



A Year of
**Agility, Building,
and Belonging**

2021 ANNUAL REPORT



The Pension Boards
United Church of Christ, Inc.

WHERE FAITH AND FINANCE INTERSECT

OUR MISSION

Operating at the intersection of faith and finance, we are caring professionals partnering with those engaged in the life of the church to provide valued services leading to greater financial security and wellness.

OUR VISION

The Pension Boards delivers benefits and services from the intersection of faith and finance, providing clergy, lay employees, and all persons served with the peace of mind that comes through greater financial security and better health.



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A Message from the President/CEO and the Chair, Board of Trustees A Year of Agility, Building, and Belonging

Twenty twenty-one was a year of Agility, Building, and Belonging: a very full year in which we moved beyond adaptation and into accelerated engagement in our mission.

Agility: Our staff responded to the ongoing and unpredictable challenges presented by the pandemic with extraordinary creativity and energy. We embraced our current circumstances and found inspiration in the obstacles confronting us, rising above them to find new ways to accomplish our mission.

Building: Our vision for the Pension Boards involves growing and enhancing a suite of financial products and services for our members and clients. Energy, creativity, and innovation branded our work in 2021. We are particularly excited to grow and expand our Generations Family of Companies where we are providing concierge investment services to UCC Conferences and other national settings in partnership with United Church Funds. We are also issuing loans to participants in the Ministers' Financial Vitality Initiative, helping to alleviate clergy debt burden (see p. 16).

Our work in direct partnership with the national setting of the United Church of Christ accelerated in 2021. We are working with the national setting to raise \$3 million for the **Securing the Future: Financial Justice for Ministers** campaign, an investment in the long-term viability of the Ministers' Financial Vitality Initiative. At General Synod 33, our comprehensive virtual booth and theater event attracted visitors at top participation levels.



Brian R. Bodager

*President and CEO
The Pension Boards-United Church of Christ, Inc.*

We created a new staff position to further deepen ties to the wider church (see p. 11). The Rev. Dr. Jonathan B. Lee was appointed to the position of Director, Church Relations and Operations, to work directly with Conferences, Associations, congregations and other UCC-related organizations to ensure that direct grant assistance and leadership programs reach as many servants of the church as possible.

We are spearheading the creation of a UCC-affiliated credit union in response to a 2017 General Synod resolution in support of economic justice, building on our commitment to financial security as a justice Issue.

Belonging: Our first diversity, equity, and inclusion (DEI) Report (see p.4), a testament to the well-established racial and cultural diversity of our staff, was published. The cover of this year's Annual Report features our colleagues, many of whom may have interacted with you as you have engaged with the Pension Boards programs and services.

We took steps to further develop staff community and belonging, and challenged ourselves to achieve even more. Our challenges appear in the DEI Report, and we believe striving to achieve these challenges is the necessary sequel to the work and achievements appearing in the Report.

Walk with us on a path of continual discovery, finding new ways to merge our faith values with financial stewardship of the resources entrusted to us.



Rev. Dr. Rodney Franklin

*Chair of the Board of Trustees
The Pension Boards-United Church of Christ, Inc.*



A Message from the United Church of Christ Board Chair

Dear friends in Christ,

I write to share the heartfelt gratitude of the United Church of Christ Board for all who serve alongside us in building up the ministries of the UCC in every setting. Our work would not be possible without the Pension Boards' faithful stewardship of retirement assets, medical care, insurance, and other critical services that provide security and comfort to all who serve in ministry. Church workers of every age are blessed by your generosity and philanthropic vision, supporting retirees through offerings like the Christmas Fund and encouraging early career pastors through the Next Generation Leadership Initiative (NGLI). I have been personally touched by your vision for NGLI and can testify to the transformational impact of your commitment to equipping pastors and strengthening congregations. God bless you!

On the United Church of Christ Board, we are especially mindful now of the relationships that animate our life in the Wider Church and covenants that bind us together. We have recently begun the process of calling a successor to Rev. John Dorhauer, who will retire as General Minister and President in 2023. We're doing so at an especially creative and generative moment in the life of our denomination. Covid-19 has compelled us to develop new approaches to ministry in every setting of the church. We've also renewed our vision for a Just World for All through

sustained, confessional, prayerful attention to racial equity in our national ministries. I hope you will look for opportunities to Join the Movement for racial justice, our all-church campaign that will bring us to General Synod next year.

There is much more that I could say—but my words are not so important as our prayers. So please let me conclude by inviting your prayers for the United Church of Christ; for our officers—John Dorhauer, Karen Georgia Thompson, and Traci Blackmon; for the staff who lead us in the National Setting as well as covenanted institutions like the Pension Boards and the United Church Board for Ministerial Assistance; for the ministers and lay leaders serving every setting of the church; and for the people of God who live and worship in our congregations. We are all bound together by the power of the Holy Spirit.

In faith, hope, and love,



Rev. Dr. Cameron Barr

*Chair, United Church of Christ Board
NGLI Class of 2026*



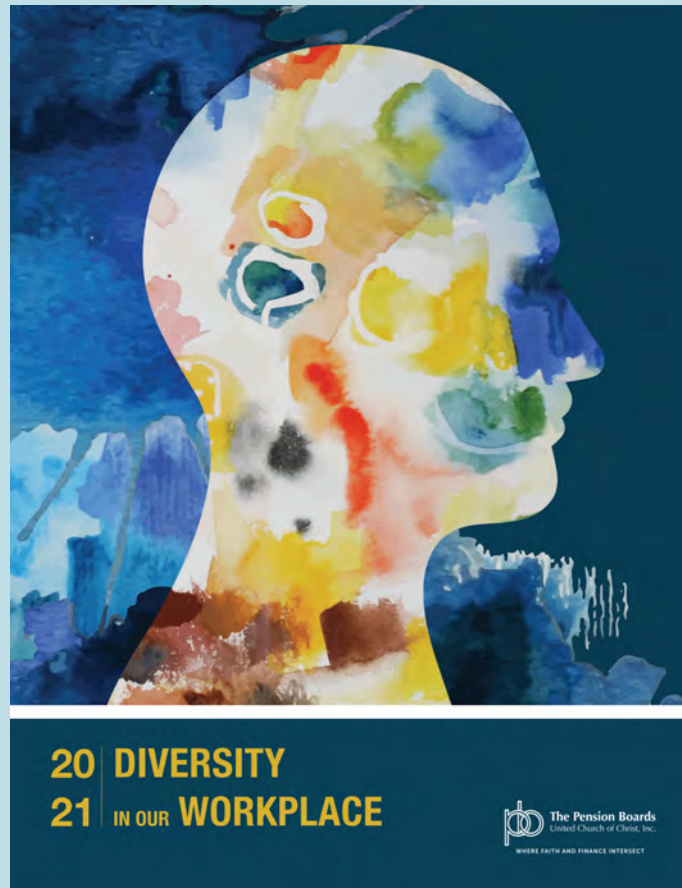
Diversity in Our Workplace

The Pension Boards staff of 85 caring professionals serving the United Church of Christ represent and share the cultures of more than 30 countries and speak 19 languages!

