PORTICO®
Benefit Services | A Ministry of the ELCA

Investment Memorandum
For the
ELCA Participating Annuity Trust

Portico Benefit Services
800 Marquette Ave., Ste. 1050
Minneapolis, MN 55402-2892

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PorticoBenefits.org

Effective as of Jan. 1, 2017 (amended Nov. 1, 2017)

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 Annuity Trust invests only in the ELCA Participating Annuity Investment Fund and is the sole owner of the Investment Fund. The Annuity Trust is not offered to the general public.

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 this is 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. Members, therefore, will not be afforded the protections of the provisions of those laws and related regulations.

30-340 (10/2017)

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 (the “ELCA”) is doing business as Portico Benefit Services. As a ministry of the ELCA, Portico Benefit Services (“Portico”), a nonprofit corporation incorporated in Minnesota, administers the ELCA Participating Annuity Trust (the “Annuity Trust”) as part of its comprehensive program to provide retirement, health, and related 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 about the Annuity Trust, a participating annuity trust, that you should know before investing in the Annuity Trust and the ELCA Participating Annuity Investment Fund (the “Investment Fund”), as part of the Annuity Trust. It includes a description of the material rights and obligations of investors of the Annuity Trust. Please carefully read this Investment Memorandum and keep it together 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 in this Investment Memorandum.

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

Portico Benefit Services
800 Marquette Ave., Ste. 1050
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Telephone: 800.352.2876 or 612.333.7651
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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 later in this document, 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 offered to the general public.

Before you choose to annuitize, be sure to review essential information about the Annuity Trust and the Investment Fund described later in this Investment Memorandum.

You should also carefully consider the investment objectives, target asset allocations, risks, fees and expenses of the Investment Fund before investing in the Annuity Trust. The Investment Fund and Annuity Trust are subject to risk and uncertainties. Past performance cannot be used to predict future performance. The Investment Fund and Annuity Trust are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency or the ELCA. Investment Fund assets are invested in multiple sectors of the market. Some sectors, and therefore the Investment Fund, may perform below expectations and lose money over short or extended periods.

Portico's goal is to increase the annuity income received by members of the Annuity Trust over time. Portico's ability to achieve this goal is not guaranteed. This is a participating annuity fund, which means that all annuitants share in the investment and mortality experience of the fund. Losses or underperformance in the markets will cause a reduction in monthly participating annuity payments.

The date of this Investment Memorandum is Jan. 1, 2017 (amended Nov. 1, 2017).

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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 Interest Rate	Rate of investment return used by an issuer of an annuity to calculate the payout on an annuity. (The assumed interest rate 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 and income growth potential over the long term. All annuitants share in the investment performance and mortality experience of the ELCA Participating Annuity Investment Fund and 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 money 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. The Annuity Trust owns 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 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.
Immediate Variable Annuity	A variable annuity under which payments commence immediately after the annuity is purchased. (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.

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 22.
Service	All periods of employment with an employer eligible to sponsor an employee in the ELCA Retirement Plan. If you have a break in service, service does not include any period of employment that precedes the separation from service of more than sixty (60) days.
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.)

PORTICO BENEFIT SERVICES

Portico Benefit Services, located at 800 Marquette Ave., Ste. 1050, Minneapolis, MN 55402, is a ministry of the Evangelical Lutheran Church in America. The Board of Pensions of the Evangelical Lutheran Church in America was incorporated on Jan. 1, 1988, as a Minnesota non-profit corporation under the Minnesota Non-profit Corporation Act and is governed by an independent board of trustees that is elected by the ELCA Churchwide Assembly. 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 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.

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" because all members who allocate all or a portion 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 the board of trustees of Portico. The assets of the Annuity Trust are separately accounted for and are not charged with the liabilities arising from any other business Portico may conduct. The obligations of the Annuity Trust are not Portico's general obligations and will be satisfied solely by the assets of the Annuity Trust. Assets of other Portico trusts cannot be used to fund a shortfall in the Annuity Trust.

Annuity payments are based on the amount of a member's retirement savings allocated to the Annuity Trust, which makes up the source from which annuity payments are made. Annuity payments can be adjusted up or down, depending on market performance and mortality gains and losses. They are not paid from a member's individual account; rather, a member's account is combined with all other annuitants' accounts. 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., those who die sooner than expected offset those who live longer than expected).

