

2021



CHURCH OF THE BRETHREN
BENEFIT TRUST



Church of the Brethren Benefit Trust
Annual Report





Former Annual Conference Moderators attending the 1943 Conference where Brethren Pension Plan was established.

This is a Who's Who of Church of the Brethren leaders in 1943. Back row, left to right: Rufus D. Bowman, Vernon F. Schwalm, James Moore, D.W. Kurtz, C.D. Bonsack, C.E. Davis, J.W. Lear. Front row, left to right: Paul R. Bowman, Otho Winger, C.C. Ellis, W.W. Peters, and J.J. Yoder.

Who would have imagined a year ago, as our previous Annual Report was going to press, that a year later we as a nation would still be living in the reality of a colossal pandemic? It has been a horrific year of enduring the terrible daily updates on the COVID-19 death toll; of struggling to hang on through the country's massive economic collapse and political upheaval; of helplessly watching the suffering of loved ones, friends, and acquaintances; and of reading of pain and anguish suffered by so many across our country. Life has been uprooted as we knew it, and we no doubt are entering into a new normal that will forever have a different look and feel from the past.

We said in last year's Annual Report that BBT and its affiliates — Brethren Benefit Trust Inc., Brethren Foundation Inc., and Brethren Foundation Funds Inc. — were poised to adapt, change, and thrive. And we were, we did, and we have — just not in exactly the manner that we envisioned! In March 2020 staff switched literally overnight to remote working, client visits tuned into zoom meetings, and focus on customer care took on a new urgency, as we brainstormed about the many things our members might need at the moment, from financial help for pastors, congregational, district, and camp employees who were being adversely impacted by the pandemic to information and waived medical deductibles on costs of COVID-19 testing and medical treatment. Fifteen months into the new normal, we can report that our customer numbers are strong and the assets we manage for members and clients are at an all-time high.

One of the things we heard from a Plan member recently was that they would miss seeing us again this year in our booth at the Church of the Brethren Annual Conference, the annual gathering where the business of the denomination is conducted, worship is celebrated, and relationships are started and/or renewed. That comment gave us pause. Last November, with the Board's affirmation, BBT formally began heading in a new strategic direction meant to strengthen its foundation. This includes a plan to bolster our operations within the denomination while seeking business beyond those

we currently serve, to ensure that the right staff are in the right positions, to move permanently into a more nimble office situation for our staff, and to look at our identity to ensure that it reflects the ideals and beliefs that we hold and in which we operate as we strive to serve people and organizations through the management of their financial resources.

Thanks in part to our affiliation with the Church of the Brethren, we have come to count on a reliable cycle of interaction with our members, clients, and denominational activities throughout the year. When that cycle came to a lonely, quiet halt last year, keeping us from client visits and representing BBT at Brethren events, such as Annual Conference, it gave us the space to dream of what could be and should be the future of our organization. So while we report on the business of the organization in our Annual Conference report, which starts on page 143 of the 2021 Annual Conference booklet, it seems fitting to choose to weave our very rich Annual Conference history right into the text in this year's Annual Report, as we honor the past of evolving from the Church of the Brethren while planning for a future of our own making that includes going beyond the denomination.

We hope you will appreciate knowing more about the Brethren movement that was responsible for creating BBT, and with which we continue to partner in so many important and rewarding ways. The future of this organization remains strong, and its service to the Church of the Brethren is unwavering.

**Building financial security
Bettering the world
Together.**

Donna Rhodes
BBT Board Chair

Nevin Dulabaum
BBT President

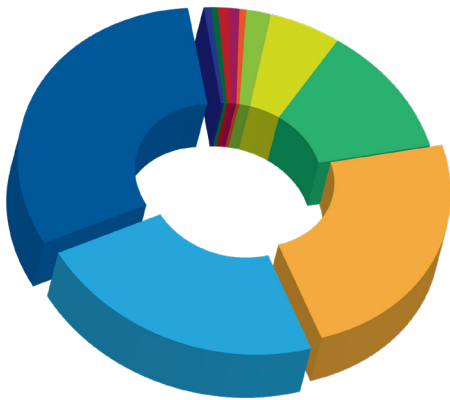
2020-21 Board Members



BBT Board members (left to right) — Top row: Sara Brenneman, Kevin Kessler (Vice Chair), Audrey Myer, Wayne Scott. Middle row: Eunice Culp, Dennis Kingery, Jerry Patterson, David Shissler. Bottom row: Ron Gebhardtshauer, Russ Matteson, Donna Rhodes (Board Chair), Donna March.

