

WHERE FAITH AND FINANCE INTERSECT



2016

FINANCIAL STATEMENTS

COMBINED FINANCIAL STATEMENTS
FOR YEARS ENDED: DECEMBER 31, 2016 AND 2015

REPORT OF MANAGEMENT
REPORT OF INDEPENDENT AUDITORS



The Pension Boards
United Church of Christ, Inc.

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.

The Pension Boards achieves these results through:

- Thought leadership regarding faith-based, socially responsible investing,
- Professional investment expertise that enhances returns,
- A comprehensive mix of products and services that meet diverse needs,
- Innovative application of technology,
- Outreach to all settings of the UCC and the greater Church, and
- Fees and expenses that are at or below industry average.

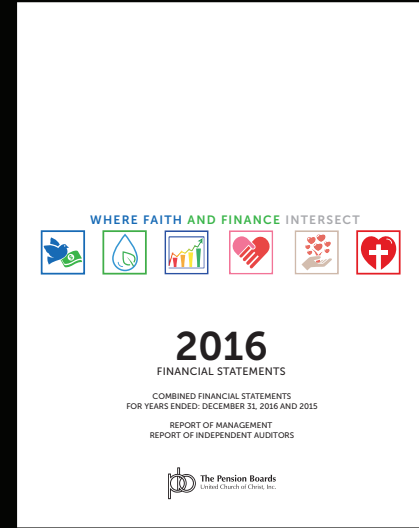


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The Pension Boards

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Report of Management

Responsibility for the integrity and objectivity of the financial information presented in this Annual Report resides with the management of The Pension Boards-United Church of Christ, Inc. (the "Pension Boards"). The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, applying certain estimates and judgments as required.

The 15-member Board of Trustees, all of whom are independent of the Pension Boards' internal management, oversees the financial statements through its Audit Committee. The Audit Committee is responsible for the appointment of independent public accountants and for approving their compensation.

The Pension Boards' financial statements have been audited by RSM US LLP, independent auditors, whose report appears on Page 3. The independent auditors, engaged to express an opinion on the financial statements, meet periodically with, and have been given free access to, the Audit Committee, without management present, to discuss internal controls, auditing, and financial reporting matters.

The Pension Boards' system of internal control plays an important role in meeting its responsibilities for reliable financial statements. It is designed to provide reasonable assurance that assets are safeguarded and that transactions are recorded properly and executed in accordance with management's authorization. The control environment is enhanced by the selection and training of competent personnel; the retention of an independent, internal auditor; maintaining and reinforcing the highest standards of conduct by employees in carrying out the Pension Boards' affairs; organizational arrangements that provide for segregation of duties and delegation of authority; and, the communication of accounting and operating policies and procedures to employees.

In the event of unforeseen irregularities or errors, management believes the Pension Boards' internal accounting control system provides reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected on a timely basis and corrected in the normal course of business.

Brian R. Bodager
President/Chief Executive Officer

Maxine Seifert, CPA
Vice President, Chief Financial Officer,
Treasurer, and Chief Risk Officer

March 29, 2017





Independent Auditor's Report

RSM US LLP

To the Board of Trustees
The Pension Boards – United Church of Christ, Inc.

Report on the Financial Statements

We have audited the accompanying combined financial statements of The Pension Boards – United Church of Christ, Inc. (the "Pension Boards") which comprise the combined statements of financial position as of December 31, 2016 and 2015, the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined 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 financial position of The Pension Boards – United Church of Christ, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

New York, New York
March 29, 2017

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THE PENSION BOARDS—UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
(Dollars in Thousands)

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
ASSETS		
Cash	\$ 4,287	\$ 4,671
Investments	3,272,065	3,111,423
Accrued investment income receivable	9,248	10,059
Due from brokers for securities sales	321	4,017
Other assets	7,352	5,693
Total assets	<u>3,293,273</u>	<u>3,135,863</u>
LIABILITIES		
Cash overdraft	-	5
Due to brokers for securities purchases	114,181	4,149
Health benefits payable	4,231	3,820
Deferred income	2,606	2,569
Other liabilities	7,337	7,201
Total liabilities	<u>128,355</u>	<u>17,744</u>
NET ASSETS	<u>\$ 3,164,918</u>	<u>\$ 3,118,119</u>
NET ASSETS BY FUND		
ANNUITY PLAN NET ASSETS		
Annuitant fund	\$ 1,764,567	\$ 1,701,342
Accumulation fund	<u>1,166,354</u>	<u>1,182,935</u>
Total annuity plan net assets	<u>2,930,921</u>	<u>2,884,277</u>
UNRESTRICTED NET ASSETS		
Benefit services fund	115,081	116,910
Ministerial assistance fund	61,129	59,234
Operating fund	7,932	6,680
Total unrestricted net assets	<u>184,142</u>	<u>182,824</u>
TEMPORARILY RESTRICTED NET ASSETS		
Ministerial assistance fund	2,465	2,824
Operating fund	890	806
Total temporarily restricted net assets	<u>3,355</u>	<u>3,630</u>
PERMANENTLY RESTRICTED NET ASSETS		
Ministerial assistance fund endowments	4,888	4,885
Operating fund endowments	41,612	42,503
Total permanently restricted net assets	<u>46,500</u>	<u>47,388</u>
TOTAL NET ASSETS	<u>\$ 3,164,918</u>	<u>\$ 3,118,119</u>

See notes to Combined Financial Statements.



