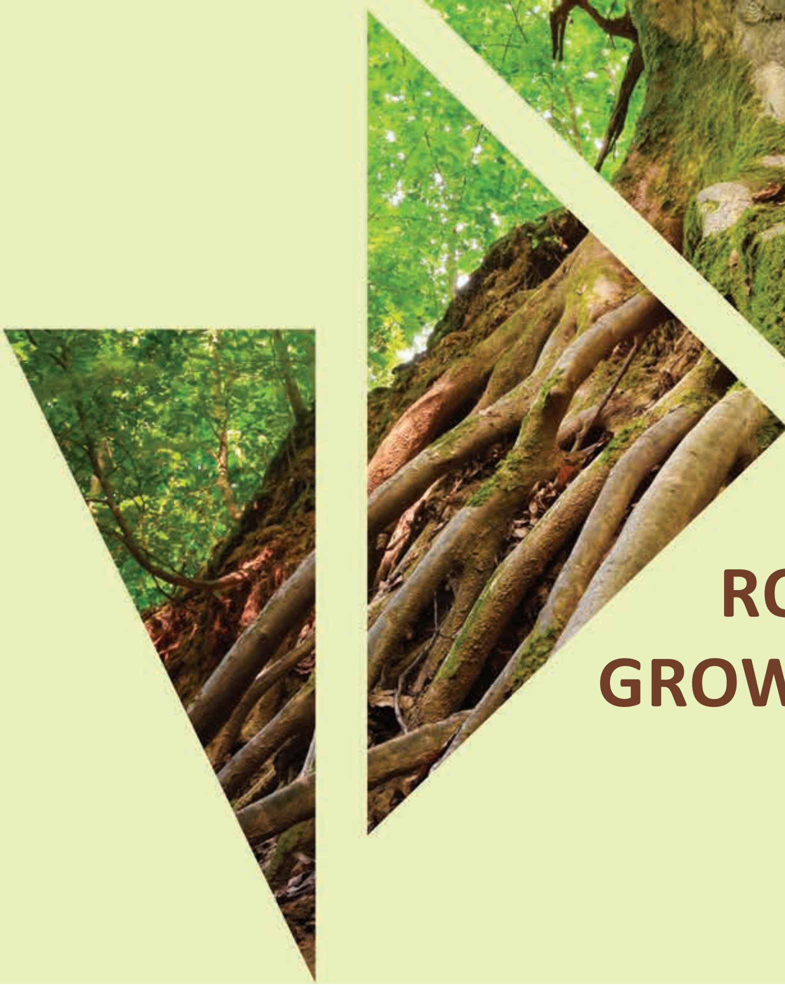
Wespath

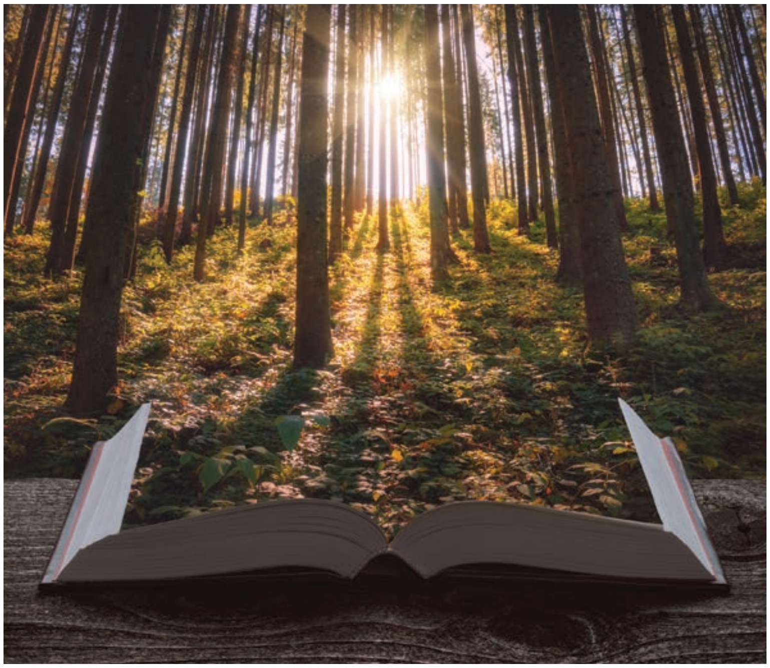
BENEFITS | INVESTMENTS

2024
ANNUAL REPORT



ROOTED IN MISSION;
GROWING INTO THE FUTURE

With deep roots
in our mission and
a vision reaching
toward the future,
we cultivate growth
that inspires,
empowers and
endures.



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A Message from the General Secretary and the Board Chair

Left to right: Bishop Robert Schnase, Board Chair; and Andrew Q. Hendren, General Secretary and Chief Executive Officer

Ecclesiastes 3:1-8 reminds us: "To every thing there is a season" … a time to plant, a time to uproot; a time to break down and a time to build up. For Wespath, 2024 was not only a year of continued growth, but also a time for planting seeds that will bear fruit for years to come.

This was a year for fresh perspectives as Wespath transitioned to a new chief investment officer and a new Board of Directors—both bringing innovative ideas that build upon the fertile groundwork already in place here. Our new Board is smaller yet more diverse than predecessor Boards. This agency is strengthened through the Board's intertwining of viewpoints—the depth of institutional knowledge and insights from our 12 incumbent members combined with fresh perspectives and narratives from 13 newer members.

2024 was a year shaped by transitions. Notably, Bishop Schnase retired from The United Methodist Church (UMC) episcopacy in September. We are blessed that he graciously continues in Wespath's Board chair role as witness to his lifelong discipleship. Bishop Schnase has led Wespath's Board since 2016 and will help us bridge into a new era of growth.

2024 was also a time for gratitude and celebration. After years of disharmony, the worldwide UMC gathered in Spring 2024 in Charlotte, North Carolina, for the "2020" General Conference (postponed four years due to the pandemic). General Conference was a turning point for the UMC to become a more inclusive community with a stronger sense of identity and to refocus on its mission of transforming the world.

Rooted in Our Mission

Wespath is firmly rooted in our mission of caring for those who serve—a foundational purpose that has guided our work since we began providing pension benefits for Methodist ministers in 1908. We are keenly focused on securing benefits and investments for today, tomorrow and decades into the future. Wespath serves more than 100,000 participants worldwide and over 150 institutional investors who have entrusted their financial futures to our custody.

The petitions Wespath submitted to General Conference reflected our commitment to long-term sustainability of benefits for clergy and lay employees in a changing Church environment. Wespath submitted more than 25 legislative petitions for consideration by the UMC's General Conference, and nearly all were approved, including a new retirement plan for UMC clergy: the Compass plan.

Growing into the Future

As times change, we are sowing seeds for a sustainable, thriving future. Decades of membership declines, followed by disruption from the pandemic and disaffiliations, made it clear that continuing to offer new defined benefits under its "pension" plans, which were designed for a bygone era, was not realistic for the Church. These shifting demographics and the economic constraints facing annual conferences motivated Wespath to design a different type of retirement plan for U.S. clergy. The new Compass plan is an account-based defined contribution (DC) plan designed to help UMC clergy optimize their retirement income, while ensuring the plan is sustainable for the long-term.

A MESSAGE FROM THE GENERAL SECRETARY AND BOARD CHAIR

> "Our strategic direction is clear; our roots are strong; and our branches are ever-reaching toward a future of bright possibilities."

Compass is set to launch January 1, 2026. Its successful implementation is Wespath's top priority for resources, technology and employee focus in 2025. Compass has special features nuanced to the needs of clergy. For example, Compass will treat a clergy's student loan repayments as if they were personal contributions to the retirement plan. That means clergy burdened with student debt don't miss out on the employer "match" for making personal contributions—and don't have to choose between paying back their loans or saving for retirement.

While UMC membership is diminishing in the U.S., it is growing in other parts of the world. Wespath's reach is global, with our Central Conference Pensions (CCP) program extending across Africa, the Philippines and parts of Europe. In 2024, Wespath employees traveled to Tanzania, Liberia and the Philippines to meet with central conference benefits officers and bishops, and to connect with retirees whose lives are enriched by the pension they receive.

Listening to the Church

In November 2024, we collaborated with Bishop Tracy S. Malone (president of the UMC's Council of Bishops) and others on a first-of-its-kind event to explore the Church's current challenges and future opportunities. The Clergy Leadership, Engagement and Re-Imagining (CLEAR) Conference convened nearly 100 clergy from most every U.S. annual conference to brainstorm how the UMC can flourish as a more vital, sustainable and energized Church.

We listened with open minds. As a result, in 2025 we're partnering with others in the Church to evaluate initiatives that address long-entrenched hurdles such as clergy pay equity, personal renewal needs for clergy, and solutions for surplus real estate infrastructure in a now-smaller denomination.

Gardening for Growth

With a strategic outlook focused on long-term resilience, Wespath's new Board is guiding us into a period of innovation and expansion. Given the magnitude of change in the Church, the economy and the world over the past several years, Wespath revisited its strategic priorities for this quadrennium. Advised by our outgoing Board and new Board, Wespath has determined to focus on three strategic goals.

- We're looking to *grow institutional assets* across a broader terrain of faith-based organizations by leveraging our reputation as a world-class investor and a global leader in sustainable, values-aligned investing, together with mission-focused client service. We view this orientation as not simply economics. We view it as necessary for Wespath's ability to serve the UMC as well as possible. We also see this strategic direction as evangelistic in bringing our United Methodist values to other investors.
- We're seeking to *optimize benefit programs* in ways that further maximize efficiencies, reduce complexities, leverage emerging digital capabilities, and elevate the user experience. Implementing the new Compass plan will be the first important step along this path.
- And we're finding creative ways to *strengthen the Church* by applying Wespath's talent and knowledge to help the UMC realize its future potential. This may take the form of helping the Church better analyze and understand key data or enhancing clergy financial well-being and education programs. In 2025, we'll be further exploring opportunities that align with Wespath's strengths, purpose and work.

Enriched Through Our Diversity

Inclusiveness is a core value of The United Methodist Church we serve. As an employer, Wespath is strengthened by the diversity of our employees. Ensuring that Wespath is an inclusive workplace allows us to benefit from a wide array of employees' unique gifts and talents. Our differences nourish creativity, create opportunities, and challenge us to think better—all enhancing our ability to live into Wespath's mission of caring for those who serve.

Rooted in Mission; Growing for the Future

Our strategic direction is clear; our roots are strong; and our branches are ever-reaching toward a future of bright possibilities—not only for Wespath, but for the individuals around the world and mission-driven organizations who've put their trust in Wespath. We pledge to honor that sacred trust for decades into the future.

Yours in service,

Andrew Q. Hendren
General Secretary and Chief Executive Officer

Bishop Robert Schnase
Board Chair

A Message from the Chief Investment Officer

Johara Farhadieh, Chief Investment Officer

Hello Wespath Community! I am beyond excited to pen my first Wespath *Annual Report* message to you all.

I sincerely hope we have already had the chance to connect—either virtually or in person—but in case we have not, I will start with a brief introduction: I am Wespath's new(ish) chief investment officer, Johara Farhadieh. I joined Wespath back in October 2023 and formally succeeded Dave Zellner in August 2024 following his retirement after more than 27 years at the helm of our investment program.

As I am sure readers agree, Wespath is fortunate for Dave's many years of leadership and commitment to our organization's mission of caring for those who serve. I am personally grateful for the track record of investment excellence that Wespath exemplifies and the incredible investment professionals I now call teammates.

I am also grateful for the opportunity to serve our amazing network of participants, plan sponsors and institutional investors. I have always been passionate about mission- and values-aligned investing, and in my first months as CIO it has become clear just how special—and important—the missions of Wespath, the UMC and the faith-based and values-aligned non-profit organizations we serve are to countless people around the world.

Now, with the introductions all set, let us reflect on the year-that-was for markets and Wespath's investments!

The Latest from Wespath's Investment Team

Our team made great progress last year enhancing our investment processes and strategies, delivering fees for value to our funds, and supporting the growth of Wespath's business and portfolio.

Notably, we successfully negotiated with several asset manager partners—the financial institutions which handle the day-to-day management of the strategies within our funds—to reduce the fees Wespath pays to them. I am happy to report that these negotiations contributed to an overall reduction in the asset management fees Wespath paid in 2024 compared to 2023, which in turn directly reduces fund expenses for our investors.

We also took positive steps to strengthen our investment team and governance. We welcomed two new investment team members, formed a new internal investment committee to guide our decision-making, and evolved our investment process to ensure we cast a wide net in the search for asset managers (to me, "casting a wide net" means looking to build value-adding strategic partnerships with larger firms while also looking to hire up-and-coming boutique managers, including women- and minority-owned firms).

All these steps led to enhancements within the Wespath funds last year. We took action that further reduced risk in our Duration Matching Fixed Income Fund – P Series, a fund which invests clergy defined benefit assets. We made our U.S. Equity Index Fund – P Series available to self-directing participants, and we hired a new asset manager for the Social Values Choice Equity Fund – P Series. We also successfully launched the Social Values Choice Equity Fund – I Series and the Social Values Choice Bond Fund – I Series, making those strategies more accessible to investors who feel these funds better align with their values.

"Notably, we successfully negotiated with several asset manager partners—the financial institutions which handle the day-to-day management of the strategies within our funds—to reduce the fees Wespath pays to them. I am happy to report that these negotiations contributed to an overall reduction in the asset management fees Wespath paid in 2024 compared to 2023, which in turn directly reduces fund expenses for our investors."

Going forward, we will continue to prioritize enhancements like these which underscore our commitment to investment excellence and provide our stakeholders with meaningful choices. 2025 is still young, but I am confident the new work we are doing now will continue to deliver value to Wespath's customers well into the future.

Another Strong Year for (Most) Global Markets

Adding to the positive momentum within Wespath, global financial markets recorded another mostly positive year in 2024. The S&P 500 Index of U.S. stocks gained 24.8%, notching its second consecutive +20% annual return. International stocks, as measured by the MSCI ACWI ex-U.S. Investable Markets Index, also gained—albeit by a more modest 5.2%.

Much of this U.S. outperformance is owed to the strength of the U.S.-based "Magnificent 7." You have likely heard of this group by now; it comprises the technology and artificial intelligence (AI) powerhouses Apple, Amazon, Alphabet, Meta, Tesla, Microsoft and Nvidia.

The Magnificent 7 surged once again in 2024 and buoyed broad market indexes like the S&P 500. As we have highlighted before, Wespath's actively managed funds do invest in the Magnificent 7, but the percentage of the funds made up of those seven companies is less than their percentage within the S&P 500. That is, in part, a reflection of our continued belief that global diversification is a long-term benefit to participants saving for retirement and institutional investors seeking to fund their missions in perpetuity.

