

Annual *Report*



**of the Pension Plan
of The United Church
of Canada**

2010

This report is for you, the active, retired, and vested deferred members of the pension plan. Through it we seek to be informative and accountable for the financial resources you and The United Church of Canada have entrusted to our care.

We have attempted to be faithful to this stewardship trust, and we thank you for your faithfulness in The United Church of Canada.

Annual Report of the Pension Plan of The United Church of Canada 2010
Pension Board



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L'Église Unie du Canada



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Message from the Moderator and the General Secretary



Dear Friends,

Grace to you and peace in the name of our brother, Jesus Christ.

Thank you for your faithful and inspired leadership in The United Church of Canada. The gifts and skills of pension plan members, both active and retired, make possible the diverse and exciting ministries through which the church lives out God's mission in the world. Your work and Christian commitment are valued and appreciated by people across Canada, and beyond, whose lives you have touched and enriched in countless ways.

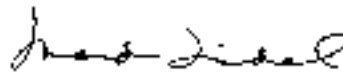
Our pension plan remains strong. We are grateful for the dedication and commitment of the Pension Board, which ensures that those who have given so much to the United Church during their working lives have the

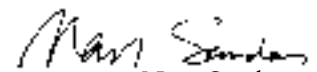
advantage of a secure pension in retirement. The board is paying close attention to significant demographic shifts among plan members to ensure the pension plan continues to meet the needs of members into the future. These shifts include the increasing longevity of pensioners and age of new members of the pension plan, many of whom are called to ministry later in life.

Those who direct the pension plan are also mindful of the need to maintain a strong investment profile while also attending to ecological, social, and governance issues in ways that are faithful to the United Church's justice commitments. To that end, expertise and policies continue to be developed to enhance the existing responsible investment practices of the pension plan's governance.

Thank you for all that you do to support the life and work of the United Church as we listen for and live out God's call.

Faithfully,


Moderator Mardi Tindal


Nora Sanders
General Secretary,
General Council

Message from the Chair of the Pension Board



Greetings.

Once again it is my pleasure to report to you on behalf of the Pension Board on the operations of your pension plan during the past year. We want to keep you informed and hope that this report will be helpful and interesting to

you as plan members, as well as to treasurers and other interested parties. Of course, we also welcome your comments and encourage you to contact us if you have questions or suggestions.

Pensions are often viewed as complex. Reading and thinking about them are undoubtedly not among your favourite activities. However, stripped of the complexities, a pension plan has a very simple heart: it is simply a promise. The employer—in this case the church or other participating employer—promises you that as part of the compensation for your work (and provided you make the necessary contributions), it will help provide an income for you and your family during your retirement years.

Such a “pension promise” is obviously a very important one. It is vital that the promise be made in good faith and that procedures are established to provide reasonable assurance that the promise will be carried out. The United Church has been making such promises for many decades, and similar promises by predecessor organizations were incorporated into the “new” plan at the time of union in 1925. Pension promises are mostly very long-term in nature, and our plan is now delivering benefits promised as long as 70 or more years ago. A strong governance structure and key policies and procedures have long been established to administer these promises, complemented by an extensive system of government regulations.

This process benefits greatly from the time and talent of many volunteers on the Pension Board and its two

committees and from dedicated staff, and on your behalf I thank them sincerely for their ongoing diligence. Most of the volunteers are church members, while others are not. Some are specialists, and others are members-at-large. All contribute their experience and expertise most generously. It is interesting to note that the board and its committees held a total of 31 meetings during 2010 as well as having numerous informal communications.

Due in significant measure to the work of such volunteers over many years, your plan continues to be relatively healthy, although—as reported for the past couple of years—not unscathed by the turbulence we have experienced in the global economy. During 2010 there has been improved stability in those markets and encouraging signs of recovery, albeit somewhat tentative.

Given the long-term nature of the pension promise, however, good governance requires not only that we look at recent and current conditions but also that we make our best efforts to examine possible future scenarios and take any necessary steps to help ensure the sustainability of our plan under those scenarios.

It is clear that some underlying changes in the pension environment are not temporary. For example, the age at entry to church employment in some cases is now much higher than it was when the current design of our plan was adopted in 1955. This is a source of considerable extra funding cost for the plan. Also, as part of recent economic stimulus efforts, interest rates have been maintained at levels that are low by historic standards. It seems likely that this will continue for an extended period. These low, long-term interest rates translate into lower investment returns for the fund and larger balance sheet liabilities for the plan.

These are a couple of the factors that can have significant impact on the longer-term financial health and sustainability of our plan, and it is very important to

consider them now rather than later, when adjustments required may be considerably more significant.

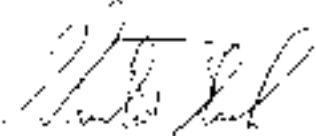
Stability has been an important cornerstone for the administration of the pension plan and the fund. Maintaining this stability has become increasingly difficult as the plan demographics have aged and economic cycles have moved out of predictable patterns.

Just as for the pilot of a large container ship, it is vital that we chart our course well in advance. Accordingly, we are exploring the possibility of some “course corrections” focused on the sustainability of the pension promise. We will keep you informed as this work proceeds.

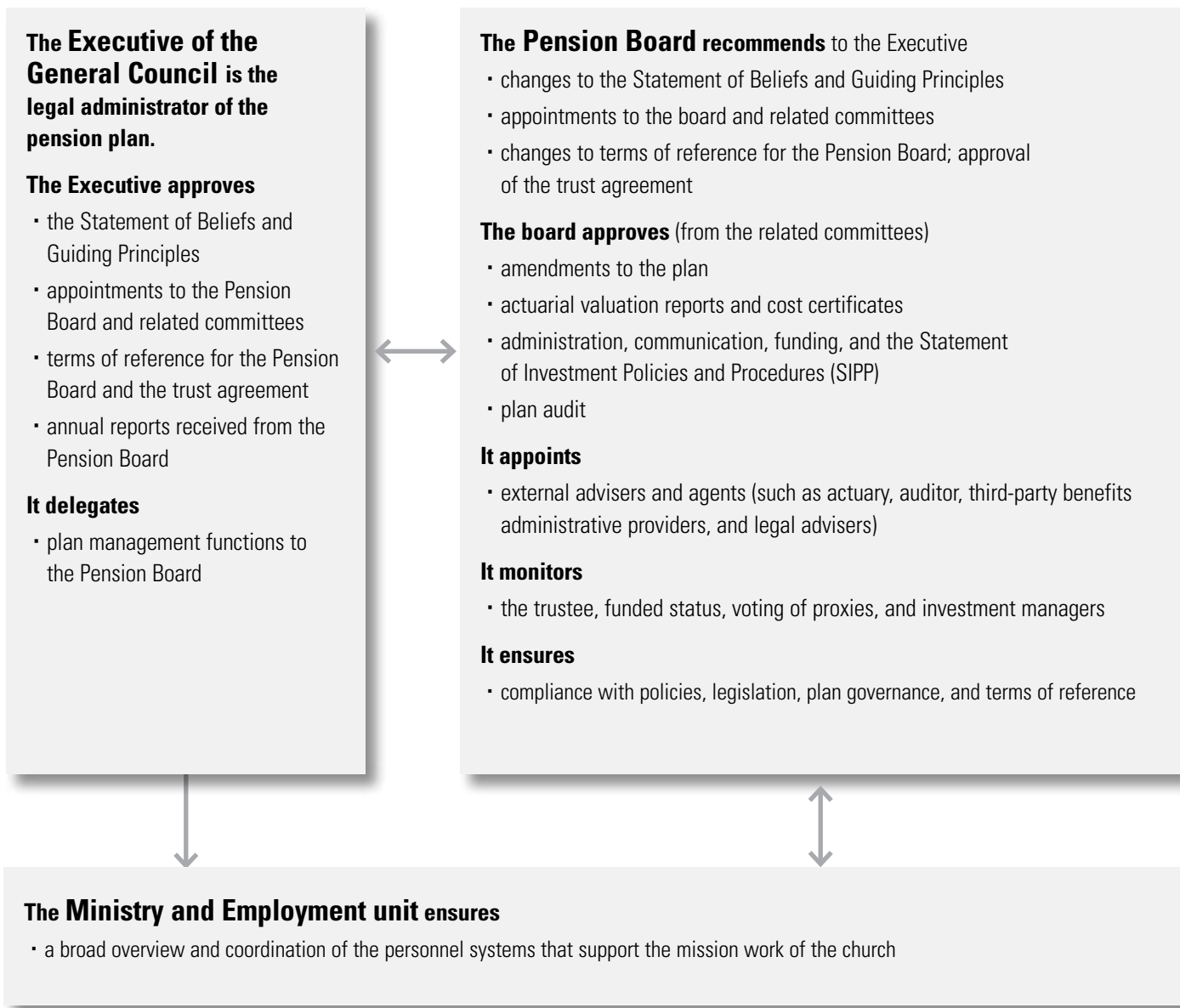
In summary, I would like to thank Nancy Key for her long-time service to the Pension Board. Nancy left the board this year to focus on her private law practice. Taking Nancy’s seat at the board table is Malcolm Boyle, another Maritime Conference member.