When you retire, you can begin an immediate variable annuity and receive income for you and your co-annuitant, based on your life expectancies, by allocating a lump-sum amount to the Annuity Trust. The initial payment on your annuity is made at the end of the month in which you 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 9.) Currently, the Annuity Trust is fully invested in a single investment option, the ELCA Participating Annuity Investment Fund (the "Investment Fund"). Portico will allocate your money 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, in order to provide you with monthly variable annuity payments. Please refer to the annuity application form for applicable deadlines for submitting the information we must have before you annuitize. Portico reserves the right to create and offer additional investment options in the future. If additional investment options are offered, Portico will provide you with information regarding the investment options, how to select among your options and your opportunities, if any, to change your allocations and transfer balances among investment options. The following is a description of the current Investment Fund, including its investment objective and investment adviser. More detailed information about the Investment Fund is described later in this Investment Memorandum. You should read the information about the Investment Fund carefully before making your investment decision.

All fees and expenses associated with the Annuity Trust are charged to the Investment Fund. (See *ELCA Participating Annuity Investment Fund – Fees and Expenses* on page 6.)

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 rate. 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 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.

The amount of your annuity payments is not guaranteed and depends on 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 Adviser
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 subadvisers in each investment category to assist in carrying out Portico Benefit Services' strategy. Currently, no one subadviser is responsible for 30% or more of the Investment Fund's assets. A list of the investment subadvisers for the Investment Fund is available on our website at *PorticoBenefits.org*.

Fees and Expenses of the Annuity Trust

The following table provides an estimate of the fees and expenses that are charged to the Investment Fund annually. As a participant in the Annuity Trust, during the time you have an annuity through the Annuity Trust, you share in the allocation of these fees, and expenses are applied at the Investment Fund level. Therefore, these same fees and expenses are also described later in this Investment Memorandum in connection with a more detailed description of the Investment Fund. Portico does not charge sales commissions, exchange/transfer fees, contract fees, or account fees to the Annuity Trust and Investment Fund. The Annuity Trust will incur administrative fees (which cover Portico's personnel costs, overhead, and other administrative expenses) and investment management fees, which include payments to investment advisers, 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	0.31%
Investment management fees	
• Investment adviser fees	0.28%
• Custody fees	0.03%
• Other fees	0.04%
Total administrative and investment management fees	**0.66%**

NOTE: The foregoing are actual fees and expenses for the year ending Dec. 31, 2016. Future costs will vary over time and may be higher or lower.

Annuity Payments

Overview

In exchange for your investment in the Annuity Trust, you will begin receiving monthly annuity payments from the Annuity Trust based upon the factors outlined in this Investment Memorandum. The amount of subsequent annuity payments may increase or decrease depending on the investment performance and mortality experience of the Investment Fund.

The amount you have invested in the Annuity Trust is the basis for providing variable annuity payments from the Annuity Trust. **Once you have submitted your annuity payment application form, the decision to annuitize is irrevocable**. After you submit your form, money is placed in the Annuity Trust and cannot be withdrawn in whole or in part. **Additionally, once you have begun to receive annuity payments, you cannot make any changes with regard to those payments.**

Interested Parties

The parties to the annuity are you, as the member, and us, Portico, as 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 on whose life expectancy we base annuity income payments for the annuity. 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 — someone who shares in your annuity payments according to the option you choose. 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 may not change your co-annuitant once your annuity application is processed.
- *Beneficiary:* The beneficiary is the person or entity that you name on the form supplied by Portico to receive the benefits of the annuity upon your death (and co-annuitant's death, if applicable). You can change your beneficiary at any time by filing a new form with Portico.

Eligibility

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

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

You can choose to annuitize at any time after 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 money is 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 receive when you begin receiving monthly annuity payments, as well as the amount your co-annuitant or beneficiary receives after you or your co-annuitant dies.

If you choose an option 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 wish to choose a single-life annuity or designate a co-annuitant other than your spouse, she or he 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 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 you begin receiving annuity payments, you cannot change your annuity option or your co-annuitant. However, you can change your beneficiary under the 15-year minimum payout feature. Before you make any election, you should carefully review your calculated payments under all of the options. **The selection of your annuity option is important and one that you cannot change once your application is processed.**

Single-life annuity (two options)

- *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 payout to a beneficiary.

- *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.

NOTE: Surviving spouses and designated beneficiaries can only select single-life annuities when annuitizing their retirement plan money. If the surviving spouse is 70 ½ 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 annuity 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 the death of you and your co-annuitant. 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 the percentage of the annuity payment to be continued for the survivor (i.e., you or your co-annuitant) from one the following options:

- 60% of the amount received when you both were living
- 80% of the amount received when you both were living
- 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 you are married, your annuity option will be 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 be the *Single-life annuity with 15-year minimum payout*.

