



A Message from the Chair

Spring 2022

Dear Friends:

Earlier this month, The Church Pension Fund Board of Trustees (CPF Board) gathered in-person for the first time in two years. It was great to turn off our computer video cameras and see one another face-to-face again. Our spring meeting took place in Birmingham, Alabama as we continued our important work around diversity, equity, and inclusion. The CPF Board covered many important topics that included an update on the investment portfolio amidst the recent market volatility, a review of the important work being done around Resolution 2018-A237 related to pension parity, and the election of the next Chair of the CPF Board. We offered our prayers for those impacted by Russia's invasion of Ukraine and that peace may soon come to the region.

On behalf of the entire CPF Board we wish you a blessed Lent as we prepare to celebrate the resurrection of our Lord Jesus Christ.

Faithfully,



The Rt. Rev. Thomas James Brown
Chair
The Church Pension Fund Board of Trustees

Diversity, Equity, and Inclusion

As part of our ongoing commitment to diversity, equity, and inclusion, we took a pilgrimage to Montgomery, Alabama, where we visited The Legacy Museum, The National Memorial for Peace and Justice, and the Church of the Good Shepherd. We also met with leaders from that parish and others in the diocese who are doing powerful work toward reconciliation.



Photo by: Akii Gahagan

Our pilgrimage was organized by Board Member Del Glover and Board Vice Chair Canon Kathryn McCormick, who spent months researching and educating us about the pilgrimage we would share. It was a powerful experience that will continue to impact all of us as individuals and our discussions together as a board. I want to acknowledge and thank Del and Kathryn for their leadership. They were the perfect guides for our journey.

Next CPF Board Chair

I am also pleased to announce that Kathryn has been elected to serve as the next Chair of the CPF Board when my term expires upon the adjournment of the General Convention in July. She is a cradle Episcopalian and has held a variety of positions around the Church, including as Canon for Administration and Finance for the Diocese of Mississippi. She has served as an officer on several interim bodies, as well as the CPF legislative committee for five General Conventions; is a former CREDO finance faculty member; and is President of Province IV. She also has a lifelong commitment to civil rights, anti-racism work, and inclusion. Kathryn will be an excellent bridge between the work of the CPF Board and the work of the Church. Please join me in congratulating her and thanking her for her willingness to serve in this important role.

Pension Parity Review

CPG is continuing its study of pension parity, and we reviewed a near-final version of a Report to General Convention on this topic that was requested by [Resolution 2018-A237](#). The resolution urged CPF to report on the current state of parity between the pensions of lay and ordained Church employees, domestic and non-domestic Church employees, and Church employees of disparate incomes, with a particular focus on how income disparities are manifested across gender and racial or ethnic lines, understanding that working income directly affects pension benefits. It also asked CPF to consider supplemental models for the pension system that would benefit lay and clergy employees while the Church works toward true parity in wages and employment practices. The CPG team will now finalize the report, which we expect will be published in June. In the meantime, if you haven't already, please take a moment to read our [report](#) in response

to [Resolution 2018-D045](#). It focuses specifically on disparities in compensation and benefits between lay and clergy employees of the Church and serves as a good pre-read for the upcoming A237 Report.

Market Volatility and the Need for Consistency

Chief Investment Officer Roger Saylor described the potential impacts on the world's financial markets from Russia's invasion of Ukraine, inflation, and other world events, and shared how these events have already affected CPF's investment portfolio. He indicated that CPF holds no direct investments in Russia (meaning it does not own any shares, bonds, or other investments in Russia that it has discretion to sell) and that CPF holds de minimis indirect investments in Russia (meaning less than 0.1% of its assets, that are held through commingled funds and with respect to which it does not have the discretion to purchase or sell). He also noted that CPF's investment managers, who invest on its behalf, are required to comply with all applicable sanctions restricting investment in Russia.

Market volatility and downturns like we are experiencing today remind us of the need to always be disciplined when making benefits and other spending decisions. The Board remains comfortable that the pensions and other benefits promised to our clergy and lay employees remain secure, and we as a board are committed to protecting the financial strength of the assets we all depend upon for benefits.

Recent volatility in the markets is just one indicator of the complexity of managing—and in the case of the Board, overseeing—an organization having the breadth of CPG. We benefit from the guidance, expertise, and experience of our trustees and are particularly grateful for those who are willing to provide continuity by giving their time to serve consecutive terms.

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The next meeting of the CPF Board will be from June 8–10, 2022.