

General Synod Pension Plan
of the Anglican Church of Canada
Financial Statements
For the year ended December 31, 2021

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Independent Auditor's Report

To the Board of Trustees of the General Synod Pension Plan of the Anglican Church of Canada

Qualified Opinion

We have audited the financial statements of General Synod Pension Plan of the Anglican Church of Canada (the "Plan"), which comprise the statement of financial position as at December 31, 2021, and the statement of changes in net assets available for benefits for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2021, and its changes in net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Qualified Opinion

As agreed to by the Trustees of the Plan and in common with many benefit fund audits, the scope of our audit was limited to the records of the Plan and therefore, did not extend to an examination of the payroll records of the contributing employers. Accordingly, our verification of contribution revenue was limited to the amounts recorded in the records of the Plan and we were not able to determine whether any adjustments might be necessary to contribution revenue and increase in net assets for the years ended December 31, 2021 and 2020, assets as at December 31, 2021 and 2020 and net assets available for benefits as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.



Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

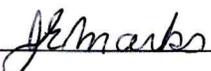
BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
May 26, 2022

**General Synod Pension Plan of the
Anglican Church of Canada
Statement of Net Assets Available for Benefits**

December 31	2021	2020
Assets		
Investments (Note 3)	\$ 1,103,400,280	\$ 1,027,731,260
Contributions receivable		
Employers	254,832	477,034
Members	101,933	190,813
Accrued interest, dividends and other income	2,347,100	2,288,791
Due from related parties (Note 7)	1,809	687
Other receivables	125,278	67,309
	<u>1,106,231,232</u>	<u>1,030,755,894</u>
Liabilities		
Accounts payable and accrued liabilities	<u>1,063,800</u>	<u>1,249,282</u>
Total net assets	<u>1,105,167,432</u>	<u>1,029,506,612</u>
Net assets available for benefits		
Funds available for obligations of the General Synod Pension Plan	1,105,138,921	1,029,478,101
Additional voluntary contributions on deposit	<u>28,511</u>	<u>28,511</u>
Total net assets available for benefits	<u>\$ 1,105,167,432</u>	<u>\$ 1,029,506,612</u>

On behalf of the Board:



Chairperson



Trustee

**General Synod Pension Plan of the
Anglican Church of Canada**
Statement of Changes in Net Assets Available for Benefits

For the year ended December 31	2021	2020
Increase in net assets		
Contributions		
Current service		
Employers	\$ 12,001,774	\$ 12,328,149
Members	4,800,709	4,931,259
Prior service	858,187	-
	<u>17,660,670</u>	17,259,408
Investment income (Note 4)	118,653,302	125,435,146
Total increase in net assets	<u>136,313,972</u>	142,694,554
Decrease in net assets		
Benefit costs		
Pension payments	50,177,677	47,661,478
Lumpsum termination payments	1,408,873	1,979,283
Death benefits	2,032,119	442,931
Family law benefits	229,382	68,212
	<u>53,848,051</u>	50,151,904
Administrative expenses (Notes 6 and 7)	6,805,101	5,562,142
Total decrease in net assets	<u>60,653,152</u>	55,714,046
Net increase in net assets	75,660,820	86,980,508
Net assets available for benefits, beginning of year	<u>1,029,506,612</u>	942,526,104
Net assets available for benefits, end of year	<u>\$ 1,105,167,432</u>	\$ 1,029,506,612

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

1. Significant Accounting Policies

a. Nature and Purpose of the Plan

General Synod Pension Plan of the Anglican Church of Canada (the "Plan") is a contributory target benefit specified multi-employer pension plan providing benefits to members of the General Synod Pension Plan and is registered with the Financial Services Commission of Ontario - Pension Plans Branch under the Pension Benefits Act, 1990.

In accordance with Canon VIII of the General Synod of the Anglican Church of Canada, and under the terms of a written trust agreement dated January 1, 2015, a fund has been established in conjunction with the General Synod Pension Plan for the purpose of providing benefits. This fund is designated as the "Pension Fund of The Anglican Church of Canada".

b. Basis of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for pension plans and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the participating employers and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

For accounting policies that do not relate to the Plan's investment portfolio, the Plan has elected to apply Canadian accounting standards for private enterprises.

The Plan is a contributory target benefit specified multiemployer pension plan that specifies the expected benefits to be paid to members upon pension eligibility. For accounting purposes, the Plan is considered to be a defined contribution pension plan since contributions are limited to amounts determined by the Pension Committee and employers are not required to fund actuarially determined funding deficiencies that may occur from time to time. Rather, such actuarially determined funding deficiencies are addressed by options such as making changes to the contribution levels, making changes to the Plan's investment strategies and/or making adjustments to benefits paid by the Plan.

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

1. Significant Accounting Policies (Continued)

c. Investments

Investments of the Plan are stated at fair market value, where available.

