

**General Synod Pension Plan
of the Anglican Church of Canada
Financial Statements**
For the year ended December 31, 2012

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Independent Auditor's Report

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

We have audited the statement of net assets available for benefits and endowment funds of General Synod Pension Plan of the Anglican Church of Canada as at December 31, 2012, the statement of changes in net assets available for benefits and endowment funds for the year then ended, and a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The scope of our audit did not extend to an examination of the payroll records of the contributing employers. Accordingly, verification of contributions was limited to the amounts recorded in the records of the Fund. Therefore, we were not able to determine whether any adjustments might be necessary to contribution revenue, net increase (decrease) in net assets for the years ended December 31, 2012 and 2011, assets as at December 31, 2012 and 2011 and net assets available for benefits as at January 1 and December 31 for both the 2012 and 2011 years. Our audit opinion on the financial statements for the year ended December 31, 2011 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of General Synod Pension Plan of the Anglican Church of Canada as at December 31, 2012, and the changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.


Chartered Accountants, Licensed Public Accountants

Markham, Ontario
May 3, 2013

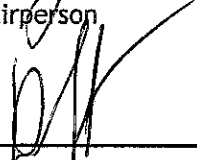
**General Synod Pension Plan of the
Anglican Church of Canada
Statement of Net Assets Available for Benefits and Endowment Funds**

December 31	2012	2011
Assets		
Investments (Note 3)	\$607,579,933	\$ 563,560,397
Contributions receivable		
Employers	674,036	421,541
Members	239,174	149,576
Accrued interest, dividend and other income	2,851,240	2,765,576
Other receivables	2,084	351,413
Due from related parties (Note 10(b))	35,745	8,217
	611,382,212	567,256,720
Liabilities		
Accounts payable and accrued liabilities (Note 6)	625,542	599,787
Total net assets	\$610,756,670	\$ 566,656,933
Net assets available for benefits and endowment funds		
Funds available for obligations of the General Synod Pension Plan	\$606,370,314	\$ 562,640,359
Additional voluntary contributions on deposit	28,511	54,896
Net assets available for benefits	606,398,825	562,695,255
Endowment funds (Note 7)	4,357,845	3,961,678
Total net assets available for benefits and endowment funds	\$610,756,670	\$ 566,656,933

Approved by the Board of Trustees:



 Chairperson



 Trustee

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

For the year ended December 31	2012	2011
Increase in net assets		
Contributions		
Employers	\$12,448,554	\$ 12,437,669
Members	<u>4,417,229</u>	<u>4,413,258</u>
	16,865,783	16,850,927
Investment income (Note 4)	<u>72,341,806</u>	<u>15,661,548</u>
Total increase in net assets	<u>89,207,589</u>	<u>32,512,475</u>
Decrease in net assets		
Pensions, allowances and death benefits	39,643,477	38,361,010
Refunds and transfers (Note 8)	2,643,181	2,922,094
Administrative expenses (Note 9 and 10(a))	<u>3,217,361</u>	<u>2,794,166</u>
Total decrease in net assets	<u>45,504,019</u>	<u>44,077,270</u>
Net increase (decrease) in net assets	43,703,570	(11,564,795)
Net assets available for benefits, beginning of year	<u>562,695,255</u>	<u>574,260,050</u>
Net assets available for benefits, end of year	<u>\$606,398,825</u>	<u>\$562,695,255</u>

**General Synod Pension Plan of the
Anglican Church of Canada
Statement Changes in Endowment Funds**

For the year ended December 31	2012	2011
Endowment funds, beginning of year	\$ 3,961,678	\$ 4,336,546
Revenue		
Dividends and interest	141,630	138,132
Realized capital gains (losses)	73,767	(3,283)
Increase (decrease) in unrealized market value	322,175	(295,165)
Donations received	13,086	13,357
	<u>550,658</u>	<u>(146,959)</u>
Expenses		
Benefits paid	108,836	180,499
Administration and other expenses	45,655	47,410
	<u>154,491</u>	<u>227,909</u>
Net increase (decrease) in endowment funds	396,167	(374,868)
Endowment funds, end of year (Note 7)	\$ 4,357,845	\$ 3,961,678

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

December 31, 2012

1. Significant Accounting Policies

a) Nature and Purpose of Plan

The Pension Plan is a contributory target benefit specified multi-employer pension plan providing benefits to members of the General Synod Pension Plan and is registered with the Financial Services Commission of Ontario - Pension Plans Branch under the Pension Benefit Act, 1990.