But in these years of Magnificent 7 leadership, it has been difficult for active managers to outperform the tech giants. For example, Wespath's U.S. Equity Fund – P Series (for participants and plan sponsors) and U.S. Equity Fund – I Series (for institutional investors) fell short of the S&P 500 and their benchmark, the Russell 3000 index, last year.

Still, it was a solid year for absolute returns for many funds. The aforementioned U.S. equity funds gained 16.7% and 17.2%, respectively. The Fixed Income Fund – P Series and Fixed Income Fund – I Series both gained 2.7%. Wespath's balanced funds, the Multiple Asset Fund – P Series and Multiple Asset Fund – I Series, were up 7.3% and 7.5%, respectively.

More detailed fund performance information is available in the "Summary—Financial Markets and Investment Results" sections of this report, found on pages 8 – 15.

Major Themes to Watch

The themes driving the market and fund performance described above are going to sound awfully familiar to those of the past couple years. Yes, that means we are still talking about inflation and central bank policies.

Here in the U.S., the economy remains resilient, and inflation has seemingly plateaued just under 3%. That is still higher than the Federal Reserve's (Fed) target of 2% but was cool enough for the Fed to cut interest rates a few times (about 1% in total) in 2024. However, by its December meeting, the central bank indicated a more balanced view on rate cuts for this year. As I write this in early 2025, investors are now expecting just two rate cuts this year, which is fewer than previously expected.

You might hear the term "higher for longer" to describe this type of interest rate scenario. Remember: the Fed's benchmark interest rate influences borrowing costs throughout the economy. It impacts mortgage rates and credit card annual percentage rates (APRs) for you and me, and it impacts how much companies can borrow to operate and invest in their growth.

Another major theme on our radar is the potential impact of the new federal administration in the U.S. The run-up to the presidential election itself was a key theme throughout the year, as investors grappled with the uncertainty of its outcome and what might come next in terms of laws and regulations.

Now, investors' focus has shifted to what President Trump and the newly elected Congress might mean for U.S. and international businesses. It is still early, but here are a few themes that could have an impact:

- **Deficit Spending:** Before the election, it seemed unlikely that either presidential candidate would deliver a significant reduction to the national deficit. But the resounding GOP victory and President Trump's emphasis on "government efficiency" has shifted the narrative. If the federal government were to materially reduce deficit spending—and that's still a big if right now—it could impact markets

in several ways. The U.S. deficit is an eye-watering 6.2% of our country's GDP. In Q4 2024, the deficit grew 8% year over year, and the national debt climbed to nearly $36 trillion. The government's need to borrow money impacts bond yields and prices. Reduced federal spending may also impact the labor market, and a paring back of federal government activities could usher in an era of deregulation for businesses.

- **Tariffs:** Taxes on imported goods, or tariffs, were a big focus during the first Trump administration and look likely to define this second term. President Trump believes tariffs can inspire American companies to produce more goods in the U.S., creating more domestic jobs and fueling U.S. economic growth. Others worry that tariffs will lead to higher prices and more diplomatic disputes, exacerbating inflation and leading to new rounds of "trade wars" with major countries like China.

  We do not yet know the full extent of Trump's tariff plan; at times, the focus on tariffs has shown to be a negotiation tactic (although the emphasis on tariffs on imports from China does seem consistent with the president's first administration). We should expect at least some new tariffs and the prolonged negotiations that come with them. That could create new inflation concerns and put negative pressure on markets if the impacts on businesses are worse than anticipated.

- **Deregulation and Deglobalization:** Globalization describes the concept of the world growing closer together—with more free trade, cross-cultural communication, immigration and global connectivity. Amid several noteworthy ongoing global conflicts and the likelihood of tariff disputes, it appears that we are heading into a period of deglobalization. We will be keeping a close eye on this trend and the impacts it may have on markets and economies. At the least, it would raise questions about the continued dominance of U.S. companies and the U.S. stock market, whether the Magnificent 7 will continue to lead on AI, the evolution of global supply chains, and the opportunities for other companies and countries to adapt and innovate (including smaller companies). Wespath and our asset manager partners will monitor these shifts, seeking to manage associated risks and capitalize on the opportunities that arise.

  Similarly, deregulation could create both risks and opportunities for investors. If U.S. companies were subject to fewer rules and regulations, they may find new opportunities to innovate, grow and create jobs. For example, due in large part to stricter regulations, corporate mergers and acquisitions (M&A) activity declined sharply over the past several years. On one hand, fewer M&A results in less industry consolidation and more competition, which is usually a good thing for prices and consumers. On the other hand, M&A can lead to companies creating more value for their customers and investors.

I want to conclude by emphasizing that investing for the long term is not always black and white. I feel our job as investors is to recognize and embrace the grey areas to make more informed decisions on behalf of our stakeholders. We want to build well-diversified funds and portfolios that can succeed in various scenarios. And we want to provide our participants and investors with a diverse fund lineup that offers them choice, so that they can succeed on their own unique journeys.

In my time at Wespath, I have had the privilege of experiencing the tremendous trust our participants and institutional investors place in us to deliver investment excellence. I am truly grateful for that trust and look forward to building upon it over the long term, no matter where the themes I mentioned above—or any of the market's other uncertainties—may lead us. The dedication and expertise of our team, along with the confidence our stakeholders place in us, are the cornerstones of our success. As we move forward, we eagerly embrace the opportunities and challenges that lie ahead, with a shared commitment to growth, success and strengthening the relationships that matter most.

Johara Farhadieh
Chief Investment Officer

2024 Highlights

All data as of December 31, 2024 unless otherwise noted

Serving Others

Participants: 100,000+

- Customer Service teams addressed 98,800 phone calls
- Outreach: 14,900 participant touchpoints, including educational events (in person and online), webinars and personal benefits consultations

Institutional clients: 150+

Impact Investing

Over $38 million *newly* invested in 2024 to support creation of **576** affordable housing units for families, seniors and individuals with special needs through the Positive Social Purpose (PSP) Lending Program

$2.89 billion invested in low-carbon solutions, including:

- **$1.93 billion** in transition ready strategies
- **$783 million** in low-carbon solutions/public equity strategies
- **$57 million** in sustainable agribusiness
- **$11 million** in sustainable forestry

50+ engagements with companies, asset managers and policymakers on issues related to climate, human rights and diversity

Caring for Communities

Wespath employees actively support the broader community. In 2024 our employees made monetary contributions through our WespathCares initiative to support disaster relief through United Methodist Committee on Relief (UMCOR) and programming through Chicago Hearing Society, Chicago West Community Music Center, Dándole Tech, Equip for Equality, PFLAG and Solidarity Bridge. Employees also generously donated school supplies, baby supplies and holiday gifts for Kids Above All, which assists Chicago-area children in underserved populations.

Assets Under Management

$25.91 billion

Central Conference Pensions (CCP)

Wespath partners with UMC conferences in Africa, the Philippines, Europe and Eurasia to administer CCP program funds.

- **2024: Over $1 million** in pension distributions
- **Cumulative (2006 – 2024): Over $16 million** in pension distributions and emergency grants
- **Over 3,738** retirees and beneficiaries receiving support

Diversity, Equity and Inclusion

Board of Directors: 25

- **40%** female | **60%** male
- **36%** racial/ethnic minorities

Wespath Staff: 310 employees (self-reported data, rounded)

- **56%** female | **44%** male | **0.32%** non-binary
- **36%** racial/ethnic minorities
- **32%** employed at Wespath 10+ years

Wespath's Investment Manager Partners:

5.7% ($1.47 billion) of our portfolio is administered by women- and/or minority-owned investment manager partners.

Cost of Operations

Wespath does not receive General Church funds to support the cost of operations. Operations (excluding certain direct plan expenses) are funded solely by passing through our funds' investment management fees, custody fees, and administrative and overhead expenses. The average annual cost for 2024 from the three components, as a percentage of the investments, were **0.26%** for investment management fees, **0.01%** for custody fees, and **0.27%** for Wespath's administrative and overhead expenses.

2024 Summary:
Financial Markets and Investment Results—P Series*

Net-of-fees; as of December 31, 2024

Multiple Asset Fund – P Series (MAF-P)

Fund:	+7.33%
Benchmark[1]:	+10.44%
Relative Performance: (percentage points)	▼ 3.11%

$3,189M
TOTAL ASSETS

- MAF-P has a target allocation of 35% U.S. Equity Fund – P Series (USEF-P), 30% International Equity Fund – P Series (IEF-P), 25% Fixed Income Fund – P Series (FIF-P) and 10% Inflation Protection Fund – P Series (IPF-P). Economic growth and moderating inflation, along with the rise in artificial intelligence, drove strong equity performance. The Federal Reserve began cutting interest rates in 2024, generally supporting positive investment returns for the year.
- FIF-P contributed positively to benchmark-relative performance, while USEF-P, IEF-P and IPF-P detracted from benchmark-relative performance.

U.S. Equity Fund – P Series (USEF-P)

Fund:	+16.72%
Benchmark[2]:	+23.81%
Relative Performance: (percentage points)	▼ 7.09%

$5,283M
TOTAL ASSETS

- USEF-P delivered positive returns for the year as the U.S. equity market increased strongly for a second consecutive year, driven by technology, financial and industrial stocks.
- Fund performance trailed benchmark performance for the year as outsized stock performance was concentrated in a relatively small group of the largest U.S. companies. For reference, the seven largest “Magnificent 7” companies in the benchmark index returned more than 47% in 2024. The fund’s greater diversification into small- and mid-cap stocks and corresponding underweight allocation to the largest mega-cap stocks was the largest detractor from benchmark-relative performance. The fund’s allocation to private equity and private real estate also detracted from benchmark-relative performance. Excluding stocks in accordance with investment exclusion policies modestly helped benchmark-relative performance.

U.S. Equity Index Fund – P Series (USEIF-P)

Fund:	+23.70%
Benchmark[2]:	+23.81%
Relative Performance: (percentage points)	▼ 0.11%

$144M
Total Assets

- USEIF-P delivered positive returns for the year as the U.S. equity market rallied strongly for a second consecutive year, driven by technology, financial and industrial stocks.
- USEIF-P is a passively managed fund designed so that it closely matches the fund benchmark, less fees and expenses. Differences occur due to certain stocks excluded in accordance with the investment exclusions policies.

International Equity Fund – P Series (IEF-P)

Fund:	+2.02%
Benchmark[3]:	+5.23%
Relative Performance: (percentage points)	▼ 3.21%

$3,714M
Total Assets

- IEF-P delivered modest positive returns, with mixed performance across industrial sectors. Stocks in the financial, technology and communication services sectors drove performance, but U.S. dollar appreciation relative to most other currencies negatively impacted international equity returns for dollar-based investors.
- The fund underperformed its benchmark primarily due to active managers’ investments in financial and industrial stocks. Additionally, active managers’ stock selection in Japan, France and the U.K. detracted from relative performance. Investment exclusions detracted slightly from benchmark-relative performance.

* See accompanying information and details on page 11.

2024 SUMMARY: FINANCIAL MARKETS AND INVESTMENT RESULTS—P SERIES*

Net-of-fees; as of December 31, 2024

Fixed Income Fund – P Series (FIF-P)

Fund:	+2.72%
Benchmark[4]:	+2.28%
Relative Performance: (percentage points)	▲ 0.44%

$4,757M
TOTAL ASSETS

- FIF-P delivered modest positive returns as the U.S. Treasury yield curve steepened. Below-investment-grade securities outperformed higher quality investment grade sectors.
- The fund's overweight to high-yield bonds was the primary positive contributor to benchmark-relative results, along with active manager security selection in the core plus account.

Inflation Protection Fund – P Series (IPF-P)

Fund:	+1.26%
Benchmark[5]:	+2.22%
Relative Performance: (percentage points)	▼ 0.96%

$1,112M
TOTAL ASSETS

- IPF-P delivered positive returns. Despite moderating inflation, demand for inflation protection remained strong amid ongoing inflation concerns. Inflation-protected securities, commodities, and leveraged loans performed well, while emerging markets lagged due to a stronger dollar.
- The fund's allocation to emerging market inflation-linked bonds was the primary detractor from benchmark-relative performance. This was partially offset by the fund's allocation to senior secured floating rate bank loans and alternatives, which contributed positively to benchmark-relative performance.

Social Values Choice Equity Fund – P Series (SVCEF-P)

Fund:	+18.21%
Benchmark[6]:	+17.66%
Relative Performance: (percentage points)	▲ 0.55%

$216M
Total Assets

- SVCEF-P delivered positive returns. U.S. financial, technology, and communication services stocks helped drive performance for the year, while U.S. dollar appreciation relative to most other currencies negatively impacted international equity returns for dollar-based investors.
- SVCEF-P is a passively managed fund designed to closely match the fund benchmark, less fees and expenses. Differences occur due to certain stocks excluded in accordance with the fund's exclusions policy.

Extended Term Fixed Income Fund – P Series (ETFIF-P)

Fund:	-3.30%
Benchmark[7]:	-4.15%
Relative Performance: (percentage points)	▲ 0.85%

$2,512M
Total Assets

- ETFIF-P produced a negative return as long-maturity bonds decreased in value as the U.S. Treasury yield curve steepened amid inflation concerns, relatively strong economic data and increased bond issuance by the U.S. Treasury.
- The fund benefited from having an overweight position to investment grade corporate credit and out-of-benchmark exposures to below investment grade and securitized bonds. The underlying managers each contributed positively to benchmark-relative results.

* See accompanying information and details on page 11.

2024 SUMMARY: FINANCIAL MARKETS AND INVESTMENT RESULTS—P SERIES*

Net-of-fees; as of December 31, 2024

Social Values Choice Bond Fund – P Series (SVCBF-P)

Fund:	+2.63%
Benchmark[8]:	+2.28%
Relative Performance: (percentage points)	▲ 0.35%

$127M TOTAL ASSETS

- SVCBF-P delivered modest positive returns as the U.S. Treasury yield curve steepened. Below-investment-grade securities outperformed higher quality investment grade sectors.
- Active manager credit spread strategies contributed positively to relative performance, stemming from security selection within investment grade credit.

U.S. Treasury Inflation Protection Fund – P Series (USTPF-P)

Fund:	+1.76%
Benchmark[9]:	+1.76%
Relative Performance: (percentage points)	0.00%

$510M TOTAL ASSETS

- The fund delivered positive returns, driven by investor demand for stable real yields and inflation protection amid concerns that inflation would remain above the Fed's 2% target longer than expected.
- USTPF-P is a passively managed fund designed to closely match the fund benchmark, less fees and expenses. Differences occur due to individual security selection decisions.

