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Investment Memorandum for the ELCA Participating Annuity Trust

Effective Jan. 1, 2023

Revised October 1, 2023, to include figures as of December 31, 2022, on Exhibit A – Fees and Expenses, Exhibit B – Annuity Trust Financial Statement, and Exhibit C – Investment Fund Summary Prospectus.

The ELCA Participating Annuity Trust provides variable annuity payments to ELCA Retirement Plan members who have retired from services, and other eligible individuals described later in this document, based on their life expectancy. The ELCA Participating Annuity Trust is not offered to the general public. The ELCA Participating Annuity Trust invests only in the ELCA Participating Annuity Investment Fund and is the sole owner of the ELCA Participating Annuity Investment Fund.

The Securities and Exchange Commission has not approved or disapproved these unregistered securities or passed upon the accuracy or adequacy of this Investment Memorandum. Any representation to the contrary is a criminal offense. This Investment Memorandum is not intended to be an offer to invest or a solicitation of an offer to participate in the ELCA Participating Annuity Trust in any state where not permitted.

Portico Benefit Services is not a registered investment adviser under the Investment Advisers Act of 1940 or under any comparable local, state, or federal law or statute. The ELCA Participating Annuity Trust is also not registered as an investment company under the Investment Company Act of 1940 in reliance upon an exemption from registration. Portico Benefit Services, the ELCA Participating Annuity Trust, and the ELCA Participating Annuity Investment Fund are not subject to registration, regulation, or reporting under the Employee Retirement Income Security Act of 1974, the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, or the Investment Advisers Act of 1940. Accordingly, members are not afforded the protections of the provisions of those laws and related regulations.

30-340 (10/2023)

Immediate Participating Annuity

Issued by
Portico Benefit Services

Through
ELCA Participating Annuity Trust
with Allocation of Investment to
ELCA Participating Annuity Investment Fund

The Board of Pensions of the Evangelical Lutheran Church in America is doing business as Portico Benefit Services. As a ministry of the Evangelical Lutheran Church in America ("**ELCA**"), Portico Benefit Services ("**Portico**"), a nonprofit corporation under the laws of Minnesota, administers the ELCA Participating Annuity Trust ("**Annuity Trust**") as part of its comprehensive program to provide retirement, health, and other benefits and services to enhance the well-being of those who serve through the ELCA and other faith-based organizations.

This Investment Memorandum provides information you should know about the Annuity Trust, a participating annuity trust, before investing in the Annuity Trust and the ELCA Participating Annuity Investment Fund ("**Investment Fund**"). It includes a description of an investor's material rights and obligations. Please read this Investment Memorandum carefully and keep it with all documents you receive regarding the Annuity Trust and Investment Fund for future reference. Portico reserves the right to change any term of the Annuity Trust through the amendment or termination process described later herein.

The most up-to-date information may be accessed on Portico's website at *PorticoBenefits.org*. For help with enrollment, eligibility, or for additional information about the Annuity Trust, please contact the Portico Customer Care Center at:

Portico Benefit Services
7700 France Ave. S., Ste. 350
Minneapolis, MN 55435-2802

Telephone: 800.352.2876 or 612.333.7651
Fax: 612.334.5399
Email: *mail@PorticoBenefits.org*

About the Annuity Trust

The Annuity Trust provides variable annuity payments to ELCA Retirement Plan members who have retired from service, and other eligible individuals described herein, based on their life expectancy. The Annuity Trust invests only in the Investment Fund and is the sole owner of the Investment Fund. The Annuity Trust is not available to the general public.

Before you choose to annuitize, review the essential information about the Annuity Trust and the Investment Fund described herein.

Carefully consider the target asset allocations, investment objectives, risks, charges, and expenses of any fund before investing in it. All funds, including ELCA funds managed by Portico, are subject to risk and uncertainty. Past performance cannot be used to predict future performance. Funds managed by Portico, including the ELCA Participating Annuity Investment Fund, are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Market loss or underperformance can precipitate a reduction in monthly participating annuity payments. See the *Portico Investment Fund Descriptions* for additional fund information.

Neither Portico Benefit Services nor the funds it manages are subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, or state securities laws. Accordingly, members are not afforded the protections of the provisions of those laws and related regulations.

About Portico Benefit Services

The Board of Pensions of the Evangelical Lutheran Church in America, doing business as Portico Benefit Services, was incorporated on Mar. 2, 1987, as a Minnesota nonprofit corporation under the Minnesota Non-Profit Corporation Act. Portico Benefit Services is a ministry of the Evangelical Lutheran Church in America and is governed by an independent board of trustees elected by the ELCA Churchwide Assembly.

Portico administers the retirement, health, and other benefit plans for the ELCA and manages the benefit plan trusts as well as the trusts for two predecessor church plans. Portico maintains records of the name, address, taxpayer identification number, and other pertinent information for each member, the annuity income option for each member, and records with respect to the value of each account.

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ELCA PARTICIPATING ANNUITY TRUST

The ELCA Participating Annuity Trust is part of the ELCA Retirement Plan. The Annuity Trust invests only in the ELCA Participating Annuity Investment Fund. The Annuity Trust is “participating” in that all members who allocate all or some of their ELCA Retirement Plan account to the Annuity Trust participate in the gains and losses of the Annuity Trust over time, through adjustments to annuity payments declared by Portico’s board of trustees.

The Annuity Trust assets are separately accounted for and are not charged with the liabilities arising from any other business Portico may conduct. The Annuity Trust obligations are not Portico’s general obligations and will be satisfied solely by the assets within the Annuity Trust. Assets within other Portico trusts cannot be used to fund a shortfall within the Annuity Trust.

Upon retirement, you can begin an immediate variable annuity to receive income for you and your co-annuitant, based on your life expectancies, by allocating retirement account funds to the Annuity Trust. Annuity payments:

- are determined based on the amount you choose to allocate from your retirement account to the Annuity Trust, the source from which annuity payments are made.
- will begin at the end of the month in which you elect to annuitize, and is based on several factors, including the Funded Ratio of the Investment Fund on the last day of the month preceding the month of annuitization. (See *Initial Annuity Payment* on page 10 for examples.)
- can be adjusted up or down, based on market performance and mortality gains and losses. They are not paid from a member’s individual account; rather, a member’s annuitized assets are combined with all other annuitant assets.

All annuitants share in the mortality experience and the investment performance of the investments in which the Annuity Trust invests. As a result, members (and co-annuitants) who live longer than expected may receive more than their individual accounts could have provided. Alternatively, members (and co-annuitants) who die sooner than expected may receive less than their individual accounts could have provided.

The pooling of resources is the fundamental principle of risk-sharing, (i.e., assets of those who die sooner than expected help offset annuity payments to those who live longer than expected).

Currently, the Annuity Trust is fully invested in a single investment option, the ELCA Participating Annuity Investment Fund (the “Investment Fund”). If elected, Portico will allocate your ELCA Retirement Plan account funds to the Annuity Trust, which will invest your money in the Investment Fund on or about the first business day of the month in which you annuitize, to provide you with monthly variable annuity payments. The annuity application form contains applicable deadlines for submitting required information to begin the annuitization process.

Refer to the Glossary on page 28 for additional information on the terms used in this document.

Portico reserves the right to create and offer additional investment options in the future. The following is a description of the current Investment Fund, including its investment objective and investment managers. Additional Investment Fund details are outlined herein. Read this Investment Fund information carefully prior to making an investment decision.

ELCA Participating Annuity Investment Fund

Investment Objective
The Investment Fund is a multiple asset class fund that seeks to help enable the Annuity Trust to provide members with a source of variable income and to achieve long-term returns in excess of the annuity's assumed investment return. The Investment Fund may be suitable for investors who are comfortable with investment risk and desire the potential for income over the long term more than the potential to lessen year-to-year changes (up or down) in income. "Long term" is typically defined as 10 or more years. The investment objective of the Annuity Investment Fund should be considered when deciding whether to annuitize as a member cannot change his or her investment allocation to the Annuity Investment Fund once the member has submitted annuity paperwork.

Annuity payment amounts are not guaranteed and depend upon the investment performance (net of expenses) and mortality experience of the Annuity Trust. All annuitants bear the full investment risk for amounts the Annuity Trust allocates to the Investment Fund. There is no assurance that the Investment Fund will achieve its stated objectives.

Investment Manager
Portico is responsible for establishing the investment objectives and strategy for the Investment Fund. Where Portico does not manage assets directly, its in-house investment staff identifies and hires external investment managers within each investment category to assist in carrying out Portico's strategy. A list of the Investment Fund's current investment managers is available at *myPortico.PorticoBenefits.org*.

Fees and Expenses

Exhibit A, attached to this Investment Memorandum, provides an example of the fees and expenses charged annually to the Investment Fund. Annuitants share in the allocation of the fees, and expenses are applied at the Investment Fund level.

Portico does not charge sales commissions, exchange/transfer fees, contract fees, or account fees to the Annuity Trust and Investment Fund. The Annuity Trust incurs administrative fees (which cover Portico's personnel costs, overhead, and other administrative expenses) and investment management fees, which include payments to external investment managers, custody fees, and other fees. These fees are stated as an annual percentage of Annuity Trust assets and are charged to the Investment Fund monthly.