THE PENSION BOARDS—UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF ACTIVITIES
(Dollars in Thousands)

	<u>Year Ended</u> <u>December 31, 2016</u>	<u>Year Ended</u> <u>December 31, 2015</u>
ADDITIONS		
Realized and unrealized gains (losses)	\$ 116,344	\$ (134,210)
Investment income	76,982	79,762
Health services premiums	51,749	54,256
Employer pension contributions	30,862	34,052
Member pension contributions	8,217	6,857
Christmas Fund appeal	1,562	1,528
Lilly Endowment Grant Receipt	1,000	-
Our Church's Wider Mission	323	350
Donations and legacies	171	442
Other	(13)	1
Total additions	<u>287,197</u>	<u>43,038</u>
DEDUCTIONS		
Pension payments to annuitants	134,105	133,014
Partial withdrawals and lump-sum payments	17,410	18,374
Health services claims	54,023	53,821
Health services costs	5,939	6,276
Retirement benefits administration and investment costs	24,204	24,001
Ministerial assistance grants	2,902	2,848
Ministerial assistance programs and administration costs	1,815	1,832
Total deductions	<u>240,398</u>	<u>240,166</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 46,799</u>	<u>\$ (197,128)</u>
COMPOSITION OF CHANGE IN NET ASSETS		
Increase (Decrease) in annuity plan net assets	46,644	(179,521)
Increase (Decrease) in unrestricted net assets	1,318	(14,132)
(Decrease) in temporarily restricted net assets	(275)	(946)
(Decrease) in permanently restricted net assets	(888)	(2,529)
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 46,799</u>	<u>\$ (197,128)</u>

See notes to Combined Financial Statements.



**THE PENSION BOARDS—UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2016 and 2015

(Dollars in Thousands)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members and employers for health services premiums	\$ 51,351	\$ 55,319
Cash received from members and employers for pension plan	38,607	40,725
Cash received from Our Church's Wider Mission	329	290
Cash received from Christmas Fund appeal	1,559	1,528
Cash received from contributors	171	442
Cash received from income on investments	68,710	70,844
Cash received from the Lilly Endowment Grant	1,000	-
Miscellaneous (payments) receipts	(13)	13
Payments made to annuitants, members, and beneficiaries from the pension plan	(151,515)	(151,388)
Payments made to participants, and providers for health services claims and costs	(53,610)	(53,729)
Cash paid to employees, suppliers and providers of services	(27,978)	(25,858)
Grants disbursed	(2,901)	(2,848)
Net cash used in operating activities	<u>(74,290)</u>	<u>(64,662)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	2,121,259	1,594,361
Purchase of investments	(2,046,667)	(1,528,594)
Purchase of equipment	(681)	(172)
Net cash provided by investing activities	<u>73,911</u>	<u>65,595</u>
NET (DECREASE) INCREASE IN CASH	(379)	933
NET CASH, BEGINNING OF YEAR	4,666	3,733
NET CASH, END OF YEAR	<u>\$ 4,287</u>	<u>\$ 4,666</u>
COMPOSITION OF NET CASH, END OF YEAR		
Cash	\$ 4,287	\$ 4,671
Cash overdraft	-	(5)
NET CASH, END OF YEAR	<u>\$ 4,287</u>	<u>\$ 4,666</u>

Continued

See notes to Combined Financial Statements.



THE PENSION BOARDS—UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2016 and 2015

(Dollars in Thousands)

(Continued)

	2016	2015
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	\$ 46,799	\$ (197,128)
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	689	706
Realized and unrealized (gains) losses	(116,344)	134,210
Accretion of discount on investments	(6,650)	(7,496)
Decrease in accrued investment income receivable	811	1,185
(Increase) Decrease in net receivable from affiliated entities, other funds and prepaid expenses	(179)	60
Increase in health benefits payable	411	91
Increase in deferred income	37	1,854
Increase in other liabilities	136	1,856
Net cash used in operating activities	<u>\$ (74,290)</u>	<u>\$ (64,662)</u>

See notes to Combined Financial Statements.



THE PENSION BOARDS—UNITED CHURCH OF CHRIST, INC. NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended December 31, 2016 and 2015

1. ORGANIZATION

The Pension Boards-United Church of Christ, Inc. (the "Pension Boards"), an Affiliated Ministry of the United Church of Christ ("UCC"), provides retirement, disability, life insurance, medical, dental, and vision benefits for clergy and lay employees of the UCC, its predecessor religious denominations and UCC-related organizations, through the administration of retirement and other benefit plans. As an Affiliated Ministry of the UCC, the Pension Boards is able to serve all other ministries of the UCC. The Pension Boards also acts as the investment-holding corporation and manages investments in commingled pools of common investment types.

United Church Board for Ministerial Assistance, Inc. ("Ministerial Assistance") holds, manages, and distributes funds for the assistance and relief of ministers of the UCC, Congregational Christian ministers who have not elected to become ministers of the UCC, and the families of any such ministers. Ministerial Assistance maintains The Christmas Fund for the Veterans of the Cross and the Emergency Fund to receive contributions from an annual church-wide appeal. These contributions help provide pension and health premium supplementation to lower-income retired church workers, emergency assistance to clergy families in need, and Christmas checks to lower-income annuitants.

The Pension Boards is the plan sponsor of the **Annuity Plan for the UCC, as amended**, (the "Annuity Plan"), which is a defined contribution plan and is a tax-exempt retirement income account program described in section 403(b)(9) of the Internal Revenue Code of 1986, as amended ("Code"). The Annuity Plan is a Church Plan within the meaning of Code section 414(e) and is not subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Pension Boards is the Trustee of the Annuity Fund Trust, which was established to hold in trust money and other property of the Annuity Plan on behalf of and for the benefit of members and beneficiaries of the Annuity Plan.

Annuity Plan - Accumulation Fund

The Pension Boards maintains a separate account or accounts for each member. Member and employer contributions are credited to members' accounts and are invested according to instructions received from members. Contributions may be allocated by members, in five percent increments, among any or all of the following investment funds: the Pension Boards Stable Value Fund, the Pension Boards Bond Fund, the Pension Boards Equity Fund, the Pension Boards Balanced Fund, the Pension Boards Target Annuitization Date Funds, and the Northern Trust Global Sustainability Index Fund. Investment results are credited or charged to members' accounts in accordance with provisions of the Annuity Plan. With prior written notice, members may change their allocation of current account balances and future contributions effective the first day of the following month. The accounts of active and inactive members who are not yet retired are included in the Accumulation Fund in addition to retirement savings account contributions made by or on behalf of annuitants and lump sum transfer by members at the time of annuitization.