Stable Value Fund – P Series (SVF-P)

Fund:	+2.82%
Benchmark[10]:	+5.28%
Relative Performance: (percentage points)	▼ 2.46%

$328M Total Assets

- The fund provided positive performance, which is expected as it is designed to preserve capital while providing steady, low volatility returns.
- The fund underperformed the benchmark because its crediting rate lags market rates due to book value accounting and smoothing effects. While the crediting rate increased during the year, it remains behind market interest rates.

Short Term Investment Fund – P Series (STIF-P)

Fund:	+5.28%
Benchmark[11]:	+5.28%
Relative Performance: (percentage points)	0.00%

$217M Total Assets

- STIF-P holds cash, cash equivalents and short-term securities with the objective of preserving capital while earning current income higher than that of money market funds. The current interest rate environment led to positive performance for the fund.
- The fund performed approximately in line with the benchmark.

* See accompanying information and details on page 11.

2024 Performance—P Series*

Net-of-fees; as of December 31, 2024

Fund	ANNUALIZED RETURNS				
	1-Year	3-Years	5-Years	10-Years	Inception[12]
Multiple Asset Fund – P Series (MAF-P)	7.33%	0.59%	5.52%	6.36%	6.97%
MAF-P Benchmark[1]	10.44%	2.36%	6.44%	6.87%	6.93%
U.S. Equity Fund – P Series (USEF-P)	16.72%	4.72%	11.75%	11.06%	8.23%
USEF-P Benchmark[2]	23.81%	8.01%	13.86%	12.55%	8.87%
U.S. Equity Index Fund – P Series (USEIF-P)	23.70%	7.81%	13.87%	12.38%	12.38%
USEIF-P Benchmark[2]	23.81%	8.01%	13.86%	12.55%	12.55%
International Equity Fund – P Series (IEF-P)	2.02%	-3.39%	2.41%	4.65%	5.84%
IEF-P Benchmark[3]	5.23%	0.50%	4.12%	4.91%	5.08%
Fixed Income Fund – P Series (FIF-P)	2.72%	-1.09%	0.73%	2.25%	4.61%
FIF-P Benchmark[4]	2.28%	-1.90%	0.29%	1.98%	4.21%
Inflation Protection Fund – P Series (IPF-P)	1.26%	0.10%	2.41%	2.51%	3.50%
IPF-P Benchmark[5]	2.22%	-2.50%	1.26%	2.64%	3.77%
Social Values Choice Equity Fund – P Series (SVCEF-P)**	18.21%	5.93%	11.62%	10.26%	10.26%
SVCEF-P Benchmark[6]	17.66%	5.72%	11.49%	10.26%	10.26%
Extended Term Fixed Income Fund – P Series (ETFIF-P)	-3.30%	-5.53%	-1.57%	–	1.45%
ETFIF-P Benchmark[7]	-4.15%	-9.20%	-3.26%	–	1.12%
Social Values Choice Bond Fund – P Series (SVCBF-P)	2.63%	-1.74%	0.54%	–	1.75%
SVCBF-P Benchmark[8]	2.28%	-1.90%	0.29%	–	1.62%
U.S. Treasury Inflation Protection Fund – P Series (USTPF-P)	1.76%	-2.85%	1.50%	–	2.16%
USTPF-P Benchmark[9]	1.76%	-2.62%	1.77%	–	2.43%
Stable Value Fund – P Series (SVF-P)	2.82%	2.16%	1.93%	2.04%	2.75%
SVF-P Benchmark[10]	5.28%	3.92%	2.48%	2.20%	2.70%
Short Term Investment Fund – P Series (STIF-P)	5.28%	3.88%	2.40%	1.75%	1.64%
STIF-P Benchmark[11]	5.28%	3.92%	2.48%	1.77%	1.63%

* The performance shown is for the stated time period only. Historical returns are not indicative of future performance. The unit values of the funds are likely to increase or decrease during the period that an investor owns units of the funds. This means that it is possible for an investor to lose money investing in the funds. Investment performance is presented net of fees and expenses. Fees and expenses can therefore impact benchmark-relative performance. Please see the *Investment Funds Description – P Series* for more information about the fees and expenses of the P Series funds.

The investments of the funds may vary substantially from those in the applicable benchmark. The benchmarks are based on widely-available market indices, which are unmanaged and are not subject to fees and expenses typically associated with investment funds. Investments cannot be made directly in an index. Please refer to the *Investment Funds Description – P Series* for more information about the P Series funds. This is not an offer to purchase securities.

See accompanying Summary—Fund Benchmarks and details on page 44.

** Formerly the Equity Social Values Plus Fund

2024 Summary: Financial Markets and Investment Results—I Series*

Net-of-fees; as of December 31, 2024

Multiple Asset Fund – I Series (MAF-I)

Fund:	+7.46%
Benchmark[13]:	+10.44%
Relative Performance: (percentage points)	▼ 2.98%

$1,120M
TOTAL ASSETS

- MAF-I has a target allocation of 35% U.S. Equity Fund – I Series (USEF-I), 30% International Equity Fund – I Series (IEF-I), 25% Fixed Income Fund – I Series (FIF-I), and 10% Inflation Protection Fund – I Series (IPF-I). Economic growth and moderating inflation, along with the rise in artificial intelligence, drove strong equity performance. The Federal Reserve began cutting interest rates in 2024, generally supporting positive investment returns for the year.
- FIF-I contributed positively to benchmark-relative performance, while USEF-I, IEF-I and IPF-I detracted from benchmark-relative performance.

U.S. Equity Fund – I Series (USEF-I)

Fund:	+17.16%
Benchmark[14]:	+23.81%
Relative Performance: (percentage points)	▼ 6.65%

$962M
TOTAL ASSETS

- USEF-I delivered positive returns for the year as the U.S. equity market strongly increased for a second consecutive year, driven by technology, financial and industrial stocks.
- Fund performance trailed benchmark performance for the year as outsized stock performance was concentrated in a relatively small group of the largest U.S. companies. For reference, the seven largest "Magnificent 7" companies in the benchmark index returned more than 47% in 2024. The fund's greater diversification into small- and mid-cap stocks and corresponding underweight allocation to the largest mega-cap stocks was the largest detractor from benchmark-relative performance. The fund's allocation to private equity and private real estate also detracted from benchmark-relative performance. Excluding stocks in accordance with investment exclusion policies modestly helped benchmark-relative performance.

U.S. Equity Index Fund – I Series (USEIF-I)

Fund:	+23.87%
Benchmark[14]:	+23.81%
Relative Performance: (percentage points)	▲ 0.06%

$389M
Total Assets

- USEIF-I delivered positive returns for the year as the U.S. equity market strongly rallied for a second consecutive year, driven by technology, financial and industrial stocks.
- USEIF-I is a passively managed fund designed so that it closely matches the fund benchmark, less fees and expenses. Differences occur due to certain stocks excluded in accordance with the investment exclusions policies.

International Equity Fund – I Series (IEF-I)

Fund:	+2.11%
Benchmark[15]:	+5.23%
Relative Performance: (percentage points)	▼ 3.12%

$687M
Total Assets

- IEF-I delivered modest positive returns, with mixed performance across industrial sectors. Stocks in the financial, technology and communication services sectors drove performance, but U.S. dollar appreciation relative to most other currencies negatively impacted international equity returns for dollar-based investors.
- The fund underperformed its benchmark primarily due to active managers' investments in financial and industrial stocks. Additionally, active managers' stock selection in Japan, France and the U.K. detracted from relative performance. Investment exclusions detracted slightly from benchmark-relative performance.

* See accompanying information and details on page 15.

2024 SUMMARY: FINANCIAL MARKETS AND INVESTMENT RESULTS—I SERIES*

Net-of-fees; as of December 31, 2024

Fixed Income Fund – I Series (FIF-I)

Fund:	+2.73%	**$841M** TOTAL ASSETS
Benchmark[17]:	+2.28%	
Relative Performance: (percentage points)	▲ 0.45%	

- FIF-I delivered modest positive returns as the U.S. Treasury yield curve steepened. Below-investment-grade securities outperformed higher quality investment grade sectors.
- The fund's overweight to high-yield bonds was the primary positive contributor to benchmark-relative results, along with active manager security selection in the core plus account.

Inflation Protection Fund – I Series (IPF-I)

Fund:	+1.31%	**$218M** TOTAL ASSETS
Benchmark[18]:	+2.22%	
Relative Performance: (percentage points)	▼ 0.91%	

- IPF-I delivered positive returns. Despite moderating inflation, demand for inflation protection remained strong amid ongoing inflation concerns. Inflation-protected securities, commodities, and leveraged loans performed well, while emerging markets lagged due to a stronger dollar.
- The fund's allocation to emerging market inflation-linked bonds was the primary detractor from benchmark-relative performance. This was partially offset by the fund's allocation to senior secured floating rate bank loans.

Social Values Choice Equity Fund – I Series (SVCEF-I)

Fund:	-3.32%	**$33M** Total Assets
Benchmark[16]:	-3.12%	
Relative Performance: (percentage points)	▼ 0.20%	

- SVCEF-I was launched on December 3, 2024. Global equity markets declined during the month of December.
- SVCEF-I is a passively managed fund designed to closely match the fund benchmark, less fees and expenses. Differences occur due to certain stocks excluded in accordance with the fund's investment exclusions policy.

Social Values Choice Bond Fund – I Series (SVCBF-I)

Fund:	-1.53%	**$41M** Total Assets
Benchmark[21]:	-1.38%	
Relative Performance: (percentage points)	▼ 0.15%	

- SVCBF-I was launched on December 3, 2024. Fixed Income markets declined during the month of December as interest rates increased.
- Active manager duration strategies detracted from benchmark-relative performance, but security selection within investment-grade credit contributed to relative performance.

* See accompanying information and details on page 15.

2024 SUMMARY: FINANCIAL MARKETS AND INVESTMENT RESULTS—I SERIES*

Net-of-fees; as of December 31, 2024

U.S. Treasury Inflation Protection Fund – I Series (USTPF-I)

Fund:	+1.73%
Benchmark[19]:	+1.76%
Relative Performance: (percentage points)	▼ 0.03%

$91M
TOTAL ASSETS

- The fund delivered positive returns, driven by investor demand for stable real yields and inflation protection amid concerns that inflation would remain above the Fed's 2% target longer than expected.
- USTPF-I is a passively managed fund designed to closely match the performance of the fund benchmark, less fees and expenses. Differences occur due to individual security selection decisions.

Short Term Investment Fund – I Series (STIF-I)

Fund:	+5.19%
Benchmark[20]:	+5.28%
Relative Performance: (percentage points)	▼ 0.09%

$52M
TOTAL ASSETS

- STIF-I holds cash, cash equivalents and short-term securities with the objective of preserving capital while earning current income higher than that of money market funds. The current interest rate environment led to positive performance for the fund.
- The fund performed roughly in line with the benchmark.

Alternative Asset Fund – I Series (AAF-I)

Fund:	+4.65%

$26M
Total Assets

- AAF-I was launched on April 3, 2023. The first capital call was January 19, 2024. The fund's positive performance was driven by its exposure to secondary investments. The fund is experiencing strong deal flow in this sector, with notable pricing discounts on smaller sized deals.
- AAF-I seeks attractive long-term capital appreciation by investing in a globally diversified portfolio of private equity and private credit investments. The fund does not have a performance benchmark.

* See accompanying information and details on page 15.

2024 Performance—I Series*

Net-of-fees; as of December 31, 2024

Fund	ANNUALIZED RETURNS				
	1-Year	3-Years	5-Years	10-Years	Inception[22]
Alternative Asset Fund (AAF-I)	–	–	–	–	4.65%
Multiple Asset Fund – I Series (MAF-I)	7.46%	0.61%	5.63%	–	8.11%
MAF-I Benchmark[13]	10.44%	2.36%	6.44%	–	8.71%
U.S. Equity Fund – I Series (USEF-I)	17.16%	4.95%	11.84%	–	14.71%
USEF-I Benchmark[14]	23.81%	8.01%	13.86%	–	16.56%
U.S. Equity Index Fund – I Series (USEIF-I)	23.87%	7.84%	13.81%	–	16.48%
USEIF-I Benchmark[14]	23.81%	8.01%	13.86%	–	16.56%
International Equity Fund – I Series (IEF-I)	2.11%	-3.38%	2.58%	–	6.15%
IEF-I Benchmark[15]	5.23%	0.50%	4.12%	–	6.86%
Social Values Choice Equity Fund (SVCEF-I)	–	–	–	–	-3.32%
SVCEF-I Benchmark[16]	–	–	–	–	-3.12%
Fixed Income Fund – I Series (FIF-I)	2.73%	-1.09%	0.70%	–	2.25%
FIF-I Benchmark[17]	2.28%	-1.90%	0.29%	–	1.88%
Inflation Protection Fund – I Series (IPF-I)	1.31%	-0.10%	2.37%	–	3.46%
IPF-I Benchmark[18]	2.22%	-2.50%	1.26%	–	2.54%
U.S. Treasury Inflation Protection Fund – I Series (USTPF-I)	1.73%	-2.89%	1.43%	–	2.56%
USTPF-I Benchmark[19]	1.76%	-2.62%	1.77%	–	2.91%
Short Term Investment Fund – I Series (STIF-I)	5.19%	3.85%	2.34%	–	2.34%
STIF-I Benchmark[20]	5.28%	3.92%	2.48%	–	2.45%
Social Values Choice Bond Fund (SVCBF-I)	–	–	–	–	-1.53%
SVCBF-I Benchmark[21]	–	–	–	–	-1.38%

* The performance shown is for the stated time period only. Historical returns are not indicative of future performance. The unit values of the funds are likely to increase or decrease during the period that an investor owns units of the funds. This means that it is possible for an investor to lose money investing in the funds. Investment performance is presented net of fees and expenses. Fees and expenses can therefore impact benchmark-relative performance. Please see the *Investment Funds Description – I Series* for more information about the fees and expenses of the I Series funds.

The investments of the funds may vary substantially from those in the applicable benchmark. The benchmarks are based on widely-available market indices, which are unmanaged and are not subject to fees and expenses typically associated with investment funds. Investments cannot be made directly in an index. Please refer to the *Investment Funds Description – I Series* for more information about the I Series funds. This is not an offer to purchase securities.

See accompanying Summary—Fund Benchmarks and details on page 44.

Management's Report on Financial Statements

Left to right: Andrew Q. Hendren, General Secretary and Chief Executive Officer; and Eileen M. Kane, Chief Financial and Strategy Officer

We have prepared the accompanying combined financial statements of Wespath Benefits and Investments (Wespath) for the years ended December 31, 2024 and 2023. We are responsible for the content and integrity of the financial statements, as well as the other financial information and supplemental schedules included in this Annual Report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and reflect our best estimates and judgments. The other financial information and supplemental schedules included in this annual report are consistent with the financial statements. We believe the financial statements fairly present Wespath's financial position; results of operations and changes in net assets; changes in plan accumulations, institutional investor and plan sponsor deposits and endowments; and cash flows.