The example on the next page provides a comparison of the initial monthly annuity payments under the five annuity options available. The example assumes that you annuitize $100,000 in 2017; you and your co-annuitant are both age 67; and assumes the Funded Ratio for the Investment Fund is 1.000 as of the last day of the month before you annuitize. This example does not take into account any taxes or deductions from the payment. Your actual initial annuity payment would be based on your own information and could be higher or lower.

Annuity Option	Initial Annuity Payment Amount*
Single-life annuity with no minimum payout	$622.77
Single-life annuity with 15-year minimum payout	$585.39
Joint-life annuity with 60% to survivor and 15-year minimum payout	$591.63
Joint-life annuity with 80% to survivor and 15-year minimum payout	$556.88
Joint-life annuity with 100% to survivor and 15-year minimum payout	$525.99
**For illustrative purposes only; actual payments may be higher or lower.*	

Initial Annuity Payment
Your initial annuity payment will be calculated taking into consideration the:

- Amount you are annuitizing
- Life expectancies of the population of those in the Annuity Trust
- Life expectancy of the annuitant and co-annuitant, if applicable
- Assumed investment rate

- Annuity option (including the percentage that would continue to your co-annuitant, if any, and the 15-year minimum payout, if applicable)

Your initial annuity payment also will reflect an initial adjustment based on the Funded Ratio of the Investment Fund as of the last day of the month before you annuitize. The Funded Ratio is the ratio of the market value of the net assets of the Investment Fund to the related benefit obligation.

Explanation of Initial Adjustment
As a new annuitant you will receive the same future annuity adjustments as all other annuitants. Those future adjustments will be based on the Funded Ratio of the Investment Fund, which includes the effect of any funding surplus or shortfall that existed at the time you annuitized. In an effort to treat both existing and new annuitants equitably, we adjust the initial payment amount for each new annuity by a factor of 1 divided by the Funded Ratio. The goal of this initial adjustment is for you to participate only in the future experience of the Investment Fund. Portico retains the absolute, sole discretion to change the adjustment methodology at any time without notice. The current method of determining the initial adjustment is shown in the following example.

Examples:

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

If you would like to receive an annuity estimate, contact a Portico Customer Care Center representative or use the online calculator at *PorticoBenefits.org*. (Estimates from the calculator are for informational purposes only and will vary from your actual monthly annuity payment amount.)

Periodic Adjustments to Annuity Payments
Your annuity payments are not fixed and will vary depending on the investment performance and mortality experience of the Investment Fund. This means your monthly payment can be adjusted up or down, based on investment performance and mortality experience.

After you annuitize, your monthly annuity payments will be adjusted by Portico, typically each January. Periodic adjustments are currently based on the Funded Ratio of the Investment Fund 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 under the current method, your annuity payments may be adjusted according to the following guideline:

- If the Funded Ratio is greater than 1.000, your annuity payment increases by 1/3 of the surplus.

- If the Funded Ratio is less than 1.000 but greater than 0.850, your annuity payment decreases 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 the board of trustees of Portico Benefit Services and may differ from the formula described herein.

Multiple Annuities
You have the option to purchase up to six separate annuities. This means you can have different annuity start dates, co-annuitants, and different beneficiaries, as well as different annuity options for each annuity. You will receive separate payments and separate IRS tax forms (e.g., *Form 1099*). If you receive your own annuity and 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 are re-employed in service after you have annuitized and your employer sponsors you in the ELCA benefits program, your annuity payments will continue. Any contributions you and your employer make to your retirement account after 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 co-annuitant who survives you, payments will continue to your co-annuitant based on the annuity option you chose at the time you annuitized. If your co-annuitant later remarries, her or his 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 paid to your designated beneficiary monthly or as an equivalent lump sum.

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 described above.

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 (the "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
All annuity payments will generally be received by mail or deposited in your checking or savings account on or about the last business day of the month. Monthly payments will be made based on the annuity option you select. Prior to receiving your initial payment, we will issue a confirmation of the elected annuity option and the amount of the first payment.

Charges and Expenses

All charges and expenses are allocated at the Investment Fund level. (See *ELCA Participating Annuity Trust — Fees and Expenses of the Annuity Trust* on page 6)

Tax Information

Section 72 of the Internal Revenue Code of 1986, as amended (the "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 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 of the gospel). This means you can exclude such payments from income tax to the extent they are used to provide housing and do not exceed Code §107 limits. According to Code §107 limits, the amount that can be excluded from federal gross income as housing allowance is always the smallest of: the amount officially designated in advance as "housing allowance" by your congregation or church organization; the amount spent for your primary residence (down payment, mortgage principal and interest, utilities, taxes, insurance, furnishings, maintenance, etc.); or the fair rental value of your home (owned or rented), including furnishings and cost of utilities.