The Plan holds units in various real estate, infrastructure and private debt investment funds which hold the underlying investments. The units are not publicly traded. Investment values are calculated from financial statements which include fair values based on periodic, independent appraisals of the underlying assets. The Plan's calculation of the fair value of these funds are based on the units it holds multiplied by the value per unit as reported in the audited financial statements of the funds.

d. Financial Instruments

Financial instruments, excluding investments, are recorded at fair value when acquired or issued and subsequently measured at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

e. Accruals

Investment income, pension payments and expenses are accrued in the year to which they relate.

f. Pension Benefits

The present value of accrued pension benefits is determined using the projected benefit method prorated on service and the administrator's best estimate assumptions. An actuarial valuation was prepared as of January 1, 2020 by Eckler Ltd. and was then extrapolated to December 31, 2021.

g. Foreign Currency Translation

Foreign currency amounts have been translated into Canadian dollars on the following basis:

Purchases and sales of marketable securities, income and expenses at exchange rates in effect on the date of the transaction.

Market value of securities at the year-end rate of exchange.

h. Funding Policy

The Plan funds its benefits through contributions and investment returns. In accordance with the Plan Regulations, members of the Plan are required to contribute 5.0% (2020 - 5.0%) of their salaries to the Plan, while employers are required to contribute 12.5% (2020 - 12.5%) of their members' salaries.

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

1. Significant Accounting Policies (Continued)

i. Contributions

Contributions from members and employers are recorded on an accrual basis. As a multi-employer pension plan, the Plan cannot certify that no contribution remains past due at the end of the year. Contributions received are reconciled annually to ensure the appropriate amounts have been remitted. To perform this reconciliation, the Plan requires each employer to verify and update the Plan's records for each of their member's service and contributions for the year. With this information, the Plan performs a reconciliation for each employer to determine if the correct amount of contributions has been remitted to the Plan. Once this reconciliation is complete, the Plan is able to calculate the amount of any differences related to contributions. Any shortfalls are recovered from the employer and overpayments are refunded.

j. Revenue Recognition

Members and employer contributions are recorded on an accrual basis in the financial statements to the extent that these contributions are reported by the date of the auditor's report. Contributions reported after this date are included in the next fiscal period.

Pooled fund distributions and dividend income are recognized as of the record date. Interest income is recognized on a time proportion basis. The purchase and sale of securities are recorded on settlement date basis. Realized gains and losses from security transactions are based on the average cost of the security.

k. Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reported period. Actual amounts could differ from those estimates.

l. Income Tax Status

The Plan is registered pursuant to the Pension Benefit Act and exempt from tax under section 149(1)(o) of the Income Tax Act.

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

2. Description of the Plan

The following description of the General Synod Pension Plan of the Anglican Church of Canada (the "Plan") is a summary only. For more complete information, reference should be made to the Plan Document.

General

The Plan is a contributory target benefit specified multi-employer pension plan covering the clergy and lay employees of the Participating Employers affiliated with the Anglican Church of Canada. Under the Plan, contributions are made by the Plan members and their participating employers. If the assets held by the Plan do not meet its liabilities, benefits may be reduced. The Plan is registered under the Pension Benefits Act, 1990, registration number 0345777.

Service pensions

Service pensions are available based on the career average earnings as determined by a specific formula.

Survivors' pensions

On the death of an Active Member, the Member's Partner, or beneficiary if there is no Partner, is entitled to receive a lump sum payment equal to the commuted value of the benefit accrued by the Member to the date of death. A Partner may elect an alternate option in lieu of a lump sum payment (please see Regulation 7.1 for details).

Withdrawal refunds

If the pension is not vested or locked-in, the member's contributions, together with interest, will be refunded on cessation of employment. If the pension is vested or locked-in, a number of other options are available.

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31

3. Investments

(a) Investments

	2021			2020		
	Cost	Market Value	%	Cost	Market Value	%
Cash and short-term investments	\$ 19,840,291	\$ 19,730,819	1.79%	\$ 39,393,571	\$ 38,540,282	3.75%
Fixed income						
Canadian	56,039,977	58,701,505	5.32%	52,308,868	57,945,286	5.64%
Foreign	33,715,732	36,024,607	3.26%	28,618,699	32,762,413	3.19%
Canadian pooled fixed income investments	181,467,265	184,087,355	16.69%	177,883,735	190,076,584	18.49%
Total Fixed Income	271,222,974	278,813,467	25.27%	258,811,302	280,784,283	27.32%
Equities						
Common shares						
Canadian	65,285,001	103,040,285	9.34%	59,095,096	80,100,109	7.79%
Foreign	187,109,560	246,935,323	22.38%	183,503,161	209,876,976	20.42%
Foreign pooled equity investments	174,151,103	215,008,975	19.48%	154,906,129	222,432,656	21.65%
Total Equities	426,545,664	564,984,583	51.20%	397,504,386	512,409,741	49.86%
Canadian Real Estate	71,486,759	98,013,576	8.88%	71,486,759	86,944,558	8.46%
Foreign Pooled Infrastructure	50,708,267	60,789,292	5.51%	37,171,202	41,907,873	4.08%
Foreign Pooled Private Debt	88,058,708	82,847,170	7.51%	65,099,083	61,992,378	6.03%
	927,862,663	1,105,178,907	100.16%	869,466,303	1,022,579,115	99.50%
Investment Related Assets						
Unrealized gains on currency forwards	-	942,438	0.09%	-	5,587,160	0.54%
	927,862,663	1,106,121,345	100.25%	869,466,303	1,028,166,275	100.04%
Investment related liabilities						
Unrealized losses on currency forwards	-	(2,721,065)	-0.25%	-	(435,015)	-0.04%
	\$ 927,862,663	\$ 1,103,400,280	100.00%	\$ 869,466,303	\$ 1,027,731,260	100.00%

