



Pension Fund

of the Christian Church
strong. smart. secure.

2018 ANNUAL REPORT

For the Support of Ministry



MISSION STATEMENT

For the Support of Ministry

VISION STATEMENT

Stone-Campbell pastors and lay employees will enjoy a *strong, smart* and *secure* retirement.

CORE VALUES

INTEGRITY: the quality of being honest, making membership-oriented decisions

SECURITY: the state of stability, providing freedom from worry or fear

COMPASSION: the ability to help others in times of need or distress

Matthew 25:20-21: "The one given five thousand dollars showed him how he had doubled his investment. His master commended him: 'Good work! You did your job well. From now on be my partner.'"

CONTENTS

PRESIDENT'S MESSAGE	4
FINANCIAL REPORT	7
EXCELLENCE IN MINISTRY	11
MINISTERIAL RELIEF & ASSISTANCE	13
HIGHLIGHTS, BOARD & STAFF	16
PENSION FUND GIFTS HONOR ROLL	21

PRESIDENT'S MESSAGE

The things you are passionate about are not random, they are your calling.
– Author Unknown

At Pension Fund, our mission is *For the Support of Ministry*, ensuring every Stone-Campbell pastor and lay employee will enjoy a Strong, Smart and Secure retirement. These words *For the Support of Ministry* are not random – they are our calling. A calling first issued by Alexander Campbell himself, who wrote in 1831 in *The Harbinger* that a regular offering should be received “for the care of the aged is enjoined as the duty and privilege of all disciples.” Campbell called us all to stand for the support of ministry and those who serve.

In the church, we often do not move quickly. It took until 1895, upon the death of Rev. Ira Chase, before the church acted on this calling. In 2020, we will celebrate 125 years since our first gift and the founding of the Board of Ministerial Relief and Assistance.

Over the past 125 years, our programs and name have changed, but our mission – our calling – has not. In 1929, the International Convention approved the formation of Pension Fund based on a plan that was written and presented in 1919. The plan was approved on the condition that \$8 million be raised to capitalize the program. Following the stock market crash and the start of the Great Depression, only \$3 million had been raised, but our calling pushed those early leaders forward.

Today, we continue to ask ourselves what is the growing edge of our ministry – our calling – and how do we continue to stand *For the Support of Ministry*? We have moved from hand-signed certificates created on a typewriter just ten years ago to cutting-edge technology that allows members to view their accounts online and securely initiate withdrawals and deposits.

We have moved from being a relief organization, to a Pension Plan, to a comprehensive retirement provider offering four retirement products and the Benefit Accumulation Account. We are expanding our support and relief programs, seeing them as a *bridge to financial wellness*, and opportunities for us to support retired and active clergy while partnering with congregations.

Our evolution continues. In 2018 we built and beta tested an employer portal that will allow employers to add, delete and modify employee information. We made our systems more secure. We have grown our assets under management and we are serving a growing number of new employers and members. We also awarded the second largest total dollar payout for combined Good Experience Credits (\$50.5 million) and Special Apportionments (\$96.8 million), which provided our retirees with a 5.5% raise. "I never received a raise this big while I was working!" –Rev. Michael Mooty.

Every day our staff arrives ready to serve, passionate for our work, and with the knowledge that they too are living out a calling to stand *For the Support of Ministry*. On the pages that follow you will read some of the ways in which we lived our calling in 2018.



With gratitude,

A handwritten signature in black ink, appearing to read "Todd Adams", with a long horizontal flourish extending to the right.

Rev. Dr. Todd A. Adams
President and CEO



“I discovered that my discipline, coupled with Pension Fund’s expertise, gave me options to secure my future without worry.”

-REV. DR. ROBIN HEDGEMAN

REPORT OF FINANCIAL RESULTS

Financial Overview

Included in the annual report are the combined financial statements of Pension Fund of the Christian Church (Disciples of Christ), Inc; Health Care Benefit Trust; and Pension Fund Canada Trust. These statements were audited by Grant Thornton, LLP and include an unmodified opinion for the years ending Dec. 31, 2018 and 2017. Key 2018 financial and operating metrics are presented in the following pages.

Investments

Pension Fund's total investments decreased 7.34% to \$3.03 billion as of Dec. 31, 2018 as a result of the falling investment market in the fourth quarter and net benefit payments made during 2018. Pension Fund manages assets with the assistance of third-party investment managers in line with a Board of Directors approved Statement of Investment Policy and Guidelines. The guidelines provide for asset allocation, manager performance criteria, and socially responsible investment guidelines. Pension Fund applies the industry standard Environmental, Social, and Governance (ESG) criteria when voting the proxies for companies owned by the plans.

Investment returns for the tax-advantaged products including: Pension Plan, Tax-Deferred Retirement Accounts (TDRA), and Individual Retirement Accounts (IRAs) for 2018 was negative 3.26%. The after-tax Benefit Accumulation Account (BAA) savings product investment

REPORT OF FINANCIAL RESULTS, CONT.

return was negative 6.65%. Although investment returns were negative, member accounts were not impacted. TDRA and IRA accounts earned 3.5% interest for 2018 while the BAA accounts earned 2.5% interest. Pension Fund protects our members against downturns in the market through guaranteed base interest rates on all products.

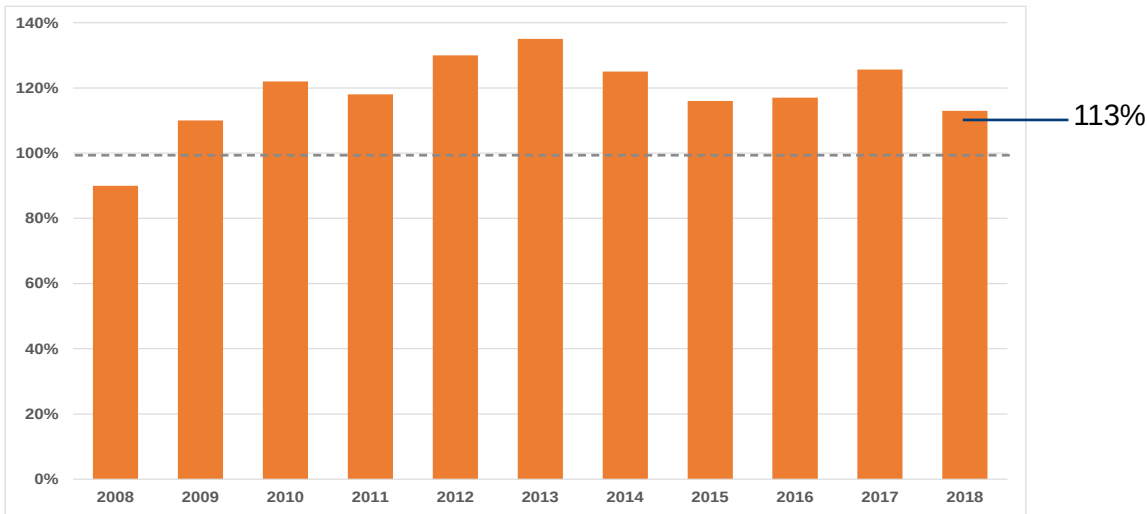
Pension Plan

The Pension Plan is a defined benefit plan providing lifetime benefits to members and eligible survivors. Dues paid into the Plan and investment earnings fund benefits. At year-end 2018, the Pension Plan's funding status was at 113% of plan liabilities. During 2018 the Board of Directors approved a 5.5% Special Apportionment Credit (SAC) based on investment returns and funding levels for year-end 2017.

Retirement Savings Plans

The TDRA, IRA, and BAA accounts provide a base rate of return to members. The 2018 base interest rate for the TDRA and IRA products was 3.5%, while the BAA product was 2.5%. In Feb. 2018, the Board of Directors approved Good Experience Credits (GECs) based on year-end 2017 investment returns and funding levels. The GECs were posted to member accounts on March 31, 2018 based on the average daily account balance for 2017. The SAC and GEC credits awarded in 2018 equaled \$147 million dollars, the second largest total dollar payout in Pension Fund history.

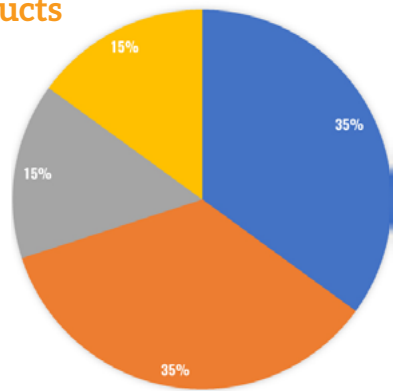
Historical Funding Adequacy (Pension Plan)



A primary goal of the Board of Directors of Pension Fund is to maintain an adequate funding level equal to the actuarial liability and, when appropriate, to share excess returns with its members. This illustration represents historical data and may not indicate future performance.

Asset Allocation for Tax-Advantaged Products

- U.S. Equities (35%)
- Int'l Equities (15%)
- Fixed Income (35%)
- Alternatives (15%)



Ministerial Relief and Supplemental Gift Program

The Ministerial Relief and Assistance (MRA) Fund, supported by individual donations and Pension Fund’s Endowment Fund, provides for a variety of financial support programs for ministers and surviving spouses. In 2018, over \$1.5 million was distributed to fund Supplemental Pensions, Relief Pensions, Emergency Aid grants, and 13th Check recipients. The Excellence in Ministry program awarded \$235,000 to participants for debt relief.

“I used to think I was the only minister who felt stress about money. Now I know I’m not alone and I have people I can talk to.”

-EXCELLENCE IN MINISTRY PARTICIPANT



SUPPORTING EXCELLENCE IN MINISTRY

“Excellence in Ministry” is Pension Fund’s clergy financial wellness program, sponsored by Lilly Endowment. For the past three years, the program has supported our church’s emerging pastoral leaders with education in personal and congregational finance, as well as grants to help reduce financial stress. In 2018, Pension Fund was awarded a second **\$1 million** grant to continue the program and add additional elements.

To date, **60** Disciples of Christ pastors have benefited from the program, engaging their spouses and lay leaders in financial education. The program has served more than **200** people and **100** congregations.

To sustain the program, Pension Fund partners with

- Bethany Fellows, a 20-year-old Disciples-based peer and mentoring network, to provide support and accountability for Excellence in Ministry pastors and spouses.
- Lexington Theological Seminary which hosts online learning experiences for pastors and lay leaders on topics related to congregational finance and leadership.
- Financial advisor and USA Today money columnist “Pete the Planner” who provides education and support through the on-demand service, “Your Money Line.”

Pension Fund donors are helping strengthen the Excellence in Ministry program with their gifts. As of Dec. 31, 2018, the program has received more than **\$300,000** in donor gifts, helping to sustain the program for 2019 and beyond. If you are interested in making a gift to sustain Excellence in Ministry, please visit *PensionFund.org/Give*.



“Grateful for this ministry and all who have been a part of its great legacy of strength, security, prudence, and generosity!”