If you used post-tax contributions to fund all or part of your annuity, your income payments will be fully taxable at ordinary income rates to the extent that they are not based upon those post-tax contributions. The exclusion amount 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 of the exclusion amounts equals the investment in the annuity).

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

Other Information About the Annuity Trust

Amendments

When permitted by law, we 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, 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 by the ELCA Church Council. Amendments to the Annuity Trust are subject to the following approvals:

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

- The board of trustees of Portico 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 types of amendments 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, or result in mortality experience being calculated at the Annuity Trust level instead of the Investment Fund level. We will notify you of any amendment that adversely affects your rights in the Annuity Trust.

Voting Privileges
Participants in the Annuity Trust do not have individual voting rights in the Investment Fund.

Legal Proceedings
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.
On March 5, 2015, a purported class action lawsuit was filed against Portico Benefit Services in Minnesota State Court (Hennepin County) — *Pastor David Bacon, Pastor Timothy Hepner, Ruth Dold, and Sharon Hvam v. Board of Pensions of the Evangelical Lutheran Church in America (D/B/A Portico Benefit Services)*. The claims in the complaint relate to services we provide to the ELCA Retirement Plan and the ELCA Retirement Plan for The Evangelical Lutheran Good Samaritan Society. It alleges and seeks remedies related to the fees for investment and administration of the plans and the selection of ELCA investment funds. While the occasional lawsuit is a reality in any industry, Portico disagrees strongly with the allegations in this complaint and is vigorously defending itself and it is not reasonably possible to estimate the outcome or the potential for any claim related to this lawsuit.

Additional Information
Please refer to the *Summary Plan Description for the ELCA Retirement Plan* for additional details regarding eligibility to annuitize, your designation of beneficiaries, the disposition of your participation in the Annuity Trust on 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.

Financial Statements of Portico Benefit Services and the Annuity Trust

The Annuity Trust will be affected by mortality experience and the investment performance of the Investment Fund. The financial statements of the Annuity Trust include information about all the assets and liabilities of the Annuity Trust. The financial statements of Portico 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 in the Annuity Trust. All annuity benefits are provided exclusively out of the assets of the ELCA Participating Annuity Trust, and only to the extent that the Annuity Trust is adequate.

Financial Statements of Portico Benefit Services
The financial statements of Portico can be found in Portico's *Annual Report* available on *PorticoBenefits.org.*

Financial Statements of the ELCA Participating Annuity Trust

2016 COMBINED STATEMENTS OF NET ASSETS

Statements of Net Assets Available for Plan Benefits and Benefit Obligations as of Dec. 31, 2016 (Dollars in Thousands)	(Unaudited) ELCA Participating Annuity Investment Fund ($)
ASSETS	
Investments, at fair value	
Bonds	831,133
Stocks	819,988
Short-term investments	39,612
Mutual funds	241,955
Private equity and real estate investments	153,115
Total investments	**2,085,803**
Cash	1,699
Collateral under securities lending program	259,214
Foreign currency contracts	15,166
Swaps/Futures	4,257
Accrued interest and dividends receivable	9,717
Contributions Receivable, net of allowance	–
Other assets	600
Due from brokers for securities sales	2,814
Furniture, equipment and computer software, net	–
Total assets	**2,379,270**
LIABILITIES	
Foreign currency contracts	15,116
Swaps/Futures	4,006
Cash overdraft	–
Payables for securities purchased	5,691
Payables under securities lending program	259,030
Deferred revenue	–
Payables and accrued expenses	1,800
Lease Obligations	–
Total liabilities	**285,643**
Net assets available for plan benefits	**2,093,627**
BENEFIT OBLIGATIONS	
Benefit obligation for active plan members	24,684
Benefit obligation for retired plan members	1,981,795
Other obligations	–
Total benefit obligations	**2,006,479**
Excess (shortage) of net assets over benefit obligations	**87,148**

2016 COMBINED STATEMENTS OF CHANGES IN NET ASSETS

Statements of Changes in Net Assets Available for Plan Benefits and Benefit Obligations for the Year Ended Dec. 31, 2016 (Dollars in Thousands)	(Unaudited) ELCA Participating Annuity Investment Fund ($)
Additions (Reductions) to Net Assets	
Investment gain (loss)	
Interest and other income	37,556
Dividend income	23,709
Net realized and unrealized gain on investments	97,892
Other investment gain	2,100
Investment expense	(6,631)
Net investment gain (loss)	**154,626**
Contributions	
Employer contributions	–
Member contributions	–
Other contributions	–
Total contributions	**–**
Total Additions (Reductions)	**154,626**
Deductions from Net Assets	
Benefit payments	193,252
Withdrawals	–
Life Insurance Premiums	–
General and Administrative Expenses	6,997
Total Deductions	**200,249**
Transfers and adjustments	77,113
Net increase (decrease) in net assets available for plan benefits	**31,490**
Increase (decrease) in benefit obligations	18,593
Net change in excess (shortage) of net assets over benefit obligations	**12,897**
Excess (shortage) of net assets over benefit obligations at beginning of period	74,251
Excess (shortage) of net assets over benefit obligations at end of period	**87,148**

