



Wespath
BENEFITS | INVESTMENTS

2024 Treasurers Meeting

NAACT | Fall 2024



Conversation with New CIO



Eileen Kane



Johara Farhadieh

Asset Class Returns

2009-2023		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Ann.	Vol.																
Large Cap	Small Cap	EM Equity	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Com dty.	Large Cap	Large Cap
14.0%	21.9%	79.0%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	15.3%
Small Cap	REITs	High Yield	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	EM Equity
11.3%	21.2%	59.4%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	7.7%
REITs	EM Equity	DM Equity	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Large Cap	Com dty.	High Yield	Small Cap	DM Equity
10.9%	20.3%	32.5%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	5.7%
High Yield	DM Equity	REITs	Com dty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Com dty.	Small Cap	High Yield	DM Equity	Asset Alloc.	Small Cap	Fixed Income	Asset Alloc.	Asset Alloc.
8.6%	18.4%	28.0%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	5.5%
Asset Alloc.	Com dty.	Small Cap	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	Com dty.
8.1%	16.6%	27.2%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	5.1%
DM Equity	Large Cap	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	High Yield
7.4%	16.1%	26.5%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	3.2%
EM Equity	High Yield	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	Cash
6.9%	11.5%	25.0%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	2.7%
Fixed Income	Asset Alloc.	Com dty.	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Com dty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	Small Cap
2.7%	11.5%	18.9%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	1.7%
Cash	Fixed Income	Fixed Income	Fixed Income	Com dty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Com dty.	DM Equity	Com dty.	Com dty.	Fixed Income	Small Cap	Cash	Fixed Income
0.8%	4.5%	5.9%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	-0.7%
Com dty.	Cash	Cash	Cash	EM Equity	Com dty.	Com dty.	Com dty.	Com dty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Com dty.	REITs
-0.2%	0.7%	0.1%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	-2.2%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Guide to the Markets – U.S. Data as of June 30, 2024