Annuity Payments

Overview

In exchange for your investment in the Annuity Trust, you will receive monthly annuity payments from the Annuity Trust based upon the factors outlined herein. Subsequent annuity payment amounts may increase or decrease based on the investment performance and mortality experience of the Investment Fund.

The amount you invest in the Annuity Trust is the basis for receiving variable annuity payments from the Annuity Trust. Please note:

- Once you have submitted your annuity payment application form, your decision to annuitize becomes irrevocable. After you submit your form, annuitized assets are placed in the Annuity Trust and cannot be withdrawn in whole or in part.

- Once you begin to receive your annuity payments, you cannot make any changes regarding those payments.

Interested Parties

Parties to the annuity include you, as the member, and Portico, as Trustee and administrator of the Annuity Trust. Other interested parties include the annuitant, co-annuitant, and the beneficiary, as described below.

- *Member:* In this Investment Memorandum, “you” and “your” refer to the member. The member is named at the time of application. The member is entitled to exercise all rights and privileges provided by the annuity.
- *Annuitant:* The annuitant is the person upon whose life expectancy Portico bases annuity income payments. The annuitant is the member and the owner of the variable annuity income.
- *Co-annuitant:* If you choose anything other than the single-life annuity option, you will have a co-annuitant. With a co-annuitant, payments are made for the joint lives of the annuitant and the co-annuitant with payments continuing for the remaining life of the survivor following the death of either of them. If you are married, your co-annuitant is usually your spouse. If you are married and wish to choose a single-life annuity or designate a co-annuitant other than your spouse, your spouse must provide written, notarized consent to Portico. You cannot change your co-annuitant once your annuity application is processed.
- *Beneficiary:* The beneficiary is the person or entity you name on the form supplied by Portico to receive any remaining annuity benefits upon your death (and co-annuitant’s death, if applicable). You can change your beneficiary/ies at any time by filing a new form with Portico.

Refer to the Glossary on page 28 for additional information on the terms used in this document.

Eligibility
The following individuals are eligible to receive payments from the Annuity Trust as described in this Investment Memorandum:

- Retired members (employees enrolled in the ELCA Retirement Plan and self-employed ministers making their own ELCA Retirement Plan contributions).
- Members who were once sponsored and have separated from service, and alternate payees (such as former spouses) can annuitize upon the Member reaching age 60 or after completing 30 years of service with an eligible employer.
- Surviving spouses.

You can choose to annuitize at any time upon reaching eligibility, up to age 80.

Minimum Amount
The minimum amount that can be annuitized is $20,000.

Redemptions

The Annuity Trust is designed to provide monthly annuity payments over your lifetime, with or without a minimum payout period. To enhance the amount and security of future payments over time, no withdrawals in whole or in part are permitted once assets are invested in the Annuity Trust.

Annuity Payment Options

When you start an annuity, you choose from five annuity options described below. The option you choose determines the amount you will receive in monthly annuity payments, as well as the amount your co-annuitant or beneficiary will receive after you or your co-annuitant dies.

If you choose anything other than a single-life annuity, you'll have a co-annuitant — an additional life that is considered when determining income and annuity payments. If you are married, your co-annuitant is usually your spouse. If you choose a single-life annuity or designate a co-annuitant other than your spouse, your spouse must provide written, notarized consent to Portico.

Your initial payment will be received on or about the last business day of the month in which you annuitize, unless circumstances beyond our control prevent your application from being processed in a timely manner (e.g., investment market interruptions, failure of a vendor to process information correctly). Subsequent annuity payments also will be received on or about the last business day of each month.

There are certain rules you must follow in your election of annuity options, co-annuitants, and beneficiaries, which are explained in this section. Once your annuity payments have begun, you cannot change your annuity option or your co-annuitant. You can, however, change your beneficiary under the 15-year minimum payout option. Before you make any election, carefully review the calculated payments available under all of the options. **Your annuity option selection is important and one you cannot change once your application is processed.**

Single-life annuity (two options)
1. *Single-life annuity with no minimum payout:* This annuity option provides monthly payments that end at your death. This option provides the highest initial monthly payment because it has no payouts to a co-annuitant or a beneficiary.
2. *Single-life annuity with 15-year minimum payout*: This annuity option provides monthly payments for at least 15 years (180 months) and thereafter until your death. If you die before receiving 180 monthly payments, your designated beneficiary will receive the remainder of the 180 payments or an equivalent lump-sum payment.
Surviving spouses and certain designated beneficiaries can select only from these two single-life annuity options when annuitizing their inherited retirement plan assets. If the surviving spouse is 70½ or older, the only annuity option available is single-life with no minimum payout. Sponsored members and former members can choose either a single-life or a joint-life annuity.

Joint-life annuity with 15-year minimum payout (three options)
This annuity option provides monthly payments for at least 15 years (180 months) and thereafter until you and your co-annuitant's death. If both you and your co-annuitant die before receiving 180 monthly payments, your designated beneficiary will receive the remainder of the 180 payments or an equivalent lump-sum payment. At the time you annuitize, you choose what percentage of the annuity payment will be continued for the survivor (i.e., you or your co-annuitant) from the following:
1. 60% of the amount received when you both were living
2. 80% of the amount received when you both were living
3. 100% of the amount received when you both were living (i.e., the same amount)
If you haven't selected an annuity option on your *Application for ELCA Participating Annuity Payments* form, and are married, your annuity option will default to the *Joint-life annuity with 15-year minimum payout* with 100% payable to the survivor. If you haven't selected an annuity option on your application form, and you are single, your annuity option will default to the *Single-life annuity with 15-year minimum payout*.

The following example compares initial monthly annuity payments under the five annuity options available. The example assumes $100,000 annuitized in 2023; the member and co-annuitant are both age 67; and the Funded Ratio for the Investment Fund is 1.000 as of the last day of the month prior to annuitization. The example does not account for taxes or deductions from the payment. An actual initial annuity payment is based on each member's unique information and could be higher or lower.

Annuity Option Examples	**Initial Annuity Payment Amount***
Single-life annuity with no minimum payout	$630.30
Single-life annuity with 15-year minimum payout	$590.69
Joint-life annuity with 60% to survivor and 15-year minimum payout	$599.12
Joint-life annuity with 80% to survivor and 15-year minimum payout	$563.49
Joint-life annuity with 100% to survivor and 15-year minimum payout	$531.86
**For illustrative purposes only; actual payments may be higher or lower.*	

Initial Annuity Payment Calculation

An initial annuity payment is calculated based on the following:

- Amount annuitized
- Life expectancies of the collective population within the Annuity Trust
- Life expectancy of the annuitant (and co-annuitant, if applicable)
- Assumed investment return
- Annuity option (including the percentage that would continue to any co-annuitant and the 15-year minimum payout, if applicable)

An initial annuity payment also reflects a one-time adjustment based on the Investment Fund's Funded Ratio as of the last day of the month before annuitization. The Funded Ratio is the ratio between the market value of the Investment Funds net assets and its related benefit obligation.

Explanation of Initial Adjustment

A new annuitant receives the same future annuity adjustments as all other annuitants. Those future adjustments are based on the Investment Fund's Funded Ratio, which includes the impact of any funding surplus or shortfall that existed at the time of annuitization. In an effort to treat both existing and new annuitants equitably, Portico adjusts the initial payment amount for each new annuitant by a factor of 1 divided by the Funded Ratio. The goal of this initial adjustment is for the new annuitant to participate only in the Investment Fund's future experience.

Portico retains the absolute, sole discretion to change the adjustment methodology at any time without notice. The current method used to determine an initial adjustment is outlined below.

Examples

- If the Funded Ratio is 1.100 as of the last day of the month before Mary annuitizes, her initial annuity payment is decreased by a factor of 0.909 (1 divided by 1.100). As a result, Mary will receive a lower initial annuity payment, but if the Funded Ratio remains above 1.000, she will receive an increase in her annuity payment when the next periodic annuity payment adjustment is calculated.
- If the Funded Ratio is 0.900 as of the last day of the month before Mary annuitizes, her initial annuity payment is increased by a factor of 1.111 (1 divided by 0.900). As a result, Mary will receive a higher initial annuity payment, but if the Funded Ratio remains below 1.000, she will receive a decrease in her annuity payment when the next periodic annuity payment adjustment is calculated.

To receive an annuity payment estimate, contact a Portico Financial Planner or use the online calculator at *myPortico.PorticoBenefits.org*. Estimates from the calculator are for informational purposes only and will vary from the actual monthly annuity payment amount.

Periodic Annuity Payment Adjustments

Annuity payments are not fixed and will vary based on the investment performance and mortality experience of the Investment Fund. This means that when periodic annuity payment adjustments are calculated for the next calendar year, monthly annuity payment amounts can be adjusted up or down.