BBT Annual Report financials through December 31, 2020

Brethren Foundation and Brethren Foundation Funds



AUM as of Dec. 31, 2020 / 202.4 (\$ in millions)

- Alternative Assets / 0.2
- Community Development / 0.4
- Charitable Stock / 1.5
- Gift Annuity / 1.7
- Charitable Bond / 1.4
- International Equity / 4.1
- Short-Term / 11.3
- Fixed Income / 24.2
- Domestic Equity / 48.3
- Equity and Fixed Income / 46.8
- Tactical / 62.5

Brethren Pension Plan



AUM as of Dec. 31, 2020 / 431.3 (\$ in millions)

- Community Development / 0.5
- Alternative Assets / 1.0
- International Equity / 20.4
- Short-Term / 9.0
- Fixed Income / 20.3
- Domestic Equity / 90.4
- Equity and Fixed Income / 87.3
- Target Date Funds / 28.3
- Retirement Benefits Fund / 174.1



Celebrating the Big Meeting



The "parking lot" at the 1876 Annual Meeting in Logan County, Ohio. Throughout much of the 19th century, Annual Conference was on a farm. No matter what the era, Brethren needed conveyances to get to the Big Meeting and a place to put them when they arrived.

This year's theme is Annual Conference



People from other faith traditions and backgrounds who know Church of the Brethren people as clients and friends may not realize how much Brethren

value community. They believe that human beings are better people when they are living, working, and making decisions together. This is why something called "Annual Conference" has been so important.

As BBT reaches out to possible clients and customers beyond the Church of the Brethren, it is important to explain the roots that have made Brethren Benefit Trust an excellent financial services firm, poised to make an arc to the future and to a wider market. To understand those roots, you have to understand Annual Conference.

When Brethren were still speaking the German language of their origins, they called Annual Conference "Die Grosse Versammlung," The Big Meeting. For almost 300 years, Brethren from congregations across the U.S. have gathered once a

year to visit, worship, share food, enjoy one another's company, and, most importantly, make decisions about how to live out their faith.

BBT began in a decision by Annual Conference in 1943 to create Brethren Pension Plan to ensure that pastors and ministers, whose salaries were often small, would have enough money to provide for their retirement. In the first year 243 churches joined the Plan. By 1953, annual contributions to the Plan by members reached \$100,000. In 1962, by action of Annual Conference the Plan began to serve lay employees of the churches as well. In 1978, Annual Conference incorporated socially responsible investing criteria into the plan's guidelines. In 1988, Annual Conference reorganized Brethren Pension Plan and created Brethren Benefit Trust. In 1990, Annual Conference created the Brethren Foundation, which enables churches and other Brethren-affiliated organizations to invest their assets in a similar manner as Brethren Pension Plan members. Brethren Foundation was then added as a BBT ministry.



In the 20th century, Brethren began to find other more “modern” places to meet. This photo shows the 1901 Annual Conference, which was held in Lincoln, Nebraska, on what appears to be fairgrounds. Note the changing technology of the steam engine tractor.



What makes Annual Conference so special to Church of the Brethren people and so interesting to friends of the Brethren is that thousands of Brethren come together, face to face, to celebrate their faith, to be in community with one another, and shape the direction of their church.

Thus, the Church of the Brethren Annual Conference has shaped and authorized every step of BBT’s development, and BBT continues to be accountable to Annual Conference. But there is something more. Beyond being established and defined by Annual Conference, BBT has also embodied in its investment programs the best of the values of the Church of the Brethren as they have been formed and articulated by Annual Conference.

BBT practices “Brethren Values Investing,” screening out investments that violate faith values; doing shareholder advocacy to convince corporate boards to do the right thing; and offering an investment option that helps to make the world a better place. The Brethren are not the only ones who have embraced “socially responsible investing,” but we have a unique approach that grows out of our yearly efforts to clarify and strengthen our deepest commitments.

What makes Annual Conference so special to Church of the Brethren people

and so interesting to friends of the Brethren is that thousands of Brethren come together, face to face, to celebrate their faith, to be in community with one another, and shape the direction of their church. It’s a cross between a great family reunion, a county fair, a shareholder’s meeting, and a religious assembly — with insight sessions, exhibits, concerts, banquets, hearings, business meetings, and worship services. It is central to the reality of being “Brethren.” So, when the pandemic forced its cancellation in 2020 and caused it to be carried out virtually this year, something was lost.

In this 2021 Annual Report, BBT wants to remind our members, clients, and friends how essential Annual Conference is, acknowledge how much Annual Conference has been missed, and proclaim what we have to look forward to when it returns. Further, we want the new friends and clients we meet in the future to understand our deep sense of community, this vital reality that is embodied in Annual Conference and in which we are rooted. ■

Please enjoy the photo collection from Annual Conference throughout the years on the following pages.

Ohio: 1876 Logan County



Ohio: 1876 Logan County



Ohio: 1887 Ot...



