this initiative, the Medical Trust is examining *social determinants of health* to identify ways we can help members improve their health outcomes.

After evaluating alternative vendors and the services they offer in 2023, the Medical Trust selected Quantum Health as its healthcare navigation provider. Quantum Health will offer Medical Trust members support during Annual Enrollment, beginning in October 2024, and the full spectrum of offerings as of January 1, 2025.

Behavioral Health Support

Consistent with national rates, over a quarter of the Medical Trust's membership had at least one behavioral health claim in 2023. Additionally, behavioral health visits and Employee Assistance Program (EAP) utilization are trending upward. The Medical Trust is promoting EAP resources for our members to show the value of these programs. Through Quantum Health, the Medical Trust is exploring options to expand access to behavioral health providers via digital solutions and to assist members in coordinating their behavioral healthcare. Additionally, we are looking at different options to bring an EAP solution to international clients.

Pharmacy Benefit

The Medical Trust completed an in-depth review for a pharmacy benefit manager. The incumbent, Express Scripts, Inc., was awarded the business because our review of the alternatives showed that Express Scripts continues to be the best pharmacy benefit management service solution for the Medical Trust and our members. We were also able to achieve favorable early pricing with Express Scripts through our renewal of a three-year term.

Impact of GLP-1s

A relatively new class of medications known as GLP-1 drugs (glucagon-like peptide-1), initially approved to treat type 2 diabetes, are also highly effective weight loss agents. Examples of GLP-1 drugs include Novo Nordisk's Ozempic and Wegovy, and Eli Lily's Mounjaro. However, coverage of GLP-1 drugs is costly, with the estimated average annual wholesale acquisition cost for this class of drugs ranging from $12,200 to $17,600 when used for weight loss.[5]

The Medical Trust currently covers GLP-1 drugs for weight loss and diabetes, according to clinical guidelines developed by the US Food and Drug Administration (FDA) and applied by the Medical Trust's claims administrators. In 2023, the Medical Trust's total pharmacy expenditure for GLP-1 drugs was $4.1 million, nearly 9% of its overall pharmacy cost.

We are evaluating solutions to control future GLP-1 drug costs, including enhanced prior authorization programs that ensure appropriate utilization and adherence and services to support members' cardiometabolic health through lasting behavioral changes.

Impact of Gene Therapy

Gene therapy is a technique that modifies a person's genes to treat or cure disease. The Medical Trust intends to continue its current coverage of FDA-approved gene therapies. Gene therapy prices can range from $850,000 to $3.5 million. We will work under a new reinsurance agreement to protect the DHP so that we can continue to provide coverage while ensuring that coverage is sustainable.

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 for the level of benefits our members receive.

We continue to monitor the healthcare environment, current trends, inflation, and supply chain issues that may have an impact on costs. We remain focused on providing comprehensive and cost-effective health benefits, improving member engagement and health outcomes, and complying with applicable laws and best business practices.

[5] *Ally, AJ, et.al. (August 2023). Payer strategies for GLP-1 medications for weight loss. Milliman White Paper. us.milliman.com/-/media/milliman/pdfs/2023-articles/8-28-23_glp-1s-for-weight-loss_20230824.ashx.*

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
- 97% of every premium dollar is used to pay healthcare claims
- Episcopal employers are relieved of many administrative burdens

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 52* 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 effort toward reduction in healthcare cost disparity between highest- and lowest-priced dioceses

*As of June 10, 2024

Management Changes

Michael Hood

Executive Vice President, Chief Investment Officer, and Managing Director

A highly accomplished investment professional with extensive expertise in economics, asset allocation, and portfolio strategy, Michael is a top-ranked economist. He formerly served as Managing Director in JPMorgan Asset Management's Multi-Asset Solutions division, where he helped oversee diverse portfolios totaling $350 billion. Prior to this, he was Chief Economist at Traxis Partners, economist and international market strategist with Barclays Capital, and economist for JPMorgan and JPMorgan Chase and the Federal Reserve Bank of New York. Much of his experience is with Asia, Europe, and the Latin American markets. Michael received an MPA in international relations from Princeton University and a BA in economics and political science from Carleton College, where he graduated magna cum laude in economics.

Meet our Chief Investment Officer

The Rev. Canon Arlette Benoit Joseph

Senior Vice President, Church Relations Officer

Arlette has cultivated a lifelong commitment to the Church, and her unwavering dedication and experience have helped her nurture relationships across the Church. Before joining CPG in 2023, she served as the Canon for Transition Ministry in the Diocese of Pennsylvania. Previously, she held positions in the Diocese of New York at Trinity Church Wall Street, the Diocese of Atlanta at St. Paul's Episcopal Church, and the Absalom Jones Center in Atlanta. Before embarking on her ordained path, Arlette made significant contributions in the corporate world, working as a Marketing Analyst at UPS Mail Innovations and Oracle Corporation. She graduated with honors from Claflin University, earning a BA in marketing. Additionally, she holds an MDiv and a certificate in spiritual direction from General Theological Seminary.

Meet our Church Relations Officer

Pat Rasile

Senior Vice President, Engagement

For the past 20 years, Pat Rasile has immersed himself in helping our clients maximize CPG's products, programs, and services. He talks about the new role he assumed in March 2024 as Senior Vice President, Engagement.

Moving on Up

Starting 20 years ago in the call center, I honed my skills and strengths to transition through several roles of increasing responsibility and influence. With this new position, I saw an opportunity to have a greater impact on both our employees and those we serve. This role provides more client-facing interactions, allowing me to have a deeper understanding of their needs, and that's exciting.

