



ANNUAL REPORT 2021

ELCIC PENSION PLAN

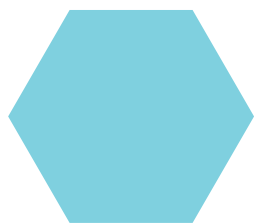
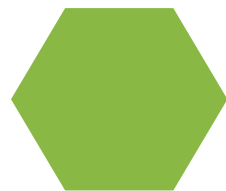
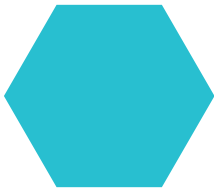


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President's Opening Buzz

Inspiration is often found in nature, but during the pandemic **turning to nature** was also a solution for maintaining **wellness**. The references to bees in this report signify **inspiration** and **wellness**, and this particular quote reminds us that it is an **honour to serve** plan members as they in turn serve their ELCIC communities.

My 2020 Annual Report message reflected on the challenges of the pandemic disruption. While COVID remained a dominant theme in our lives in 2021, the Board continued to maintain its **high standard** of governance processes and review. All policies are regularly reviewed, and we continually seek out best practices for conducting the services ELCIC Group Services Inc. (GSI) provides. **New ideas** are examined within an appropriate due diligence process.

As in-person gatherings within the ELCIC were cancelled during 2021, so were the regular opportunities GSI had to hold workshops and have face-to-face conversations with members. However, the **desire to connect** in some way **inspired** GSI to develop a virtual conference of ten sessions on a variety of topics and presenters. We undertook this venture because member **financial wellness** is very important to us. Online technologies (and the phone) enabled us to continue providing **seamless support** to our members, while maintaining **good morale** in the office and **effective board work**.



Mark Johnson completed eight years on the board having held various roles but a primary focus on investments. Mark brought new and **interesting perspectives** to investment manager selection and review as well as considerations for investment alternatives. **Thank you**, Mark, for your valuable insights, **ideas**, and your time with the Board.



We would like to extend a **warm welcome** to Wenzel Hoberg who works in the investment industry. His **global perspective** has already provided insights to possible strategic directions for the ELCIC Pension Plan.

GSI appreciates National Church Council's ongoing **support** and **partnership**. The board would like to thank the GSI staff that continued to come to the office every day to **support and serve**.

May each season continue to bless you with health, wealth and happiness.



“

The bee is more **honoured** than other animals. Not because she labours, but because she **labours for others**.

- St. John Chrysostom

”

John Wolff

President, Chair of the Board, Chair of Investment Committee



Plan Membership Buzz



In 2021, 46 new members joined the plan!

This is up slightly from last year of 43 new entrants. The hexagons show that the majority of new members are Non-Rostered and that significantly fewer males compared to females began employment in the ELCIC this past year.