Annuity Plan - Annuitant Fund

Reserves for Annuitants, which contain funds designated to provide for annuity payments to annuitant members, are included in the Annuitant Fund. Upon retirement, all or a portion of the value of a member's individual accumulation account in the Annuity Plan is transferred to Reserves for Annuitants and is used to fund actuarially-determined monthly benefit payments of a variable amount. Members may choose among various annuity options, all of which provide a lifetime income for members and all but one of which makes provision for beneficiaries named by the members. Monthly retirement income is determined based upon the age of the member (and that of a Joint Annuitant, if applicable), the amount of assets in a member's accumulation account, and the form in which the benefit will be paid (for example, Single Life Annuity, or Joint and Survivor Annuity), using an assumed investment rate of return of 4% per year. Retirees may elect to receive either a Basic or Participating Annuity. The Basic Annuity has supporting investments in fixed-income securities. The Participating Annuity has supporting investments comprised of fixed-income, equity securities and real assets with a target allocation of 55% to equities, 35% to fixed-income securities and 10% to real assets.

The Pension Boards is also a plan sponsor of church welfare benefits plans, including plans providing employer group medical, long-term and short-term disability, death benefits and dental benefits, ("Welfare Plans"). On April 1, 2015, the Pension Boards established the Welfare Plans Trust to hold title to certain assets of the Welfare Plans for the sole and exclusive benefit of the participants of the Welfare Plans.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Combination

The accompanying combined, accrual basis, comparative financial statements include the assets, liabilities, activities, and cash flows of the Pension Boards, Ministerial Assistance, and the Annuity Plan in conformity with accounting principles generally accepted in the United States of America. All inter-corporate balances have been eliminated in the combination. Included within the Pension Boards is a consolidated entity, 475 Fund, Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands. The Pension Boards owns 100% of the voting shares of 475 Fund, Ltd., which was established to hold investments in hedge funds, managed on a discretionary basis, by an external investment manager. Please see Note 4 for additional information.

In addition to the Accumulation and Annuitant Funds described in Note 1, the financial statements include Benefit Services, Ministerial Assistance, and Operating Funds. The Benefit Services Fund includes net assets and activities relating to Welfare Plans, as described in Note 1. Self-insured short-term disability, medical, dental, and vision plans are administered by third-party administrators. The Pension Boards also offers members a life insurance and long-term disability income benefit plan, which is underwritten by an independent commercial insurance carrier. The Operating Fund includes net assets and activities relating to the administrative functions of the Pension Boards.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses and realized and unrealized gains and losses during the reporting period. The fair values of investments represent the most significant estimates and assumptions. Actual results could differ from those estimates and assumptions.

Investments

Investments under management are commingled and held by the Pension Boards' custodial bank pursuant to a Master Custody Agreement. The Investment Committee of the Board of Trustees is responsible for supervising the Pension Boards' investment program.

The Statement of Investment Policy of the Pension Boards establishes guidelines relating to permissible investments and to diversification, liquidity, duration, concentration, and quality of investments. This policy permits the purchase and sale of S&P 500 Index futures contracts by an external investment manager to equitize cash in the management of the S&P 500 Index strategy. The policy also permits the Chief Investment Officer ("CIO") to use certain exchange-traded futures to shift between asset classes and managers within the Pension Boards Equity Fund and to rebalance the Pension Boards Balanced Fund between asset classes subject to certain restrictions. Pension Boards staff continues to monitor adherence to the policy and guidelines by investment managers.

Investments are reported at fair value in accordance with Financial Accounting Standards Board ("FASB"), Accounting Standards Codification ("ASC") Topic No. 820, Fair Value Measurement. Securities traded in active markets on national and international securities exchanges are valued at closing prices on the last business day of each year presented. Securities traded in markets that are not considered active are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Note 5 provides additional information concerning fair value measurement including valuations of non-marketable securities.

Investment transactions are accounted for on the date the securities are purchased or sold, which is the trade date. A corresponding payable to or receivable from the transaction counterparty is recorded until cash and securities are exchanged on the settlement date. Dividend income is recorded on the ex-dividend date. Interest income is accrued as earned. Realized gain or loss represents the difference between the proceeds received on a sale of a security and its historical cost. Unrealized appreciation or depreciation is the difference between the fair value of a security and its historical cost.

Investments denominated in non-U.S. dollar currencies are translated at the exchange rates in effect at each financial statement date. Gains and losses from the sale of such investments are translated at the exchange rates in effect at the transaction date.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, liquidity, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the Combined Statements of Net Assets.

Cash Overdraft

The Pension Boards maintains a zero balance checking account. As checks are written, they are recorded as disbursements in the financial statements. Checks are funded as presented to the bank for payment.



Revenue Recognition

Employer and member retirement contributions and benefit services premiums are recorded when received. Benefit Services premiums that are received prior to the insured period are shown as deferred income on the accompanying Combined Statements of Net Assets.

Donations are recognized as revenue in the year in which the unconditional promise to give is received.

Income Taxes

The Pension Boards, a New Jersey nonprofit corporation, and Ministerial Assistance, a Connecticut non-stock (nonprofit) corporation, are private organizations exempt from federal income tax under Section 501(c)(3) of the Code. The Annuity Plan is exempt from federal income tax as a retirement income account plan under Section 403(b)(9) of the Code. The Welfare Plans Trust is exempt from tax pursuant to Section 501(a) of the Code. While exempt from federal income tax, the Pension Boards, Ministerial Assistance, the Annuity Plan and the Welfare Plans Trust are subject to tax on income unrelated to their exempt purposes.

To the extent certain investments in limited partnerships generate income, the Pension Boards is required to pay federal and state income taxes. Federal and state income taxes incurred during the years ended December 31, 2016 and 2015 were not material. The Pension Boards filed Internal Revenue Service Form 990-T tax returns. For the years ended December 31, 2016 and 2015, there were no interest or penalties recorded or included in the financial statements. As of December 31, 2016, the years still subject to federal and state income tax examination are 2010 through 2016.