In accordance with Canon VIII of the General Synod of the Anglican Church of Canada, the Pension fund shall be comprised of the following parts: the Ordinary Fund, the Endowment Fund and the Special Endowment Fund. These financial statements reflect the combined financial information of the Pension fund.

b) Basis of Presentation

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

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

c) Accruals

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

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

December 31, 2012

1. Significant Accounting Policies (continued)

d) Investments

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

The Plan accounts for its investments in accordance with *International Financial Reporting Standards (IFRS) 13* with respect to the fair value measurement of its investments.

Real estate investment values are calculated from financial statements which include fair values based on periodic independent appraisals of the properties.

e) Pension Benefits

The present value of accrued pension benefits is determined using the projected benefit method prorated on service and the administrator's best estimate assumptions. An actuarial valuation was prepared as of August 31, 2012 by Eckler Ltd., consulting actuaries and was then extrapolated to December 31, 2012.

f) Foreign Currency Translation

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

- Purchases and sales of marketable securities, income and expenses at exchange rates in effect on the date of the transaction.
- Market value of securities at the year-end rate of exchange.

g) Funding Policy

In accordance with the Plan Regulations, members of the Plan are required to contribute 4.4% of their salaries to the Plan, while employers are required to contribute 12.4% (2011 - 12.4%) of their members' salaries. Effective August 31, 2003, a group RRSP was established with Canada Life to allow members to contribute additional retirement savings. There is an ongoing commitment to transferring all voluntary contributions on deposit from the pension plan to the Group RRSP. The additional voluntary contributions are from active members of the Plan, and were only permitted until December 31, 2002, and are only available to those members who made the voluntary contributions.

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

December 31, 2012

1. Significant Accounting Policies (continued)

h) Revenue Recognition

Members and employers' contributions are recorded in the financial statements up to and including the December month to the extent that these contributions are reported by the date of the auditor's report. Contributions reported after this date are included in the next fiscal period.

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

i) Use of Estimates

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

j) Income Tax Status

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

The Endowment Fund is registered as a charitable organization for income tax purposes and is exempt from tax under section 149(1)(f) of the Income Tax Act.

2. Description of Plan

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

General

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

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

December 31, 2012

2. Description of Plan (continued)

Service pensions

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

Survivors' pensions

A survivor's pension is paid to the spouse/partner of an active member who has a minimum of five years of contributions.

Withdrawal refunds

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

Endowment funds

Endowment funds are received by way of gift, donation or bequest as an enhancement to the Plan benefits. The endowment funds restricted by decision may be disbursed at the discretion of the Pension Committee of the General Synod of the Anglican Church of Canada ("General Synod"), while the special endowment funds are restricted by donors or trusts.

Income recorded in the endowment funds is calculated as the total return on investments, i.e., interest, dividends, realized net capital gains (losses) and net change in unrealized gains (losses).

The capital portion of the endowment funds has been determined as the amounts contributed to December 31, 1996 at market value with subsequent additions at cost, plus an annual capitalized portion of income approved by the Board of Trustees of the Pension Committee to be added to the capital. The Trustees approved capitalized income of \$396,167 (2011 - withdrawal from capital of \$374,868).

The income not capitalized is allocated to income distributable. Any balance of income not distributed is retained for later distribution.