Wespath's financial statements have been audited by Grant Thornton LLP, independent certified public accountants, whose report appears on pages 17–18. Grant Thornton LLP was given unrestricted access to all financial records and related information, including minutes of meetings of the boards of directors and committees. We believe that all representations made to Grant Thornton LLP during its audit were valid, timely and appropriate.

We recognize our responsibility for fostering a strong ethical climate so that Wespath's affairs are conducted according to the highest standards of conduct. This responsibility is characterized and reflected in Wespath's Code of Conduct (Code). The Code addresses, among other things, the necessity of assuring open communication within Wespath, potential conflicts of interest, compliance with all applicable domestic and foreign laws, and the confidentiality of proprietary information.

We maintain a systematic program to assess compliance with the Code, including a requirement that all employees and Board members affirm their compliance annually.

Wespath management has established and maintains a system of internal controls that provides reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition, and the prevention and detection of fraudulent financial reporting. This system of internal controls provides for appropriate division of responsibility, and is documented by written policies and procedures that are communicated to employees with significant roles in the financial reporting process, and are updated as necessary. Management monitors the system of internal controls for compliance. Wespath maintains an internal auditing program that independently assesses the effectiveness of the system of internal controls and recommends possible improvements.

In planning and performing its audit of Wespath's financial statements, Grant Thornton LLP obtains an understanding of internal controls 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 Wespath's internal controls. In addition, Wespath has an Audit Committee that oversees the internal and external audit programs. See the Audit Committee section on page 40 for more details.

Report of Independent Certified Public Accountants

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Audit Committee of the Board of Directors
Wespath Benefits and Investments

Opinion

We have audited the combined financial statements of Wespath Benefits and Investments (the "Company"), which comprise the combined statements of assets and liabilities and net assets as of December 31, 2024 and 2023, and the related combined statements of operations and changes in net assets, changes in plan accumulations, institutional investor and plan sponsor deposits and endowments, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the combined financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the combined 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material

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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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of assets and liabilities and net assets as of December 31, 2024, and the combining statement of operations and changes in net assets for the year ended December 31, 2024, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such supplementary information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Grant Thornton LLP

Chicago, Illinois
April 16, 2025

Combined Statements of Assets and Liabilities and Net Assets

Assets (in thousands)	**December 31, 2024**	**December 31, 2023**
Investments (Note 2 – 6)		
Fixed income securities and contracts (Note 6)	$ 13,176,469	$ 13,135,820
Equity securities	8,991,443	8,955,834
Limited partnership investments	1,859,233	1,676,230
Short-term securities	1,125,804	1,540,018
Emerging market funds	768,996	1,002,021
Securities loaned under securities lending agreements (Note 4)	925,616	641,734
Total investments	26,847,561	26,951,657
Invested collateral from securities lending agreements (Note 4)	393,899	350,069
Other assets (Note 2)	1,476,469	925,390
Cash	20,308	20,463
Total assets	**$ 28,738,237**	**$ 28,247,579**

Liabilities and net assets (in thousands)	**December 31, 2024**	**December 31, 2023**
Plan accumulations, institutional investor and plan sponsor deposits and endowments (Note 2)		
Defined contribution plans	$9,018,848	$ 9,108,006
Defined benefit plans	4,243,674	4,491,973
Annuities	4,579,326	4,679,005
Disability, death and health benefit program deposits (Note 8)	2,279,972	2,278,342
Institutional investor, plan sponsor and other deposits	5,492,003	5,135,738
Endowments	78,473	73,373
Total plan accumulations, institutional investor and plan sponsor deposits and endowments	25,692,296	25,766,437
Payable under securities lending agreements (Note 4)	393,899	350,069
Other liabilities (Note 2)	2,475,972	1,962,817
Total liabilities	28,562,167	28,079,323
Net assets (Note 2)	176,070	168,256
Total liabilities and net assets	**$ 28,738,237**	**$ 28,247,579**

See accompanying “Notes to the Combined Financial Statements” on page 23 – 37.

Combined Statements of Operations and Changes in Net Assets

Years Ended December 31 (in thousands)	**2024**	**2023**
Interest, dividend, partnership and trust investment income	$ 897,218	$ 774,307
Securities lending and other income	4,711	4,460
Investment income	901,929	778,767
Net realized gain (loss) on investments	1,220,984	(92,235)
Net unrealized (loss) gain on investments	(740,310)	2,181,945
Net gain on investments and investment income	1,382,603	2,868,477
Investment management and custodial fees	(73,071)	(75,543)
Net investment earnings	1,309,532	2,792,934
Operating expenses (Note 9)	(82,525)	(75,819)
Net earnings before allocation	1,227,007	2,717,115
Allocated net earnings to unitized funds (Note 7)	(1,221,644)	(2,708,406)
Allocated to net assets	2,451	17,047
Increase in net assets	7,814	25,756
Net assets (Note 2):		
Beginning of year	168,256	142,500
End of year	$ 176,070	$ 168,256

See accompanying “Notes to the Combined Financial Statements” on page 23 – 37.

Combined Statements of Changes in Plan Accumulations, Institutional Investor and Plan Sponsor Deposits and Endowments

Year Ended December 31, 2024 (in thousands)	Balances Beginning of Year	Net Earnings Allocated to Unitized Funds	Contributions and Deposits	Distributions and Withdrawals	Net Transfers and Other	Balances End of Year
Defined contribution plans	$ 9,108,006	$ 597,804	$ 178,610	$ (766,322)	$ (99,250)	$ 9,018,848
Defined benefit plans	4,491,973	59,738	118	(295,412)	(12,743)	4,243,674
Annuities	4,679,005	102,350	–	(392,650)	190,621	4,579,326
Disability, death and health benefit program deposits	2,278,342	23,815	73,212	(232,251)	136,854	2,279,972
Institutional investor, plan sponsor and other deposits	5,135,738	432,597	397,704	(267,060)	(206,976)	5,492,003
Endowments	73,373	5,340	1,099	(467)	(872)	78,473
Total plan accumulations, institutional investor and plan sponsor deposits and endowments	$ 25,766,437	$ 1,221,644	$ 650,743	$ (1,954,162)	$ 7,634	$ 25,692,296

Year Ended December 31, 2023 (in thousands)	Balances Beginning of Year	Net Loss Allocated to Unitized Funds	Contributions and Deposits	Distributions and Withdrawals	Net Transfers and Other	Balances End of Year
Defined contribution plans	$ 8,504,361	$ 1,075,324	$ 171,706	$ (559,004)	$ (84,381)	$ 9,108,006
Defined benefit plans	4,400,318	430,495	–	(292,409)	(46,431)	4,491,973
Annuities	4,487,491	372,594	–	(386,904)	205,824	4,679,005
Disability, death and health benefit program deposits	2,107,803	186,789	77,374	(232,247)	138,623	2,278,342
Institutional investor plan sponsor and other deposits	4,435,657	634,325	517,098	(227,383)	(223,959)	5,135,738
Endowments	64,858	8,879	29	(186)	(207)	73,373
Total plan accumulations, institutional investor, and plan sponsor deposits and endowments	$ 24,000,488	$ 2,708,406	$ 766,207	$ (1,698,133)	$ (10,531)	$ 25,766,437

See accompanying “Notes to the Combined Financial Statements” on page 23 – 37.

Combined Statements of Cash Flows

Years Ended December 31 (in thousands)	2024	2023
Cash flows from operating activities		
Increase in net assets	$ 7,814	$ 25,756
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:		
Depreciation	1,934	1,430
Net unrealized loss (gain) on investments	740,310	(2,181,945)
Net realized (gain) loss on investments	(1,220,984)	92,235
Undistributed loss-limited partnership investments	19,248	24,310
Changes in assets and liabilities:		
(Increase) decrease in invested collateral from securities lending agreements	(43,830)	126,781
(Increase) in other assets	(550,436)	(511,059)
Increase in other liabilities	513,155	1,476,855
Increase (decrease) in payable under securities lending agreements	43,830	(126,781)
Allocated to net assets	(2,451)	(17,047)
Net earnings allocated to unitized fund accounts	1,221,644	2,708,406
Contributions and deposits	650,743	766,207
Distributions and withdrawals	(1,954,162)	(1,698,133)
Net transfers and other	10,085	6,516
Net cash (used in) provided by operating activities	(563,100)	693,531
Cash flows from investing activities		
Purchases of investments	(60,880,792)	(67,858,590)
Sales of investments	61,446,314	67,167,786
Capital expenditures	(2,577)	(2,535)
Net cash provided by (used in) investing activities	562,945	(693,339)
Net (decrease) increase in cash	(155)	192
Cash at beginning of year	20,463	20,271
Cash at end of year	$ 20,308	$ 20,463

See accompanying “Notes to the Combined Financial Statements” on page 23 – 37.

Notes to the Combined Financial Statements

Note 1: Nature of Operations

Wespath Benefits and Investments is the doing-business-as name of the General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (the Illinois Corporation). The name was designed with two important elements in mind: Wes—to recognize and honor John Wesley, the founder of Methodism and a strong advocate for social justice; and Path—referring to our goal of providing participants and institutional investors with a path to follow in helping to achieve retirement, health and investment objectives.

We conduct business primarily through three legal entities: the Illinois Corporation and the UMC Benefit Board, Inc. (the Benefit Board), both Illinois not-for-profit corporations; and Wespath Institutional Investments LLC (WII), a tax-exempt Delaware limited liability company. We have established other subordinate legal entities—including corporations, limited liability companies and trusts—in order to carry out specific business activities most effectively. Assets and liabilities of these additional entities are included in the financial statements presented in this report. Collectively we refer to all legal entities as "Wespath" in these notes.

The Illinois Corporation is an administrative general agency of the religious denomination known as The United Methodist Church (UMC) and is responsible for the general supervision and plan administration of retirement, disability, death and health benefit plans, programs and funds for plan sponsors as authorized by General Conference, the denomination's highest legislative authority. The Benefit Board is the trustee for various trusts and is the exempt investment advisor to and trustee for the P Series funds, in which the plan assets and the trusteed assets of UMC and other Methodist institutions are invested. WII is trustee for and exempt investment advisor to the I Series funds, in which the trusteed assets of a broader range of UMC and other institutional investors—such as foundations, hospitals, colleges and universities, children's homes, and other non-profit organizations—are invested. The Benefit Board and WII are separate from but controlled by the Illinois Corporation through ownership or common membership.

Pension and retirement plans administered by Wespath

As of December 31, 2024, the three primary Internal Revenue Code (IRC) section 403(b) retirement benefit plans are the Clergy Retirement Security Program (CRSP), providing retirement benefits to eligible clergy; the Retirement Plan for General Agencies (RPGA), providing retirement benefits to eligible employees of general agencies; and the Personal Investment Plan (PIP) (formerly named the United Methodist Personal Investment Plan), providing retirement benefits and savings opportunities for clergy and lay employees of UMC and other Methodist organizations. The Horizon 401(k) Plan, an IRC section 401(a) plan, is a retirement savings plan for employee and employer contributions available to employees of eligible UMC-associated institutions.

In addition, Wespath administers certain legacy benefit plans, which no longer accrue additional service credit for plan participants or allow for the eligibility of new participants.

CRSP consists of two components: a defined benefit component, based on Denominational Average Compensation (DAC), and a defined contribution component, providing for a plan sponsor contribution of 2% of a clergyperson's actual compensation. In addition, the plan sponsor matches 100% of a clergyperson's elective contributions to PIP up to 1% of the clergyperson's plan compensation and contributes the matching funds to the clergyperson's CRSP defined contribution account.

CRSP is an amendment and restatement of the Ministerial Pension Plan (MPP). The program consists of three parts covering three different periods: CRSP for service beginning January 1, 2007; MPP for service from January 1, 1982 through December 31, 2006; and Supplement One to CRSP for service prior to 1982 (Pre-82 Plan).

The General Conference held in 2024 directed Wespath to freeze new benefits being earned under CRSP at the end of 2025 and adopt a new defined contribution retirement plan, called the Compass Retirement Plan (Compass), effective January 1, 2026 or as soon as administratively feasible thereafter. Compass will provide eligible clergy with a higher level of defined contribution benefits than CRSP, in lieu of providing continued defined benefit accruals. Defined benefits earned by clergy under CRSP will remain payable under the terms of that plan.

RPGA became effective on January 1, 2010, and is an amendment and restatement of the Retirement Security Program for General Agencies (RSP), which is retained in Supplement Two to RPGA.

Also, the General Conference directed Wespath to terminate the RPGA plan and transfer participants' accounts to PIP. The General Conference also directed Wespath to consolidate all legacy defined benefit obligations of general agencies, some of which are currently part of RPGA as supplements to that plan, and transfer the obligations to a new defined benefit plan. In the first quarter of 2025 Wespath will begin implementing these changes.

All plans maintained by Wespath are "church plans" within the meaning of Section 3 (33) of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 414(e) of the Internal Revenue Code of 1986.

Disability, death, and health benefit plans and programs administered by Wespath

The disability, death and health benefit programs include the Comprehensive Protection Plan (CPP), providing various welfare benefits to eligible clergy; LifeOptions, providing various welfare benefits to eligible clergy and lay employees of participating local churches, annual conferences, general agencies, and other eligible UMC and other Methodist institutions; and HealthFlex, providing group health coverage for those under 65 and access to retiree medical supplement options for employees and retirees of participating local churches, annual conferences, general agencies, and other eligible UMC and other Methodist institutions.

Funding of benefit obligations

Plan sponsors are responsible for the funding of all pension, disability, death and health benefit obligations. All sponsoring entities are responsible for funding both current and past service costs. Pension and other post-retirement obligations are the responsibility of the sponsoring entities.

Wespath trusts and funds

All the assets of the trusts are invested in a prudent manner in accordance with plan documents, trust instruments and Wespath's investment policies.

As of December 31, 2024, the Benefit Board administered 21 P Series investment funds. Eleven funds are available for direct investment by PIP, CRSP and RPGA defined contribution participants: Multiple Asset Fund – P Series (MAF-P), Fixed Income Fund – P Series (FIF-P), Inflation Protection Fund – P Series (IPF-P), U.S. Equity Fund – P Series (USEF-P), International Equity Fund – P Series (IEF-P), Extended Term Fixed Income Fund – P Series (ETFIF-P), Social Values Choice Equity Fund – P Series (SVCEF-P), Social Values Choice Bond Fund – P Series (SVCBF-P), U.S. Treasury Inflation Protection Fund – P Series (USTPF-P), U.S. Equity Index Fund – P Series (USEIF-P) and Stable Value Fund – P Series (SVF-P). SVF-P is not available for investment by institutional investors or for plan reserves. These groups can invest in the Short Term Investment Fund – P Series (STIF-P), which is not offered to plan participants, as well as the other 10 funds listed above.