In 2021, we published our inaugural 2021 Diversity in Our Workplace — a diversity, equity, and inclusion report. The report details the measurable efforts and progress the Pension Boards has made on our Culture

Transformation Journey, embracing and placing a renewed focus on our most important asset, our people.

The report also outlines the considerable progress made with our Talent Acquisition, hiring and retaining top talent from underrepresented groups, while building upon the Pension Boards' highly diverse staff. We continue to strengthen the organization's culture by attracting talent from diverse communities and ensuring that we are





integrating new capabilities that accelerate change and growth.

In solidarity with other settings of the United Church of Christ, our organizational commitment to social justice is not just in word, but in action. In 2020, we renewed our commitment to social justice through our investment strategies, examining the composition of our workforce and governance, and making changes. In 2021, we continued to implement principles, processes, policies, and practices that enhance the intersectionality of employees' and members' experiences, using data, personal stories, and lessons learned from COVID-19 to inform the continuation of our journey, optimizing our people's full potential and creating an environment of belonging.



SPOTLIGHT:

Mr. Ángel Cepeda Velázquez

During the Pension Boards virtual Annual Meeting of Members, where we reported on the many ways the Pension Boards not only has carried out its existing operations in spite of the pandemic challenges of the past year, but also developed and introduced new products and services to meet emerging needs, one new Trustee was elected to a four-year term ending in 2025—meet Mr. Ángel Cepeda Velázquez.

Mr. Cepeda Velázquez currently serves as head of Accounting and Administration for Iglesia Evangélica Unida de Puerto Rico (IEUPR, United Evangelical Church of Puerto Rico), a UCC-related denomination comprising 100 clergy and lay church employees in 75 churches and ministry settings throughout the island. He also serves as Bookkeeping and Business Advisor of Escuela Evangélica Unida de Fajardo (United Evangelical School of Fajardo).

He played a key role in helping bring IEUPR employees and member congregations into the Annuity Plan, and is a member of Iglesia Evangélica Unida Juan Martín in Luquillo, Puerto Rico.

With this election, Mr. Cepeda Velázquez is the first person from Puerto Rico to serve as a Trustee. He brings even greater diversity to the Board and is strengthening our relationships with our ministry partners on the island as well as our overall mission.



Member Services

What Matters to You, Matters to Member Services

The past year challenged our Member Services teams to be agile and adaptive while at the same time continuing to serve our members during the pandemic. Some of our team members have transitioned to a work from home schedule, others are primarily in the office, and some have a hybrid arrangement. This thoughtful approach ensured that we built the right support system to provide the best customer service to you, our members, while also caring for our team members.

The Member Services teams continued to successfully serve the needs of UCC employers and employees with excellence, integrity, and trust, supporting 21,024 inbound calls, and processing 25,579 transactions during 2021 (see our customer touchpoints statistics).

The Pension Boards team of highly-trained Customer Care and Benefit Payment representatives are dedicated to UCC employers and plan members. Each day, they respond to a wide variety of questions on enrollments, benefit changes, terminations, beneficiary updates, invoices, navigating the Pension Boards website, completing forms, and much more.

“ I am truly grateful for all the Pension Boards has done for me since I retired from active ministry in 2003 at the age of 71. I honestly don’t know how I would get by without all the help I have received from the Pension Boards. Thank you all so very much. ”

Pension Counseling

Our Pension Counselors provide support and guidance to our members who are ready to retire. Through individualized consultations, they prepare members by presenting them with personalized retirement income projections; reviewing Annuity Plan options, including tax-deferred options like contributing to a Retirement Savings Account; and providing basic housing allowance information for ministers who may be transitioning from serving the church full-time to part-time, or transitioning to another vocational setting.

“ Your process for retirement was the easiest of all my plans I appreciate the clear explanations and expert knowledge! Congratulations on a great plan and process! ”

Ernst and Young

In 2021, Ernst & Young (EY) financial planning services were offered to all our members including active, retired, inactive, and annuitized members at no cost. Pension counseling services, coupled with EY financial planning assistance, means our members can retire with confidence. During 2021, there was a 59% increase in the number of members reaching out to EY from 2020.

Generations University

In the fall of 2021, we added a Director of Generations University to our team with the intent to enhance and grow our training and education processes for our members and employers. In 2022, we will focus on member and employer educational activities including benefits seminars, webinars, online learning content, enrollment meetings, and retirement learning content tied to our Member Experience Strategy.



Community Outreach

In December 2021, the Member Services team engaged the Pension Boards staff to participate in several holiday giving opportunities as a visible and tangible way of living out our core values of compassion and justice. Our contributions to organizations in our community and beyond have truly helped make a difference in the lives of many who find themselves in crisis at this time of year. The global pandemic has exacerbated what were already urgent needs, particularly among some of the most vulnerable among us—children and the elderly. In 2021, we were able to support the Make a Wish foundation and Meals on Wheels to help make a brighter holiday season for those in need.

Transactions Processed:	25,579
Incoming Phone Calls:	21,024
Outbound Calls:	8,717
Faxes and Emails:	16,520
Online Chats:	2,776
Total Engagements:	74,616

“ I’m very grateful for the wonderful support I have received from all of you over the past 37 years. ”



Health Plan Operations

Supporting Our Members' Needs

Over the course of the past twelve months, the Pension Boards' Health Plan has adapted and risen above challenges to meet the needs of our members. At this time, we stand at a turning point in healthcare. Innovating technologies and treatments offering untold potential are unveiled daily, and we strive to mirror these in our own health plan. From expanding coverage to new, virtual formats developed during the COVID-19 pandemic to the implementation of telehealth behavioral health resources, we continue to evolve our plan in response to the current state of our world.

First and foremost, we have continuously improved upon our plans as we transitioned our retired clergy and lay employees to a Medicare Advantage Plan managed through Humana earlier this year. Looking forward to the next plan year, we have also approved important increases to Short Term Disability

benefits, the annual maximum for the UCC Dental Plan, and frame allowance in the Vision Benefits Plan.