The balance of this report provides more specific information on some key activities that I hope will be of interest to you. It has been another busy and exciting year, and we look forward to dealing with the challenges that 2011 will bring.

On behalf of the Pension Board,



Charles C. Black, FSA, FCIA
Chair, Pension Board



Other Advisers and Management Tools

1. Financial statements are reviewed by the auditor, PricewaterhouseCoopers, and by the Audit Committee of the United Church before being recommended to the Pension Board for adoption. This scrutiny helps ensure that proper and adequate financial controls are employed.
2. Actuarial valuations and additional analyses, such as asset liability studies, are provided by the actuarial adviser, Mercer. These analyses guide the Pension Plan Advisory Committee, the Investment Committee, and the Pension Board. They provide the basis for decisions made about contribution levels and benefit improvements, and assist with asset mix decisions.
3. Day-to-day investment activities for most of the plan are handled by a small group of third-party managers who are carefully overseen and reviewed by the Investment Committee. They operate within the framework of the Statement of Investment Policies and Procedures (SIPP) and are expected to achieve a specified performance level. Each manager has a mandate in a specific area of investment expertise (e.g., Canadian equities).
4. Other service providers to the pension plan include RBC Dexia, which holds and protects the assets in the fund, and Hicks Morley, which provides legal advisory services. Legal services may include advice on trust agreements and contracts with service providers, or review of new governance documentation for legal consistency and completeness.

The Audit Committee recommends

- approval of financial statements for net assets and accounting policies and practices; appointment of external auditor and auditor's engagement letter

The committee reviews

- annual audited financial statements for the pension fund

RI Review Group

Develops recommendations for comprehensive policies and practices specific to responsible investment, integral to the SIPP.

(Supplementary working group; temporary)

The Investment Committee recommends

- changes to the pension governance system and existing policies, beliefs, and principles related to fund investments
- the Statement of Investment Policies and Procedures (SIPP)
- appointment of a funding agent

The committee approves

- appointment of investment managers and allocation of funds

It evaluates

- asset mix, investment performance, performance of external advisers, cash flow, voting proxies, and regulatory submissions

Implementation Task Group

Develops comprehensive governance structure recommendations

(Supplementary working group; temporary)

The Pension Plan Advisory Committee recommends

- changes to the governance system, design and funding policies, contribution levels, plan amendments and interpretation

The committee approves

- actuarial methods and assumptions, service standards, and eligibility requirement waivers

It evaluates

- consistency of the plan's funded position, service standards, and required submissions to applicable regulators

Board Accountability: Code of Conduct and Compliance Certificate

The Pension Board, established by the Executive of the General Council in 2004, has been delegated the performance of certain functions for the day-to-day management of the plan under the guidance of the Statement of Beliefs and Guiding Principles. Key elements of this statement are listed on pages 6–7.

Staff, all members of the Pension Board and its two committees, and members of other related committees and task groups that may be formed from time to time are required to certify, in writing, on an annual basis, an understanding of the provisions of the Code of Conduct. The Compliance Certificate was reviewed by Hicks Morley, the plan's legal adviser, and has been read and signed by all members associated with the Pension Board.

Note: These two pages present a broad summary of the responsibilities of each level of the governance structure of the pension plan.

The Pension Promise and Plan Objectives

Objectives of the Pension Board

The Pension Board aims to represent the interest and responsibilities of the church in securing the financial well-being of people employed in the church by

- safeguarding the assets of the fund
- supporting the church's human resources objectives through the design and operation of the plan
- complying with plan design, funding, and investment beliefs and principles and any other objectives that, from time to time, have been set by the Executive of the General Council (the Executive)

The fiduciary duty to help ensure delivery of the pension promise to the membership of the pension plan is the primary focus for all bodies concerned with administration of the pension plan.

The Pension Board encourages all members to be informed about their pension plan and other retirement vehicles.

The Statement of Beliefs and Guiding Principles

The Statement of Beliefs and Guiding Principles provides the strategic framework for the management and operation of the Pension Plan of The United Church of Canada. The Executive, in its role as legal administrator of the plan, adopted the complete statement on October 31, 2005.

The administration of the pension plan is supported by a number of documents, of which the statement is one. The statement prioritizes members' interests with regard to governance, investment strategies, and creating an environment for long-term stability of the plan.

These beliefs and guiding principles are selections from the statement. The full text is available at www.united-church.ca/minstaff/pension/principles.

General

1. The church believes in taking a best practices approach to governance of the Plan, including: (1) clear and documented allocation of responsibilities; (2) development and documentation of all key beliefs, guiding principles, and related policies; (3) proper reporting, oversight, and performance evaluation; (4) reviewing peer pension practices; and (5) obtaining advice from experts or delegating, as needed.
2. All beliefs, guiding principles, and related policies should be consistent with, and mutually supportive of, each other and be balanced and reasonable.
5. All Plan-related activities will be based on honesty and understanding and on transparency and full disclosure where relevant and appropriate.

Plan Design

6. The design of the Plan should reflect that saving for retirement is a shared responsibility and is dependent on government and employer sponsored plans, and individual savings (the three-legged stool).
16. Retirement income from the Plan should maintain its real value over the long term subject to available funding.

Funding

18. Funding levels must ensure a high level of certainty regarding the security of benefits under the Plan.
19. Contributions from the pastoral charges, other participating employers, and members should be stable and predictable.
21. Funding of the Plan, including actuarial assumptions and methods, should assume that the Plan will remain a going concern.

Investment

30. Diversification reduces volatility.
33. Socially responsible investment procedures can be employed provided there is reasonable assurance that the best long-term interest of the members is being served.
34. Investment processes should be cost-effective, prudent, and provide value-added return.

The Statement of Investment Policies and Procedures (SIPP)

The Statement of Investment Policies and Procedures, or SIPP, is a document that all pension plans in Ontario develop, review, and update regularly. The SIPP for the United Church's pension plan is available on request from the Ministry and Employment unit at the General Council Office. This 26-page document supports and guides the administration and operation of the pension plan, and goes into some detail about asset allocation of the fund's investment portfolio and benchmarking processes.

