

Pension Fund of the
Christian Church
(Disciples of Christ), Inc.

Combined Financial Statements as of and for the
Years Ended December 31, 2008 and 2007, and
Independent Auditors' Report

PENSION FUND OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST), INC.

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INDEPENDENT AUDITORS' REPORT

To the Members of the Financial Affairs Committee
Pension Fund of the Christian Church
(Disciples of Christ), Inc.
Indianapolis, Indiana

We have audited the accompanying combined financial statements of the Pension Fund of the Christian Church (Disciples of Christ), Inc., the Health Care Benefit Trust and the Pension Fund Canada Trust, collectively referred to as (the "Pension Fund"), all of which are under common management, as of December 31, 2008 and 2007, and for the years then ended, listed in the Table of Contents. These financial statements are the responsibility of the Pension Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pension Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the combined financial status of the Pension Fund as of December 31, 2008 and 2007, and the changes in its combined financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

April 22, 2009

**PENSION FUND OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST), INC.**

**COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2008 AND 2007**

	2008	2007
ASSETS		
CASH	\$ 35,199,759	\$ 3,872,777
COLLATERAL UNDER SECURITIES LENDING AGREEMENT	<u>256,197,121</u>	<u>321,923,041</u>
INVESTMENTS:		
Short-term	<u>486,680,440</u>	<u>310,075,900</u>
Fixed income:		
U.S. treasury and government agency bonds	388,952,993	499,851,170
Industrial bonds	238,360,600	247,758,539
Utility bonds	3,319,914	2,121,289
Mortgages	<u> </u>	<u>1,296</u>
	<u>630,633,507</u>	<u>749,732,294</u>
Equities:		
Mutual fund	48,403,615	97,467,822
Equity index	111,238,623	393,145,413
Common stock	<u>525,475,725</u>	<u>1,022,607,667</u>
	<u>685,117,963</u>	<u>1,513,220,902</u>
Other:		
Private equity:		
Emerging market	14,292,447	16,753,678
Fund of funds	99,514,950	89,227,117
Venture capital	25,254,514	23,818,470
Real estate	70,421,630	59,585,559
Limited partnerships	22,149,539	55,471,280
Private company preferred stock	<u>8,333,328</u>	<u>8,333,328</u>
	<u>239,966,408</u>	<u>253,189,432</u>
Total investments	<u>2,042,398,318</u>	<u>2,826,218,528</u>
OTHER ASSETS:		
Interest and dividends receivable on investments	7,115,028	9,873,449
Amounts receivable on securities transactions	60,192,163	53,353,525
Foreign exchange contracts	89,533,222	151,096,710
Pension Fund Canada Trust	11,687,912	14,513,612
Other	<u>296,396</u>	<u>375,693</u>
Total other assets	<u>168,824,721</u>	<u>229,212,989</u>
TOTAL ASSETS	<u>\$2,502,619,919</u>	<u>\$3,381,227,335</u>

(Continued)

**PENSION FUND OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST), INC.**

**COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2008 AND 2007**

	2008	2007
LIABILITIES		
AMOUNTS DUE ON SECURITIES TRANSACTIONS	\$ 140,215,099	\$ 148,579,714
PAYABLE UNDER SECURITIES LENDING AGREEMENT	256,197,121	321,923,041
FOREIGN EXCHANGE CONTRACTS	89,567,970	150,626,092
HEALTH CARE CLAIMS PAYABLE	1,525,009	1,236,296
UNEARNED HEALTH CARE PREMIUMS	726,830	152,514
ESCROW FUNDS AND OTHER LIABILITIES	<u>6,061,196</u>	<u>3,659,804</u>
TOTAL LIABILITIES	<u>\$ 494,293,225</u>	<u>\$ 626,177,461</u>
 NET ASSETS AVAILABLE FOR BENEFITS		
PENSION PLAN FUND	\$1,695,280,408	\$2,122,875,525
ADDITIONAL BENEFITS FUND	444,825,095	570,358,584
ANNUITY FUND	7,821,627	10,559,723
ENDOWMENT FUND	29,768,984	35,684,396
GENERAL RESERVE FUND	(183,380,907)	1,000
MINISTERIAL RELIEF AND ASSISTANCE FUND	2,561,583	2,122,642
PENSION FUND CANADA TRUST	11,973,432	14,713,791
HEALTH CARE BENEFIT TRUST	<u>(522,585)</u>	<u>(1,265,787)</u>
TOTAL NET ASSETS AVAILABLE FOR BENEFITS	<u>\$2,008,327,637</u>	<u>\$2,755,049,874</u>

See notes to combined financial statements.