Included within the Pension Boards is a consolidated entity, 475 Fund, Ltd., a Cayman Islands exempted company, which is treated as a corporation for U.S. federal income tax purposes; there is no direct taxation in the Cayman Islands. The 475 Fund, Ltd. intends to conduct its business in a manner so as to meet the requirements of a safe harbor provision under the Code whereby the 475 Fund, Ltd. should not be subject to U.S. federal income tax. The Pension Boards is the sole shareholder of the 475 Fund, Ltd. which, for U.S. tax purposes, is a controlled foreign corporation. It is not anticipated that unrelated business taxable income will be generated by the 475 Fund, Ltd.

ASC Topic No. 740, *Income Taxes*, requires management to evaluate tax positions taken by the Pension Boards and to recognize a tax liability (or asset) if the Pension Boards has taken an uncertain position that more likely than not would not be sustained upon examination by the authorities. The definition of "tax position" includes an entity's status as a tax-exempt nonprofit entity. Management believes there are no material uncertain positions that require recognition in the accompanying financial statements.

Subsequent Events

The Pension Boards has evaluated events and transactions occurring through March 29, 2017 which is the date the financial statements were available to be issued, for disclosure and recognition in the financial statements.

3. NET ASSETS

Net Assets are classified as Annuity Plan, unrestricted, temporarily restricted, and permanently restricted. Accordingly, net assets and changes therein are classified and reported as follows:

Annuity Plan

Comprised of net assets of the Annuitant Fund and the Accumulation Fund. Please see Note 1 for additional information.

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations or for which the donor-imposed restrictions have expired. At December 31, 2016, unrestricted net assets of Ministerial Assistance included Board-designated funds functioning as endowments of \$45.8 million and Board-designated funds for the Next Generation Leadership Initiative of \$6.7 million and for the Fund for supplementing small annuities of \$8.5 million. At December 31, 2016, unrestricted net assets of the Benefit Services Fund included \$49.8 million held in the Welfare Plans Trust.

Temporarily Restricted Net Assets

Net assets that are subject to donor-imposed restrictions either for use during a specified time period or for a particular purpose. When a donor-imposed restriction is fulfilled or when a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently Restricted Net Assets

Net assets that are subject to permanent, donor-imposed restrictions.



4. INVESTMENTS

At December 31, 2016 and 2015 investments were as follows:
(Dollars in Thousands)

	<u>2016</u>	<u>2015</u>
STABLE VALUE FUND INVESTMENTS		
Institutional Money Market Fund shares	\$ 29,072	\$ 21,336
<i>Fixed maturity synthetic guaranteed investment contracts:</i>		
Mortgage-backed and Asset-backed securities	34,697	31,366
Corporate Bonds	-	822
U.S. Government Notes	4,629	4,629
<i>Constant duration synthetic guaranteed investment contracts:</i>		
Corporate Bonds	60,470	75,290
U.S. Government Notes	65,387	58,633
Asset-backed and Mortgage-backed securities	11,511	1,777
TOTAL STABLE VALUE FUND INVESTMENTS	<u>205,766</u>	<u>193,853</u>
SHORT-TERM INVESTMENTS		
Institutional Money Market Fund shares	<u>157,528</u>	<u>78,295</u>
TOTAL SHORT-TERM INVESTMENTS	<u>157,528</u>	<u>78,295</u>
FIXED-INCOME INVESTMENTS		
Corporate Bonds	551,324	547,867
U.S. Government Notes & Bonds	436,624	399,693
Asset-backed and Mortgage-backed securities	49,838	24,716
Emerging Markets Debt Funds	71,308	76,617
Floating Rate High-Income Fund	109,568	99,509
High-Income Bond Funds	77,329	70,854
TOTAL FIXED-INCOME INVESTMENTS	<u>1,295,991</u>	<u>1,219,256</u>
EQUITY INVESTMENTS		
<i>Common Stock:</i>		
U.S. Large-Cap Equity	566,637	634,648
U.S. Mid-Cap Equity	115,497	130,684
Non-U.S. Developed Markets	196,911	254,840
U.S. Small-Cap Equity	110,382	144,851
<i>Emerging Markets Discounted Assets:</i>		
	69,301	31,685
<i>Equity funds:</i>		
Emerging Markets	143,376	90,935
Non-U.S. Developed Markets	100,611	91,543
U.S. Small-Cap Equity	42,665	14,764
Northern Trust Global Sustainability Index Fund	9,778	4,013
TOTAL EQUITY INVESTMENTS	<u>1,355,158</u>	<u>1,397,963</u>
OTHER INVESTMENTS		
Participation in United Church Funds, Inc.	40,729	41,619
Hedge Funds	125,280	128,644
Real Assets	91,613	51,793
TOTAL OTHER INVESTMENTS	<u>257,622</u>	<u>222,056</u>
TOTAL INVESTMENTS	<u>\$ 3,272,065</u>	<u>\$ 3,111,423</u>



Stable Value Fund Investments

At December 31, 2016 and 2015, the portfolio included institutional money market fund shares and fixed maturity and constant duration synthetic guaranteed investment contracts. The Pension Boards has contracted for fully-benefit-responsive wrap agreements that permit members to make routine withdrawals and transfers as permitted by the Annuity Plan, at a stable unit value of \$1.00. Stable value investments are reported at contract value, which approximates fair value. Fixed maturity synthetic guaranteed investment contracts ("GICs") include an underlying fixed-income security portfolio of mortgage-backed and asset-backed securities, U.S. government notes and a book value, fully-benefit-responsive wrap issued by one insurance company, rated "AA+" by S&P. Constant duration synthetic GICs are investments which include an underlying fixed-income security portfolio of corporate bonds, U.S. government notes, mortgage-backed and asset backed securities and book value, fully-benefit-responsive wraps. They were issued by a non-U.S. investment bank and a U.S. retirement insurance and annuity company, each rated "AA-" by S&P. For 2016 and 2015, the average yield and annualized crediting interest rates of the portfolio were 1.91% and 2.00%, respectively. Crediting rates are set monthly and are not less than zero.