The SIPP was reviewed, revised, and approved at the Pension Board meeting in September 2010. Considering the importance of investment income to the fulfillment of the pension promise to the members of the plan, the SIPP is key to maintaining that balance between the investment strategies of the fund and the ethos of the church. To ensure that the primary focus of the pension plan—to provide the defined benefits promised to all current and future pensioners—is met with the consideration and actions that follow the social and economic justice traditions of the United Church, the following policies and procedures, selected from the larger SIPP document, are in place:

Purpose of the Plan

The primary purpose of the plan is to provide its members with a monthly income during retirement, the amount of which is determined in accordance with the provisions of the plan. (Section 1.2)

Purpose of the Fund

The purpose of the fund is to satisfy the benefit obligations set out in the plan. The fund includes contributions remitted by plan members and participating employers, investment income, and assets received from the funds of predecessor plans. The fund is held in trust and invested for the purpose of securing the plan's benefit obligations and paying the eligible cost associated with the administration of the plan and the fund. (Section 1.4)

Governance

The Executive is the Legal Administrator pursuant to the Pension Benefits Act (Ontario) and is ultimately responsible for all aspects of the administration of the plan and the fund. A comprehensive pension governance system has been established to guide the Executive in discharging this responsibility. The strategic framework for this pension governance system is set out in the Statement of Beliefs and Guiding Principles adopted by the Executive on April 23, 2005 and October 31, 2005. (Section 1.6)

Given the scope of knowledge required to prudently administer the plan and the fund, the Executive has delegated certain functions to the Pension Board. These functions, which are set out in the Pension Board's Terms of Reference, include the administration of the fund. The Pension Board has in turn delegated certain functions addressing the investment of the fund to the Investment Committee. These functions are set out in the Investment Committee's Terms of Reference.

See Governance Structure (pages 4–5) for a diagram that summarizes the reporting structure within the pension's governance system.

Proxy Voting Policy

The Investment Committee shall make reasonable efforts to exercise and direct proxy voting rights acquired through the fund. Performance of this function may be delegated to the Manager(s) or a Third Party Proxy Voting Service (a “TPPVS”); however, the Investment Committee reserves the right to direct, or override, the voting decisions of a delegate if, in its view, such action is in the best interests of the plan’s beneficiaries.

The Investment Committee, or its delegate, in exercising and directing such voting rights, shall act prudently and in the best interests of the plan’s beneficiaries at all times. Wherever possible the Investment Committee, or its delegate, shall also vote proxies in accordance with the Responsible Investment policy outlined in Section 11 below.

It is recognized that this Proxy Voting Policy is not enforceable to the extent that the Fund is invested in Pooled Funds. Proxy Voting of Pooled Fund units and interests in partnerships shall be the responsibility of the Investment Committee, or its delegate, who shall vote in the best interest of the plan’s beneficiaries. (Section 10.1)

Responsible Investment Policy

SIPP Glossary definition of Responsible Investment

(RI): *Active consideration of responsible corporate behaviours factors which may include environmental, social and corporate governance within the investment making process.*

The Investment Committee shall undertake to make decisions based on the best interests of the plan’s beneficiaries at all times and apply Responsible Investment (RI) criteria to its investment decisions.

The fund will not be invested in the securities of companies primarily engaged in: development, manufacture or sale of weapons or weapon delivery systems; preparation, distribution and sale of salacious or pornographic materials; the manufacture and sale of tobacco products; or gambling activities. These exclusions are not enforceable to the extent that the fund is invested in Pooled Funds.

The Pension Board recognizes that assistance is available from external service providers in the implementation of RI policies. This assistance includes RI products, RI research, corporate RI advocacy services, and approaches to positive and negative RI screening of securities. On an ongoing basis, the Investment Committee will research the relevance and potential benefits of these services to the RI implementation process and make recommendations to the Pension Board regarding the use of such services from time to time. (Section 11.1)

Message from the Chair of the Pension Plan Advisory Committee



Dear Members,

After many years of serving as the Chair of the Pension Plan Advisory Committee, I have stepped down in order to have more time for personal interests.

It has been a great pleasure and honour to work on your behalf on the committee. In recent years your committee has made tremendous strides in improving on a long and exemplary record of being a good steward of your pension. The pension plan has very strong governance practices, and during the past year we have been able to approve a newly updated and more understandable text that will help facilitate easier administration of your plan.

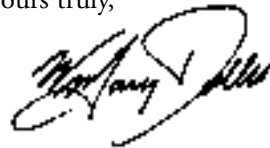
Also last year, with the guidance of the actuaries, a financial review of the fund of the pension plan was undertaken. We are pleased to report that the plan continues to be funded to meet its obligations. However, we recognized that we must continue to look at the basis of the plan. Demographic changes taking place within the membership, among others, have spurred an

examination of new ways to ensure the plan continues to remain strong and stable for the future.

As you know, over the past year we have been fortunate to have several highly qualified new members join the Pension Plan Advisory Committee. Their knowledge and guidance have been invaluable. While I will miss the opportunity to interact with these fine volunteers, I leave the committee with the knowledge that it is in very capable hands. Cameron Hunter, who has been a valued member of the committee for many years, has assumed the leadership role as chair. I know he will continue to guide the committee as it strives to maintain the long-term sustainability of the plan.

Thank you for the opportunity to have been able to serve on your behalf.

Yours truly,



Wm. Gary Dobbie
Outgoing Chair, Pension Plan Advisory Committee



Members,

I'm delighted to be writing to you as the new Chair of the Pension Plan Advisory Committee (PPAC).

These are busy times for pension plans: investment markets are volatile, and governments are reviewing legislation to seek ways to better protect plan members' pensions. To ensure the same level of diligence with regard to the United Church's pension plan, our volunteer committee members have met frequently throughout the year to

ensure the pension plan is administered in a prudent and efficient manner.

We have been very fortunate to have had Gary Dobbie as Chair of PPAC for the last few years. Gary's clear guidance and thoughtful insights will be missed. For myself, the other members of PPAC, and all members of the United Church's pension plan, I would like to thank Gary for his contribution and wish him many happy years in retirement.

PPAC will continue to diligently monitor the transition of day-to-day administration from Morneau Shepell to

Aon Hewitt. PPAC has asked Ministry and Employment unit staff to provide you with regular updates as we make this transition.

This past year saw new pension legislation in Ontario, with new pension laws expected in other provinces across the country. PPAC will keep abreast of new legislation and other trends in the pension world to manage the administration of the pension plan in your best interests. Our plan, like all pension plans, is facing challenging times. Although new laws may require additional changes to the plan, it is PPAC's intention to continue to manage the plan in the same prudent manner, consistent with the Statement of Beliefs and Guiding Principles.

PPAC will be undertaking an extensive review of the pension plan during the coming year to ensure it continues to be sustainable for the long term and

provides a reasonable level of financial security to plan members.

These are indeed interesting times for pension plans. Change may be coming, but rest assured that PPAC continues to oversee the plan's design, funding, and administration, and to provide recommendations to the Pension Board in the long-term interests of all plan members.

Respectfully submitted on behalf of the Pension Plan Advisory Committee,



D. Cameron Hunter
Chair, Pension Plan Advisory Committee

Message from the Chair of the Investment Committee



Members,

I am pleased to report that the pension fund's 2010 annual return was 8.6 percent, almost identical to the previous year's. While this return is acceptable in the current market circumstances, it sits below the 11 percent median return for peer, or similar, funds.

The reason for this discrepancy is threefold: first, the continuing conservative stance of investment, which is consistent with the maturity of our pension plan; second, a very cautious and delayed return to a more normal level of equity holdings; and finally, an unacceptable performance from two of the equity managers, both of whom have been replaced following a performance review.

Looking at the bigger picture, financial markets in 2010 continued the trend that emerged during 2009, adding positive returns and some stability. It remains to be seen whether the massive stimulus from various government interventions will result in renewed sustainable economic growth. A wide spectrum of opinions exists in this respect.

While the fund will continue with its conservative investment approach, the asset mix stance during the last half of 2010 was brought more in line with customary benchmarks for fixed income and equity holdings. As mentioned above, new equity manager appointments have been made that will hopefully address performance issues.

Since the investment management performance of the fund must be considered over time periods longer than one year, note that the five- and ten-year returns are 4.1 percent and 6.1 percent, respectively. These are more consistent with our peer group.

On behalf of the members of the Investment Committee, I once again express our appreciation to Dan Foster, Pension Fund Investment Manager, for his diligent and creative support throughout the year. On behalf of all who participate in the Pension Plan of The United Church of Canada, I extend our gratitude to the members of the Investment Committee for their generous dedication of time and wise counsel.

