CHURCH PENSION GROUP
Passionate About Our Purpose

On Purpose: **Anticipating Needs**

2025 Annual Report

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

Table of Contents

A Message from Mary Kate Wold

Chief Executive Officer and President

Dear Friends:

In this Annual Report, you will see, read, and hear highlights of our work over the past year, from paying out $475 million in benefits to clergy, lay employees, and dependents to helping Episcopal institutions recover after record-setting US wildfires. During this time of major change and evolving needs in The Episcopal Church, we found new vision-relevant opportunities to serve and to fulfill our purpose, which is to help the clergy and lay employees of the Church in their calling to spread the gospel.

Last summer, eight new trustees were elected to The Church Pension Fund Board of Trustees (CPF Board). Together, we are overseeing the business of CPF and making decisions that are consistent not only with our legal duties of care and loyalty, but also with our shared, deep commitment to serving the people and institutions of The Episcopal Church.

As you may have heard, one of our beloved trustees passed away in April. The Very Rev. Sandye A. Wilson, who served as a vice chair of the CPF Board, was dedicated to service in the Church and our board. She will be missed and celebrated as we continue all the work we started together. May her memory bring us peace and a renewed sense of purpose.

Three members of our Executive Leadership Team who retired in 2024 after years of service—the Rev. Clayton Crawley, Chief Church Relations Officer; Nancy Sanborn, Esq., Chief Legal Officer; and Ted Elias, Chief People Officer—are all enjoying their next chapters, and we wish them well. Succeeding them are the Rev. Canon Arlette Benoit Joseph (Church Relations), Julian Chung, Esq. (Legal), and Geeva Ebens (People). These new team members are bringing fresh ideas and perspectives, which we welcome enthusiastically.

For more than a century, fulfilling the Church Pension Group's purpose has meant continually refining our products, programs, and services to adapt to the changing needs of those who serve the Church. Client feedback and careful listening make innovation possible.

Over the next few years, we will be calling upon many we serve to help us take a deeper dive into understanding the future needs of the Church so we can craft a vision-relevant point of view about what is changing around the Church and who CPG will be called to be in the decades ahead. I look forward to interacting with many of you as we map a way forward.

Faithfully,

Mary Kate Wold

Mary Kate Wold

A Message from The Church Pension Fund Board of Trustees

Dear Friends:

Once again, The Church Pension Fund Board of Trustees (CPF Board) evaluated the organization's key performance indicators and was impressed with their overall outcomes.

Customer service scores continue outperforming benchmarks, and the organization's financial management is as disciplined as ever. The annual investment score fell, driven by short-term overperformance in public markets in relation to private markets (in which we have a significant asset allocation). However, long-term investment performance remains solid, and strong historical results combined with rigorous asset liability modeling give us a high level of confidence that The Church Pension Fund will be able to meet its financial obligations for decades to come.

We welcomed eight new CPF Board members, elected by the 81st General Convention. They joined four re-elected trustees and 13 who are continuing their service. Our newest trustees further broaden the range of professional expertise and perspectives that help us make sound, informed decisions.

Sadly, we mourn the passing of the Very Rev. Sandye A. Wilson, who was elected on the first ballot at the 78th General Convention in 2015 and reelected in 2022. At the time of her death, Sandye served as a vice chair of the board and helped lead our conversations around diversity, equity, and inclusion. We miss her presence and insights.

At the June 2025 CPF Board meeting, business executive *Thomas W. Jones* was elected as a new trustee to serve the remainder of Sandye's term on the board. Also, current trustee, the Very Rev. Cynthia Briggs Kittredge, was elected to serve as a vice chair for the remainder of Sandye's term.

As always, we appreciate your trust in us as we continue to oversee the Church Pension Group's efforts to support the clergy and lay employees of the Church in their calling to spread the gospel.

Faithfully,

Canon Anne M. Vickers (retired)
Chair

The Very Rev. Cynthia Briggs Kittredge
Vice Chair

The Rt. Rev. Austin K. Rios
Vice Chair

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

New Trustees Elected at the 81st General Convention

The Rt. Rev. Diana D. Akiyama, PhD, MDiv
Bishop, The Episcopal Church in Western Oregon
Portland, Oregon

The Rev. Canon Michael Barlowe, DD, DMin, MDiv
Executive Officer of the General Convention (retired)
Edinburgh, Scotland

William Boyce, CPA, MSA
Investment Coordinator, Trustees of Donations to the Protestant Episcopal Church
South Dartmouth, Massachusetts

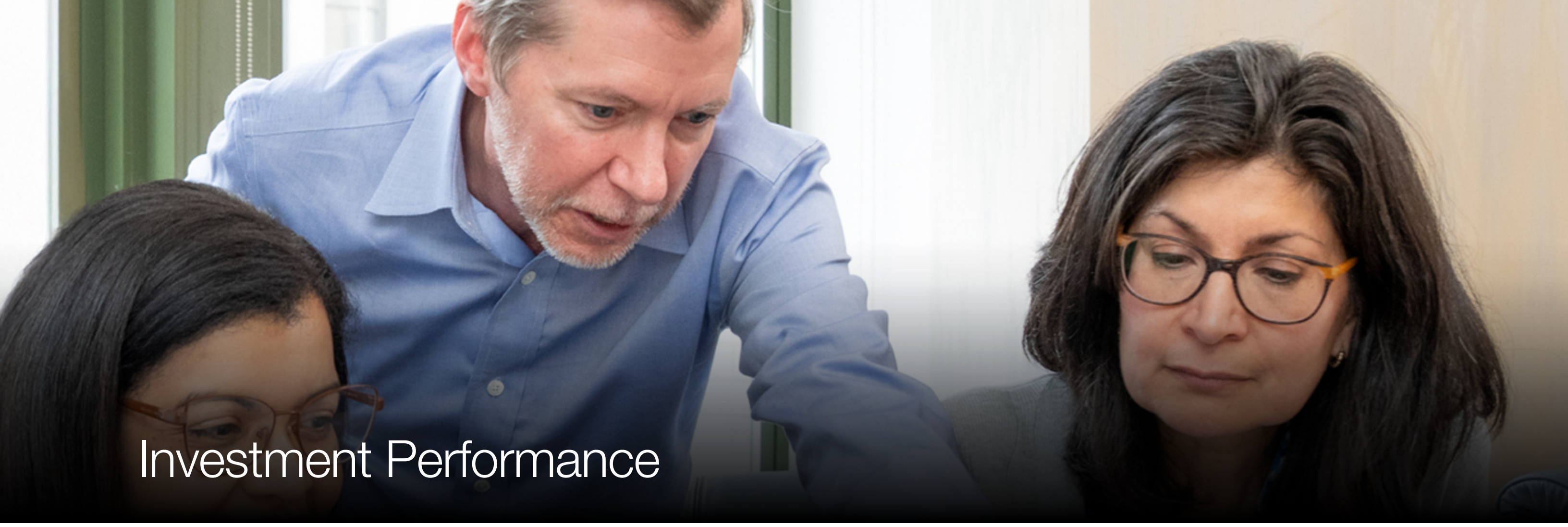
Sharon Brown-Veillard, JD, LLM, MTax
Partner, Barclay Damon LLP
New York, New York