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

December 31, 2012

3. Investments

(a) Investments

	2012		2011	
	Cost	Market Value	Cost	Market Value
Cash and short-term investments	\$12,082,680	\$12,085,064	\$ 15,173,709	\$ 15,187,149
			1.99	2.69
Fixed income				
Canadian	34,105,387	37,755,016	60,088,690	64,735,052
Foreign	18,219,705	22,506,899	1,620,914	2,046,651
Canadian pooled fixed income investments	142,639,184	143,675,251	135,638,426	140,651,624
			23.65	24.96
Total Fixed Income	194,964,276	203,937,166	197,348,030	207,433,327
			33.57	36.81
Equities				
Common shares				
Canadian	87,521,772	120,381,168	91,507,001	113,425,078
Foreign	149,715,747	141,304,756	135,378,517	114,909,128
Foreign pooled equity investments	65,620,996	68,320,338	64,190,708	60,203,087
			11.24	10.68
Total Equities	302,858,515	330,006,262	291,076,226	288,537,293
			54.31	51.20
Canadian Real Estate	52,983,930	57,227,572	43,247,210	48,497,750
			9.42	8.61
Endowment Fund - Pooled balanced fund investments	3,537,897	3,230,196	3,497,970	2,965,396
			0.53	0.52
Endowment Fund - Canadian pooled equity fund investments	1,307,818	1,093,673	1,250,928	939,482
			0.18	0.17
Total	\$567,735,116	\$607,579,933	\$551,594,073	\$563,560,397
			100.00	100.00

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

December 31, 2012

3. Investments (continued)

(b) Individually significant investments

The cost or market value of the following investments exceeds 1% of the cost or market value of the Plan's net assets.

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Short-term investments				
Canadian Treasury Bill (\$6,145,000 par value, due January 17, 2013)	<u>\$6,142,522</u>	<u>\$6,142,522</u>	\$ -	\$ -
Equities				
Canadian				
Suncor Energy	\$4,844,075	\$7,284,517	\$ 4,194,829	\$ 5,955,326
Toronto Dominion Bank	<u>5,329,701</u>	<u>6,951,250</u>	<u>5,329,700</u>	<u>6,332,070</u>
Pooled Funds				
Baillie Gifford Global Alpha Fund	\$65,620,996	\$63,320,338	\$ 64,190,708	\$ 59,180,181
SSGA Enhanced Canadian Long Term Bond Fund	<u>142,639,184</u>	<u>143,675,251</u>	<u>135,638,426</u>	<u>140,651,624</u>
Real Estate				
Canadian				
Bentall Property Fund VI Ltd.	\$7,200,000	\$6,659,741	\$ 7,200,000	\$ 6,944,486
Penreal Property Fund V Ltd.	4,132,180	5,944,182	8,539,323	11,351,283
Bentall Kennedy Prime Canadian Property Fund Ltd.	<u>41,649,250</u>	<u>44,604,615</u>	<u>25,003,132</u>	<u>25,519,983</u>

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

December 31, 2012

4. Investment Income

Investment income consists of the following:

	2012	2011
Bond, notes and deposit interest	\$ 3,635,406	\$ 3,520,783
Dividends	7,717,864	7,707,397
Pooled funds distributions	12,067,744	13,381,579
Canadian real estate	6,580,929	6,826,333
Gain on disposal of investments, net	12,212,612	9,386,246
Net unrealized gain (loss) in market value of investments	27,561,028	(24,873,636)
Foreign exchange gain (loss)	2,566,222	(287,154)
	\$ 72,341,806	\$ 15,661,548

5. Accrued Pension Benefits

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

	2012	2011
Estimated actuarial present value of accrued pension benefits, beginning of year	\$600,614,000	\$610,240,000
Accrued interest on benefits	35,656,000	35,904,000
Benefits accrued	12,515,000	13,024,000
Expenditures	(43,620,000)	(42,612,000)
Experience loss (gain)	3,925,000	(15,942,000)
	\$609,090,000	\$600,614,000

The estimated actuarial present value of accrued pension benefits as at December 31, 2012 is based on an actuarial valuation prepared as at August 31, 2012, which was extrapolated to December 31, 2012 by Eckler Ltd. The valuation was determined using the accrued benefit actuarial cost method and reflects best estimate assumptions and the expectation that the Plan will continue on an ongoing basis. Significant assumptions are summarized below.