My team and I engage clergy, lay employees, beneficiaries, other Church leadership, and CPG colleagues, providing tools and resources so they have the knowledge and awareness to make the right choices in their interactions with CPG and toward their overall well-being.

Constant Change

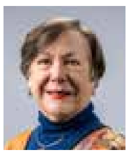
In a world of constantly changing needs, I am dedicated to ensuring that our clients have the right tools to enhance their financial, physical, and emotional well-being. Whether through webinars, conferences, or online retirement calculators, we continue to address clients' and colleagues' different working and learning styles.

Natural Curiosity

I have a natural curiosity and a love for learning new things—variety is the key to life. I'm also tuned in to my financial, physical, and emotional wellness. Working at CPG and in this role allows me to fully embrace my work and apply it on both ends of my spectrum—as an employee and as an Episcopalian. It helps me understand more about the Church and the people in it.

The Church Pension Fund Board of Trustees

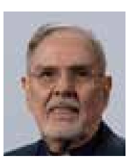
As of March 31, 2024



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

Canon Rosalie Simmonds Ballentine, Esq., DHL [1, 3, 5, 7, 8]
Vice Chair, The Church Pension Fund Board of Trustees
Attorney, Law Office of Rosalie Simmonds Ballentine, PC
St. Thomas, US Virgin Islands

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



The Rt. Rev. David A. Álvarez, MDiv, PsyD [2, 3]
Bishop, Episcopal Diocese of Puerto Rico (retired)
Carolina, Puerto Rico

The Rev. Brendan Barnicle, DMin [2, 6, 7]
Rector, St. Francis of Assisi Episcopal Church
Wilsonville, Oregon

The Rt. Rev. Diane M. Jardine Bruce, DMin, DD [1, 4, 5]
Bishop Provisional, Episcopal Diocese of West Missouri
Kansas City, Missouri

The Very Rev. Samuel G. Candler [2, 5, 7, 8]
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 (retired)
Fort Lee, New Jersey

The Rt. Rev. Ian T. Douglas, PhD [2, 4]
Bishop, The Episcopal Church in Connecticut (retired)
Vineyard Haven, Massachusetts

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

The Rev. Amy Haynie [3, 4]
Rector, Saint Nicholas' Episcopal Church
Midland, Texas

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

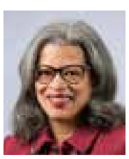
The Very Rev. Cynthia Briggs Kittredge, ThD [3, 6]
CEO Dean and President
Seminary of the Southwest
Austin, Texas

Ryan K. Kusumoto [1, 5, 6]
President and CEO, Parents And Children Together
Honolulu, Hawaii

The Rev. Gawain F. de Leeuw, DMin [3, 6]
Vicar and Priest-in-Charge, Holy Trinity Church Inwood
New York, New York

John McCray-Goldsmith [2, 3]
Managing Director, Wells Fargo Investment Portfolio
San Francisco, California

Sandra Ferguson McPhee, Esq. [1, 4, 5]
Attorney, Law Offices of Sandra Ferguson McPhee
Kennebunk, Maine



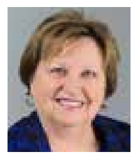
Yvonne O'Neal [3, 6]
Social Justice Advocate
Financial Consultant (retired)
New York, New York

Solomon S. Owayda [1, 2, 3]
Partner, Monument Group
Boston, Massachusetts

The Rt. Rev. Gregory H. Rickel [2, 4]
Assisting Bishop, Diocese of Southeast Florida
Bishop of Olympia (resigned)
Ft. Lauderdale, Florida

The Rt. Rev. Austin K. Rios [2, 6]
Bishop, Diocese of California
San Francisco, California

Canon Anne M. Vickers [2, 6]
Canon for Finance and Administration,
Episcopal Diocese of Southwest Florida (retired)
Tampa, Florida



The Hon. Linda E. Watt [3, 4]
US Ambassador (retired)
Former Chief Operating Officer,
Domestic and Foreign Missionary Society
Raleigh, North Carolina

The Very Rev. Sandye A. Wilson [2, 4]
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

Church Pension Group Officers and 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*

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Mary Katherine Wold

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The Rev. Clayton D. Crawley
Theodore J. Elias, Jr.
Patricia S. Favreau
Michael Hood
Nancy L. Sanborn
Roger Sayler**
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Christopher Rourke
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Rachel Christmas Derrick
Edward A. Feliciano
Robert Flannery
Camille Fredrickson
John Gallo
Max Giacomazzi
Angela L. Harris

*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, and Church Publishing Incorporated, between April 1, 2023, and March 31, 2024.

**Retired September 30, 2023.

Kenneth Jacobson
Stacie Joh
Alan Johnson
Linda A. Knowlton
Lisa LaRocca
Lianne Limoli
William M. Lodico
Jeffrey Lyngaas
Kirk Mason
Debbie Massi
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Tobias Ruffin
Jack Rutledge
John Scheffler
Andrew Scherer
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Andrea W. Still
Wilson Townsend II
The Rev. Lisa Tucker-Gray
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Joyce Flournoy Wade
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William Lamb
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Rose Lawson
Anita Manbodh
Jeannette Marsh
Marie McGurk
Alicia McKinney
Romit Mukherjee
Parul Parmar
The Rev. Laura Queen
Stephen Tihor
Janet Todd
Tressa Violetto
Karen Yuen