New Members by Rostered Status



New Members by Gender



Plan Membership Buzz

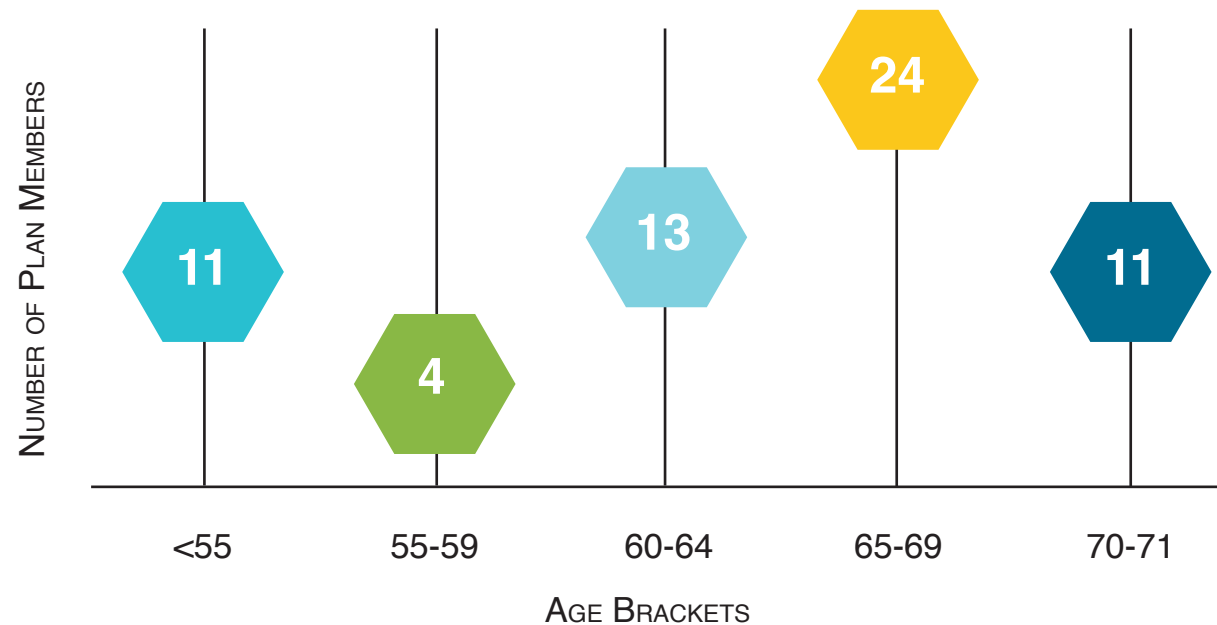


Sixty-three members settled their pension accounts during 2021.

Most of them were between the ages of 65 and 69, although eleven continued until the age of 71! Most of the members under age 55 who settled their account are non-Rostered and are likely continuing to work elsewhere. Additionally, 4 plan members died during 2021 (all Rostered males). Their pension accounts were settled to their spouse or beneficiaries.

These numbers suggest that our members are **dedicated** and committed to their work, **happily** continuing into their late 60s and early 70s.

Number of Members in each Age Bracket at Pension Account Settlement



Between 1918 and 2018, life expectancy at birth in Canada rose substantially to 79.8 years for males and 83.9 years for females.