Our health plans did not stop there as we strived to improve the lives of our members across the United Church of Christ. We encouraged our members to work toward healthier lifestyles with expansions to our Health Advocate Healthy Stewards Rewards programs, incorporating new activities, coaching programs, and opportunities to earn points. For our staff members at the Pension Boards, we highlighted strategies to manage stress and uncertainty during Customer Service week. Finally, as we approached the end of 2021, we continued to innovate and fulfilled our long-time goal of online enrollment for the Flexible Spending Accounts (FSA) plan. Our successes during the 2021 plan year set the stage for an exciting future for PBUCC's Health Plans. Together, the unwavering commitment of the Health Plans Team will continue to ensure that we are supporting our members' needs and delivering access to healthcare that rises above the challenges.







Faith and Finance Ministries

*A Message from Rev. Dr. James Moos,
Executive Director, Faith and Finance
Ministries*

In 2020, the phrase “a year like no other” was likely the most quoted expression on the planet. It was widely expected that, in 2021, we would experience something called “the new normal.” Normalcy, however, is more than a little tardy. So how does the Pension Boards characterize 2021? Not as a year of waiting, but as “A Year of Agility, Building, and Belonging.” These values and priorities were fully reflected in the work of Faith & Finance Ministries.

It was a year of agility. We made and continue to make changes to our leadership development programs to ensure that they remain cutting-edge. Communications strategies were adjusted in response to member feedback, grants programs are being updated to make them more collaborative and to enhance mutual accountability, and a retooled philanthropy strategy resulted in the largest Christmas Fund offering in our history.

It was a year of building. Our Corporate Social Responsibility ministry had unprecedented success as we pursued a full-spectrum justice agenda in our corporate engagements. We successfully submitted a proposal to the Lilly Endowment for an additional \$500,000 in grants to enhance and expand our Ministers’ Financial Vitality Initiative and, to ensure program sustainability, we launched a \$3 million joint fundraising campaign with the National Setting of the UCC.

It was a year of belonging. We are a ministry of the church, and to strengthen



our connection we launched a robust church relations program that will engage all settings of the United Church of Christ to collect feedback, solve problems, promote Pension Boards products and services, and establish new channels of communication and collaboration. We also initiated the Leadership Guild, which brings together staff from across the UCC who have leadership development in their portfolios to share resources and collaborate on new directions.

Amid the challenges of a pandemic, economic uncertainty, and social unrest, we looked forward with hope. Challenges are accompanied by opportunities, and Faith & Finance Ministries has capitalized on those opportunities by being nimble and creative, by strengthening existing programs and building new ones, and by further investing in the broader life of the church.



Church Relations and Operations

Rev. Dr. Jonathan B. Lee

The Pension Boards' emphasis on those we serve found expression in activities across the organization in 2021. These included



the creation of a new position, Director, Church Relations and Operations, to which I was appointed, beginning my work on September 1.

For the first time, the Pension Boards will have a staff member fully dedicated to engaging the wider United Church of Christ in all its settings, not only to interpret and encourage participation in Pension Boards benefits and services, but to receive feedback and work with colleagues within the organization to be responsive and make improvements where needed. I will work directly with Conferences, Associations, congregations and other UCC-related organizations and will collaborate with Conference staff and others to ensure that the direct grant assistance and leadership programs of the United Church Board for Ministerial Assistance (UCBMA) reach as many who serve the church as possible. In this position, I will also be responsible for clergy wellness programs and the fundraising initiatives and services of the Pension Boards.

My six years as Philanthropy Officer with the Pension Boards provided invaluable experience in representing the Pension Boards' mission and in building productive relationships.

The creation of this position reflects the conviction of Pension Boards' leadership that its benefits and programs work best and impact most widely when they are based on steady connections with those who know the church, and the challenges and opportunities of each of its settings. It's a privilege for me to cultivate relationships with current and prospective customers and to work as a partner in delivering wellness and security for our pastors and lay church workers.

Philanthropy

As the Pension Boards has been adapting and adjusting to this unprecedented time, the generosity of our donors has continued to be amazing.

In 2021, materials to promote the annual Christmas Fund for the Veterans of the Cross and the Emergency Fund special mission offering in December were once again posted entirely on the Pension Boards website. These materials were created for our unique time and conditions to allow churches meeting in person, online, or hybrid to customize them for their circumstance. It is with extreme gratitude we can report that 2021 giving to the Christmas Fund totaled more than \$1.4 million. Thank you for the tremendous generosity!

In 2021, the Generations of Service: Faith and Finance in Action campaign launched a successful public appeal. The theme of the appeal was "This Time...Next Time...Every Time."

This comprehensive call to give was made using several different media, including video, email, social media, text-to-give and postal mail. At General Synod 33, we launched our partnership with the National Setting to address the critical issue of clergy debt and financial empowerment. Part of the Generations of Service campaign, Securing the Future is a \$3 million appeal partnership to establish an endowment fund for the Minister's Financial Vitality Initiative. At the close of 2021, 85% of the campaign's \$20 million goal had been committed, proof of the recognition and investment in the empowering mission of the United Church Board for Ministerial Assistance.





United Church Board for Ministerial Assistance

Leadership Initiatives

The Annuitant Visitor Program includes 150 visitors who call on about 6,000 retirees across the country. Their purpose is to check-in regarding Pension Boards benefit plans, offer gratitude for years of service, and provide collegial support. The changing realities of retirement and the pandemic created opportunities for the program to be agile, with more visits occurring via telephone and computer, although as infection rates shifted, some in-person visits did happen. The annual Annuitant Visitor Seminar was held online and provided training and a sense of belonging for participants. Staff completed a program evaluation in 2021 and concluded, “the Annuitant Visitor Program continues to be unique and valuable outreach ministry on behalf of the Pension Boards/UCBMA and the wider United Church of Christ.”



A new strategic initiative in 2021 has been to launch a UCC Leadership Guild. Thirty-five Conference and National staff persons who have “leadership development” as a central component of their work were invited to the first gathering in December. Participants expressed great interest in a “think tank” model where we can wrestle with big questions that may advance and undergird leadership programs across the denomination.

The Next Generation Leadership Initiative (NGLI) provides advanced educational experiences to younger clergy serving in local churches. In 2021, we welcomed our 12th cohort into the program and said farewell to our second cohort who have completed their ten years of participation. Just as the pastors needed to show great agility in how they served congregations in 2021, the program also needed to be agile in how it served the needs of the pastors. We offered several online learning and support seminars throughout the year. Some were multi-day events that focused on leadership development; others were more light-hearted, such as our celebration of Rev. Gayle Engel’s retirement. In November, we held our first in-person gathering in almost two years at the UCC Church House for NGLI*12 and NGLI*11, the newest cohorts. Each experience was an opportunity to learn share, and know that they belong, and their ministry matters. An extensive program review of NGLI was completed in 2021 which is leading to a refreshed infrastructure and new diversity, equity, and inclusion focus.