Alexizendria Link, MDiv, MTS, MEd
Trustee, The Episcopal Diocese of Western Massachusetts
Waltham, Massachusetts

The Rev. Leon Sampson, MDiv
Co-Vicar, Good Shepherd Mission
The Episcopal Church in Navajoland
Fort Defiance, Arizona

The Rt. Rev. Susan Brown Snook, DMin, MDiv, MBA, MAcc
Bishop, Episcopal Diocese of San Diego
San Diego, California

The Rev. Molly Weiss, MA
Assistant Clergy, Christ Episcopal Church
Chief Human Resources Officer, Adolfson & Peterson Construction
Woodbury, Minnesota



Investment Performance

As of March 31, 2025, the value of The Church Pension Fund's portfolio stood at $17.7 billion, compared with $17.5 billion at the end of the prior fiscal year. Despite a sell-off in the first quarter of 2025, public equity markets posted moderate gains for the year, with strong performance increasingly concentrated in very large (and expensive) technology stocks. With bond yields having moved higher after a few years at rock-bottom levels, fixed-income markets delivered solid increases. Private assets, including venture capital and real estate, have resumed building value following a few years of accommodation to the new interest-rate environment. CPF has continued to make new investment commitments in these areas, which should bear fruit in the coming 10 to 15 years.

$17.7 billion

The Church Pension Fund's investment portfolio assets

Over the past decade, the CPF investment portfolio produced an annualized compound return of 7.2%, compared with its investment goal (an "inflation-plus" target) of 7.5% and its public markets benchmark of 6.3%. The investment goal is a measure of the return estimated to be required over time to maintain the health of the fund, taking into account that assessments cover only about 20% of benefits paid out each year.

The Investment team spends much of its time understanding and monitoring the risks involved in managing a complex portfolio. This vigilance has enabled CPF to maintain the necessary financial strength to meet its obligations.

CPF incorporates socially responsible investment (SRI) principles in its investment strategy, in a manner consistent with its fiduciary responsibilities. CPF makes investments that bring positive social impacts when strong risk-adjusted returns can be achieved. As part of this strategy, the Investment team evaluates how current and prospective investment managers reflect environmental, social, and governance (ESG) issues in their analysis. CPF also collaborates with peers and industry working groups on SRI issues.

Managing the Investment Portfolio

Chief Investment Officer Michael Hood offers his insights into The Church Pension Fund's investment strategy, risk mitigation, and financial outlook for the portfolio.

Long-Term Discipline amid Short-Term Volatility

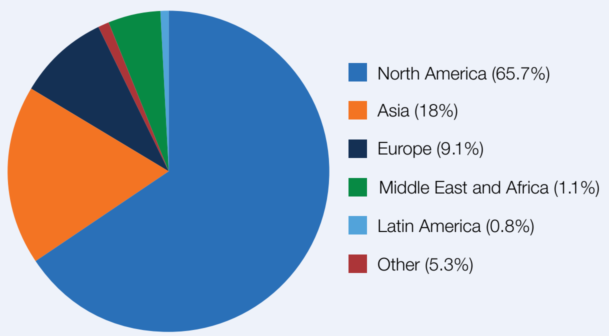
Financial market volatility jumped in early 2025, fueled by uncertainty about global trade policy. When markets are moving fast, CPF's Investment team works to ensure that the portfolio remains close to its asset allocation targets through a disciplined process of regular rebalancing. The team also ensures that portfolio liquidity—essentially, the ability to convert investments into cash—will be sufficient to make estimated benefit payments. The team stress tests the portfolio's cash availability against cash needs regularly.

Two cornerstones of CPF's approach—a long-term focus and an emphasis on diversification—come to the forefront when near-term turbulence hits. Rather than depending on short-term price fluctuations, many CPF investments build value gradually over many years. New commitments made today to venture capital managers, for instance, will come to fruition in the 2030s, after current headlines have faded.

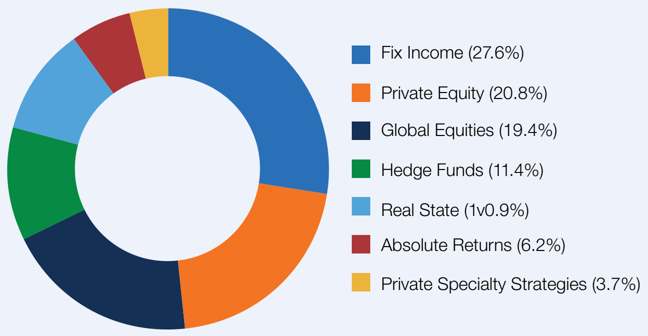
Meanwhile, various dimensions of diversification reduce portfolio risk. For example, CPF's investments in stocks and bonds should generally move in contrasting directions. While most CPF investments are denominated in US dollars, the portfolio contains many investments denominated in other currencies. Within each asset class, CPF also hires various managers with differentiated skill sets and techniques, further reducing risk concentration.

Investment Overview (as of 03/31/2025)

Regional Exposure

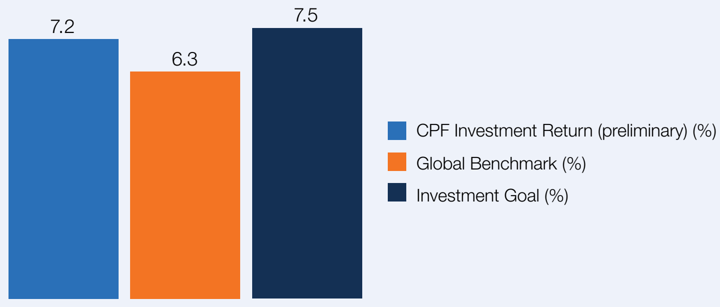


Asset Class Exposure



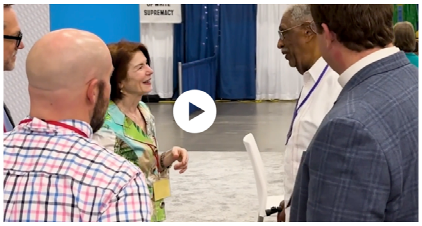
Annualized Return

10-Year (as of 03/31/2025)



Anticipating Needs

The Church Pension Group's vision is to help 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. To fulfill this vision, we plan opportunities around the Church to listen to what our clients have to say and share updates on our work.



Understanding Evolving Client Needs

The Church Pension Group takes a proactive and intentional approach to solicit feedback from the clergy, lay employees, and institutions of The Episcopal Church it serves. Mary Kate Wold, CEO and President, highlights how these insights continue to help advance CPG's efforts to address the needs of an evolving Church.

An Opportunity to Share, Listen, and Learn

CPG's Client Council serves an important role in helping CPG meet the evolving needs of The Episcopal Church. Working closely with CPG leadership, the Council provides candid feedback on the products, programs, and services CPG offers.

This proactive approach helps CPG remain abreast of what matters most to those who serve the Church and ensures that we continue to serve our clients effectively.

Business Updates

Benefits

Over the 12 months ending March 31, 2025, CPG introduced a new healthcare coordination benefit, extended the Employee Assistance Program to clergy across the globe, and enhanced the Fund for Special Assistance.