- Statistics Canada

Plan Membership Buzz

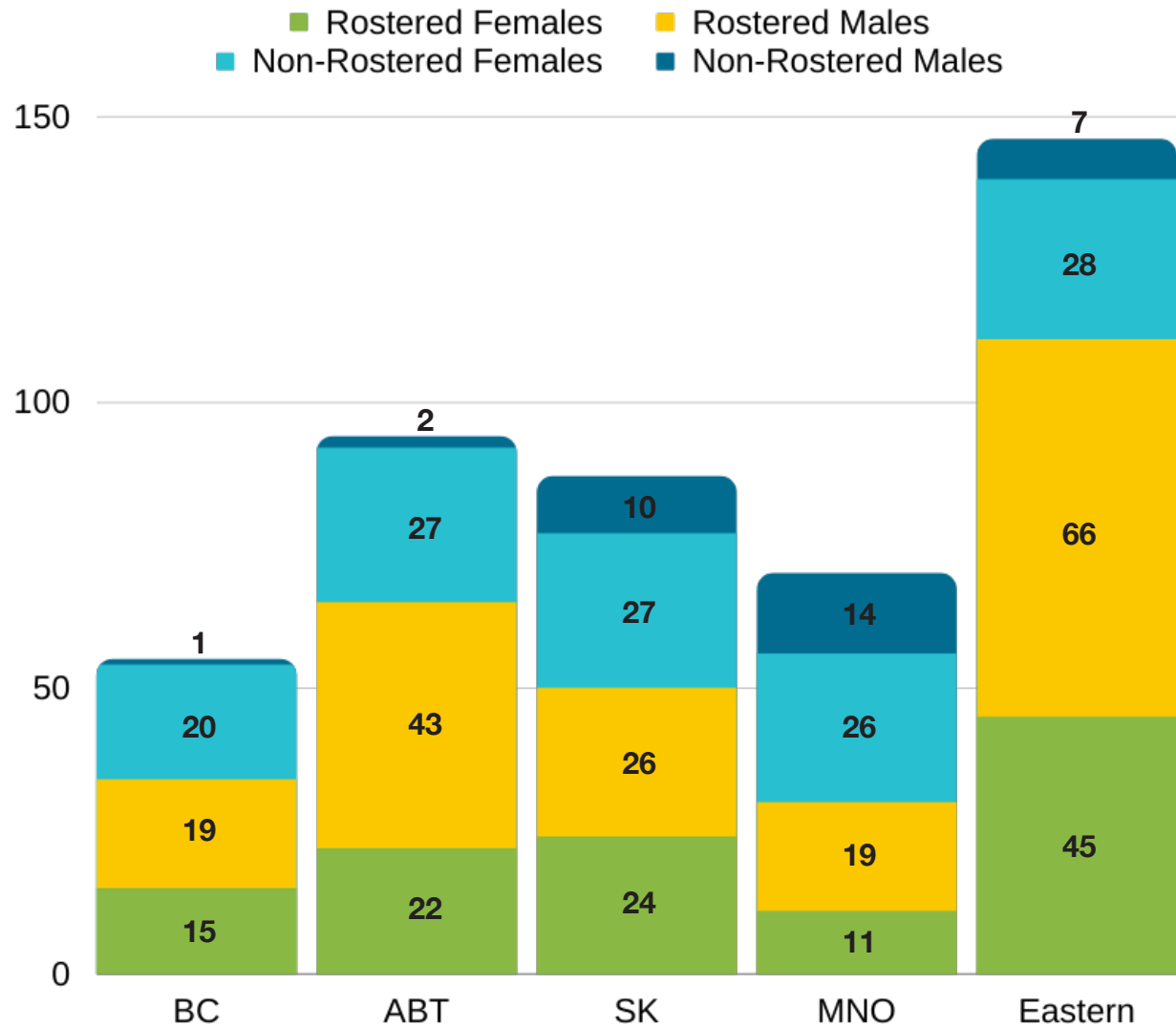


At the end of the year, the ELCIC Pension Plan Membership consisted of **452 active plan members!**

Synodical breakdowns are shown to the right.



The active plan membership is down about 3% from 2020 overall and down 28% over a ten-year period.