After annuitizing, monthly annuity payments are adjusted by Portico, typically each January. Periodic adjustments are based currently on the Investment Fund's Funded Ratio as of September 30 of the prior year. Portico retains the absolute, sole discretion to change the adjustment methodology at any time without notice. The current method provides that if the Funded Ratio is 1.000, no adjustment will be made. If the Funded Ratio is greater than or less than 1.000, annuity payments may be adjusted according to the following guidelines:

- If the Funded Ratio is greater than 1.000, annuity payments increase by 1/3 of the surplus.
- If the Funded Ratio is less than 1.000, but greater than 0.850, annuity payments decrease by 1/3 of the shortfall.
- If the Funded Ratio is equal to or less than 0.850, but greater than 0.750, the decrease will be 5% plus 50% of the funding shortfall below 0.850.
- If the Funded Ratio is equal to or less than 0.750, the decrease will be 10% plus 100% of the funding shortfall below 0.750.

Annuity adjustments are subject to approval by Portico's board of trustees and may differ from the formula described herein.

Multiple Annuities

You can purchase up to six separate annuities. This means you can choose different annuity start dates, co-annuitants, and/or different beneficiaries, as well as different options for each annuity. You will receive separate IRS tax forms (e.g., *Form 1099*) for each annuity. If you receive your own annuity as well as a separate annuity as a surviving spouse, your surviving spouse annuity is not considered a second annuity for the purpose of determining whether you have reached your six-annuity maximum.

Re-Employment and Annuity Payments

If you have annuitized and subsequently are re-employed by an employer who sponsors you in the ELCA benefits program, your annuity payments will continue. Any contributions you and your employer make to your retirement account following your re-employment will remain separate from your participating annuity and will be invested in the ELCA Retirement Plan's investment fund(s) of your choice.

If You Die While Receiving Annuity Payments

If you die while receiving annuity payments and have a surviving co-annuitant, payments will continue to your co-annuitant based upon the annuity option you chose at the time you annuitized. If your co-annuitant later remarries, your co-annuitant's annuity payments won't be reduced as a result of the marriage. If you chose the 15-year minimum payout feature and don't have a co-annuitant when you die, or both you and your co-annuitant die, any remaining payments will be made to your designated beneficiary either monthly or as an equivalent lump-sum payment.

From the time of your death until complete distribution of any remaining annuity payments is made, annuity payments will be subject to the periodic adjustment process described earlier.

If You Divorce While Receiving Annuity Payments

If you divorce while receiving annuity payments, your alternate payee will receive the assigned portion, if any, of each annuity payment as determined by the qualified domestic relations order (QDRO). The QDRO will not change the amount of any annuity payment, but it may change the individual(s) to whom the annuity is paid. Please contact the Portico Customer Care Center for more information.

Confirmation of Annuity Payments

Annuity payments are received by mail or directly deposited into your checking or savings account generally on or around the last business day of the month. Monthly payments are made based upon the annuity option you selected. Prior to receiving your initial payment, Portico will issue a confirmation of the annuity option you elected and the amount of your first payment.

Tax Information and Housing Allowance Exclusion

Section 72 of the Internal Revenue Code of 1986, as amended ("Code") governs taxation of annuities in general. Income taxes are generally due on your annuity payments as you receive them (except for those dollars in each annuity payment that represent after-tax contributions). However, if you are a retired member of the clergy, Portico will designate

100% of every annuity payment as eligible for the clergy housing allowance exclusion from federal gross income (as long as the money was contributed while you were performing services as a minister). This means that, if you are eligible for the housing allowance under Code §107, you can exclude such payments from income tax to the extent they are used to provide housing and do not exceed Code §107 limits.

If you used post-tax contributions to fund all or part of your annuity, your annuity payments will be taxable at ordinary income rates to the extent they are not based upon those post-tax contributions. The post-tax contribution amount of your annuity payment that is excluded from income tax is determined by dividing the cost basis of the annuity (the amount funded by the post-tax contributions) by the fixed or estimated number of years for which income payments are to be made. No exclusion is allowed with respect to any payments received after the investment in the annuity has been recovered (i.e., when the total exclusion amount equals the investment in the annuity).

Portico does not provide tax advice. We provide members with certain written tax information of general application to help them understand the way in which we administer our plans. For distribution consequences, tax questions, or advice specific to you, consult with your own tax or legal adviser.

Financial Statements

Attached as Exhibit B is the Annuity Trust's Financial Statements which includes information about all assets and liabilities of the Annuity Trust. The Annuity Trust is impacted by mortality experience and investment performance of the Investment Fund.

Portico's financial statements should be considered only as bearing upon its ability to meet its obligations to the Annuity Trust. Portico's financial statements do not bear on the future investment experience of the assets held within the Annuity Trust. All annuity benefits are provided exclusively from ELCA Participating Annuity Trust assets, and only to the extent the Annuity Trust is adequate. Portico's financial statement can be found in Portico's *Annual Report* available on *PorticoBenefits.org.*

While this Investment Memorandum describes the Investment Fund's anticipated investments and operation, an annual report for the Investment Fund is also prepared that details the Investment Fund's actual investments at the end of the reporting period. This report includes a discussion of the Investment Fund's recent performance, as well as market and general economic trends affecting the Investment Fund's performance.

Other Information About the Annuity Trust

Amendments
When permitted by law, Portico may make changes to the Annuity Trust or its operations as may be required by applicable law or regulation. Also, the ELCA Churchwide Assembly, the ELCA Church Council, and/or Portico may propose additional amendments to the Annuity Trust. All proposed amendments must be submitted to Portico for recommendation before final action is taken. Amendments to the Annuity Trust are subject to the following approvals:

- Portico's president will approve amendments involving no change in policy and little or no change in cost and/or benefits. Amendments approved by the president will be reported to Portico's board of trustees.
- The ELCA Church Council will approve amendments involving a significant change in policy and/or a significant change in cost and/or benefits. The ELCA Church Council may, in its sole discretion, submit any proposed amendment to the ELCA Churchwide Assembly for final action.
- Portico's board of trustees will approve all other amendments. Amendments approved by the board of trustees will be reported to the ELCA Church Council.

Without limitation as to the type of amendment that may be made, amendments may: allow for investment options in addition to the Investment Fund; replace the current mortality table used for the Investment Fund; result in mortality experience being calculated at the Annuity Trust level instead of the Investment Fund level. Portico will notify annuitants of any amendment that adversely affects annuitant rights within the Annuity Trust.

Voting Privileges
Annuitants and co-annuitants do not have individual voting rights in the Investment Fund.

Legal
Portico Benefit Services, in the normal course of business, may from time to time be involved in legal or regulatory proceedings concerning matters arising in connection with its business activities. The outcome of any potential, unforeseen claims is inherently difficult to predict.

Additional Information
Please refer to the *Summary Plan Description for the ELCA Retirement Plan* document for additional details regarding eligibility to annuitize, designating beneficiaries, disposition of participation in the Annuity Trust upon death or divorce, termination of the Annuity Trust, and certain administrative and other matters that apply to the Annuity Trust as part of the ELCA Retirement Plan.

Existing Bridge Accounts

As a component of certain predecessor church plans, some members were invested in the ELCA Participating Annuity Investment Fund through a bridge account, which provided them an opportunity to participate in the Investment Fund prior to annuitizing. This option is no longer available and no new contributions can be made to an existing bridge account.

Members who currently have a bridge account participate in the Investment Fund and have their account balances adjusted monthly using an interest-crediting rate until they annuitize these assets. Portico retains the absolute, sole discretion to change the adjustment methodology at any time without notice.

Members who currently have a bridge account have all the rights and obligations afforded to all other participants within the Investment Fund. Bridge account holders participate in the gains and losses of the Investment Fund over time. Portico evaluates the Investment Fund regularly and determines any annuity adjustment and/or related bridge account interest-crediting rate based on investment performance and the Investment Fund's Funded Ratio. Currently, the bridge account interest-crediting rate is based on the annual annuity adjustments declared each fall by Portico's board of trustees.

When a member with a bridge account annuitizes, an initial adjustment is applied to the annuity payment. Currently, this adjustment is a fraction of the current year's annuity adjustment, based on the number of months the annuity payment will be made during the first year of annuitization.

- The minimum bridge account amount a member can annuitize is $6,750 or, if less, the entire balance.
- A bridge account holder:
  - May annuitize after the member reaches age 60, regardless of employment status, and
  - Must annuitize no later than April 1st of the year following the calendar year in which the member reaches age 72 or retires from service, if later, and
  - Must annuitize prior to the attainment of age 80, regardless of employment status.
- No new contributions can be made to a bridge account.

If the Designated Beneficiary of an ELCA Participating Annuity Bridge Account is not a natural person (e.g., an Estate or Trust) or an Eligible Designated Beneficiary as defined in the ELCA Retirement Plan, the funds shall be transferred from the ELCA Participating Annuity Bridge Account and into the default Investment Fund for investment or distribution.

PRINCIPAL INVESTMENT STRATEGIES AND PRINCIPAL INVESTMENT RISKS

Portico is responsible for establishing the investment objectives and strategies for the Investment Fund. Portico may change the investment objective or the principal investment strategies, or both, without the approval of members investing in the Investment Fund.

If there is a material change to the investment objective or principal investment strategy, you should consider whether the Investment Fund remains an appropriate investment for you for any additional future annuitizations. However, you will not be able to withdraw any amounts already invested. There is no guarantee that the Investment Fund will achieve its investment objectives.

Where Portico does not manage assets directly, Portico's investment staff identifies and hires external investment managers in each investment category to assist in carrying out Portico's strategy. Portico reserves the right to change investment managers from time to time without notice. A list of the investment managers for the Investment Fund is available on our website at myPortico.*PorticoBenefits.org*.