Quantum Health Care Coordination

Since January 1, 2025, *Quantum Health's Care Coordinators* have been helping members of The Episcopal Church Medical Trust in the Anthem and Cigna networks to maximize benefits, make more informed treatment decisions, and achieve better health outcomes. They have also been connecting retirees enrolled in a Group Medicare Advantage plan with a care coach who can relieve them of the stress that navigating the medical system alone can cause.

This is the type of positive feedback we've been receiving about Quantum:

> *"The Care Coordinator helped me figure out a healthcare problem that was very stressful and upsetting," one member noted. "She was super clear and communicative, and I am really grateful."*

Another member pointed out that although "dealing with health insurance isn't always easy, the Care Coordinator answered all my questions and gave me information I hadn't even thought to ask about," adding that "he was patient, kind, and personable."

We are also pleased to report that, as of March 31, 2025, member engagement with Quantum stood at 38%, 4% higher than the typical percentage for new Quantum clients.

Nevertheless, the transition to Quantum has not been seamless for all of our members, especially for those processing out-of-network claims. Most of the problems have arisen from certain plan features being programmed incorrectly by our new claims processing vendors. We are in close contact with those vendors and working toward a solution. Overall, member satisfaction with Quantum's service is higher than the industry benchmark, but we know that some members have experienced suboptimal service, which is unacceptable. This has been taken extremely seriously and is being resolved.

$475 million

Total benefits paid by CPF to clergy, lay employees, and their dependents from April 1, 2024, to March 31, 2025

International Employee Assistance Program

On February 1, 2025, the Employee Assistance Program (EAP)—a free and confidential 24/7 service that provides on-demand support, referrals, and online resources for a range of emotional, financial, legal, and practical matters—became available in the Convocation of Episcopal Churches in Europe and in 10 international dioceses.[1]

Fund for Special Assistance

Established in 2012, the *Fund for Special Assistance (FSA)* offers financial aid to eligible retired clergy, spouses, and dependents for specific, extraordinary economic hardships that are temporary in nature. On January 1, several FSA changes went into effect. Among them were a simpler application process, no waiting period between requests, a lifetime grant limit of $50,000 (up from $20,000), and the allowance of a single, $50,000 grant. We will provide up to $500,000 in FSA grants annually and will review requests exceeding that amount in the next calendar year.

"We looked for ways to improve the value of this fund by eliminating unnecessary hurdles and increasing the money available," Chief Operating Officer Frank Armstrong said, "and we're happy to report that we have already approved a number of grants over $20,000." See detailed information about the FSA on *cpg.org/FSA*.

Property and Casualty Insurance

In 2024, the United States faced record-setting wildfires in the West, back-to-back hurricanes along the Gulf Coast, and a series of powerful inland storms. Through it all, The Church Insurance Companies (CIC) remained focused on what matters most: protecting our clients, managing rising costs, and building a stronger future.

We act quickly and decisively, deploy response teams within hours, provide critical support in the field, and take steps to help our clients control costs and reduce risk.

Through strategic loss control initiatives, we help our clients identify vulnerabilities before disaster strikes. Our risk management team plays a critical role in shaping claims outcomes by advising clients on fire prevention, storm preparedness, and property protection. Reducing or preventing claims helps lower premium costs across the industry.

Earlier this year, we launched a new *online learning hub* to help our clients understand and make informed decisions about their policies with confidence. It features a convenient collection of guides and tools to help our clients understand what their policy covers (and doesn't), protect their institutions, and save for deductibles.

More than 90%

Share of US Episcopal churches insured
by The Church Insurance Companies

We also completed the groundwork for something our clients have been asking for: a new, secure online service that makes managing their property and casualty needs

[1] *The Dioceses of Colombia, the Dominican Republic, Ecuador Central, Ecuador Litoral, Haiti, Honduras, Puerto Rico, Taiwan, Venezuela, and the Virgin Islands (British)*

easier than ever. Through the Church Pension Group's My Admin Portal (MAP), our clients will have a quick, convenient, and safe way to handle their policies, premium payments, and claims. As policies come up for renewal, our clients can access their new and improved policy forms with real-time policy details and history; submit, update, and track their claims; and pay their bills—all in one secure platform—resulting in faster service, less paperwork, and better visibility. Early feedback through testing has been strong, with clients reporting improved satisfaction and efficiency.

Christopher Rourke, SVP and General Manager of CIC, commented, "Our commitment to our clients and their needs has helped us retain 99% of their business in recent years. We will continue to seek new and even more impactful ways to deliver meaningful value to those we serve."

Publishing

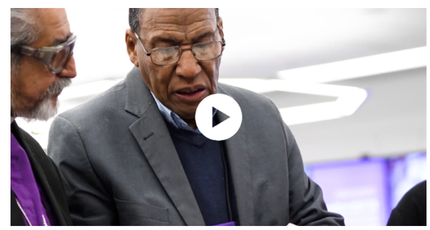
Anticipating the needs of the clergy and lay populations of The Episcopal Church is critical to the success of Church Publishing Incorporated. We constantly strive to develop resources that respond to the evolving realities of ministry and modern life.

This fiscal year marked an expansion in the accessibility of our resources. Licensing to partners, such as Christian Audio, Tantor Audio, and Echo Point Books & Media, has enabled us to offer audiobooks and, as a result, expand our reach to a growing community of listeners.

Another significant development this year is our new collaboration with the largest Christian publisher in the United Kingdom, Society for Promoting Christian Knowledge (SPCK). Our goal is to raise awareness of their books program in the United States. Their thought-provoking, spiritually rich works speak to today's urgent questions around Christianity. The publication of *Discovering Christianity: A Guide for the Curious*, by internationally acclaimed theologian and former Archbishop of Canterbury Rowan Williams, is one such notable work.

In other news, we produced several publications in response to resolutions passed at the 81st General Convention. *Lesser Feasts and Fasts 2024*, *Constitution and Canons* (in English and Spanish), and *The Celebration and Blessing of a Marriage II* were released this year.

We value our ongoing partnership with individuals and institutions that make up The Episcopal Church. Together, we ensure that valuable resources are available to support the Church.



Meeting Evolving Needs

Frank Armstrong, Chief Operating Officer, offers an update on how CPG's businesses continue to meet our clients' evolving needs.

1,110

Products and titles offered by Church Publishing Incorporated

Fast Facts

2025 Annual Report for 2024

Those We Serve

13,844

Active (5,594) and retired (8,250) clergy participants in defined benefit plans[3]

2,775

Active (804) and retired (1,971) lay participants in a defined benefit plan[3]

2,409

Active clergy participants in defined contribution plans[6]

13,052

Active lay participants in defined contribution plans[6]

23,257

Active (18,704) and retired (4,553) lay participants with CPG retirement, health, life and/or disability benefits[2]

10,094

Episcopal institutions served by CPG[2]

Financial Strength

$17.7 billion

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

7.2% (preliminary)

CPF investment return annualized for the 10 years ended March 31, 2025, vs 6.3% global benchmark and 7.5% investment goal

$9.5 billion

Benefits paid since inception[2]

Steadfast Support

$475 million

Benefits paid by CPF to clergy, lay employees, and their dependents[1,5]

$238 million

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

8,119

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

5,295

Visits to retirees, spouses, and surviving spouses 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]

1,110

Products and titles offered by Church Publishing Incorporated[2]

[1] April 1, 2024, to March 31, 2025
[2] As of March 31, 2025
[3] As reported in the Actuarial Valuation Report dated March 31, 2025. The participant count in the report is as of December 31, 2024.
[4] January 1, 2024, to December 31, 2024
[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, 2024

Management Changes

We welcomed three new members to our Executive Leadership Team:

The Rev. Canon Arlette Benoit Joseph

Executive Vice President, Chief Church Relations Officer

Arlette's call to ministry started at a young age, and her unwavering dedication and experience have helped her nurture relationships across the Church. Before joining CPG's Executive Leadership Team as Chief Church Relations Officer, she served as Senior Vice President of Church Relations. Previously, Arlette was the Canon for Transition Ministry in the Diocese of Pennsylvania and 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. 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.