(Concluded)

**PENSION FUND OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST), INC.**

**COMBINED STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

	Pension Plan Fund	Additional Benefits Fund	Annuity Fund	Endowment Fund	General Reserve Fund	Ministerial Relief and Assistance Fund	Pension Fund Totals	Pension Fund Canada Trust	Health Care Benefit Trust	2008 Totals	2007 Summarized Totals
ADDITIONS:											
Pension plan dues	\$ 20,406,271	\$	\$	\$	\$	\$	\$ 20,406,271	\$ 54,525	\$	\$ 20,460,796	\$ 19,671,654
Additional benefits deposits		28,737,143					28,737,143			28,737,143	32,552,280
Annuity agreements issued			250,000				250,000			250,000	79,658
Gift receipts:											
Church Finance Council						361,309	361,309			361,309	345,211
Other gifts and offerings						506,021	506,021	248,286		754,307	779,465
Bequests and gifts				284,124			284,124			284,124	728,009
Health care premiums								19,795,201		19,795,201	18,027,400
Net investment gain (loss)					(623,419,275)		(623,419,275)	(2,266,822)	33,901	(625,652,196)	252,246,460
Interest credited to funds	75,361,489	18,956,951	331,983		(95,927,776)	1,277,353					
Total additions	95,767,760	47,694,094	581,983	284,124	(719,347,051)	2,144,683	(572,874,407)	(2,212,297)	20,077,388	(555,009,316)	324,430,137
DEDUCTIONS:											
Pension plan benefits	104,310,704						104,310,704	333,869		104,644,573	100,931,581
Annuity payments			697,632				697,632			697,632	820,589
Additional benefits withdrawals		52,707,382					52,707,382			52,707,382	44,584,281
Pension plan membership payouts	538,266						538,266	57,481		595,747	929,192
Supplemental gift benefits						656,440	656,440	9,697		666,137	701,578
Other ministerial relief and assistance						1,046,503	1,046,503	6,660		1,053,163	1,116,476
Special gifts				7,770		2,799	10,569	175		10,744	23,016
Health care claims								18,707,571		18,707,571	15,332,394
Management and general expense					11,883,177		11,883,177	120,180	626,615	12,629,972	14,529,306
Total deductions	104,848,970	52,707,382	697,632	7,770	11,883,177	1,705,742	171,850,673	528,062	19,334,186	191,712,921	178,968,413
NET INCREASE (DECREASE)	(9,081,210)	(5,013,288)	(115,649)	276,354	(731,230,228)	438,941	(744,725,080)	(2,740,359)	743,202	(746,722,237)	145,461,724
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	2,122,875,525	570,358,584	10,559,723	35,684,396	1,000	2,122,642	2,741,601,870	14,713,791	(1,265,787)	2,755,049,874	2,609,588,150
FUND TRANSFERS	(418,513,907)	(120,520,201)	(2,622,447)	(6,191,766)	547,848,321						-
NET ASSETS AVAILABLE FOR BENEFITS — End of year	\$ 1,695,280,408	\$ 444,825,095	\$ 7,821,627	\$ 29,768,984	\$ (183,380,907)	\$ 2,561,583	\$ 1,996,876,790	\$ 11,973,432	\$ (522,585)	\$ 2,008,327,637	\$ 2,755,049,874

See notes to financial statements.

PENSION FUND OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST), INC.

NOTES TO COMBINED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. NATURE OF OPERATIONS

The Pension Fund of the Christian Church (Disciples of Christ), Inc. (the “Pension Fund”) was organized to provide benefits to its members who are employed in serving the church and related organizations. It is incorporated as a not-for-profit organization under the laws of the State of Indiana. Benefits provided by the Pension Fund include retirement, disability and death benefits, supplemental pensions and support, healthcare, and participation in additional benefits programs. Such benefits are provided through member contributions, gifts and special apportionments from Pension Fund operations.

The Pension Fund is a Church Plan as defined in Section 414 (e) of the Internal Revenue Code (the “Code”) and in Title 1 of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. The Pension Fund has not elected to be subject to ERISA.