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

3. Investments (Continued)

(b) Individually significant investments

The cost or market value of the following investments exceeds 1% of the cost or market value of the Plan's net assets as at December 31:

	2021		2020	
	Cost	Market Value	Cost	Market Value
Pooled Funds				
Baillie Gifford Global Alpha Fund	\$ 97,373,641	\$ 124,868,328	\$ 84,521,001	\$ 116,425,743
Baillie Gifford Positive Change Equity Fund	65,723,545	77,704,333	61,179,319	96,082,732
Canso Corporate and Infrastructure Debt Fund	10,706,917	10,464,686	9,397,499	9,456,782
LBA Emerging Markets Fund	11,053,917	12,436,314	9,205,809	9,924,180
Macquarie Infrastructure Partners III, LP	24,116,592	32,201,820	23,434,238	27,951,600
MIRA Infrastructure Global Solution II, LP	26,591,675	28,587,473	13,736,964	13,956,274
NB Private Debt Fund II LP	28,170,069	22,220,272	33,087,886	30,223,568
NB Private Debt Cayman Fund III LP	40,977,411	41,622,498	32,011,197	31,768,809
NB Private Debt Fund IV (Canada Feeder) LP	18,911,227	19,004,400	-	-
Phillips, Hager & North Long Core Plus Bond Fund	170,760,349	173,622,669	168,486,236	180,619,802
Real Estate				
Canadian				
BentallGreenOak Prime Canadian Property Fund Ltd.	\$ 48,594,970	\$ 60,356,433	\$ 48,594,970	\$ 54,088,834
TD Greystone Real Estate Fund Inc.	22,891,789	37,657,143	22,891,789	32,855,724

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

4. Investment Income

Investment income consists of the following:

	2021	2020
Bond, note and deposit interest	\$ 3,985,350	\$ 4,147,126
Dividends	7,529,726	7,030,639
Pooled fund distributions	20,600,160	19,366,404
Canadian private real estate	1,899,407	1,866,691
Net gain on disposal on investments	57,643,120	56,646,366
Net foreign exchange gain on disposal on investments	9,692,237	6,162,272
Net unrealized gain in the value of investments	28,971,518	41,124,344
Net unrealized foreign exchange loss	(11,724,541)	(10,970,669)
Securities lending	56,325	61,973
	\$ 118,653,302	\$ 125,435,146

5. Accrued Pension Benefits

The estimated actuarial present value of accrued pension benefits as at December 31 and the principal components of changes in this value during the year are as follows:

	2021	2020
Estimated actuarial present value of accrued pension benefits, beginning of year	\$ 673,771,000	\$ 721,008,000
Accrued interest on benefits	39,191,000	42,127,000
Benefits accrued ¹	12,744,000	12,426,000
Expenditures	(53,853,000)	(50,152,000)
Loss (gain) due to extrapolation of PfAD	-	(56,610,000)
Experience loss (gain)	-	4,972,000
Amendments to the Plans ²	57,638,000	-
Estimated actuarial present value of accrued pension benefit, end of year	\$ 729,491,000	\$ 673,771,000

¹Benefits accrued includes estimated liabilities resulting from past service transfer amounts.

²Amendments to the plans for the year ended December 31, 2021 refer to the plan amendment effective July 1, 2021 granting benefit improvements to all members. The impact shown is at the end of the fiscal year.

The estimated actuarial present value of accrued pension benefits as at December 31, 2021 is based on an actuarial valuation prepared as at January 1, 2020, which was extrapolated to December 31, 2021 by Eckler Ltd. The valuation was determined using the accrued benefit actuarial cost method and reflects best estimate assumptions and the expectation that the Plan will continue on an ongoing basis. Significant assumptions are summarized below.

Discount rate

A discount rate of 6.0% (2020 - 6.0%) per annum has been assumed in calculating the actuarial present value of accrued pension benefits.