A handwritten signature in dark ink, appearing to read 'David A. Lemmon'. The signature is fluid and cursive.

David A. Lemmon
Chair, Investment Committee

Pension Board Activity

Benefits Held at Current Levels in 2010

Our plan continues to be fully funded according to the actuarial valuation (see definition below) of the pension fund at December 31, 2009. However, this result has been achieved only by reducing the reserve for potential benefit improvements. Also, the decline in asset values, as a result of the economic collapse in 2008, has not been fully recognized since an “asset smoothing” or averaging approach is used in the valuation. The market value of those assets as reported in the financial statement is still less than the market value before the collapse due to the continued sluggish recovery of the global economy.

Because of the continued uncertainty in the economy, the difficult decision to hold benefits at current levels for both active and pensioner members was taken. The Pension Board regularly considers upgrades to pension benefits. An upgrade, or increase, can be applied only when the plan can afford the added liability of such a commitment.

Announcements of upgrades and other pension plan news are regularly communicated through *Foresight*. All issues are available online in an easy-to-read and -print format at www.united-church.ca/communications/newsletters/foresight.

What is an actuarial valuation? The actuarial valuation looks at whether the plan has enough assets to cover the costs of future pension benefits. The valuation is performed by an actuary—a professional with math, finance, and business skills—who forecasts future financial events such as how much money is required to pay pensions. To do this the actuary makes assumptions about the future inflation rate, future return on invested assets, future salary increases, age at retirement, and life expectancy, among other factors. This allows him or her to compare the value of pension plan assets (such as stocks and bonds as well as future contributions) to the value of pension plan liabilities (the amount required to pay accrued and future pension benefits). A valuation is a good measure of the pension plan’s financial health

because it looks ahead more than 70 years. That’s how long the plan is expected to pay future benefits promised to all current members and their survivors.

Governance and Sustainability

The demographics of the plan membership have a significant impact on the costs of the plan. A steadily increasing age at entry into church employment, and thus into plan membership, puts additional strain on the plan because it has less time to invest contributions in order to secure pensions for older employees entering the plan.

The Pension Board is aware of the implications of these trends and continues to do what is necessary to fulfill its fiduciary responsibility to plan members: primarily, to keep the pension plan a going concern, fully funded, and able to support members in their retirement from the church.

To this end, the board has initiated an in-depth review before a more serious situation develops. Any necessary changes in the structure can then be made on a timely and well-planned basis.

This review will be carried out as expeditiously as possible by the Pension Plan Advisory Committee (PPAC), and by a working group of representatives from PPAC, the Investment Committee, and the Pension Board. The objective is to ensure that the management of the assets and liabilities of the plan is effectively coordinated.

Administration and Third-Party Service Providers

The Pension Board approved a proposal to move the administration of the plan to **Aon Hewitt** as of July 1, 2011, from the existing service provider, Morneau Shepell (formerly Morneau Sobeco). Aon Hewitt’s more flexible information systems will enable plan administrators to better meet the needs of plan members.

Significant effort has been made to ensure a smooth transition through ongoing communications from the Ministry and Employment unit to members. Through both *Foresight*, the pension plan newsletter, and *Connex*, the benefits newsletter, members have been advised of timelines, process improvements, and expectations for service improvement.

Responsible Investment (RI) Policy

The Pension Board continued to focus on responsible investment in 2010. In pursuing an RI policy, the board is guided by the Statement of Beliefs and Guiding Principles of the plan, which requires that the board first consider its fiduciary responsibility to plan members:

The Administrator and all its delegates must be guided by what is in the best interest of the plan members in all investment and administrative activity.

As long as this duty is being met, the Statement of Beliefs and Guiding Principles allows the Pension Board to consider responsible investment:

Socially responsible investment procedures can be employed provided there is reasonable assurance that the best long-term interest of the members is being served.

Additional Steps Taken in 2010

The Pension Board became an affiliate member of the Shareholder Association for Research and Education (SHARE) as a pilot project until December 31, 2010. This membership was renewed for 2011. SHARE provides active ownership services, including shareholder engagement, education, policy advocacy, and practical research on responsible investment issues. The association's work on behalf of the board around the particular issues related to resource extraction investments has been extremely helpful.

The Pension Board initiated a search for a proxy voting service in early 2010, and as a result engaged Glass Lewis. Since most company shares carry voting rights,

investors are able to vote their shares by proxy instead of attending company meetings. Proxy voting is an important part of corporate governance because it allows investors to influence corporate behaviour through voting on such issues as the election of directors, appointment of auditors, and approval of executive compensation to build long-term shareholder value. The Glass Lewis service allows the Pension Board to vote its shares in a consistent and informed manner and to develop proxy voting guidelines for observing its fiduciary responsibility and supporting the plan's RI policy. Implementation of consistent proxy voting continues in 2011.

Committee Member Update

The membership term for the board and committees related to the pension plan is three years, which can be renewed up to two times for a maximum of three terms. This helps to ensure continuity in these governance bodies but also a focus on refreshing and renewing membership over time. The board and committee members have diverse skill sets with expertise in a number of different areas of pension administration, including governance, investment, actuarial science, and human resources, among others. Collectively, the members are able to articulate the theological values and perspectives of the church.

The Pension Board had only one member change in 2010. Malcolm Boyle takes the place vacated by Nancy Key. Both Malcolm and Nancy are from Maritime Conference.

The Pension Plan Advisory Committee changed chairs in 2010. New to the role after a number of years of committee membership is Cameron Hunter. Cameron takes the place of Gary Dobbie, who was chair for five years. Marilyn Johnston also left PPAC in 2010.

These volunteer roles can be very demanding, requiring availability for meetings and conference calls regularly throughout the year. A total of 31 board and committee meetings were held during 2010 to oversee the various

aspects of the plan's operations, representing several hundred hours of volunteer and staff time. Members of the United Church's pension plan are very well served by these dedicated people.

Communication

The Pension Board is committed to keeping members informed about the status of the pension plan and its administration in a timely manner. Two direct communications were sent to members in 2010. In June, a memo about changes to the pension plan provisions was sent to all active and pensioner members. These changes were made to reduce administrative costs to the plan while further securing the benefits for members in retirement. All the changes announced in the letter come into effect January 1, 2011.

A second communication was sent directly to pensioner members in November 2010 to share three items particularly affecting this group:

- Retirement benefits would remain static for 2011.
- Pensioner health and dental premiums would increase for 2011.
- Payroll for pension benefits would be administered by RBC Dexia.

The bottom line for many pensioners is that their net pension payment went down because the health coverage premiums went up.

For 2011, the focus of communication for *Foresight* is sustainability and responsible investment. Some of the key points that will be reviewed in *Foresight* this year are

- reviewing the plan design to ensure stability and sustainability
- continuing to examine investment activities through a responsible investment lens

Developing a simpler online format for *Foresight* has resulted in approximately 25 percent of plan members

receiving an e-mail notifying them when a new issue is available on the United Church's website. All issues are available to view and download from www.united-church.ca/communications/newsletters/foresight.

Annual Reports of the Pension Plan are also available online. Members are asked to communicate directly with Ministry and Employment at the General Council Office to request e-notification for future editions: MinistryandEmployment@united-church.ca.

Members' questions are always welcome! If you are confused about something you hear or read about your United Church pension, please feel free to contact the Pension Board at PensionBoard@united-church.ca. The Pension Board welcomes questions about the administration of your plan.

