General Synod Pension Plan
of the Anglican Church of Canada
Financial Statements
For the year ended December 31, 2022

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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, 2022, 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, 2022, 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 (decrease) in net assets for the years ended December 31, 2022 and 2021, assets as at December 31, 2022 and 2021 and net assets available for benefits as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 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.

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 25, 2023

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

December 31	2022	2021
Assets		
Investments (Note 3)	**$ 1,006,365,313**	$ 1,103,400,280
Contributions receivable		
Employers	**590,145**	254,832
Members	**373,626**	101,933
Accrued interest, dividends and other income	**2,679,975**	2,347,100
Due from related parties (Note 7)	**-**	1,809
Prepaid expense (Note 7)	**346,000**	-
Other receivables	**55,796**	125,278
	1,010,410,856	1,106,231,232
Liabilities		
Accounts payable and accrued liabilities	**1,081,930**	1,063,800
Due to related parties (Note 7)	**5,847**	-
	1,087,777	1,063,800
Total net assets	**1,009,323,079**	1,105,167,432
Net assets available for benefits		
Funds available for obligations of the General Synod Pension Plan	**1,009,294,568**	1,105,138,921
Additional voluntary contributions on deposit	**28,511**	28,511
Total net assets available for benefits	**$ 1,009,323,079**	$ 1,105,167,432

On behalf of the Board:

JEMarks

Chairperson

Simon A Segall

Trustee

The accompanying notes are an integral part of these financial statements.

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	2022	2021
Increase in net assets		
Contributions		
Current service		
Employers	**$ 14,343,092**	$ 12,001,774
Members	**7,155,549**	4,800,709
Prior service	**481,046**	858,187
	21,979,687	17,660,670
Investment income (loss) (Note 4)	**(70,928,439)**	118,653,302
Total increase (decrease) in net assets	**(48,948,752)**	136,313,972
Decrease in net assets		
Benefit costs		
Pension payments	**54,808,775**	50,177,677
Lumpsum termination payments	**756,261**	1,408,873
Death benefits	**1,151,614**	2,032,119
Family law benefits	**50,241**	229,382
	56,766,891	53,848,051
Administrative expenses (Notes 6 and 7)	**7,679,121**	6,805,101
Total decrease in net assets	**64,446,012**	60,653,152
Net increase (decrease) in net assets	**(113,394,764)**	75,660,820
Net assets available for benefits, beginning of year	**1,105,167,432**	1,029,506,612
Transfer in of assets (Note 11)	**17,550,411**	-
Net assets available for benefits, end of year	**$ 1,009,323,079**	$ 1,105,167,432

The accompanying notes are an integral part of these financial statements.

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.

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, 2022.

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 and their employers are required to contribute a percentage of the members' salaries based on the employer's participation agreement.

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.

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.

3. Investments

(a) Investments

	2022			2021		
	Cost	**Market Value**	**%**	Cost	Market Value	%
Cash and short-term investments	**$ 27,109,742**	**$ 27,611,566**	**2.74%**	$ 19,840,291	$ 19,730,819	1.79%
Fixed income						
Canadian	**55,832,044**	**50,646,742**	**5.03%**	56,039,977	58,701,505	5.32%
Foreign	**22,630,170**	**20,465,889**	**2.03%**	33,715,732	36,024,607	3.26%
Canadian pooled fixed income investments	**180,361,886**	**143,176,742**	**14.23%**	181,467,265	184,087,355	16.69%
Total Fixed Income	**258,824,100**	**214,289,373**	**21.29%**	271,222,974	278,813,467	25.27%
Equities						
Common shares						
Canadian	**70,670,620**	**99,602,903**	**9.90%**	65,285,001	103,040,285	9.34%
Foreign	**200,169,305**	**231,685,689**	**23.02%**	187,109,560	246,935,323	22.38%
Foreign pooled equity investments	**165,145,443**	**156,778,199**	**15.60%**	174,151,103	215,008,975	19.48%
Total Equities	**435,985,368**	**488,066,791**	**48.52%**	426,545,664	564,984,583	51.20%
Canadian Real Estate	**71,486,759**	**104,888,148**	**10.42%**	71,486,759	98,013,576	8.88%
Foreign Pooled Infrastructure	**56,221,369**	**85,458,928**	**8.49%**	50,708,267	60,789,292	5.51%
Foreign Pooled Private Debt	**86,352,694**	**90,218,418**	**8.96%**	88,058,708	82,847,170	7.51%
	935,980,032	**1,010,533,224**	**100.42%**	927,862,663	1,105,178,907	100.16%
Investment Related Assets						
Unrealized gains on currency forwards	**-**	**346,169**	**0.03%**	-	942,438	0.09%
	935,980,032	**1,010,879,393**	**100.45%**	927,862,663	1,106,121,345	100.25%
Investment related liabilities						
Unrealized losses on currency forwards	**-**	**(4,514,080)**	**-0.45%**	-	(2,721,065)	-0.25%
	$ 935,980,032	**$ 1,006,365,313**	**100.00%**	$ 927,862,663	$ 1,103,400,280	100.00%