Alan F. Blanchard, *President Emeritus*

David R. Pitts, *Chair Emeritus*

Principal Advisors

Custodian

The Northern Trust Company

Independent Auditors

Ernst & Young LLP
Johnson Lambert LLP

Pension Actuary

Buck Global, LLC

Health Plan Actuary

Alliant

Fast Facts

Those We Serve

13,934

Active (5,614) and retired (8,320) clergy participants in defined benefit plans[3]

2,799

Active (847) and retired (1,952) lay participants in a defined benefit plan[3]

2,123

Active clergy participants in defined contribution savings plans[6]

12,848

Active lay participants in defined contribution savings plans[2]

23,179

Active (18,613) and retired (4,566) lay participants with CPG benefits[2]

10,107

Episcopal institutions served by CPG[2]

Financial Strength

$17.5 billion

The Church Pension Fund's investment portfolio asset value[2]

7.6%

CPF investment return annualized for the 10 years ended March 31, 2024

$9 billion

Employee benefits paid since inception[2]

Steadfast Support

$460 million

Total benefits paid to clergy, lay employees, and their dependents[1,5]

$232 million

Medical claims paid by The Episcopal Church Medical Trust for self-insured plans[4]

12,600

Number of people who participated in CPG-sponsored events or financial discussions[4]

4,746

Visits to retirees by Chaplains to the Retired[4]

Our Lines of Business

100%

Domestic dioceses that participate in the Denominational Health Plan[2]

More than 90%

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

1,192

Products and titles offered by Church Publishing Incorporated[2]

[1] April 1, 2023, to March 31, 2024
[2] As of March 31, 2024
[3] As reported in the Actuarial Valuation Report dated March 31, 2024. The participant count in the report is as of December 31, 2023.
[4] January 1, 2023, to December 31, 2023
[5] Includes pension and other benefits (e.g., medical supplement, life insurance, etc.) paid for clergy, lay employees, and their dependents
[6] As of December 31, 2023

Audited Financial Statements

Ernst & Young LLP

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, 2024 and 2023
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

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Ernst & Young LLP
One Manhattan West
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 combined 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, 2024 and 2023, 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, 2024 and 2023, 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.

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.

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst & Young LLP

June 26, 2024

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, 2024 AND 2023

	2024	2023
ASSETS		
Investments, at fair value	$ 16,948,514,565	$ 16,533,799,498
Receivables and other assets:		
Receivable from brokers	25,033,473	32,925,628
Assessments receivable, less allowance for credit loss		
(2024 – $768,000; 2023 – $465,000)	5,209,630	2,324,059
Accrued investment income and other assets	85,575,558	74,329,048
Cash and cash equivalents	779,355,839	747,000,696
TOTAL ASSETS	$ 17,843,689,065	$ 17,390,378,929
LIABILITIES		
International Clergy Pension Plan	$ 179,769,103	$ 180,409,297
Payable to brokers	15,586,402	32,508,290
Accrued expenses and other liabilities	173,962,975	175,933,058
Total liabilities	369,318,480	388,850,645
TOTAL NET ASSETS	$ 17,474,370,585	$ 17,001,528,284
COMPONENTS OF NET ASSETS		
Net assets with donor restrictions:		
Legacy and gift fund	$ 49,802,885	$ 47,211,762
Total net assets with donor restrictions	49,802,885	47,211,762
Net assets without donor restrictions:		
Legacy and gift fund	34,605,396	32,858,297
Total net assets without donor restrictions	34,605,396	32,858,297
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	1,314,000,000	1,040,842,731
Clergy Life Insurance Plan	261,018,186	269,790,865
Benefit Equalization Plan	59,662,912	58,579,848
Clergy Child Benefit Plan	11,773,799	12,088,400
Clergy Short-Term Disability Plan	5,683,434	4,280,039
Clergy Long-Term Disability Plan	95,561,992	94,742,471
Clergy Plan Assessment Deficiency	565,357,852	625,865,116
Investment in affiliated companies	170,090,969	149,898,577
Available for benefits:		
Net assets available for benefits:		
The Clergy Plan	14,229,691,874	14,016,094,626
The Episcopal Church Lay Employees' Retirement Plan	276,099,663	269,462,049
Staff Retirement Plan of the Church Pension Fund and Affiliates	401,021,623	379,813,503
Total net assets available for benefits	14,906,813,160	14,665,370,178
Total internally designated	17,389,962,304	16,921,458,225
TOTAL NET ASSETS	$ 17,474,370,585	$ 17,001,528,284

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, 2024 AND 2023

	2024	2023
ADDITIONS (REDUCTIONS) TO NET ASSETS		
Assessments	$ 100,999,628	$ 100,996,991
Interest	173,886,350	127,826,020
Dividends and other income	35,606,004	46,506,969
Net appreciation (depreciation) in fair value of investments	756,849,622	(1,060,008,098)
Total additions (reductions) to net assets	1,067,341,604	(784,678,118)
DEDUCTIONS FROM NET ASSETS		
Benefits and expenses:		
Pensions and other benefits	415,452,081	390,801,781
Medical supplement	31,412,263	30,737,341
Life insurance	21,769,062	18,987,181
Total benefits	468,633,406	440,526,303
Investment management and custodial fees	39,199,204	38,925,354
General and administrative	111,358,177	105,428,750
Total benefits and expenses	619,190,787	584,880,407
Other (additions) deductions:		
International Clergy Pension Plan	(2,373,742)	(22,408,964)
Other liabilities (assets)	(22,317,742)	20,270,206
Change in total net assets	472,842,301	(1,367,419,767)
OTHER CHANGES IN NET ASSETS		
Net assets with donor restrictions	(2,591,123)	2,435,656
Net assets without donor restrictions	(1,747,099)	1,875,723
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	(273,157,269)	(72,634,077)
Clergy Life Insurance Plan	8,772,679	43,011,803
Benefit Equalization Plan	(1,083,064)	17,080,564
Clergy Child Benefit Plan	314,601	(23,238)
Clergy Short-Term Disability Plan	(1,403,395)	319,510
Clergy Long-Term Disability Plan	(819,521)	8,018,991
Investment in affiliated companies	(20,192,392)	20,505,284
Clergy Plan Assessment deficiency	60,507,264	564,579,537
Total changes in net assets available for benefits	241,442,982	(782,250,014)
Net assets available for benefits at beginning of year	14,665,370,178	15,447,620,192
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 14,906,813,160	$ 14,665,370,178