Direct Financial Support to Those We Serve

Since 1885, the mission of the United Church Board for Ministerial Assistance (UCBMA), the philanthropic arm of the Pension Boards, has been to assist with direct financial support to authorized ministers, lay workers, and to extend this support to their surviving spouses and partners, as a way to honor their service to the United Church of Christ and their ministerial legacy.

These past two years have been especially challenging for our church and those who serve it, which is why now, more than ever, UCBMA is committed to continuing its support as it seeks creative ways to expand our traditional programs beyond financial assistance. Our vision for the future is to become strategic partners in the ministry of our members and of the Church at large.

UCBMA ministries are made possible through the generosity of individuals and congregations to the Christmas Fund and Our Church's Wider Mission.

2021 Grants Approved Totaled \$2,263,684

(as of December 31, 2021)

GRANT PROGRAM	AMOUNT
Pension Supplementation *	\$1,104,479
Health Benefits Supplementation *	\$177,600
Emergency Grant *	\$150,338
Christmas "Thank You" Gift Checks *	\$254,000
Ministerial Assistance Grant	\$380,567
New Church Start Grant	\$100,000
Higher Education Scholarship	\$3,000
Herring and Stark Memorial Fund Grant	\$92,500
100 th Birthday	\$1,200

**Supported by gifts to the Christmas Fund*

A Year of Agility, Building, and Belonging



- *Gateway: Your Access to Pension Boards News and Resources* becomes a monthly e-newsletter publication for members.



- The Pension Boards stands in solidarity with the UCC in all its ministry settings in confronting and dismantling all forms of racism.

- Seven summer interns flourish at the Pension Boards, and their internships are extended to the fall of 2021.

- PBUCC staff continue Sacred Conversations to End Racism through a series of virtual conversations on Toni Morrison's book, *The Origin of Others*.

- PBUCC completes a Return-to-Office pilot phase and implements a customized Smarten Spaces app for staff to schedule socially-distant workdays.

- PBUCC launches a best-in-class Sustainable Balanced Fund



- TAD Funds 2045 and 2050 launches for younger members.

- Currently, \$378 million of sustainable fixed-income investments are invested on behalf of our members across four distinct

themes: Healthy Planet, Basic Needs, Equality and Opportunity, and Sustainable Society.

- PBUCC establishes new and diverse fixed-income business relationships with broker/dealers Loop Securities, Ramirez, and C.L. King.



- PBUCC invests \$3.5 million in Fannie Mae's \$315 million Multifamily Social Bond, which finances the acquisition or refinance of affordable housing property for low-income renters or borrowers.

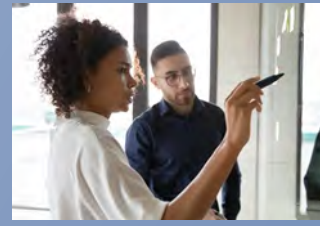
- Social Bond investing in the International Bank for Reconstruction & Development improves access to food, clean drinking water, and improved sanitation.

- PBUCC invests in private equity projects aimed at climate change, education, and health care.

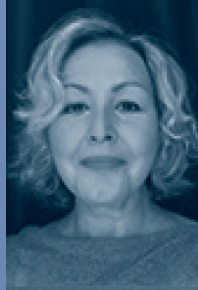
- PBUCC is recognized as a leading ESG investor following investments in African Development Bank Group's \$3 billion bond issuance designated for COVID-19 relief for livelihoods and economies in Africa in 2020.



- PBUCC improves its health plans as retired clergy and lay employees transition to the Medicare Advantage Plan with Rx through Humana.
- PBUCC launches online enrollment for participants in the Flexible Benefit Plan for UCC Ministries.
- Medicare Advantage Plan participants join Humana-sponsored webinars on plan benefits including the SilverSneakers program.



- The Pension Boards is awarded a \$500,000 grant from the Lilly Endowment to expand the MFVI program.
- Applications for two MFVI cohorts (60 participants) open in the fall.
- The Generations of Service: Faith and Finance in Action campaign launches, generating a successful public appeal, themed, "This Time...Next Time... Every Time."



- The Pension Boards launches Power-Up Your Finances, a personal finance webinar series in collaboration with Ernst & Young.

- Gifts to the Christmas Fund total more than \$1.4 million.
- Generations Financial Resources, Inc., disbursed \$75,000 in loans through 2021, and to date has disbursed \$126,000.
- Generations Investment Services, Inc., services three institutional clients.

- PBUCC launches Securing the Future: Financial Justice for Ministers, a \$3 million joint campaign with the National Setting of the UCC at General Synod 33, and celebrates with a live, virtual theater event to raise funds for the MFVI program.



- At General Synod 33, PBUCC creates a dynamic and interactive virtual display complete with videos, educational resources, and live events.



- PBUCC welcomes its 12th cohort who begin their NGLI leadership development journey in 2022.

Pension Boards Receives \$500,000 Lilly Grant to Expand Access to MFVI

In 2021, the Pension Boards received a \$500,000 grant in supplemental funding from the Lilly Endowment to expand participation in the Ministers' Financial Vitality Initiative (MFVI), a financial wellness program for the United Church of Christ clergy. This is the third grant awarded to the Pension Boards by the Lilly Endowment in support of this initiative. Currently, the Pension Boards is serving 210 participants in the MFVI program.

MFVI launched in 2017 with an initial \$1,000,000 implementation grant from Lilly's National Initiative to Address Economic Challenges Facing Pastoral Leaders and was awarded another \$1 million grant in 2019 to further expand the program.

MFVI was initiated in response to high rates of clergy indebtedness in the denomination, which was identified by General Synod in 2013 as a critical issue facing pastoral leaders, along with limited income and lack of financial education.

The supplemental funding from the Lilly Endowment will allow UCBMA (which administers MFVI) to make the program of education and assistance more immediately and fully available, particularly to clergy from historically underrepresented groups within the denomination. It will also allow timely availability for those whose financial lives have been adversely affected by the COVID-19 pandemic.