SUMMARY PROSPECTUS FOR THE ELCA PARTICIPATING ANNUITY INVESTMENT FUND

Before you participate, you should review the entirety of this Investment Memorandum, which contains more information about the ELCA Participating Annuity Investment Fund (the "Investment Fund") and its risks. You can find the full Investment Memorandum and other information about the Investment Fund online at *PorticoBenefits.org.* This Summary Prospectus is part 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 rate. 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, 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.

Fees and Expenses

The following table provides an estimate of the fees and expenses that you are charged to the Investment Fund annually. As a participant in the Annuity Trust, during the time you have an annuity through the Annuity Trust, you share in the allocation of these fees. These fees and expenses are applied at the Investment Fund level. The Annuity Trust and Investment Fund have no sales commissions, exchange/transfer fees, contract fees, or account fees. The Annuity Trust will incur administrative fees (which cover Portico's personnel costs, overhead, and other administrative expenses) and investment management fees, which include payments to investment advisers, 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	0.31%
Investment management fees	
• Investment adviser fees	0.28%
• Custody fees	0.03%
• Other fees	0.04%
Total administrative and investment management fees	**0.66%**

NOTE: The foregoing are actual fees and expenses for the year ending Dec. 31, 2016. Future costs will vary over time and may be higher or lower.

This page was updated on Nov. 1, 2017

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 rate.

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.

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
U.S. stocks	17%
Non-U.S. stocks	17%
Alternative equity	6%
Core fixed-income (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; however, the current intent is to remain fully invested in the target asset allocation while maintaining minimal cash levels necessary for effectively managing liquidity needs of the Investment Fund. Currently, the Investment Fund invests in investment pools managed under the supervision of Portico.

Real assets have some characteristics of equities (stocks), and in certain respects they may be viewed as increasing the equity allocation of a portfolio. The asset classes shown 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 is currently invested primarily in equity securities which may include, among others, real estate equity securities (stock of real estate investment trusts (REITs), etc.) 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.

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 portfolio managers' skill in selecting particular investments. Significant losses in the Investment Fund may result if the portfolio managers' judgment about the attractiveness, value, or market trends affecting a particular investment is incorrect.

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 portfolio manager believes is their full market value and also may decline in price, even though in theory they are already undervalued.

Alternative Equity Risk
Alternative equity markets' potential risk levels are notably higher than those of other asset classes in the Investment Fund, 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 (e.g., as associated with early-stage venture capital), higher financial leverage (e.g., 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.

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.

Commodities 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.

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.

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.

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.

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 22 of this Investment Memorandum.

Past Performance

The Investment Fund commenced investment operations on Jan. 1, 1988**.**

Investment Fund Performance as of Dec. 31, 2016			
	1 Year	**5 Years**	**10 Years**
Investment Fund	7.36%	7.64%	5.46%
Median: Lipper Peer Group Mixed-Asset Target Allocation Moderate Funds	*6.52%*	*6.94%*	*4.40%*

Past performance does not guarantee future results. Investment 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. In 2016, fees were approximately 0.66% of the Investment Fund's assets. No sales commissions are charged to members' investments in the Investment Fund.

As of Dec. 31, 2012, Portico began using Lipper fund classification comparisons[1]. These comparisons use the median (middle) return of mutual funds classified by Lipper. Lipper fund classifications are more widely known and provide a more common comparison to other funds with similar investment mandates to the ELCA funds for purposes of comparing investments available to retail investors, such as investments available to an Individual Retirement Account (IRA). Like the ELCA Participating Annuity fund, the Lipper returns are net of all fees.

Investment Adviser

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 subadvisers in each investment category to assist in carrying out Portico Benefit Services' strategy. Currently, no one subadviser is responsible for 30% or more of the Investment Fund's assets. A list of the investment subadvisers for the Investment Fund is available on our website at *PorticoBenefits.org*.

Minimum Investment in the Investment Fund

In order to participate in the Investment Fund, the minimum amount that can be annuitized is $20,000.