Discount rate

A discount rate of 6% (2011 - 6%) per annum has been assumed in calculating the actuarial present value of accrued pension benefits.

Retirement

It has been assumed that members in receipt of LTD benefits would retire at age 65 and that 20% (2011 - 20%) of the members under age 65 on the valuation date will retire at age 60 (or the current age, if greater) and the remainder at age 65.

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

December 31, 2012

5. Accrued Pension Benefits (continued)

Mortality

It has been assumed that the mortality of members will follow the 1994 Uninsured Pensioner Mortality Table projected with scale AA to 2015, rated down one year in age.

Investment values

The actuarial value of net assets is determined as the average of the market value of assets at December 31, 2012 and the adjusted market values at the December 31 of the prior 4 years. The adjusted market values were developed by applying the discount rate of 6% to the fund cash-flows, net of investment expenses. The actuarial value of net assets differs from net assets available for benefits reflected in the financial statements as follows:

	2012	2011
Net assets available for benefits	\$606,398,825	\$562,695,255
Market changes not reflected in the actuarial value of net assets	(37,603,825)	20,851,745
Actuarial value of net assets	\$568,795,000	\$583,547,000

The next required filing with the Financial Services Commission of Ontario ("FSCO") is due May 31, 2013 based on August 31, 2012 amounts.

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	2012	2011
Custodial and management fees	\$ 500,560	\$ 556,951
Other	124,982	42,836
	\$ 625,542	\$ 599,787

7. Endowment Funds

Endowment capital funds consist of the following:

	2012	2011
Restricted by decision	\$ 2,185,776	\$ 1,984,982
Special endowment funds		
Anne Moria Grant	1,128,635	1,025,780
Arthur Wauton Grasett	273,433	248,156
Katherine Frances Grasett	282,294	256,648
Rotary Trust	49,394	45,027
Other special endowment funds	438,313	401,085
	\$ 4,357,845	\$ 3,961,678

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

December 31, 2012

8. Refunds and Transfers

Pension contributions refunded or transferred during the year on withdrawals, terminations and pre-retirement deaths are as follows:

	2012	2011
Refunds	\$ 492,431	\$ 567,876
Transfers to other plans	2,150,750	2,354,218
	\$ 2,643,181	\$ 2,922,094

9. Administrative Expenses

Administrative expenses consist of the following:

	2012	2011
Actuarial - Eckler Ltd.	\$ 227,118	\$ 174,087
Administrative fees (Note 10 (a))	922,254	877,165
Audit - BDO Canada LLP	59,583	57,291
Insurance	62,229	61,434
Investment consulting - Mercer Investment Consulting	105,938	115,797
Investment management and custodial fees	1,883,203	1,467,642
Legal - Norton Rose LLP (formerly Ogilvy Renault LLP)	6,793	98,938
Legal - Koskie Minsky LLP	14,208	25,729
Other (recovery)	(63,965)	(83,917)
	\$ 3,217,361	\$ 2,794,166

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

	2012	2011
Investment management		
AllianceBernstein	\$ -	\$ 134,350
BNP Paribas Group Investment Partners Canada Ltd	-	85,007
Baillie Gifford and Co.	410,136	276,381
BlackRock Asset Management Canada Limited	-	38,412
Canso Investment Counsel Ltd.	210,864	218,866
CGOV Asset Management	250,807	236,949
Letko Brosseau and Associates Inc.	508,142	495,959
Less: Recovery of fees	-	(321,575)
State Street Global Advisors, Ltd.	396,453	191,803
State Street Trust Company Canada - Custodial services	106,801	111,490
	\$ 1,883,203	\$ 1,467,642

Bentall Investment Management charges annual portfolio management fees at 0.5% of the appraised fair value of the properties it manages. The fees are calculated and paid to Bentall Investment Management on a monthly basis, net of investment income earned.