- REV. KATHLEEN THOMAS

MINISTERIAL RELIEF AND ASSISTANCE

Pension Fund began as the Board of Ministerial Relief in 1895. Funded solely through gifts and offerings, Ministerial Relief was created to assist ministers and their families in times of unexpected and great need, usually due to the death or disability of the minister. This work continues today as the Ministerial Relief and Assistance program and is still a vital part of Pension Fund's ministry. In 2018, Pension Fund distributed over **\$1.5 million** to ministers and their families through various Ministerial Relief and Assistance programs.

Each of these programs is made available through the generous support of countless saints of the church who have expressed their great concern for the well-being of those who have served the church faithfully and who, in retirement or through a significant life event, have great financial need. Thank you for sharing your personal resources to assist others through Ministerial Relief and Assistance.

Supplemental Gifts

The Ministerial Relief and Assistance program provides funds to retired ministers, missionaries and their surviving spouses as a supplement to extremely low retirement incomes. Many have low pensions because they served churches that did not participate in the Pension Plan or that paid a low salary. The amount of Supplemental Gift is based on years of service and financial need. Pension Fund awarded a total of **\$458,781** in Supplemental Gift Pensions to **97** retirees or surviving spouses in 2018.

Ministerial Relief Grants

Monthly Ministerial Relief grants are provided to persons who have no contractual pension. In 2018, Pension Fund provided **\$546,763** to **57** qualifying retired ministers or surviving spouses.

MINISTERIAL RELIEF AND ASSISTANCE, CONT.

Emergency Aid Grants

Some Ministerial Relief and Assistance funds were also granted to help in emergency situations such as large, unexpected medical expenses and transition expenses. In 2018, Pension Fund provided **35** Emergency Aid grants totaling **\$157,121**.

Health Care Premium Assistance

Funds from individual donors are used to pay health care premiums for some retirees and surviving spouses who have great financial need. In 2018, **\$192,828** in health care premium assistance was provided.

Total 2018 Gift Distribution: \$1,546,724

Program	Recipients	Amount Granted
Supplemental Gifts	97	\$458,781
Ministerial Relief Pensions	57	\$546,763
Emergency Aid Grants	35	\$157,121
Health Care Premium Assistance	44	\$192,828
Student Gifts	83 (24 men, 59 women, 19 seminaries represented)	\$61,950
13th Check	140	\$129,281

IN OUR MEMBER'S WORDS:

“They have been one of God’s greatest blessings to my life and ministry. They are a true reflection of Christ.”

...my.
try to be a good Steward
the money I have. I drive a
er car, 2007 model with 150,000
miles, and because of my monthly
Pension Gift from the Christian Church
I am able to keep it running and
put gas in it. That precious gift
also helps with my health and auto
insurance.

The Christian Church Pension
Fund has made a bigger difference
in my life than you can imagine.
I really don't know how I would
do it without your generous blessing.

2018 HIGHLIGHTS

Pension Plan	
Pensions Begun	395
Age Retirement	288
Spouse	103
Dependent Parent	0
Disability	4
Full Orphan	0
Minor Child	0
Education	0
Members Added	360
US Pension Plan	357
Canadian Pension Plan	3
Beneficiaries	
Retirement	5,052
Spouse	1,471
Disability	43
Dependent Parent	0
Full Orphan	1
Minor Child	11
Education	5
Total Beneficiaries	6,583
Participating Members	6,528
Total Members and Beneficiaries	13,111

Tax-Deferred Retirement Account	
New Accounts	446
Total Accounts	5,078
Total Balance	\$275,665,735
Traditional IRA	
New Accounts	170
Total Accounts	294
Total Balance	\$20,963,250
Roth IRA	
New Accounts	55
Total Accounts	267
Total Balance	\$3,872,025
Benefit Accumulation Account	
New Accounts	269
Total Accounts	2,566
Total Balance	\$300,492,313

BOARD OF DIRECTORS

Rev. Thaddaeus Allen, Parkersburg, WV

Rev. Sydney Avent, New York City, NY

Kelly Bauer, Wichita, KS

Peggy Brittan, Spring, TX

Rev. Jabari Butler, Lithonia, GA

Charlene Butz, Windsor Heights, IA

Randy Clayton, Topeka, KS

Brenda Cline, Forth Worth, TX

Rev. Esteban Gonzalez-Doble, Bayamon, PR

Rev. James P. Johnson, Indianapolis, IN

Rev. Dr. William Lee, Roanoke, VA

Camilla Lindsey, Parker, TX

Rev. Janet Long, Elyria, OH

Kelly Nelson, Duncan, OK

Joshua Santana, Lexington, KY

Greg Smith, Lafayette, IN

Chad Turner, Louisville, KY

Linda Hernandez Williams,
San Clemente, CA



STAFF

Rev. Dr. Todd Adams, *President*

Karmyn Bedgood, *Member Relations Associate*

Rev. Geoffrey Brewster, *Annual Fund Director*

Maria Carey, *Utility Specialist*

Chris Cleavelly, *System Engineer*

Sharon Coleman, *Senior Vice President for Operations*

Raquel Collazo, *Area Director*

Dawn Cooper, *Assistant Vice President for Internal Audit*

Terri Copfer, *Executive Assistant*

Julie Donovan, *Enrollment Specialist*

Rev. Kyle Fauntleroy, *Area Director*

Dawn Fleming, *Assistant Vice President for Compliance and Processing*

Emily Frische, *Senior Vice President and Chief Marketing Officer*

Kristen Fronek, *Enrollment Specialist*

Alexis Gammon, *Area Director*

Learsy Gierbolini, *Assistant Director of Member Relations*

Brett Gobeyn, *Assistant Vice President for Investments*

Rev. Danny Gulden, *Vice President of Client Relations*

Terry Hagan, *Research and Plan Specialist*

Annie Hall, *Enrollment Specialist*

Chandra Haskett, *Director of Meetings & Exec. Assistant to the President*

Debbie Higgins, *Assistant Operations Specialist*

Angela Hornung, *Controller*

Kate Hurst, *Project Manager for Client Relations*

Susan Husselbee, *Assistant Controller*

James Kubecki, *Data Architect*

Elaine Littleton, *Treasury Associate*

Dee Long, *Area Director*

Rev. Gabriel Lopez, *Area Director*

Rick Mahoney, *Assistant Vice President of Technology*

Sara Martin, *Member Relations Associate*

Kerry McCullough, *Receptionist*

Radhika Mereddy, *Business Analyst/Project Manager*

Meagan Miller, *Marketing Director*

Carrie Pitman, *Senior Vice President and Treasurer*

Melissa Poe, *Lead Processor*

Nicole Porter, *Director of Human Resources*

Rev. Sarah Renfro, *Area Director*

Rev. Julie Richardson, *Assistant Vice President for Development*

Chad Robinson, *Senior Vice President of Information Technology*

TaShana Robinson, *Director of Member Relations*

Rev. Matthew Rosine, *Executive Director of Programs*

Jennifer Schooley, *Enrollment Specialist*

Jefa Sheehan, *Operations Specialist*

Kyle Simpson, *Processor*

Rev. Aaron Smith, *Area Director*

Kim Spencer, *Member Relations Associate*

David Stone, *Senior Vice President and Chief Investment Officer*

Michelle Thompson, *Assistant Controller*

Rev. Ruth Wallace, *Vice President for Development*

Ida Watkins, *Member Relations Associate*

Ted Weaver, *Director of Solutions Architecture*

Jordan Whitt, *Marketing Communications Director*

Rod Witte, *Assistant Vice President of Client Relations*



IN OUR MEMBER'S WORDS:

“Thank you for your faithful service over many decades and for keeping us informed as things change. We are very fortunate.”

PENSION FUND GIFTS HONOR ROLL

Individuals

Amos and Marilyn Acree
Cathy Adams
Robert Adams
Todd and Kimberly Adams
Tommy and Vickie Akers
Charles and Janette Akin
Kathryn Albers
Anna Alexander
Don and Judy Alexander
Frances and John Alford
John Alland
Albert Allen
David Allen
Gerald Harper and
Elizabeth Allen
Neil and Nora Allen
Patricia Allred
John and Marsha Von
Almen
David Altizer
Luisa Alvarado
Clela Anderson
Henrieha Anderson
Kristine Anderson
Lyle Anderson
Margaret Anderson
Sharron Anderson
John and VarDeen Andrae
Nancy Andress
Enid Olivieri-Ramos and
Ceferino Aponte
Paul and Sage Appleby
Jose and Eva Araya

Janet Nelson-Arazi and
Salomon Arazi
Carol and Harold
Armstrong
Elva Arnett
Ledora Anne and Donald
Arterburn
Shirley Arther
Cynthia Ashlock
Anne Atkins
Marilynn Ausherman
Jack Austin
Walter and Carol Austin
David and Suzan Avery
Lela Mae and Roger
Aydelott
Donald De Baets
Elizabeth and Tom
Knowles-Bagwell
Lorraine Bailey
James and Beverly Bailiff
Robert and Linda Kemp-
Baird
William Baird
David Baker and Priscilla
Adamson Baker
Deanna Baker
Jennie and Robert Baker
James and Lynn Bales
Nella Jean Ball
Mary Bancroft
Fernando and Teresa
Banda
Nicanor and Elsa Bandujo
Vernon T. Banks

Mary Barber
Betty Barker
Bruce and Laura
Barkhauer
Edith Barley
Shirley Barnes
Ladonna Barnett
Frances Barton
Bertram Allen and Jeannie
Basinger
Lawrence and Jennifer
Bass
Robert Bates
Vickie Batzka
Wendy and Charles Bayer
Donald and Arla Beal
Julia Bean
Dorothea Becker
Doris and George
Beckerman
Shokrina Radpour Beering
John Norris and Nora
Beiswenger
Virginia Bell
Charles and Martha
Beneze
Doris Bennett
John Bennett
Catherine Bergel
Claire Berry
Charlotte Berry
Howard Bever
Michael and Rena Bever
Ethel Bingham

William and Margaret
Bingham
Arthur and Nadine Bishop
Patricia Tucker and Dale
Bishop
Joyce Blair
R. Kent and Patricia Blake
Betty Blakemore
Lola Blankenship
David and Julia Blondell
Trent and Norma Bobbitt
Robert Bock
John Boehnke
David Boger
Ben Bohren
Patricia Bonner
Eugene and Karen Boring
Victor and Megan Boschini
Myrtle Boston
Bill Boswell
Kathy Bouchard
Sherry Bouchard
Stephanie Boughton
Saundra Michael-Bowers
Carl Bowles
Janet Boyd
Robert and Barbara Boyte
Sonya Brabston
Janet Brackett
Danny Bradley
Ruth Bradley
Jesse and Geraldine
Bradshaw
James and Elizabeth
Bragg
John and Helen Bray
Don Brewer
Donald and Barbara
Brezavar
Eugene and Elizabeth
Brice