Investment Updates

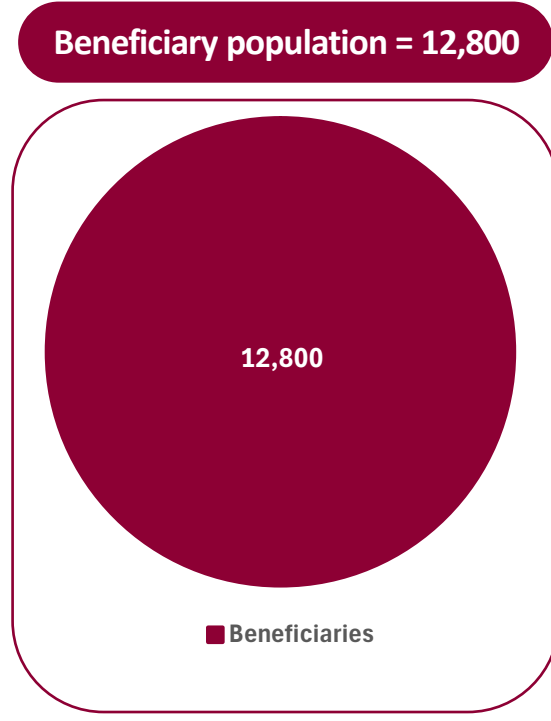
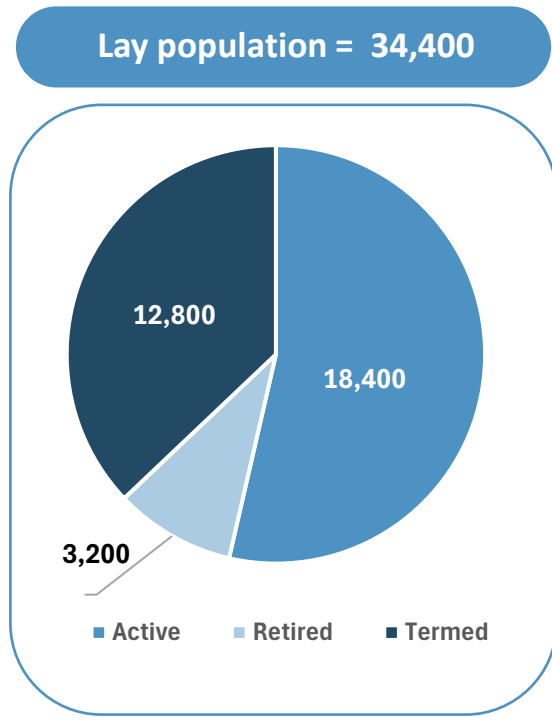
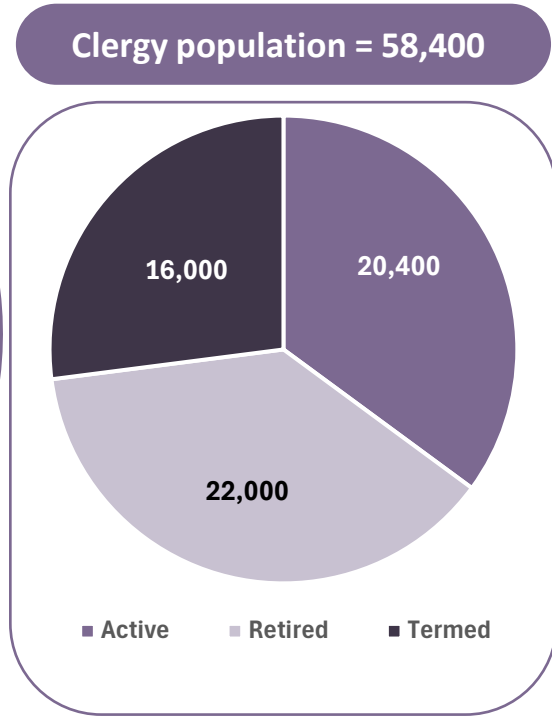
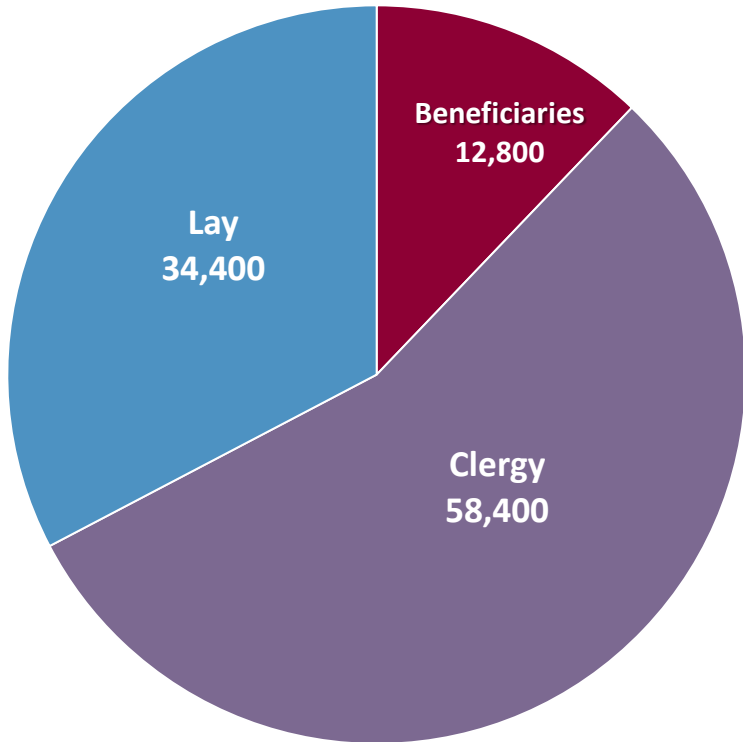
- Adding Social Values Choice Fund For Institutional Clients in 2024
- Plan on Adding Social Values Choice to Life Stage in 2026
- Ongoing Dialog around Engagement especially concerning Fossil Fuels