By virtue of its inclusion in the group exemption ruling of the General Assembly of the Christian Church (Disciples of Christ), the Pension Fund is exempt from federal income taxes under Section 501(c)(3) of the Code.

In the event of termination of the Pension Fund, the Board of Directors of the Pension Fund would determine the priority order of participating members’ claims to the assets of the Pension Fund.

The Pension Fund groups its plans and operations for reporting and managing purposes into funds that are briefly described as follows:

- a. *Pension Plan Fund* — Reserves required to meet the Defined Benefit Pension Plan (the “Plan”) member retirement, death and disability benefit obligations. Contributions are made to the Pension Plan Fund by its members and participating churches or organizations based upon a specified percentage of members’ compensation and are credited to the members’ individual accounts. The Plan provides for retirement benefits generally at age 65 based upon such accrued pension credits and includes provisions for early retirement, disability and death benefits. Certain members of the Plan are fully vested immediately while others vest after two years of participation.
- b. *Additional Benefits Fund* — Program established under provisions of the Pension Plan to accept funds from the membership so as to provide additional benefits. Such amounts earn stipulated rates of interest and are subject to withdrawal on demand, periodically or on a specified date, under rules and regulations adopted by the Board of Directors.
- c. *Annuity Fund* — Funds received from donors and members to purchase annuities and make periodic annuity payments as specified.
- d. *Endowment Fund* — Gift funds including those received through estates, bequests or memorials, which are restricted and are to be retained for designated purposes.

- e. *General Reserve Fund* — Effective January 1, 2008 the reserves that were previously allocated for reporting purposes to the individual fund balances noted above were consolidated into a single General Reserve Fund. This unencumbered reserve fund accumulates net investment income and realized and unrealized gains and losses. These funds are expendable for current operating and capital purposes as well as allocations for special apportionments and good experience credits upon Board approval.
- f. *Ministerial Relief and Assistance Fund* — Gifts and gift allocations of the church for the express purpose of meeting members' needs, such as supplemental gift pensions, ministerial relief, emergency aid and other services.
- g. *Pension Fund Canada Trust* — Effective January 1, 2006, the Pension Fund Canada Trust began to execute the operations of the Pension Plan Fund as it pertains to members and beneficiaries in the fund who reside in Canada. The Pension Fund Canada Trust maintains separate reserves to meet the benefit obligations of the Pension Plan Fund in Canada. Canadian members and beneficiaries are entitled to substantially the same benefits as U.S. members and beneficiaries based upon the same contribution percentage.
- h. *Health Care Benefit Trust* — Effective September 1, 2003, the Health Care Benefit Trust began to execute the operations of the former Health Care Fund and Health Care Claims Reserve Fund. In connection therewith, the Health Care Benefit Trust captures premiums received by members and claims paid to members to provide healthcare benefits (up to \$200,000, per occurrence) pursuant to a church wide self-funded healthcare program.

The Pension Fund serves as the Trustee of the Health Care Benefit Trust and the Pension Fund Canada Trust (collectively, the "Trusts"). As a result, the accompanying combined financial statements include the accounts of the Pension Fund and the Trusts. All significant transactions between the Pension Fund and the Trusts have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying combined financial statements are prepared under the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation, Income Recognition and Presentation — Investments are stated at fair value, except for private company preferred stock, which is stated at cost. If available, quoted market prices are used to value investments. Purchases and sales of investments are recorded on a trade-date basis. Realized gains and losses on investments, recorded as the difference between proceeds received and carrying value, and net unrealized gains and losses on investments for the year are reflected in the combined statement of changes in net assets available for benefits as net investment gain or loss. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investments with original maturities of one year or less are reported as short-term investments.

Valuation of Investments (Securities with No Quoted Market Prices) — Certain investments held by the Pension Fund do not have quoted market prices available. Such investments are valued at estimated fair value. Fair values for such investments are based on market value information provided by the investment brokers or managers of the investment funds. The Pension Fund's investment in a limited partnership is valued at estimated fair value based on their proportionate share of the partnership's fair value as recorded in the partnerships' financial statements.