John Bridwell
Lavon Bridwell
Virginia Brigman
Janie Briley
William and Janet Elaine
Briley
Peggy Brittan
Elsie Britton
Myra Britton
Loren Broadus
John Brodmann
Jewell Brooks
Beverly Brown
Doris Brown
Eric and Charlesia Brown
Evelyn Brown
Francis Brown
Gerald and Susan Brown
Janis Brown
Lloyd and Katherine
Brown
Lula Spencer and
Columbus Brown
Margaret Brown
Rebecca Brown
Stanley and Eloise Brown
Susan Brown
William and Rosemary
Brown
William Brown
Wilma Brown
John and Janice Browning
John Browning
Dorothy Brownlee
Charles and Laverne
Brumley
Joseph Bryan
Cleveland and Linda
Bryant
F. Wayne and Dorothy
Bryant

Richard Bucher
Roy Bullock and Anna
Lombardo-Bullock
Ann Burch
Mary Burgess
Carol Burkhalter
Carl and Lois Burkhardt
Timothy Burnette
Ann Horton Burns
James and Ann Burton
Nancy Burton
James and Hilda Bussell
Charlene Butz
Mary and Kevin Byrne
John and Dorothy
Cachiaras
Thomas Campbell
Maria Carey
N Gene and Janet Carlson
James Carpenter
John Carter
Evelyn Cartmill
David Cartwright
Douglass Anne Cartwright
Mary and Brent Cary
James Caton
C. Philip and Elizabeth
Chacko
Richardine Chadwell
Bobbie and Cheryl
Chandler
Paul and Ruth Channels
Amos Chenoweth
Linda Cheverton
Young Ik and Ayoung Cho
Margaret Christensen
Louise Christianson
John and Belinda Churchill
David St Clair
Cynthia Clark

Diane Elston and Galen Clark
Janet Long and Daniel Clark
Judy Clark
Lorna Clark
Laurel Clarke
Robert and Ida-Anne Clarke
Ruth Class
Marlene Clayton
Randy Clayton
Ellen Cleveland
James and Janice Clifford
Brenda Cline
Jerilyn Close
Joyce Cloud
Robert and Joyce Coalson
Ronald and Kathleen Cobb
Mary Coe
Patrick Cogswell
Marylyn Cole
Raquel Collazo
Sandra Collins
Marilyn and Albert Combs
Diamond S Energy Company
Shirley Compton
Harriett Conner
Bobby Wayne Cook
Connie and Kenneth Cookson
Dawn and Christopher Cooper
Lynn and Marlene Cooper
Teresa Copfer
Kelby and Marilyn Cotton
Verla Jean Covey
Arlene Cox
Clifford Cox

Duane and Susan Cox
Kenneth Coy
Darrel Crouter
William and Patricia Crowl
Otto and Joan Crumroy
Jaime and Perla Cuanzon
Allison and Philip Cuba
Catherine Cullumber
Betty Cunningham
Richard and Carol Cunningham
Betty Curtis
Anna Curwood
William and Linda Curwood
V. Jean Daetwiler
Jean Dale
Brian and Laura Daly
Philip and Nancy Dare
David Dean and Bonnie Darnall
Daniel Darnell
David and Sarah Darnell
Roger and Barbara Davidson
Dorothy Davis
Kenneth Dean
David and Barbara Decker
Robert and Debra Degges
Ronald and Deniese Degges
Joan Dennehy
Nancy and Jerry Dennis
Scott and Kathleen Dennis
Leslie L Hildreth and Thomas Mark Denton
J. Carol and Daniel Denzinger
J. Keppel and Gail Derivan
Katherine Deupree
Alan Dicken

Christopher and Merita Diebel
Emily Diehm
Arthur Digby and Joyce Knol-Digby
Lois Dodson
William and Donna Dodson
James and Jane Donahoo
George Nikolas and Eunice Donges
James and Barbara Dorsey
Jan and Kent Dorsey
Harold and Ann Doster
Cynthia Dowell
Sue Dowler
Edward Bodanske and Diane Bodanske-Dowthitt
Dorothy Drane
Donna Dudley
Ben Duerfeldt
Herschel and Shirley Dugan
Rhaelea Duncan
Mary Lou Dungan
Wanda Dunlap
J. Marshall and Barbara Dunn
Roberta Dunn
David and Helen Dunning
Paul and Michaelene Durbin
Beverly Duval
Shawn Van Dyke
Leigh Earley
Chester Earls
Sondra Eddings
Ester Edwards
Rudolph Eichenberger
Nancy and Albert Eichorn
Jennifer Eis

Donna Faith Eldredge
Robert and Harriette Elliott
Jean Elmore
Charles and Frances
Nadine Elswick
Patsy English
Fred Erickson
Catherine Taylor Real
Estate
Grace Elizabeth Lord
Williams Estate
Wilma Esteb
Margaret Eubanks
Elberta Evans
J. Kenneth and Margaret
Evans
Kathleen and Douglas
Evans
Ellen Evens
David and Florilda Everton
Jane Ewalt
Philip Ewoldsen
Deborah Faircloth
John and Deborah
Faircloth
Cleista Farriester
Ted and Barbara
Faulconer
Martha Fawbush
Dolores Febus-Aviles and
Julia Febus
Faye Feltner
Dirrectrick Fennell
Thandiwe Dale-Ferguson
Maurice and Sara Fetty
Teresa Figgins
Doris Woodruff-Filbey and
Edgar Filbey
Dorothy Filippi
James Finch
Sandyra Finch
Margaret Fines

Phyllis Fischer
Stephen Fisher
T. Eugene Fisher and
Angela McDonald-Fisher
Martha and Gregory Fitch
Justin Floyd
Donna Forbes
Doris Forcum
F. Clark and Mattie Ford
Kenneth Forshee
Martin and Paula Foster
John and Marilyn Foulkes
Joan Fowler
Virginia Fraley
Diane Francis
Bernice Franke
Elizabeth and Edward
Frazier
Ralph French
Arthur Freund
Deborah Owen and Kevin
Frings
Emily Frische
Carolyn Fuller
Joe Ann Fuller
Katherine Fuller
Elaine Fulp
Leslie and Margery
Galbraith
Jerry and Anna Galbreath
Barbara and Raymond
Galloway
Alexis Gammon
Lila Gammon
Peggy Garnaat
Allen and Catherine
Garner
Robbie Garrett
Leland and Joyce Gartrell
Larrie and Linda Gaylord
Marie Georges

Barbara Gibbs
George and Beth Gibbs
Saramay Gibson
Thomas and Dona Gibson
Learsy and Luis Gierbolini
Walter Giffin
Daniel and Linda Gilbert
Effie Giles
Herbert Gillen
Sharon Gillen
Phil Gilliland
A. Stephen Ginn
Jerry and Laura Gladson
Max Glenn
John Glosser
Brett and Elena Gobeyn
Darlene Goodrich
Douglas Earl and Marcy
Goodwin
George and Suzanne
Gordon
Valera Grant
Eric and Elizabeth Gray
Gertrude and Ralph Greco
John and Elizabeth
Gregory
Jerry and Ruth Griffin
Timothy and Donna Griffin
Carol Grimes
Melanie Odom-Groh
Dolores Guenin
Jorge and Jalma Guevara
Elena Guillen
Daniel and Mary Michael
Gulden
William and Delores
Gwaltney
June Haase
Paula Ritchie and Thomas
Hackley
Gale Hagee

Danny and Elizabeth
Haggard
Mark Haglewood
Pansy Haines
Susan Hakansson
Stephen and Lisa Haley
Carla and Billy Hall
Frieda Hall
Geraldine Hall
Jonathan Hall
Shirley Hallock
Robert Halstead
James and Linda Hamlett
Donald and Nancy
Hammond
Phyllis Augustine
Hammond
Barry and Diana Hanke
Lee and Lillian Hankins
Henry and Joann Hanna
Dorothee Hansen
Annette Harden
Bonita Hardy
Louise Hardy
Richard and Nancy Harris
Robert and Mary Harris
Wiley and Nona Harris
Traverce and Mary
Harrison
William and Lucinda
Harrold
John and Judith Hart
Beulah Hartenberger
William and Patricia
Hartford
Mary Hartley
Suellen Hartley
Gaylord and Diana Hatler
Anita Hauert
Susan Hay
Ann Seale Hazelrigg

Sue Headley
Rex and Evelyn Heavin
Frank Helme
Martha Helms
William Helsabeck
Donald Helseth
Nita Floe and Robert
Hempfling
Iva Hendricks
Barbara Henthorn
Jane Herrington
J. Leroy Hershiser
Sandra Heyle
Deborah Higgins
Eugene and Luwanda
Higgins
Luwanda Higgins
Charles and Marilyn
Highfield
Claudette Hill
Estate of Marjorie A Hill
Greg Hill
Henry and Kathryn Hilliard
Eleyce Hinant
Betsy Hine
William and Betsy Hine
Kristi Hoban
Helen Hodkins
Lois Hodrick
Marilyn and John Holloway
Paul and Wanda Holman
Elbert Joe and Betty Hood
Carolyn Hopkins
Marion and Carolyn
Hopkins
David and Lola Van Horn
Rex and Carol Horne
Angela Hornung
Robert Hostetter
S. Joan Houston
Kevin Howe

John Huegel
Dorothy Hughes
Mildred Hughes
Ann Hughey
Kathryn Hull
Robert and Loretta Hull
Janice Johnson and
Nicholas Hume
Hazel Hunt
Judith Hunt
Katie Hurst
Beatrice Huson
Gloria Hutchings
James and Elaine
Hutchison
John and Shirley Ihle
Lauralee Ihler
John and Toni Imbler
Mary Immel
Connie and William Inglish
Patsy Irons
Christina Irvin
Reubenja Jackson
William and Mary Jacobs
Ellen Jandebour
Sharon Jarman
Jo Ann Jassman
Max and Peggy Jenkins
Rene Jensen
Karen Kovalow-St John
Camilla Johnson
Charles and Glenna
Johnson
Charlotte Johnson
Clarence Johnson
Darrell and Janet Johnson
Donald Johnson and
Jeanne Davis-Johnson
James and Mary Johnson
James and Nancy
Johnson

Virginia Johnson
 Donald and V. Kathleen Jones
 Fred Jones
 Joe Jones
 Phyllis Brooks Jones
 Rebecca Jones
 Richard and Linda Jones
 Robert and Esther Jones
 JW James Jr
 Jo Anne Kagiwada
 Matthew and Lisa Keith
 Esther Keller
 William and Vivian Keller
 Linda Kemp
 Judith Kendall
 Howard and Doris Kennon
 Jim Keown
 Corinne Kerfoot
 Shirley Kershaw
 Marcia Kibler
 Mary Caudle-Kidd
 Sharon and Michael Kiesel
 Richard Kilgore
 Larry Lee Kimberlin
 Beth Kincaid
 Virginia Kincaid
 Linda Kirkman
 Lindsay Klatzkin
 William W and Carol Ann Knight
 Karen Anita Knodt
 George and Frances Knox
 Edward Kolbe
 Thomas and Olga Kooreman
 Donna Kraft
 R. Burnell and Emily Krager
 Lisa Kramer
 Patricia Kratz