Julian Chung

Executive Vice President, Chief Legal Officer,
and Corporate Secretary

A skilled corporate attorney, Julian brings more than 25 years of experience in legal and business strategy. Before CPG, she served as the General Counsel and Head of Compliance at Enveritas, Inc., General Counsel at Turnberry Associates, and Partner at Fried, Frank, Harris, Shriver & Jacobson LLP and other top-tier New York law firms. She has been recognized as an Alumni Honoree by Cardozo Law School's Black, Asian, and Latino Law Students Association, received her BA from New York University, and holds a JD, cum laude, from Benjamin N. Cardozo School of Law.

Geeva Ebens

Executive Vice President, Chief People Officer

Geeva possesses expansive know-how as a human resources leader and multidisciplinary business expert. Before joining CPG, she served as the Chief Human Resources Officer at Omnicom Health Group, held various senior-level human resources roles at Marsh and Mercer, was a management consultant at Deloitte Consulting, and served as chief of staff to senior executives at Pfizer Pharmaceutical. She received a BA in Economics from Amherst College and an MBA from Duke University's Fuqua School of Business.

Denominational Health Plan Annual Report

Since its inception in 2009, the *Denominational Health Plan (DHP)* has offered comprehensive healthcare coverage to members. At the same time, The Episcopal Church Medical Trust continues its efforts to contain healthcare costs, provide equitable churchwide pricing of plans, and provide equal access to and parity of healthcare funding for eligible clergy and lay employees of The Episcopal Church.

Because the Medical Trust recognizes that healthcare can create financial burdens, it remains focused on containing costs as well as providing consistent service and broad access to high-quality benefits, thus balancing compassionate care with financial stewardship.

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 to the Church. These resolutions also did the following:

- Established the DHP 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 organizations or bodies subject to the authority of the Church
- Tasked employers with ensuring cost-sharing parity between clergy and lay employees
- Asked that the Medical Trust continue to reduce cost disparities between dioceses

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

The 80th General Convention (GC) passed Resolution 2022-D034 establishing a task force to review the DHP's structure and offerings and report back to GC81 with options to reduce costs across the Church and details about the benefits and the reasoning behind the pricing of each option.

2024 Resolution A101

In Resolution 2024-A101, GC81 reaffirmed The Episcopal Church's commitment to benefit parity between clergy and lay employees and recommended that the Medical Trust do the following:

- Make health plans self-sufficient and self-funding at each benefit level.
  To align with this recommendation, our Anthem and Cigna PPO100/90 plans and our Kaiser EPO High Plan are now subject to higher rate increases than plans with less generous benefits.
- Provide equitable churchwide pricing of plans, based on such factors as the community's ability to pay for benefits and the prevailing cost of comparable coverage within the plan area.
  We are beginning this work in 2025 by determining what data elements could be used to define "ability to pay" and will discuss possible options with leaders in the Church.
- Adopt a pricing structure that ensures that The Episcopal Church in Navajoland and the Dioceses of Alaska, North Dakota, and South Dakota are able to offer Medical Trust plans to eligible employees and dependents.
  This was done, and we are pleased to report that spreading the cost of this improvement across our membership resulted in a cost increase of only 0.1% in contribution rates for 2025.

2024 Resolution A102

Resolution 2024-A102 urged CPG to continue our efforts to educate group administrators about the selection of benefits offered to employees, covered communities, and the whole church, particularly (1) Medicare Secondary Payer Small Employer Exception plans and the potential cost-saving opportunities they present for eligible small employers and their 65-and-over employees and (2) Consumer Directed Health Plans paired with Health Savings Accounts (CDHP-HSA) and how institutions can transition employees to CDHP-HSAs.

Value of the DHP

- Meaningful choice – The DHP allows dioceses greater flexibility to choose among options offered than would corporate plans or state-based exchanges. Medical Trust options include platinum, gold, and silver plans and two pharmacy plan designs.
- Comprehensive benefits – The DHP offers vision and hearing benefits, an Employee Assistance Program, travel medical assistance, health advocacy, and optional dental plans.
- Broad networks – The DHP continues to offer plans with broad national networks (Anthem and Cigna) plus a regional plan (Kaiser), whereas the networks of state-based exchanges are more limited. Although state plans may feature lower premiums, they do so at the expense of benefits, participant choice, and access.

Controlling Health Coverage Costs

The Medical Trust remains committed to providing the lowest possible cost while maintaining competitive coverage.

Annual cost increases on the lower end of national trends. For 2025, the Medical Trust required an average annual increase in contribution rates of 6.6%, compared with an estimated national increase of 8.0%.[1] This is especially noteworthy because DHP claim costs were 16% higher than those of the average US employer.[2] These higher costs were driven primarily by three factors:

- Older population – The median age of individuals covered by the DHP is 51, compared with 42[3] among those covered by employer-provided health plans. This is significant because older adults are more likely to use healthcare services, including for chronic conditions, and thus to raise the cost of claims.
- Richer plans – Whereas US employers have tended to shift to plans with higher out-of-pocket costs for their insured, 99% of DHP members are enrolled in rich plans (platinum and gold), which feature the lowest member out-of-pocket cost share.[4]
- Higher prescription costs – In 2024, the Medical Trust's year-over-year trend increase for GLP-1s used specifically for weight loss rose by 148%, compared with 124% for peers.[5] However, the higher GLP-1 cost was partially offset by lower specialty drug prices in 2024 versus 2023, owing largely to the availability of newly approved Humira biosimilars.

Between 2009 and 2025, average cost increases for the DHP have ranged from 4% to 6% per year versus 7% to 9%[6] per year for large US employers during the same period.

Lower administrative costs. Ninety-one percent of contributions to the Medical Trust are budgeted to pay for the cost of healthcare services received by DHP participants (clergy, lay employees, and their dependents). The remaining portion goes toward plan administration (accessing national networks, processing claims, providing member services, etc.) and internal operations (plan sponsor and administrative responsibilities, billing and collections, call center, etc.). By removing such added costs as state premium taxes, commission fees, and risk/profit premium loads, the DHP allows the Church to provide medical coverage that is similar to that offered by large US corporations.

Cost containment through economies of scale. By aggregating the purchasing power of Episcopal employers, the DHP lowers overall health insurance rates for Participating Groups. For 2025, its bargaining position benefited from having approximately 12,000 active clergy and lay employees in its health plans.