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

December 31, 2012

10. Related Party Transactions

- a) The Pension Office Corporation of the Anglican Church of Canada administers the Plan. In the current year, the Pension Office Corporation charged the Plan \$846,952 plus HST, of which \$30,798 plus HST is charged to the endowment fund while the remaining \$816,154 plus HST is charged to the general fund (2011 - \$776,414 plus HST) to cover a portion of the operating expenses at the exchange value (the amount of consideration established and agreed to by the related parties).
- b) The following amounts are due from (to) related parties at year end:

	2012	2011
Pension Office Corporation of the Anglican Church of Canada	\$ 37,344	\$ 7,592
Long Term Disability Plan of the Anglican Church of Canada	(1,599)	-
Continuing Education Plan of the Anglican Church of Canada	-	625
	\$ 35,745	\$ 8,217

The General Synod Pension Plan of the Anglican Church of Canada has a common Board of Directors/Trustees with the other plans.

11. Financial Risk Management

The Plan may be exposed to a variety of financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and price risk):

a) Market risk

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

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Plan manages interest rate risk by establishing a diversified target asset mix. A portion of the fixed income portfolio is actively managed, allowing managers to anticipate and attempt to mitigate interest rate movements. An increase/decrease of 1% in nominal interest rates, with all other variables held constant would result in an approximate decrease/increase of \$23,411,000 (2011 - \$23,312,000) in the value of the Plan's fixed income investments.

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

December 31, 2012

11. Financial Risk Management (continued)

Currency risk

Currency risk is the risk that the value of investments denominated in foreign currencies will fluctuate with changes in foreign currency exchange rates. The Plan's policy is to hedge approximately 35% to 40% of its currency exposure. After giving effect to the impact of hedging activities a 10% increase (decrease) in the value of the Canadian dollar against all currencies with all other variables held constant, would result in an approximate decrease (increase) in the value of the Plan's investments of \$15,425,000 (2011 - \$11,900,000).

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

Currency	2012	2011
United States	\$101,919,787	\$ 74,170,281
Eurozone	21,535,119	15,689,070
United Kingdom	14,842,169	10,341,562
Asia Pacific	12,344,073	12,209,850
Europe - Other	10,951,868	7,471,394
Emerging markets	8,050,162	10,854,899
Total	\$169,643,178	\$ 130,737,056
As % of Net Assets	27.78%	23.07%

Price risk

Other price risk is the risk that the value of an investment will fluctuate with changes in market prices. The Plan is subject to price risk on its investments in equities. An increase (decrease) of 10% in the market prices for equities, with all other variables held constant, would result in an approximate increase (decrease) in the Plan's investments of \$33,000,000 (2011 - \$29,000,000). The Plan manages that risk by diversifying its investments in accordance with the Statement of Investment Policies and Procedures prepared by the Trustees of the Plan.

b) Credit risk

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

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

December 31, 2012

11. Financial Risk Management (continued)

As at December 31, 2012:

Rating	Corporate Bonds	Pooled Bond Funds*	Short-term
AAA/R-1 High	\$ 2,519,224	\$ 53,314,892	\$ 6,302,393
AA/R-1 Middle	7,771,879	36,257,984	1,278,754
A	15,645,827	46,383,085	-
BBB	8,865,683	8,688,349	-
Below B/Unrated	25,459,302	-	-
	\$ 60,261,915	\$ 144,644,310	\$ 7,581,147

* Numbers are extrapolated based on the percentages in each category for the SSGA Enhanced Canadian Long Term Bond Fund as per the December 31, 2012 audited financial statements of State Street Global Advisors, Ltd.