Larry and Sharon Kuntz
 Kevin and Patricia Kuuskvere
 On Target Laboratories
 Joe and Barbara Lacy
 Joanne Laird
 Elizabeth Lambert
 S. Yvonne Lambert
 Dennis and Lana Hartman Landon
 Judith Landry
 Paul and Patricia Lantis
 Eva & John Larue
 Arlene and Jackie Lasey
 Richard and Nancy Laslo
 A. Oden and Fonda Latham
 Richard Lee and Doris Lauer
 Virginia Laws
 Donn Leach
 Betty Joann Merritt and Jerry Lee
 Lucian and Carol Lee
 Ruth Lee
 Helen Lemmon
 Leonard Leslie
 Judith Lester
 Clarence and Rozella Lever
 Truce Voss Lewellyn
 Lillian Lewis
 Mary Ann and Charles Lewis
 Deane and Margaret Lierle
 Linda Lieurance
 Ronald and Linda Lieurance
 Edwin and Mariette Linberg
 Neil and Mary Lindley
 Camilla Lindsey

Elaine and Jason Littleton
 Riverbridge Partners, LLC
 Elsie and Sotello Vonzell Long
 Leonta Longman
 Migdalis Acevedo-Lopez
 Ronald and Sara Lowe
 Lanny Lybarger
 Margaret Lyons
 June MacDonald
 Arne and Virginia MacFarlane
 James Mackey
 Randolph and Mary Madison
 Robert and Shirley Magee
 Richard Mahoney
 Darwin and Mary Mann
 Linda Manns
 Joann Manuel
 Rafael and Ruth Marquez
 Milo Walker Marr
 Edwin Marrero-Serrano and Maria Marrero
 Nancy Marsh
 Barbra Marshall
 Gwendolyn Marshall
 Howard and Dorothy Marshall
 Ellis and Gloria Martin
 Estate of Mary Lou Martin
 Jerry and Donna Martin
 Sheryl Martin
 Steven and Debra Martin
 George and Alice Massay
 Gary and Betty Massoni
 Andrew and Jean Matthews
 Charles Matthews
 Robert and Jean Matthews
 Kyle Maxwell and Debra

Powell-Maxwell
Dortha May
John May
Frances Mayberry
Ruby Mayes
Marilee McCallister
Myrna McClenny
Kerry McCullough
James and Pamela
McCurdy
William and Julia
McDonald
Ruth McElveen
Daniel and Karen McEver
Donald McKenzie
Mary Julia McKenzie
Mary McKercher
Barbara McKern
Phillip and Tana McKinley
Robert Shaw and Susan
McNeely
Mary Ida McReynolds
Richard McVicar
Georgia Meece
David Meeker
Radhika Mereddy
Janet and Glenn Mers
Donald and Frances Mertz
Ralph and Ann Messick
Walter and Inez Messley
Marguerite Metcalf
Wayne and Carol Meyer
Edwin and Louise Michael
Rose Michael
Betty Mikesell
Roberta Millard
Larry and Barbara Miller
Meagan and Danny Miller
Wendell and Mary Miller
David and Ruth Ann
Mindel

Mollie Mitchell
John and Valya Mobley
Muna Nieves-Cruz and
Isarel Mojica
Tamika and Michael
Montgomery
Alice Moon
Benna Moore
John and Cheryl Moore
John and Judith Moore
Robert Edwin Mooty
Nestor Gomez Morales
James and Mary Morgan
Jean Morgan
Donald and Carol Moseley
Lee Hull-Moses and
Robert Moses
Duane and Shirley Moss
Donna and James Mueller
Judith Muir
Verl Murphy
Rodger and Doris Murray
Charlotte Nabors
Ronald and Kay Naff
Walter and Mary Naff
Frank and Roberta
Needles
Arnold and Kelly Nelson
Wayne and Sandra Nelson
Clarence and Joyce
Newby
Kenneth Newton
Diep Mong Thi Ngo
Phan Nguyen
Jean Nichols
Marianne Nichols
B. Dinsmore and Joann
Nisbet
James and Ruth Nix
Anna Nixon
Karen Nolan

Marlene Norman
Patricia Nottingham
John Novikoff
Donald and Lillian
Nunnelly
Helen Nutt
Bernard and Ann Oakes
Richard and Mary Ober
Judy and B. O'Donnell
Denise Olmsted
Michael and Cheryl
Omundson
Olga Oquendo
Lisa Faye Orr
Beth Mueller and Rick Ott
Mable Owens
Margaret Owens
Connie Palmer
Lester and Janelle Palmer
Mary and Ralph Palmer
Edmond and Norma
Pangburn
Garland Pannell
Mary Parish
Peter and Jung Ja Park
H. Spier and Laura Jean
Parks
Mary Anne Parrott
Charles and Emily
Patchen
Gabriel Lopez-Patino
Sally and William Paulsell
Ashli Cartwright-Peak
Robert Pebley
Arlis Peer
Winie and Angel Vicente
Peiro
Albert Pennybacker
Robert and Betty Jane
Penrod
Javier Juan-Perez and
Wanda Juan Perez

Luz Perez
 Eleanor Perkins
 Robert and Debora Perry
 Ralph and Nancy Peters
 Leslie and Deanna Peterson
 Alice Phillips
 Sue Phillips
 Robert and Janet Pickerell
 Mark Pickett
 Harold and Donna Pierce
 Martin and Dorothy Pike
 Carrie Pitman
 David and Helen Plumbley
 Robert and Karen Frank-Plumlee
 Paula Bishop Pociecha and Michael Pociecha
 Gregory A Portas
 Calvin and Marilyn Porter
 M. Alice Porter
 Nicole Porter
 Vesta Porter
 Tommy and Kathleen Potter
 Marilyn Powell
 Richard and Jayna Powell
 Sandra and Ronald Powers
 Betty Prather
 Office of General Minister & President
 Andrew and Lamarr Preston
 Gary and Linda Prichard
 James and Yvonne Prichard
 Douglas and Marjorie Priest
 Nancy Prindle
 Vernita Pruehsner

Paul Pryor
 Fred and Sandra Pugh
 Joe and Elaine Pumphrey
 Donna Pursley
 Jana and Kevin Quisenberry
 Ellen Nolte and Donald Racheter
 Victoria Ramga
 Timothy Ramsdell
 George and Willa Randall
 Betty Rathbun
 Marian Ratzlaff
 Carol Rawlings
 Carol and John Rawls
 Kim Blakley Rea
 Suzanne and Thomas Rebecchi
 Robert Lee Hill and Priscilla Reckling
 Luther Redmon
 Kerry Reed
 Barbara and Daniel Regan
 Tina Reinhardt
 Marjorie Reisinger
 Betty Reneau
 M. Ann Richards
 Della Richardson
 Homer and Janice Richardson
 Janet Richardson
 John and Della Richardson
 Julie Richardson
 Elizabeth Richey
 Loren and Corinna Richmond
 Sandra Ridenour
 Jerry Ridling
 Hazel Riggs
 Jennifer Riggs
 Janet Riley

Omar Daniel Rios and Doranoemi Tordella Rios
 Benjamin Santana-Santana and Aida Rivera
 Jesus Rivera
 J. Keith and Patricia Roberson
 Nancy Lowe Roberts
 William and Bennita Robertson
 William Dyer Robinette
 Tashana Robinson
 Joan Rodgers
 Eliseo and Elizabeth Rodriguez
 Irma and Roberto Rodriguez
 Juan and Sonia Rodriguez
 Sonia Rodriguez
 Richard and Jean Roland
 Walter Ziffer and Gail Roseuthal
 Matthew and Cayla Rosine
 Patrice and Charles Rosner
 Calvin Ross
 Terry Rothermich
 Cy and Vera Rowell
 Stewart and Jill Fernie Royce
 Gerald Rudberg
 Bonnie Ruegsegger
 Winifred Shaw-Rutherford and Cleveland Rutherford
 V. Dennis Rutledge
 Kim Gage Ryan
 Tychicus Sabella
 Nancy Saenz
 William Sager
 Nancy Salsberry
 Joyce Samples
 John and Frances Sams

Charles and Anne Sanders
Cheryl and Gary Sanders
Joshua Santana
V. Gayle Sarber
Nancy Saunders
Margaret Sawyer
Shirley Sawyer
C. William and Elizabeth Schiphorst
Elizabeth Schiphorst
Charles and Joy Schmidt
Lawrence Schreiber
Betty Schreiner
William and Sarah Schuermann
Linda Scott
Richard and Marjorie Scruggs
Paul and Deborah Seal
Wilma Floydette Seal
Mary Seale
David Seitz
John Sexton
Edna Shain
Phillip and Frances Sharp
Margaret Shaw
Virgie Lee Shaw
Jefa Sheehan
Jean Sheffield
S. Thomas and Caroline Shifflet
Alpha Shirey
Jennie and David Shirey
Beulah Shirley
William and Mary Shoop
Penny Shorow
Hallam Shorrock
Dale Shreeves
William Sikes
G. Hood and Doris Simon
Sarah and Victor Singer

Suzanne Skooglund
Mildred Slack
Aaron Smith
Betty Smith
Bruce and Dorthy Smith
Emily Smith
Emmet and Judith Smith
Frances Smith
Greg Smith
Nathan and Karen Smith
Roberta Smith
Roger Smith
Sally Smith
Susan Smith
Virginia Smith
W. Michael and Anne Smith
Whitfield Smith
Jack and Lana Snellgrove
United Christian
Missionary Society
Sandra Soria
Paul and Judy Southard
Vicki Southern
Elizabeth Spain
Joanne Spainhower
Ernest and Kathryn Speckman
Richard Spellman
Jacquelin Spencer
Kimberly Spencer
Barbara and Alva Sperry
Jimmie and V. Joanne Spiller
Larry and Treva Spradley
Nancy Squier
Nancy Carol Stahl
C Roy and Anne Stauffer
Robert and Martha Stauffer
Robert and Kay Stegall

C. Thomas and Cheryl Steiner
John and Dawn Kizzia Stemple
James and Beverly Stephens
Keith and Jacelyn Stephenson
Robert and Vickie Stevens
Edward and Mary Jane Stevenson
Glen and Joyce Stewart
William and Terrilyn Stewart
Barbara Stokes
David and Suzanne Stone
Jan Stone
Lynda Stone
Peggy and Earl Stott
Frank Stout
Donna and Weslie Stratman
David Stump
Don and Leanne Stump
James and Gail Suggs
Peter and Sue Suk
Jacquelyn Meece and Leslie James Summers
Alice Sweeney
Robert and Martha Sweeten
Joyce Swords
Betty Taber
Wilma Jean Tade
William Tarr
Janice Tatlock
Charles Taylor and Elizabeth Whitmire-Taylor
Gail Taylor
Marilyn Taylor
Scott and Patty Taylor
Virginia Miller Taylor