Short-Term Investments

Short-Term Investments consist of institutional money market fund shares.

Fixed-Income Investments

Fixed-Income Investments include corporate bonds; U.S. government notes and bonds; U.S. government agency and commercial mortgage-backed securities; asset-backed securities; two emerging market debt funds; a floating rate high-income fund; and two high-income bond funds.

The emerging market debt funds invest primarily in local currency and U.S. dollar-denominated emerging market fixed-income securities and derivative instruments that are economically tied to an emerging market country. Performance of the emerging market debt funds is linked to those countries' currencies, markets, economies, or ability to repay loans. Investing in emerging markets has special risks such as currency market volatility, and political and social instability.

The high-income bond funds invest in a diversified portfolio of U.S. dollar-denominated high-yield bonds with an emphasis on debt securities below investment grade. High-yield bonds are debt securities that are rated below investment grade (rated below BBB by S&P). Investing in high-income bond funds is subject to credit risk, market volatility, interest rate risk, and prepayment risk.

The floating rate high-income fund invests primarily in adjustable rate bank loans and high-yield corporate debt securities. Investing in floating rate high-income funds has special risks such as credit risk, prepayment risk, and extension risk.

Equity Investments

Common Stock includes domestic and international issues diversified among 10 investment managers at December 31, 2016 with various investment styles. At December 31, 2016 and 2015, common stock included approximately 23.9% and 20.7% respectively, in non-U.S. securities. Investments in non-U.S. securities add certain risks related to the currency of the foreign markets in which the securities are issued. Those investments with currency risk are spread over 19 and 23 different foreign countries at December 31, 2016 and 2015, respectively, with 14 different currency denominations at December 31, 2016 and 2015, respectively. At December 31, 2016 and 2015, non-U.S. investments include securities purchased in the currencies of non-U.S. developed nations (98.0% and 98.2%, respectively) and in U.S. dollars (2.0% and 1.8%, respectively).

The Emerging Markets Discounted Assets investment seeks long-term capital appreciation by investing in companies trading at a discount to their estimated net asset value. These companies include closed-end funds, investment trusts, holding companies, and special situations, which also own attractively priced underlying holdings, investments, or businesses. At December 31, 2016, this portfolio included 62 securities representing 20 countries.

Equity funds include emerging markets, non-U.S. developed markets, U.S. Small-Cap equity funds, and the Northern Trust Global Sustainability Index Fund. Equity funds are recorded at the reported net asset value on the day of valuation.

Emerging markets funds purchase a broad and diverse group of securities associated with emerging markets, including frontier markets (emerging market countries in an earlier stage of development). Investments in emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. Additional restrictions may be imposed under other conditions. Frontier market countries generally have smaller economies or less developed capital markets and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries.

The non-U.S. developed market fund invests primarily in a diversified portfolio of non-U.S. equity securities. At December 31, 2016, this portfolio included 72 stocks representing 25 countries. Equities in non-U.S. developed markets accounted for 75.0% of the portfolio, with emerging markets accounting for 25.0%.



The U.S. Small-Cap equity fund invests in a broad and diverse group of readily marketable common stocks of U.S. small-cap companies. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

The Northern Trust Global Sustainability Index Fund is a registered mutual fund with enhanced environmental, social, and governance (ESG) criteria, based on the MSCI World ESG Index, which measures not only the traditional investment performance of publicly-traded companies, but also the quality of their performance in ESG factors and sustainability.

Other Investments

Other Investments include participation in the UCF Alternatives Balanced Fund of United Church Funds, Inc. ("UCF"), an Associated Ministry of the UCC, and investments in hedge funds and private equity.

Participation in United Church Funds, Inc.

The Pension Boards is the income beneficiary of the Pilgrim Memorial Fund ("PMF"), a perpetual endowment fund held by UCF. Under the terms of the endowment, income calculated at five percent (5%) of the five-year moving average of PMF as of the previous September 30 is distributed quarterly by UCF to the Pension Boards. The interest in the PMF endowment fund is included in Investments in the Combined Statements of Financial Position and is valued based on the fair market value of the investments held in the UCF Beyond Fossil Fuels Balanced Fund, Alternatives Fund, and the Moderate Balanced Fund at December 31, 2016 and in the UCF Alternatives Balanced and Moderate Balanced Funds at December 31, 2015. The Combined Statements of Activities includes income transferred from PMF of \$2.1 million in 2016 and in 2015 respectively, classified as Investment Income and the change in the Pension Boards' interest in the PMF endowment fund of (\$891 thousand) in 2016 and (\$2.5 million) value in 2015 were classified as realized and unrealized (losses), respectively.

Hedge Funds

Hedge Funds are interests in limited partnerships and investment companies which use a variety of investment strategies and whose portfolios may comprise U.S. and non-U.S. publicly and non-publicly traded equity and debt securities, options, derivatives (futures), and commodities. The 475 Fund, Ltd. was established to hold investments, managed on a discretionary basis, by an external investment manager. The Pension Boards' agreement with the external investment manager remained in effect through December 31, 2016 and extends automatically for additional one-year terms thereafter. As of December 31, 2016, 86.4% of the Fund's assets may be liquidated within 12 months or less; 96.9% of the Fund's assets may be liquidated with 24 months or less; and 100% of the Fund's assets may be liquidated with 36 months or less.

The Pension Boards hedge fund investments utilize various strategies such as:

- **Relative value:** Managers attempt to capture pricing inefficiencies/differentials between related securities while trying to minimize the impact of general market movements.
- **Long/Short equities:** Managers make long and short investments in equity securities that are deemed to be under- or overvalued.
- **Opportunistic/macro:** Managers invest in a wide variety of instruments using a broad range of primarily directional strategies. It is common for portfolio managers in this strategy to assume an aggressive risk posture relying on a combination of macroeconomic models, fundamental research, and quantitative algorithms.
- **Credit:** Managers may take long or short positions in corporate bonds, loans, credit derivatives, convertible bonds, asset-backed securities, equities, and equity derivatives. In most cases, portfolio managers will take long or short positions that reflect fundamental views on underlying credits.
- **Merger arbitrage/event-driven:** Managers seek to make profitable investments by investing in securities of companies involved in mergers, acquisitions, restructurings, liquidations, spin-offs, or other special situations that alter a company's financial structure or operating strategy.