[1] *PricewaterhouseCoopers. (n.d.). Medical cost trend: Behind the numbers 2025. https://www.pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html.*
[2] *Alliant Insurance Services, Claims Cost Benchmarking. April 11, 2025.*
[3] *Ibid.*
[4] *Ibid.*
[5] *ESI 2024 Year End Review on April 15, 2025.*
[6] *Custom comparison includes charities, nonprofits, and companies in the higher education sector.*

Analysis by an external consultant confirmed that given plan value and member age, gender, family size, risk characteristics, and geographic location, the Medical Trust claim costs are in line with benchmarks.[7]

Consultations with CPG professionals. Every year since 2014, all domestic dioceses have participated in the DHP and received support from the Medical Trust as they decide what plans to offer and try to achieve parity in benefits funding for clergy and lay employees.

Multiple cost-saving initiatives. To keep annual increases low without significantly raising out-of-pocket costs or watering down access/restricting care for members, over the past 15 years the Medical Trust has taken the following steps:

- Joined a prescription drug purchasing coalition with other denominations.
- Joined the SaveOnSP manufacturer copay assistance program.
- Implemented a medical channel management to cover certain specialty medications exclusively within the Express Scripts pharmacy benefit.
- Introduced Hinge Health, a digital musculoskeletal wellness program, for members whose plans use the Anthem and Cigna networks.
- Introduced a coinsurance-based prescription drug benefit plan and a new cost-sharing tier for specialty drugs.
- Implemented and promoted the Medicare Secondary Payer Small Employer Exception Plan.
- Required appropriate utilization management to ensure optimal outcomes and the use of evidence-based treatments.

Fund for Medical Assistance for Non-Domestic Dioceses

The Fund for Medical Assistance (FMA) was established to help eligible clergy and lay employees and their eligible dependents in dioceses that cannot participate in the DHP to defray the cost of medically necessary healthcare expenses not otherwise covered by public or private insurance.

In 2023, the Board of Trustees expanded the availability of funds, and in 2024 further extended eligibility to include clergy of eligible employers in the Convocation of Episcopal Churches in Europe who work at least 1,500 hours per year, retired clergy in good standing in the Convocation who receive a pension benefit from the International Clergy Pension Plan, and their eligible dependents. As of January 1, 2025, CPG's annual FMA commitment was $370,000.

In 2024, The Church Pension Fund granted a total of $49,555 in FMA funds to pay for healthcare expenses for eligible participants in non-domestic dioceses.

[7] *Alliant Insurance Services, Claims Cost Benchmarking. April 11, 2025.*

The Way Forward

The Medical Trust has been exploring—and continues to explore—opportunities for improving member benefits and/or managing costs through several initiatives.

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.

After evaluating several vendors in 2023, last year the Medical Trust selected Quantum Health as its healthcare navigation provider. On January 1, 2025, Quantum began offering its services to members enrolled in plans that use the Anthem and Cigna networks. As part of this initiative, the Medical Trust is examining social determinants of health to identify ways we can help members experience better health outcomes.

The transition to Quantum has not been seamless for all of our members, especially for those processing out-of-network claims. Most of the problems have arisen from certain plan features being programmed incorrectly by our new claims processing vendors. We are in close contact with those vendors and working toward a solution. Overall, member satisfaction with Quantum's service is higher than the industry benchmark, but we know that some members have experienced suboptimal service, which is unacceptable. This has been taken extremely seriously and is being resolved.

Behavioral Health Support

Consistent with national rates, over a quarter of the Medical Trust's membership had at least one behavioral health claim in 2024. Behavioral health visits overall and Employee Assistance Program (EAP) utilization have also been trending upwards. Therefore, the Medical Trust has begun offering EAP benefits to international clients, promoting the EAP, and, through Quantum Health, exploring options to (1) expand access to behavioral health providers digitally and (2) connect members with the behavioral healthcare service most suited to their needs.

Impact of GLP-1s

GLP-1 drugs, which are used to treat type 2 diabetes, are also highly effective for weight loss. However, GLP-1 drug coverage is expensive, with an estimated annual manufacturer's list price of $12,200 to $17,600 per person when used for weight loss.[8] The net cost to the plan in 2024 was $2.8 million.

The Medical Trust covers GLP-1 drugs for weight loss as well as diabetes, according to clinical guidelines developed by the US Food and Drug

[8] *Ally AJ, et.al (2023). Payer strategies for GLP-1 medications for weight loss [White paper]. Milliman. https://www.milliman.com/en/insight/payer-strategies-glp-1-medications-weight-loss.*

Administration (FDA) and applied by the Medical Trust's claims administrators. GLP-1 drugs accounted for 10.3% of our overall pharmacy costs in 2024. The new guidelines are focused on medical necessity, and some who previously used GLP-1 drugs may no longer qualify for GLP-1 coverage.

On January 1, 2025, we implemented EncircleRx with Express Scripts to help control GLP-1 drug costs and ensure appropriate utilization and adherence. We recently put EnReachRx in place, a patient support program that builds on EncircleRx by offering dose-optimization assistance; enhanced fraud, waste, and abuse detection/intervention; side effect management; and a new home delivery option.

In Summary

The outlook for the DHP remains positive, as it continues to make valuable benefits available at a cost that is difficult to match for the level of service provided. As we live into the transition to Quantum Health, we are committed to improving and simplifying client experience through the company's expert guidance and personalized support.

We will continue to monitor the healthcare environment, medical trends, and applicable laws that may affect costs while remaining focused on best business practices and offering comprehensive, cost-effective health benefits.

Board of Trustees

Remembering the Very Rev. Sandye A. Wilson

"We deeply mourn the loss of friend and colleague Sandye Wilson," Church Pension Fund Board Chair Canon Anne Vickers said. "During the past ten years, she held a variety of positions on the board, most recently serving as a vice chair. Sandye played a pivotal role in leading our regular discussions on diversity, equity, and inclusion, as we continued the work that is so vital to the board's effectiveness. Sandye always reminded us that our ability to make sound decisions depends on our willingness to truly hear and understand each other's varied perspectives."

The Very Rev. Sandye A. Wilson, who died on April 15, was elected to the CPF Board at the 78th General Convention in 2015 and was reelected to a second term in 2022.

The Church Pension Fund Board of Trustees

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Investment Coordinator, Trustees of Donation to the Protestant Episcopal Church
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The Rev. Leon Sampson, MDiv [4,6]
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US Ambassador (retired)
Former Chief Operating Officer, Domestic and Foreign Missionary Society
Raleigh, North Carolina

The Rev. Molly Weiss, MA [4,6]
Assistant Clergy, Christ Episcopal Church
CHRO, Adolfson & Peterson Construction
Woodbury, Minnesota

Mary Katherine Wold, JD [1,2,4,6]
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
9 Elected a vice chair on June 13, 2025
10 Elected to the CPF Board on June 18, 2025

Officers & Principal Advisors

CPG's executive leadership team oversees the strategic plan of the organization, which drives the efforts of all officers and their units.

