



Conference Forum – March 2021



Wespath

BENEFITS | INVESTMENTS

Recap of March 4

Serving in a Segmented Future



Scope and scale



Standardization



Reducing risk

Investment Update

- Overview of fund performance
- Five long-term opportunities and risks
- Five near-term risks



Investment Beliefs

Philosophy



Investor focus



Optimistic worldview



Sustainability



Low-carbon transition



Long-term perspective

Megatrends:



Demographic shifts



Shift in economic power



Accelerating urbanization



Climate change and resource scarcity



Technology advancement



Diversification



Stewardship



Culture



Expertise



Active management

Clients That We Serve



**Faith-based
non-profits**



**Foundations
and endowments**



**Higher education
institutions**



**Healthcare
organizations**

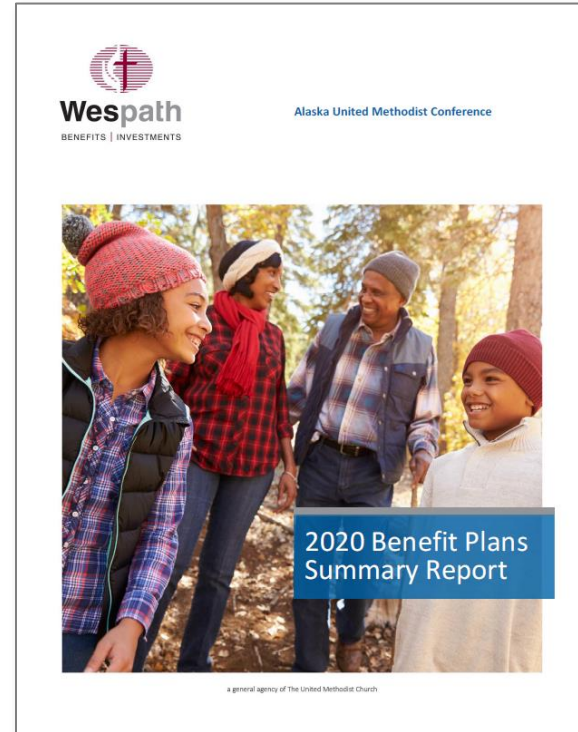
From left to right: Florida United Methodist Children's Home (Enterprise, Florida), The United Methodist Foundation of Arkansas (Little Rock, Arkansas), United Theological Seminary (Dayton, Ohio), Methodist Le Bonheur Healthcare – Le Bonheur Children's Hospital (Memphis, Tennessee)

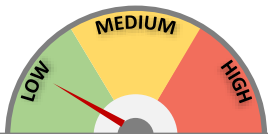
This is a sample of the more than 100 institutional clients of Wespath and its subsidiaries, including WII. Inclusion of a client is not a representation that the client endorses or recommends Wespath or WII as an investment manager. Performance based criteria were not used to determine which clients to include in this list.

2020 Summary Report

2019 content plus:

- Score by category
- Recommended action items
- News section
- Cross-program insights

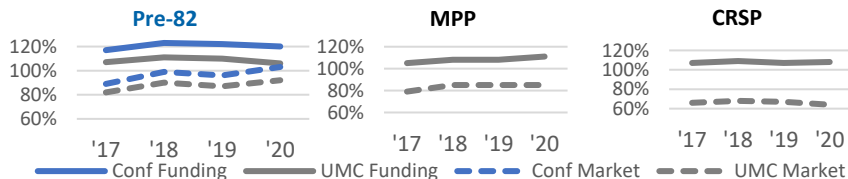




2020 Risk Dashboard

ABC Annual Conference

LIABILITIES & FUNDING LEVEL



\$41M
WITHDRAWAL
LIABILITY

The withdrawal liability as of February 1, 2021 is **40.3%** of the churches' 2019 income.

\$2M
RETIREE
MEDICAL

The postretirement medical plan underfunding, based on your 2021 CBFP, is **1.9%** of the churches' 2019 income. This underfunding is in addition to your pension liability.

\$586
DEBT-PER-
DONOR

On a per-attendeé basis, the 2020 underfunding of the pension liability (on a market basis) is **\$586**. This compares to an average across all conferences of **\$1,030**. This does not count the postretirement medical liability.