In accordance with ASC Topic No. 820, Fair Value Measurement, the Pension Boards uses the net asset value reported by each fund as a practical expedient to estimate the fair value of the Pension Boards' interest therein. The Pension Boards' hedge fund investments, by strategy type, at December 31, 2016 and 2015 were as follows:

(Dollars in Thousands)	2016 Fair Value	2015 Fair Value
Hedge Funds		
Relative Value	\$ 62,860	\$ 37,818
Long/Short Equities	19,169	28,540
Opportunistic/macro	16,667	25,286
Credit	15,837	18,417
Merger Arbitrage/Event Driven	10,747	18,583
Total Hedge Funds	<u>\$ 125,280</u>	<u>\$ 128,644</u>

Real Assets

Real Assets may include real estate, energy-related investments, infrastructure, hard and soft commodities, and other strategies that derive their value from their physical properties. Leverage may be utilized in real estate strategies to enhance yields of various investments and/or facilitate the diversification of the portfolio. At December 31, 2016, the Pension Boards had nine private equity investments with a fair value of \$89.2 million. At December 31, 2015, the Pension Boards had nine private equity investments with a fair value of \$51.8 million. Seven out of the nine investments are subject to "lock-up" provisions, ranging from 7-10 years, during which time the investment cannot be liquidated. One of the two Real Asset investments may be redeemed on the last business day of the month upon 30 days' written notice and the other investment may be redeemed 15 business days following the end of the quarter with 30 days' written notice. The Pension Boards is not permitted to redeem these investments until the termination of the investment period. The fair value of these investments is based upon the Pension Boards' share of the fair value of the partnership while giving consideration, from a market participant's perspective, to the features unique to the partnership agreements. Because of the inherent uncertainty of the valuations of these investments, the estimated fair values may differ, perhaps materially, from the values that would have been used had a ready market for the investments existed. Unfunded commitments at December 31, 2016 were \$23.9 million.

Net investment gains include realized gains (losses) on investment sales and the change in unrealized appreciation (depreciation) on investments held at year-end. The net amounts are comprised of the following:

(Dollars in Thousands)	2016	2015
Realized gains on investment sales	\$ 84,196	\$ 55,478
Unrealized appreciation (depreciation) on investments	32,148	(189,688)
Net Investment Gains (Losses)	<u>\$ 116,344</u>	<u>\$ (134,210)</u>

Derivative Financial Investments

Futures contracts are used by an external investment manager to equitize cash in the management of the S&P 500 Index strategy and can be used by the CIO for asset rebalancing purposes. Such futures contracts trade on recognized exchanges and margin requirements are met by pledging cash and cash equivalents. The contracts are liquid instruments, usually with a 90-day settlement period and their prices are observable daily on a nationally-recognized exchange. The contractual amount of open futures contracts aggregated approximately \$4.0 million at December 31, 2016. The maximum gross notional exchange-traded futures position open during 2016 to equitize cash was \$14.3 million.

With respect to credit risk, futures contracts require daily cash settlement, thus limiting the cash receipt or payment to the change in fair value of the underlying instrument. During the period the futures contract is open, changes in the value of the contracts are recognized on a daily basis to reflect the fair value at the end of each day's trading. Settlements, which resulted in a net gain of \$852 thousand for the year ended December 31, 2016, are recorded in the accompanying financial statements as a component of realized investment gains and losses.



5. FAIR VALUE MEASUREMENT

Fair Value Hierarchy

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 (the exit price). All financial instruments that are measured and reported on a fair value basis are classified according to a fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. The three levels of fair value hierarchy are:

- **Level 1:** Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities. The types of investments generally included in this category are exchange-traded equities, short-term money market instruments, actively-traded U.S. Government bonds and notes, and exchange-traded mutual funds. The fair value of these securities are generally based on quotations obtained from national securities exchanges.
- **Level 2:** Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly. Where securities are not listed on an exchange, quotations are obtained from brokerage firms. Level 2 investments generally included in this category are corporate bonds and non-exchange traded equities, debt, and mutual funds.
- **Level 3:** Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A review of fair value hierarchy classifications is conducted annually. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications of the fair value hierarchy are reported as transfers in/out of the category as of the beginning of the period in which the reclassifications occur.

Investments Measured at Net Asset Values. As a practical expedient, the Pension Boards uses net asset value ("NAV") as the fair value for certain investments. The practical expedient is applied to measure the fair value of investments in certain entities that do not have a quoted market value price but calculate net asset value per share or its equivalent, including a floating rate high-income commingled bond fund, a high-income commingled bond fund, an emerging markets commingled equity fund, participation in United Church Funds, Inc., hedge funds and real assets. These securities are excluded from the Fair Value Hierarchy level classification. Instead, these securities are disclosed separately and shown as a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the financial statements. As of December 31, 2016, the floating rate high-income fund may be redeemed upon 15 business days' prior written notice; the high-income bond fund may be redeemed monthly with 5 business days' notice; and the emerging markets equity fund may be redeemed at the beginning of each calendar month by giving prior notice on or before the 15th day of the prior month. Please see Note 4 for the redemption periods of the hedge funds and the real asset investments.



The following table sets forth by level within the fair value hierarchy investment assets and liabilities as of December 31, 2016.