Chief Executive Officer and President

Mary Katherine Wold

Executive Vice Presidents

Francis P. Armstrong
The Rev. Canon Arlette Benoit Joseph
Julian Chung
The Rev. Clayton Crawley (Retired December 31, 2024)
Geeva Ebens
Theodore J. Elias, Jr. (Retired September 30, 2024)
Patricia S. Favreau
Michael Hood
Nancy L. Sanborn (Retired December 31, 2024)
Ellen M. Taggart

Senior Vice Presidents

The Rev. Patrick S. Cheng
Jeffrey Cianci
Jocelyn Donat
Kathleen Floyd (Retired October 31, 2024)
Steven Follos
TraceyAnn Harvey
Martin Hossfeld
Laurie Kazilionis
Margarita Monegro
Elliot Orol
Matthew J. Price
William Psinakis
Pat Rasile
C. Curtis Ritter
Christopher Rourke
John Servais
Airié Stuart
Karen Vitale
Renee D. Ward

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Anthony Cota
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Gerald Delk
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Edward A. Feliciano
Robert Flannery
Camille Fredrickson
John Gallo
Max Giacomazzi
Kenneth Jacobson
Stacie Joh
Alan Johnson
Linda Knowlton (Retired March 31, 2025)
Lisa LaRocca
Lianne Limoli
William M. Lodico
Jeffrey Lyngaas
Kirk Mason
Debbie Massi

**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, 2024, and March 31, 2025.*

Danette Patterson
Louanne Piccerill
Shawn Rawa
Tobias Ruffin
Jack Rutledge
JoAnn Santulli
John Scheffler
Andrew Scherer
Melissa Schroeder
Beena Shaffie
Paul W. Stephens
Andrea W. Still
Wilson Townsend II
The Rev. Lisa Tucker-Gray
Christopher Unseth
Timothy Vanover (Retired August 31, 2024)
Joyce Flournoy Wade
Chalyce Williams
Lisa Yoon

Assistant Vice Presidents

Aloyse Brown
Darryl Gaskins
Michael Guardiola
Maria Herrera
Jeanne-Marie Istivan-Scanlon
William Lamb
Michelle Langone (Retired December 31, 2024)
Anita Manbodh
Jeannette Marsh
Marie McGurk
Alicia McKinney
Romit Mukherjee
Jeanne-Marie Mundy
Parul Parmar
The Rev. Laura Queen (Retired June 30, 2024)
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

Gallagher Benefit Services, Inc.

Health Plan Actuary

Alliant

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, 2025 and 2024
With Report of Independent Auditors

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

TABLE OF CONTENTS

Ernst & Young LLP
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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, 2025 and 2024, 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, 2025 and 2024, 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.

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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 information included in 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 25, 2025

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, 2025 AND 2024

	2025	2024
ASSETS		
Investments, at fair value	$ 17,011,795,047	$ 16,948,514,565
Receivables and other assets:		
Receivable from brokers	15,643,809	25,033,473
Assessments receivable, less allowance for credit loss (2025 – $628,000; 2024 – $768,000)	4,552,542	5,209,630
Accrued investment income and other assets	70,558,621	85,575,558
Cash and cash equivalents	1,030,044,720	779,355,839
TOTAL ASSETS	$ 18,132,594,739	$ 17,843,689,065
LIABILITIES		
International Clergy Pension Plan	$ 174,995,619	$ 179,769,103
Payable to brokers	24,205,917	15,586,402
Accrued expenses and other liabilities	173,926,880	173,962,975
Total liabilities	373,128,416	369,318,480
TOTAL NET ASSETS	$ 17,759,466,323	$ 17,474,370,585
COMPONENTS OF NET ASSETS		
Net assets with donor restrictions:		
Legacy and gift fund	$ 52,096,612	$ 49,802,885
Total net assets with donor restrictions	52,096,612	49,802,885
Net assets without donor restrictions:		
Legacy and gift fund	36,106,972	34,605,396
Total net assets without donor restrictions	36,106,972	34,605,396
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	1,507,000,000	1,314,000,000
Clergy Life Insurance Plan	251,716,563	261,018,186
Benefit Equalization Plan	59,503,745	59,662,912
Clergy Child Benefit Plan	12,642,092	11,773,799
Clergy Short-Term Disability Plan	5,626,907	5,683,434
Clergy Long-Term Disability Plan	95,231,645	95,561,992
Clergy Plan Assessment Deficiency	506,093,411	565,357,852
Investment in affiliated companies	206,260,708	170,090,969
Available for benefits:		
Net assets available for benefits:		
The Clergy Plan	14,354,284,661	14,229,691,874
The Episcopal Church Lay Employees' Retirement Plan	276,621,934	276,099,663
Staff Retirement Plan of the Church Pension Fund and Affiliates	396,281,073	401,021,623
Total net assets available for benefits	15,027,187,668	14,906,813,160
Total internally designated	17,671,262,739	17,389,962,304
TOTAL NET ASSETS	$ 17,759,466,323	$ 17,474,370,585

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, 2025 AND 2024

	2025	2024
ADDITIONS (REDUCTIONS) TO NET ASSETS		
Assessments	$ 104,123,411	$ 100,999,628
Interest	101,976,550	173,886,350
Dividends and other income	28,790,399	35,606,004
Net appreciation in fair value of investments	662,716,062	756,849,622
Total additions to net assets	897,606,422	1,067,341,604
DEDUCTIONS FROM NET ASSETS		
Benefits and expenses:		
Pensions and other benefits	426,304,556	415,452,081
Medical supplement	36,280,123	31,412,263
Life insurance	21,910,687	21,769,062
Total benefits	484,495,366	468,633,406
Investment management and custodial fees	33,467,202	39,199,204
General and administrative	113,279,056	111,358,177
Total benefits and expenses	631,241,624	619,190,787
Other (additions) deductions:		
International Clergy Pension Plan	(6,191,909)	(2,373,742)
Other liabilities (assets)	(12,539,031)	(22,317,742)
Change in total net assets	285,095,738	472,842,301
OTHER CHANGES IN NET ASSETS		
Net assets with donor restrictions	(2,293,727)	(2,591,123)
Net assets without donor restrictions	(1,501,576)	(1,747,099)
Internally designated:		
Clergy Post-Retirement Medical Assistance Plan	(193,000,000)	(273,157,269)
Clergy Life Insurance Plan	9,301,623	8,772,679
Benefit Equalization Plan	159,167	(1,083,064)
Clergy Child Benefit Plan	(868,293)	314,601
Clergy Short-Term Disability Plan	56,527	(1,403,395)
Clergy Long-Term Disability Plan	330,347	(819,521)
Investment in affiliated companies	(36,169,739)	(20,192,392)
Clergy Plan Assessment deficiency	59,264,441	60,507,264
Total changes in net assets available for benefits	120,374,508	241,442,982
Net assets available for benefits at beginning of year	14,906,813,160	14,665,370,178
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 15,027,187,668	$ 14,906,813,160

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. At its founding, CPF 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 and their beneficiaries. 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. The master trust holding the assets of the Qualified Plans has long been recognized as exempt from federal income taxes. CPF, its affiliated companies and the master trust holding the assets of the Qualified Plans 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 master 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, 2025 and 2024.

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 CPF's discretion.

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, 2025 and 2024, the master trust assets included in the combined statements of net assets available for benefits, relating to the plan benefits described above, amounted to $6.0 billion and $6.2 billion, respectively (see Note 4).