ELCA Participating Annuity Investment Fund

Investment Objective
The Investment Fund is a multiple asset class fund that seeks to help enable the Annuity Trust to provide members with a source of variable income and to achieve long-term returns in excess of the annuity's assumed investment return. The Investment Fund may be suitable for investors who are comfortable with investment risk and desire the potential for consistent income over the long term more than the potential to lessen year-to-year changes (up or down) in income. "Long term" is typically defined as 10 or more years.

The investment objective of the Annuity Investment Fund should be considered when deciding whether to annuitize as a member cannot change his or her investment allocation to the Annuity Investment Fund once the member has submitted annuity paperwork.

Principal Investment Strategies
The Investment Fund seeks to achieve its investment objective by investing in the following target asset allocation:

Asset Type	Fund's Target Asset Allocation as of 1/1/23
U.S. stocks	17%
Non-U.S. stocks	17%
Alternative equity	6%
Core bonds	22%
Inflation-indexed bonds	8%
Long U.S. Treasury STRIPS	5%
High-yield bonds	10%
Bank loans	5%
Real assets	10%
Total	**100%**

NOTE: The Investment Fund is managed within ranges around this target asset allocation. Therefore, at any one time the actual allocation may be different.

As the Investment Fund is managed within ranges of its target asset allocation, its actual allocations at any given time may vary. The investment strategy and target asset allocation for the Investment Fund are subject to change without notice. Currently, the Investment Fund invests in investment pools managed under the supervision of Portico.

The asset classes shown above are not necessarily mutually exclusive, and judgments are made in assigning specific assets held by the Investment Fund to an asset class. For example, the Investment Fund includes an allocation to real assets, which is the asset class used to describe tangible items such as real estate, timberland, oil and gas, etc. Real assets can be purchased directly or indirectly through a variety of investment instruments. The Investment Fund's real assets component is currently invested primarily in equity securities, which may include, among others, real estate equity securities (such as stock of real estate investment trusts (REITs)), and energy and energy-related equity securities. In addition, real assets may also include equity investments in private market instruments such as real estate partnerships.

Portico carefully evaluates the Investment Fund's investment objective when setting the target asset class allocation, and Investment Fund investments are distributed with the intent of providing prudent diversification and limiting undue concentration of portfolio positions. Portico's long-term asset allocation policy is a dominant factor in influencing the securities included in the overall portfolio. Portico has an asset rebalancing policy that addresses the Investment Fund's underlying asset class exposures and complements the long-term target allocation policy. Rebalancing is implemented as a means to manage risk. A passive rebalancing approach has been adopted and involves a complete rebalancing to long-term target allocations upon reaching an established threshold for an asset class range.

Stock allocations are invested in diversified portfolios of common stocks listed on national securities exchanges. The Investment Fund may also invest in stocks that are traded over-the-counter and in other equity-related securities; in non-U.S. stocks or equity-related securities; and in less liquid, non-traditional alternative equity investments in the form of equity or debt, public or private, instruments. The Investment Fund may make short sales on occasion.

Alternative equity investments comprise numerous segments, and may include U.S. venture capital, U.S. buyout and growth equity, non-U.S. alternative equity, other private markets, and liquid alternative investments. The Investment Fund's alternative equity allocation may include exposure to each of these investment types.

The core bonds allocation are invested generally in diversified portfolios of publicly traded fixed-income securities. Fixed-income securities, including foreign securities and Rule 144A securities, are eligible as long as the borrowers meet the Investment Fund's investment-grade credit quality standards.

The inflation-indexed bond allocation is invested primarily in inflation-indexed obligations of the U.S. Treasury.

The Long U.S. Treasury STRIPS component is primarily invested in Long U.S. Treasury securities and STRIPS (Separate Trading of Registered Interest and Principal of Securities) obligations of the U.S Treasury.

The high-yield bonds allocation is invested in diversified portfolios of instruments rated below the equivalent of Baa/BBB. These instruments may be publicly traded or privately placed.

The bank loans component is invested primarily in a diversified portfolio of US Dollar-denominated secured floating rate bank loans issued by corporations. These instruments will be publicly traded.

The real asset component will be invested in diversified portfolios, with potential exposure to core and non-core commercial real estate (office buildings, retail, and industrial properties) and natural resources (timber, oil and gas, etc.). Investments may be relatively liquid (open-end funds, REITs) or illiquid (closed-end funds and limited partnerships).

Principal Investment Risks

The Investment Fund is suitable for investors who are comfortable with investment risk and desire the potential for growing income over the long term more than the potential to lessen year-to-year changes (up or down) in income. The investment objective of the Investment Fund should be considered as part of the decision to annuitize as a member cannot change the allocation of her or his investment in the Investment Fund once the member has submitted the paperwork for the annuity. All investments carry some degree of risk that will affect the value of the Investment Fund's investments and its investment performance. As a result, there is a risk the Investment Fund may lose money over short or extended periods and annuity payments may decrease. The following summarizes the principal risks that apply to the Investment Fund.

Management Risk

The process used by investment managers in selecting the specific securities in which the Investment Fund will invest includes economic and valuation considerations as well as diversification benefits. The investment managers' skill in choosing appropriate investments will affect the ability of the Investment Fund to achieve its investment objective. If the investment managers' assumptions about the prospects for individual securities are incorrect, this may result in losses in the Investment Fund's investment in such security, which can also result in possible losses overall for the Investment Fund. The investment process used by the investment managers and the investment managers themselves, may change at any time, without notice.

Equity Securities Risk

The Investment Fund is expected to invest in equities of issuers in a variety of sectors including, but not necessarily limited to large-capitalization, medium-capitalization and small-capitalization, both domestic and international, and both growth and value companies. Through its investments, the Investment Fund will be exposed to equity securities risk. The prices of stocks can rise or fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political, or market conditions. The Investment Fund's investments may decline in value if the stock markets perform poorly. There is also a risk that the Investment Fund's investments will underperform either the securities markets generally or particular segments of the securities markets. Additional equity securities risks are set forth below.

- *Small- and Medium-Capitalization Companies:* The Investment Fund is expected to invest in equities of companies with small- to medium-sized market capitalizations. Investing in these companies involves higher risks in some respects than investments in equities of companies with larger capitalizations. Prices of small-capitalization and even medium-capitalization equities are often more volatile than prices of large-capitalization equities. In addition, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. Also, due to thin trading in some small-capitalization equities, an investment in those equities may be illiquid.
- *Growth and Value Companies:* By investing in a mix of growth and value companies, the Investment Fund assumes the risks of both. Investors often expect growth companies to increase their earnings at a certain rate. If these expectations are not met, investors can punish the stocks inordinately, even if earnings do increase. In addition, growth companies typically lack the dividend yield that may

cushion stock prices during market downturns. Value companies are subject to the risk that they may never reach what the investment manager believes is their full market value, either because the market fails to recognize a stock's intrinsic worth or the investment manager misgauged that worth. They also may decline in price, even though in theory they are already undervalued.

Alternative Equity Risk

The Investment Fund invests in alternative equity to potentially enhance returns. Alternative equity investments involve more complex organizational structures and investment strategies, longer time horizons, and higher fees than publicly traded equities. In addition, valuation of private equity investments is more complex due to a lack of easily observed market values therefore relying on investment manager judgment to value portfolio companies prior to their sale or other liquidity event. The Investment Fund has limited the allocation of investments to private equity in a way that is designed to address the unique characteristics associated of the fund, including cost, complexity, and liquidity. In addition, practices are in place related to liquidity and valuation designed to permit the Investment Fund to provide liquidity.

Alternative equity markets' potential risk levels are notably higher than other asset classes in some investment funds, including U.S. and non-U.S. public market equities. Alternative equity risks include long-term investment commitments and significantly greater illiquidity risks, higher business risks (as associated with early-stage venture capital), higher financial leverage (as associated with leveraged buyouts), lower levels of information quality, accessibility, and transparency, and active participation in companies by general partners/managers. Over longer historical time periods, the dispersion of returns across alternative equity investors has been extremely wide, particularly with respect to general partners/managers as well as across market segments and investment cycles. It is anticipated that this will continue in the future.

Most alternative equity investments are valued by their general partner/manager using a "fair value" methodology dictated by their organizational documents, and the valuation methods used by different general partners/managers will vary. The values of investments as determined under these methods do not necessarily reflect the price at which the investments could currently be sold in an arm's length transaction. Thus, measuring the performance of an alternative equity investment prior to the full realization of its portfolio involves substantial uncertainty. This could both limit your ability to gauge the alternative equity investment's ongoing performance, and the ability to evaluate the past performance of the sponsors of prospective alternative equity investments. For this and other reasons, it is difficult to value alternative equity investments.

There can be no assurance that any such valuation will accurately reflect the price the funds would receive upon sale of a security, and the funds may in fact sell a security at a price lower than the price the funds have been using to value the security.