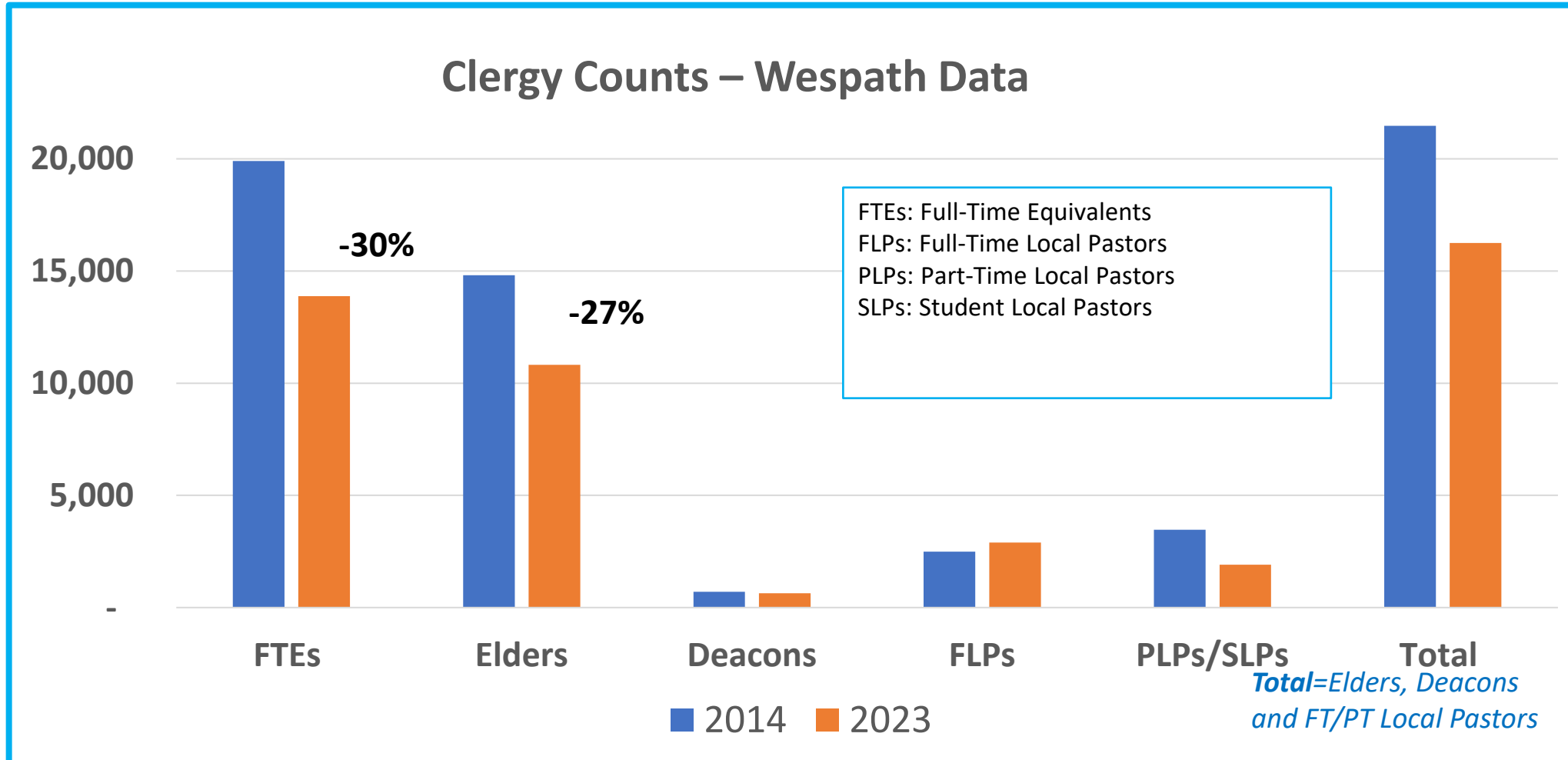


General Wespath Update

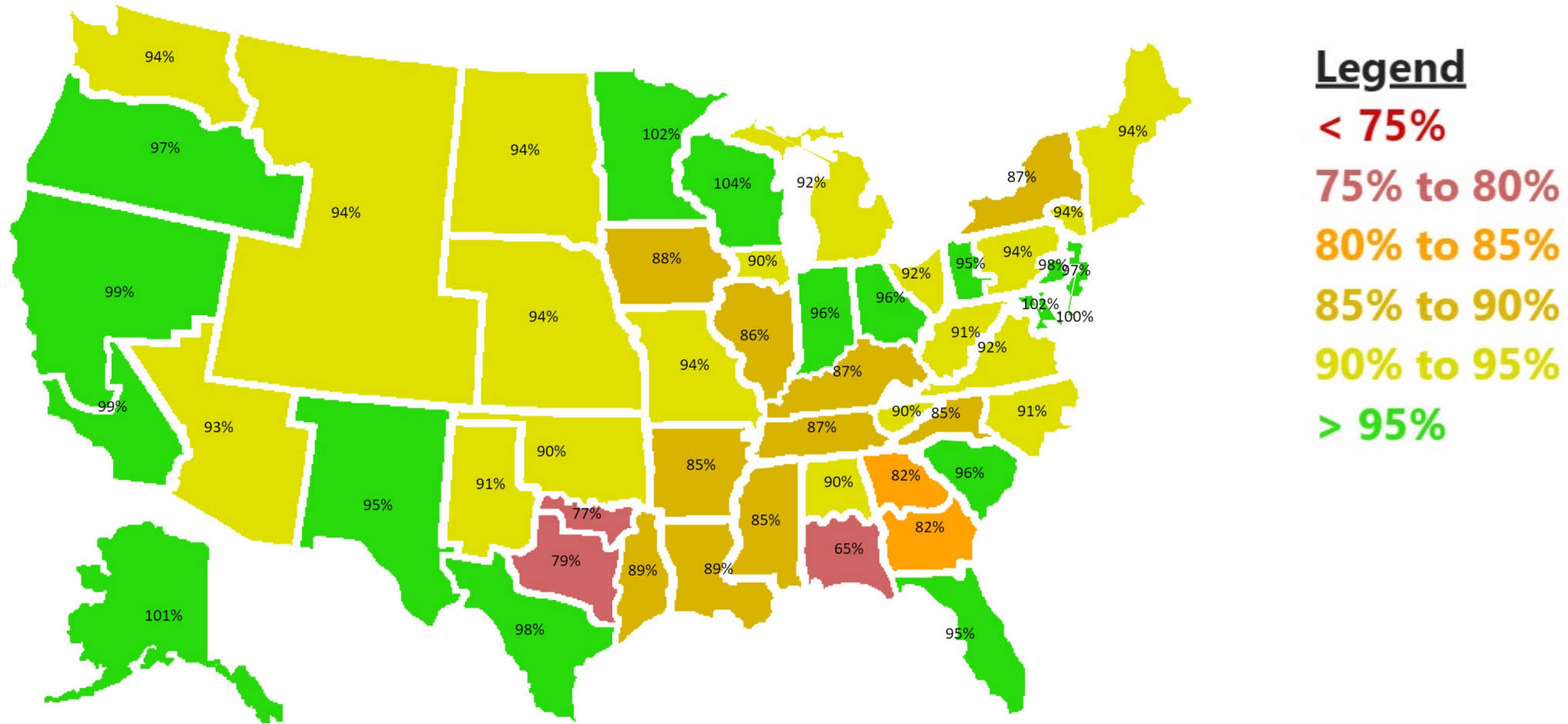
Who We Serve



Changes in the Clergy Workforce



Female to Male Clergy Average Pay Ratio*



*For Full-Time Clergy in CRSP, as of 12/31/2023. Does not consider years of service.