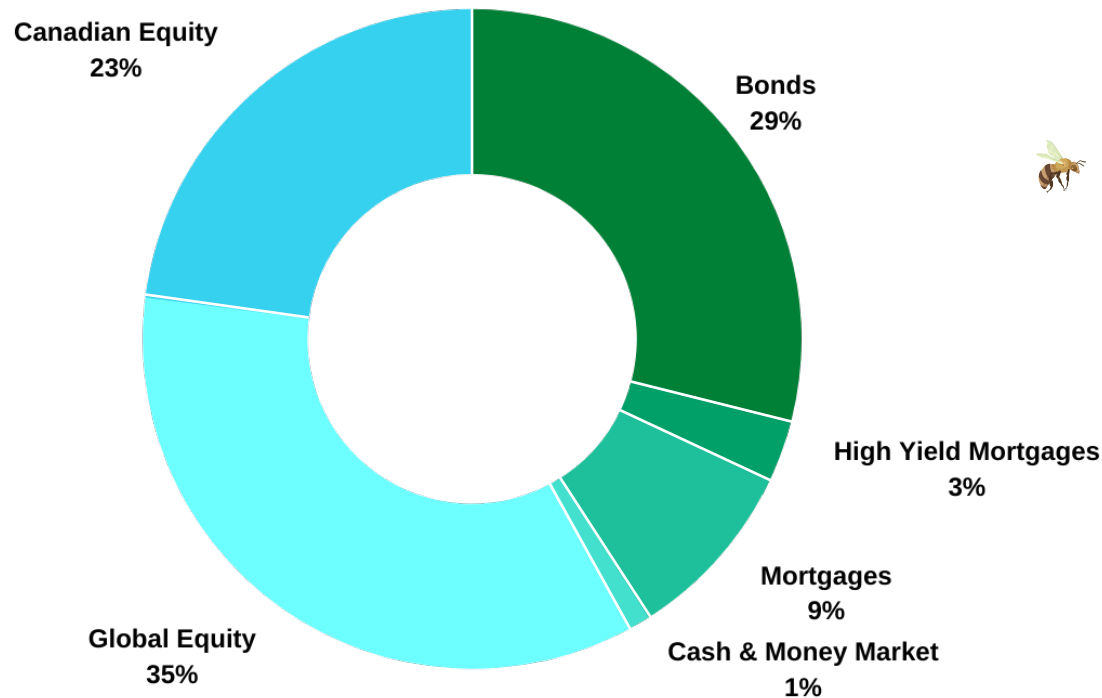
Financial Buzz



ELCIC Pension Plan assets grew year over year by \$425,400 to a total of \$100,583,700 at the end of 2021. This total represents the sum of all member accounts that is held in **trust**. We like to think of the Pension assets like a growing garden, and we work to ensure year after year that the plants will continue to flourish and grow.

A breakdown of the investments is shown in this chart, with the blue shades making up the **Growth Fund** and the green shades representing the **Fixed Income Fund**.

Invested Assets



“

The **hum** of bees
is the
voice of the garden.

- Elizabeth Lawrence

”



68% of men and 57% of women said they felt **confident** about managing investments in retirement.

- Canadian Imperial Bank of Commerce

Financial Buzz



Statement of Change in Net Assets Available for Benefits

This statement is a summary of the financial activity for each year.

	2021	2020
Contributions	\$4,188,020	\$4,150,877
Investment Results	\$10,721,888	\$13,111,275
Pension Transfers On Acct Settlement	\$13,770,288	\$5,599,517
Management Fees	(\$714,234)	(\$755,115)
Change in Net Assets	\$425,386	\$10,907,520



Pension Transfers:
Members transfer their account to an authorized financial institution when their employment ends.

These transfers are subject to locking-in provisions and all accounts must be settled/transfers completed by the end of the year in which the member turns age 71.



Contribution Funding Policy: employers 8%, members 7%, plus member voluntary contributions.

Investment Buzz



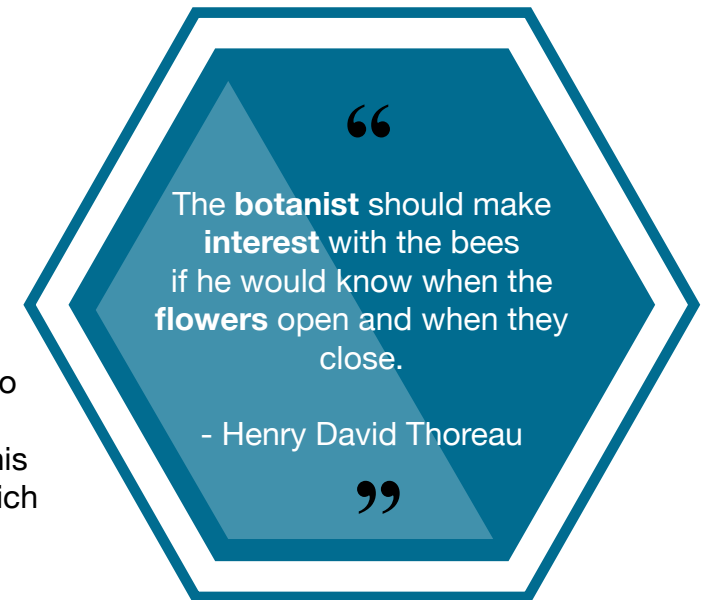
The **PH&N Canadian Equity Value Fund** is designed to participate well in strong markets and deliver **superior resilience** in down markets. Stocks are selected based on fundamental scenario analysis and continually recalibrated to broadly expose the portfolio to the most attractive risk-adjusted opportunities. In 2021, the markets were **more balanced** than the prior year and this created a **favourable environment** for the diversified value-oriented strategy in this portfolio which contributed to the **significant outperformance** this year.