Fixed-Income Securities Risk

The Investment Fund is expected to invest in fixed-income securities, including, but not necessarily limited to, U.S. Treasury bonds (including STRIPS) across all maturities, investment-grade corporate bonds, mortgage-backed securities, bank loans, and high-yield corporate bonds. Through its investments, the Investment Fund will be exposed to fixed-income risks described below:

- *Credit Risk:* Credit risk is the risk that issuers or guarantors of debt instruments or the counterparty to a derivatives contract, repurchase agreement, or loan of portfolio securities is unable or unwilling to make timely interest and/or principal payments, or to otherwise honor its obligations. U.S. Treasury bonds have minimal credit risk because they are backed by the U.S. government's full faith and credit. Certain securities issued by U.S. government-sponsored entities, such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Home Loan Banks are not guaranteed by the U.S. government, and no assurance can be given that the U.S. government would provide financial support to its agencies or instrumentalities where it is not obligated to do so. Additionally, corporate bonds are subject to greater credit risk than U.S. government bonds, and high-yield bonds are subject to greater credit risk than higher-quality bonds. High-yield bonds are commonly referred to as "junk bonds" and are subject to a substantial degree of credit risk.

- *Change in Rating Risk:* A credit rating is a measure of an issuer's expected ability to make all required interest and principal payments in a timely manner. An issuer with the highest credit rating has a very strong degree of certainty (or safety) with respect to making all payments. An issuer with the second-highest credit rating has strong capacity to make all payments, but the degree of safety is somewhat less. If a rating agency gives a debt security a lower rating, the value of the debt security will ordinarily decline because investors will demand a higher rate of return. Lower-rated debt securities, including high-yield bonds, carry greater investment risk, including the possibility of issuer default and bankruptcy and increased market price volatility. Bonds rated below investment-grade tend to be less marketable than higher-quality bonds because the market for them is less broad. The market for unrated bonds is even narrower.

- *Interest Rate Risk:* Interest rate risk is the risk that bond prices will decline over short or even long periods due to rising market interest rates. All bonds, including those issued by the U.S. government and its agencies, are subject to interest rate risk. Their prices tend to move in the opposite direction from market interest rate movements. When interest rates go up, bond prices tend to fall; when rates fall, prices tend to rise. Bonds with longer maturities are affected more by interest rate movements than bonds with shorter maturities, bonds with interest rate reset provisions, notes, or money market instruments. If prices throughout the economy were to decline over time, resulting in "deflation," the principal and income of inflation-protected bonds held by the Investment Fund may decline in price, which would result in losses for the Investment Fund.

- *Prepayment and Extension Risk:* Prepayment risk is the risk that during periods of falling interest rates, an issuer of securities may be able to repay principal prior to the security's maturity causing the Investment Fund to have to reinvest in securities with a lower yield. Extension risk is the risk that when interest rates rise, certain securities will be paid off substantially more slowly than originally anticipated and the value of those securities may fall sharply. Both prepayment risk and extension risk may result in a decline to the Investment Fund's income.

- *Duration Risk:* Prices of fixed-income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities.

- *Debt Liquidity Risk:* There may be little trading in the secondary market for particular bonds, other debt securities, or derivatives, which may make them more difficult to value, acquire, or sell.

Real Assets Risk
Investments in real assets involve a high degree of risk, including significant financial, operating, and competitive risks, and expose the Investment Fund to adverse macroeconomic conditions, such as a rise in interest rates or an economic downturn in a country in which a real asset is located, elevating the risk of loss. Also, real asset investments involve exposure to business cycles, local economic conditions, and other factors that may not be present with other types of investments. These risks may be increased for investments in real assets located outside the United States.

Derivatives Risk
The Investment Fund may invest in financial futures and options and may invest in other commodities indirectly through the Investment Fund's allocation to alternative equity and private market partnership investments. Commodity prices can be volatile and may be either directly or indirectly affected by a wide range of factors. The Investment Fund may utilize financial futures and options to assist in controlling risk and enhancing portfolio values in a manner that is prudent and intended to further the purposes of the Investment Fund. Accounts, including margin accounts, may be established with securities dealers to implement such commodity positions. Investments may not be made so as to leverage the total size of the Investment Fund.

The Investment Fund may use futures to help remain fully invested by equitizing cash (using cash to buy futures and gain exposure to equities). The Investment Fund may also use forward contracts to reduce the risk of foreign currency fluctuations. The Investment Fund manages exposure to short-term currency fluctuations in foreign securities by purchasing foreign currency contracts. These contracts are marked to market daily. The gains and losses on foreign currency contracts are netted against the gains and losses on the underlying foreign securities. The Investment Fund could be exposed to risk if the value of the currency changes unfavorably, if the counterparties to the contract are unable to meet the terms of their contracts, or if the Investment Fund is unable to enter into a closing position.

Derivative prices can be volatile and may be either directly or indirectly affected by a wide range of factors, including changes in overall market movements, real or perceived inflationary trends, commodity index volatility, changes in interest rates or currency exchange rates, population growth, and changing demographics and factors affecting a particular industry or commodity, such as drought, floods, or other weather conditions, livestock disease, trade embargoes, competition from substitute products, transportation bottlenecks or shortages, fluctuations in supply and demand, tariffs, and international economic, political, and regulatory developments.

Real Estate Investment Risk
Investments of the Investment Fund are expected to include the stock of real estate investment trusts (REITs), investment builders, residential builders, developers, or other companies engaged in various aspects of the real estate business or that hold significant real estate assets. The Investment Fund's real estate investments will be comprised principally of equity-related real estate securities and may be invested in stocks that are listed on national securities exchanges or traded in the over-the-counter market.

Investment in equity securities in the real estate sector is subject to many of the same risks associated with the direct ownership of real estate, such as adverse changes in national, state, or local real estate conditions (resulting from, for example, oversupply of or reduced demand for space and changes in market rental rates), obsolescence of properties, changes in the availability, cost, and terms of mortgage funds, and the impact of tax, environmental, and other laws.

Foreign and Emerging Market Securities Risk

The Investment Fund is expected to invest in securities that are issued outside the United States. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations, and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets, and greater volatility.

Some foreign markets are considered to be emerging markets. Investment in these emerging markets is subject to a greater risk of loss than investments in a developed market. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shutdown, and more governmental limitations on foreign investment policy than those typically found in a developed market.

Short Sale Risk

In order to help meet its investment objective, the Investment Fund may make short sales. Short sales involve selling a security it does not own in anticipation that the security's price will decline. Short sales expose the Investment Fund to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the portfolio.

Turnover Risk

The Investment Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs. These costs, which are not reflected in annual Investment Fund operating expenses, affect the Investment Fund's performance.

Stale Price Risk/Fair Value Pricing Risk

Normally securities listed or traded on a regulated market or certain over-the-counter markets for which market quotations are readily available shall be valued at the last traded price as of the valuation day. However, some securities traded on exchanges outside the US use a systematic fair valuation model provided by an independent third party to value securities traded on such markets in order to adjust for stale pricing which may occur between the close of foreign exchanges and the valuation day. If a security is valued using fair value pricing, an investment fund's value for that security is likely to be different from the last traded price for that security. In addition, some investment funds hold privately held illiquid limited partnership interests, which are valued quarterly on an appraisal basis by the general partner/investment advisor. These limited partnership interests have stale price risk as there are no observable price quotes from recognized securities exchanges available, as a result daily pricing of these securities are based on a quarterly valuation, while taking into account any cash transaction into or out of the partnership in between quarterly values. There can be no assurance that any such valuation will accurately reflect the price the portfolio would receive upon sale of a security, and the portfolio may in fact sell a security at a price lower than the price it has been using to value the security.

Liquidity Risk
The Investment Fund contains illiquid investments (assets that may not be sold or disposed of in the ordinary course of business within a 31 consecutive calendar day period at approximately the value at which the fund has valued the assets) to enhance the fund's projected long-term returns.

Management of the Investment Fund

Investment Manager
Portico Benefit Services located at 7700 France Ave. S., Ste. 350, Minneapolis, MN, 55435-2802, acts as the investment manager to the Investment Fund. The Board of Pensions of the Evangelical Lutheran Church in America began doing business on March 2, 1987, as a Minnesota non-profit corporation under the Minnesota Non-Profit Corporation Act. The Board of Pensions of the Evangelical Lutheran Church in America is doing business as Portico Benefit Services. Portico administers the retirement, health, and related benefit plans for the ELCA and manages the trusts for the benefit plans as well as the trusts for two predecessor church plans. Portico has been managing investments since 1988, and longer if investment management experience under predecessor church plans is considered. Assets under management from all benefit plans were $7.9 billion as of 12/31/2022. Portico is responsible for the overall management of the Investment Fund's business affairs. Portico invests the Investment Fund's assets either directly or through one or more external investment managers, per the Investment Fund's investment objective, policies, and restrictions.

Portico is not registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended, or under any comparable local, state, or federal law or statute. The Investment Fund is also not registered under the Investment Company Act of 1940 in reliance upon an exemption from registration.

External Investment Managers

Portico is responsible for selecting any investment managers used within the Investment Fund. Where Portico does not manage assets directly, its in-house investment team identifies and hires appropriate external investment managers within each investment category to assist in implementing an established investment strategy. Investment managers are engaged to manage Investment Fund investments in accordance with the Investment Fund's investment objective, policies, parameters, and any other investment guidelines established by Portico. A list of current Investment Fund managers is available at myPortico.*PorticoBenefits.org* after sign-in.