The Pension Boards' Virtual Presence at General Synod 33

In 2021, a virtual General Synod 33 was a new experience for us all. The Pension Boards collaborated with Nationwide Displays, an exhibition planner, to create an interactive, dynamic, and resourceful virtual display of the plans, programs, and services we provide to you, our members. We were excited to connect with many of you during our live educational workshops; Town Hall event; the virtual exhibit hall; and a special theater event where more than 100 people joined the launch of the **Securing the Future: Financial Justice for Ministers**, a fundraising partnership between the Pension Boards and the National Setting of the United Church of Christ to raise \$3 million for the Ministers' Financial Vitality Initiative.





Corporate Social Responsibility

The Pension Boards, the UCC, and Shareholder Activism

Shareholder activism began about 50 years ago during the period of resistance to apartheid in South Africa. Faith communities began looking at how they could have an impact on companies that were doing business in South Africa. Prior to apartheid and the faith community becoming involved in shareholder activism, it was a tool that was primarily used to increase profits.

A core group of people from different denominations, including the United Church of Christ, formed the Interfaith Center on Corporate Responsibility (ICCR), which continues to strategize around corporate dialogues. Today, this work is carried on by the Pension Boards and United Church Funds (UCF) on behalf of investors and the wider church, as an important witness of those ministries. The coalition of investors pooling their shares, including 300 faith organizations, represent almost \$3 trillion in assets.

Corporate Social Responsibility had the most successful proxy season in history in 2021, as documented in the ICCR report, *Catalyzing Corporate Change* (www.iccr.org).

- PBUCC joined 335 institutional investors with \$9.5 trillion combined assets under management, to release the Investor Statement on Coronavirus Response – a plan for businesses to protect workers during COVID-19.
 - PBUCC is a signatory to the UN Principles for Responsible Investment and requires outside managers to also be signatories.
 - PBUCC becomes part of “Climate Action 100+ Net Zero Company Benchmark” to provide analysis on companies leading the transition to net zero emissions.
- PBUCC, UCF and other members of ICCR scored over 100 wins during the 2021 proxy season heralding new momentum behind shareholder efforts on key ESG (Environmental, Social, Governance) issues.
 - PBUCC joined other faith-based investors and activists to support a petition to protect migrant farmworkers in Immokalee, Florida.
 - With other faith- and values-based investors, PBUCC engages with the apparel industry on factories involved in forced labor.
 - PBUCC invests 6.6 million in Bank of America’s \$2 billion bond deal called “Equity Progress Sustainability Bond,” which fights income and social inequality.



- Social Bond investing in the International Bank for Reconstruction & Development funds projects that improve access to food, clean drinking water, and improved sanitation.
- Through Apple, Inc. “green” bond investing, PBUCC helps finance renewable energy projects.
- PBUCC helps finance future origination of loans and leases for gas-electric hybrid or alternative fuel for vehicles.
- PBUCC invests in private equity projects aimed at climate change, education, and health care.

Investments

PBUCC's Road to Sustainable Investment

With the Pension Boards-United Church of Christ (PBUCC) mission of Faith and Finance, the investments team has been engaged in responsible investing by doing good and doing well for its members.

As investors across the world recognize the materiality of social and climate change risks within their portfolios of investments, the Pension Boards has taken steps towards managing these Environmental, Social, and Governance (ESG) risks in our members'



portfolios by identifying, assessing, and reporting on these risks. The Investment Team integrates ESG criteria throughout their investment processes, applying a sustainable lens to their portfolio allocation decisions, investment strategies, and active ownership practices. This includes exclusionary screens, ESG integration by our managers, and impact investing.

We would like to highlight two managers that have done a particularly good job at aligning their investments with the Pension Boards' ESG mission and goals — Lombard Odier Investment Management's Climate Transition strategy and Neuberger Berman's Private Equity Impact Fund I:

Lombard Odier Investment Management Climate Transition Fund

In early 2021, the Pension Boards re-launched a Sustainable Balanced Fund (SBF) for accumulating members that excludes non-sustainable companies and industries, but also seeks to incorporate managers that proactively invest in companies that are leaders in sustainability-related efforts. One of the strategies included in the SBF portfolio is Lombard Odier Investment Management's Climate Transition strategy. The strategy consists of a global portfolio of 40-60 stocks that they believe will benefit from the transition to a carbon-constrained world. They focus on finding companies worldwide whose growth will benefit from regulations, innovations, services, or products related to the global fight against or adaptation to climate change. For example, they have recently added Nike to their portfolio. The company has set a goal for 2025 to use 100% renewable energy in owned and operated facilities. To keep their carbon footprint as small as possible, Nike is sourcing innovative low-impact materials and using recycled polyester in their products. As part of the investment process, the Lombard Odier team is directly engaging with their portfolio companies on achieving net-zero emissions by developing transition plans, and targets while limiting risks.

