

Market Volatility—A Fact of Life

Roger Saylor, Chief Investment Officer, believes investors can prepare for and manage through market volatility.

So the overall investment goal of The Church Pension Fund's assets is to make sure that we grow those assets at a sufficient rate so that we can maintain our financial strength and also to make benefit payments as we go forward into the future.

So our investment strategy doesn't really change as a result of events like the COVID pandemic, but rather our strategy is designed to be very long term. Our beneficiaries will be there for many, many years going forward in time, and so our investment strategy reflects that and doesn't really change in result of shorter-term types of events.

So the Pension Fund is well positioned to survive different types of market fluctuations. First of all, we start from a position of financial strength. The Church Pension Fund is very well funded and has been, and continues to be that way. And second, the portfolio is very diversified. It's not as volatile as people might expect it to be, which has worked to our advantage.

One thing that's interesting to note is that the recent market volatility can also create opportunities as well as headaches, and those opportunities can be realized by our investment managers that we have.

I would say Church Pension Group, I'm most proud of the strength of the investment process we have and the people who are managing those assets. The investment team we have is, first and foremost, very experienced and very professional. Most of the senior people in the Investment Group have been doing this for 20, 25 or 30 years, and so they've gone through many different types of experiences and different types of periods in the markets. It also is critically important in planning for how you're going to react in those types of environments. Are you going to stay with your long-term strategy? Are you going to start thinking you have to change things or whatever?

So experience like that, and seasoning like that, really is important in maintaining a long-term investment strategy which will prove to be very beneficial to everybody. So in this time of uncertainty, I'd like to leave one message with our clients, and that is that market volatility in episodes like this is to be expected. That's a fact of life. That doesn't mean we're not going to incur losses during those time periods. That just means that the strategy is designed recognizing that so we don't have enormous losses which are very difficult to recover from when we come out of those time periods.

That whole approach that we use has been in place for many, many years and has worked well for us for decades, and I expect it's going to continue to work well for us for decades into the future.