Naomi Terry
Dorothy and Eddie
Thomas
Helen Thomas
Neva LaVaughn Thomas
William and Kitty Thomas
Doris Thompson
Margaret and Robert
Thompson
Mary Margaret Thompson
Archie Thornton
Barbara Thornton
Gary and Barbara
Thornton
John and Lila Thrasher
Bonnie Thurston
Judith Ticknor
Raymond and Judith
Ticknor
Timothy and Ruth Tiffany
Werner Tillinger
M Gregory and Cheryl
Timmons
Joyce Tinkle
Carl Tinnea
Janet Tolman
Horace Tomlin
Fred Toney
David Bruce and Alice
Tonkinson
Andrea Toonder
Patricia Trader
Leo Traister
John Trefzger
Sue Cantrell Tromblee
Judith Troxler
William and Jean Tucker
Vernon and Martha Ummel
Nancy Underwood
Joe Urban
Hector Velazquez and
Cecilia Valazquez

Harry Valentine
Stephen and Jean
Vandergrift
Terry VanHeyningen
Harriet Vanlew
David and Aida Margarita
Vargas
Joyce Veatch
Lawrence and Margaret
Veatch
Arthur and Pauline
Vermillion
Edouard and Marie Vilnea
Carleen Vose
P. Steve Votaw
Ruby Wade
Vera Waldron
A. Guy Waldrop
John and Katherine
Walker
Ruth and Charles Wallace
Martha Waller
Mary Walton
Sheron Ward
Phyllis Warner
Sharon Warner
Wayne and Norma Warren
Faith Wascovich
Charles and Jane Watkins
Evelyn Watkins
Harold Watkins
Ida Watkins
Mary Watkins
Miriam Watson
Stanley Ellis Watson
Ralph and Terri Wearstler
Terri Wearstler
Ted and Jennifer Weaver
Charles and Debra Webb
Nancy and Reginald Webb
Charles and Alice Weber

Daniel and Nel Webster
Gary Weedman
Annabelle and Carl
Weisheimer
Robert and Lois Weitzeil
Mary Wells
Norman and Katharine
Wells
Patsy Wells
Robert and Eunice Welsh
Buddy and Betsy
Westbrook
Joseph and Marie Westfall
William and Mary
Wheatley
Nancy Whetstone
Argelia Colon Whitacre
James and Lois Whitaker
Wanda White
Judith Whitehouse
Barbara Whitt
Jordan and Jennifer Whitt
Michael and Vickie
Whitworth
Gregory and C Widener
Kory and Leigh Wilcoxson
Cherilyn Williams
Susan McDougal and
Newell Williams
Clark and Barbara
Williamson
Marla Wills
James Wilson
Marilyn Wilson
Tracy and Verna Wilson
Robert and Evelyn Winger
Ruth Winn
Donald and Faye
Wirsdorfer
Rodney and Laura Witte
John and Marsha
Wolfersberger

Claude and Gladys Wood
Joyce Woodruff
Kenneth Woods
Nancy Taylor Woods and Tom Woods
Ruth Woods
Ina Woodworth
Marilynn Works
Sandra Wright
John and Nancy Wylie
Jose Yharte
John and Sarah Yonker
Barbara Younce
Katharyn Youngblood
Karen Jane and Bennie Yount
Fred Zacharias
Richard and Peggy Ziglar
Dennis and Karen Zimmerman
Roger and Sherry Zollars
Susan and Ron Zorn
Elizabeth and Donald Zumwalt

Churches

Bethany Christian Church, Houston, TX
Body of Christ Christian Church, Cincinnati, OH
Burt Lake Christian Church, Burt Lake, MI
Central Christian Church, Hermitage, PA
Central Christian Church, Newark, OH
Central Christian Church, Walla Walla, WA
Christian Church in Kansas
Christian Church in Ohio
Clayton Christian Church, Clayton, IL
Federated Church of W. Lafayette, W. Lafayette, IN
First Christian Church, Bolivar, MO
First Christian Church, Bryan, TX
First Christian Church, Charleroi, PA
First Christian Church, Clearwater, KS
First Christian Church, Hopkinsville, KY
First Christian Church, Idaho Falls, ID
First Christian Church, Louisburg, KS
First Christian Church, Morgantown, WV
First Christian Church, Portland, OR
First Christian Church, Princeton, IL
First Christian Church, Republic, MO
Granger Community Christian Church, Salt Lake City, UT
Hope Church, Bound Brook, NJ
Hurstbourne Christian Church, Louisville, KY
Johns Creek Christian Church, Johns Creek, GA
Mountair Christian Church, Lakewood, CO
North Christian Church, Fort Wayne, IN
North Heights Christian Church, Wichita, KS
Ridglea Christian Church, Fort Worth, TX
Trinity Christian Church, Mechanicsville, VA
Union Avenue Christian Church, St Louis, MO
United Christian Missionary Society, Indianapolis, IN
Vine Street Christian Church, Arthur, IL
Washington Avenue Christian Church, Elyria, OH
Yale Avenue Christian Church, Tulsa, OK
Zion Christian Church, Maurertown, VA

OTHER VITAL GIFTS

Honor is also due to those who have made substantial gifts for the initial funding of the Pension Plan. Their early gifts, while not a part of the Endowment Fund, are greatly appreciated for their inclusion in the basic reserves of the Pension Plan. Included are: William H. Dulaney, Frank Hughes, J. R. McWane & R. H. Stockton.

Income for current Ministerial Relief and Assistance is received on a regular basis from outside held trusts and foundations established by:

Leslie O. & Ethelda Best

George J. & Elizabeth Brown

Will S. & Clara Hicks

William & Mary Hudspeth

John Charles Leber

Harley C. & Mary Hoover Price

Wanda A. Remick

Mary Isabel Sandin

John & Lucy Schafer

Otto & Martha Werner

Greenville Avenue Christian Church,
Graham, TX

Freeport Boulevard Christian Church,
Sacramento, CA

Oreon E. Scott (via Christian Church Foundation)

The newly formed **Chase Society** is Pension Fund's way of recognizing our valued donors who have provided, or have committed to providing, Pension Fund with an estate gift. To learn more about the Chase Society or legacy giving, please contact Rev. Ruth Wallace at RuthW@pensionfund.org or Rev. Julie Richardson at JRichardson@pensionfund.org.

ADVISORY COUNSEL

Grant Thornton, *Auditor*

Willis Towers Watson, *Actuary*

Ice Miller, *Legal Counsel*

Lincoln Financial, *Disability Advisor*

LoCascio Hadden & Dennis LLC,
Health Care Advisor

Rev. Teresa Hord Owens, *Liaison,
General Minister and President,
Christian Church (Disciples of Christ)*

CUSTODIAL BANKS

BNY Mellon Trust (U.S.)

Royal Trust (Canada)

INVESTMENT COUNSEL

AllianceBernstein

Apollo

Blackrock

Brandes

Brandywine

Dimensional Fund
Advisors

Loomis Sayles

LSV

Parametric

PIMCO

Riverbridge

Wells

Combined Financial Statements and Report of
Independent Certified Public Accountants

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.**

December 31, 2018 and 2017

Contents

	Page
Report of Independent Certified Public Accountants	3
Combined Financial Statements	
Statements of net assets available for benefits	5
Statements of changes in net assets available for benefits	7
Notes to combined financial statements	8

GRANT THORNTON LLP

1000 Wilson Blvd., Suite 1400
Arlington, VA 22209-3927

D +1 202 296 7800

F +1 202 833 9165

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Members of the Financial Affairs Committee
Pension Fund of the Christian Church (Disciples of Christ), Inc.

We have audited the accompanying combined financial statements of Pension Fund of the Christian Church (Disciples of Christ), Inc. and affiliated entities, which comprise the combined statements of net assets available for benefits as of December 31, 2018 and 2017, and the related combined statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Pension Fund of the Christian Church (Disciples of Christ), Inc. and affiliated entities as of December 31, 2018 and 2017, and the changes in their net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Arlington, Virginia
April 30, 2019

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31,**

ASSETS	2018	2017
CASH	\$ 23,651,333	\$ 29,662,628
COLLATERAL UNDER SECURITIES LENDING AGREEMENT	36,238,705	73,387,056
INVESTMENTS		
Short term	229,089,894	200,190,139
Fixed income		
Fixed income securities	852,605,237	853,470,238
Mutual funds and comingled funds	<u>122,836,388</u>	<u>59,519,579</u>
	975,441,625	912,989,817
Equities		
Mutual funds and comingled funds	614,620,491	713,248,912
Common stock and preferred stock	<u>844,017,367</u>	<u>1,077,947,611</u>
	1,458,637,858	1,791,196,523
Other		
Private equity		
Emerging market	156,398	259,186
Fund of funds	36,055,931	39,082,674
Venture capital	263,857,721	253,707,147
Real estate	<u>69,679,500</u>	<u>75,647,867</u>
	<u>369,749,550</u>	<u>368,696,874</u>
Total investments	3,032,918,927	3,273,073,353
OTHER ASSETS		
Interest and dividends receivable on investments	7,019,450	5,430,529
Amounts receivable on securities transactions	10,663,233	55,866,160
Pension Fund Canada Trust	8,382,323	9,708,193
Other	<u>1,109,860</u>	<u>3,134,618</u>
Total other assets	<u>27,174,866</u>	<u>74,139,500</u>
TOTAL ASSETS	<u>\$3,119,983,831</u>	<u>\$3,450,262,537</u>

Pension Fund of the Christian Church**(Disciples of Christ), Inc.****COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - CONTINUED****December 31,**

LIABILITIES AND NET ASSETS AVAILABLE FOR BENEFITS		
	<u>2018</u>	<u>2017</u>
LIABILITIES		
Amounts due on securities transactions	\$ 22,494,202	\$ 70,374,452
Liability to return collateral held under securities lending agreement	36,238,705	73,387,056
Securities sold under agreement to repurchase	40,082,151	53,918,563
Foreign exchange contracts	107,522	753,621
Health care claims payable	398,086	1,554,628
Escrow funds and other liabilities	<u>3,423,556</u>	<u>3,757,763</u>
Total liabilities	<u>\$ 102,744,222</u>	<u>\$ 203,746,083</u>
NET ASSETS AVAILABLE FOR BENEFITS		
Pension plan fund	\$2,160,449,203	\$2,345,861,787
Additional benefits fund	644,592,945	691,270,144
Annuity fund	4,195,024	4,941,146
Endowment fund	47,469,383	48,384,203
General fund	143,847,651	141,286,432
Ministerial relief and assistance fund	3,259,664	2,449,400
Pension Fund Canada Trust	8,772,074	10,051,224
Health care benefit trust	<u>4,653,665</u>	<u>2,272,118</u>
Total net assets available for benefits	<u>\$3,017,239,609</u>	<u>\$3,246,516,454</u>

The accompanying notes are an integral part of these statements.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
COMBINED STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years ended December 31, with combining information for the year ended December 31, 2018**