Investment Unit Staff

Members of Portico's Investment Unit staff primarily responsible for Investment Fund management are identified below.

David J. Quello, Chief Investment Officer

David rejoined Portico in April of 2020 as Chief Investment Officer. His responsibilities include leading the Investment program, serving as a member of the Executive Team providing organization-wide leadership and supporting business development and relationship management for existing and prospective customers' investment activities.

Prior to joining Portico, David served as the Chief Investment Officer for Waycrosse, a local family office. Previous to that he worked at Portico where he led the private equity and real asset programs. David also worked at Thrivent Financial in their Investment Unit as a Manager of Quantitative Research.

David earned an MBA in Finance and MIS from the University of MN, Carlson School of Management, and a BA from Luther College. He is a CFA charter holder, a member of the CFA Institute and the CFA Society of Minnesota.

David A. Lecander, Senior Investment Manager, Investment Strategies & Policies
Dave joined Portico in September 1990. He is responsible for developing investment philosophy, investment policies, asset allocation strategies, active management performance objectives, asset class strategies and policies, investment risk management, and applied investment research. He also leads staff activities for Portico's board of trustees' Investment and Corporate Social Responsibility Committee (ICSRC).

Prior to Portico, Dave worked at Cargill Financial Markets as a distressed debt securities analyst and at U.S. Bank as a corporate banking officer. He earned an MBA in Finance from the University of Chicago, Booth School of Business, and a Bachelor of Science degree in Finance with high distinction from the University of Minnesota, Carlson School of Management. He is a CFA Charterholder, and a member of both the CFA Institute and the CFA Society of Minnesota.

Josh Stieler, Senior Investment Manager, Investment Implementation
Josh joined Portico in August 2004. He is responsible for overseeing the implementation of Portico's public and private market investment programs.

Prior to Portico, Josh worked at Strong Capital Management, where he traded and administered separately managed accounts.

Josh earned his MBA from the University of Minnesota, Carlson School of Management and his Bachelor's degree in Finance from the University of Wisconsin – Eau Claire. He is a CFA Charterholder, and a member of both the CFA Institute and the CFA Society of Minnesota.

Other Information

Valuing the Investment Fund

The Investment Fund custodian contracts with outside pricing vendors to value securities held within the Investment Fund based on asset type, class, and/or issue. The custodian monitors prices supplied by these vendors and may use a secondary vendor or change a primary vendor designation if a price for a particular security is not received from the primary vendor, or when the primary vendor no longer prices a particular asset type, class, or issue. The custodian may use more than one vendor, when available, to assess reasonableness. Vendor-provided prices are subject to automated tolerance checks as a means of identifying and avoiding, where possible, the use of inaccurate prices.

Securities not priced by a vendor (including some private placements, commingled funds, limited partnerships, select derivatives, and real estate assets) are priced by the custodian. In cases where the custodian cannot obtain a price for a security type or asset from its list of vendors or from a client-directed source, back-up procedures supplied by Portico are implemented.

Participating in the Investment Fund
The Investment Fund is available through the Annuity Trust to members only through the purchase of certain immediate participating annuities issued by Portico. Members who annuitize some portion of their retirement account through Portico allocate assets to the Annuity Trust, which invests solely in the Investment Fund.

The Investment Fund currently purchases units of investment pools managed under Portico supervision. Inter-fund transfers of investment pool units may occur and the value of units transferred will be based on the daily net asset value of the investment pool. There are no commissions or fees associated with such inter-fund transfers. The Annuity Trust is the sole owner of the Investment Fund. Any reference to ‘owner’ or ‘shareholder’ herein generally refers to the Annuity Trust, not to the member.

Portfolio Holdings
Investment Fund portfolio holdings information is available on Portico’s website at *myPortico*. A complete year-end listing of the Investment Fund’s portfolio holdings is posted on the website after year end and remains posted until replaced by information for the following year. At times (e.g., during periods of unusual market conditions), additional information related to Investment Fund holdings may be posted at *myPortico.PorticoBenefits.org*.

Securities Lending
Portico seeks to increase return for the Investment Fund by lending securities held within to brokers, dealers, and other financial institutions. Such loans are secured at all times by cash and liquid non-cash collateral. Portico currently contracts with BNY Mellon Global Securities Lending (lending agent) and BNY Mellon Cash Investment Strategies (cash reinvestment manager) to implement its securities lending program.

The lending agent arranges the terms and conditions for securities loans, and monitors the market value of securities loaned and collateral received; the reinvestment manager directs the investment of cash received as collateral in accordance with security lending and reinvestment guidelines provided by Portico. Assets accepted as collateral are also strictly monitored by the agent and manager, with the objective of ensuring daily liquidity and preservation of capital. Procedures and guidelines provided by Portico are intended to mitigate risks inherent in any extension of credit, including risks of delay in recovery and potential loss of rights in the collateral should the borrower fail financially. These procedures and guidelines are also designed to help protect against potential losses from reinvestment of the cash collateral received for loaned securities.

The securities lending agent’s performance is monitored by Portico on a regular and ongoing basis through review of the agent’s lending and investment activity, including positions, performance, and personnel changes.

GLOSSARY

The following terms, when used throughout this Investment Memorandum, have special meaning. In reading this Investment Memorandum, please refer back to this glossary if you have any questions about these terms.

Alternate Payee	A spouse, former spouse, child, or other dependent of a sponsored member recognized by a QDRO, as having a right to receive all or a portion of the benefits payable under the ELCA Retirement Plan.
Annuitant	The member and the owner of the annuity income.
Annuitize	To exchange a lump sum of money for a series of monthly payments for a specified period. Specified income is payable at stated intervals for a fixed or contingent period of time, usually for the annuitant's life and that of a surviving co-annuitant.
Annuity	A series of monthly payments for a fixed or contingent period of time, in exchange for a lump sum of money, usually for the annuitant's life and that of a surviving co-annuitant.
Annuity Adjustments	Adjustments to monthly annuity payments that reflect the investment performance and mortality experience of the Investment Fund.
Annuity Options	A set of annuity choices presented at the time of purchase, each with different provisions as to the amounts payable to survivors and/or beneficiaries. The option you choose will affect the amount you receive when you start receiving monthly annuity payments, as well as the amount you (or your co-annuitant or beneficiary) receive after one or both of you dies.
Assumed Investment Return	Rate of investment return used by an issuer of an annuity to calculate the payout on an annuity. (The assumed investment return for the ELCA Participating Annuity is currently 4.5%.)
Beneficiary	An individual(s) or entity(ies) you have named to receive your remaining annuity income, upon your death. Available for annuity options with a 15-year minimum payout feature.

Benefit Obligation	The actuarial present value of annuities currently payable (calculated using Portico's current assumed investment rate and mortality experience), plus the sum of bridge accounts that have not yet been annuitized. The benefit obligation is subject to change when the ELCA Participating Annuity Investment Fund's assumed rate-of-return or mortality assumptions are modified, or if other discretionary action is taken that affects the benefit obligation.
Bridge Account	An account for investing money before it is annuitized that is part of the ELCA Participating Annuity Trust and is invested in the ELCA Participating Annuity Investment Fund. This type of account was closed to new investment as of April 3, 2009. All bridge accounts must be annuitized; no transfers, contributions, or withdrawals are available from bridge accounts.
Co-Annuitant	An additional life that is considered for mortality experience when determining income and annuity payments, and receives annuity payments after the annuitant's death.
Custodian	The financial institution that safeguards the Fund's financial assets. Currently, the Bank of New York Mellon acts as custodian of the Investment Fund.
ELCA Participating Annuity	A type of immediate variable annuity that provides an income stream. All annuitants share in the investment performance and mortality experience of the ELCA Participating Annuity Investment Fund and the correlating adjustments to monthly payments, up or down.
ELCA Participating Annuity Investment Fund (Investment Fund)	The investment fund in which the ELCA Participating Annuity Trust allocates a member's retirement plan assets at the time of annuitization. The ELCA Participating Annuity Trust is the sole investor in the Investment Fund.
ELCA Participating Annuity Trust (Annuity Trust)	The trust from which ELCA Participating Annuity payments are made to annuitants. The Annuity Trust is the sole owner of the Investment Fund.
Equity Securities	Ownership interest in a corporation, indicated by shares (which represent a piece of the corporation's assets and earnings); sometimes referred to as stocks.
Fixed-Income Securities	An investment representing a debt of the issuer to investors. Fixed-income investments are assets that pay a fixed dollar amount, such as bonds.