The Benefit Board also manages nine funds that provide indirect exposure to specialized investment strategies for participants, plan reserves and institutional investors: Positive Social Purpose Lending Fund – P Series (PSPLF-P), Domestic Private Real Estate Fund (DPRF), Domestic Private Equity Fund (DPEF), International Private Equity Fund (IPEF), International Private Real Estate Fund (IPRF), Annuity Immunization Fund – P Series (AIF-P), Special Opportunities Fund – P Series (SOF-P), Liability Matching Fixed Income Fund – P Series (LMFIF-P) and Duration Matching Fixed Income Fund – P Series (DMFIF-P). DMFIF-P was launched in May 2023.

As of December 31, 2024, WII administered 15 I Series investment funds. Eleven funds are available for direct investment by institutional investors: Multiple Asset Fund – I Series (MAF-I), Fixed Income Fund – I Series (FIF-I), Inflation Protection Fund – I Series (IPF-I), U.S. Equity Fund – I Series (USEF-I), International Equity Fund – I Series (IEF-I), U.S. Treasury Inflation Protection Fund – I Series (USTPF-I), U.S. Equity Index Fund – I Series (USEIF-I), Short Term Investment Fund – I Series (STIF-I), Social Values Choice Equity Fund – I Series (SVCEF-I), Social Values Choice Bond Fund – I Series (SVCBF-I) and Alternative Asset Fund – I Series (AAF-I). SVCEF-I and SVCBF-I were launched in December 2024; AAF-I was launched in April 2023.

WII also manages four funds that provide indirect exposure to specialized investment strategies for institutional investors: U.S. Private Real Estate Fund – I Series (USPREF-I), U.S. Private Equity Fund – I Series (USPEF-I), International Private Equity Fund – I Series (IPEF-I) and International Private Real Estate Fund – I Series (IPREF-I).

Note 2: Summary of Significant Accounting Policies

Basis of presentation

The combined financial statements consisting of the Combined Statements of Assets and Liabilities and Net Assets (Balance Sheets); Combined Statements of Operations and Changes in Net Assets (Statements of Operations); Combined Statements of Changes in Plan Accumulations, Institutional Investor and Plan Sponsor Deposits and Endowments (Statements of Changes); and the Combined Statements of Cash Flows (known collectively as the financial statements) include all investment accounts managed, and plans administered, by Wespath. These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Investment

All investment transactions are governed by the Investment Policies of Wespath. In general, investments are stated at fair value. Changes in fair value of investments are recorded in the Statements of Operations as "Net unrealized (loss) gain on investments." Investment purchases and sales are recorded as of the trade date. Net gains and losses on the sale of investments are included in "Net realized gain (loss) on investments" in the Statements of Operations. Costs of investments sold are determined on an average cost basis. The methodology used in determining the fair value of investments is described in Note 3.

During 2023, Wespath executed a pension plan de-risking strategy to mitigate risk of future plan contributions by reducing exposure to future interest rate volatility. This strategy resulted in the sale of equity securities and related purchase of fixed income securities of approximately $2 billion.

Fixed income securities and contracts

Fixed income securities and contracts consist primarily of U.S. Treasury and agency securities, corporate bonds, mortgage-backed securities, asset-backed securities, and sovereign securities denominated in U.S. dollars and foreign currencies, stated at fair value determined primarily by third-party pricing vendors, as well as forward contracts and mortgage contracts or other loans that comprise investments in Wespath's Positive Social Purpose (PSP) Lending Program.

The PSP Lending Program was established in 1990 to earn risk-adjusted market rates of return while funding a variety of projects in traditionally underserved communities. This includes, but is not limited to, the development of affordable housing for low- and moderate-income individuals and families, as well as microfinance loans primarily to low-income entrepreneurs in the developing world. The program invests primarily in privately placed mortgage-backed securities and mortgage loans that meet certain criteria, such as specified minimum loan-to-value and debt coverage ratios. At December 31, 2024 and 2023, Wespath had outstanding PSP Lending Program investments of $468 million and $488 million, respectively. Mortgage contracts and other loans are stated on the financial statements at fair value based on the net present value of the estimated future cash flows discounted at market equivalent rates.

At December 31, 2024 and 2023, Wespath had outstanding commitments to provide $46 million and $37 million, respectively, in additional funding related to the PSP Lending Program. Funds earmarked to cover these commitments are included in "Short-term securities" and the mark to market is included under the caption "Fixed income securities and contracts."

Also included in this category are derivative-based wrap contracts used in conjunction with the SVF-P portfolio. These contracts are utilized to mitigate market rate risk exposure on the underlying investments in the SVF-P, stated at contract value as detailed in Note 6.

Equity securities

Equity securities consist primarily of common and preferred stocks, stated at fair value determined primarily by closing prices quoted on recognized U.S. and international security exchanges.

Limited partnership investments

Limited partnership investments consisting of real estate, private equity, joint venture and real assets are carried at Wespath's share of the partnership's net asset value (NAV) or its equivalent based primarily on the most recent unaudited financial statements, which are used to estimate fair value at year's end. In some cases, management uses discretion in determining fair value for a particular partnership based on more current information regarding market conditions or applying a different valuation that better reflects the true underlying value of the investments.

Emerging market funds

Emerging market funds are valued using an estimated daily NAV based on the fair market value of the underlying securities.

Limited partnership, limited liability companies and emerging market funds

Investments Valued at NAV as of December 31, 2024

(in thousands)	Fair Value	Unfunded Commitments	Longest Redemption Notice Period
Open-end funds			
Real estate	$ 102,115	$ –	90 days
Real assets	40,704	78,296	90 days
Private equity	26,110	–	90 days
Emerging market	768,996	–	120 days
Closed-end funds			
Real estate	661,807	382,705	
Real assets	111,050	5,359	
Private equity	868,077	239,630	
Credit	10,804	39,522	
Joint venture	38,566	–	
Total	**$ 2,628,229**	**$ 745,512**	

Investments Valued at NAV as of December 31, 2023

(in thousands)	Fair Value	Unfunded Commitments	Longest Redemption Notice Period
Open-end funds			
Real estate	$ 111,054	$ –	90 days
Emerging market	1,002,021	–	120 days
Closed-end funds			
Real estate	602,042	503,152	
Real assets	121,774	5,359	
Private equity	817,033	277,385	
Credit	4,194	48,500	
Joint venture	20,133	17,811	
Total	**$ 2,678,251**	**$ 852,207**	

Open-end real estate funds primarily invest in U.S. commercial real estate. These funds have an indefinite life, and investments may be redeemed with up to 90 days' notice. However, the underlying fund manager has the discretion not to accept the redemption request.

Open-end real asset funds primarily invest in real assets such as energy and infrastructure. These funds have an indefinite life, and investments may be redeemed with up to 90 days' notice following a 3-year lock-up period. However, the underlying fund manager has the discretion not to accept the redemption request.

Open-end private equity funds primarily invest in privately held companies. These funds have an indefinite life, and investments may be redeemed with up to 90 days' notice following a 3-year lock-up period subject to an annual cap. Redemptions are subject to the underlying fund managers discretion.

Emerging market funds are open-ended commingled funds invested primarily in equities of companies domiciled in emerging markets. These funds have an indefinite life, and investments may be redeemed with up to 120 days' notice.

Closed-end real estate funds primarily invest in U.S. commercial real estate. Closed-end real assets funds primarily invest in real assets such as timber, energy, agriculture and infrastructure. Closed-end private equity funds primarily invest in privately held companies. Closed-end credit funds primarily provide credit capital to companies and their assets. These investments cannot be redeemed. Distributions from each fund occur as the underlying investments of the funds are liquidated. Wespath estimates that the underlying investments of the existing funds will be liquidated over the next 15 years.

Through its Special Opportunities Fund – P Series, Wespath entered into a limited liability company joint venture with Metro Storage to acquire and/or develop self-storage units. These investments contained sales restrictions which expired after February 2024. The total investment in the joint venture as of December 31, 2024 and 2023 was $38.6 million and $20.1 million, respectively.

Short-term securities

Short-term securities are stated at fair value or at cost, which approximates fair value. Short-term securities include securities that mature within one year or less at date of purchase and cash collateral related to margin requirements on futures contracts.

Securities loaned under securities lending agreements

A portion of domestic equity securities, fixed income securities and international equity securities has been loaned to qualified borrowers pursuant to Wespath's securities lending program, further described in Note 4.

The following table summarizes the fair value of securities on loan and the collateral held as of December 31, 2024:

(in thousands)	Market Value of Securities on Loan	Collateral Held
Fixed income securities	$ 601,637	$ 617,310
Domestic equity securities	225,560	232,020
International equity securities	98,419	104,683
Total	**$ 925,616**	**$ 954,013**

The following table summarizes the fair value of securities on loan and the collateral held as of December 31, 2023:

(in thousands)	Market Value of Securities on Loan	Collateral Held
Fixed income securities	$ 434,276	$ 444,901
Domestic equity securities	141,660	145,801
International equity securities	65,798	68,961
Total	**$ 641,734**	**$ 659,663**

Other assets

Other assets primarily consist of fixed assets and investment receivables. Fixed assets, which include property, furniture and equipment, are assets with cost in excess of $10,000 that have a useful life greater than one year. Fixed assets are stated at cost less depreciation. Depreciation of fixed assets is provided on a straight-line basis over the assets' estimated service life, typically three to seven years for furniture, fixtures, computer software and equipment; 15 years for land improvements; and 40 years for the building. Depreciation expense totaling $1.9 million and $1.4 million for 2024 and 2023, respectively, is included in "Operating expenses" in the Statements of Operations. Receivables due from the purchasers of investments sold of $1,175 million and $714 million at December 31, 2024 and 2023, respectively, are included in "Other assets."

Property and equipment, which are components of "Other assets," are comprised of the following as of December 31:

(in thousands)	2024	2023
Land	$ 15,685	$ 15,685
Land improvements	3,893	3,827
Building	32,489	31,493
Computer and office equipment	22,174	22,203
Capital work in progress	191	2,291
	74,432	**75,499**
Less accumulated depreciation		
Land improvements	3,564	3,308
Building	10,913	10,105
Computer and office equipment	18,555	21,330
Property and equipment – net	**$ 41,400**	**$ 40,756**

Defined contribution plans

This liability represents the accumulated fair value of contributions and earnings to the defined contribution components of the three IRC Section 403(b) and one IRC 401(k) retirement plans as remitted by the plan sponsor to a participant's account.

Defined benefit plans

Plan sponsors fund current and future benefits for service rendered under the defined benefit plans. For financial statement purposes, Wespath reflects only amounts that plan sponsors have contributed to date, with accumulated investment earnings. These plans have funded and unfunded liabilities. Plan sponsors of the Pre-82 Plan are required to fund actuarial and market losses using a five-year amortization period. Any additional unfunded liability resulting from benefit improvements is required to be funded prior to the effective date of the improvement. Plan sponsors of defined benefit plans contributed $11 million and $19 million to the plans in 2024 and 2023, respectively. Of the amounts contributed, $6 million and $19 million were transfers from plan sponsors and other deposits in 2024 and 2023, respectively. In 2024, $5 million was also transferred from disability, death and health benefit program deposits.

Annuities

Annuities are primarily lifetime monthly benefit payments for retired individuals that have been established under certain plans, including annuities required by the applicable plans or optional annuity forms of payment elected by a participant. Actuarially determined benefits are funded from the individual accounts of participants upon retirement. Participants make specific elections with regard to survivor benefits, post-retirement benefit increases and other terms of the annuity.

Disability, death and health benefit program deposits

These pooled accounts represent deposits to certain employee welfare benefit plans held to provide benefits to participants in the disability, death and health benefit programs.

Plan sponsor and other deposits

These deposits represent amounts received from institutional investors; and from plan sponsors to fund pension, disability, death, health benefit and other programs. These funds are invested at the direction of the account holder.

Endowments

Included in the endowment liabilities are funds administered on behalf of UMC-related organizations. Wespath invests these funds as the trustee. Distributions of income are made in accordance with the provisions of the applicable governing documents. Many annual conferences, particularly those in the South Central and Southeastern jurisdictions, have Conference Superannuate Endowment Fund accounts.

These funds, the principal of which may not be withdrawn as mandated by General Conference, represent endowment funds for the benefit of retirees of the former Methodist Episcopal Church, South. Also included in endowments, within Wespath, are undesignated gifts, bequests and donations.

Other liabilities

Other liabilities primarily consist of payables for investment purchases of $2,207 million and $1,564 million at December 31, 2024 and 2023, respectively.

Net assets

Combined net assets at December 31, 2024 and 2023 represent Wespath's designated operating reserves—to be utilized in the event of a significant, prolonged market downturn—of $146.6 million and $138.8 million, respectively, plus accumulated unrestricted net assets that have been determined based on increases or decreases in the value of assets not specifically allocated to plans or a specific investor. Wespath transferred to its designated operating reserves $2.5 million and $17.0 million, of which $2.0 million and $3.7 million was funded through operating expenses, in 2024 and 2023, respectively (Note 9). Included in the 2023 transfers to operating reserves was $13.0 million that had been previously earmarked, on a temporary basis, to support an investment strategy for non-MPP annuities.

Reclassification

Certain prior-year amounts have been reclassified to conform to the current-year financial statement presentation.

Note 3: Fair Value Measurements

Wespath uses the fair value hierarchy, which is based on the inputs used to measure fair value. Observable inputs are inputs that market participants use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants use in pricing the asset or liability based on the best information available in the circumstances. Wespath utilizes the following hierarchy to classify assets and liabilities held at fair value based on the transparency of inputs:

Level 1

Quoted prices are available in active markets for identical assets or liabilities as of the report date.

Level 2

Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. These types of securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3

This includes securities that have little to no observable pricing inputs as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

When available, Wespath values securities at observable market prices, observable market parameters, or broker or dealer prices (bid and ask prices). In the case of securities transacted on recognized exchanges, the observable market prices represent quotations for completed transactions from the exchange on which the securities are principally traded. For investments in illiquid or privately held securities and private real estate, real asset or private equity limited partnership investments that do not have readily determinable fair values, the determination of fair value requires Wespath to estimate the value of the securities using the best information available.

