

# Perspective, Spring 2013

An Update from Mary Kate Wold, President and CEO



Dear Friends:

On behalf of all of us at the Church Pension Group (CPG), I want to thank you for the opportunity to serve you.

This communication will provide some key updates on the Fund's financial strength and CPG's operations in advance of our Annual Report in July. I hope you find it informative.

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## Financial Strength of the Fund

Reflecting strong financial markets worldwide, the Church Pension Fund's (CPF) Assets Available for Benefits reached an all-time high of \$9.6 billion (unaudited) as of December 31, 2012. Major stimulus programs by central banks around the world, combined with strong corporate profits, provided encouragement to equity markets in both developed and emerging economies. Fiscal problems in the U.S., Europe and Japan remain issues for market participants. However, we believe our broad diversification into alternative investments, such as real estate and private equity, positions the Fund well for the long term.

## General Convention Actions

Last summer, the 77th General Convention of the Episcopal Church added new and diverse talent to the CPF Board and reaffirmed two major initiatives in connection with the benefits we offer:

- Seven experienced clergy and lay professionals from around the Church were elected to serve on the CPF Board of Trustees for the first time. I invite you to visit our website to see the full list of current [CPF Trustees](#). Each one brings a deep connection to the Episcopal Church and specific professional experience that enriches our discussions and informs the decisions we make. I am honored to serve with them.
- The Lay Employee Pension System and the Denominational Health Plan were reaffirmed with updated schedules for full compliance with the resolutions. See [Lay Employee Pension System](#) and [Denominational Health Plan](#) for details. The staff at CPG has been working with diocesan, parish and other leadership around the Church to assist with the implementation of these programs. I am pleased to report that as of January 1, 2013, 100% of Episcopal dioceses are participating in a CPF-sponsored lay pension plan for their eligible lay employees, as are approximately 85% of congregations. We continue to have conversations with the remaining congregations to assist them with implementation plans. As of January 1,

2013, 98 of 101 dioceses participate with the Medical Trust for their healthcare benefits, and we estimate that more than 94% of eligible employees now participate in the Denominational Health Plan.

Over the past three years, various questions and concerns have been raised about the implementation and impact of these programs. We remain committed to working with institutions around the Church on these and other employee benefits-related issues. To this end, we have created a new department called Integrated Benefits Account Management and Sales. With regional representation around the Church, this group will serve as a primary point of contact for administrators on all benefits-related issues. To learn more about this group, [click here](#).

### Hurricane Sandy Update

As you know, Hurricane Sandy had a devastating impact on parts of the Northeast in October. I am grateful that no injuries to clergy or lay employees were reported to Church Insurance during the aftermath of the storm. However, many churches experienced property damage — some quite severe. All of the dioceses in New Jersey and Greater New York were insured by Church Insurance, which meant we were able to dispatch claims specialists immediately to begin the process of recovery for the affected parishes and institutions.

Here at CPG, we held a number of special relief collections, matching the contributions of our employees and trustees and donating the funds to Episcopal Relief and Development and AmeriCares to support their efforts to assist those impacted by the hurricane. We also collected clothing, food and other items for those in need throughout the tri-state area. We were fortunate that our core systems continued to function during the hurricane, and we did not experience any data loss. However, our headquarters building was without power for several days, with the result that our email and telecom services were down for a week. We were able to return client phone calls and provide client service through the alternative vendors and methods that had been pre-identified in our disaster recovery plan.

### Meetings Around the Church

I was delighted to meet so many of you at the various Provincial Synods that I attended last year, as well as at General Convention. Every interaction I have had with you has served to deepen my commitment to uphold our mission to serve our Church. It is indeed an honor and a privilege for me to serve you, and I welcome other opportunities to visit with you throughout the year.

### In Conclusion

As I look to the year ahead, I want to reaffirm CPG's commitment to being the trusted provider of comprehensive, cost-effective employee retirement, health, and life insurance benefits, and other programs and services, to the individuals and institutions of the Episcopal Church. I can assure you that we will continue to seek ways to serve you better, guided by our core values of compassion, fiscal stewardship, mutual respect, service and adaptability.

Faithfully,

Mary Kate Wold  
President and CEO

### Tracking Demographic Trends that Impact Our Work



Dr. Matthew Price, CPG's Vice President for Research and Data, works closely with the Episcopal Church Center to collect and analyze demographic trends and other data on Church vitality — data that helps inform policy and other benefits decisions we make. I invite you to [click here](#) to read Matthew's research reports and a brief interview with him.