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, affiliated companies were formed as its activities expanded. CPF's major affiliated companies 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 Church Insurance Company of Vermont, 1999; Church Pension Group Services Corporation, 2002.

All operations of CPF and its affiliated companies, 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 separate defined benefit plans, 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. These 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 affiliated companies 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, 2024 and 2023.

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.

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. 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, 2024 and 2023, the master trust assets included in the combined statements of net assets available for benefits, relating to the plan benefits described above, amounted to $6.2 billion in both years.

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.

Credit Losses

CPF measures expected credit losses on financial assets held at amortized cost and records an allowance for credit loss when management determines a credit loss exists. Allowances for credit losses are recorded as contra-assets that reduce the corresponding financial assets on the combined statements of net assets available for benefits, with the offset recorded as credit loss expense in the combined statements of changes in net assets available for benefits. Any recoveries of aforementioned credit losses are recognized as credit loss recoveries. As the estimate of expected credit losses changes with subsequent evaluations, those increases and decreases are recognized in current operations. CPF writes off uncollectible amounts against the allowance for credit losses when it determines that a financial asset is partially or fully uncollectible.

Prior to the adoption of the credit loss standard effective April 1, 2023, financial assets reported at amortized cost were reviewed for impairment using an incurred loss model.

Recently Adopted Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (ASC Topic 842)*, which requires lessees to recognize a right-of-use (ROU) asset and a lease liability for all leases with terms of more than 12 months. A ROU is a lessee’s right to use the underlying asset for the lease term. CPF adopted ASC Topic 842 effective April 1, 2022. Among other requirements, lessees are required to identify leases as either operating or finance and to recognize the following for all leases (with the exception of short-term leases) as of the date of adoption: 1) a lease liability, which is the lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) a ROU asset, which is an asset that represents the lessee’s ROU, or control of the use of a specified asset for the lease term. On adoption, CPF elected to utilize the year of adoption modified retrospective approach and recorded a cumulative-effect adjustment to the opening balance of Net Assets Available for Benefits of $0. CPF also elected to apply all practical expedients applicable to CPF in the updated guidance for transition for leases in effect at adoption, including using hindsight to determine the lease term of existing

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

leases, the option to not reassess whether an existing contract is a lease or contains a lease and whether the lease is an operating or finance lease. As a result of such adoption, CPF recognized a ROU asset of $0.7 million and a lease liability of $0.7 million on April 1, 2022.

CPF adopted Accounting Standards Update (ASU) 2016-13 and subsequent amendments, *Financial Instruments – Credit Losses (Topic 326)* on April 1, 2023. The guidance replaces the incurred loss impairment model with an expected loss model, also referred to as the current expected credit loss (CECL) model. The CECL model requires companies to measure expected credit losses on financial assets measured at amortized cost and record an allowance for credit loss against those assets.

CPF adopted the guidance using the modified retrospective approach. There was no impact to CPF from adopting the credit loss standard as of April 1, 2023.

4. INVESTMENTS

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

	2024	2023
	(In Thousands)	
Common and preferred stocks	$ 631,503	$ 798,828
U.S. treasury securities	771,823	755,086
Municipal securities	19,042	18,944
Corporate bonds	374,319	399,013
Foreign government securities	172	181
Limited partnership interests:		
Real estate	2,250,590	2,172,472
Private equity	3,794,536	3,781,383
Other alternative investments	3,074,155	3,013,231
Commingled funds	5,781,968	5,362,122
Affiliated companies, equity interest	250,407	232,539
Totals	$ 16,948,515	$ 16,533,799

As of March 31, 2024 and 2023, 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.

4. INVESTMENTS (CONTINUED)

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.

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 and commingled funds 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, 2024, there were two investment managers that have exercised these suspension rights effective December 31, 2021 and August 8, 2023.

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.

4. INVESTMENTS (CONTINUED)

At March 31, 2024, CPF had open investment commitments to limited partnerships of $2.2 billion which are expected to be funded during future years. In this regard, from April 1, 2024 through May 31, 2024, CPF invested an additional $34.1 million in existing limited partnerships and made $105.5 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.

Commingled funds primarily include funds that invest in (1) long and short equity securities, (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 investment 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. Margin requirements are met by pledging cash and cash equivalents. The net amount of the open equity futures contracts aggregated approximately $0.7 billion short and $0.3 billion short and the net amount of open fixed income futures contracts aggregated approximately $2.3 and $1.3 billion long at March 31, 2024 and 2023, respectively. Currency forward contracts aggregated approximately $0.3 billion and $0.4 billion at March 31, 2024 and 2023, 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 $143.5 million and $26.9 million for the years ended March 31, 2024 and 2023, respectively, and currency forward settlements resulted in gains of $21.5 million and $15.3 million for the years ended March 31, 2024 and 2023, respectively. These transactions are recorded in the accompanying combined financial statements as a component of net appreciation in fair value of investments.