Derivative Financial Instruments — The Pension Fund’s assets and liabilities include certain derivative financial instruments, including treasury and other interest rate futures contracts, options and forward currency exchange contracts. These financial instruments with off-balance-sheet market risk are used to enhance the overall yield of investments and are entered into as alternatives to investments in actual U.S. treasury securities or other investments. These financial instruments are also used on a daily basis to maintain the Pension Fund’s long-term asset class target allocations of the investment portfolio. Credit loss exposure exists in the event of nonperformance by the other parties, principally large brokerage firms, to such instruments. The gross and net credit risk associated with the related counterparties on open futures and option positions is insignificant. The market risk for these open futures and option positions is directly linked with exchange rates or market interest rates as the underlying securities bear a fixed rate of interest.

A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated future exchange. Upon entering into a futures contract, the Pension Fund deposits U.S. treasury bills or other short-term investments as a margin deposit required under the futures contract. Subsequent payments are then made or received by the Pension Fund, depending on the daily fluctuation in the value of the underlying contracts. Interest rate futures contracts and options are valued at the settlement price established daily by the exchange on which they are traded. The carrying values of these derivative financial positions are adjusted to net fair market value based on fiscal year-end settle prices as determined by the Pension Fund’s investment manager.

An option contract is a contract in which the writer of the option grants the buyer of the option the right to purchase from, or sell to, the writer a designated instrument at a specified price within a specified period of time. When the Pension Fund purchases or writes an option, an amount equal to the premium paid or received by the plan is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Gain or loss is recognized when the option contract expires or is closed. The carrying value of these derivative financial instruments are adjusted to net fair market value based on fiscal year-end settle prices as determined by the Pension Fund’s investment manager.

Forward currency exchange contracts are open contracts for the purchase or sale of foreign currencies and are included in other assets and liabilities based upon translated exchange rates effected at the end of the reporting period. The fair values associated with the foreign currency contracts have been estimated by valuing the net position of the contracts using the applicable spot rates and forward rates as of the reporting date.

Health Care Claims Payable — Health care claims payable are recorded as expense when the related claim is incurred by the participant.

Estimates — The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

Payment of Benefits — Benefit payments to participants are recorded upon distribution.

Risks and Uncertainties — The Pension Fund utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

3. INVESTMENTS

The following schedule summarizes net investment gain for the years ended December 31:

	2008	2007
Interest and dividend income	\$ 77,950,767	\$ 121,951,259
Securities lending fees	1,402,106	787,124
Net realized and unrealized (losses) gains on investments	<u>(705,005,069)</u>	<u>129,508,077</u>
Net investment (loss) gain	<u>\$ (625,652,196)</u>	<u>\$ 252,246,460</u>

Investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in fair value for the years ended December 31 as follows:

	2008	2007
Short-term investments	\$ (2,427,049)	\$ 2,676,251
Other investments:		
Fixed income	(97,150,533)	17,380,017
Equities	(574,182,749)	100,224,493
Other	<u>(31,244,738)</u>	<u>9,227,316</u>
Net appreciation (depreciation)	<u>\$ (705,005,069)</u>	<u>\$ 129,508,077</u>

Included in U.S. treasury and government agency bonds are written futures and option contracts. Open forward and written option positions as of December 31 are summarized below:

	Notional Value Liability	
	2008	2007
Written options:		
SWAP — fixed income	\$ (487,049)	\$ (779,609)
U.S. equities	(2,000)	(31,250)
Futures	(813)	(36,969)

The Pension Fund's investments include certain investments that do not have quoted market prices available. These include investments in private equity partnerships, private company preferred stock, and a limited partnership. In the absence of readily ascertainable market values, the amounts used by the Pension Fund were supplied by management of the funds. The market value of investments of these types of investments that do not have quoted market prices available were \$239,966,408 and \$253,189,432 as of December 31, 2008 and 2007, respectively, which represent approximately 9% and 7% of total assets as of December 31, 2008 and 2007 respectively. However, because of the inherent uncertainty of valuation, those estimated market values may differ significantly from the values that would have been used had a ready market for the securities existed.

Fair Value Measurements — On January 1, 2008, the Pension Fund adopted FAS 157. FAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are described below:

Basis of Fair Value Measurement:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth by level within the fair value hierarchy the Pension Fund's investment assets and investment liabilities at fair value, as of December 31, 2008. As required by FAS 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Total Pension Fund investment assets at fair value classified within level 3 were \$217,816,869, as of December 31, 2008, which consists of the Pension Fund's private equity partnerships and a private company preferred stock investment. Such amounts were 9% of total assets as of December 31, 2008.