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

5. Accrued Pension Benefits (Continued)

Provision for adverse deviation

A provision for adverse deviation ("PfAD") of 8% has been included in the actuarial present value of accrued pension benefits as at December 31, 2019. Effective January 1, 2020, the Plan became registered as a specified Ontario multi-employer pension plan (SOMEPP) and as such, no provision for adverse deviation is required at December 31, 2021 and 2020.

Retirement

It has been assumed that members in receipt of LTD benefits would retire at age 65 and that 20% (2020 - 20%) of the members under age 65 on the valuation date will retire at age 60 (or the current age, if greater) and the remainder at age 65.

Mortality

It has been assumed that the mortality of members will follow the Canadian Pensioners' Mortality 2014 Private Sector Mortality Table (CPM Private) projected generationally with Scale B, with no size adjustment.

Investment values

The actuarial value of net assets is determined as the average of the market value of assets at December 31, 2020 and the adjusted market values at the December 31 of the prior 4 years. The adjusted market values were developed by applying the discount rate of 6% to the fund cash-flows, net of investment expenses. The actuarial value of net assets differs from net assets available for benefits reflected in the financial statements as follows:

	2021	2020
Net assets available for benefits	\$ 1,105,167,432	\$ 1,029,506,612
Market changes not reflected in the actuarial value of net assets	(101,886,432)	(83,564,612)
Actuarial value of net assets	<u>\$ 1,003,281,000</u>	<u>\$ 945,942,000</u>

The next required filing with the Financial Services Regulatory Authority of Ontario ("FSRA") is due September 30, 2023 based on January 1, 2023 amounts.

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

6. Administrative Expenses

Effective January 1, 2014, all administrative expenses, except investment management and custodial fees, of the Plan were paid from a separate fund established for this purpose, outside the Pension Fund.

Administrative expenses consist of the following :

	<u>2021</u>	<u>2020</u>
Actuarial - Eckler Ltd.	\$ 248,799	\$ 257,257
Administrative fees (Note 7)	980,963	882,876
Audit - BDO Canada LLP	67,105	60,590
Accounting consulting fees - BDO Canada LLP	8,212	10,217
Bank charges	7,242	6,350
Insurance	43,813	35,053
Investment consulting -Mercer Investment Consulting	114,921	123,665
Investment management and custodial fees	6,838,208	5,612,639
Legal - Koskie Minsky LLP	30,555	88,994
Legal - Blake, Cassels & Graydon LLP	1,863	9,996
Provincial registration fees	53,723	78,353
Sales tax rebate	(40,026)	(56,631)
	<u>8,355,378</u>	<u>7,109,359</u>
Less: Paid by the Plan Administration Expense Fund	<u>(1,550,277)</u>	<u>(1,547,217)</u>
	<u>\$ 6,805,101</u>	<u>\$ 5,562,142</u>

Pursuant to the Pension Benefits Act, 1990, the following information is disclosed:

	<u>2021</u>	<u>2020</u>
Investment management		
Baillie Gifford and Co.	\$ 992,856	\$ 815,560
BentallGreenOak (Canada) Limited Partnership	271,057	267,641
Canso Investment Counsel Ltd.	311,656	286,655
CIBC Asset Management Inc.	317,098	267,263
Fiera Capital Corporation	330,341	296,482
Letko Brosseau and Associates Inc.	382,615	396,296
Macquarie Infrastructure Partners Inc.	365,000	419,502
MIRA Americas Inc.	411,000	225,000
Neuberger Berman Alternative Advisers LLC	2,008,000	1,397,045
RBC Global Asset Management Inc.	504,873	526,956
Robeco Institutional Asset Management B.V.	289,037	105,604
TD Asset Management Inc.	444,110	414,312
CIBC Mellon - Custodial Services	210,565	194,323
	<u>\$ 6,838,208</u>	<u>\$ 5,612,639</u>

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

7. Related Party Transactions

The Pension Office Corporation of the Anglican Church of Canada (the "Corporation") administers the Plan. Under the terms of a Cost Sharing and Agency Agreement with the various pension and benefit plans of the Anglican Church of Canada (the "Plans"), the Corporation pays the shared expenses of the Plan and is reimbursed. In the current year, an amount of \$980,963 (2020 - \$882,876) was allocated to the Plan by the Corporation and is included in administrative expenses, at its exchange value (the amount of consideration established and agreed to by the parties).

The following amounts are due from related parties at December 31:

	2021	2020
Employee Benefits Fund of the Anglican Church of Canada	\$ -	\$ 34
Endowment Fund of the Anglican Church of Canada	30	-
Pension Office Corporation of the Anglican Church of Canada	1,779	-
Plan Administration Expense Fund	-	653
	\$ 1,809	\$ 687

The General Synod Pension Plan of the Anglican Church of Canada has a common Board of Directors/Trustees with the above related parties.