Financial Statements

The Fund of the Pension Plan of The United Church of Canada

Statement of net assets as at December 31, 2010

(amounts in thousands)

ASSETS	2010	2009
Investments	\$1,105,325	\$1,059,931
Cash and cash in transit	7,022	2,811
Accounts receivable	1,076	1,416
Interest and dividends receivable	3,087	3,250
Prepaid benefits	-	4,427
	1,116,510	1,071,835
LIABILITIES AND TRUST		
Accounts payable	6,643	5,673
Trust funds	720	709
	7,363	6,382
NET ASSETS	\$1,109,147	\$1,065,453

Statement of changes in net assets for the year ended December 31, 2010

(amounts in thousands)

	2010	2009
Net assets at fair value, beginning of year	\$1,065,453	\$1,024,658
Increases (losses)		
Investment income	37,230	38,093
Net gain (loss) on sale of investments	29,786	(20,786)
Foreign exchange gains (losses)	273	(221)
Contributions		
Employers	11,068	10,790
Members	6,347	6,183
Income from legacies, estates, and donations	124	157
Other	11	-
	84,839	34,216
Decreases		
Pensions paid	54,333	53,506
Refunds	5,838	5,228
Administrative and investment expenses	6,508	6,464
Income distributed to trust funds	11	19
	66,690	65,217
Net change in net assets before unrealized gains (losses)	18,149	(31,001)
Net unrealized gains (losses) in the year	25,545	71,796
Net assets at fair value, end of year	\$1,109,147	\$1,065,453

Fund Performance Analysis

In 2010, we had consistent returns...

Our rate of return on investments was just under 9 percent in 2010, as it was in 2009. The plan continued its cautious approach to investing, maintaining a high level of government and corporate bonds.

	2010 (\$000s)	2009 (\$000s)
Investment Income	\$ 37,230	\$ 38,093
Realized Gains/(Losses)	29,786	(20,786)
Unrealized Gains/(Losses)	25,545	71,796
Net Investment Income	\$ 92,561	\$ 89,103
Net Assets, Beginning of Year	1,065,453	1,024,658
Approximate Rate of Return	8.69%	8.70%

Because of our investments.

With the recovering stock market, the Investment Committee continued to move more of the investments into equities, as shown in the chart below.

Investment Type	2010	2009
Canadian Fixed Income	44%	52%
Canadian Equities	25%	20%
International Equities	13%	13%
U.S. Equities	10%	8%
Real Estate	3%	3%
Private Debt	5%	2%
Cash	0%	2%
	100%	100%

Canadian Fixed Income: mostly government and corporate bonds

Equities: mostly large corporations' stock (with a market capitalization over \$500 million)

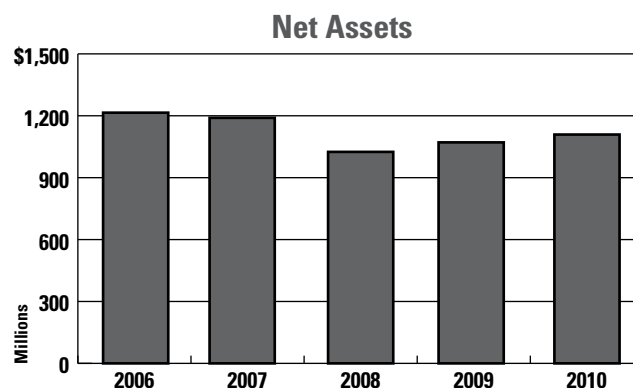
Real Estate: pooled Canadian funds, diversified by geography and property type

Private Debt: mostly secured loans to corporations, similar to bank loans

Cash: includes guaranteed investment certificates, treasury bills, and cash on hand

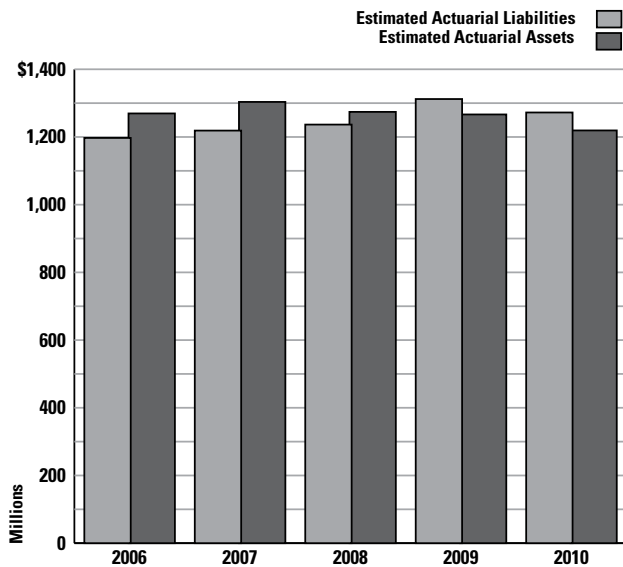
Our net assets continue to grow...

The financial value of our assets is rising, as shown in the chart below. In 2010, the net assets increased by \$38 million, or 4 percent.



But on a going concern actuarial valuation basis, there is a small deficit.

The actuarial value of the plan assets includes the present value of expected future contributions by, and in respect of, active members. It also averages the investment income so that a large gain or loss in any one year does not unduly affect the result. The liability of the plan is the present value of future payments to current pensioners and of the expected retirement obligations to current active members.



The above chart shows that the plan currently has a deficit of \$53 million, or 4 percent. The pension plan has sufficient assets to pay pensions. At the same time, however, the Pension Board is considering how to change the plan to reflect current conditions, such as the increasing age of new plan members. As the board continues its work, proposed changes will be communicated with plan members.

Plan Audit

In 2010, the Pension Board appointed as the auditor for the pension plan PricewaterhouseCoopers LLP, Chartered Accountants. PricewaterhouseCoopers audited the statement of net assets available for beneficiaries of the plan as at December 31, 2010, and the statement of changes in net assets for the year then ended. A copy of the audited financial statements of the Pension Plan of The United Church of Canada is available upon request to the Ministry and Employment unit in the General Council Office.

Volunteer Board and Committee Members

The Pension Board

The Pension Board is responsible for protecting the assets of the plan. With the Statement of Beliefs and Guiding Principles as its guide, the board supports the human resources objectives of the church with regard to funding, investment strategies, and plan design.

The Pension Board is comprised of

- a representative from the Permanent Committee on Ministry and Employment Policies and Services (PC-MEPS), appointed by the Executive of the General Council
- a member of the Executive of the General Council
- members at large
- expert members

Expert members generally have expertise in pension-related disciplines: investments, actuarial science, law, human resources, or governance.

Paul Robert Batho, BMath, FSA, FCIA, CFA, ICD.D

Paul Batho's career began in the life insurance industry, first with North American Life Assurance Company and then with Transamerica Life Insurance Company of Canada, where he held a number of senior positions: chief actuary, director, and chief investment officer. Paul was the chief operating officer, secretary/treasurer, and a principal at KBSH Capital Management Inc., and the president of the KBSH Spirit Foundation. Paul recently retired as Senior Vice President and Director of Business Development with BMO Asset Management but continues to work in the field of investment and governance. He sits on the board of the Aisling Discoveries Foundation and is the President of PRB Financial Consultants.

Charles Black (Chair), BA, FSA, FCIA, CLU

Charlie Black has over 40 years' experience in the field of insurance and human resource issues, including privacy and human rights. He retired in 2001 as vice president at the Canadian Life and Health Insurance Association (CLHIA), the trade association of life and health

insurers. An associate of the Department of Pensions and Group Insurance at the United Church for many years, he chaired the department for three terms. Charlie was a trustee under the previous governance structure of the plan; he is currently chair of the board. His home congregation is Christ Church in Mississauga, ON.

Malcolm Boyle, BA, MA, LLB

Malcolm is a partner at the law firm McInnes Cooper in Atlantic Canada and works out of the Halifax office. He practises in the area of labour and employment law and is a member of the Pension & Benefits Practice Group at the firm. He represents and advises employers throughout the Atlantic Region on any issue involving employees, including pension issues. Malcolm is a member of the Canadian Bar Association and currently sits as an Executive Member on the National Sections Council, and is a past Chair of the National Labour and Employment Section and a past Chair of the Nova Scotia Labour and Employment Law Section. An active member of the United Church, Malcolm has sat on the Church Extension Board of Halifax Presbytery since 2004, assisting churches in the presbytery with loans and financing to fulfill their chosen mandates. Between 1997 and 2004, Malcolm served as the elected representative of Oxford Street United Church (Halifax) to Halifax Presbytery and Maritime Conference.

