



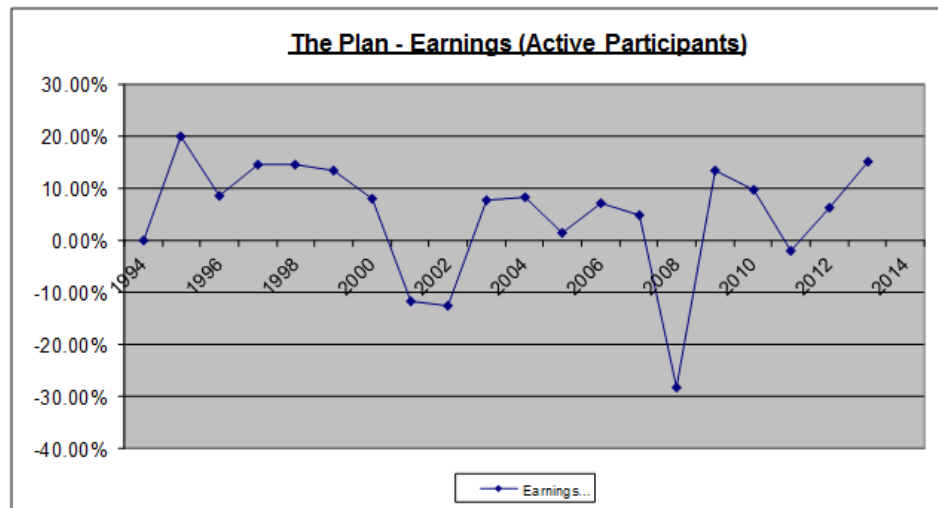
"From Where I Sit ..."

CME Retirement Plan Sets New Record!

The year 2013 set two new records for the CME Retirement Plan and Trust and brought welcomed news to the participants in the Plan during what has been continually recognized as a tough economy. The first record was the combined annual earnings for the year in the amount of 15.21% which was the largest reported annual earnings since the 1995 reported earnings of 20%. You remember the 1990's. They were the Clinton years when the market and the economy were both doing so well. Needless to say, the almost 20 intervening years have been filled with highs and lows that have impacted the market, the economy, and the wallets of each of us.

Even the modest beginning of 2013 was cautionary in light of the 2.54% Retirement Plan earnings for the first six-months, but that was well before the substantial improvement of the last six-months with its reported earnings of 12.67% and the two earnings combined for the annual return for 2013 of 15.21%. An additional significant factor that influenced the earnings was

noted in my March cover letter written to Plan participants which stated, "In the past, profit taking has normally had an adverse impact on earnings reported during the last month of the period; however, for the first time in quite a few years, the increased earnings of a rising



market were sustained with continued growth through the end of the reporting period [December].” It was this sustained growth that fueled the 18-year highpoint in Plan earnings as depicted in the graph above which was also sent to Retirement participants.

The second record-setting milestone was the growth in the Retirement Plan Assets as of December 31, 2013 to nearly \$30 million. Plan assets in 1994 were \$12.8 million. Although steady growth has been consistent with rising markets, a toll has always been taken due to challenges of the declining periods such as the bursting of the Tech Bubble during the early 2000s along with the devastating economic impact of the Market Crash of 2008. However, in spite of these significant downturns, Plan assets had grown to \$25.08 million by 1999 before the Tech Bubble, to \$26.6 million by 2007 before the Market Crash, and as of December 2013 had reached \$29.9 million.

Needless to say, as General Secretary this is a report I am proud to share because it speaks to the success of our efforts to insure a reasonable return on the investments set apart for the retirement of the leaders of our church. But there is more to this report beyond just the earnings or the growth of the Plan Assets. There is also the assurance that these funds will be available to the Plan Participants when they will need them at the time of their retirement. This is assured by the structure of the Plan that is designed to meet rigid IRS requirements as specified in the Plan document which also requires periodic IRS updates and approval. This is additionally assured by the quality of an independent audit which confirms that the assets do in deed exist and have been documented by appropriate audit verification. This is also assured by

the diversification of the Plan assets among 4-5 highly scrutinized investment managers which minimizes the potential risk of loss based on the ill-advised decision of one investment manager. This is also assured by the continual monitoring, on an almost daily basis, by the Plan's third-party contract administrator and the interim supervision of the General Secretary, the Board Chair and the Trustees of the General Board of Personnel Services. Finally, this is also assured by the mandated disciplinary requirement of a fiduciary policy and a fidelity bond as an additional layer of protection for the Participants of the Plan (see ¶1042.2, page 232).

In other words, not only is the Plan reporting significant earnings and growing in assets, the Plan has also taken every precaution to insure that the Plan and its assets are safe and secure for each of the more than one thousand participants and will be available when needed. And it is for this reason more than anything else, that I take pride in sharing this report. Because to me, even though growth is important ... equally so is safety and security. Or at least that's the way it looks to me ...

"From Where I Sit"

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(Copies of earlier articles may be found on the

Personnel Services Webpage of the CME Website at www.thecmechurch.org)