Neuberger Berman Private Equity Impact Fund I

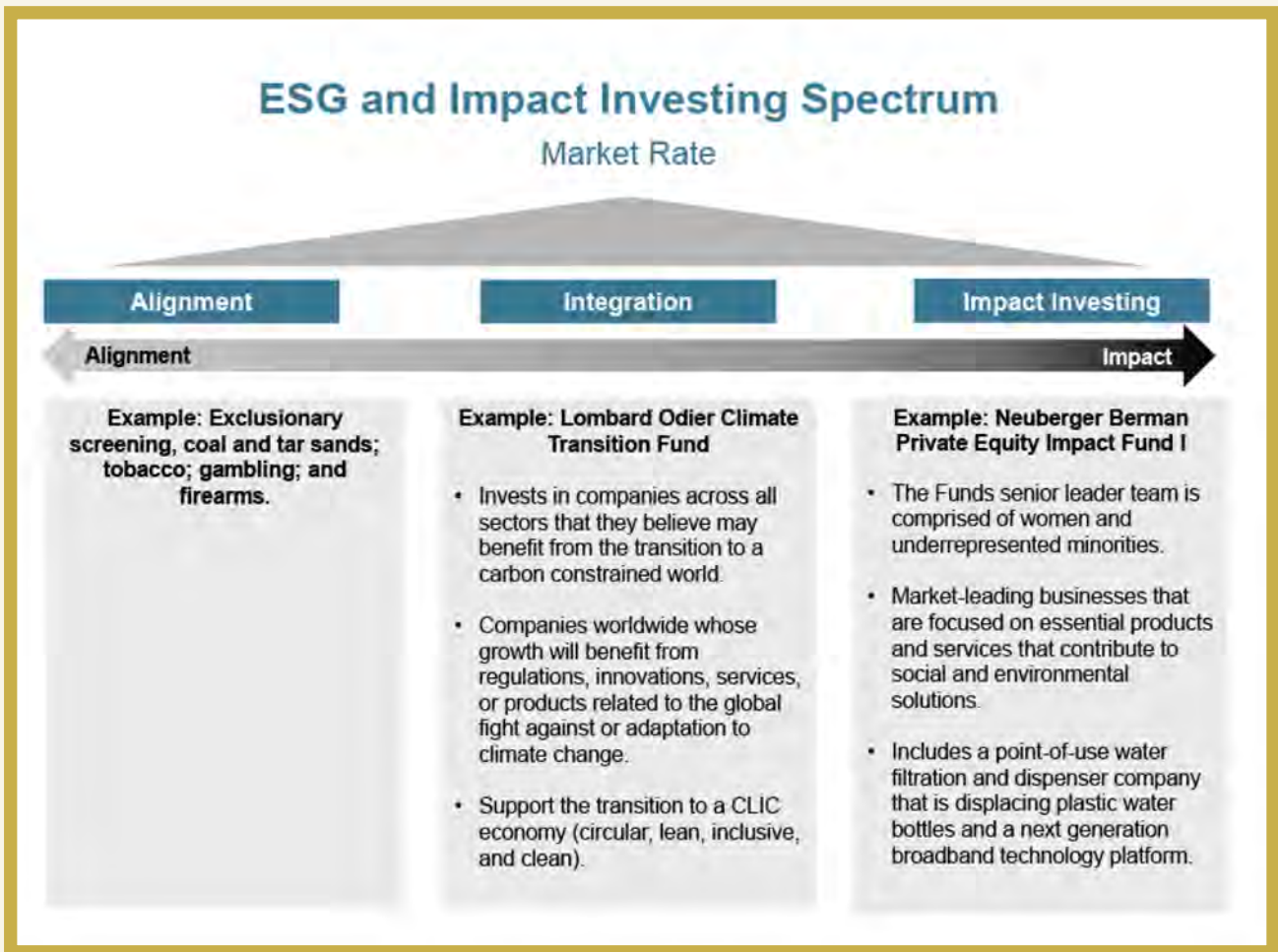
The Pension Boards currently offers two life-time retirement income options, the Basic Annuity and Participating Annuity. The Participating Annuity includes a 10-15% allocation to private markets. Three areas of focus in private markets include healthcare access, education and human capital, and resource/climate. A fund we would like to highlight is the Neuberger Berman Private Equity Impact Fund I. The investment strategy seeks to achieve positive social and

environmental outcomes that are aligned with the UN Sustainable Development Goals by investing in primary, secondary, and co-investment opportunities in the private markets. Examples include:

- a point-of-use water filtration and dispenser company that is displacing plastic water bottles;
- a next generation broadband technology platform; and
- an online tutoring solution that delivers both high-quality and affordable tutoring to K-12 students.

Neuberger Berman has done a good job so far at evaluating investments in the private equity area, with great impact investments that have been highly profitable.

This fund has enabled the Pension Boards to have access to private equity investment opportunities that provide significant positive climate and social impact. In addition, the fund’s senior leadership team is composed of women and other leaders from underrepresented groups in the financial system. This aligns with the Pensions Boards’ mission and values of diversity and inclusion at all levels of management.





2021—The U.S. Leads Markets While the Economy Remains Volatile

Global markets were mixed as U.S. equity markets had a very strong year followed by other developed equity markets while emerging markets equity ended the year negative. Fixed-income markets were also mixed during the year as rates fluctuated. High yield and bank loans ended the year positive, up mid-single digits while core fixed-income and emerging markets debt were negative. The year started with optimism with the rollout of vaccines and fiscal/monetary stimulus, while we ended the year with a highly contagious variant and tighter monetary policy.

Large U.S. companies (S&P 500) increased 28.71% in 2021. The Russell 2000® Index, which measures the performance of small-cap U.S. companies, increased 14.82% in 2021.

International equity markets were volatile due to varying coronavirus infection rates by country. The international developed markets, as represented by the MSCI EAFE index, returned +11.26% in 2021. Emerging markets (MSCI EM) were weak during most of the year, ending the year down 2.54%, mainly due to weakness in China.

Regarding the fixed income markets, bonds as represented by the Barclays Capital U.S. Government/Credit Index, were down 1.75% in 2021. As a sign of volatility, the yield on the 10-year U.S. Treasury note went from 0.92% at the beginning of the year, to a high of 1.74% in March and ended the year at 1.52%.

Where there is flexibility, such as in the Balanced Fund, the Pension Boards team leveraged its flexibility by adding to equities. Thus, asset allocation decisions were strong during the year. In addition, manager





contributions to performance in both equities, especially in growth areas, and fixed income were positive.

As for the Participating and Basic Annuities, despite strong financial markets, lower interest rates have resulted in a steady, but healthy funded status. Given that the Fund's funded status was healthy and stable, there was a 2% increase made for the Participating Annuity and no change to the Basic Annuity in 2022.

Market Outlook

This year is starting out rocky with the new highly contagious Omicron variant and expectations of inflation. Markets are likely to continue to be positive but with more volatility in 2022.

The valuation gap between the U.S. market and both international developed markets and emerging markets has widened. As a result, we expect to monitor our asset allocation and strategically continue to allocate to international

markets, as appropriate, over the long run.

With interest rates at an all-time low and likely to increase a few times this year, in the U.S. and abroad, the opportunity for significant returns for fixed income investors is low. We believe our focus on diversification, quality, and duration (interest rate sensitivity) will be the best discipline to weather and prosper in volatile markets.

We remain focused on employing our Faith and Finance lens to responsible investing and insisting on a focus on environmental, social, and governance factors in the investments our managers make. In early 2021, we re-launched our newly named Sustainable Balanced Fund, which showcases high performing managers with expertise in companies that will lead in addressing climate change and sustainability.

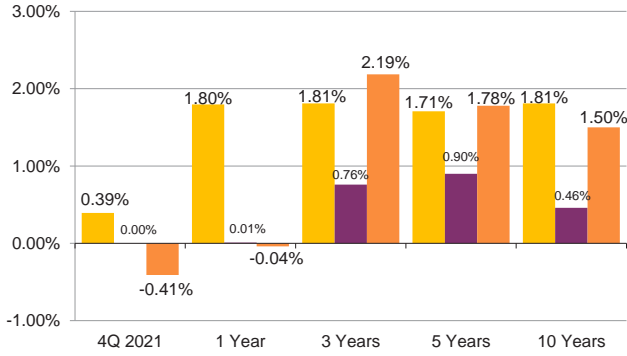
Above all, we will continue to be good stewards of investments on your behalf in this increasingly complex world.