Among the factors that may be considered by Wespath in determining the fair value of illiquid or privately held securities are the cost, terms and liquidity of the investment; the financial condition and operating results of the issuer; the quoted market price of publicly traded securities with similar quality and yield; and other factors generally pertinent to the valuation of these investments. In instances where a security is subject to transfer restrictions, the value of the security is based primarily on the quoted price of a similar security without restriction, but may be reduced by an amount estimated to reflect such restrictions. In addition, even where the value of a security is derived from an independent source, certain assumptions may be required to determine the security's fair value. The actual value realized upon disposition could be different from the currently estimated fair value. All of Wespath's investments in illiquid, infrequently traded or privately held securities have been valued using Level 3 inputs.

Fixed income securities, such as domestic government or corporate bonds, are stated at fair value determined primarily by third-party pricing vendors. In instances where sufficient market activity exists, the valuations may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, valuations also utilize proprietary valuation models, which may consider market characteristics, such as benchmark yield curves, option-adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Fair value estimates of guaranteed investment contracts (GICs) are made according to the methodologies further detailed in Note 6. Mortgage contracts and other loans are stated at fair value based on the net present value of the estimated future cash flows discounted at market equivalent rates. Most of Wespath's fixed income securities have been valued at Level 2. The exceptions relate to certain domestic government securities that have been valued at Level 1 and to certain corporate bonds that have been valued at Level 3. All mortgage contracts and other loans have been primarily valued at Level 2.

For private real estate limited partnership investments, fair value estimates of the underlying real estate investments are based on a combination of property appraisal reports prepared by third-party, independent appraisers and internal models developed by the underlying fund managers using a variety of market-based assumptions. The estimates of fair value are based on three conventional approaches to value, all of which require the exercise of subjective judgment. The three approaches are: 1) current cost of replacing the real estate less deterioration and functional and economic obsolescence; 2) discounting a series of expected income streams and reversion at a specific yield or by directly capitalizing a single-year income estimate by an appropriate factor; and 3) the value indicated by recent sales of comparable real estate in the market. In reconciliation of these three approaches, the independent appraiser uses one, or a combination of approaches, to determine an approximated fair value.

For private equity limited partnership investments, fair value estimates of the underlying private equity investments made by the respective partnerships require significant judgment and interpretation of the general partner's overall management. Underlying private equity partnership investment values are determined based on available market data, including observations of the trading multiples of public companies considered comparable to the investments being valued. Valuations also are adjusted to give consideration to the financial condition and operating results specific to the issuer, the lack of liquidity inherent in a non-public investment, the long-term nature of such investments, credit markets, and the fact that comparable public companies are not identical to the companies being valued.

For real asset limited partnership investments such as timberland, agricultural properties and private equity energy investment vehicles, fair value estimates of the underlying properties are determined by qualified third-party appraisers and internal models developed by the underlying fund managers using a variety of market-based assumptions. Estimates of fair value are based on factors such as current supply/demand dynamics for the underlying assets, commodity prices and sales of comparable properties.

Purchases of Level 3 assets totaled $12 million for 2024 and $92.2 million for 2023. No significant transfers of Level 3 assets occurred in 2024 or 2023.

The following table summarizes financial assets at fair value, by levels, as of December 31, 2024:

Asset Class (in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total Investments**
Investments at fair value (non NAV)				
Domestic common stock[A]	$ 6,004,209	–	–	$ 6,004,209
International common stock[B]	3,299,862	–	–	3,299,862
Preferred stock[C]	18,937	328	–	19,265
Domestic government fixed income[D]	3,500,857	–	–	3,500,857
International government fixed income[E]	–	1,245,949	–	1,245,949
Domestic government and other agencies[F]	–	842,814	–	842,814
Municipal fixed income[G]	–	66,156	–	66,156
Corporate fixed income[H]	–	5,465,789	229,603	5,695,392
Asset-backed securities[I]	–	583,957	–	583,957
Collateralized loan obligations[J]	–	437,537	–	437,537
Risk management instruments[K]	(30,367)	1,122,287	–	1,091,920
Short-term securities[L]	64,197	16,331	–	80,528
Total investments at fair value (non NAV)	**$ 12,857,695**	**$ 9,781,148**	**$ 229,603**	**$ 22,868,446**
Investments at fair value (NAV)				
Emerging market funds[M]				768,996
Private equity/real estate/credit partnerships and joint venture[N]				1,707,479
Real asset partnerships[O]				151,754
Total investments at fair value				**$ 25,496,675**
Short-term securities at cost[P]				1,031,544
Wrap contracts at contract value[Q]				319,342
Total investments				**$ 26,847,561**

A Domestic common stock reflects investments in common stock of companies primarily domiciled in the U.S.

B International common stock reflects investments in common stock of companies primarily domiciled outside of the U.S.

C Preferred stock is composed of straight and convertible preferred stock issues across various industry sectors.

D Domestic government fixed income represents investments in U.S. Treasury bonds, U.S. Treasury notes and U.S. Treasury inflation-adjusted securities at various interest rates and maturities.

E International government fixed income includes non-U.S. government investments, including inflation-adjusted securities, with both fixed and variable interest rates, and with geographical concentrations in Europe, Asia and South America.

F Domestic government and other agencies include Government National Mortgage Association, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation investments with both variable and fixed interest rates.

G Municipal fixed income is composed of various state and local municipality investments.

H Corporate fixed income represents U.S. and international investment grade and below investment grade corporate securities across various industry sectors.

I Asset-backed securities are composed of both variable and fixed rate investments collateralized by a specific pool of underlying assets such as auto loans, credit card receivables, whole loans, etc.

J Collateralized loan obligations reflect the Positive Social Purpose private loan portfolio.

K Risk management instruments include derivatives held primarily as hedges to mitigate financial risk exposure. Investments include foreign currency and futures contracts, forward commitments, options on futures contracts and swap contracts. These instruments are included in Short-term securities, Equity securities, and Fixed income securities and contracts on the Balance Sheets.

L Short-term securities include investments in commercial paper, U.S. Treasury bills and money market securities.

M Emerging market funds represent equity ownership of commingled funds that primarily invest in international publicly traded equity securities.

N Private equity partnerships represent primary and secondary investments in limited partnerships that invest in leveraged buyout and venture capital companies. Private real estate partnerships primarily represent investments in limited partnerships or limited liability companies that hold commercial real estate debt and equity interests in real estate. Private credit partnerships represent investments in limited partnerships that originate or negotiate loans on assets or to private companies. Joint venture represents an investment in a limited liability company with a real estate operator specializing in self-storage assets.

O Real asset partnerships include investments in limited partnerships that invest in timberland or infrastructure assets.

P Short-term securities at cost include investments in commercial paper, repurchase agreements and time deposits. These investments are carried at cost, which approximates fair value.

Q Wrap contracts at contract value represent investments that insulate the holder from changes in fair value in the underlying portfolio of the Stable Value Fund – P Series. These investments are reported at contract value (Note 6).

The following table summarizes financial assets at fair value, by levels, as of December 31, 2023:*

Asset Class (in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total Investments**
Investments at fair value (non NAV)				
Domestic common stock[A]	$ 5,879,159	$ –	$ –	$ 5,879,159
International common stock[B]	3,255,241	–	–	3,255,241
Preferred stock[C]	22,201	191	–	22,392
Domestic government fixed income[D]	3,954,290	–	–	3,954,290
International government fixed income[E]	–	1,288,931	–	1,288,931
Domestic government and other agencies[F]	–	1,038,096	–	1,038,096
Municipal fixed income[G]	–	51,388	–	51,388
Corporate fixed income[H]	–	4,597,083	248,162	4,845,245
Asset-backed securities[I]	–	707,463	–	707,463
Collateralized loan obligations[J]	–	453,138	–	453,138
Risk management instruments[K]	202,083	717,346	–	919,429
Short-term securities[L]	45,487	81,755	–	127,242
Total investments at fair value (non NAV)	**$ 13,358,461**	**$ 8,935,391**	**$ 248,162**	**$ 22,542,014**
Investments at fair value (NAV)				
Emerging market funds[M]				1,002,021
Private equity/real estate/credit partnerships and joint venture [N]				1,554,456
Real asset partnerships[O]				121,774
Total investments at fair value				**$ 25,220,265**
Short-term securities at cost[P]				1,389,742
Wrap contracts at contract value[Q]				341,650
Total investments				**$ 26,951,657**

* See 2024 footnotes on prior page.

Note 4: Securities Lending Agreements

Wespath enters into securities lending transactions in its fixed income and equity portfolios, for which it receives compensation. Loans of securities are collateralized by cash and securities equal to at least 102% and 105% of the carrying value of the securities on loan for domestic and international securities, respectively. Wespath typically reinvests the cash collateral in repurchase agreements.

Wespath monitors the fair value of the collateral relative to the amounts due under the agreements and, when required, requests through its advisors additional collateral or reduces the loan balance in order to maintain the contractual margin protection. The amount of the collateral related to its reinvestment agreements is carried at amortized cost, which approximates fair value, and is reported on the Balance Sheets as "Invested collateral from securities lending agreements." Repurchase agreements are collateralized by securities with a fair value equal to at least 102% of Wespath's investment in the agreement.

Cash collateral is invested in repurchase agreements of a short-term nature; however, such investments are subject to risk of payment delays or default on the part of the issuer or counterparty or otherwise may not generate sufficient interest to support the costs associated with securities lending. Wespath could also experience delays in recovering its securities and possible loss of income or value if the borrower fails to return the borrowed securities, although Wespath is indemnified from this risk by contract with the securities lending agent.

The fair value of the securities loaned totaled $925.6 million and $642 million at December 31, 2024 and 2023, respectively. The securities loaned are recorded in the Balance Sheets as "Securities loaned under securities lending agreements." The fair value of the "Invested collateral from securities lending agreements" includes only cash collateral received and reinvested that totaled $393.9 million and $350 million at December 31, 2024 and 2023, respectively. These amounts are offset by a liability recorded as "Payable under securities lending agreements." At December 31, 2024 and 2023, Wespath had received non-cash collateral of $560.1 million and $310 million, respectively, in the form of U.S. government securities inclusive of U.S. government agencies and mortgages.

The following table outlines the cash collateral received on securities loaned at December 31, 2024:

Loan Type (in thousands)	**Overnight and Continuous**	**Up to 30 Days**	**30–90 Days**	**Greater than 90 Days**	**Total**
Fixed income securities	$ 209,001	$ 35,921	$ –	$ –	$ 244,922
Domestic equity securities	66,248	–	–	–	66,248
International equity securities	82,560	169	–	–	82,729
Total	**$ 357,809**	**$ 36,090**	$ –	$ –	**$ 393,899**

The following table outlines the cash collateral received on securities loaned at December 31, 2023:

Loan Type (in thousands)	**Overnight and Continuous**	**Up to 30 Days**	**30–90 Days**	**Greater than 90 Days**	**Total**
Fixed income securities	$ 185,622	$ 45,493	$ –	$ –	$ 231,115
Domestic equity securities	70,405	–	–	–	70,405
International equity securities	45,357	3,132	–	60	48,549
Total	**$ 301,384**	**$ 48,625**	$ –	**$ 60**	**$ 350,069**

Note 5: Risk Management Instruments

Wespath may, from time to time, enter into financial futures contracts, foreign-currency forward contracts, forward contracts to purchase U.S. government agency obligations for trading purposes and commodity futures contracts. Equity futures contracts are used as a means to replicate the performance of the broad stock market and to reduce transaction costs associated with rebalancing a market-based indexed portfolio when there are cash inflows or outflows, or facilitating asset allocation shifts when warranted. Foreign-currency forward contracts are used to manage the risk of foreign currency fluctuations and to ensure that adequate funds, denominated in the local currency, are available to settle purchases of foreign securities. Forward contracts to purchase U.S. government agency obligations are used to take advantage of market yield premiums available for delayed settlement contracts.

Fixed income financial futures (both exchange-traded and over-the-counter, including forward contracts and futures contracts) are used for hedging purposes. Hedging transactions that use fixed income futures contracts are defined as transactions that are substitutes for fixed income securities that the portfolio could own, and that have the comparable economic impact of managing the risks of the portfolio. In addition, fixed income financial futures are used for obtaining efficient investment exposure to certain financial market sectors that may not be economically accessible outside of the derivatives market. Commodity futures contracts are used to gain exposure to price changes of various commodities, such as energy, agriculture, metals and livestock. Wespath uses derivative instruments to leverage its investments only when such leverage is necessary to hedge specific market risks.

Financial futures contracts, commodity futures contracts, foreign-currency forward contracts and forward contracts to purchase U.S. government agency obligations are stated at fair value determined by prices quoted on national security exchanges. Fluctuations in value prior to maturity are recognized as unrealized gains or losses in the period during which they arise. At maturity, realized gains or losses are recognized and settled daily with cash through a margin account. Other liabilities, including the payables related to forward contracts to purchase U.S. government agency obligations, are stated at face value.

As with all the securities included in Wespath's investment portfolio, these instruments are exposed to both market and credit risk. The market risk associated with these instruments is that equity prices or foreign exchange rates could change, resulting in a loss in the value of the investment. These risks may be offset partially by holding positions in the underlying securities. The credit risk associated with these instruments relates to the failure of the counterparty to pay based on the contractual terms of the agreement. Wespath monitors the counterparties that are responsible for fully satisfying their obligations under the contracts, and no loss related to this risk is expected. Each equity futures contract requires that Wespath place on deposit with the executing counterparty an amount equal to the margin requirement for the contract. The margin requirement is recalculated daily to reflect the change in fair value.

Fund transfers to or from Wespath depend on the change in margin requirement. Wespath's daily credit exposure is limited to the margin requirement attributable to one day's price fluctuation.