[1]Lipper data obtained monthly from Wilshire Associates Inc. (Wilshire Compass). Copyright 2015© Thomson Reuters. All rights reserved. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Tax Information

The Investment Fund does not generally distribute interest payments or other related amounts but rather retains and includes such items in the Investment Fund's net assets available. If the Investment Fund was to make distributions, the Investment Fund's distributions generally would not be currently taxable 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 Benefit Services tries to avoid incurring UBTI, it is possible that some investments may generate UBTI. Taxes resulting from UBTI are paid by the Investment Fund.

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 subadvisers in each investment category to assist in carrying out Portico Benefit Services' strategy. Portico reserves the right to change investment subadvisers from time to time without notice. A list of the investment subadvisers for the Investment Fund is available on our website at *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 in providing members with a source of variable income and achieve long-term returns in excess of the annuity's assumed investment rate. 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.

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
U.S. stocks	17%
Non-U.S. stocks	17%
Alternative equity	6%
Core fixed-income (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 allocations for the Investment Fund are subject to change without notice; however, the current intent is to remain fully invested in the target asset allocation while maintaining minimal cash levels necessary for effectively managing liquidity needs of the Investment Fund. Currently, the Investment Fund invests in investment pools managed under the supervision of Portico.

Real assets have some characteristics of equities (stocks), and in certain respects they may be viewed as increasing the equity allocation of a portfolio. The asset classes shown 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 is currently invested primarily in equity securities, which may include, among others, real estate equity securities (stock of real estate investment trusts (REITs), etc.) 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 objective of the Investment Fund when setting the asset class allocation target, and the Investment Fund's 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 influencing the securities that are 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 a boundary of an asset class range.

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

The stock allocations will be invested in diversified portfolios of common stocks that are 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. The Investment Fund may also invest in non-U.S. stocks or equity-related securities and in less liquid non-traditional alternative equity investments that may be in the form of equity or debt, public or private, instruments.

Alternative equity investments are comprised of 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 alternative equity investments may include exposure to each of these types of investments.

The core fixed-income allocation will be invested in diversified portfolios generally consisting of publicly traded fixed-income securities. Fixed-income securities of all kinds, 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 will be invested primarily in inflation-indexed obligations of the U.S. Treasury.

The Long U.S. Treasury STRIPS component will primarily be 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 allocation will be invested in diversified portfolios consisting primarily of instruments rated below the equivalent of Baa/BBB. These instruments may be publicly traded or privately placed.

The bank loans component will be invested in diversified portfolios consisting primarily of instruments rated below the equivalent of Baa/BBB. 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 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 process used by portfolio managers in selecting the specific securities in which the Investment Fund will invest includes economic and valuation considerations as well as diversification benefits. The portfolio managers' skill in choosing appropriate investments will affect the ability of the Investment Fund to achieve its investment objective. If the portfolio 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.

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 portfolio manager believes is their full market value, either because the market fails to recognize a stock's intrinsic worth or the portfolio manager misgauged that worth. They also may decline in price, even though in theory they are already undervalued.

Alternative Equity Risk

Alternative equity markets' potential risk levels are notably higher than those of other asset classes in the Investment Fund, 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 (e.g., as associated with early-stage venture capital), higher financial leverage (e.g., 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.

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.

Commodities 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.

Commodity 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.

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.

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.

Management of the Investment Fund

Investment Adviser
Portico Benefit Services located at 800 Marquette Ave., Ste. 1050, Minneapolis, Minn., 55402, acts as the investment adviser to the Investment Fund. The Board of Pensions of the Evangelical Lutheran Church in America began doing business on Jan. 1, 1988, 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 as of Dec. 31, 2016, were over $7.7 billion. Portico is responsible for the overall management of the Investment Fund's business affairs. Portico invests the assets of the Investment Fund, either directly or through the use of one or more subadvisers, according to 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 as an investment company under the Investment Company Act of 1940 in reliance upon an exemption from registration.

Investment Subadvisers

Portico is responsible for selecting the investment subadvisers to the Investment Fund. Where Portico does not manage assets directly, Portico's investment staff identifies and hires subadvisers in each investment category to assist in carrying out Portico's strategy. The subadvisers are engaged to manage the investments of the Investment Fund in accordance with the Investment Fund's investment objective, policies, and limitations and any other investment guidelines established by Portico. Currently, no one subadviser is responsible for 30% or more of the Investment Fund's assets. A list of the investment subadvisers for the Investment Fund is available on our website at *PorticoBenefits.org*.

Investment Unit Staff

The key members of Portico's Investment Unit staff primarily responsible for the management of the Investment Fund are identified below.