3. Investments (Cont'd)

(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:

	2022		2021	
	Cost	**Market Value**	Cost	Market Value
Pooled Funds				
Baillie Gifford Global Alpha Fund	**$ 93,225,031**	**$ 90,196,305**	$ 97,373,641	$ 124,868,328
Baillie Gifford Global Positive Change Fund	**59,639,140**	**52,732,976**	65,723,545	77,704,333
Canso Corporate and Infrastructure Debt Fund	**9,070,006**	**7,918,768**	10,706,917	10,464,686
LBA Emerging Markets Fund	**12,281,271**	**13,848,918**	11,053,917	12,436,314
Macquarie Infrastructure Partners III, LP	**24,116,592**	**45,399,130**	24,116,592	32,201,820
MIRA Infrastructure Global Solution II, LP	**32,104,778**	**40,059,798**	26,591,675	28,587,473
NB Private Debt Fund II LP	**20,451,970**	**17,158,794**	28,170,069	22,220,272
NB Private Debt Cayman Fund III LP	**47,477,354**	**52,172,642**	40,977,411	41,622,498
NB Private Debt Fund IV (Canada Feeder) LP	**18,423,370**	**20,886,983**	18,911,227	19,004,400
Phillips, Hager & North Long Bond Pension Trust	**171,291,880**	**135,257,974**	170,760,349	173,622,669
Real Estate				
Canadian				
Bentall Kennedy Prime Canadian Property Fund Ltd.	**$ 48,594,970**	**$ 64,441,511**	$ 48,594,970	$ 60,356,433
TD Greystone Real Estate Fund Inc.	**22,891,789**	**40,446,638**	22,891,789	37,657,143

4. Investment Income (Loss)

Investment income consists of the following:

	2022	2021
Bond, note and deposit interest	**$ 3,828,296**	$ 3,985,350
Dividends	**9,580,307**	7,529,726
Pooled fund distributions	**15,992,668**	20,600,160
Canadian private real estate	**2,091,788**	1,899,407
Net gain on disposal on investments	**12,687,309**	57,643,120
Net foreign exchange gain (loss) on disposal on investments	**(10,043,435)**	9,692,237
Net unrealized gain (loss) in the value of investments	**(126,232,460)**	28,971,518
Net unrealized foreign exchange gain (loss)	**21,121,775**	(11,724,541)
Securities lending	**45,313**	56,325
	$ (70,928,439)	$ 118,653,302

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:

	2022	2021
Estimated actuarial present value of accrued pension benefits, beginning of year	**$ 729,491,000**	$ 673,771,000
Accrued interest on benefits	**42,924,000**	39,191,000
Benefits accrued[1]	**28,640,000**	12,744,000
Expenditures	**(56,767,000)**	(53,853,000)
Amendments to the plans[2]	**65,222,000**	57,638,000
Estimated actuarial present value of accrued pension benefit, end of year	**$ 809,510,000**	$ 729,491,000

The estimated actuarial present value of accrued pension benefits as at December 31, 2022 is based on an actuarial valuation prepared as at January 1, 2020, which was extrapolated to December 31, 2022 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% (2021 - 6.0%) per annum has been assumed in calculating the actuarial present value of accrued pension benefits.