	Combining information										
	Pension Plan fund	Additional Benefits fund	Annuity Fund	Endowment Fund	General Fund	Ministerial Relief Assistance Fund	Pension Fund totals	Pension Fund Canada Trust	Health care Benefit Trust	2018 Total	2017 Total
Additions											
Pension plan dues	\$ 19,280,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,280,363	\$ 102,846	\$ -	\$ 19,383,209	\$ 18,874,661
Additional benefits deposits	-	48,594,501	-	-	-	-	48,594,501	-	-	48,594,501	46,952,217
Gift receipts											
Disciples Mission Fund	-	-	-	-	-	-	-	-	-	-	52,376
Other gifts and offerings	-	-	-	-	-	1,189,527	1,189,527	114	-	1,189,641	490,525
Bequests and gifts	-	-	-	251,604	-	-	251,604	-	-	251,604	151,584
Health care premiums	-	-	-	-	-	-	-	-	4,057,389	4,057,389	4,608,755
MR&A grant from endowment	-	-	-	-	-	1,719,397	1,719,397	-	-	1,719,397	1,547,676
Net investment gain (loss)	(60,504,647)	(30,474,831)	(130,767)	859,930	2,225,158	-	(88,025,157)	(627,828)	52,463	(88,600,522)	423,756,830
Program administration fees	-	-	-	-	11,701,366	-	11,701,366	-	-	11,701,366	10,721,111
Interest credited to funds	<u>85,919,277</u>	<u>17,603,806</u>	<u>150,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,674,046</u>	<u>-</u>	<u>-</u>	<u>103,674,046</u>	<u>101,090,704</u>
Total additions	44,694,993	35,723,476	20,196	1,111,534	13,926,524	2,908,924	98,385,647	(524,868)	4,109,852	101,970,631	608,246,439
Deductions											
Pension plan benefits	126,918,778	-	-	-	-	-	126,918,778	464,969	-	127,383,747	124,644,745
Annuity payments	-	-	579,750	-	-	-	579,750	-	-	579,750	618,216
Additional benefits withdrawals	-	60,025,574	-	-	-	-	60,025,574	-	-	60,025,574	43,402,554
Pension plan membership payouts	269,910	-	-	-	-	-	269,910	-	-	269,910	102,174
Supplemental gift benefits	-	-	-	-	-	458,781	458,781	2,272	-	461,053	481,879
Other ministerial relief and assistance	-	-	-	3,606	-	1,639,879	1,643,485	-	-	1,643,485	1,848,298
Health care claims	-	-	-	-	-	-	-	-	1,671,317	1,671,317	4,038,381
Endowment grant	-	-	-	1,719,397	-	-	1,719,397	-	-	1,719,397	1,551,745
Program administration fees	8,875,761	2,623,309	18,110	184,186	-	-	11,701,366	-	-	11,701,366	10,721,112
Interest expense	85,919,277	17,603,806	150,963	-	-	-	103,674,046	-	-	103,674,046	101,090,063
Fund to fund transfer	96,835,030	50,532,059	-	-	-	-	147,367,089	-	-	147,367,089	18,178,978
Investment fees	8,123,867	2,144,440	17,495	119,165	437,527	-	10,842,494	-	-	10,842,494	7,411,081
Management and general expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,927,778</u>	<u>-</u>	<u>10,927,778</u>	<u>287,041</u>	<u>56,988</u>	<u>11,271,807</u>	<u>9,883,893</u>
Total deductions	<u>326,942,623</u>	<u>132,929,188</u>	<u>766,318</u>	<u>2,026,354</u>	<u>11,365,305</u>	<u>2,098,660</u>	<u>476,128,448</u>	<u>754,282</u>	<u>1,728,305</u>	<u>478,611,035</u>	<u>323,973,119</u>
NET INCREASE (DECREASE)	(282,247,630)	(97,205,712)	(746,122)	(914,820)	2,561,219	810,264	(377,742,801)	(1,279,150)	2,381,547	(376,640,404)	284,273,320
Fund to fund transfer - special apportionment and good experience credits	96,835,046	50,528,513	-	-	-	-	147,363,559	-	-	147,363,559	18,178,978
Net assets available for benefits, beginning of year	<u>2,345,861,787</u>	<u>691,270,144</u>	<u>4,941,146</u>	<u>48,384,203</u>	<u>141,286,432</u>	<u>2,449,400</u>	<u>3,234,193,112</u>	<u>10,051,224</u>	<u>2,272,118</u>	<u>3,246,516,454</u>	<u>2,944,064,156</u>
Net assets available for benefits, end of year	<u>\$2,160,449,203</u>	<u>\$644,592,945</u>	<u>\$4,195,024</u>	<u>\$47,469,383</u>	<u>\$143,847,651</u>	<u>\$3,259,664</u>	<u>\$3,003,813,870</u>	<u>\$8,772,074</u>	<u>\$4,653,665</u>	<u>\$3,017,239,609</u>	<u>\$3,246,516,454</u>

The accompanying notes are an integral part of these statements.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE A - NATURE OF OPERATIONS

Pension Fund of the Christian Church (Disciples of Christ), Inc. (Pension Fund) was organized to provide benefits to its members who are employed in serving the church and related organizations. It is incorporated as a not-for-profit organization under the laws of the state of Indiana. Benefits provided by Pension Fund include retirement, disability and death benefits, supplemental pensions and support, healthcare, and participation in additional benefits programs. Such benefits are provided through member contributions, gifts and special apportionments from Pension Fund operations.

Pension Fund is a Church Plan as defined in Section 414(e) of the Internal Revenue Code (the Code) and in Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Pension Fund has not elected to be subject to ERISA.

By virtue of its inclusion in the group exemption ruling of the General Assembly of the Christian Church (Disciples of Christ), Pension Fund is exempt from federal income taxes under Section 501(c)(3) of the Code.

In the event of termination of Pension Fund, the Board of Directors of Pension Fund (Board of Directors) would determine the priority order of participating members' claims to the assets of Pension Fund.

Pension Fund groups its plans and operations for reporting and managing purposes into funds that are briefly described as follows:

- a. Pension Plan Fund – The Pension Plan Fund is comprised of the US Pension Plan Fund and Puerto Rico Plan Fund effective January 1, 2018. The fund represents reserves required to meet the Defined Benefit Pension Plan (the Plan) member retirement, death and disability benefit obligations. Contributions are made to the Pension Plan Fund by its members and participating churches or organizations based upon a specified percentage of members' compensation and are credited to the members' individual accounts. Any dues payment that is less than 14% of 100% of the member's compensation base will result in reduced benefits. The dues are converted into pension credits by taking the total compensation base upon which dues are paid to the Plan during a member's career, and multiplying it by 0.014966; provided, however that dues contributed prior to January 1, 2018 are multiplied by 0.00426 for the portion of compensation base attributable to the payment of 6% dues. The Plan provides for retirement benefits generally at age 65 based upon such accrued pension credits and includes provisions for early retirement, disability and death benefits. All members are immediately vested unless agreement with the organization provides alternate vesting. The Plan provides for special apportionments awarded to all active and retired members of the Plan, if the fund is over the required funding level and as approved by the Board of Directors.
- b. Additional Benefits Fund - This is a combination of several programs, including the Tax Deferred Retirement, Benefit Accumulation, Roth IRA, Traditional IRA and Annuity programs all offered with the intent of providing members the opportunity to enhance their retirement. Funds in such accounts earn stipulated rates of interest, and may be subject to withdrawal and deposit rules and regulations adopted by the Board of Directors. From January 1, 2011 to July 1, 2015, the Benefit Accumulation program was not available to new members. Effective July 1, 2015, the Benefit Accumulation program became available to new members.
- c. Annuity Fund - Funds received from donors and members to purchase annuities and make periodic annuity payments as specified.
- d. Endowment Fund - Gift funds, including those received through estates, bequests or memorials, which are restricted and are to be retained for designated purposes. The Endowment Fund is comprised of gifts and donations plus accumulated investment returns. Earnings from this fund primarily help support ministerial relief programs according to the spending policy that is designed for long-term sustainability of the endowment.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

- e. General Fund - This unencumbered fund accumulates the administrative fees charged to each program fund. These funds are expendable for current operating and capital purposes. These funds can be used to support special apportionments and good experience credits at the approval of the Board of Directors.
- f. Ministerial Relief and Assistance Fund - Gifts and gift allocations of the church for the express purpose of meeting members' needs, such as supplemental gift pensions, ministerial relief, emergency aid, health care assistance and other services. In prior years, the Board of Directors authorized a grant to the Healthcare Benefit Trust (HCBT) of \$2,000,000 to assist in the transition of the Healthcare plan from supporting both active and retiree members to a retiree member only plan. The transfer of funds is to be repaid only if the HCBT program has sufficient resources to repay the grant. Net of this grant, the Ministerial Relief and Assistance Fund has a surplus equal to more than one year of typical disbursements.
- g. Pension Fund Canada Trust - The Pension Fund Canada Trust executes the operations of the Pension Plan Fund as it pertains to members and beneficiaries in the fund who are employed in Canada. The Pension Fund Canada Trust maintains separate reserves to meet the benefit obligations of the Pension Plan Fund in Canada. Canadian members and beneficiaries are entitled to substantially the same benefits as U.S. members and beneficiaries based upon the same contribution percentage.
- h. Health Care Benefit Trust - The HCBT administers the operations of the former Health Care Fund and Health Care Claims Reserve Fund. The HCBT, effective December 31, 2016, discontinued support for the active Plan members. The Trust will continue to serve the retiree Plan participants with no change in benefits. This change was necessary given the fiscal challenges related to declining enrollment and increasing expenses. The year-end financial position of the HCBT includes accrued expenses related to claims incurred but not received and other related run out types of expenses related to the active Plan membership.

Pension Fund serves as the Trustee of the HCBT and the Pension Fund Canada Trust (collectively, the Trusts). As a result, the accompanying combined financial statements include the accounts of the Pension Fund and the Trusts. All significant transactions between Pension Fund and the Trusts have been eliminated.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying combined financial statements are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Concentration of Credit Risk

Pension Fund has certain financial instruments that subject it to potential credit risk. Those financial instruments consist primarily of cash. Pension Fund maintains its cash balance with financial institutions. At times, these balances may exceed the Federal Deposit Insurance Corporation insured limits. Pension Fund has not experienced any loss on these accounts and believes there is no significant exposure of credit risk on cash.

Investment Valuation, Income Recognition and Presentation

Investments are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If available, quoted market prices are used to value investments. See note C for a description of valuation techniques.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

Purchases and sales of investments are recorded on a trade-date basis. Realized gains and losses on investments, recorded as the difference between proceeds received and carrying value, and net unrealized gains and losses on investments for the year are reflected in the combined statements of changes in net assets available for benefits as net investment gain or loss. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investments with original maturities of one year or less are reported as short-term investments.

Valuation of Investments (Securities with No Quoted Market Prices)

Certain investments held by Pension Fund do not have quoted market prices available. Such investments are valued at estimated fair value. Fair values for such investments are based on market value information provided by the investment brokers or managers of the investment funds. See note C for additional information.

Derivative Financial Instruments

Pension Fund's assets and liabilities include certain derivative financial instruments, including treasury and other interest rate futures contracts, options, swap contracts and forward currency exchange contracts. These financial instruments with off-balance-sheet market risk are used to enhance the overall yield of investments and are entered into as alternatives to investments in actual U.S. treasury securities or other investments. These financial instruments are also used on a daily basis to maintain Pension Fund's long-term asset class target allocations of the investment portfolio. Credit loss exposure exists in the event of nonperformance by the other parties, principally large brokerage firms, to such instruments. The gross and net credit risk associated with the related counterparties on open futures, swap contracts and option positions is insignificant. The market risk for these open futures and option positions is directly linked with exchange rates or market interest rates as the underlying securities bear a fixed rate of interest.