Glen Elliott, AICB

Glen Elliott worked for RBC for 40 years in various roles, starting at the branch level and moving to the head office. His experience was primarily in the human resources field, including salary and business services administration, organizational planning, and pension administration. Now retired, Glen sits on the boards of a number of organizations, including Grey Bruce Your Way and Bruce Community Futures, both in Kincardine, ON; Grey Bruce Health Services, Owen Sound, ON; and the South West Community Care Access Centre, London, ON. He also serves on the Advisory

Committee, Finance and Audit, of the World Association for Christian Communication. Glen has extensive experience in finance and treasurer roles in all courts of the United Church, including six years as General Council commissioner. A member for the past 22 years, Glen has just been appointed to the Board of Trustees of Zion Amabel United Church in Sauble Beach, ON. He also has been an enthusiastic member of the choir.

Gordon McCamus Hall, BSc, FSA, FCIA, ICD.D

Retiring after 30 years with William M. Mercer Limited, Gordon Hall's career included working with sponsors for several of Canada's largest private pension funds and serving as editor-in-chief of the *Mercer Handbook of Canadian Pension and Benefit Plans* and of the *Mercer Bulletin*. Gordon was a member of the Board of Directors of the Institute of Corporate Directors (ICD) starting in 1994, and served as chair of the Governance Committee of the Board from 2002 to 2006. Gordon's ICD.D designation is from the program's first graduating class (June 2004). His experience has given helpful input to the extensive governance work of the church's Pension Board. Gordon has had a longstanding relationship with the Queen's University Board of Trustees, including several years of service on its Audit, Finance, and Pension committees. He is a member of the Advisory Committee for the Algoma Steel Retiree Pension Plans, and of the Directors' Advisory Group of The Canadian Institute of Chartered Accountants. He is also principal in the consulting firm Gordon Hall & Associates Inc. Gordon is a member of St. Giles Kingsway Presbyterian in Toronto, ON, and, through his family, has a long-time association with Chalmers United Church in Kingston, ON.

Gordon How, BSc, BD, DMin, MBA, DD

Gordon How was appointed to the Pension Board in 2004. A member of our church's Order of Ministry since 1968, he has served in a wide variety of pastoral and executive ministry and volunteer appointments. His career has been in and with British Columbia Conference, with General Council, with the World Council of Churches, as well as with a non-profit agency that he led through its formative years. He understands his contribution to the Pension Board to include raising

issues important to the members of the plan; attending to the spectrum of concerns that plan members and our church have regarding socially and financially responsible investment of pension plan funds; and supporting and affirming the excellent leadership brought by Pension Board specialists and staff to the management of the plan. He is a member of Vancouver South Presbytery and continues to be active as retired supply.

Linsell A. Hurd, BA, MDiv, STM

Linsell Hurd has a background in administration and human resources. He worked in Rochester, NY, first as a counsellor, and later as executive director of East House Corporation, a residential psychiatric halfway house. Ordained in 1985, he has served the church in many capacities: in pastoral charges; with the Saskatchewan Conference Program Staff Team in personnel; as acting president of St. Andrew's College, Saskatoon, SK; and as director and program staff for Calling Lakes Centre, Fort Qu'Appelle, SK. Linsell serves on the Executive of the General Council and on the Permanent Committee on Ministry and Employment Policies and Services (PC-MEPS), which includes appointments to several working and task groups. Additionally, Linsell has been appointed by Good Spirit Presbytery to full-time ministry with the people of the Lanigan-Nokomis Pastoral Charge, continuing through June 2012. Linsell has a vital concern for social justice and brings a theologically based awareness to his work with the Pension Board, especially with regard to issues related to socially responsible investment, among others.

Paul Purcell, BSc (Hons), FSA, FCIA, CFA

Paul Purcell is a Managing Director at BlackRock in Toronto. Paul helps develop investment solutions for large institutional investors, primarily pension plans. Prior to joining Barclays Global Investors (acquired by BlackRock in 2009) in 2007, he worked for a large Canadian insurance company, heading their product risk oversight function. Previously, Paul was a worldwide partner at Mercer Consulting, where he spent 19 years. From 2000 to 2005, Paul was the firm's Canadian practice leader for pension consulting. In addition to his management responsibilities, Paul served as a pension consultant to many large Canadian organizations. Paul is

The Pension Board *(continued)*

a Fellow of the Canadian Institute of Actuaries, a Fellow of the Society of Actuaries, and a Chartered Financial Analyst. He writes and speaks frequently on pension topics. Paul lives in Toronto with his wife and two children.

Reta Robertson

Reta Robertson graduated from London Teacher's College (Ontario) and taught mostly elementary grades in southern Ontario and British Columbia. She has a wide range of experience in the public sector, including owning and operating an automotive repair business for two years. A lifelong, active participant in the United Church, Reta is chair of the church board at her home congregation, Zion United in Ashcroft, BC. Among other roles in the congregation, Reta serves as one of two representatives from Zion United on the newly formed Ashcroft-Clinton Pastoral Charge Board. For the past 19 years Reta has worked with the Alzheimer Society of BC, and for the past eight years she has worked as a trained facilitator for the local Caregivers Support Group for people suffering with dementia. She also regularly participates in the Walk for Memories in Kamloops, a major Alzheimer's disease fundraising event in her region. Reta has a keen interest in sacred and classical music.

Gordon Staples, BAsC, MBA, PEng

Gordon Staples serves on the Pension Board as the representative from the Permanent Committee on Ministry and Employment Policies and Services (PC-MEPS). Gordon was born in Toronto, but his career has taken him and his family around Ontario, to

Winnipeg, MB, and Cleveland, OH. He has worked in the steel, chemical-process equipment, and gas-utility industries in sales, marketing, and operations. In recent years, Gordon has been a leadership coach, mentor, and facilitator. Gordon is a member of Royal York Road United Church in Toronto, ON, where he is Chair of the Financial Stewardship Committee. He is a member of the Five Oaks Centre Board of Directors and a member of the Working Group on Socially Responsible Investment and Resource Extraction of the Permanent Committee on Programs for Mission and Ministry (PC-PMM).

William G. Tynkaluk, BA, CFA

Bill Tynkaluk is deputy chairman and strategist of Leon Frazer and Associates Inc., one of the oldest investment management companies in Canada. Bill also provides investment research to a number of investment dealers, has published numerous articles, and is a member of the Financial Analysts Federation and the Financial Analysts International Organization. Bill is a charter member of Clublink and an active bridge player. His home congregation is Forest Grove United Church in Toronto, ON, where he currently serves on the Finance Committee as past chair and as a trustee.

Staff Support

Linda Begley, Manager, Pension and Benefits

Dan Foster, Pension Fund Investment Manager

Alan Hall, Executive Officer, Ministry and Employment

Bill Kennedy, Executive Officer, Financial Services

Interested in serving on the Pension Board or its related committees?

You may apply at any time. People with extensive experience in pension actuarial and pension legal, economists, and institutional investment specialists are particularly welcome.

Phone, e-mail,
or write to

Diane Bosman
Member Engagement
The United Church of Canada
3250 Bloor St. West, Suite 300
Toronto, ON M8X 2Y4
Toll-free: 1-800-268-3781 ext. 2211
E-mail: nominate@united-church.ca

The Pension Plan Advisory Committee

Wm. Gary Dobbie (Chair, 2005–2010),

BA (Hons), MBA, FICB, PFP, CFP

Prior to retiring in 2008, Gary was a senior vice president at the Royal Bank of Canada. While at RBC, he had global responsibility for RBC's compensation, benefits, wellness, employee relations, and pension programs. Gary holds designations in Personal Financial Planning and as a Certified Financial Planner, and is a Fellow of the Institute of Canadian Bankers. He supports a number of charitable activities and provides independent consulting work to financial institutions. Gary is an active member of Glen Abbey United Church in Oakville, ON, having served as trustee and past chair of the board, and as chair of the special fundraising committee for over 10 years. Stepping down from his responsibilities as Chair of PPAC in 2010, Gary served in this role for five years.