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

[2] Amendments to the plan for the year ended December 31, 2022 refers to the plan amendment effective July 1, 2022 granting benefit improvements to all members in respect of pensions earned by December 31, 2021. Amendments 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.

5. Accrued Pension Benefits (Cont'd)

Retirement

It has been assumed that members in receipt of LTD benefits would retire at age 65 and that 20% (2021 - 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, 2022 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:

	2022	2021
Net assets available for benefits	**$ 1,009,323,079**	$ 1,105,167,432
Market changes not reflected in the actuarial value of net assets	**32,160,921**	(101,886,432)
Actuarial value of net assets	**$ 1,041,484,000**	$ 1,003,281,000

The next required filing with the Financial Services Regulatory Authroity of Ontario ("FSRA") is due September 30, 2023 based on December 31, 2022 amounts.

6. Administrative Expenses

A portion of the 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 :

	2022	2021
Actuarial - Eckler Ltd.	**$ 346,483**	$ 248,799
Administrative fees (Note 7)	**1,139,946**	980,963
Audit - BDO Canada LLP	**90,382**	67,105
Accounting consulting fees - BDO Canada LLP	**3,486**	8,212
Bank charges	**8,194**	7,242
Insurance	**51,133**	43,813
Interest and penalties	**307**	-
Investment consulting -Mercer Investment Consulting	**121,723**	114,921
Investment management and custodial fees	**6,678,848**	6,838,208
Legal - Koskie Minsky LLP	**63,523**	30,555
Legal - Blake, Cassels & Graydon LLP	**2,034**	1,863
Provincial registration fees	**52,988**	53,723
Sales tax expense (rebate)	**13,754**	(40,026)
	8,572,801	8,355,378
Less: Paid by the Plan Administration Expense Fund	**(893,680)**	(1,550,277)
	$ 7,679,121	$ 6,805,101

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

	2022	2021
Investment management		
Baillie Gifford and Co.	**$ 799,006**	$ 992,856
BentallGreenOak (Canada) Limited Partnership	**303,660**	271,057
Canso Investment Counsel Ltd.	**283,128**	311,656
CIBC Asset Management Inc.	**294,579**	317,098
Fiera Capital Corporation	**317,835**	330,341
Letko Brosseau and Associates Inc.	**386,841**	382,615
Macquarie Infrastructure Partners Inc.	**404,000**	365,000
MIRA Americas Inc.	**526,000**	411,000
Neuberger Berman Alternative Advisers LLC	**1,963,000**	2,008,000
RBC Global Asset Management Inc.	**425,243**	504,873
Robeco Institutional Asset Management B.V.	**303,459**	289,037
TD Asset Management Inc.	**481,024**	444,110
CIBC Mellon - Custodial Services	**191,073**	210,565
	$ 6,678,848	$ 6,838,208

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 $1,139,946 (2021 - $980,693) 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). Included in prepaid expenses is $333,500 of fees paid to the Corporation relating to fiscal 2023.

The following amounts are due from/(to) related parties at December 31:

	2022	2021
Endowment Fund of the Anglican Church of Canada	**$ 10,458**	$ 30
Pension Office Corporation of the Anglican Church of Canada	**(16,305)**	1,779
	$ (5,847)	$ 1,809

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. These risks have not changed from the prior year.

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.

8. Financial Risk Management (Continued)

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 $16.3 million (2021 - $29.4 million) in the value of the Plan's fixed income investments.