Funded Ratio	The Funded Ratio is equal to the market value of the Investment Fund's net assets, as of any given date, divided by the benefit obligation of the Investment Fund, as of that date.
Immediate Variable Annuity	A variable annuity where payments commence immediately following the annuity purchase. (The ELCA Participating Annuity is a type of immediate variable annuity.)
Inflation	The rate at which the general level of prices for goods and services rises.
Investment Memorandum	This document, which describes the ELCA Participating Annuity Trust and its underlying ELCA Participating Annuity Investment Fund.
Life Annuity	An annuity in which the payments are contingent on the survival of an annuitant or co-annuitant.
Member	Any member, spouse, former spouse, surviving spouse, co-annuitant, or child of any member or any other designated beneficiary who is entitled to annuity payments under the ELCA Participating Annuity Trust.
Mortality Experience	The actual age at death of annuitants, versus the expected age at death.
Net Assets Available	The net assets available are determined by adding the value of the ELCA Participating Annuity Investment Fund's investments, cash, and other assets, and deducting liabilities. The net assets available are calculated at the end of each calendar month.
Portico Benefit Services	The Board of Pensions of the Evangelical Lutheran Church in America is doing business as Portico Benefit Services. It is a Minnesota non-profit corporation. Portico Benefit Services is also referred to as "Portico," "we," "us," or "our" in this document.
QDRO	Qualified Domestic Relations Order. A court order, judgment, or decree that acknowledges the rights of an alternate payee to receive a portion of a retirement account or annuity in cases of divorce or child support.

Real Assets The asset class used to describe tangible items such as real estate, timberland, oil and gas, etc. Real assets can be purchased directly or indirectly through a variety of investment instruments including publicly traded equity securities that may include, among others, real estate equity securities (shares of real estate investment trusts or REITs, etc.), energy, and energy-related equity securities. Real assets may also include equity investments in private market instruments such as real estate partnerships. Real assets have some characteristics of equities (stocks); and in certain respects they may be viewed as increasing the equity allocation of a portfolio.

Return The change in the value of an investment over a specific time period (including any distributions from the investment during that period.) It is usually expressed as a percentage rate on an annualized basis for periods greater than one year.

Risks Principal investment risks are summarized in *ELCA Participating Annuity Investment Fund* beginning on page 19.

Variable Annuities Investment contracts whose issuer pays a periodic amount linked to the investment performance of an underlying portfolio. (The ELCA Participating Annuity is a type of immediate variable annuity.)

EXHIBIT A – FEES AND EXPENSES

Below is an example of the fees and expenses charged annually to the Investment Fund. Annuitants share in the allocation of these fees, and expenses are applied at the Investment Fund level.

Portico does not charge sales commissions, exchange/transfer fees, contract fees, or account fees to the Annuity Trust and Investment Fund.

The Annuity Trust incurs administrative fees (which cover Portico's personnel costs, overhead, and other administrative expenses) and investment management fees, which include payments to external investment managers, custody fees, and other fees. These fees are stated as an annual percentage of Annuity Trust assets and are charged to the Investment Fund monthly.

Administrative fees	0.26%
Investment management fees	
Investment manager fees	0.25%
Custody fees	0.03%
Other fees	0.10%
Total administrative and investment management fees	**0.64%**

NOTE: The above are actual fees and expenses for year ending Dec. 31, 2022. Future costs will vary over time and may be higher or lower.

Certain investments, such as alternative investments, illiquid real assets and money market investments, may be subject to additional fees and expenses at an investment level which will have the effect of reducing the return of the Investment Fund, as reflected in the investments net performance.

EXHIBIT B – ANNUITY TRUST FINANCIAL STATEMENT

2022 SCHEDULE OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

Schedule of Net Assets Available for Plan Benefits as of Dec. 31, 2022 (Dollars in Thousands)	ELCA Participating Annuity Investment Fund ($)
ASSETS	
Investments, at fair value	
Bonds	864,166
Stocks	597,023
Short-term investments	38,150
Mutual funds	160,135
Private equity and real estate investments	273,980
Total investments (Cost $6,896,150)	**1,933,454**
Cash	1,359
Collateral under securities lending program	202,053
Foreign currency contracts	70,189
Swaps/Futures	4,181
Accrued interest and dividends receivable	10,901
Contributions receivable, net of allowance	–
Other assets	519
Due from brokers for securities sales	14,381
Furniture, equipment, and computer software, net	–
Total assets	**2,237,037**
LIABILITIES	
Foreign currency contracts	70,296
Swaps/Futures	4,263
Cash overdraft	–
Payables for securities purchased	31,366
Payables under securities lending program	201,985
Deferred revenue	–
Payables and accrued expenses	1,693
Total liabilities	**309,603**
Net assets available for plan benefits	**1,927,434**
Accumulations and benefit obligations	
Net assets accumulated for active plan members	–
Benefit obligation for annuity plan members	1,902,172
Benefit obligations for health and wellness plan members	–
Total accumulations and benefit obligations	**1,902,172**
Excess (shortage) of net assets over accumulations and benefit obligations	**25,262**

EXHIBIT B – (continued)

2022 SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Schedule of Changes in Net Assets Available for Plan Benefits for the Year Ended Dec. 31, 2022 (Dollars in Thousands)	ELCA Participating Annuity Investment Fund ($)
Additions (Reductions) to Net Assets	
Investment gain (loss)	
Interest and other income	49,401
Dividend income	21,647
Net appreciation (depreciation) of fair value of investments	(370,189)
Other investment gain	1,173
Investment expense	(7,220)
Net investment gain (loss)	**(305,188)**
Contributions	
Employer contributions	–
Member contributions	–
Other contributions	–
Total contributions	**–**
Total Additions (Reductions)	**(305,188)**
Deductions from Net Assets	
Benefit payments	223,577
Withdrawals	–
Fully insured premiums	–
General and administrative expenses	5,163
Total Deductions	**228,740**
Transfers and adjustments	47,397
Net increase (decrease) in net assets available for plan benefits	**(486,531)**
Increase (decrease) in accumulations and benefit obligations	(129,222)
Net change in excess (shortage) of net assets over accumulations and benefit obligations	**(357,309)**
Excess (shortage) of net assets over accumulations and benefit obligations, beginning of period	382,571
Excess (shortage) of net assets over accumulations and benefit obligations, end of period	**25,262**

EXHIBIT C – INVESTMENT FUND SUMMARY PROSPECTUS

Review all information contained herein about the ELCA Participating Annuity Investment Fund (the Investment Fund) and its risks before electing to participate. The complete Investment Memorandum can be found online at *myPortico.PorticoBenefits.org.* This Summary Prospectus only includes portions of the Investment Memorandum.

Investment Objective

The Investment Fund is a multiple asset class fund that seeks to help enable the Annuity Trust to provide members with a source of variable income and to achieve long-term returns in excess of the annuity's assumed investment return. The Investment Fund may be suitable for investors who are comfortable with investment risk and desire the potential for growing income over the long term more than the potential to lessen year-to-year changes (up or down) in income. "Long term" is typically defined as 10 or more years. The investment objective of the Annuity Investment Fund should be considered as part of the decision to annuitize; a member cannot change the allocation of her or his investment in the Annuity Investment Fund once the member has submitted the paperwork for the annuity.

Funded Ratio

Portico tracks the experience of the Investment Fund by monitoring its Funded Ratio. The Funded Ratio as of any date is equal to the market value of the Investment Fund's net assets, as of that date, divided by the benefit obligation of the Investment Fund, as of that date. The benefit obligation of the Investment Fund is the actuarial present value of future annuity payments assuming:

- Annuity payments continue at current levels with no future adjustments other than those provided for by the annuity option selected;
- Survival rates for all current annuitants and co-annuitants follow the mortality tables then used by Portico; and
- Investment returns for the Investment Fund are equal to the assumed investment return.

A Funded Ratio of 1.000 indicates that, based on the assumptions stated above, the assets of the Investment Fund held by the Annuity Trust are exactly sufficient to cover the Annuity Trust's expected future annuity payments. A Funded Ratio above 1.000 indicates a current funding surplus and a potential for future increases in annuity payments. A Funded Ratio below 1.000 indicates a current funding shortfall and a potential for future decreases in annuity payments.

Fees and Expenses

Below is an example of the fees and expenses charged annually to the Investment Fund. Annuitants share in the allocation of these fees, and expenses are applied at the Investment Fund level.

Portico does not charge sales commissions, exchange/transfer fees, contract fees, or account fees to the Annuity Trust and Investment Fund.

The Annuity Trust incurs administrative fees (which cover Portico's personnel costs, overhead, and other administrative expenses) and investment management fees, which include payments to external investment managers, custody fees, and other fees. These fees are stated as an annual percentage of Annuity Trust assets and are charged to the Investment Fund monthly.

Administrative fees	0.26%
Investment management fees	
• Investment manager fees	0.25%
• Custody fees	0.03%
• Other fees	0.10%
Total administrative and investment management fees	**0.64%**

NOTE: The above are actual fees and expenses for year ending Dec. 31, 2022. Future costs will vary over time and may be higher or lower.

Certain investments, such as alternative investments, illiquid real assets and money market investments, may be subject to additional fees and expenses at an investment level which will have the effect of reducing the return of the Investment Fund, as reflected in the investments net performance.

Principal Investment Strategies

The Investment Fund seeks to achieve its investment objective by investing in the following target asset allocation:

Asset Type	**Fund's Target Asset Allocation as of 1/1/23**
U.S. stocks	17%
Non-U.S. stocks	17%
Alternative equity	6%
Core bonds	22%
Inflation-indexed bonds	8%
Long U.S. Treasury STRIPS	5%
High-yield bonds	10%
Bank loans	5%
Real assets	10%
Total	**100%**

NOTE: The Investment Fund is managed within ranges around this target asset allocation. Therefore, at any one time the actual allocation may be different.