Investments

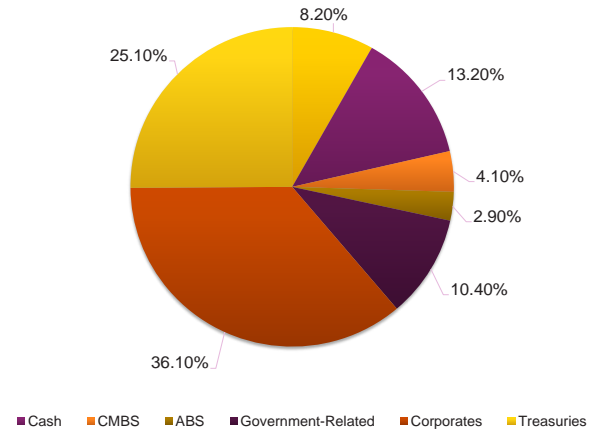
Accumulation Fund Performance

**Stable Value Fund Performance as of 12/31/21
(net of all fees)**

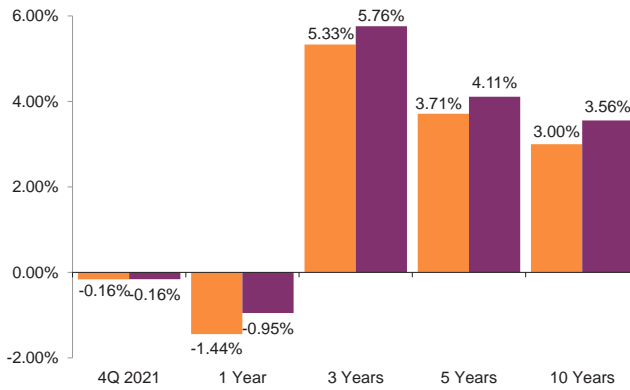


- Stable Value Fund
- Lipper Money Market Fund Index
- Lipper IM U.S. Cash/Short Duration Fixed Income Peer Group

Stable Value Asset Allocation

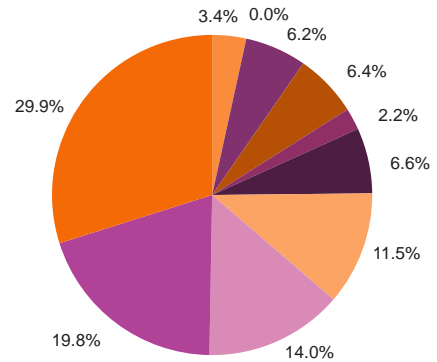


**Bond Fund Performance as of 12/31/21
(net of all fees)**



- Bond Fund
- Lipper IM U.S. Broad Market Core Plus Fixed Income Peer Group

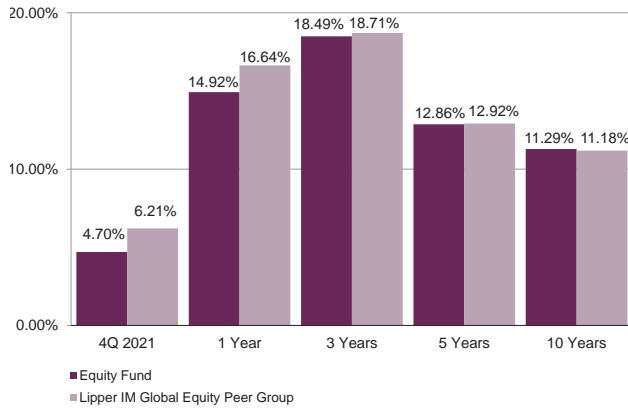
Bond Fund Asset Allocation



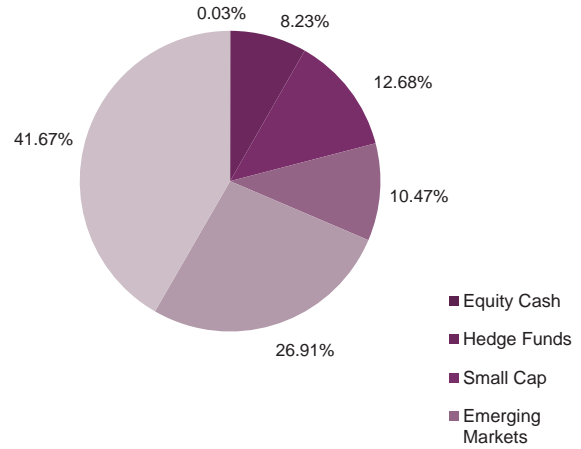
- Cash
- ABS
- High Yield Corporates
- MBS
- CMBS
- Emerging Markets Debt
- Bank Loans
- Government Related
- Treasuries
- Investment Grade Corporates



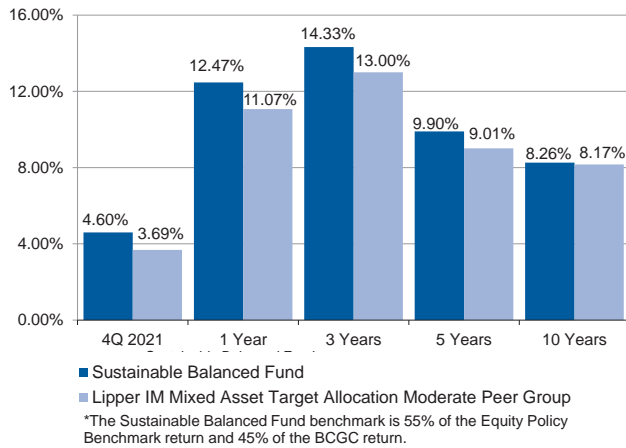
Equity Fund Performance as of 12/31/21 (net of all fees)



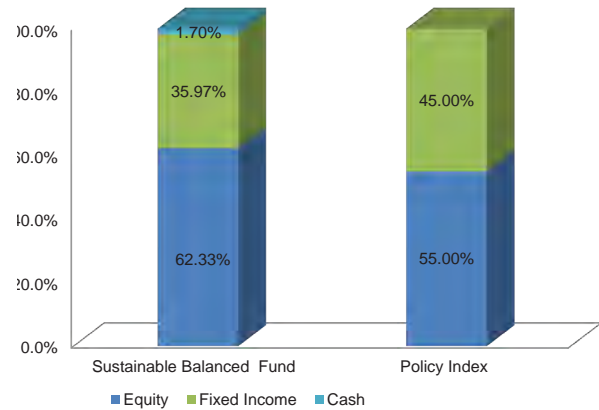
Equity Fund Asset Allocation



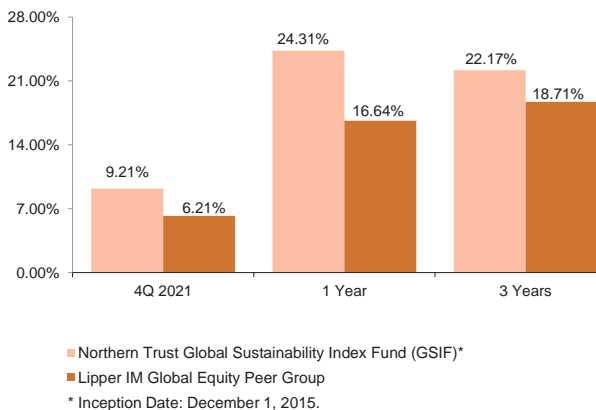
Sustainable Balanced Fund Performance as of 12/31/21 (net of all fees)