4. INVESTMENTS (CONTINUED)

Affiliated Companies

All of the affiliated companies 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 affiliated companies are reported on a GAAP basis of accounting. The primary activities and financial status of each of the major affiliated companies are described in the sections below for the years ended December 31, 2023 and 2022, except for Church Pension Group Services Corporation, which is described for the years ended March 31, 2024 and 2023.

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, 2024 and March 31, 2023, the fair value of the condominium office space was \$79.9 million and \$82.6 million, respectively. CPGSC also does business as The Episcopal Church Medical Trust and is the sponsor of the health and welfare benefits 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

[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)

company and wholly owned subsidiary of CICVT, was formed to provide captive manager 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**	
	2023	**2022**
	(In Thousands)	
Assets	$ 258,087	$ 245,322
Liabilities	177,093	172,493
Capital and surplus	80,994	72,829
Earned premiums	72,935	53,215
Net income (loss)	4,865	(6,430)

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, but Church Life no longer writes new individual life insurance, or individual or group annuity products. Group life premiums comprise the majority of the premium revenue. 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**	
	2023	**2022**
	(In Thousands)	
Assets	$ 209,540	$ 209,405
Liabilities	131,146	141,334
Capital and surplus	78,394	68,071
Insurance in force	1,687,041	1,686,408
Earned premiums	25,298	30,924
Net income (loss)	9,461	(4,401)

4. INVESTMENTS (CONTINUED)

Church Publishing Incorporated

Church Publishing Incorporated, established in 1918, is a multi-market publisher of church resources and official liturgical works for The Episcopal Church, trade books for general readers, and scholarly works, all meeting the needs of The Episcopal Church, its clergy and lay employees, and related organizations and readers. Subjects include leadership, social justice, inspiration, religion, theology, financial wellness, Christian education, and others. Alongside the books program, Church Publishing Incorporated provides a suite of electronic resources (RiteSong, RitePlanning, RiteFormation), lectionary inserts, and Christian calendars and church supplies. Mary Katherine Wold is the President, and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of Church Publishing Incorporated.

Financial Summary	**December 31**	
	2023	**2022**
	(In Thousands)	
Assets	$ 5,044	$ 4,902
Liabilities	9,545	9,010
Capital	(4,501)	(4,108)
Revenue	3,723	3,557
Net loss	(1,241)	(818)
Capital contribution received from CPF	945	500

5. FAIR VALUE MEASUREMENTS

The following tables provide information about the financial assets measured at fair value by general type as of March 31, 2024 and 2023:

	Assets at Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
		(In Thousands)		
March 31, 2024				
Common and preferred stock	$ 631,503	$ –	$ –	$ 631,503
U.S. treasury securities	–	738,045	33,778	771,823
Municipal securities	–	19,042	–	19,042
Corporate bonds	–	374,319	–	374,319
Foreign government securities	–	172	–	172
Limited partnership interests:				
Real estate	–	–	2,250,590	2,250,590
Private equity	–	–	3,794,536	3,794,536
Other alternative investments	–	–	3,074,155	3,074,155
Affiliated companies	–	–	250,407	250,407
	$ 631,503	$ 1,131,578	$ 9,403,466	11,166,547
Investments measured at net asset value				
Commingled funds				5,781,968
Total assets at fair value				$ 16,948,515

	Assets at Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
		(In Thousands)		
March 31, 2023				
Common and preferred stock	$ 798,828	$ –	$ –	$ 798,828
U.S. treasury securities	–	714,676	40,410	755,086
Municipal securities	–	18,944	–	18,944
Corporate bonds	–	399,013	–	399,013
Foreign government securities	–	181	–	181
Limited partnership interests:				
Real estate	–	–	2,172,472	2,172,472
Private equity	–	–	3,781,383	3,781,383
Other alternative investments	–	–	3,013,231	3,013,231
Affiliated companies	–	–	232,539	232,539
	$ 798,828	$ 1,132,814	$ 9,240,035	11,171,677
Investments measured at net asset value				
Commingled funds				5,362,122
Total assets at fair value				$ 16,533,799

5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes all additions to Level 3 assets by general type for the years ended:

	Level 3 Purchases/Additions	
	March 31	
	2024	2023
	(In Thousands)	
Limited partnership interests:		
Real estate	$ 280,699	$ 309,058
Private equity	244,825	270,038
Other alternative investments	780,803	478,042
Affiliated companies, equity interest	1,528	500
Total	$ 1,307,855	$ 1,057,638

There were no transfers into Level 3 for the years ended March 31, 2024 and 2023. There were no transfers out of Level 3 for the years ended March 31, 2024 and 2023.

Limited Partnership interests in real estate, private equity and other alternative investments with a fair value of $9.1 billion as of March 31, 2024 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 $250.4 million as of March 31, 2024 are valued by using the underlying financial statements of these companies. There are no significant related unobservable inputs.

6. ASSESSMENTS RECEIVABLE

Assessments receivable are reported net of an allowance for credit losses. CPF measures expected credit losses on assessments receivable on a collective basis through review of aging schedules, or on an individual basis when more relevant. An expected credit loss is calculated based on CPF's ongoing review of amounts outstanding and historical loss data including delinquencies and write offs, and is then adjusted for current conditions, and reasonable and supportable forecasts. During both 2024 and 2023, CPF had an assessments receivable credit loss of $0 due to uncollectible accounts.

CPF held an allowance for credit losses, which is netted against assessments receivable, of $768,000 and $465,000 at March 31, 2024 and 2023, respectively. In 2024, the allowance increased by $303,000. There were no significant assessments receivable written off in 2024 or 2023.