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

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. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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.

Recently Adopted Accounting Standards

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:

	2025	2024
	(In Thousands)	
Common and preferred stocks	$ 560,672	$ 631,503
U.S. treasury securities	908,247	771,823
Municipal securities	13,006	19,042
Corporate bonds	385,167	374,319
Foreign government securities	297	172
Limited partnership interests:		
Real estate	2,504,985	2,250,590
Private equity	3,715,492	3,794,536
Other alternative investments	2,525,272	3,074,155
Commingled funds	6,114,516	5,781,968
Affiliated companies, equity interest	284,141	250,407
Totals	$ 17,011,795	$ 16,948,515

As of March 31, 2025, the net assets available for pension benefits in the master trust attributable to the Clergy Plan, the Lay Plan and the Staff Plan were 30.23%, 1.55% and 2.23% respectively, of CPF's total investment portfolio. CPF's total investment portfolio of $17.7 billion consists primarily of $17.0 billion of investments at fair value (excluding Affiliated companies, equity interest) plus $1.0 billion of cash and cash equivalents.

As of March 31, 2025 and 2024, CPF was not exposed to any significant concentration of risk within its investment portfolio.

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

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

Municipal securities include direct investments in state and local governments.

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

Foreign government securities include government securities and debt securities.

4. INVESTMENTS (CONTINUED)

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, annually or every two years, 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.

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.

As of March 31, 2025, there were two investment managers that have exercised these suspension rights effective December 31, 2021 and August 8, 2023.

At March 31, 2025, CPF had open investment commitments to limited partnerships of $1.9 billion which are expected to be funded during future years. In this regard, from April 1, 2025 through April 30, 2025, CPF invested an additional $68.2 million in existing limited partnerships and made $139.8 million in commitments to limited partnerships. Most limited partnership investments are illiquid; however, there is a secondary market in limited partnership interests. There may be penalties should CPF not fulfill its funding commitments; however, CPF seeks to maintain adequate liquidity to ensure that all unfunded commitments are met.

4. INVESTMENTS (CONTINUED)

Commingled funds primarily include funds that invest in (1) long/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 90 days; however, due to restrictions, the entire investment may not be redeemable within 90 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 $0.5 billion and $0.7 billion short and the net amount of open fixed income futures contracts aggregated approximately $2.3 billion long for both years, respectively at March 31, 2025 and 2024. Currency forward contracts aggregated approximately $0.2 billion and $0.3 billion at March 31, 2025 and 2024, respectively.

The amounts of these instruments are indications of the open transactions and do not represent the level of market, foreign exchange, or credit risk to the portfolio. Since some of the futures and forwards held are adjusting market risk elsewhere in the portfolio, the measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. Market risks to the portfolio are caused by changes in interest rates, foreign exchange rates, or in the value of equity markets. With respect to credit risk, futures and forward contracts require daily cash settlement, thus limiting the cash receipt or payment to the change in fair value of the underlying instrument. Accordingly, the amount of credit risk represents a one-day receivable. Futures settlements resulted in losses of $100.5 million and $143.5 million for the years ended March 31, 2025 and 2024, respectively, and currency forward settlements resulted in gains of $11.8 million and $21.5 million for the years ended March 31, 2025 and 2024, respectively and recorded as a component of net appreciation in fair value of investments.

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 below for the years ended December 31, 2024 and 2023, except for Church Pension Group Services Corporation, which is described for the years ended March 31, 2025 and 2024.

4. INVESTMENTS (CONTINUED)

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, 2025 and March 31, 2024, the fair value of the condominium office space was $77.9 million and $79.9 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 (ECCEBT). Mary Katherine Wold is the Chief Executive Officer and President and Francis P. Armstrong is Executive Vice President and Chief Operating Officer of CPGSC.

The Church Insurance Companies[1]

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

On August 23, 2012, Church Insurance Services LLC (CIS), a Delaware limited liability company and wholly-owned subsidiary of CICVT, was formed to provide captive manager 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.

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[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)

Financial Summary

	December 31 2024	December 31 2023
	(In Thousands)	
Assets	$ 281,074	$ 258,087
Liabilities	183,345	177,093
Capital and surplus	97,729	80,994
Earned premiums	85,120	72,935
Net income	15,733	4,865

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 2024	December 31 2023
	(In Thousands)	
Assets	$ 204,478	$ 209,540
Liabilities	114,097	131,146
Capital and surplus	90,381	78,394
Insurance in force	1,669,060	1,687,041
Earned premiums	26,102	25,298
Net income	10,227	9,461

4. INVESTMENTS (CONTINUED)

Church Publishing Incorporated

Church Publishing Incorporated (CPI), 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, CPI 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 CPI.

Financial Summary	**December 31**	
	2024	**2023**
	(In Thousands)	
Assets	$ 5,418	$ 5,044
Liabilities	9,765	9,545
Capital	(4,347)	(4,501)
Revenue	3,946	3,723
Net loss	(1,138)	(1,241)
Capital contribution received from CPF	1,375	945

5. FAIR VALUE MEASUREMENTS

The following tables provide information about the financial assets measured at fair value by general type as of March 31, 2025 and 2024:

	Assets at Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
		(In Thousands)		
March 31, 2025				
Common and preferred stock	$ 560,672	$ –	$ –	$ 560,672
U.S. treasury securities	–	885,936	22,311	908,247
Municipal securities	–	13,006	–	13,006
Corporate bonds	–	385,167	–	385,167
Foreign government securities	–	297	–	297
Limited partnership interests:				
Real estate	–	–	2,504,985	2,504,985
Private equity	–	–	3,715,492	3,715,492
Other alternative investments	–	–	2,525,272	2,525,272
Affiliated companies	–	–	284,141	284,141
	$ 560,672	$ 1,284,406	$ 9,052,201	10,897,279
Investments measured at net asset value				
Commingled funds				6,114,516
Total assets at fair value				$ 17,011,795

	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

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 2025	2024
	(In Thousands)	
Limited partnership interests:		
Real estate	$ 403,510	$ 280,699
Private equity	234,834	244,825
Other alternative investments	431,373	780,803
Affiliated companies, equity interest	1,150	1,528
Total	$ 1,070,867	$ 1,307,855

There were no transfers into Level 3 for the years ended March 31, 2025 and 2024. There were no transfers out of Level 3 for the years ended March 31, 2025 and 2024.

Limited Partnership interests in real estate, private equity and other alternative investments with a fair value of $8.7 billion as of March 31, 2025, 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 $284.1 million as of March 31, 2025, 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 2025 and 2024, 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 $628,000 and $768,000 at March 31, 2025 and 2024, respectively. There were no significant assessments receivable written off in 2025 or 2024.

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, Gallagher Benefit Services, Inc., 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 $175.0 million and $179.8 million at March 31, 2025 and 2024, 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, 2025				
Legacy and Gift Fund with donor restrictions	$ 49,803	$ 2,410	$ (116)	$ 52,097
Legacy and Gift Fund without donor restrictions	34,605	1,706	(204)	36,107
Total	$ 84,408	$ 4,116	$ (320)	$ 88,204
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

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 5.60% and 5.29% as of March 31, 2025 and 2024, 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, 2025 and 2024.