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, 2022 the investment manager is currently hedging 100% (2021 - 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:

	2022		2021	
	Net Exposure	**Impact of +/- 5% change**	Net Exposure	Impact of +/- 5% change
Investments subject to currency risk				
United States	**$248,581,622**	**$12,429,081**	$244,315,745	$12,215,787
Eurozone	**21,635,881**	**1,081,929**	21,984,199	1,099,210
United Kingdom	**1,597,077**	**79,870**	13,942,596	697,130
Asia Pacific	**24,135,725**	**1,300,767**	7,223,011	361,151
Europe - Other	**26,534,721**	**1,390,466**	26,051,453	1,302,573
Emerging markets	**44,482,766**	**2,259,495**	71,181,329	3,559,066
	$366,967,792	**$18,541,608**	$384,698,333	$19,234,917
As % of Net Assets	**36.36%**		34.81%	

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 $49 million (2021 - $57 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, 2022

	Corporate Bonds	Pooled Funds*	Short-term	Total	% of Total
Rating					
AAA/R-1 High	**$ 5,011,228**	**$ 18,335,363**	**$ 8,139,384**	**$ 31,485,975**	**14%**
AA/R-1 Middle	**18,364,072**	**37,819,078**	**1,402,758**	**57,585,908**	**26%**
A	**3,995,331**	**33,827,346**	**-**	**37,822,677**	**17%**
BBB	**25,119,892**	**27,794,337**	**-**	**52,914,229**	**24%**
Below BBB/Unrated	**18,622,108**	**22,398,193**	**540,143**	**41,560,444**	**19%**
	$ 71,112,631	**$ 140,174,317**	**$ 10,082,285**	**$ 221,369,233**	**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, 2022 audited financial statements of RBC Global Asset Management Inc. and Canso Fund Management Inc.

8. Financial Risk Management (Continued)

b) Credit Risk (continued)

As at December 31, 2021

		Corporate Bonds		Pooled Funds*		Short-term		Total	% of Total
Rating									
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.

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, 2022

			Fair Value			
	Number of Contracts	Notional amount		Assets		Liabilities
Currency Forwards	36	$ 284,233,617	$	346,169	$	(4,514,080)

As at December 31, 2021

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

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, 2022 the Plan had $18.1 million (2021 - $24.2 million) of securities on loan and held collateral of $19.7 million (2021 - $26.2 million).

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, 2022

	Term to Maturity				
	Within 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years	Total
Short-term notes	**$ 10,082,285**	**$ -**	**$ -**	**$ -**	**$ 10,082,285**
Corporate bonds	**5,451,910**	**12,660,612**	**26,332,994**	**26,667,115**	**71,112,631**
Pooled bond funds*	**5,938,346**	**12,173,735**	**18,816,697**	**103,245,539**	**140,174,317**
Total	**$ 21,472,541**	**$ 24,834,347**	**$ 45,149,691**	**$ 129,912,654**	**$ 221,369,233**

Interest Rate Risk (continued)

As at December 31, 2021

	Term to Maturity				
	Within 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years	Total
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

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:

Level1 :

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

Level2:

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.

8. Financial Risk Management (Continued)

Financial Instruments Fair Value Hierarchy (continued)

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Cash and short-term investments	**$ 27,611,566**	**$ -**	**$ -**	**$ 27,611,566**
Fixed Income				
Canadian	**-**	**50,646,742**	**-**	**50,646,742**
Foreign	**-**	**20,465,889**	**-**	**20,465,889**
Canadian pooled fixed income investments	**143,176,742**	**-**	**-**	**143,176,742**
Total Fixed Income	**143,176,742**	**71,112,631**	**-**	**214,289,373**
Equities				
Common shares				
Canadian	**99,602,903**	**-**	**-**	**99,602,903**
Foreign	**231,685,689**	**-**	**-**	**231,685,689**
Foreign pooled equity investments	**156,778,199**	**-**	**-**	**156,778,199**
Total Equities	**488,066,791**	**-**	**-**	**488,066,791**
Canadian Real Estate	**-**	**-**	**104,888,148**	**104,888,148**
Infrastructure	**-**	**-**	**85,458,928**	**85,458,928**
Private Debt	**-**	**-**	**90,218,418**	**90,218,418**
Investment related assets	**-**	**346,169**	**-**	**346,169**
Investment related liabilities	**-**	**(4,514,080)**	**-**	**(4,514,080)**
	$ 658,855,099	**$ 66,944,720**	**$ 280,565,494**	**$ 1,006,365,313**

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

There were no significant transfers between Level 1 and Level 2 for the years ended December 31, 2021 and December 31, 2022.