7. INTERNATIONAL CLERGY PENSION PLAN

The International Clergy Pension Plan (ICPP) represents the liabilities associated with a group of non-qualified, multiple-employer retirement plans and other ancillary benefits 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 Note 2).

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 $179.8 million and $180.4 million at March 31, 2024 and 2023, respectively.

8. NET ASSETS

The Legacy and Gift Fund stems from bequests and contributions received by CPF from individuals for the purpose of supporting the 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 charter and tax-exempt purposes.

	Beginning of Year	Contributions and Investment Gains (Losses)	Expenses Paid and Other	End of Year
	(In Thousands)			
March 31, 2024				
Legacy and Gift Fund with donor restrictions	$ 47,212	$ 2,644	$ (53)	$ 49,803
Legacy and Gift Fund without donor restrictions	32,858	1,901	(154)	34,605
Total	$ 80,070	$ 4,545	$ (207)	$ 84,408
March 31, 2023				
Legacy and Gift Fund with donor restrictions	$ 49,647	$ (2,407)	$ (28)	$ 47,212
Legacy and Gift Fund without donor restrictions	34,734	(1,699)	(177)	32,858
Total	$ 84,381	$ (4,106)	$ (205)	$ 80,070

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 their eligible spouses to subsidize some or all of the cost to purchase medical and dental coverage. CPF has reserved the right, in its discretion, to change or discontinue this discretionary benefit.

Management engages healthcare actuaries, Aon Consulting, Inc., to assist in estimating the liability for benefits under the Clergy Post-Retirement Medical Assistance Plan. The discount rate was 5.29% and 5.03% as of March 31, 2024 and 2023, respectively. The mortality table assumption is the same as utilized to calculate the accumulated benefit obligations for the Clergy Plan (see Note 9). Other significant assumptions included for this plan are the current and expected subsidy to provide for medical coverage and the participation rate, which was 80% as of March 31, 2024 and 2023.

8. 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 were active or vested under the Clergy Plan at the time of their death.

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.

The amount designated for Clergy Plan 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 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.

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, the Clergy Long-Term Disability Plan payments or the Clergy Plan Assessment Deficiency. These assets are internally designated for these purposes.

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, the Clergy Long-Term Disability Plan and the Clergy Plan Assessment Deficiency apply the same discount rate and mortality table assumptions as those utilized to calculate the accumulated benefit obligations for the Clergy Plan (see Note 9).

8. NET ASSETS (CONTINUED)

The following charts summarize the changes in the Net Assets described above for the years ended:

	Beginning of Year	Benefits Paid	Change in Discount Rate	Changes in Other Assumptions	Benefits Accumulated and Other	End of Year
	(In Thousands)					
March 31, 2024						
Clergy Post-Retirement Medical Assistance Plan	$ 1,040,843	$ (31,412)	$ (55,700)	$ 293,300	$ 66,969	$ 1,314,000
Clergy Life Insurance Plan	269,791	(21,417)	(7,723)	–	20,367	261,018
Benefit Equalization Plan	58,580	(2,689)	(1,926)	71	5,627	59,663
Clergy Child Benefit Plan	12,088	(1,003)	(298)	–	987	11,774
Clergy Short-Term Disability Plan	4,280	(1,005)	(93)	1,505	996	5,683
Clergy Long-Term Disability Plan	94,742	(2,875)	(2,415)	–	6,110	95,562
Clergy Plan Assessment Deficiency	625,865	–	(83,258)	3,211	19,540	565,358
Total	$ 2,106,189	$ (60,401)	$ (151,413)	$ 298,087	$ 120,596	$ 2,313,058

For the year ended March 31, 2024, the Clergy Post-Retirement Medical Assistance Plan increased by $273.1 million as outlined in the table above. The $293.3 million increase to the liability under Changes in Other Assumptions is related to the increase in medical trend costs and increase in the expected subsidy.

	Beginning of Year	Benefits Paid	Change in Discount Rate	Changes in Other Assumptions	Benefits Accumulated and Other	End of Year
	(In Thousands)					
March 31, 2023						
Clergy Post-Retirement Medical Assistance Plan	$ 968,209	$ (30,737)	$ (222,700)	$ 229,100	$ 96,971	$ 1,040,843
Clergy Life Insurance Plan	312,803	(18,940)	(41,109)	(482)	17,519	269,791
Benefit Equalization Plan	75,660	(2,457)	(9,659)	(939)	(4,025)	58,580
Clergy Child Benefit Plan	12,065	(888)	–	–	911	12,088
Clergy Short-Term Disability Plan	4,600	(964)	–	–	644	4,280
Clergy Long-Term Disability Plan	102,761	(2,115)	(13,710)	1,144	6,662	94,742
Assessment Deficiency	1,190,445	–	(472,615)	(19,683)	(72,282)	625,865
Total	$ 2,666,543	$ (56,101)	$ (759,793)	$ 209,140	$ 46,400	$ 2,106,189

For the year ended March 31, 2023, the Clergy Post-Retirement Medical Assistance Plan increased by $73.0 million as outlined in the table above. The $229.1 million increase to the liability under Changes in Other Assumptions includes a $233.0 million increase related to the increase in the expected subsidy (increase in medical costs), offset by insignificant changes in other assumptions.

8. 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 2024 and 2023, had a fair value of $79.9 million and $82.6 million, respectively.

9. 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 (taking into account assumptions 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 vested 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. There were no significant plan amendments impacting the accumulated plan benefit obligations as of March 31, 2024 and 2023, other than the cost-of-living-adjustment (described further below).