Ongoing and Heading Into 2025



Items Addressed

- Expanded Benefit Conversion from DB to DC for Local Pastors and Provisional Elders
- MPP 65% Option to Lifestage
- Removed Moving Expenses and Onetime payment from CRSP
- CPP Voluntary Transition Program and Temporary Disability Benefit
- Finalizing Benefit Projection Tool

Items Addressed

- Updated Benefit Payment Screen For Participants
- Derisking of Defined Benefit Plans
- Automated Processing of CPP Death Benefits





2024 through Early 2025

- Compass
 - Who is covered?
 - Automatic Features
 - Remittance Model
 - How to Bill?
 - Participant Education
- SWAPs
- Streamline CPP Death Benefits

Components of Compass

PROJECTION SYSTEM

Online Elections

Match on Qualifying Student Loan Payments

Hardship Provisions

Core Formula



AC as Sponsor and Remitter

Automatic Enrollment / Automatic Escalation

NEW PAY DEFINITION
NEW PARSONAGE VALUE

statements

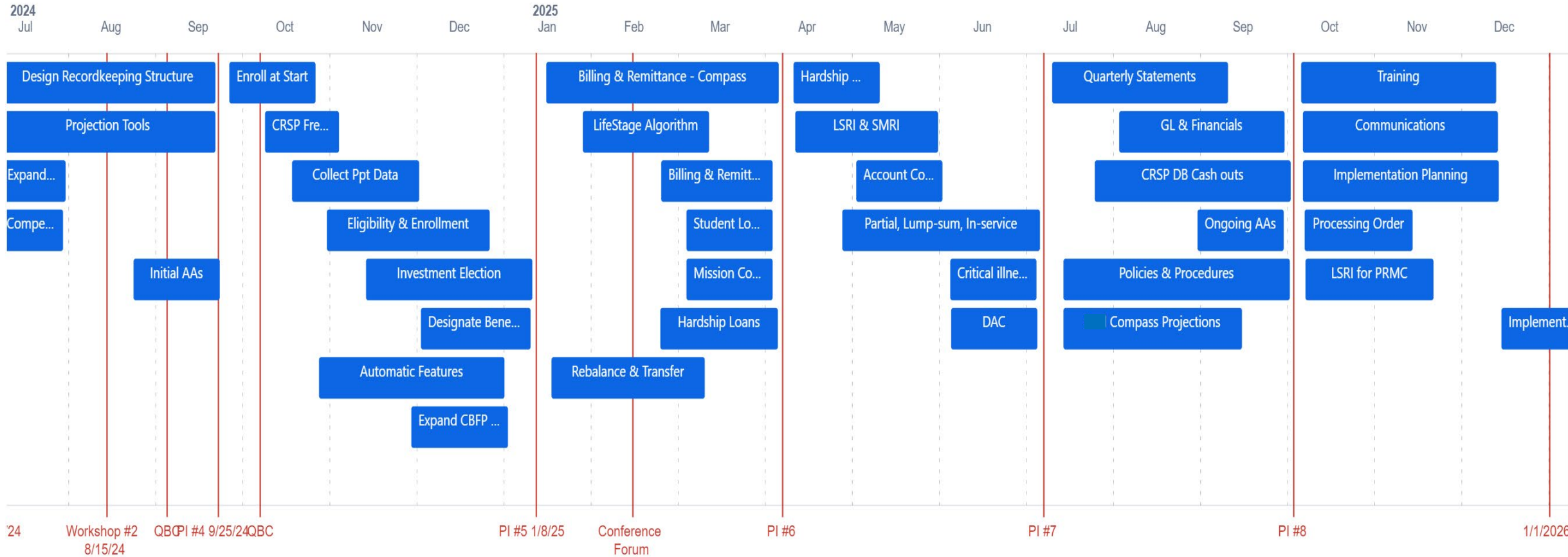
Record Keeping Structure

Adoption Agreements

Mandatory LSIM & LSRI

Communication

Project View





Redirections and Swaps



Legally One Plan

- CRSP, MPP and Pre-82 are legally one plan
- Allows flexibility in the way Pre-82 surplus is used
 - Cover the cost of PSR increases
 - **Redirection:** cover the CRSP contribution for your conference
 - **Swap:** cover the CRSP or Pre-82 contribution for another conference