8. Financial Risk Management

The Plan may be exposed to a variety of financial risks including market risk (interest rate risk, foreign currency risk, and price risk), credit risk and liquidity risk. Volatility in interest rates, currency exchange rates and equity prices can significantly impact the value of the Plan's investments and the funded status of the Plan. The management of these investment risks is addressed through the Statement of Investment Policies and Procedures which defines investment and risk philosophy, asset mix and diversification policy, and guidelines for the management of investments.

a) Market Risk

Market risk is the risk that the value of an investment changes as a result of market conditions. Market risk encompasses a variety of risks such as interest rate risk, currency risk and price risk. The Plan uses a variety of strategies such as diversification and hedging to mitigate the various forms of risk. Investments in various asset classes are monitored on a monthly basis. The Plan employs professional managers to make investment decisions and execute trades and monitors these managers closely.

Interest Rate Risk

Interest Rate Risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Plan manages interest rate risk by establishing a diversified target asset mix. A portion of the fixed income portfolio is actively managed, allowing managers to anticipate and attempt to mitigate interest rate movements. An increase/decrease of one percent in nominal interest rates, with all other variables held constant would result in an approximate decrease/increase of \$29.4 million (2020 - \$29.6 million) in the value of the Plan's fixed income investments.

**General Synod Pension Plan of the
Anglican Church of Canada
Notes to Financial Statements**

December 31, 2021

8. Financial Risk Management (Continued)

Currency Risk

Currency risk is the risk that the value of investment assets denominated in foreign currencies will fluctuate with changes in foreign currency exchange rates while the Plan liabilities are denominated in Canadian dollars.

The investment manager for the corporate bond portfolio hedges its exposure to foreign currencies as it deems appropriate. At December 31, 2021 the investment manager is currently hedging 100% (2020 - 100%) of the exposure to US dollar bonds in the portfolio. There were no bonds held in currencies other than the Canadian and US dollar at that time. The policy is monitored by them based on the value of the Canadian dollar. The Plan uses a professional investment manager to hedge the foreign currency exposure in its global asset portfolio. The investment manager uses foreign exchange forward contracts to modify currency exposure comprised of both an active component and a passive component with a 37.5% overall target hedge ratio. Hedging policy is reviewed regularly by the Board of Trustees.

In Canadian dollars, the net underlying currency exposures are as follows:

	2021		2020	
	Net Exposure	Impact of +/- 5% change	Net Exposure	Impact of +/- 5% change
Investments subject to currency risk				
United States	244,315,745	12,215,787	187,761,058	9,388,053
Eurozone	21,984,199	1,099,210	34,852,032	1,742,602
United Kingdom	13,942,596	697,130	10,143,927	507,196
Asia Pacific	7,223,011	361,151	27,738,673	1,386,934
Europe - Other	26,051,453	1,302,573	28,812,618	1,440,631
Emerging markets	71,181,329	3,559,066	71,817,391	3,590,870
	384,698,333	19,234,917	361,125,699	18,056,286
As % of Net Assets	34.81%		35.08%	

**General Synod Pension Plan of the
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December 31, 2021

8. Financial Risk Management (Continued)

Price Risk

Other price risk is the risk that the value of an investment will fluctuate with changes in market prices. The Plan is subject to price risk primarily on its investments in equities. An increase/decrease in the market prices for equities of 10%, with all other variables held constant, would result in an approximate increase/decrease in the Funds' investments of \$57 million (2020 - \$51 million). The Plan manages that risk by diversifying its investments in accordance with the Statement of Investment Policies and Procedures prepared by the Trustees of the Plan.

b) Credit Risk

Credit risk is the risk of loss arising when a counterparty fails to fully honour its financial obligations with the Plan. Credit risk can also cause losses when an issuer is downgraded by credit rating agencies leading to a reduction in the market value of the issuers' obligations. The Plan has a prudently diversified fixed income portfolio comprising investment in a long bond fund and an actively managed portfolio of corporate bonds. Investment restrictions within the plan limit investments with a single issuer. Additional restrictions are placed on the issuer, currency and rating of fixed income securities to reduce risk.

Other debt instruments, such as foreign pooled private debt, are unrated debt securities and are subject to credit risk.

As at December 31, 2021

Rating	Corporate Bonds	Pooled Funds*	Short-term	Total	% of Total
AAA/R-1 High	\$ 1,971,252	\$ 21,194,956	\$ 4,524,395	\$ 27,690,603	10%
AA/R-1 Middle	13,874,998	50,008,571	4,247,751	68,131,320	24%
A	7,788,570	53,167,970	-	60,956,540	21%
BBB	42,228,474	28,841,345	-	71,069,819	25%
Below BBB/Unrated	28,862,819	26,867,035	-	55,729,854	20%
	\$ 94,726,113	\$ 180,079,877	\$ 8,772,146	\$ 283,578,136	100%

*Numbers are extrapolated based on percentages in each category for the Phillip Hager & North Long Core Plus Bond Fund and the Canso Corporate and Infrastructure Debt Fund as per the December 31, 2021 audited financial statements of RBC Global Asset Management Inc. and Canso Fund Management Inc.