- 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 cash flows of the plans.

For the years ended March 31, 2024 and 2023, 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.

9. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

The change in the discount rates and the related impact of the change in the discount rates on the accumulated benefit obligations as of March 31 are as follows:

	Discount Rate as of March 31			Decrease to the Accumulated Benefit Obligations as of March 31	
	2024	**2023**	**2022**	**2024**	**2023**
Plan					
Clergy Plan	5.27%	5.02%	3.89%	$ (160,831)	$ (830,457)
Lay Plan	5.22	4.96	3.82	(5,453)	(27,247)
Staff Plan	5.24	4.98	3.84	(7,079)	(35,778)

- Cost-of-living adjustment (COLA):

For the years ended March 31, 2024 and 2023, the COLA assumption for the Clergy Plan was 3.00%. There was no COLA assumption for the Lay Plan or the Staff Plan.

CPF Board of Trustees grants a COLA at its discretion. The decision is made annually. The impact of the COLA granted compared to the COLA assumed on the accumulated benefit obligation as of March 31 is as follows:

	COLA granted as of January 1		Increase to the Accumulated Benefit Obligations as of March 31	
	2024	**2023**	**2024**	**2023**
			(In Thousands)	
Plan				
Clergy Plan	3.2%	8.7%	$ 9,069	$ 269,299

As of January 1, 2024, a 3.2% COLA was granted for retiree benefits compared to the 3.0% assumed COLA, resulting in an increase of $9.1 million in the accumulated benefit obligations of the Clergy Plan as of March 31, 2024.

As of January 1, 2023, a 8.7% COLA was granted for retiree benefits compared to the 3.0% assumed COLA, resulting in an increase of $269.3 million in the accumulated benefit obligations of the Clergy Plan as of March 31, 2023.

9. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

- Vesting for the years ended March 31, 2024 and 2023:

  – 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.

- Retirement for the years ended March 31, 2024 and 2023:

  – 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 (if employee retires from active service) or age 60 (if employee retires after a termination of employment), in both cases with at least 5 years of credited service.

- Mortality for the year ended March 31, 2024:

  – Clergy Plan: The Pri-2012 Employee White-Collar Mortality Table was used for participants, the Pri-2012 Retiree White-Collar Mortality Table was used for retirees, and the Pri-2012 Contingent Survivor Mortality Table was used for retirees' spouses and beneficiaries. Special mortality tables were used for disability retirements.

  – Lay Plan: The Pri-2012 Employee Total Mortality Table was used for participants, the Pri-2012 Retiree Total Mortality Table was used for retirees, the Pri-2012 Contingent Survivor Table was used for retirees' spouses and beneficiaries and the Pri-2012 Disable Retiree Mortality Table was used for disability retirements.

  – Staff Plan: The Pri-2012 Employee White-Collar Mortality Table was used for participants, the Pri-2012 Retiree White-Collar Mortality Table was used for retirees, spouses and beneficiaries.

9. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

- Mortality for the year ended March 31, 2023:
  - Clergy Plan: The Pri-2012 Employee White-Collar Mortality Table was used for participants, the Pri-2012 Retiree White-Collar Mortality Table was used for retirees, and the Pri-2012 Contingent Survivor Mortality Table was used for retirees' spouses and beneficiaries. Special mortality tables were used for disability retirements.
  - Lay Plan: The Pri-2012 Employee Total Mortality Table was used for participants, the Pri-2012 Retiree Total Mortality Table was used for retirees, the Pri-2012 Contingent Survivor Table was used for retirees' spouses and beneficiaries and the Pri-2012 Disable Retiree Mortality Table was used for disability retirements.
  - 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.

For the year ended March 31, 2024, the impact of the change in mortality table decreased the accumulated plan benefit obligations for the Staff Plan by $2.1 million. There were no changes to the mortality table for the Clergy and the Lay Plan.

For the year ended March 31, 2023, the impact of the change in mortality table decreased the accumulated plan benefit obligations for the Clergy Plan by $122.0 million, and for the Lay Plan by $1.3 million. There were no changes to the mortality table for the Staff Plan.

For the years ended March 31, 2024, and 2023, the improvement in mortality was projected on a fully generational basis using Scale MP-2021.

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.

9. 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 are summarized as follows:

	Clergy Plan	Lay Plan	Staff Plan
		(In Thousands)	
March 31, 2024			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	$ 4,397,059	$ 114,997	$ 96,439
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	1,431,398	79,497	98,890
Nonvested benefits	104,985	1,591	11,267
Total	$ 5,933,442	$ 196,085	$ 206,596

	Clergy Plan	Lay Plan	Staff Plan
		(In Thousands)	
March 31, 2023			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	$ 4,447,425	$ 111,374	$ 98,033
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	1,492,407	85,385	97,301
Nonvested benefits	105,060	1,844	11,822
Total	$ 6,044,892	$ 198,603	$ 207,156

9. 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 is summarized as follows for the years ended:

	Clergy Plan	Lay Plan	Staff Plan
	(In Thousands)		
March 31, 2024			
Actuarial present value of accumulated plan benefit obligations at beginning of year	$ 6,044,892	$ 198,603	$ 207,156
(Decrease) increase during the year attributable to:			
Plan amendments	2,247	–	–
Actual benefit adjustment vs. expected*	9,069	–	–
Change in actuarial assumptions	(160,831)	(5,453)	(11,695)
Benefits accumulated	124,472	5,297	10,020
Increase for interest due to decrease in the discount period	294,022	9,559	10,095
Benefits paid	(380,429)	(11,921)	(8,980)
Net increase (decrease)	(111,450)	(2,518)	(560)
Actuarial present value of accumulated plan benefit obligations at end of year	$ 5,933,442	$ 196,085	$ 206,596