PRE-82 RESERVES

The **ABC** Annual Conference has sufficient in-plan assets such that the 2022 Pre-82 contribution is \$0 but does maintain a Pre-82 pension reserve of **\$2** million according to the 2021 CBFP.

CONTRIBUTIONS

1.1%
PENSION
EXPENSE

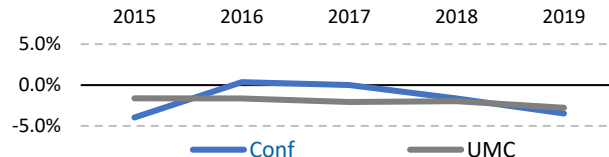
The pension contributions of **\$1.2** million for 2022 represent **1.1%** of the churches' 2019 annual expenses. This compares to an average across all conferences of **1.8%**. Over the past five years, the pension contribution **has decreased** from **1.3%** to **1.1%** of church expenses.

\$30
DOLLAR-PER-
DONOR

On a per-attendeé basis, the 2022 pension contributions amount to **\$30**. This amount **has decreased** from **\$35** five years ago and compares to a 2020 average across all conferences of **\$47**.

CHURCH MEMBERSHIP

-1.8%
PER YEAR

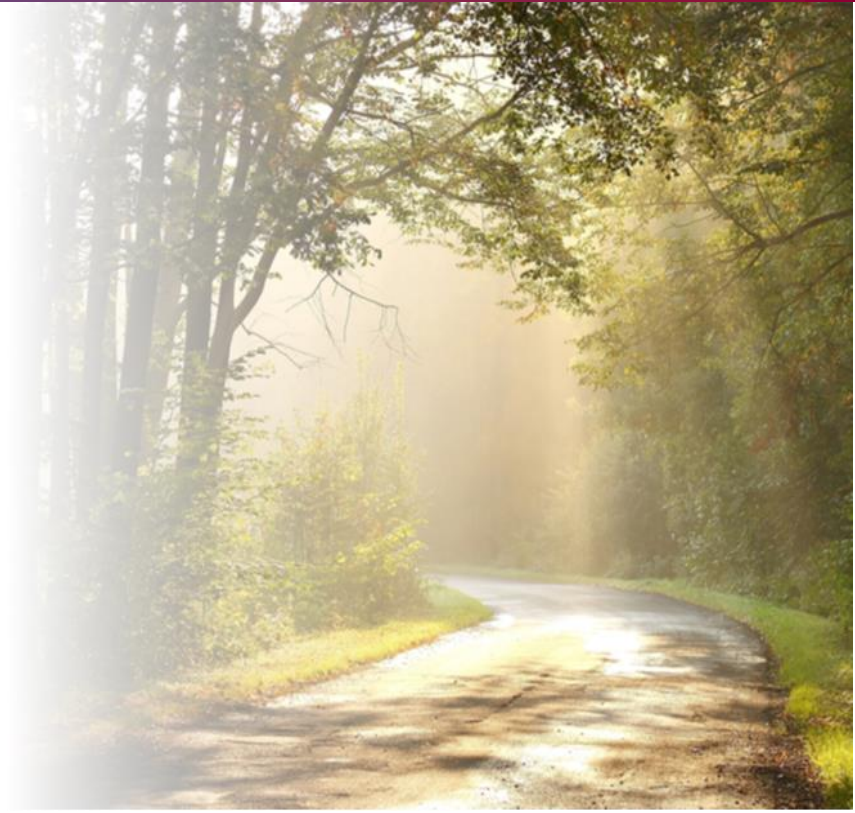


The **ABC** Annual Conference has **lost** church membership at a rate of **-1.8%** per year over the past five years. This is **less** than the five-year average of **-2.3%** across all U.S. conferences. Most recently, your rate has been **-3.5%**.

Meanwhile, the number of churches has **decreased** at a rate of **-1.4%** over the past five years, and the number of Full-Time Equivalent (FTE) active clergy has **decreased** by **-2.2%** per year.

Actuarial Update

- Refresher: valuation basics
- Funding discount rate update
- COVID-19 update
- Mortality assumption updates
- Valuation results
- Withdrawal liability





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