As at December 31, 2020

Rating	Corporate Bonds	Pooled Funds**	Short-term	Total	% of Total
AAA/R-1 High	\$ 1,449,955	\$ 23,364,073	\$ 653,890	\$ 25,467,918	9%
AA/R-1 Middle	6,574,843	39,558,406	9,197,792	55,331,041	19%
A	9,320,137	57,348,896	-	66,669,033	23%
BBB	42,860,406	37,128,075	-	79,988,481	28%
Below BBB/Unrated	30,502,357	29,696,992	-	60,199,349	21%
	\$ 90,707,698	\$ 187,096,442	\$ 9,851,682	\$ 287,655,822	100%

**Numbers are extrapolated based on percentages in each category for the Phillip Hager & North Long Core Plus Bond Fund and the Canso Corporate and Infrastructure Debt Fund as per the December 31, 2020 audited financial statements of RBC Global Asset Management Inc. and Canso Fund Management Inc.

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8. Financial Risk Management (Continued)

b) Credit Risk (continued)

Credit risk for investments in derivatives is measured by the positive fair value of the contractual obligations with the counterparties less any collateral or margin received as at the reporting date. The Plan has exposure to derivatives as follows:

As at December 31, 2021

	Number of Contracts	Notional amount	Fair Value	
			Assets	Liabilities
Currency Forwards	82	\$ 390,363,586	\$ 942,438	\$ (2,721,065)

As at December 31, 2020

	Number of Contracts	Notional amount	Fair Value	
			Assets	Liabilities
Currency Forwards	78	\$ 382,314,734	\$ 5,587,160	\$ (435,015)

The Plan participates in a securities lending agreement through CIBC Mellon. The Plan manages the credit risk associated with the borrower by requiring the borrower to provide collateral in the form of readily marketable securities of a minimum of 105% of the market value of the securities lent. CIBC Mellon provides indemnification against borrower default. At December 31, 2021 the Plan had \$24.2 million (2020 - \$28.8 million) of securities on loan and held collateral of \$26.2 million (2020 - \$31.1 million).

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8. Financial Risk Management (Continued)

Liquidity Risk

Liquidity risk is the risk that the Plan has insufficient cash flows to meet its obligations as they come due. Cash inflows are derived from employer and member contributions and investment income. The majority of the Plan's assets are invested in readily marketable securities and can be sold relatively quickly. The Plan also invests in real estate, infrastructure and private debt which are typically less liquid and therefore may be exposed to higher degree of liquidity risk.

The term to maturity classifications of interest bearing investments, based upon the contractual maturity of the securities, are as follows:

As at December 31, 2021

	Term to Maturity				Total
	Within 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years	
Short-term notes	\$ 8,772,146	\$ -	\$ -	\$ -	\$ 8,772,146
Corporate bonds	611,667	23,013,557	28,458,642	42,642,247	94,726,113
Pooled bond funds*	3,287,837	15,586,713	23,260,018	137,945,309	180,079,877
Total	\$ 12,671,650	\$ 38,600,270	\$ 51,718,660	\$ 180,587,556	\$ 283,578,136

Interest Rate Risk (continued)

As at December 31, 2020

	Term to Maturity				Total
	Within 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years	
Short-term notes	\$ 9,851,682	\$ -	\$ -	\$ -	\$ 9,851,682
Corporate bonds	9,636	33,809,479	14,748,035	42,140,548	90,707,698
Pooled bond funds**	3,263,093	16,905,522	29,012,069	137,915,758	187,096,442
Total	\$ 13,124,411	\$ 50,715,001	\$ 43,760,104	\$ 180,056,306	\$ 287,655,822

Financial Instruments Fair Value Hierarchy

Disclosure of a three-level hierarchy for fair value measurements is based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 :

For securities valued based on unadjusted quoted prices in active markets for identical assets.

Level 2:

For securities valued based on inputs, other than quoted prices included in Level 1, that are observable for the asset, either directly or indirectly.

Level 3:

For securities valued based on inputs that are based on unobservable market data.