Curtis G. Fee, Vice President and Chief Investment Officer
Curt is responsible for the Investment Unit and investment policy and programs related to retirement, medical, endowment, and other benefit assets. He serves as a member of the Investment Unit and the Leadership Team for Portico. Curt originally joined Portico in 1994 to develop alternative investment programs and investment research. He advanced through senior investment strategy and policy positions and was appointed to his current role in 2004. He has more than 20 years of investment management and research experience with major insurance companies and institutional money management firms including the Principal Financial Group, AEGON, and hedge fund manager EBF & Associates, as well as Portico.

Curt is a Chartered Financial Analyst and holds the Fellow, Life Management Institute designation with distinction. He is a member of the CFA Institute and the CFA Society of Minnesota where he has served as past program chair and vice president. His education background includes graduate studies at the University of Illinois and the University of Iowa, where he received a bachelor's degree in business administration with high distinction and a master's degree in finance.

David A. Lecander, Senior Investment Manager, Investment Strategies and Policies
Dave joined Portico in September 1990. He has primary responsibility for development of investment philosophy and policies, investment risk/return performance objectives, asset allocation strategies, asset class strategies, investment risk management, and applied investment research. In addition, he leads staff activities associated with the Investment and Corporate Responsibility Committee at Portico's trustee level. As a member of the Investment Unit Senior Manager Group, he participates in decisions concerning structure, staffing, budgeting, and initiatives planning. Dave is also a member of the Investment Unit Policy Team. Previous primary responsibilities include investment/manager structure and manager selection for public and private market investment programs.

Prior to joining Portico, Dave worked for Cargill Financial Markets as a distressed debt securities analyst and for U.S. Bank as a corporate banking officer. He earned an MBA in finance from the University of Chicago Graduate School of Business, and a BS in finance from the University of Minnesota School of Management, graduating with high distinction. He is a CFA charterholder, a member of the CFA Institute, and the CFA Society of Minnesota.

Mark D. Haney, Senior Investment Manager, Internal Fixed Income
Mark joined Portico in November 1993 from MSI Insurance, where he managed fixed-income investments. He has overall responsibility for the activities of the Internal Fixed-Income Group, including those of the internally managed portfolios and of all external fixed-income manager relationships.

His background also includes experience as an account executive with Morgan Stanley Smith Barney (Smith Barney Harris Upham). Mark holds BS degrees in Business and Music from Gustavus Adolphus College, St. Peter, Minn., and an MBA degree from the Carlson School of Business (University of Minnesota). He is a CFA charterholder, a member of the CFA Institute, and the CFA Society of Minnesota.

Josh Stieler, Senior Investment Manager, Investment Implementation
Josh is responsible for oversight of public and private market investment programs, including investment manager structure, selection, and due diligence. Josh joined Portico in August 2004 from Strong Capital Management, where he was responsible for trading and administration of separately managed accounts.

Josh earned his MBA from the University of Minnesota, Carlson School of Management, and his BA in Finance from the University of Wisconsin-Eau Claire. He is a CFA charter holder, a member of the CFA Institute, and the CFA Society of Minnesota.

Other Information About the Investment Fund

Valuing the Investment Fund
The custodian for Portico Benefit Services contracts with outside pricing vendors to value securities held by the Investment Fund based on asset type, class, 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 check for reasonableness. Vendor-provided

prices are subject to automated tolerance checks to identify and avoid, where possible, the use of inaccurate prices.

Securities not priced by vendors (such as some private placements, commingled funds, limited partnerships, certain derivatives, and real estate assets) are priced by the custodian. If 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 would be implemented.

Participating in the Investment Fund

The Investment Fund is available through the Annuity Trust to members only through purchase of certain immediate participating annuities issued by Portico. If you annuitize some portion of your retirement account through Portico, you allocate money to the Annuity Trust, which invests in the Investment Fund.

The Investment Fund currently purchases units of investment pools managed under the supervision of Portico. 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 these inter-fund transfers. The Annuity Trust is the sole owner of the Investment Fund. Any reference to the owner or the shareholder in this Investment Memorandum generally refers to the Annuity Trust and not to you, the member.

Disclosure of Portfolio Holdings

Information about the Investment Fund's portfolio holdings is available on Portico's website at *PorticoBenefits.org*. A complete listing of the Investment Fund's portfolio holdings as of the end of each year is posted on the website after the end of the year and remains posted until replaced by the information for the succeeding year. In addition, from time to time (e.g., during periods of unusual market conditions), additional information regarding the Investment Fund's investments may be posted on Portico's website.

Securities Lending

Portico Benefit Services seeks to earn additional income for the Investment Fund by lending securities in the Investment Fund to brokers, dealers and other financial institutions. The loans are secured at all times by cash and liquid, non-cash collateral. To implement its securities lending program, Portico Benefit Services currently contracts with BNY Mellon Global Securities Lending (lending agent) and BNY Mellon Cash Investment Strategies (cash reinvestment manager). BNY Mellon corporate headquarters are located in New York, N.Y.