Investment Assets at Fair Value as of December 31, 2008				
	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 521,880,199	\$ -	\$ -	\$ 521,880,199
Fixed income investments	630,633,507			630,633,507
Collateral under securities lending agreement	256,197,121			256,197,121
Mutual Funds	48,403,615			48,403,615
Equity Index	111,238,623			111,238,623
Common stock	525,475,725			525,475,725
Private Equity			209,483,541	209,483,541
Limited partnerships		22,149,539		22,149,539
Private company preferred stock			8,333,328	8,333,328
Interest and dividends receivable on investments	7,115,028			7,115,028
Amounts receivable on securities transactions	60,192,163			60,192,163
Foreign exchange contracts	89,533,222			89,533,222
Pension Fund Canada Trust	11,687,912			11,687,912
Total investment assets at fair value	\$ 2,262,357,115	\$ 22,149,539	\$ 217,816,869	\$ 2,502,323,523

Investment Liabilities at Fair Value as of December 31, 2008				
	Level 1	Level 2	Level 3	Total
Amounts due on securities transactions	\$ (140,215,099)	\$ -	\$ -	\$ (140,215,099)
Payable under securities lending agreement	(256,197,121)			(256,197,121)
Foreign exchange contracts	(89,567,970)			(89,567,970)
	<u>\$ (485,980,190)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (485,980,190)</u>

Level 3 Gains and Losses — The table below sets forth a summary of changes in the fair value of Pension Fund's level 3 investment assets for the year ended December 31, 2008. As reflected in the table below, the net unrealized loss on level 3 investment assets and investment liabilities was \$10,422,737 for the year ended December 31, 2008.

Level 3 Investment Assets and Investment Liabilities Year Ended December 31, 2008			
	Private Equity	Private Company Preferred Stock	Total
Balance — beginning of year	\$ 189,384,824	\$ 8,333,328	\$ 197,718,152
Realized gains	5,093,473		5,093,473
Unrealized losses	(10,422,737)		(10,422,737)
Purchases and settlements	25,427,981		25,427,981
Balance — end of year	\$ 209,483,541	\$ 8,333,328	\$ 217,816,869

4. SECURITIES LENDING

The Pension Fund participates in a securities lending program through its master custodian bank, Mellon Trust, in which the Pension Fund lends securities to brokers who collateralize the loans with either U.S. securities or foreign securities that must be collateralized equal to 102% of the fair market value of the U.S. security and/or 106% of the non-U.S. loaned security (including accrued interest, if any). Fees earned from participation in the program are recorded as investment income. In accordance with Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, the Pension Fund continues to carry the loaned securities as investments. In addition, the Pension Fund has recorded an asset and offsetting liability of \$256,197,121 and \$321,923,041 as of December 31, 2008 and 2007, respectively, to reflect the cash collateral and the related liability under the securities lending agreement. Non-cash collateral, primarily consisting of securities issued or guaranteed by the United States Government or its agencies or instrumentalities, for securities on loan was \$153,201 and \$20,256,474 as of December 31, 2008 and 2007, respectively.

5. ACTUARIAL VALUATION OF PENSION PLAN FUND

Actuarial valuations were performed by an outside actuary as of December 31, 2008 and 2007, to determine the adequacy of reserves of the Pension Plan Fund to cover the present value of accumulated benefits as of such date, which is that amount that results from applying actuarial assumptions to adjust the accumulated benefits to reflect the time value of money (through discounts for interest) and the probability of payment by means of decrements (such as for death, disability, or retirement) between the valuation date and the expected date of payment. It is at least reasonably possible that the actuarial assumptions used to calculate the actuarial present value of accumulated benefits will change in the near term, and the effect of such change could be significant.

The more significant assumptions underlying the actuarial computations used in the valuation as of December 31, 2008 and 2007, are as follows:

Assumed rate of return on investments	5% per annum, compounded annually
Investment and administrative expense loading	0.5% of net assets per annum, compounded annually
Mortality basis (Ministers)	1983 Individual Annuity Mortality Table with ages set back one year for males and with no age adjustment for females
Mortality basis (Lay Employees)	1983 Group Annuity Mortality Table with no age adjustment for either male or female
Retirement of present and future disability pensioners and inactive members	Latest of age 65, immediately, or date disability pension benefits are scheduled to terminate
Salary increase	4% per annum, compounded annually

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial benefit information used in the actuarial valuations is as of December 31 of the Plan year. The actuarial present value of accumulated plan benefits and changes in accumulated plan benefits as of December 31, 2008 and 2007, are as follows:

	2008	2007
Actuarial present value of accumulated plan benefits:		
Participants and/or beneficiaries currently receiving payments	\$1,091,058,605	\$1,080,055,800
Other participants	<u>558,340,104</u>	<u>541,834,506</u>
Total vested benefits	1,649,398,709	1,621,890,306
Nonvested benefits	<u>7,189,925</u>	<u>7,539,358</u>
Total actuarial present value of accumulated plan benefits	<u>\$1,656,588,634</u>	<u>\$1,629,429,664</u>
Actuarial present value of accumulated plan benefits — beginning of year	\$1,629,429,664	\$1,572,979,777
Increase (decrease) during the year attributable to:		
Benefits accumulated and experience gains or losses	17,527,048	13,232,682
Increase in interest due to the decrease in the discount period	71,581,955	70,221,482
Plan amendment		406,641
Data corrections		(7,453,327)
Benefits paid	(104,310,704)	(101,592,864)
Increase (Decrease) in other actuarial assumptions	(5,246,434)	5,047,203
Increase due to special apportionments granted	<u>47,607,105</u>	<u>76,588,070</u>
Actuarial present value of accumulated plan benefits — end of year	<u>\$1,656,588,634</u>	<u>\$1,629,429,664</u>

Effective July 1, 2008, pursuant to a Pension Fund staff analysis and recommendation, the Board of Directors approved a 3% special apportionment increase in pension benefits and accrued pension credits for both current and future age retirement pensioners. This special apportionment increased the actuarial present value of accumulated plan benefits by \$47,607,105.

Effective December 31, 2008, pursuant to a recently completed actuarial evaluation, the Board of Directors approved changes to certain provisions for future experience changes. The actuarial present value increased to 6.5% (from 6.25% in 2007) for present pensioners (other than disability pensioners prior to retirement) resulting in an increase of \$2,487,980. The actuarial present value increased to 10% (from 9.5% in 2007) for pensions and disability benefits for future pensioners and present disability pensioners not yet retired resulting in an increase of \$2,633,351. The actuarial loading of pensioner liabilities was reduced 1% resulting in a decrease of \$10,367,765.

Effective July 1, 2007, pursuant to a Pension Fund staff analysis and recommendation, the Board of Directors approved a 5% special apportionment increase in pension benefits and accrued pension credits for both current and future age retirement pensioners. This special apportionment increased the actuarial present value of accumulated plan benefits by \$76,588,070.

Effective December 31, 2007, pursuant to a recently completed actuarial evaluation, the Board of Directors approved changes to certain provisions for future experience changes. The actuarial present value increased to 6.25% (from 6.0% in 2006) for present pensioners (other than disability pensioners prior to retirement) resulting in an increase of \$2,463,869. The actuarial present value increased to 9.5% (from 9.0% in 2006) for pensions and disability benefits for future pensioners and present disability pensioners not yet retired resulting in an increase of \$2,583,334.

6. POSTRETIREMENT PLAN

The Pension Fund provides postretirement healthcare coverage to certain eligible administrative staff retirees through its participation in the church wide defined-benefit health plan which it administers. It continues to fund benefit costs on a pay-as-you-go basis and, for the years ended December 31, 2008 and 2007, the Pension Fund made benefit payments to the church wide health plan of approximately \$58,997 and \$67,614, respectively.

As of December 31, 2008 and 2007, the related accumulated postretirement benefit obligation was \$642,110 and \$816,438, respectively. This liability was calculated using premium costs rather than claims experience, based on the nature of the church wide plan.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7%. For measurement purposes, a 10% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for the years ended December 31, 2008 and 2007. The rate was assumed to decrease gradually to 5% by the year 2011 and remain level thereafter.

7. COMMITMENTS

The Pension Fund is a limited partner in real estate private equity partnerships to which it is committed to invest up to \$120,000,000. As of December 31, 2008, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$45,490,000.

The Pension Fund is a limited partner in venture capital partnerships to which it is committed to invest up to \$95,000,000. As of December 31, 2008, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$12,155,000.

The Pension Fund is a limited partner in buyout private equity partnerships to which it is committed to invest up to \$75,000,000. As of December 31, 2008, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$8,081,000.

The Pension Fund is a limited partner in special situation private equity partnerships to which it is committed to invest up to \$60,000,000. As of December 31, 2008, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$8,100,000.

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