* This represents the impact of the actual COLA granted vs. the COLA assumed for valuation purposes

	Clergy Plan	Lay Plan	Staff Plan
	(In Thousands)		
March 31, 2023			
Actuarial present value of accumulated plan benefit obligations at beginning of year	$ 6,683,016	$ 222,546	$ 228,754
(Decrease) increase during the year attributable to:			
Plan amendments	–	–	–
Actual benefit adjustment vs. expected*	269,299	–	–
Change in actuarial assumptions	(955,899)	(28,649)	(36,269)
Benefits accumulated	153,295	7,781	14,998
Increase for interest due to decrease in the discount period	253,075	8,286	8,614
Benefits paid	(357,894)	(11,361)	(8,941)
Net increase (decrease)	(638,124)	(23,943)	(21,598)
Actuarial present value of accumulated plan benefit obligations at end of year	$ 6,044,892	$ 198,603	$ 207,156

* This represents the impact of the actual COLA granted vs. the COLA assumed for valuation purposes

10. 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 $87.0 million, $4.6 million and $9.4 million, respectively, during the year ended March 31, 2024 and $85.3 million, $4.7 million and $11.0 million, respectively, during the year ended March 31, 2023.

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

	Clergy Plan	Lay Plan	Staff Plan
	(In Thousands)		
March 31, 2024			
Net asset available for pension benefits	$ 14,229,692	$ 276,100	$ 401,022
Actuarial present value of accumulated plan benefit obligations	5,933,442	196,085	206,596
Surplus	$ 8,296,250	$ 80,015	$ 194,426
March 31, 2023			
Net asset available for pension benefits	$ 14,016,095	$ 269,462	$ 379,813
Actuarial present value of accumulated plan benefit obligations	6,044,892	198,603	207,156
Surplus	$ 7,971,203	$ 70,859	$ 172,657

11. RELATED PARTY TRANSACTIONS

During the years ended March 31, 2024 and 2023, CPF paid The Episcopal Church Clergy and Employees' Benefit Trust ("ECCEBT") contributions of $30.9 million and $30.7 million, respectively, towards the cost of medical coverage for eligible retired clergy and their eligible spouses. There were no amounts due to ECCEBT at March 31, 2024 and 2023, in connection with this coverage.

11. RELATED-PARTY TRANSACTIONS (CONTINUED)

During the years ended March 31, 2024 and 2023, CPGSC provided certain services, primarily personnel and facilities related and general and administrative expense processing to CPF on a cost-reimbursement basis and billed $132.8 million and $122.1 million, respectively, for such services. As of March 31, 2024 and 2023, the amounts due to CPGSC in connection with such services were $5.2 million and $8.4 million, respectively, which are included as a component of accrued expenses and other liabilities.

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 and life retirement benefits are provided to certain officers under the terms of individual agreements.

The cash compensation for the two officers of CPF receiving the highest annualized cash compensation for the year ended March 31, 2024, was as follows:

Mary Katherine Wold, Chief Executive Officer and President	$ 2.2 million
Michael Hood, Executive Vice President and Chief Investment Officer	$ 1.5 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 $2.5 million and $2.3 million, respectively for years ended March 31, 2024 and 2023.

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, 2024 and 2023, CPF and its affiliated companies recorded expenses of $1.5 million for both years, respectively, for these benefits. This obligation is estimated at $25.8 million as of March 31, 2024 and 2023. Management performs a valuation every three years as the impact of doing the valuation annually is immaterial. As of the latest valuation date of March 31, 2022, for purposes of measuring the expected post-retirement healthcare benefit obligation, average annual rates of increase in the per capita claims cost for 2022 were assumed to be 6.0%. The increases in medical costs were assumed to decrease annually to 4.75% in 2025 and remain at that level thereafter.

12. LINE OF CREDIT

CPF maintains unsecured loan agreements for both committed and uncommitted lines of credit with The Northern Trust Company. The total credit facility is $450.0 million as of March 31, 2024, of which $100 million is committed and $350.0 million is uncommitted. Advances under these lines 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 23, 2024. 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, 2024 and 2023, CPF did not have any amounts outstanding under these lines of credit and has yet to borrow any amounts and therefore no interest expense has been incurred for the years ended March 31, 2024 and 2023.

13. 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. World events 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.

14. INCOME TAXES

The Church Pension Fund received an exemption letter from the Internal Revenue Service dated October 18, 1938, stating that CPF is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code) as an organization described as a public charity in Section 501(c)(3) of the Code. CPF is required to operate in conformity with the Code to maintain the tax-exempt status as a public charity.

For federal tax purposes, CPF, is exempt from filing a Form 990 since it qualifies as a public charity under Section 509(a)(1) and 170(b)(1)(A)(i) of the Code. CPF does, however, file a Federal Form 990-T and numerous state Form 990-T equivalents to report its unrelated business taxable income (UBTI) resulting from certain alternative investments.

CPF evaluates its tax positions pursuant to the principles of FASB ASC Topic No. 740, Income Taxes, and has determined that there is no material impact on the CPF's financial statements.

There were no uncertain tax positions taken by CPF as of March 31, 2024 and 2023.

15. SUBSEQUENT EVENTS

Management has performed an evaluation of subsequent events through June 26, 2024, which is the date the combined financial statements were available to be issued.