The Investment Fund normally invests substantially all of its assets in the above target asset classes to meet its investment objective. The Investment Fund is managed within ranges around the target asset allocation, therefore, at any one time the actual allocation may be different. The investment strategies and target asset allocation for the Investment Fund are subject to change without notice. Currently, the Investment Fund invests in investment pools managed under the supervision of Portico.

The asset classes shown above are not necessarily mutually exclusive, and judgments are made in assigning specific assets held by the Investment Fund to an asset class. For example, the Investment Fund includes an allocation to real assets, which is the asset class used to describe tangible items such as real estate, timberland, oil and gas, etc.

Real assets can be purchased directly or indirectly through a variety of investment instruments. The real assets component of the Investment Fund currently is invested primarily in equity securities which may include, among others, real estate equity securities (such as stock of real estate investment trusts (REITs)), energy, and energy-related equity securities. In addition, real assets may also include equity investments in private market instruments such as real estate partnerships.

In order to help meet its investment objective, the Investment Fund may make short sales.

Principal Investment Risks

The Investment Fund is suitable for investors who are comfortable with investment risk and desire the potential for growing income over the long term more than the potential to lessen year-to-year changes (up or down) in income. The investment objective of the Annuity Investment Fund should be considered as part of the decision to annuitize as a member cannot change the allocation of her or his investment in the Annuity Investment Fund once the member has submitted the paperwork for the annuity. All investments carry some degree of risk that will affect the value of the Investment Fund's investments and its investment performance. As a result, there is a risk the Investment Fund may lose money over short or extended periods and annuity payments may decrease. The following summarizes the principal risks that apply to the Investment Fund.

Management Risk
The Investment Fund's ability to achieve its investment objective depends in part upon the investment managers' skill in selecting particular investments. Significant losses in the Investment Fund may result if the investment managers' judgment about the attractiveness, value, or market trends affecting a particular investment is incorrect. The investment process used by the investment managers and the investment managers themselves, may change at any time, without notice.

Equity Securities Risk
The Investment Fund is expected to invest in equities of issuers in a variety of sectors. The prices of stocks can rise or fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political, or market conditions. The Investment Fund's investments may decline in value if the stock markets perform poorly. There is also a risk that the Investment Fund's investments will underperform either the securities markets generally or particular segments of the securities markets. In addition, the Investment Fund may invest in companies with small- and medium-sized market capitalizations. These companies involve higher risks in some respects than investments in equities of companies with larger capitalizations, such as price volatility, bankruptcy, or insolvency (with the attendant losses to investors) and illiquidity. Furthermore, because the Investment Fund may invest in a mix of growth and value companies, the Investment Fund assumes the risks of both. For instance, growth companies are subject to risks such as vulnerability to economic downturns and investor sensitivity if investors' earnings expectations are not met. Value companies are subject to the risk that they may never reach what the investment manager believes is their full market value and also may decline in price, even though in theory they are already undervalued.

Alternative Equity Risk
The Investment Fund invests in alternative equity to potentially enhance returns. Alternative equity investments involve more complex organizational structures and investment strategies, longer time horizons, and higher fees than publicly traded equities. In addition, valuation of private equity investments is more complex due to a lack of easily observed market values therefore relying on investment manager judgment to value portfolio companies prior to their sale or other liquidity event. The Investment Fund has limited the allocation of investments to private equity in a way that is designed to address the unique characteristics associated of the fund, including cost, complexity, and liquidity. In addition, practices are in place related to liquidity and valuation designed to permit the Investment Fund to provide liquidity.

Most alternative equity investments are valued by their general partner/manager using a “fair value” methodology dictated by their organizational documents, and the valuation methods used by different general partners/managers will vary. There can be no assurance that any such valuation will accurately reflect the price the funds would receive upon sale of a security, and the funds may in fact sell a security at a price lower than the price the funds have been using to value the security.

Fixed-Income Securities Risk
The Investment Fund is expected to invest in fixed-income securities. Such investments will expose the Investment Fund to certain risks that may have an adverse effect on the Investment Fund’s performance. These risks include (i) credit risk, (ii) change in rating risk, (iii) interest rate risk, (iv) prepayment and extension risk, (v) duration risk, and (vi) debt liquidity risk.

Real Assets Risk
Investments by the Investment Fund in real assets, such as properties, natural resources, and commodities and infrastructure assets, involve a high degree of risk, including significant financial, operating, and competitive risks. Investments in real assets expose the Investment Fund to adverse macroeconomic conditions, such as a rise in interest rates or a downturn in the economy in which the asset is located, elevating the risk of loss. Also, real asset investments involve exposure to business cycles, local economic conditions, and other factors that may not be present with other types of investments. These risks may be increased for investments in real assets located outside the United States.

Derivatives Risk
The Investment Fund may invest in financial futures and options, and may invest in other commodities indirectly through the Investment Fund’s allocation to alternative equity and private market partnership investments. Derivative prices can be volatile and may be either directly or indirectly affected by a wide range of factors.

Real Estate Investment Risk
Investments of the Investment Fund are expected to include the stock of real estate investment trusts (REITs), investment builders, residential builders, developers, or other companies engaged in various aspects of the real estate business or that hold significant real estate assets. The Investment Fund’s real estate investments will be comprised principally of equity-related real estate securities and may be invested in stocks that are listed on national securities exchanges or traded in the over-the-counter market. Investments in equity securities in the real estate sector expose the Investment Fund to many of the same risks associated with the direct ownership of real estate, such as changes in the value of the underlying real estate, the quality of the property management, the creditworthiness of the issuer of the investments, and changes in property taxes, interest rates, and the real estate regulatory environment.

Foreign and Emerging Market Securities Risk
The Investment Fund is expected to invest in securities that are issued outside the United States. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These may include, among others, country risks, different trading practices, less government supervision, less publicly available information, limited trading markets, and greater volatility. In addition, compared to

foreign developed markets, investing in emerging markets is subject to greater risk of loss than investments in a developed market. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shutdown, and more governmental limitations on foreign investment policy than those typically found in a developed market.

Short Sale Risk
In order to help meet its investment objective, the Investment Fund may make short sales. Short sales involve selling a security it does not own in anticipation that the security's price will decline. This exposes the Investment Fund to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the Investment Fund.

Turnover Risk
The Investment Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs. These costs, which are not reflected in annual Investment Fund operating expenses, affect the Investment Fund's performance.

Stale Price Risk/Fair Value Pricing Risk
Some securities traded on exchanges outside the US use a systematic fair valuation model provided by an independent third party to value securities traded on such markets in order to adjust for stale pricing which may occur between the close of foreign exchanges and the valuation day. In addition, some investment funds hold privately held illiquid limited partnership interests, which are valued quarterly on an appraisal basis by the General Partner/ Investment Advisor. These limited partnership interests have stale price risk as there are no observable price quotes from recognized securities exchanges available.

Liquidity Risk
The Investment Fund contains illiquid investments (assets that may not be sold or disposed of in the ordinary course of business within a 31 consecutive calendar day period at approximately the value at which the fund has valued the assets) to enhance the fund's projected long-term returns.

For further discussion of the Investment Fund's investments strategies and risks, refer to the *Principal Investment Strategies and Principal Investment Risks* section on page 19 of this Investment Memorandum.

Securities Lending

Portico seeks to increase the investment return in the Investment Fund by lending securities in the Investment Fund to brokers, dealers, and other financial institutions. The Investment Fund could lose money if it does not recover the securities or the value of the collateral falls. Although the external lending agent assumes most risk of loss, losses are possible on reinvested cash collateral that could reduce earnings in some periods. The performance of the securities lending agent is monitored by Portico on an ongoing basis through reviews of the agent's lending activity, investment activity, positions, performance, and personnel changes.

For further discussion of the Investment Fund's investments strategies and risks, refer to the *Principal Investment Strategies and Principal Investment Risks* section on page 19 of this Investment Memorandum.

Past Performance

The Investment Fund's inception date was Jan. 1, 1988.

Investment Fund Performance as of Dec. 31, 2022			
	1 Year	**5 Years**	**10 Years**
Investment Fund	-11.76%	4.82%	6.37%

Past performance does not guarantee future results. Fund returns are net of fees and are annualized for periods greater than one year. Fees include direct investment management fees plus administrative fees and will vary.

Investment Manager

Portico is responsible for establishing the investment objectives and strategy for the Investment Fund. Where Portico does not manage assets directly, Portico's investment staff identifies and hires external investment managers in each investment category to assist in carrying out Portico Benefit Services' strategy. A list of the investment managers for the Investment Fund is available on our website at *myPortico.PorticoBenefits.org* after sign-in.

Minimum Investment

The minimum amount that can be annuitized within the Investment Fund is $20,000.

Tax Information

The Investment Fund does not distribute interest payments; instead, it retains and includes such amounts within the Investment Fund's net assets available. If the Investment Fund were to make distributions, such distributions generally would not be taxable immediately to members since the plans through which members invest in the Investment Fund are generally tax deferred. The Investment Fund is potentially subject to Unrelated Business Taxable Income ("UBTI"), and, while Portico tries to avoid incurring UBTI, it is possible that some investments may generate UBTI. Taxes resulting from UBTI are paid by the Investment Fund.