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8. Financial Risk Management (Continued)

Financial Instruments Fair Value Hierarchy (continued)

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 19,730,819			\$ 19,730,819
Fixed Income				
Canadian	-	58,701,505	-	58,701,505
Foreign	-	36,024,607	-	36,024,607
Canadian pooled fixed income investments	184,087,355	-	-	184,087,355
Total Fixed Income	184,087,355	94,726,112	-	278,813,467
Equities				
Common shares				
Canadian	103,040,285	-	-	103,040,285
Foreign	246,935,323	-	-	246,935,323
Foreign pooled equity investments	215,008,975	-	-	215,008,975
Total Equities	564,984,583	-	-	564,984,583
Canadian Real Estate	-	-	98,013,576	98,013,576
Infrastructure	-	-	60,789,292	60,789,292
Private Debt	-	-	82,847,170	82,847,170
Investment related assets	-	942,438	-	942,438
Investment related liabilities	-	(2,721,065)	-	(2,721,065)
	\$ 768,802,757	\$ 92,947,485	\$ 241,650,038	\$ 1,103,400,280

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8. Financial Risk Management (Continued)

Financial Instruments Fair Value Hierarchy (continued)

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 38,540,282	\$ -	\$ -	\$ 38,540,282
Fixed Income				
Canadian	-	57,945,286	-	57,945,286
Foreign	-	32,762,413	-	32,762,413
Canadian pooled fixed income investments	190,076,584	-	-	190,076,584
Total Fixed Income	190,076,584	90,707,699	-	280,784,283
Equities				
Common shares				
Canadian	80,100,109	-	-	80,100,109
Foreign	209,876,976	-	-	209,876,976
Foreign pooled equity investments	222,432,656	-	-	222,432,656
Total Equities	512,409,741	-	-	512,409,741
Canadian Real Estate	-	-	86,944,558	86,944,558
Infrastructure	-	-	41,907,873	41,907,873
Private Debt	-	-	61,992,378	61,992,378
Investment related assets	-	5,587,160	-	5,587,160
Investment related liabilities	-	(435,015)	-	(435,015)
	\$ 741,026,607	\$ 95,859,844	\$ 190,844,809	\$ 1,027,731,260

There were no significant transfers between Level 1 and Level 2 for the years ended December 31, 2021 and December 31, 2020.

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December 31, 2021

8. Financial Risk Management (Continued)

Financial Instruments Fair Value Hierarchy (continued)

The following is a reconciliation of Level 3 fair value measurements for the year ended December 31, 2021:

	Real Estate	Infrastructure	Private Debt	Total
Balance, beginning of the year	\$ 86,944,558	\$ 41,907,873	\$ 61,992,378	\$ 190,844,809
Capital contributions	-	13,982,066	32,042,008	46,024,074
Returned capital	-	445,001	9,082,384	9,527,385
Unrealized gains (losses)	11,069,018	4,454,352	(20,269,600)	(4,746,230)
Balance, end of the year	\$ 98,013,576	\$ 60,789,292	\$ 82,847,170	\$ 241,650,038

The following is a reconciliation of Level 3 fair value measurements for the year ended December 31, 2020:

	Real Estate	Infrastructure	Private Debt	Total
Balance, beginning of the year	\$ 94,920,741	\$ 57,930,258	\$ 64,460,588	\$ 217,311,587
Capital contributions	-	237,450	1,471,218	1,708,668
Returned capital	(4,305,394)	(22,422,007)	(3,455,114)	(30,182,515)
Unrealized gains (losses)	(3,670,789)	6,162,172	(484,314)	2,007,069
Balance, end of the year	\$ 86,944,558	\$ 41,907,873	\$ 61,992,378	\$ 190,844,809

9. Capital Management

The Plan considers its capital to consist of net assets available for benefits as presented in the Statement of Net Assets Available for Benefits. The Plan's objective when managing its capital is to accumulate funds for the provision of defined retirement benefits to pension plan members. The Plan's ability to meet this goal is affected by the level of benefits provided and contributions required under the Plan, and by the prudent and effective management of the Plan's assets, which are invested in accordance with the Plan's Statement of Investment Policies and Procedures (the "SIP&P") and within the applicable regulatory limits.

Investments are based on asset mix and risk management policies that are designed to enable the Plan to meet or exceed its long-term funding requirement with an acceptable level of risk, consistent with the SIP&P as approved by the Board of Trustees. The Board of Trustees has adopted a SIP&P for the Plan which sets investment objectives, guidelines and benchmarks used in investing the Plan's assets, permitted categories of investments, asset mix diversification and rate of return expectations. The SIP&P was originally established in 1988 and was last amended on March 5, 2021.

**General Synod Pension Plan of the
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9. Capital Management (Continued)

There were no significant changes from the previously approved SIP&P apart from the following:

- The description of rate of return expectations was amended to remove reference to an absolute annual nominal investment return value on the basis that it is not the sole determinant of the long-term asset mix policy. It has been replaced by a target rate of return, net of all expenses, in excess of the rate of return achieved by the Benchmark Portfolio represented by the target asset mix. The time horizon was also amended from a ten-year period to a 4-year period.

The Plan's annualized four-year nominal average rate of investment return net of investment management fees as of December 31, 2021 was 9.34% (2020 - 9.72%), exceeding the rate of return achieved by the Benchmark Portfolio of 9.21% (2020 - 9.40%).