The **RBC Global Equity Focus Pension Trust** consists of investments in **high quality** companies **growing sustainably**. The investment team assesses opportunities based on their **competitive** dynamics strategy.

The **Baillie Gifford Global Equity Fund** aims to provide **superior returns** through a **diversified portfolio** located throughout the world. Their focus is to identify businesses with **growth opportunities** and **strengthen** their competitive advantage.

The **PH&N Core Plus Bond Fund** makes up about 70% of the Fixed Income Fund and is a **well-diversified, multi-strategy** fund. This approach adds value to improve risk/return trade-offs. This fund is **well above the four-year performance objective** and has a first quartile ranking.

The **PH&N Canadian Mortgage Pension Trust** consists of commercial mortgage portfolios comprised mostly of **higher quality, income producing** properties **diversified** by size, geography, property type, and type of security.

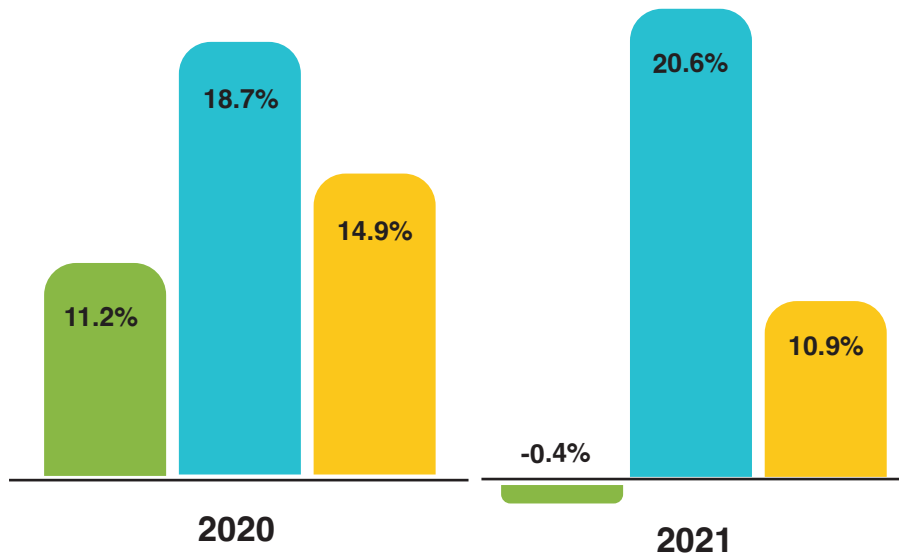


Investment Buzz

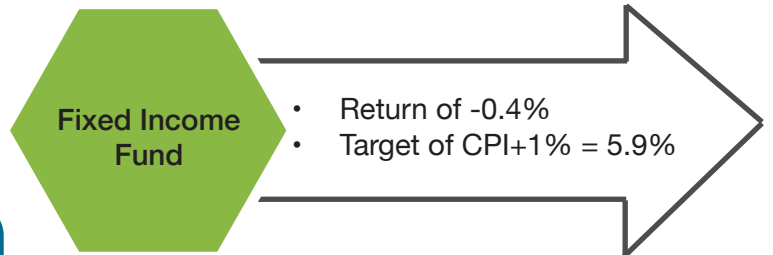


Investment Results

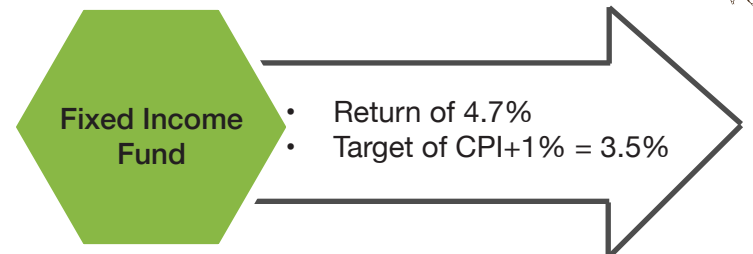
All targets were met except the 2021 Fixed Income Fund.