The following is a reconciliation of Level 3 fair value measurements for the year ended December 31, 2022:

	Real Estate	Infrastructure	Private Debt	Total
Balance, beginning of the year	**$ 98,013,576**	**$ 60,789,292**	**$ 82,847,170**	**$ 241,650,038**
Capital contributions	**-**	**5,513,103**	**13,071,292**	**18,584,395**
Returned capital	**-**	**-**	**(14,777,306)**	**(14,777,306)**
Unrealized gains (losses)	**6,874,572**	**19,156,533**	**9,077,262**	**35,108,367**
Balance, end of the year	**$ 104,888,148**	**$ 85,458,928**	**$ 90,218,418**	**$ 280,565,494**

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	5,344,354	(2,104,832)	14,308,540
Balance, end of the year	$ 98,013,576	$ 60,789,292	$ 82,847,170	$ 241,650,038

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.

The Plan’s annualized four-year nominal average rate of investment return net of investment management fees as of December 31, 2022 was 7.48% (2021 - 9.34%), exceeding the rate of return achieved by the Benchmark Portfolio of 5.89% (2021 - 9.21%).

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.

There have been no changes in what the Plan considers to be its capital and there have been no significant changes to the Plan's capital management objectives, policies and processes in the year.

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	
		2022	2021	2022	2021	2022	2021	2022	2021
Cash & Equivalents*	FTSE 91 Day T-Bill Index	0	0	3	2	N/A	N/A	N/A	N/A
Fixed Income	33% FTSE Corporate Bond Index and 67% FTSE Long Bond Index	30	30	21	25	-17.9	-3.4	-17.5	-1.1
Equities									
Canadian Equities	S&P/TSX Composite Index	11	11	10	9	-5.8	25.1	0.6	25.1
Global Equities	69% MSCI World ($Cdn) and 31% MSCI ACWI ($Cdn)	39	39	39	42	-12.0	18.0	-17.8	14.4
Total Equities		50	50	49	51				
Alternatives									
Real Estate	FTSE TMX Canada Universe + 2.5%	10	10	10	9	-9.4	-0.1	9.4	15.3
Infrastructure	FTSE TMX Canada Universe + 3.5%	5	5	8	6	N/A	N/A	N/A	N/A
Private Debt	BoA Merrill Lynch US High Yield Master II USD + 2.5%	5	5	9	7	N/A	N/A	N/A	N/A
Total Alternatives		20	20	27	22				
Currency Overlay		0	0	0	0	-5.6	2.3	-4.3	2.5
Total Investments	Composite Index	100	100	100	100	-12.7	9.4	-7.8	11.3

*Performance information is not calculated for the cash portfolio

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 $3,495,998 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 $5,645,878 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 $3,367,081 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 $15,168,357 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 $3,392,843 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 Wind-up

On November 5, 2021, the Council of General Synod approved the wind-up of The Lay Retirement Plan (LRP) effective December 31, 2021. Application to Financial Services Regulatory Authority (FSRA) to wind up the LRP was made on March 3, 2022, and was approved in April 2022. All the members actively employed with participating employers of the former LRP were enrolled in the General Synod Pension Plan (GSPP), effective January 1, 2022. These members were given the option to purchase a pension in the GSPP with their balances from the Lay Retirement Plan, as well as other legally available options available to all members of the LRP. 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 (The expectation is that the LRP employers will continue to contribute 5% unless overridden by a new participation agreement). The amendment to Regulation 5 defines the benefit accrual as a percent of contributions rather than as a percent of Salary so the benefit is scalable based on total contributions on behalf of a member. The accrual is calculated as 1.8% of Salary (accrual) / 17.5% of Salary (contributions) = accrual of 10.2857% of contributions, rounded to 10.3%.

12. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.