The SIP&P target asset mix is comprised of three broad categories of assets. A set of benchmarks has been identified to measure against each category's annual rate of investment return. The total investment annual rate of return is measured against a composite index made up of the weighted average of each category's benchmark return using the target allocation of the SIP&P to weight the various categories. The Plan's relative annual rate of investment return expectation is to exceed the composite index. The Plan's investment was allocated within the allowed asset categories range, as of the date of the financial statements. The following table presents the asset allocation and the annual rate of investment return for each asset category, and total investments, along with appropriate benchmarks.

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9. Capital Management (Continued)

Asset categories	Benchmark	Asset allocation %				Current Year Annual rate of investment return (%)			
		SIP&P Target		As of December 31st		Benchmark		Actual	
		2021	2020	2021	2020	2021	2020	2021	2020
Cash & Equivalents*	FTSE 91 Day T-Bill Index	0	0	2	2	N/A	N/A	N/A	N/A
Fixed Income	33% FTSE Corporate Bond Index and 67% FTSE Long Bond Index	30	30	25	28	-3.4	10.9	-1.1	15.8
Equities									
Canadian Equities	S&P/TSX Composite Index	11	11	9	7	25.1	5.6	25.1	-2.1
Global Equities	69% MSCI World (\$Cdn) and 31% MSCI ACWI (\$Cdn)	39	39	42	43	18.0	14.3	14.4	27.8
Total Equities		50	50	51	50				
Alternatives									
Real Estate	FTSE TMX Canada Universe + 2.5%	10	10	9	9	-0.1	11.4	15.3	-1.2
Infrastructure	FTSE TMX Canada Universe + 3.5%	5	5	6	4	N/A	N/A	N/A	N/A
Private Debt	BoA Merrill Lynch US High Yield Master II USD + 2.5%	5	5	7	6	N/A	N/A	N/A	N/A
Total Alternatives		20	20	22	19				
Currency Overlay		0	0	0	1	2.3	-1.3	2.5	-1.0
Total Investments	Composite Index	100	100	100	100	9.4	12.1	11.3	13.5

*Performance information is not calculated for the cash portfolio

**General Synod Pension Plan of the
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10. Commitments

The Plan enters into commitments related to the funding of investments. The Plan has made a commitment to an investment in Macquarie Infrastructure Partners III, L.P. of \$30,000,000 US dollars, of which \$3,827,496 USD is outstanding at year end. The future commitments will be payable on demand based on the capital needs of the investment.

The Plan has made a commitment to an investment in Neuberger Berman Private Debt Fund II LP of \$30,000,000 US dollars, of which \$6,000,000 remains outstanding at year end. The future commitments are payable upon demand over a period of no more than ten months.

The Plan has made a commitment to an investment in Neuberger Berman Private Debt Fund III Cayman LP of \$40,000,000 US dollars, of which \$8,225,327 remains outstanding at year end. The future commitments are payable upon demand over a period of no more than one year.

The Plan has made a commitment to an investment in Neuberger Berman Private Debt Fund IV Lux Associates S.à r.l. of \$30,000,000 US dollars, of which \$15,019,430 remains outstanding at year end. The future commitments are payable upon demand over a period of no more than one year.

The Plan has made a commitment to an investment in MIRA Infrastructure Global Solutions II,LP of \$30,000,000 US dollars, of which \$8,464,326 remains outstanding at year end. The future commitments will be payable on demand based on the capital needs of the investment.

11. Lay Retirement Plan of the Anglican Church of Canada Wind-up

On November 5, 2021, the Council of General Synod approved the wind-up of the Lay Retirement Plan of the Anglican Church of Canada effective December 31, 2021. Application to the Financial Services Regulatory Authority of Ontario (the "FSRA") to wind up the Plan was made on March 3, 2022 and was approved on April 20, 2022. All members actively employed with participating employers of the Lay Retirement Plan of the Anglican Church of Canada at January 1, 2022 will be enrolled in the Plan. These members have been given the option to purchase a pension in the Plan with their balances from the Lay Retirement Plan of the Anglican Church of Canada. All members with account balances at Canada Life have been given every legally available option to manage their assets going forward. Regulations 3 and 5 of Canon VIII (General Synod Regulations) were amended on November 7, 2020. The amendment to Regulation 3 allows for variable contribution levels. It is expected that the Lay Retirement Plan of the Anglican Church of Canada's employers will continue to contribute 5%, and their employees 5%, of pensionable earnings. The amendment to Regulation 5 defines the benefit accrual based on contributions rather than earnings, so that the benefit is scalable based on different contribution rates for participating employers. The accrual rate for 2021 and onward is calculated based on the Plan's formula in effect for 2020. This was 1.8% of pensionable earnings at a contribution rate of 17.5% of pensionable earnings. This is equivalent to an accrual rate of 10.2857% of contributions, which was rounded to 10.3%.

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12. Impact of COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus, the "COVID-19" outbreak. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. As a result, economic uncertainties have arisen. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption to the Plan and the related financial impact cannot be reasonably estimated at this time.