2021 Return



Four-Year Rolling Return





Fixed Income Fund Details

Fixed Income Fund	2021 Return	2021 Benchmark	Four-Year Rolling Return	Four-Year Rolling Index	Benchmark Description
PH&N Canadian Equity Value	-1.8%	-2.5%	4.9%	3.5%	FTSE Canada Universe Bond Index
RBC Global Equity Focus	1.7%	-0.9%	3.7%	2.3%	FTSE Canada Short-Term Bond Index
Baillie Gifford Global Equity	6.2%	-0.9%	6.1%	2.3%	FTSE Short-Term Bond Index

Growth Fund Details

Growth Fund	2021 Return	2021 Benchmark	Four-Year Rolling Return	Four-Year Rolling Index	Benchmark Description
PH&N Canadian Equity Value	32.0%	25.1%	10.0%	10.3%	S&P/TSX Capped Index
RBC Global Equity Focus	18.5%	21.3%	17.9%	14.1%	MCSI World Index CAD
Baillie Gifford Global Equity	7.4%	21.3%	15.9%	14.1%	MSCI World Index CAD



Some four-year returns are historical to the particular investment fund, but not the ELCIC Pension Plan as the Investment Manager was appointed during the last four years. Please see the list of appointed investment managers for the dates they became part of the ELCIC Pension Plan.

Policy Buzz

The **ELCIC Pension Plan** is a defined contribution plan registered with Canada Revenue Agency and Financial Services Regulatory Authority of Ontario (Registration Number 0533240). The full plan document is available on GSI's website and describes the strategy for **“the accumulation of funds for the ultimate purpose of providing retirement income for eligible Employees at a predictable cost to the participating Employers.”**

There were no changes to the ELCIC Pension Plan document during 2021.

The Statement of Investment Policies and Procedures (SIP&P) is the key document describing how members' assets are **invested** and how the performance is monitored.

In 2021 the policy was amended to clarify performance measurement criteria and actions resulting from underperformance. The full policy is available on the GSI website and the amended paragraphs are in section six of the SIP&P.

SIP&P states the importance of investing prudently in corporations that demonstrate **environmental responsibility, social justice** and strong governance practices. Responsible corporate behaviour, which includes **ethical and environmental standards** and **respect for employees, human rights**, and the **communities** in which a company operates can have a positive effect on financial performance. ELCIC Pension Plan investments strive to be made in accordance with the **social conscience** of the community of the plan membership.

PH&N, as an investment manager for the ELCIC Pension Plan, is committed to **responsible investing** which is attested by **Mercer's top ESG ranking** for the Global Equity Focus Fund and strong ratings for other investments managed by PH&N to which the ELCIC Pension Plan subscribes.

“We take our responsibility to secure a better financial future for our clients and their beneficiaries seriously and considering the financial impacts of climate change is an essential part of fulfilling that responsibility.” - *Damon Williams, Chief Executive Officer, RBC GAM*



“

Insects make up
two-thirds
of all life on earth.

- David Suzuki Foundation

”



Retirement Planning



ELCIC Pension Plan members can receive **retirement counselling** with respect their pension benefits at **no additional cost** and have the opportunity to participate in the **ELCIC Post-Retirement Group Plans**, which provides for the legislated retirement income options.

How Eckler can help you

Eckler provides **independent retirement counselling and income placement services for members of the ELCIC Pension Plan and their spouses**. Eckler has **experienced** counsellors that can, in simplified terms, explain your **options at retirement**, including information on your government benefits, RRSPs and taxes.