(Dollars in Thousands)	Investments as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
STABLE VALUE INVESTMENTS				
Institutional Money Market Fund shares	\$ 29,072	\$ -	\$ -	\$ 29,072
<i>Fixed maturity synthetic guaranteed investment contracts:</i>				
Mortgage-backed and Asset-backed securities	-	34,697	-	34,697
U.S. Government Notes	4,629	-	-	4,629
<i>Constant duration synthetic guaranteed investment contracts:</i>				
Corporate Bonds	-	60,470	-	60,470
U.S. Government Notes	65,387	-	-	65,387
Asset-backed and Mortgage-backed securities	-	11,511	-	11,511
TOTAL STABLE VALUE INVESTMENTS	99,088	106,678	-	205,766
SHORT-TERM INVESTMENTS				
Institutional Money Market Fund shares	157,528	-	-	157,528
TOTAL SHORT-TERM INVESTMENTS	157,528	-	-	157,528
FIXED-INCOME INVESTMENTS				
Corporate Bonds	-	551,324	-	551,324
U.S. Government Notes and Bonds	436,624	-	-	436,624
Asset-backed and Mortgage-backed securities	-	49,838	-	49,838
Emerging Markets Debt Funds	35,426	35,882	-	71,308
High-Income Bond Fund	49,965	-	-	49,965
TOTAL FIXED-INCOME INVESTMENTS	522,015	637,044	-	1,159,059
EQUITY INVESTMENTS				
<i>Common Stock:</i>				
U.S. Large-Cap Equity	566,637	-	-	566,637
U.S. Mid-Cap Equity	115,497	-	-	115,497
Non-U.S. Developed Markets	196,911	-	-	196,911
U.S. Small-Cap Equity	110,382	-	-	110,382
<i>Emerging Markets Discounted Assets:</i>				
Equity funds:				
Emerging Markets	2,803	-	-	2,803
Non-U.S. Developed Markets	100,611	-	-	100,611
U.S. Small-Cap Equity	42,665	-	-	42,665
Northern Trust Global Sustainability Index Fund	9,778	-	-	9,778
TOTAL EQUITY INVESTMENTS	1,145,284	69,301	-	1,214,585
SUB-TOTAL INVESTMENTS	\$ 1,923,915	\$ 813,023	\$ -	\$ 2,736,938
INVESTMENTS VALUED AT NAV AS A PRACTICAL EXPEDIENT				
Floating Rate High-Income Fund (Fixed-Income Investments)				\$ 109,568
High-Income Bond Fund (Fixed-Income Investments)				27,364
Emerging Markets Equity Fund (Equity Investments)				140,573
Participation in United Church Funds, Inc. (Other Investments)				40,729
Hedge Funds (Other Investments)				125,280
Real Assets (Other Investments)				91,613
TOTAL INVESTMENTS VALUED AT NAV AS A PRACTICAL EXPEDIENT				535,127
TOTAL INVESTMENTS				\$ 3,272,065



The following table sets forth by level within the fair value hierarchy investment assets and liabilities as of December 31, 2015.

(Dollars in Thousands)	Investments as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
STABLE VALUE INVESTMENTS				
Institutional Money Market Fund shares	\$ 21,336	\$ -	\$ -	\$ 21,336
<i>Fixed maturity synthetic guaranteed investment contracts:</i>				
Mortgage-backed and Asset-backed securities	-	31,366	-	31,366
Corporate Bonds	-	822	-	822
U.S. Government Notes	4,629	-	-	4,629
<i>Constant duration synthetic guaranteed investment contracts:</i>				
Corporate Bonds	-	75,290	-	75,290
U.S. Government Notes	58,633	-	-	58,633
Asset-backed and Mortgage-backed securities	-	1,777	-	1,777
TOTAL STABLE VALUE INVESTMENTS	84,598	109,255	-	193,853
SHORT-TERM INVESTMENTS				
Institutional Money Market Fund shares	78,295	-	-	78,295
TOTAL SHORT-TERM INVESTMENTS	78,295	-	-	78,295
FIXED-INCOME INVESTMENTS				
Corporate Bonds	-	547,867	-	547,867
U.S. Government Notes and Bonds	399,693	-	-	399,693
Asset-backed and Mortgage-backed securities	-	24,716	-	24,716
Emerging Markets Debt Funds	44,870	31,747	-	76,617
High-Income Bond Fund	46,172	-	-	46,172
TOTAL FIXED-INCOME INVESTMENTS	490,735	604,330	-	1,095,065
EQUITY INVESTMENTS				
<i>Common Stock:</i>				
U.S. Large-Cap Equity	634,648	-	-	634,648
U.S. Mid-Cap Equity	130,684	-	-	130,684
Non-U.S. Developed Markets	254,840	-	-	254,840
U.S. Small-Cap Equity	144,851	-	-	144,851
<i>Emerging Markets Discounted Assets:</i>				
Equity funds:				
Emerging Markets	2,589	-	-	2,589
Non-U.S. Developed Markets	91,543	-	-	91,543
U.S. Small-Cap Equity	14,764	-	-	14,764
Northern Trust Global Sustainability Index Fund	4,013	-	-	4,013
TOTAL EQUITY INVESTMENTS	1,277,932	31,685	-	1,309,617
SUB-TOTAL INVESTMENTS	\$ 1,931,560	\$ 745,270	\$ -	\$ 2,676,830
INVESTMENTS VALUED AT NAV AS A PRACTICAL EXPEDIENT				
Floating Rate High-Income Fund (Fixed-Income Investments)				\$ 99,509
High-Income Bond Fund (Fixed-Income Investments)				24,682
Emerging Markets Equity Fund (Equity Investments)				88,346
Participation in United Church Funds, Inc. (Other Investments)				41,619
Hedge Funds (Other Investments)				128,644
Real Assets (Other Investments)				51,793
TOTAL INVESTMENTS VALUED AT NAV AS A PRACTICAL EXPEDIENT				434,593
TOTAL INVESTMENTS				\$ 3,111,423



6. ENDOWMENTS

Endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Endowment funds are administered in accordance with the laws of the state in which the corporations are incorporated and are accounted for in accordance with applicable generally accepted accounting principles.