As at December 31, 2011:

Rating	Corporate Bonds	Pooled Bond Funds*	Short-term
AAA/R-1 High	\$ 3,942,981	\$ 50,634,585	\$ 1,551,642
AA/R-1 Middle	7,789,069	37,975,938	201,769
A	22,164,866	43,602,004	-
BBB	20,325,486	8,439,097	-
BB	5,573,066	-	-
B	2,069,081	-	-
Below B/Unrated	4,917,154	-	-
	\$ 66,781,703	\$ 140,651,624	\$ 1,753,411

* Numbers are extrapolated based on the percentages in each category for the SSGA Enhanced Canadian Long Term Bond Fund as per the December 31, 2011 audited financial statements of State Street Global Advisors, Ltd.

The Plan participates in a securities lending agreement through State Street Bank and Trust Company. The Plan manages the credit risk associated with the borrower by requiring the borrower to provide collateral in the form of readily marketable securities of a minimum of 105% of the market value of the securities lent. State Street Bank and Trust Company provides indemnification against borrower default. At December 31, 2012 the Plan had approximately \$31,150,000 (2011 - \$14,100,00) of securities on loan and held collateral of approximately \$32,800,000 (2011 - \$14,900,000).

c) Liquidity risk

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

**General Synod Pension Plan of the
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December 31, 2012

11. Financial Risk Management (continued)

d) Financial Instruments Fair Value Hierarchy

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

Level 1:

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

Level 2:

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

Level 3:

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

As at December 31, 2012:

	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$12,085,064	\$ -	\$ -	\$12,085,064
Fixed Income				
Canadian	-	37,755,016	-	37,755,016
Foreign	-	22,506,899	-	22,506,899
Canadian pooled fixed income investments	-	143,675,251	-	143,675,251
Total Fixed Income	-	203,937,166	-	203,937,166
Equities				
Common shares				
Canadian	120,381,168	-	-	20,381,168
Foreign	141,304,756	-	-	41,304,756
Foreign pooled equity investments	68,320,338	-	-	68,320,338
Total Equities	330,006,262	-	-	330,006,262
Canadian Real Estate	-	-	57,227,572	57,227,572
Endowment Fund - Pooled balanced fund investments	2,261,137	969,059	-	3,230,196
Endowment Fund - Canadian pooled equity fund investments	1,093,673	-	-	1,093,673
Total	\$345,446,136	\$204,906,225	\$57,227,572	\$607,579,933

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11. Financial Risk Management (continued)

As at December 31, 2011:

	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 15,187,149	\$ -	\$ -	\$ 15,187,149
Fixed Income				
Canadian	-	64,735,052	-	64,735,052
Foreign	-	2,046,651	-	2,046,651
Canadian pooled fixed income investments	-	140,651,624	-	140,651,624
Total Fixed Income	-	207,433,327	-	207,433,327
Equities				
Common shares				
Canadian	113,425,078	-	-	113,425,078
Foreign	114,909,128	-	-	114,909,128
Foreign pooled equity investments	60,203,087	-	-	60,203,087
Total Equities	288,537,293	-	-	288,537,293
Canadian Real Estate	-	-	48,497,750	48,497,750
Endowment Fund - Pooled balanced fund investments	1,986,815	978,581	-	2,965,396
Endowment Fund - Canadian pooled equity fund investments	939,482	-	-	939,482
Total	\$306,650,739	\$209,380,967	\$48,497,750	\$563,560,397

During the years, there were no transfers between Level 1 and Level 2.

The following is a reconciliation of Level 3 fair value measurements for the year ended December 31, 2012:

	2012	2011
Balance, beginning of the year	\$ 48,497,750	\$ 27,112,661
Transfers in	16,646,118	26,903,132
Returned capital	(6,892,143)	(4,173,177)
Realized gains distributed	(2,579,122)	(5,007,019)
Unrealized gains	1,554,969	3,662,153
Balance, end of the year	\$ 57,227,572	\$ 48,497,750

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12. Capital Disclosure

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

There have been no significant changes to the Plan's capital management objectives, policies and processes in the year nor has there been any change in what the Plan considers to be its capital.

13. Comparative Figures

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