Your Retirement Income Options

- **Life Annuity:** Gives you a fixed retirement income stream for as long as you live.
- **Life Income Fund (LIF) or Registered Retirement Income Fund (RRIF):** Contracts that provide a flow of retirement income based on your annual decision of how much to withdraw within the legislated minimum/maximum amounts. The LIF/RRIF provides flexibility in income. LIF is governed by your provincial legislation, whereas RRIF is governed federally.

You may elect to transfer the funds in your ELCIC Pension Plan account to the **ELCIC Post-Retirement Group Plan LIF/RRIF contract**, where preferential fees have been negotiated. Eckler can assist you by providing information about the investment options available and completing the necessary paperwork.



Take advantage of the free, no-obligation **Retirement Counselling Session** to review your pension entitlement and options, by contacting Eckler at the toll-free number below.

1-877-988-1581



2021 could have been another challenging year for the ELCIC Pension Plan, but we're pleased to report that the pension plan is **strong and secure**. The GSI staff continues to work hard to ensure excellence in our service of plan members through these difficult times.

This year we chose to analyze our pension findings through the scope of the hardworking bee. The environment around us and the bee have a symbiotic relationship, much like our pension plan members and their investments. On an individual scale, we invest over our many working years into our pension and investments, like the bees pollinating the flowers. Our investments, therefore, grow diversified, allowing for future **abundance and security** for not only us but our loved ones too.

We are proud to report back to our members that we are investing responsibly in socially justified, environmentally aware and ethically sound funds. Just as we care for our members, we place high importance on the care of people and the environment alike. We are very **appreciative** of plan members for their **trust** and **engagement**.

GSI is committed to the ongoing education of our plan members and staff for financial wellness. We have programs available such as the Eckler Retirement Planning & Counselling program (p.13), and others to assist in your financial journey.

Thank you to the congregations and other employers for their **open** and ongoing **communication**.

Wishing you all the best of health and financial wellness.



Lisa Thiessen
Executive Director

Office Team

Lisa Thiessen, CPA CA
Barb Fortier, BComm
Andrea Christensen
Alexa Thiessen, BA

Executive Director
Pension & Benefits Administrator
Accounting & Office Assistant
Accounting & Office Assistant

GSI staff competently handles the daily administration and reporting. They are dedicated to supporting plan members with their financial wellness.

Board of Directors



Back Row: Vetta Simeonidis, John Wolff, Cath Wilke, Ray Henrickson, Wenzel Hoberg

Front Row: Susan Climo, Pamela Giles, Gordon Jensen

Officers	Directors	Chair Position	Term	Expires
President	John Wolff, CPA CMA	Board / Investment	2nd	2025
Vice President	Cath Wilke, BA	Benefits	2nd	2025
Secretary	Pamela Giles, PhD	Communications	2nd	2023
Treasurer	Ray Henrickson, CPA CA	Finance & Audit	2nd	2025
	Gordon Jensen, MDiv PhD	Governance	1st	2023
	Susan Climo, MDiv		1st	2023
	Vetta Simeonidis		1st	2023
	Wenzel Hoberg MSc MBA		1st	2025

The GSI Board governs the ELCIC Pension Plan through monitoring, assessment and oversight procedures.

Advisors and Consultants

Firm	Role	Appointed
CIBC Mellon Trust Company	Custodian	April 1999
CIBC Mellon Trust Company	Trustee	July 2003
Desjardins / Baillie Gifford	Investment Manager	May 2019
Eckler	Retirement Consultants	March 2014
Mercer Investment	Investment Consultants	October 2003
MLT Aikins	Legal Counsel	October 1997
Phillips, Hager & North	Investment Manager	February 2005
PricewaterhouseCoopers LLP	Auditors	September 2013
Loudspace	Communication Design	March 2022



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