The lending agent arranges the terms and conditions of 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 Benefit Services. 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 Benefit Services 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. The procedures and guidelines are also designed to help protect against the potential losses from the reinvestment of the cash collateral received on loaned securities.

The performance of the securities lending agent is monitored by Portico Benefit Services on an ongoing basis through reviews of the agent's lending activity, investment activity, positions, performance, and personnel changes.

FINANCIAL STATEMENTS OF THE INVESTMENT FUND

Although this Investment Memorandum describes the Investment Fund's anticipated investments and operation, the Investment Fund will also prepare annual reports that detail the Investment Fund's actual investments at the end of the period covered by the report. These reports will include a discussion of the Investment Fund's recent performance, as well as market and general economic trends affecting the Investment Fund's performance.

2016 COMBINED STATEMENTS OF NET ASSETS

Statements of Net Assets Available for Plan Benefits and Benefit Obligations as of Dec. 31, 2016 (Dollars in Thousands)	(Unaudited) ELCA Participating Annuity Investment Fund ($)
ASSETS	
Investments, at fair value	
Bonds	831,133
Stocks	819,988
Short-term investments	39,612
Mutual funds	241,955
Private equity and real estate investments	153,115
Total investments	**2,085,803**
Cash	1,699
Collateral under securities lending program	259,214
Foreign currency contracts	15,166
Swaps/Futures	4,257
Accrued interest and dividends receivable	9,717
Contributions Receivable, net of allowance	–
Other assets	600
Due from brokers for securities sales	2,814
Furniture, equipment and computer software, net	–
Total assets	**2,379,270**
LIABILITIES	
Foreign currency contracts	15,116
Swaps/Futures	4,006
Cash overdraft	–
Payables for securities purchased	5,691
Payables under securities lending program	259,030
Deferred revenue	–
Payables and accrued expenses	1,800
Lease Obligations	–
Total liabilities	**285,643**
Net assets available for plan benefits	**2,093,627**
BENEFIT OBLIGATIONS	
Benefit obligation for active plan members	24,684
Benefit obligation for retired plan members	1,981,795
Other obligations	–
Total benefit obligations	**2,006,479**
Excess (shortage) of net assets over benefit obligations	**87,148**

2016 COMBINED STATEMENTS OF CHANGES IN NET ASSETS

Statements of Changes in Net Assets Available for Plan Benefits and Benefit Obligations for the Year Ended Dec. 31, 2016 (Dollars in Thousands)	(Unaudited) ELCA Participating Annuity Investment Fund ($)
Additions (Reductions) to Net Assets	
Investment gain (loss)	
Interest and other income	37,556
Dividend income	23,709
Net realized and unrealized gain on investments	97,892
Other investment gain	2,100
Investment expense	(6,631)
Net investment gain (loss)	**154,626**
Contributions	
Employer contributions	–
Member contributions	–
Other contributions	–
Total contributions	**–**
Total Additions (Reductions)	**154,626**
Deductions from Net Assets	
Benefit payments	193,252
Withdrawals	–
Life Insurance Premiums	–
General and Administrative Expenses	6,997
Total Deductions	**200,249**
Transfers and adjustments	77,113
Net increase (decrease) in net assets available for plan benefits	**31,490**
Increase (decrease) in benefit obligations	18,593
Net change in excess (shortage) of net assets over benefit obligations	**12,897**
Excess (shortage) of net assets over benefit obligations at beginning of period	74,251
Excess (shortage) of net assets over benefit obligations at end of period	**87,148**

ANNEX A

Existing Bridge Accounts

Previously, some members invested in the ELCA Participating Annuity Investment Fund through a bridge account, which gave them the opportunity to participate in the Investment Fund prior to annuitizing. This option is no longer available and no new contributions can be made to existing bridge accounts. Members who currently have bridge accounts participate in the Investment Fund and have their account balances adjusted monthly using an interest-crediting rate until they annuitize the money. Portico Benefit Services ("Portico") retains the absolute, sole discretion to change the adjustment methodology at any time without notice.

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

When members with bridge accounts annuitize, there will be an initial adjustment to the annuity payment. This adjustment is currently a fraction of the current year annuity adjustment, based on the number of months annuity payments will be made in the first year of annuitization.

- The minimum amount that can be annuitized from a bridge account is $6,750 or, if less, the entire balance.
- Bridge accounts must be annuitized no later than April 1st of the calendar year following the calendar year in which the member reaches age 70½ or retires from service, if later. In the event, bridge accounts must be annuitized prior to the attainment of age eighty (80).
- No new contributions can be made to bridge accounts.