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 Clergy Plan 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, 2025						
Clergy Post-Retirement Medical Assistance Plan	$ 1,314,000	$ (36,300)	$ (73,800)	$ 207,900	$ 95,200`	$ 1,507,000
Clergy Life Insurance Plan	261,018	(21,661)	(8,956)	–	21,316	251,717
Benefit Equalization Plan	59,663	(3,058)	(2,271)	(183)	5,353	59,504
Clergy Child Benefit Plan	11,774	(1,028)	(360)	–	2,256	12,642
Clergy Short-Term Disability Plan	5,683	(1,000)	(111)	–	1,055	5,627
Clergy Long-Term Disability Plan	95,562	(3,187)	(2,991)	–	5,848	95,232
Clergy Plan Assessment Deficiency	565,358	–	(96,156)	–	36,891	506,093
Total	$ 2,313,058	$ (66,234)	$ (184,645)	$ 207,717	$ 167,919	$ 2,437,815

For the year ended March 31, 2025, the net assets in the Clergy Post-Retirement Medical Assistance Plan increased by $193.0 million as outlined in the table above. The $207.9 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, 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 net assets in 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.

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 2025 and 2024, had a fair value of $77.9 million and $79.9 million, respectively.

9. ACCUMULATED PLAN BENEFIT OBLIGATIONS

Gallagher Benefits Services, Inc., 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, 2025 and 2024, 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, 2025 and 2024, 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	
	2025	**2024**	**2023**	**2025**	**2024**
Plan					
Clergy Plan	5.58%	5.27%	5.02%	$ (190,538)	$ (160,831)
Lay Plan	5.38	5.22	4.96	(3,254)	(5,453)
Staff Plan	5.47	5.24	4.98	(6,173)	(7,079)

- Cost-of-living adjustment (COLA):

For the years ended March 31, 2025 and 2024, the COLA assumption for the Clergy Plan was 3.00%. There was no COLA assumption for the Lay Plan or the Staff Plan.

The 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	
	2025	**2024**	**2025**	**2024**
			(In Thousands)	
Plan				
Clergy Plan	2.5%	3.2%	$ (22,470)	$ 9,069

As of January 1, 2025, a 2.5% COLA was granted for retiree benefits compared to the 3.0% assumed COLA, resulting in a decrease of $22.5 million in the accumulated benefit obligations of the Clergy Plan as of March 31, 2025.

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.

9. ACCUMULATED PLAN BENEFIT OBLIGATIONS (CONTINUED)

- Vesting for the years ended March 31, 2025 and 2024:

  – 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, 2025 and 2024:

  – 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, 2025 and 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)

For the year ended March 31, 2025, there were no changes to the mortality table for the Clergy Plan, the Lay Plan or the Staff Plan.

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 Plan or the Lay Plan.

For the years ended March 31, 2025, and 2024, 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.

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, 2025			
Vested benefits:			
Actuarial present value of accumulated plan benefit obligations for retired participants and their dependents	$ 4,318,810	$ 118,595	$ 105,487
Actuarial present value of accumulated plan benefit obligations for participants not yet retired and their dependents	1,376,437	76,392	95,559
Nonvested benefits	101,973	1,400	12,481
Total	$ 5,797,220	$ 196,387	$ 213,527

	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

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, 2025			
Actuarial present value of accumulated plan benefit obligations at beginning of year	$ 5,933,442	$ 196,085	$ 206,596
(Decrease) increase during the year attributable to:			
Actual benefit adjustment vs. expected*	(22,470)	–	–
Change in actuarial assumptions	(190,538)	(3,254)	(6,173)
Benefits accumulated	163,558	6,050	11,920
Increase for interest due to decrease in the discount period	302,566	9,916	10,583
Benefits paid	(389,338)	(12,410)	(9,399)
Net increase (decrease)	(136,222)	302	6,931
Actuarial present value of accumulated plan benefit obligations at end of year	$ 5,797,220	$ 196,387	$ 213,527

* 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, 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

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 $88.5 million, $4.6 million and $11.0 million, respectively, during the year ended March 31, 2025 and $87.0 million, $4.6 million and $9.4 million, respectively, during the year ended March 31, 2024.

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, 2025			
Net asset available for pension benefits:			
Inside master trust	$ 5,366,238	$ 275,379	$ 396,252
Outside of master trust	8,988,047	1,243	29
Total Net asset available for pension benefits	14,354,285	276,622	396,281
Actuarial present value of accumulated plan benefit obligations	5,797,220	196,387	213,527
Surplus	$ 8,557,065	$ 80,235	$ 182,754
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

11. RELATED PARTY TRANSACTIONS

During the years ended March 31, 2025 and 2024, CPF paid ECCEBT contributions of $36.3 million and $30.9 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, 2025 and 2024, in connection with this coverage.

11. RELATED PARTY TRANSACTIONS

During the years ended March 31, 2025 and 2024, CPGSC provided certain services, primarily personnel and facilities related and general and administrative expense processing, to CPF on a cost-reimbursement basis and billed $128.9 million and $132.8 million, respectively, for such services. As of March 31, 2025 and 2024, the amounts due to CPGSC in connection with such services were $2.0 million and $5.2 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 CPF 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, 2025, was as follows:

Mary Katherine Wold, Chief Executive Officer and President	$ 2.1 million
Michael Hood, Executive Vice President and Chief Investment Officer	$ 1.3 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 for each of the years ended March 31, 2025 and 2024.

CPGSC also provides healthcare, disability and life insurance benefits for eligible active and retired employees. CPF sponsors a post-retirement plan for the benefit of CPGSC employees. CPGSC accrues the cost of providing healthcare benefits during the active service period of the employee. For each of the years ended March 31, 2025 and 2024, CPF and its affiliated companies recorded expenses of $1.5 million for these benefits. This post-retirement obligation is estimated at $19.6 million and $25.8 million as of March 31, 2025 and 2024, respectively. The most significant change was due to an increase in the discount rate to 5.17% from 3.25% used in the prior valuation, resulting in a decrease of $4.8 million. The latest valuation was completed in December 2024 and was performed as of March 31, 2024. 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, 2024, for purposes of measuring the expected post-retirement healthcare benefit obligation, average annual rates of

11. RELATED PARTY TRANSACTIONS (CONTINUED)

increase in the per capita claims cost for 2024 were assumed to be 8.0%. The incremental increases in medical costs were assumed to decrease annually to 4.50% in 2035 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, 2025, of which $100.0 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 22, 2025. 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, 2025 and 2024, 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, 2025 and 2024.

13. COMMITMENTS AND CONTINGENCIES

CPF 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

CPF 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 received an updated letter of exemption from the Internal Revenue Service dated August 9, 2022, confirming that CPF is tax exempt and approving its request to be reclassified from a public charity under Section 509(a)(3) of the Code to a public charity described under Section 509(a)(1) of the Code. CPF is required to operate in conformity with the Code to maintain the tax-exempt status as a public charity.

14. INCOME TAXES (continued)

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, 2025 and 2024.

15. SUBSEQUENT EVENTS

Management has performed an evaluation of subsequent events through June 25, 2025, which is the date the combined financial statements were available to be issued.

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