Board-designated funds functioning as endowments include the original principal amounts of gifts and legacies received which have no donor-imposed restrictions on their use and related accumulated gains and losses and income. These funds, which can be used for the general purpose of the corporation to which they were donated, are classified as unrestricted net assets.

Donor-restricted endowment funds are classified as restricted net assets. Permanently restricted endowment funds include the Pension Boards' interest in the PMF endowment fund as described in Note 4 and receipts of gifts and legacies where the principal balance must be maintained in perpetuity. The original principal of permanently restricted gifts and legacies which had donor-imposed restrictions on income remained unchanged for December 2016 at \$2,472,309. The original principal amount of permanently restricted gifts and legacies which has no donor-imposed restrictions on the use of income was \$3,317,037 at December 31, 2016 and \$3,313,537 at December 31, 2015. Accumulated gains and losses and interest income on permanently restricted gifts and legacies, in addition to temporarily restricted donations, are classified as temporarily restricted net assets until appropriated for expenditure.

During 2016 and 2015, permanently restricted endowments were invested in the Equity, Bond, and Balanced Funds of the Pension Boards and the Alternatives Balanced and Moderate Balanced Funds of UCF.

7. LEASE COMMITMENTS

The Pension Boards has entered into several non-cancelable operating leases for office space, software, and equipment. At December 31, 2016, the aggregate future minimum payments for these commitments were as follows:

<u>Year Ending</u>	<u>Amount (000's)</u>
2017	\$ 877
2018	912
2019	558
2020	167
	<u>\$ 2,514</u>

The annual lease amount for rent is subject to modification based upon actual operating costs of the building. The Pension Boards' rental expense for the years ended December 31, 2016 and 2015 was \$641,039 and \$613,096, respectively.



8. COMBINED ACTIVITIES BY FUND

The combined activities by fund for the year ended December 31, 2016 are as follows:

(Dollars in Thousands)	ANNUITANT FUND	ACCUMULATION FUND	BENEFIT SERVICES FUND	MINISTERIAL ASSISTANCE FUND	OPERATING FUND	TOTAL
ADDITIONS:						
Realized and unrealized investment gains	\$ 64,047	\$ 45,498	\$ 4,093	\$ 3,143	\$ (438)	\$ 116,343
Investment income	46,409	24,063	2,879	1,468	2,163	76,982
Health Services premiums			51,749			51,749
Employer pension contributions		30,862				30,862
Member pension contributions		8,217				8,217
Christmas Fund appeal				1,562		1,562
Lilly Endowment Grant Receipt					1,000	1,000
Our Church's Wider Mission				323		323
Donations and Legacies				133	38	171
Interfund transfers	94,113	(101,971)			7,839	(19)
Other					7	7
TOTAL ADDITIONS	204,569	6,669	58,721	6,629	10,609	287,197
DEDUCTIONS:						
Pension payments to annuitants	134,105					134,105
Partial withdrawals and lump-sum payments		17,410				17,410
Health Services claims			54,023			54,023
Health Services costs			5,939			5,939
Retirement benefits administration and investment costs	7,239	5,840	588	373	10,164	24,204
Ministerial Assistance grants				2,902		2,902
Ministerial Assistance programs and administration costs				1,815		1,815
TOTAL DEDUCTIONS	141,344	23,250	60,550	5,090	10,164	240,398
INCREASE (DECREASE) IN NET ASSETS	\$ 63,225	\$ (16,581)	\$ (1,829)	\$ 1,539	\$ 445	\$ 46,799
DECEMBER 31, 2015 NET ASSETS	1,701,342	1,182,935	116,910	66,943	49,989	3,118,119
INCREASE (DECREASE) IN NET ASSETS	63,225	(16,581)	(1,829)	1,539	445	46,799
DECEMBER 31, 2016 NET ASSETS	\$ 1,764,567	\$ 1,166,354	\$ 115,081	\$ 68,482	\$ 50,434	\$ 3,164,918



The combined activities by fund for the year ended December 31, 2015 are as follows:

(Dollars in Thousands)	ANNUITANT FUND	ACCUMULATION FUND	BENEFIT SERVICES FUND	MINISTERIAL ASSISTANCE FUND	OPERATING FUND	TOTAL
ADDITIONS:						
Realized and unrealized investment gains	\$ (77,930)	\$ (44,503)	\$ (5,959)	\$ (3,215)	\$ (2,603)	\$ (134,210)
Investment income	46,599	26,341	3,157	1,544	2,121	79,762
Health Services premiums			54,256			54,256
Employer pension contributions		34,052				34,052
Member pension contributions		6,857				6,857
Christmas Fund appeal				1,528		1,528
Our Church's Wider Mission				350		350
Donations and Legacies				411	31	442
Interfund transfers	95,931	(103,310)			7,379	-
Other					1	1
TOTAL ADDITIONS	64,600	(80,563)	51,454	618	6,929	43,038
DEDUCTIONS:						
Pension payments to annuitants	133,014			-		133,014
Partial withdrawals and lump-sum payments		18,374				18,374
Health Services claims			53,821			53,821
Health Services costs			6,276			6,276
Retirement benefits administration and investment costs	6,447	5,717	529	348	10,960	24,001
Ministerial Assistance grants				2,848		2,848
Ministerial Assistance programs and administration costs				1,832		1,832
TOTAL DEDUCTIONS	139,461	24,091	60,626	5,028	10,960	240,166
(DECREASE) IN NET ASSETS	\$ (74,861)	\$ (104,654)	\$ (9,172)	\$ (4,410)	\$ (4,031)	\$ (197,128)
DECEMBER 31, 2014 NET ASSETS	1,776,203	1,287,589	126,082	71,353	54,020	3,315,247
(DECREASE) IN NET ASSETS	(74,861)	(104,654)	(9,172)	(4,410)	(4,031)	(197,128)
DECEMBER 31, 2015 NET ASSETS	\$ 1,701,342	\$ 1,182,935	\$ 116,910	\$ 66,943	\$ 49,989	\$ 3,118,119





The Pension Boards

United Church of Christ, Inc.

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