The fair value or the notional value of the net positions of risk management instruments and the location of related unrealized gains (losses) in the Balance Sheets as of December 31 are listed in the table below:

(in thousands)	2024	2023	Location on Balance Sheet
Forward Commitments			
Federal National Mortgage Association*	$ 1,053,487	$ 703,140	Fixed income securities
Federal National Mortgage Association*	(121,401)	(24,296)	Other liabilities
Contracts to sell foreign currency**	1,063,803	1,185,144	Other assets/Other liabilities
Contracts to buy foreign currency**	(458,883)	(661,704)	Other assets/Other liabilities
Contracts to sell (buy) equity futures			
S&P 500 Index**	(158,484)	(94,954)	Equity securities
Russell 2000 Index**	(15,074)	(8,907)	Equity securities
Other index futures**	(129,554)	(123,556)	Equity securities
Contracts to sell (buy) other futures			
Fixed income securities**	(3,046,302)	(3,148,362)	Fixed income securities
Cash and equivalents**	(293,911)	(26,115)	Short-term securities
Commodities**	(133,450)	(127,273)	Equity securities
Other			
Credit default swap contracts*	44,839	41,617	Fixed income securities
Interest rate swap contracts*	24,561	9,951	Fixed income securities
Inflation rate swap contracts*	(130)	(268)	Fixed income securities
Zero coupon swap contracts*	(2,585)	(1,060)	Fixed income securities
Purchased options*	182	337	Equity securities
Written options*	(667)	(1,257)	Other liabilities

* At fair value in balance sheet account indicated
** At notional value (related fair value is in balance sheet account indicated)

Net gains (losses) from risk management instruments, included in the Statements of Operations, are listed in the table below for the years ended December 31:

Derivative Investments (in thousands)	2024 Net Gains (Losses) on Investments		2023 Net Gains (Losses) on Investments	
	Realized	Unrealized	Realized	Unrealized
Forward commitments	$ (11,649)	$ (24,366)	$ (2,036)	$ 14,962
Foreign exchange contracts	29,371	20,092	(13,215)	3,901
Futures contracts	60,370	(224,778)	(238,596)	186,499
Credit default swap contracts	20,335	(11,595)	5,431	13,933
Interest rate swap contracts	6,659	12,267	(2,314)	5,146
Inflation rate swap contracts	(361)	129	(206)	21
Zero coupon swap contracts	(1,284)	(2,692)	972	377
Options contracts	7,923	(221)	2,050	4,340
Total	**$ 111,364**	**$ (231,164)**	**$ (247,914)**	**$ 229,179**

Note 6: Stable Value Fund – P Series (SVF-P)

SVF-P invests in fixed income securities and GICs. GAAP requires that fair value be based upon the standard discounted cash flow methodology for traditional and variable GICs. Fair value is based on fair value of underlying portfolios for constant duration synthetic GICs.

The SVF-P GICs consist of constant duration and fixed maturity synthetic GICs, which are benefit-responsive. These are known as security-backed contracts.

Synthetic GICs consist of a portfolio of securities owned by the fund and a benefit-responsive, book-value wrap contract purchased for the portfolio. The wrap contract amortizes gains and losses of the underlying securities over the portfolio duration and ensures that benefit-responsive payments will be made at book value for participant-directed withdrawals. The initial crediting rate is established based on the market interest rates at the time the underlying portfolio is funded.

The total contract value for constant duration and fixed maturity synthetic GICs was $320 million and $342 million at December 31, 2024 and 2023, respectively.

Most investment contracts have book value crediting rates that are reset periodically. The crediting rates are initiated at the inception of each contract and typically are recalculated on a quarterly basis. Applicable book value wrap fees, underlying asset management fees and/or product fees are subtracted from the gross crediting rate to determine a net crediting rate for each reset period.

The primary variables impacting the future crediting rates of security-backed contracts include the current yield of the assets underlying the contract, the duration of the assets underlying the contract, and the existing difference between the fair value of the assets underlying the contract and the contract value. The security-backed contracts are designed to reset their respective crediting rates on a quarterly basis, and the interest credited cannot be less than zero percent (0%).

The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

To the extent that the underlying portfolio of a security-backed contract has unrealized and/or realized losses, a positive adjustment is made to the adjustment from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the then-current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made to the adjustment from fair value to contract value, and the future crediting rate may be higher than the then-current market rates.

Certain employer-initiated events (e.g., layoffs, plan terminations, mergers, early retirement incentives, employer communications designed to induce participants to transfer from the fund, competing fund transfers, violation of equity wash or equivalent rules in place, and changes of qualification status of employer or plan) are not eligible for book-value disbursements even from fully benefit-responsive contracts. These events may cause liquidation of all or a portion of a contract at a market-value adjustment.

In general, issuers may terminate the contract and settle at other-than-contract value for the following reasons: changes in the qualification status of employer or plan changes, breach of material obligations under the contract, misrepresentation by the contract holder, or failure of the underlying portfolio to conform to the pre-established investment guidelines. Issuers also may make payments at a value other than book value when withdrawals are caused by certain employer-initiated events.

It is unlikely that an event as described above would occur limiting the ability of Wespath to transact at contract value with the contract issuers and also limit the ability of Wespath to transact at contract value with the participants.

Note 7: Allocated Net Earnings to Unitized Funds

The assets in the various Wespath-administered investment funds are priced daily and recorded in units to the accounts of plan participants, plan sponsors, institutional investors and plan reserves. The accounts are allocated primarily with their portion of actual earned returns, including realized and unrealized gains and losses, net of all operating expenses which include funding of the operating reserve as discussed in Note 2. Where appropriate, certain administrative costs that are strictly related to the administration of various plans, such as HealthFlex, are charged directly to those plans through an expense allocation process.

Note 8: HealthFlex

HealthFlex is a self-funded church plan, contracting with certain outside firms for administrative services only. From year to year, some of the benefit programs under HealthFlex may be insured by third-party providers. Wespath also participates in a purchasing coalition with other church benefit program administrators, in which aggregate lives are used to negotiate economies of scale for the administration of prescription drug claims.

Medical premiums are actuarially determined to cover all plan costs, including claims and administrative costs. As the HealthFlex plan administrator, Wespath bills plan sponsors for plan premiums as well as health account contributions.

Wespath invests the assets of HealthFlex in MAF-P and STIF-P.

Activity for the HealthFlex plan for the years ended December 31 is as follows:

(in thousands)	2024	2023
Premiums		
Medical and other	$ 166,827	$ 172,610
Funding accounts	22,369	13,974
Total premiums	189,196	186,584
Claims		
Medical and other (net of rebates)	(154,200)	(153,613)
Funding accounts	(17,185)	(16,638)
Total claims	(171,385)	(170,251)
Administration		
Wespath	(5,935)	(5,695)
Third-party	(8,643)	(9,407)
Total administration	(14,578)	(15,102)
Net experience	3,233	1,231
Investment earnings	10,831	13,623
Increase in accumulated reserves	14,064	14,854
Accumulated reserves		
Beginning of year	158,822	143,968
End of year	**$ 172,886**	**$ 158,822**

The HealthFlex accumulated reserves are included in the Balance Sheets as part of “Disability, death and health benefit program deposits.”

Note 9: Operating Expenses

The components of operating expenses for the years ended December 31 are as follows:

(in thousands)	2024	2023
Compensation	$ 44,858	$ 40,221
Current and retired employee benefits	14,171	12,026
Redirected employee benefit expenses	(1,660)	(1,652)
Professional services	11,646	11,176
Occupancy and other office expenses	3,773	3,894
Computers and other equipment	3,195	2,868
Meetings and travel	2,424	1,872
Other expenses	4,118	5,414
Total operating expenses	**$ 82,525**	**$ 75,819**

All operating expenses are considered to be programmatic and are allocated to the unitized fund accounts or benefit plans. Wespath paid $1.7 million in 2024 and $1.7 million in 2023 in eligible current and retired employee benefits through its General Agency Benefit Trust (GABT) account, per the terms of the trust. GABT accumulated reserves are included in the Balance Sheets as part of "Plan sponsor and other deposits."

Note 10: Tax Status and Positions

Wespath operates exclusively for religious and charitable purposes and is exempt from federal income taxes under IRC section 501(c)(3). The Financial Accounting Standards Board (FASB) issued guidance that requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management believes there are no material uncertain tax positions that require recognition in the accompanying financial statements. While exempt from income tax under IRC section 501(c)(3), Wespath is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the IRC. The tax years ending 2021, 2022, 2023 and 2024 are still open to audit for both federal and state purposes.

There were no material interest or penalties related to income taxes that have been accrued or recognized as of and for the years ended December 31, 2024 and 2023.

Note 11: Related Party Transactions

Wespath borrowed certain funds from the CPP welfare plan, one of the plans managed by Wespath, to fund the cost of construction of the headquarters at 1901 Chestnut Avenue, Glenview, Illinois. In exchange, CPP holds a mortgage note payable, secured by the Glenview property. The mortgage note payable has a principal balance of $19.7 million and $20.5 million as of December 31, 2024 and 2023, respectively, and bears an interest rate of 4% (the market at the time of a refinancing in July 2016). Wespath makes monthly payments of $137 thousand, which includes interest, through March 2041.

This loan is an intra-company loan that eliminates upon combination of the financial statements.

The annual principal payments on the remaining loan are as follows:

Years ending December 31 (in thousands)	
2025	$ 876
2026	912
2027	949
2028	988
2029	1,028
Thereafter	14,901
	$ 19,654

Note 12: Subsequent Events

In preparing these financial statements, Wespath has evaluated events and transactions for potential recognition or disclosure through April 16, 2025, the date the financial statements were available to be issued. No events or transactions were identified that would require recognition or disclosure.

Supplemental Schedules

Combining Statement of Assets and Liabilities and Net Assets

As of December 31, 2024 Assets (in thousands)	WII and I Series Funds	The Benefit Board and P Series Funds	Other	Eliminations	Combined
Investments					
Fixed income securities and contracts	$ 987,396	$ 12,189,073	$ –	$ –	$ 13,176,469
Equity securities	1,748,641	7,242,802	–	–	8,991,443
Limited partnership investments	125,207	1,734,026	–	–	1,859,233
Short-term securities	190,739	935,065	–	–	1,125,804
Emerging market funds	111,001	657,995	–	–	768,996
Securities loaned under securities lending agreements	91,588	834,028	–	–	925,616
Total investments	3,254,572	23,592,989	–	–	26,847,561
Invested collateral from securities lending agreements	47,141	346,758	–	–	393,899
Other assets	61,084	1,006,110	434,873	(25,598)	1,476,469
Cash	5,732	13,827	749	–	20,308
Total assets	**$ 3,368,529**	**$ 24,959,684**	**$ 435,622**	**$ (25,598)**	**$ 28,738,237**

Liabilities and net assets (in thousands)	WII and I Series Funds	The Benefit Board and P Series Funds	Other	Eliminations	Combined
Plan accumulations, institutional investor and plan sponsor deposits and endowments					
Defined contribution plans	$ –	$ 8,857,227	$ 161,621	$ –	$ 9,018,848
Defined benefit plans	–	4,155,717	87,957	–	4,243,674
Annuities	–	4,574,193	5,133	–	4,579,326
Disability, death and health benefit program deposits	–	2,250,041	29,931	–	2,279,972
Institutional investor, plan sponsor and other deposits	3,234,629	2,185,002	72,372	–	5,492,003
Endowments	–	43,311	35,162	–	78,473
Total plan accumulations, institutional investor and plan sponsor deposits and endowments	3,234,629	22,065,491	392,176	–	25,692,296
Payable under securities lending agreements	47,141	346,758	–	–	393,899
Other liabilities	73,882	2,398,722	28,966	(25,598)	2,475,972
Total liabilities	3,355,652	24,810,971	421,142	(25,598)	28,562,167
Net assets	12,877	148,713	14,480	–	176,070
Total liabilities and net assets	**$ 3,368,529**	**$ 24,959,684**	**$ 435,622**	**$ (25,598)**	**$ 28,738,237**

Combining Statement of Operations and Changes in Net Assets

Year Ended December 31, 2024 (in thousands)	WII and I Series Funds	The Benefit Board and P Series Funds	Other	Eliminations	Combined
Interest, dividend, partnership and trust investment income	$ 89,021	$ 808,197	$ –	$ –	$ 897,218
Securities lending and other income	389	3,401	82,593	(81,672)	4,711
Investment income	89,410	811,598	82,593	(81,672)	901,929
Net realized gain on investments	184,536	1,036,448	–	–	1,220,984
Net unrealized gain (loss) on investments	2,888	(743,198)	–	–	(740,310)
Net gain on investments and investment income	276,834	1,104,848	82,593	(81,672)	1,382,603
Investment management and custodial fees	(8,363)	(64,708)	–	–	(73,071)
Net investment earnings	268,471	1,040,140	82,593	(81,672)	1,309,532
Operating expenses	(9,115)	(72,489)	(82,593)	81,672	(82,525)
Net earnings before allocation	259,356	967,651	–	–	1,227,007
Allocated net (earnings) to unitized funds	(258,949)	(962,695)	–	–	(1,221,644)
Allocated to net assets	1,400	1,051	–	–	2,451
Net increase in net assets	1,807	6,007	–	–	7,814
Net assets:					
Beginning of year	$ 11,070	$ 142,706	$ 14,480	–	$ 168,256
End of year	$ 12,877	$ 148,713	$ 14,480	$ –	$ 176,070

Other Information

Executive Compensation

Wespath regularly reviews and analyzes market compensation data to help ensure we can attract, retain and help motivate superior leadership in a competitive market while maintaining our commitments to stewardship and strong investment returns. The Wespath Senior Leadership Team, Personnel Committee and Board of Directors take their roles in setting executive compensation seriously—striving to balance the values of the Church in which we serve and the business environment in which we compete for talent.

The executive compensation philosophy for our top six positions, developed with input from an independent compensation consulting firm, is to target the 50^{th} percentile of the comparable market data (excluding long-term incentives) from the composite talent market (+/-10%).

A detailed review of total compensation for executives within comparable organizations was completed by an independent compensation consulting firm.

The executive compensation program was found to be consistent with Wespath's compensation philosophy and reasonable under IRS guidelines considering competitive compensation market practices.

In choosing the comparable organizations, several factors were considered, including the mix and complexity of the products and services offered, the clients being served and asset size. Companies with whom we compete for talent were considered, as well as data from a published survey of other church benefits organizations. Wespath, with just under $26 billion in assets under management, is the largest participating organization in the church survey.

Total Cash Compensation 2024 (in thousands)

Chief Executive Officer	
For Profit*	$ 1,952
Composite**	1,730
Wespath	1,481
Chief Operating Officer	
For Profit*	$ 897
Composite**	812
Wespath	778
Chief Investment Officer	
For Profit*	$ 1,013
Composite**	932
Wespath***	551
Chief Financial and Strategy Officer	
For Profit*	$ 721
Composite**	660
Wespath	628
Chief Legal Officer	
For Profit*	$ 625
Composite**	608
Wespath	579
Chief Information and Technology Officer	
For Profit*	$ 583
Composite**	559
Wespath	560

* Median (50th percentile) of total cash compensation at for-profit organizations.

** Median (50th percentile) of weighted total cash compensation from for-profit organizations (75%) and not-for-profit organizations (25%).

*** Actual compensation is a blend of Deputy CIO and CIO compensation for the period.

Audit Committee

Wespath's Audit Committee generally is composed of five members from the Board of Directors and four non-Board committee members who have specialized accounting or auditing experience and expertise. The Wespath Board of Directors has adopted a written charter for the Audit Committee. The Audit Committee has determined that more than one member of the Committee is an auditing and financial expert, as defined in its charter.