Robert C. Dowsett, BA, FSA, FCIA, MAAA

Rob Dowsett, an experienced actuary, was president of Crown Life Insurance Company from 1971 to 1982. From 1985 to 1995, he served as vice chairman at William M. Mercer Limited, Canada's largest pension and employee benefits consulting firm. In 1996, Rob established his own actuarial consulting company, Robert Dowsett Consulting. From 1988 to 1994, he was volunteer chair of the Department of Pensions and Group Insurance of The United Church of Canada, and, since 1994, he has been a member of the United Church Pension Plan Advisory Committee. Rob was a founding member of Bethesda United Church, one of three churches that amalgamated to form Jubilee United Church in Don Mills, ON, of which he is a member.

Jill Hawtin

Jill has a great deal of experience in the pension and retirement plan sector, having spent a significant portion of her career working with the Nursing Homes and Related Industries Pension Plan. Jill built strong relationships with plan members, employers, actuaries,

auditors, and investment managers to start and steadily grow both the fund and its membership over her tenure. Following this, Jill continued to work with pension design and start-up for MS (Multi-sector) Non Profit Benefit Plan Administrators in Markham, ON. Jill is responsible for leading the day-to-day operations of TEIBAS, which provides administration services for the health and welfare, pension, and SUB plans for unionized electricians throughout Toronto and the surrounding area. Jill has also served on the Penreal Property Funds III and IV board as a member and as an Audit Committee member. She is a volunteer with COSTI ProConnect (the Mentoring Partnership), and attends Oriole-York Mills United Church in Willowdale, ON.

Steve Houston, BA

Steve has extensive experience in the pension field, having spent 33 years with Mercer Consulting Limited as a senior consultant and manager. He retired in 2008. Steve chaired Mercer's Pension Design Development Group, which develops plan design strategies for Mercer's consultants and clients. At Mercer, Steve was involved with the United Church's relationship with the company. Most recently, Steve joined Benefit Plan Administrators Limited, a firm specializing in the administration of multi-employer pension and benefit plans, as their Director of Consulting. A longstanding member of Glen Abbey United Church in Oakville, ON, Steve is chair of the Property Committee, a member of the church council, and a participant in church fundraising.

Cameron Hunter (Chair), FSA, FCIA

Prior to joining the Pension Plan Advisory Committee, Cameron Hunter was on the committee that reviewed the United Church's pension plan governance structure. Cameron is a principal with his firm, Eckler Ltd., where he serves as a pension consultant and actuary for multi-employer pension plan boards of trustees. He has served on various Canadian Institute of Actuaries committees

The Pension Plan Advisory Committee *(continued)*

(including as chair of the Education Committee). He has also participated in a task force to review reporting standards for multi-employer pension plans, and on Society of Actuaries examination committees. Cameron is the chair of the board of trustees for Royal York Road United Church in Toronto, ON.

Dan Murphy, BSc, FSA, FCIA

Dan Murphy retired in 2008 after nearly 33 years with Watson Wyatt, a global professional services firm. Dan continues to work in the industry as an independent contractor, and has served on a disciplinary tribunal as an appointed member of the Canadian Institute of Actuaries Tribunal Panel. During his career with Watson Wyatt, Dan provided actuarial and consulting assistance to corporations with single-employer retirement plans, advising clients in the areas of plan design, funding and accounting requirements, plan administration, regulatory and legal issues, and employee communication. Dan has served in the community as a house-league soccer coach and leader with Scouts Canada.

Marcus Robertson, BSc (Hons), MSc

Marcus Robertson, a Fellow of the Canadian Institute of Actuaries and of the Society of Actuaries, has been very active in the Canadian pension industry for over 20 years. His focus has been on retirement systems. A partner at Robertson, Eadie & Associates Ltd., he has also worked with William M. Mercer Limited and Martineau, Provencher & Associates. Marcus began his career at Commercial Union Assurance Company. A member and past treasurer of St. Paul's United Church in Oakville, ON, Marcus has been involved in a number of committees and boards, including the Finance Committee. Marcus is a long-time Scouting leader; he has been with the 7th Trafalgar Scouting group since 1990 in various roles, including group commissioner and treasurer. Marcus sits on the Board of Directors for the Society of Actuaries and on the Canadian Institute of Actuaries' Member Services Council.

The Investment Committee

Edward A. (Ted) Carmichael, BA, MA

Ted Carmichael is managing director of Asset Mix and Capital Markets Research with Ontario Municipal Employees Retirement System (OMERS). From 1994 until 2008, Ted was executive director and chief Canadian economist at JPMorgan Chase Canada. Prior to joining JPMorgan, he was director and senior economist at Burns Fry Limited. He has also been vice president and director of research at the C.D. Howe Institute, senior economist at Shell Canada Limited, and economist at the Conference Board of Canada. Over the years, Ted has advised Canadian federal and provincial policy-makers, appeared before numerous parliamentary committees, and been a regular media commentator on the economy and government policy. He received his undergraduate economics degree from Queen's University and his MA from Carleton University; he returned to Queen's for PhD studies.

Clive Curtis, BA (Hons), CFA

Since 1995, Clive has been an investment counsellor, high net worth, and senior vice president. Currently with Morrison Williams Investment Management Ltd., he has held positions with Wealth Management Group, Moss Lawson, and HSBC Securities. Prior positions include chief investment officer at Confederation Life, Atlanta, where Clive was responsible for managing pension and life assets of \$10 billion, and where he chaired and shared in many industry oversight, training, and government-relations endeavours. From 1958 to 1983, he worked at North American Life in all aspects of investment management, ultimately as chief investment officer, and was involved in the formation of the real estate financing subsidiary The Edgecombe Group. Clive heads the responsible investment mandate of the pension plan Investment Committee of the United Church. He and his family have been members of Kingsway-Lambton United Church in Toronto, ON, since 1963; Clive has been a church elder there since 1966.

Douglas Greaves, HBA, CFA, ICD.D

Doug Greaves, Vice-President Pension Fund and Chief Investment Officer with Canada Post, has extensive investment management experience in bonds, equities, and alternative investments. Joining the organization at the inception of Canada Post's pension plan in 2000, Doug was responsible for developing and implementing the plan's investment strategy, hiring employees, and establishing the plan's administration and investment operations. Today, Doug is responsible for managing all aspects of the \$15-billion plan, including pension investment and plan member administration activities. Prior to joining Canada Post, he held senior investment positions with Workers Compensation Board, Ontario Municipal Employees Retirement Board, and North American Life Assurance Company. Doug received his Honours in Business Administration (HBA) from the Richard Ivey School of Business, University of Western Ontario, and is a CFA Charterholder. Doug is a member of the Pension Investment Association of Canada, the Canadian Coalition of Good Governance, and the Institute of Corporate Directors. Doug sits on the Finance Committee of Rosedale United Church, Toronto.

David A. Lemmon (Chair), BComm

David's 40-year business career began at North American Life Assurance Company, following which he became executive vice president at The Edgecombe Group, and subsequently president of Hammerson Canada. For the past 10 years, he has managed Savoyard Consultants Inc., an institutional real estate consulting practice. David's past board affiliations include Victoria University (University of Toronto), the Toronto Symphony Orchestra, the National Ballet School, Epilepsy Ontario, and Deposit Insurance Corporation of Ontario. He is a member of Eglinton St. George's United Church in Toronto, ON, and lives in Gormley, ON.

The Investment Committee *(continued)*

Alex Macdonald, BA (Hons), MBA, CRA, FRM, PRM

Alex Macdonald is the Executive Vice President, Canadian Investments and Global Investment Strategy, at Manulife, responsible for on-balance-sheet Canadian Investments, the Global Variable Annuity Hedging implementation function, and directing Global Investment Strategy.