Health Care Claims Payable

Health care claims payable are recorded as expense when the related claim is incurred by the participant.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits, and changes therein, at the date of the financial statements. Actual results could differ from those estimates.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Risks and Uncertainties

Pension Fund utilizes various investment instruments. 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 that such changes could materially affect the amounts reported in the combined financial statements.

The actuarial present value of the accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the combined financial statements.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

NOTE C - INVESTMENTS

The following schedule summarizes net investment gains (losses) for the years ended December 31:

	2018	2017
Interest and dividend income	\$ 62,219,883	\$ 50,070,655
Securities lending fees	479,078	572,480
Net realized and unrealized gains (losses) on investments	<u>(151,299,483)</u>	<u>373,113,695</u>
Net investment gain (loss)	<u>\$ (88,600,522)</u>	<u>\$423,756,830</u>

Included within investments (short term, fixed income and equities) in the statements of net assets available for benefits and the statements of changes in net assets available for benefits are the fair value of derivative contracts and related realized and unrealized gains and losses, as summarized below as of and for the years ended December 31:

	2018			
	Derivative assets	Derivative liabilities	Realized gain (loss)	Unrealized gain (loss)
Interest rate				
Interest rate swaps	\$ 948,643	\$ 427,029	\$ 102,752	\$ 332,029
Inflation rate swaps	<u>478,805</u>	<u>376,667</u>	<u>(37,300)</u>	<u>102,870</u>
	1,427,448	803,696	65,452	434,899
Foreign currency exchange rate				
Forward contract	103,995	211,520	1,998,444	1,135,322
Equity price				
Futures contracts	1,334,345	2,488,842	2,841,685	(1,744,051)
Options	<u>-</u>	<u>21,296</u>	<u>99,212</u>	<u>57,075</u>
	1,334,345	2,510,138	2,940,897	(1,686,976)
Credit				
Credit default swaps	<u>156,039</u>	<u>627,304</u>	<u>40,115</u>	<u>54,302</u>
Total	<u>\$3,021,827</u>	<u>\$4,152,658</u>	<u>\$5,044,908</u>	<u>\$ (63,453)</u>

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

	2017			
	Derivative assets	Derivative liabilities	Realized gain (loss)	Unrealized gain (loss)
Interest rate				
Interest rate swaps	\$ 727,384	\$ 516,062	\$ 205,196	\$ (92,315)
Inflation rate swaps	<u>215,380</u>	<u>212,674</u>	<u>30,255</u>	<u>(314,855)</u>
	942,764	728,736	235,451	(407,170)
Foreign currency exchange rate				
Forward contract	237,242	990,864	1,218,393	(2,079,452)
Equity price				
Futures contracts	1,067,095	477,540	34,530,537	2,100,498
Options	<u>57,457</u>	<u>29,686</u>	<u>319,740</u>	<u>(193,584)</u>
	1,124,552	507,226	34,850,277	1,906,914
Credit				
Credit default swaps	<u>10,713</u>	<u>564,678</u>	<u>(37,940)</u>	<u>(195,515)</u>
Total	<u>\$2,315,271</u>	<u>\$2,791,504</u>	<u>\$36,266,181</u>	<u>\$ (775,223)</u>

Included in fixed income are written futures and option contracts. Open forward and written option positions as of December 31, 2018 and 2017, are summarized below:

	Fair value liability	
	2018	2017
Written options		
SWAP - fixed income securities (2018 and 2017 notional value of \$38,888 and \$47,760, respectively)	\$(7,426)	\$(12,993)
U.S. equities (2018 and 2017 notional value of \$47,228 and \$46,458, respectively)	(5,219)	(3,126)
Futures (2018 and 2017 proceeds of \$6,925 and \$16,424, respectively)	(8,650)	(19,117)

The notional values of these swaps were \$(116,269,702) and \$(30,009,565) as of December 31, 2018 and 2017, respectively.

Pension Fund's investments include alternative investments that do not have quoted market prices available. In the absence of readily ascertainable market values, the amounts used by Pension Fund were based on each funds' respective net asset value and were supplied by management of the funds. The market value of these types of investments that do not have quoted market prices available was \$870,795,587 and \$916,392,610 as of December 31, 2018 and 2017, respectively, which represent approximately 26% and 27% of total assets as of December 31, 2018 and 2017, respectively. However, because of the inherent uncertainty of valuation, those estimated market values may differ significantly from the values that would have been used had a ready market for the securities existed.

Fair Value Measurements and Disclosures

In accordance with U.S. GAAP, Pension Fund classifies its investments into Level 1, Level 2 and Level 3, which are described below.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Assets or liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Short-term investments, typically cash and cash equivalents or futures contracts, are stated at amortized cost, which approximates fair value.

Common and preferred stocks and U.S. government securities are valued at the closing price reported in the active market in which the individual security is traded.

Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Institutional mutual funds and comingled funds are generally valued at their net asset value.

Fixed income investments include corporate bonds, government securities (U.S. and foreign), interest rate swaps, futures and credit default swaps.

Foreign government securities, interest rate swaps, futures and credit default swaps are stated according to institutional bid evaluation, which represents the price a dealer would pay for a security.

Pension Fund's investments in private equity funds are recorded at estimated fair value based on their proportionate share of the funds' fair value as recorded in the funds' audited financial statements. These funds allocate gains, losses and expenses to the partners based on the ownership percentage as described in the partnership agreements.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values might be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgement exercised by Pension Fund in determining fair value is greatest for securities categorized in Level 3.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, Pension Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability as the measurement date. Pension Fund uses prices and inputs that are current as of the

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

	Assets at fair value as of December 31, 2018				
	Level 1	Level 2	Level 3	Recorded at NAV	Total
Short-term investments	\$ 221,808,216	\$ 7,281,678	\$ -	\$ -	\$ 229,089,894
Fixed income investments	227,045,676	684,715,494	-	-	911,761,170
Institutional mutual funds	177,254,909	-	-	-	177,254,909
Comingled funds	-	-	-	501,046,037	501,046,037
Common and preferred stocks	834,850,978	8,909,964	256,425	-	844,017,367
Private equity funds	-	-	-	<u>369,749,550</u>	<u>369,749,550</u>
Total investments at fair value	<u>1,460,959,779</u>	<u>700,907,136</u>	<u>256,425</u>	<u>870,795,587</u>	<u>3,032,918,927</u>
Collateral under securities lending agreement	36,238,705	-	-	-	36,238,705
Pension Fund Canada Trust	-	<u>8,772,074</u>	-	-	<u>8,772,074</u>
Total assets at fair value	<u>\$1,497,198,484</u>	<u>\$709,679,210</u>	<u>\$256,425</u>	<u>\$870,795,587</u>	<u>\$3,077,929,706</u>
	Liabilities at fair value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total	
Securities sold under agreement to repurchase	\$ -	\$ 40,082,151	\$ -	\$ 40,082,151	
	Assets at fair value as of December 31, 2017				
	Level 1	Level 2	Level 3	Recorded at NAV	Total
Short-term investments	\$ 193,170,727	\$ 7,019,412	\$ -	\$ -	\$200,190,139
Fixed income investments	302,249,326	610,740,491	-	-	912,989,817
Institutional mutual funds	165,553,176	-	-	-	165,553,176
Comingled funds	-	-	-	547,695,736	547,695,736
Common and preferred stocks	1,066,481,613	11,465,998	-	-	1,077,947,611
Private equity funds	-	-	-	<u>368,696,874</u>	<u>368,696,874</u>
Total investments at fair value	<u>1,727,454,842</u>	<u>629,225,901</u>	<u>-</u>	<u>916,392,610</u>	<u>3,273,073,353</u>
Collateral under securities lending agreement	73,387,056	-	-	-	73,387,056
Pension Fund Canada Trust	-	<u>10,051,224</u>	-	-	<u>10,051,224</u>
Total assets at fair value	<u>\$1,800,841,898</u>	<u>\$639,277,125</u>	<u>\$-</u>	<u>\$916,392,610</u>	<u>\$3,356,511,633</u>
	Liabilities at fair value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total	
Securities sold under agreement to repurchase	\$ -	\$ 53,918,563	\$ -	\$ 53,918,563	

Pension Fund's policy is to recognize significant transfers between levels at the end of the reporting period. For the years ended December 31, 2018 and 2017, there were no significant transfers in or out of Levels 1, 2, or 3.

NOTE D - SECURED BORROWINGS

Pension Fund participates in a securities lending program through its master custodian bank, Bank of New York Mellon, in which Pension Fund lends securities to brokers who collateralize the loans with either cash, U.S. securities or foreign securities that must be collateralized equal to 102% of the fair market value of the U.S. security and/or 105% of the non-U.S. loaned security (including accrued interest, if any). Fees earned from participation in the program are recorded as investment income. In accordance with U.S. GAAP, Pension Fund continues to carry the loaned securities as investments. At December 31, 2018 and 2017,

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

the fair value of securities loaned was \$159,843,141 and \$213,180,423, respectively. At December 31, 2018 and 2017, the cash collateral held was \$36,238,705 and \$73,387,056, respectively, and noncash collateral (consisting of securities issued or guaranteed by the United States government or its agencies or instrumentalities) held was \$127,313,549 and \$145,278,497, respectively. Pension Fund has recorded an asset and offsetting liability to reflect the cash collateral held and the related liability under the securities lending agreement.

Pension Fund also participates in transactions involving sales of securities under agreements to repurchase the securities before maturity at a fixed price. These repurchase agreements are accounted for as collateralized financings and collateral is valued daily. At December 31, 2018 and 2017, open repurchase agreements including accrued interest was \$40,082,151 and \$53,918,563, respectively.

Pension Fund presents gross obligations for secured borrowings by the type of collateral pledged and remaining time to maturity. The tables below outlines the nature of these obligations at December 31, 2018 and 2017, and the contractual maturities for the collateral.