Sustainable Balanced Fund Asset Allocation



Northern Trust Global Sustainability Index Fund Performance as of 12/31/21 (net of all fees)



TAD Funds Performance as of 12/31/21

	1 Year	3 Years	5 Years	10 Years
TAD 2025	4.98%	9.30%	7.10%	6.96%
TAD 2030	7.05%	12.15%	8.72%	8.03%
TAD 2035	8.41%	13.37%	9.55%	n/a
TAD 2040	9.93%	14.26%	10.17%	n/a
TAD 2045	9.08%	n/a	n/a	n/a
TAD 2050	10.20%	n/a	n/a	n/a



Generations Investment Services, Inc.

Committed to Diversity, Equity, and Inclusion

Generations Investment Services (GENIS) is a controlled affiliate of the Pension Boards corporation which provides investment management services for the Pension Boards' endowment funds, health plan investments and the United Church Board for Ministerial Assistance, Inc. (UCBMA) endowments.

GENIS offers the Pension Boards and UCBMA a unique opportunity to strategically sustain their investments for future generations, mission, and ministry. GENIS is committed to diversity, equity, and inclusion when selecting portfolio managers. We believe that “belonging” (holding portfolio managers responsible for

advancing diversity, equity, and inclusion in their organizations) and “accessibility” (providing equity opportunities for all members of their teams) are very important in the portfolio manager selection process.

“Generations Investment Services aligns the values of the church along with bringing social justice and change investment practices to the endowment assets held by the Pension Boards and UCBMA,” said Chief Financial and Operations Officer John E. Linzey.

GENIS uses best-in-class investment managers to skillfully manage our endowment assets, while providing strategic asset allocation and diversification considerations that allow for fee savings well below commercial financial services firms. GENIS offers four investment options: Equity Fund, Bond Fund, Global Sustainability Fund, and a Money Market Fund.

These investment options enable the Pension Boards and UCBMA endowments to achieve the objectives of long-term sustainable growth, positive social justice change, and environmental improvement. GENIS is privileged to offer these services and benefits to the Pension Boards and UCBMA.

Generations Financial Resources, Inc.

Improving Financial Wellness for Participants in the Ministers' Financial Vitality Initiative

Generations Financial Resources (GFR) is a specialty lending corporation and a controlled affiliate of the Pension Boards that utilizes a unique approach to address the crushing burden of clergy indebtedness. GFR combines the benefits of financial education through the Ministers' Financial Vitality Initiative (MFVI) program, with the centerpiece of low interest





rate refinancing that will substantially reduce the rates that UCC clergy are paying on their educational and other unsecured debts.

Education

We leverage the educational component of the MFVI program to provide personal finance education to empower ministers in managing their financial affairs.

Loan Refinance

Upon successful completion of the educational component of MFVI, participants become eligible for loan refinancing with the objective of substantially reducing their current interest rates to reduce the monthly servicing burden. GFR's loan refinance strategy is its most unique aspect. Low-interest rates provide direct and lasting reduction of the monthly debt servicing burden. This, coupled with additional relief through the provision of grants, will make a significant impact in reducing clergy debt.

GFR differs from mainstream lending corporations in the following ways:

- **Pay it Forward:** As participants pay back their low interest loans, the principal repaid

is made available for lending to future borrowers.

- **Values:** As a non-profit organization supported by the resources of the Pension Boards, GFR operates at the intersection of faith and finance by focusing on helping participants achieve greater financial security.
- **Understanding:** GFR's lending team engages with prospective participants to understand their unique financial needs. Each participant develops a tailored debt management plan before moving forward with loan application.

To be eligible to apply for a GFR loan, prospective participants must meet the following criteria:

- Ordained UCC minister
- Currently employed with a UCC church, Conference, Association, or other related entity
- Must not have any overdue payments on current loans. (Participants with overdue payments on current loans may inquire for information purposes only.)
- Must complete at least one year of MFVI (i.e., personal finance material and establishing a relationship with an Ernst & Young (EY) planner, at no cost.)

Participants have expressed great appreciation and witnessed immediate improvements in their financial flexibility. GFR combines an understanding of a borrower's unique situation with best-in-class technology and efficient operations to deliver quality user experience that is secure, conscientious, and cost-effective. GFR has achieved significant goals and is poised to develop into a true fintech resource for UCC clergy.



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An Affiliated Ministry of the United Church of Christ Incorporated under the laws of New Jersey, 1914

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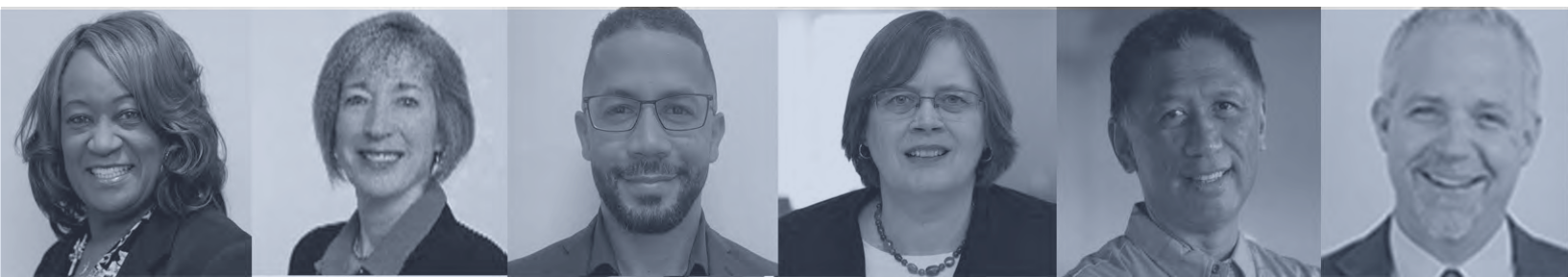
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