The Audit Committee selects Wespath's independent certified public accounting firm and reviews the professional services it provides. The Audit Committee reviews the scope of the audit performed by the independent certified public accounting firm, its report on the audit, Wespath's annual financial statements, any material comments contained in the auditor's communication to the Audit Committee, Wespath's internal accounting controls, and other matters relating to accounting, auditing and financial reporting as it deems appropriate. The Audit Committee has discussions at least once per year with the external auditor without management being present. The Audit Committee reviews the external auditor's fees and expenses and approves any decisions to hire the firm for other purposes. The Audit Committee also oversees the appointment, compensation, scope and final results of the SOC-1 engagement.

The Audit Committee discusses with Wespath's Chief Audit Executive and primary internal audit service provider the overall scope and plans for the audits included in the Annual Audit Plan. The Audit Committee regularly meets with each to discuss the results of their examinations, and their observations and recommendations regarding Wespath's internal controls.

Asset Managers, Positive Social Purpose Lending Program Intermediaries, Banks, Auditors and Consultants

Asset Managers

(As of December 31, 2024)

Adams Street
Chicago, Illinois
USEF-P – *private equity*
IEF-P – *private equity*

AMERRA Capital Management
New York, New York
IEF-P – *private equity*

Baillie Gifford
Edinburgh, Scotland
IEF-I, IEF-P – *international equity*

BlackRock
San Francisco, California and New York, New York
IPF-I, IPF-P – *inflation-protected fixed income*
FIF-I, FIF-P – *corporate and agency fixed income*
USEF-I, USEF-P – *domestic equity*
USEIF-I, USEIF-P – *domestic equity*
IEF-I, IEF-P – *international equity*

Blackstone Group
New York, New York
IEF-I, IEF-P, SOF-P – *private real estate*
SOF-P – *private real estate debt and private credit*
FIF-I, FIF-P – *private real estate debt and private credit*

Brown Capital Management
Baltimore, Maryland
USEF-I, USEF-P – *domestic equity*

The Bank of New York Mellon
Pittsburgh, Pennsylvania
USEF-I, USEF-P, USEIF-I, USEIF-P, SVCEF-P, SVCEF-I, ETFIF-P, IEF-I, IEF-P, FIF-I, FIF-P, IPF-I, IPF-P, SVF-P, STIF-I, STIF-P, SVCBF-I, SVCBF-P, USTPF-I, USTPF-P, DMFIF-P, AIF-P, LMFIF-P – *securities lending*

Cabot Properties
Boston, Massachusetts
USEF-P, USEF-I – *private real estate*

Capital Group
Los Angeles, California
FIF-I, FIF-P – *emerging markets debt*
IEF-I, IEF-P – *developed and emerging markets international equity*

CBRE Global Advisors
Los Angeles, California
USEF-I, USEF-P – *private real estate*

Cerberus Capital Management
New York, New York
USEF-P – *private real estate*
SOF-P – *private real estate distressed debt and equity*

Conservation Forestry
Exeter, New Hampshire
SOF-P – *timber*

Disciplined Growth Investors
Minneapolis, Minnesota
USEF-I, USEF-P – *domestic equity*

Dodge & Cox
San Francisco, California
SVF-P – *stable value fixed income*
ETFIF-P – *fixed income*

Equity International Management
Chicago, Illinois
IEF-P – *private real estate*

Gresham Investment Management
New York, New York
IPF-I, IPF-P – *commodities*

HarbourVest
Boston, Massachusetts
IEF-I, IEF-P, USEF-P, USEF-I – *private equity*
SOF-P, IPF-P – *infrastructure*

Hotchkis and Wiley Capital Management
Los Angeles, California
USEF-I, USEF-P – *domestic equity*

Hutensky Capital
Hartford, Connecticut
USEF-P – *private real estate*

H/2 Capital
Stamford, Connecticut
SOF-P – *private real estate distressed debt*

Impax Asset Management
London, England
USEF-I, USEF-P – *domestic equity*
IEF-I, IEF-P – *international equity*

Insight Investment
San Francisco, California
SVF-P – *stable value fixed income*

ASSET MANAGERS (continued)

JP Morgan Investment Management
New York, New York
USEF-I, USEF-P – *private equity*

KKR
New York, NY
SOF-P, IPF-P, IPF-I – *infrastructure*

Lone Star Funds
Dallas, Texas
FIF-P – *private real estate distressed debt and equity*
SOF-P – *private real estate distressed debt and equity*

Manulife Investment Management Timberland and Agriculture
Boston, Massachusetts
IPF-P – *timber*
SOF-P – *timber*

Metro Storage
Lake Forest, Illinois
SOF-P – *private real estate*

Mondrian Investment
London, England
IEF-I, IEF-P – *international equity*

National Equity Fund
Chicago, Illinois
SOF-P – *affordable housing debt*

Neuberger Berman Investment Advisers
Chicago, Illinois
FIF-P, SVF-P – *fixed income*
USTPF-I, USTPF-P – *inflation-protected fixed income*
IPF-I, IPF-P – *inflation-protected fixed income*
ETFIF-P – *long duration fixed income*

Northern Trust Quantitative Advisers
Chicago, Illinois
USEF-I, USEF-P – *domestic equity*

Nuveen Alternative Advisors
Charlotte, North Carolina
SOF-P – *agribusiness*

Oaktree Capital Management
Los Angeles, California and Stamford, Connecticut
FIF-I, FIF-P – *high-yield fixed income*
IEF-I, IEF-P – *emerging markets international equity*

Pacific Investment Management (PIMCO)
Newport Beach, California
AIF-P, DMFIF-P, FIF-I, FIF-P, LMFIF-P, SVCBF-I, SVCBF-P – *fixed income*
IPF-I, IPF-P – *emerging markets inflation-protected fixed income*

Parametric Portfolio Associates
Minneapolis, Minnesota
USEF-I, USEF-P – *U.S. equity index financial futures*
USEIF-I, USEIF-P – *U.S. equity index financial futures*
IEF-I, IEF-P – *international equity index financial futures and ETFs*
MAF-I, MAF-P – *equity and fixed income financial futures*

PGIM Fixed Income
Newark, New Jersey
SVF-P – *stable value fixed income*
ETFIF-P – *fixed income*

PGIM Investments
Madison, New Jersey
USEF-I, USEF-P – *private real estate*
SOF-P – *private real estate*

Prism Capital
Chicago, Illinois
USEF-P – *private equity*

The Rohatyn Group
New York, New York
IPF-P – *international infrastructure*
SOF-P – *international infrastructure*

Sprucegrove Investment Management
Toronto, Ontario, Canada
IEF-I, IEF-P – *international equity*

Systima Capital Management
Chicago, Illinois
SOF-P – *real estate debt*

Townsend Group
Cleveland, Ohio
USEF-I, USEF-P – *private real estate*

UBS Asset Management
New York, New York
IPF-I, IPF-P – *senior secured loans*
DMFIF-P – *senior secured loans*

Waterfall Asset Management
New York, New York
DMFIF-P – *asset-backed securities*

Wellington Management
Boston, Massachusetts
FIF-I, FIF-P – *fixed income*
USEF-I, USEF-P – *domestic equity*
IEF-I, IEF-P – *domestic and international equity*
Sweep Account – *short-term fixed income*

ASSET MANAGERS, POSITIVE SOCIAL PURPOSE LENDING PROGRAM INTERMEDIARIES, BANKS, AUDITORS AND CONSULTANTS

Asset Managers (continued)

Wespath Benefits and Investments
Glenview, Illinois
AIF-P, PSPLF-P, FIF-I, FIF-P – *loan participations to support affordable housing and community development*

Xponance
Durham, North Carolina
SVCEF-I, SVCEF-P – *domestic and international sustainable equity*

Zevenbergen Capital Management
Seattle, Washington
USEF-I, USEF-P – *domestic equity*

Positive Social Purpose (PSP) Lending Program Intermediaries

(As of December 31, 2024)

Bellwether Enterprise Real Estate Capital
Columbia, Maryland

California Community Reinvestment Corporation
Los Angeles, California

Capital Impact Partners
Arlington, Virginia

Cinnaire Corporation
Lansing, Michigan

The Community Development Trust
New York, New York

Community Investment Corporation
Chicago, Illinois

The Community Preservation Corporation
New York, New York

Community Reinvestment Fund
Minneapolis, Minnesota

Greystone Servicing Corporation
Atlanta, Georgia

The Low Income Investment Fund
San Francisco, California

New Hampshire Housing Finance Authority
Bedford, New Hampshire

Shared Interest
New York, New York

Independent Third-Party PSP Pricing Vendor

Harvest Investments
Burr Ridge, Illinois

Custodial Bank

The Bank of New York Mellon Corporation
Pittsburgh, Pennsylvania

Commercial Bank

The Northern Trust Company
Chicago, Illinois

Independent Certified Public Accounting Firm

Grant Thornton LLP
Chicago, Illinois

Internal Auditors

Protiviti Inc.
Chicago, Illinois

Actuarial Consultant

Willis Towers Watson
New York, New York

Tax Consultant

Crowe LLP
Chicago, Illinois

Summary—Fund Benchmarks and Details

1 The MAF-P performance benchmark is 35% Russell 3000 Index, 30% MSCI All Country World Index (ACWI) ex-USA Investable Market Index (IMI), 25% Bloomberg U.S. Universal Index ex-Mortgage Backed Securities (MBS) and 10% Inflation Protection Fund (IPF) Benchmark, effective January 1, 2017. From January 1, 2014, through December 31, 2016, the benchmark for MAF was 40% Russell 3000 Index, 25% MSCI ACWI ex-USA IMI, 25% Bloomberg U.S. Universal Index ex-MBS, and 10% IPF Benchmark. From January 1, 2006, through December 31, 2013, the benchmark was 45% Russell 3000 Index, 20% MSCI ACWI ex-USA IMI, 25% Bloomberg U.S. Universal Index ex-MBS and 10% Bloomberg U.S. Government Inflation-Linked Bond Index. Prior to January 1, 2006, the benchmark was 47% Russell 3000 Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index and 35% Bloomberg U.S. Universal Index.

2 The USEF-P and USEIF-P performance benchmark is the Russell 3000 Index.

3 The IEF-P performance benchmark is the MSCI All Country World Index (ACWI) ex USA Investable Market Index (IMI), effective January 1, 2008. From January 1, 2006, through December 31, 2007, the benchmark was the MSCI ACWI ex USA Index. Prior to 2006, the benchmark was the MSCI EAFE Index.

4 The FIF-P performance benchmark is the Bloomberg U.S. Universal Index ex-MBS, effective January 1, 2006. From January 1, 2003, through December 31, 2005, the benchmark was the Bloomberg U.S. Aggregate Bond Index. Prior to January 1, 2003, the benchmark had been the Bloomberg Intermediate Aggregate Bond Index.

5 The IPF-P performance benchmark is 90% Bloomberg U.S. Treasury Inflation-Linked Bond Index and 10% Bloomberg Commodity Index, effective February 1, 2023. From January 1, 2016, to January 31, 2023, the benchmark was 80% Bloomberg World Government Inflation-Linked Bond Index (Hedged), 10% Bloomberg Emerging Market Tradeable Inflation-Linked Bond Index (Unhedged) and 10% Bloomberg Commodity Index. Prior to January 1, 2016, the benchmark was the Bloomberg U.S. Government Inflation-Linked Bond (Series B) Index.

6 The SVCEF-P performance benchmark is the MSCI World Index, effective December 1, 2024. From April 1, 2017, through November 30, 2024, the benchmark was the MSCI World Environmental, Social and Governance (ESG) ex Fossil Fuels Index. Prior to April 1, 2017, the benchmark was the MSCI World Custom Environmental, Social, and Governance (ESG) Special Weighted Index.

7 The ETFIF-P performance benchmark is the Bloomberg U.S. Long Government/Credit Bond Index.

8 The SVCBF-P performance benchmark is the Bloomberg U.S. Universal Ex MBS Index.

9 The USTPF-P performance benchmark is the Bloomberg U.S. Inflation-Linked Bond Index.

10 The SVF-P performance benchmark is the Bank of America Merrill Lynch 3-Month Treasury Bill Index, effective January 1, 2016. Prior to this, the benchmark was the Bank of America Merrill Lynch Wrapped 1-5 Year Corporate Government Index.

11 The STIF-P performance benchmark is the BofA Merrill Lynch 3-Month Treasury Bill Index.

12 The inception dates for the P Series funds are as follows: Social Values Choice Bond Fund – P Series and U.S. Treasury Inflation Protection Fund – P Series: June 30, 2017; Extended Term Fixed Income Fund – P Series: May 29, 2015; Social Values Choice Equity Fund – P Series and U.S. Equity Index Fund – P Series: December 31, 2014; Inflation Protection Fund – P Series: January 5, 2004; Stable Value Fund – P Series: November 18, 2002; Multiple Asset Fund – P Series and Short Term Investment Fund – P Series: April 30, 2002; for all other P Series funds, the inception date is December 31, 1997.

13 The MAF-I performance benchmark is 35% Russell 3000 Index, 30% MSCI All Country World Index (ACWI) ex-USA Investable Market Index (IMI), 25% Bloomberg U.S. Universal Index ex-MBS and 10% IPF (I Series) performance benchmark.

14 The USEF-P and USEIF-P performance benchmark is the Russell 3000 Index.

15 The IEF-I performance benchmark is the MSCI All Country World Index (ACWI) ex USA Investable Market Index (IMI).

16 The SVCEF-I performance benchmark is the MSCI World Index.

17 The FIF-I performance benchmark is the Bloomberg U.S. Universal Index ex-MBS.

18 The IPF-I performance benchmark is 90% Bloomberg U.S. Treasury Inflation-Linked Bond Index and 10% Bloomberg Commodity Index, effective February 1, 2023. Prior to that, the benchmark was 80% Bloomberg World Government Inflation-Linked Bond Index (Hedged), 10% Bloomberg Emerging Market Tradeable Inflation-Linked Bond Index (Unhedged) and 10% Bloomberg Commodity Index.

19 The USTPF-I performance benchmark is the Bloomberg U.S. Inflation-Linked Bond Index.

20 The STIF-I performance benchmark is the BofA Merrill Lynch 3-Month Treasury Bill Index.

21 The SVCBF-I performance benchmark is the Bloomberg U.S. Universal Index ex-MBS.

22 The inception dates for the I Series funds are as follows: Social Values Choice Bond Fund – I Series and Social Values Choice Equity Fund – I Series: December 3, 2024; Alternative Asset Fund – I Series: April 3, 2023; For all other I Series funds, the inception date is January 1, 2019.

Some of the funds listed in the Summary sections (investment results, pages 8 – 15) invest in both individual securities and in units of the other funds shown. As a result, the total asset amounts in the Summary sections do not sum to the total investments in the financial statements.

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