Alex is also a member of Manulife's Management Committee. Most recently, he was President of Laketon Investment Management, a third-party investment management subsidiary of Great West Life. Alex holds a Bachelor of Arts degree in Economics from Queen's University, and an MBA from York University, and is both a Financial Risk Manager as well as a Chartered Financial Analyst. He is married and has two young children. Alex has been a member of the Investment Committee of the United Church since 1997, and has headed the Asset Mix Subcommittee since 2004.

Andy Moysiuk, BComm, CA

Andy is the Managing Partner of HOOPP Capital Partners, the private equity investment business of HOOPP (Healthcare of Ontario Pension Plan), which is among Canada's largest and most respected pension plans. Over 12 years at HOOPP, he has led the creation and development of an innovative institutional private equity portfolio with a world-class track record of long-term investment performance. Previously, Andy was a partner at KPMG and an officer and director of their limited market dealer, KPMG Corporate Finance Inc. Andy's Bachelor of Commerce degree is from the University of Toronto. He is a Chartered Accountant, a member of the Institute for Corporate Directors, and a graduate of the Rotman/ICD Corporate Governance program.

G. Gordon R. O'Reilly, BComm, CFA, FLMI

Gordon is a managing partner in the investment counselling firm CGOV Asset Management. He and three partners started the firm in 1995; he has overseen its growth from \$30 million in assets to over \$1 billion. He began his career with Manulife, where, from 1989 to 1995, he gained experience in foreign exchange, securities analysis, trading, and portfolio management, specializing in managing U.S. equity investments. Gordon and his family are members of Kingsway-Lambton United Church in Toronto, ON.

Diane Urquhart, MA

Diane has 30 years' experience in the Canadian investment industry, including positions as the head of equities research and as a senior partner and director at two major investment banks. Her current work is as an independent financial analyst in court proceedings, such as the Asset Backed Commercial Paper (ABCP) restructuring and in other activities to promote better investor protection laws, enforcement, and adjudication in Canada. This includes conducting financial research for such organizations as the National Pensioners & Senior Citizens Federation, the United Senior Citizens of Ontario, the Rights of the Nortel Disabled Employees, and KAIROS: Canadian Ecumenical Justice Initiatives. She is a passionate advocate for strong and responsible governance of organizations. Diane's home congregation is Christ Church United in Mississauga, ON.

In Memoriam

For their faithfulness to the church of Jesus Christ we remember, give thanks, and extend our sympathy to their loved ones.

All Native Circle Conference

Rodney Steven Carter



Newfoundland and Labrador Conference

Heber Frank Elliott

Clara J. Jarvis

Helen Patricia Ann Melindy

Verna Peach



Maritime Conference

Henrietta A. Amey

Thomas Stuart Bellis

Marguerite Clarke

Doris Green

Enid F.M. Jennings

Lola MacKenzie

Janie M. MacQuarrie

Violet Ruth Main

William Robert Pope

Vera Mary Sampson

Ronald Scott

Ora May Selby

Jessie Sharpe

M. Waverly Smith

Montreal and Ottawa Conference

Ross James Davis

Elaine Gregoire

Marjorie J. Kimball

Edna Lillian MacIntosh

Robert Asker Mitchell


Dora Munson

K.E. Esther Murray

Mary Lou Shortill

Patricia J. Southern

Frances M. Walbridge



Bay of Quinte Conference

Rod S. Carter

Helen G. Culp

Howard Carr Fraser

M. Jean Goodger

Clara E. Grassie

Doris E. Hill

Joyce M. Lockhart

Raymond Archibald Milley

Minerva Moorhouse

Robert Franklin Sherwin

Annie C. Snowden

M. Grace Webster

William Whiston



Manitou Conference

Brian Wesley Aitken

Melba Emma Mckay

Ludovicus Johan Winckel

Toronto Conference

M.E. (Peg) Breckenridge

Glenn Mitchell Butler

Elgin Cubitt

Franklyn (Frank) David Dalton

Richard Henry Northwood

Davidson

Arthur Charles Dayfoot

James Homer Dean

Howard K. Jupp

Dorothea B. Lawson

Roberta C. Lee

Phyllis Lucas

Helen MacRae

Robert McMath

Agnes McGawn Pollock

Donald Gordon Ray

Gary Lorne Redcliffe

Etta Spencer

John Douglas Staples

Anne Styles

John Robert Watt

Margaret G. Young

Hamilton Conference

Louis K. Aday
Kenneth L. Allen
Marie Boehmer
Charles Fredrick Boorman
George H. Burgess
M. Eileen Burr
Lorraine Corbett
Edgar Cornell Davey
Robert James Duthie
Eleanor Jean Erion
Audrey A. Joblin
George Beverly (Bev) Johnston
Jean B. Kellerman
Phyllis Lucas
Dugald Bruce MacDougall
Murray Barkley Masecar
Gordon Neely
William Robert Peebles
Geraldine Plantinga
Frederick John Roberts
Marion Rowland
Helen I. Smith
Leo J. Violette
Pauline E Weir
Keith George Wettlaufer
Albion Richard Wright

London Conference

Miles Keith Henry Brown
Ina P. Cavers
Einar Egilsson
Leslie Gee
Kenneth Norman Hick
Ella M. Hodder
Keith David Mack
August William Meacham
A. Jean Perry
Clifford Charles Plant
John Gratton Roberts
Mary E. Sweeney
Irene Vatai
Carol Wilkinson
Betty A. Worsfold




Conference of Manitoba and Northwestern Ontario

Mary Dorothy Herr
Marton Kerekes
Grace Kilpatrick
Doreen Lauder
Anthony Robert Edward Maunder
Edna M. McNeill
Rose Rekken
Margaret M. Smith

Saskatchewan Conference

Ellis E. Cline
Charles Franklin Johnston
Margaret Kirkpatrick
Walter Arthur Logan
Stewart Mackinley MacTavish
Fred John Markowsky
Donald William Robert McLeod
David Glen Peebles
Celine Smith
Lilian M. Stilborn
Charles Llewellyn Wooley




Alberta and Northwest Conference

Douglas Lester Berry
Rosemary Cowan
Blanche M. Elliott
Frederick George Holberton
J. Louise Martin
Richard Mohl
William Edgar Mullen
Jeanette M. Sambell
Geroge William Spady
Bernard Howson Thackeray
Herbert Wayne Keith Young

British Columbia Conference

Arthur Lloyd Anderson
Frederick Roy Anderson
Glen Worsfold Baker
Gwendolyn Best
Harvard (Pete) Petain Collins
Ida E. Dixon
Ramond Wm. Fenn
Howard George Filsinger
Abraham Arthur Greenhough
Alice Mary Hogman
M. Mary Holmes
Elizabeth Illsey
E. Ann Lochhead
Donald Anthony MacPherson
Grace I. MacQuarrie
Clifford Rundle McMurtry
John Henry Miles
Sarah Morgan
Ruth Simm
Linda R. Simper
Benjamin Hanna Taylor
Eileen Wood



Outside Canada

Marion Laverne Zenke

Cover Photos

Front, clockwise from top left: Gordon Memorial United Church, Alberton, Prince Edward Island (Mike Paterson); Emmanuel United Church, Cowansville, Quebec (Ingeborg Fulford); Eagle Ridge United Church, Coquitlam, British Columbia (Anne Sanborg); The United Church in Meadowood, Winnipeg, Manitoba (Tracey Goncalves); Bon Accord United Church, Bon Accord, Alberta (Dan Benson)

Back, from top: Bethel United Church, Little Heart's Ease, Newfoundland (Arlene Erven); Trinity-St. Stephen's United Church, Amherst, Nova Scotia (Gil Collicott); The United Church in Meadowood, Winnipeg, Manitoba (Tracey Goncalves)

A light gray rounded rectangular box containing the text "PEFC LOGO".

PEFC LOGO

The *Annual Report of the Pension Plan of The United Church of Canada 2010* was produced using environmentally responsible processes. The paper is acid-free, contains 30 percent post-consumer waste material, and is treated with a non-chlorine whitening process. Vegetable-based inks were used throughout the publication. It is 100 percent recyclable.