December 31, 2018					
	Overnight and continuous	Up to 30 days	30-90 days	Greater than 90 days	Total
Securities lending					
Fixed income	\$10,363,568	\$ -	\$ -	\$ -	\$10,363,568
Equity	<u>25,875,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,875,137</u>
Total securities lending	36,238,705	-	-	-	36,238,705
Repurchase agreements					
US T-Notes	<u>-</u>	<u>21,197,732</u>	<u>868,500</u>	<u>18,015,919</u>	<u>40,082,151</u>
Total secured borrowings	<u>\$36,238,705</u>	<u>\$21,197,732</u>	<u>\$868,500</u>	<u>\$18,015,919</u>	<u>\$76,320,856</u>

December 31, 2017					
	Overnight and continuous	Up to 30 days	30-90 days	Greater than 90 days	Total
Securities lending					
Fixed income	\$11,239,192	\$ -	\$ -	\$ -	\$ 11,239,192
Equity	<u>62,147,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,147,864</u>
Total securities lending	73,387,056	-	-	-	73,387,056
Repurchase agreements					
US T-Notes	<u>-</u>	<u>32,818,813</u>	<u>3,513,125</u>	<u>17,586,625</u>	<u>53,918,563</u>
Total secured borrowings	<u>\$73,387,056</u>	<u>\$32,818,813</u>	<u>\$3,513,125</u>	<u>\$17,586,625</u>	<u>\$127,305,619</u>

NOTE E - ACTUARIAL VALUATION OF PENSION FUND

The actuarial present value of accumulated plan benefits is determined by an independent actuary to determine the adequacy of reserves of the Pension Plan Fund to cover the present value of accumulated benefits as of such date, which is that amount that results from applying actuarial assumptions to adjust the accumulated benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated participants or their beneficiaries, and (2) active participants and their beneficiaries. Benefits payable as a result of retirement, death, disability or termination of employment are included, to the extent they are deemed attributable to participant service rendered to the valuation date. It

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

is at least reasonably possible that the actuarial present value of accumulated benefits will change in the near term and the effect of such change could be significant.

The more significant assumptions underlying the actuarial computations used in the valuation as of and for the years ended December 31, 2018 and 2017, were as follows:

Assumed rate of return on investments	5% per annum, compounded annually
Discount rate	4.5% per annum, compounded annually
Investment and administrative expense loading	0.5% of net assets per annum, compounded annually
Mortality basis (ministers)	Annuity 2012 Mortality Table with no age adjustments for males or females and using scale G2 for males and females
Mortality basis (lay people)	RP-2014 Annuity Mortality Table with no age adjustment for either males or females and using scale MP-2015 for males and females
Retirement of present and future disability pensioners and inactive members	Latest of age 65, immediately or date disability pension benefits are scheduled to terminate
Salary increase	3% per annum, compounded annually

The foregoing actuarial assumptions are based on the presumption that the Pension Plan Fund will continue. If the Pension Plan Fund were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

The actuarial benefit information used in the actuarial valuations is as of December 31 of the Pension Plan Fund year. The actuarial present value of accumulated plan benefits and changes in accumulated plan benefits as of December 31, 2018 and 2017, for the US Pension Plan were as follows:

	<u>2018</u>	<u>2017</u>
Actuarial present value of accumulated plan benefits		
Participants and/or beneficiaries currently receiving payments	\$1,331,383,237	\$1,281,443,492
Other participants	<u>527,543,572</u>	<u>518,118,471</u>
Total vested benefits	1,858,926,809	1,799,561,963
Non-vested benefits	<u>15,033,051</u>	<u>17,262,827</u>
Total actuarial present value of accumulated plan benefits	<u>\$1,873,959,860</u>	<u>\$1,816,824,790</u>
Actuarial present value of accumulated plan benefits		
Beginning of year	\$1,816,824,790	\$1,808,122,316
Increase (decrease) during the year attributable to		
Merger of Puerto Rico Plan	2,873,969	-
Benefits accumulated and experience gains or losses	20,542,145	20,569,981
Other non-investment experience gains (losses)	(15,876,497)	22,086,388
Increase in interest due to the decrease in discount period	79,949,095	80,787,535
Plan amendment related to disability benefits	-	748,470
Benefits paid	(127,188,688)	(124,243,496)
Special apportionment: 5.5% 2018; 0.5% 2017	<u>96,835,046</u>	<u>8,753,596</u>
End of year	<u>\$1,873,959,860</u>	<u>\$1,816,824,790</u>

The effect of the Pension Plan Fund amendments on accumulated plan benefits is recognized during the year in which such amendments are adopted. The maximum compensation for disability benefits was increased from \$50,000 to \$70,000 effective July 15, 2017.

The Puerto Rico Plan was separated from the US Pension Plan on January 1, 2013. On December 31, 2014, the accumulated benefit obligations associated with the participants of the newly formed Puerto Rico Plan were transferred from the US Pension Plan to the Puerto Rico Plan. The actuarial present value of the accumulated plan benefits of the Puerto Rico Plan was \$2,873,969 as of December 31, 2017 and is included in the combined financial statements. The Puerto Rico Plan was merged in to the US Pension Plan effective January 1, 2018.

NOTE F - POSTRETIREMENT PLAN

Pension Fund provides postretirement health care coverage to certain eligible administrative staff retirees through its participation in the church-wide defined-benefit health plan, which it administers. It continues to fund benefit costs on a pay-as-you-go basis and, for each of the years ended December 31, 2018 and 2017, Pension Fund made benefit payments to the church-wide health plan of \$31,920 and \$29,640, respectively.

As of December 31, 2018 and 2017, the related accumulated postretirement benefit obligation was \$366,418 and \$393,083, respectively. This liability was calculated using premium costs rather than claims experience, based on the nature of the church-wide plan.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7%. For measurement purposes, a 10% annual rate of increase in the per capita cost of covered health care benefits was assumed for the year ended December 31, 2018. The rate was assumed to decrease gradually to 5% by the year 2020 and remain level thereafter.

NOTE G - SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through April 30, 2019, the date of issuance of the combined financial statements, for possible adjustments or disclosures in the combined financial statements. Through this date, Pension Fund did not identify any other matters that would require adjustment or disclosure in the combined financial statements.

Effective January 1, 2019, the HCBT plan was closed to new retiree enrollments.

NOTE H - INCOME TAXES

U.S. GAAP requires Pension Fund management to evaluate tax positions taken by Pension Fund and recognize a tax liability (or asset) if Pension Fund has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Pension Fund has analyzed the tax positions taken by Pension Fund and has concluded that, as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the combined financial statements. Pension Fund is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE I - NET ASSET VALUE (NAV) PER SHARE

Below is a summary of Pension Fund's investments at December 31, 2018 and 2017, where fair value is estimated based on the NAV.

Investment	2018			
	Fair value*	Unfunded commitment	Redemption frequency	Redemption notice period
Comingled Funds	\$501,046,037	\$ -	Daily and monthly	One day
Real Estate Private Equity Partnerships	69,679,501	40,153,299	N/A	N/A
Venture Capital Partnerships	30,386,447	8,463,884	N/A	N/A
Buyout Private Equity Partnership	33,115,863	32,131,725	N/A	N/A
Special Situation Private Equity Partnerships	115,472,690	27,062,610	N/A	N/A
Natural Resources Partnerships	119,825,407	44,210,783	N/A	N/A
Commodities Partnership	<u>1,269,642</u>	<u>-</u>	N/A	N/A
Total	<u>\$870,795,587</u>	<u>\$152,022,301</u>		

* The fair values of the investments have been estimated using the NAV of the investment.

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

Investment	2017			
	Fair value*	Unfunded commitment	Redemption frequency	Redemption notice period
Comingled Funds	\$547,695,736	\$ -	Daily and monthly	One day
Real Estate Private Equity Partnerships	75,647,867	34,357,476	N/A	N/A
Venture Capital Partnerships	28,374,808	10,373,820	N/A	N/A
Buyout Private Equity Partnership	27,647,573	39,423,687	N/A	N/A
Special Situation Private Equity Partnerships	112,498,370	29,465,609	N/A	N/A
Natural Resources Partnerships	99,652,411	58,936,482	N/A	N/A
Commodities Partnership	<u>24,875,845</u>	<u>-</u>	N/A	N/A
Total	<u>\$916,392,610</u>	<u>\$172,557,074</u>		

*The fair values of the investments have been estimated using the NAV of the investment.

Private equity - Comprised of various limited partnerships and like investments that most commonly invest in strategies such as venture capital, leveraged buyouts, growth capital, distressed investments and mezzanine capital. These investments are generally considered illiquid and cannot be redeemed prior to distributions based on the liquidation of the underlying assets. The fund manager expects the underlying assets of the fund will be fully liquidated over the life of the partnership, typically 10 to 12 years.

Real estate - Comprised of various limited partnerships investments that most commonly invest in strategies involved in real estate ownership, development and financing. These investments are generally considered illiquid and cannot be redeemed prior to distributions based on the liquidation of the underlying assets. The fund manager expects the underlying assets of the fund will be fully liquidated over the life of the partnership, typically 10 to 12 years.

Natural resources - Comprised of limited partnerships investments that most commonly invest in strategies such as oil and gas energy, forest and timber, mining and sustainable energy. These investments are generally considered illiquid and cannot be redeemed prior to distributions based on the liquidation of the underlying assets. The fund manager expects the underlying assets of the fund will be fully liquidated over the life of the partnership, typically 10 to 12 years.

Commingled funds - Comprised of pooled investment vehicles which invest in a diversified portfolio of securities with specified geographic focus and/or market strategies. Liquidity and fair market value determination varies based on the characteristics of the specific investment vehicle.

Commodities funds - Comprised of commodity investments which offer diverse exposure to a wide range of global commodities markets and value-added strategies. This may involve exposure to commodity-linked derivative instruments that provide exposure to the investment returns of commodities without directly investing in physical commodities.

NOTE J - UNITIZATION

On January 1, 2014, Pension Fund instituted unitization. Unitization is an accounting process whereby each program fund retains a restricted reserve for the sole benefit of the members of that program.

The individual funds' activity presented within the combined statements of changes in net assets available for benefits are now combined to reflect the fund balance, as well as the reserves. The following represent the individual line items in the combined statements of changes in net assets available for benefits that present the activity in the program reserves:

**Pension Fund of the Christian Church
(Disciples of Christ), Inc.
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
December 31, 2018 and 2017**

Net investment gain - All investment income is deposited into the reserves.

Program administration fees - All programs are charged an administration fee by the General Fund.

Interest expense - The interest is paid from the reserves into the fund balance of each program.

Fund to Fund transfer - The special apportionment and good experience credits are paid from the reserves into the fund balance.

Investment fees - All investment fees are charged to the reserves of each program. They are not included in the administration fee.

NOTE K - FINANCING ACTIVITIES

Line of Credit

The HCBT executed a line of credit agreement with Board of Church Extension of Disciples of Christ, Inc. (Church Extension) for \$5,000,000 during 2016. The line bears interest at Church Extension's rate effective at the time of advance of funds, but not less than 3.25%, nor more than 5.25%. The line is payable in full three years from the initial advancement date and is secured by a Guaranty Agreement. Pension Fund is the guarantor of the note for any remaining liability that exists at the time of the note coming due. The line of credit was closed out in September 2017.



Pension Fund
of the Christian Church
strong. smart. secure.

pfcc1@pensionfund.org
866.495.7322
P.O. Box 6251, Indianapolis, IN 46206
www.pensionfund.org
facebook.com/pensionfundchristianchurch

Serving those who serve.

Pension Fund of the Christian Church (Disciples of Christ) provides pension and retirement savings accounts for clergy and lay employees of congregations, regions, general ministries and church-related colleges and seminaries of the Stone-Campbell (Restoration) Movement.

Pension Fund manages over \$3 billion in net assets on behalf of more than 13,000 members in the United States, Canada, Puerto Rico, and related international ministries, so they can find the Road to Financial Wellness and live fully in retirement.