Redirection Example

Valuation Results

Plan Sponsor	Pre-82 Surplus	Pre-82 Contribution	CRSP Contribution
Conf. A	\$5.0M	\$0	\$2.0M
Conf. B	\$0.2M	\$0	\$0.5M

Contribution Payment

Pre-82 Surplus Use	Cash
\$2.0M	\$0
\$0.2M	\$0.3M

Swap Example

Valuation Results

Plan Sponsor	Pre-82 Surplus	Pre-82 Contribution	CRSP Contribution
Conf. A	\$5.0M	\$0	\$2.0M
Conf. C	N/A	\$1.5M	\$2.5M

Contribution Payment

<u>Conf A</u> Pre-82 Surplus Use	Cash
\$2.0M	\$0
\$3.0M	\$1.0M
<u>\$5.0M</u>	

Conference C would then also pay \$3.0M in cash to Conference A

Pre-82 Surplus is Notional

- 2024 Surplus was determined as of Jan. 1, 2022
- Plan assets are exposed to the market between 2022 and 2024
- Market performance may have eroded plan assets even though communicated surplus is still available for use





Time is Running Out

- Less opportunity to use Pre-82 surplus once Compass starts
- Wespath will reach out to conferences with over \$10M in 2024 surplus
 - Review the impact of recent market results

2024

Conferences In Need of Partner

South Carolina	Indiana	East Ohio
California-Pacific	Susquehanna	Great Plains
Mountain Sky	Baltimore-Washington	North Georgia
Western Pennsylvania	North Alabama	West Virginia
	Tennessee-Western Kentucky	

Conferences That Can Partner

Wisconsin	Virginia	Rio Texas
Mississippi	Central Texas	Peninsula-Delaware
North Texas	Desert Southwest	Northern Illinois
Northwest Texas	New Mexico	North Carolina



Wespath

BENEFITS | INVESTMENTS

Plan Sponsor Strategy

Identifying Opportunities for Improvement



Dialog with Wespath



Bryan Mjaanes



Tony Prestipino



Eileen Kane

A decorative graphic on the left side of the slide. It features a yellow block with a blue arrow pointing up and to the left, and several red blocks with white warning symbols (exclamation marks inside triangles). A dashed blue line curves through the blocks, and a solid blue arc is at the bottom right of the graphic area.

Advancing Plan Sponsor Experience

- Created **Strategic Task Force** that includes Bishops, Treasurers, Benefits Officers and other key roles
- **Denominational changes provide an opportunity and urgency to focus on current Conference plan sponsors**
- **Strategic evaluation**, review of prior road map, and current administrative pain points require analysis and action planning

Thematic Opportunities

- Desire to **standardize technology platforms**, improve data reliability, reduce redundancy and streamline denominational cost of administration
- Potential opportunity to gain efficiency through **consolidation of roles** administering benefits – Conference Level, Jurisdictional level, Wespeth Level, etc.
- Evaluate and refine **product and service offering for workforce of the future** - more part-time, more second career, more laity, in and out of position, etc.
- **Denomination has a plethora of assets**. Establish strategy to **repurpose** for greater tomorrow
 - Reserves, real estate, etc.
- Desire to rely on **Wespeth as a convener**, perhaps even when not directly something Wespeth “owns”.



Table Exercise

Do the themes identified by the task force resonate with you?

Are there others we may have missed?

Are there any that should be eliminated?

What are the biggest barriers?

Where is the most value?

Report Out and Next Steps

- Tables report out
- Conference office visits forthcoming to a select few
- Wespath agile approach going forward



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