Iowa: 1908 Des Moines



Iowa: 1908 Des Moines



Ohio: 1903 Bellefontaine



Kansas: 1887 Ottawa



Idaho: 1937 Nampa



Iowa: 1908 Des Moines



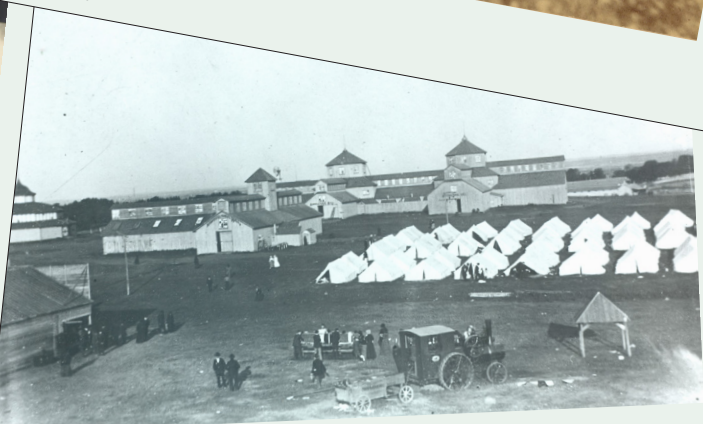
Ohio: 1903 Bellefontaine



Pennsylvania: 1933



Pennsylvania: 1877 New Enterprise



Nebraska: 1901 Lincoln



Kansas: 1943 McPherson



California: 1928 La Verne



Iowa: 1908 Des Moines

Iowa: 1908 Des Moines



Calgary: 1923 Alberta



Hershey



Iowa: 1908 Des Moines



Brethren Pension Plan



The Brethren Pension Plan was established in 1943 by Annual Conference. This photo was taken at that conference, which was held in McPherson (Kan.) Church of the Brethren.

A tremendous resource



Dr. Jeff Carter, president of Bethany Theological Seminary, has been a member of Brethren Pension Plan since he was 23 years old, joining as a young

pastor just out of seminary. “Having been a part of the Pension program for so many years,” he says, “I have seen BBT continue to develop the customer interface — allowing Pension members to be more proactive in seeking information and attaining that information.”

He went on to say, “I was doing some of that work on my own with the Edelman Financial Engines’ resources and then I got stuck. So, I contacted Ed Shannon [retirement planning consultant], and he was really helpful, both in walking me through what BBT could and could not do, and in showing me what were the best resources from Edelman. Ed asked me questions about my goals with the Pension Plan. He did it up front, so we knew where we were headed. Then he was super responsive with emails and he often ended with, ‘And what more can I do?’”

• Jeff finds that this approach fits his personal style,
• “Take an interest in the larger vision and give lots of
• options without judgment on which to choose.”

• But Jeff’s appreciation of the Pension Plan goes
• beyond his own membership. Bethany offers the
• Plan to their fulltime staff as one of two options;
• the second option is one that is used by many higher
• education institutions across the country. But the
• seminary’s first priority is Brethren Pension Plan.

• Bethany contributes 10 percent of a fulltime staff
• member’s salary to the Plan. Jeff comments, “Most
• educational institutions now are moving away from
• that practice and are funding at a much lower rate, if
• at all.” But Bethany continues to fund the Plan at that
• level.

• “By doing this we are encouraging particularly our
• younger employees to begin investing early. Hopefully
• we are instilling interest. If you’re starting to work
• at the seminary in your late 20s or early 30s, this is a



Jeff Carter, President of Bethany Theological Seminary, giving a prayer and blessing to Rev. Dr. Samuel and Rebecca Dali of Nigeria.

considerable gift. And it's a great time to educate and talk about long term investing."

Further, Jeff is concerned that not everyone in the church sees the importance of the Pension Plan. Some people see it as a fringe benefit, so churches can easily cut back on the percentage they contribute for their pastors, especially if the congregation is already not following the denominational salary scale.

He recognizes, "You're not going to make a lot of money as a pastor, but you will be

sustained in your retirement because of this ongoing support through the Pension Plan. If the church's part is dropped off, it puts a greater burden on the pastor."

In an effort to prepare students for the pastorate, Bethany asks all incoming students to take a financial literacy class.

"I think the Pension Plan is a tremendous resource," Jeff concludes. "The support offered through the BBT staff provides a wonderful educational opportunity on finance. And the Plan gives pastors, those taking advantage of the program, a terrific opportunity." ■

WE ARE BBT

In the last decades of the 19th century, Annual Conference was sometimes held in large, open pavilions like this one.



Using the Plan as it was meant to be used

Brethren Pension Plan can work for you even if you are no longer making contributions. Take Kurt Snyder as an example. In 1999, Kurt left his position as a Church of the Brethren pastor, and because he was no longer working for a Brethren-related organization, he could no longer contribute to the Plan, nor could his new employer. Later, even during years when working as a hospice chaplain, he was not able to grow his account by contributing money because he was not ministering in a Brethren-related organization.

Still, his account did grow, even despite some setbacks. In 1999, when he left his Brethren position, he also went through a divorce. The money he had in the Plan was split with his former spouse. At that time, he also used some Pension Plan money for a down payment on a house. Thus, the balance on his account was reduced to about \$40,000. Today it has grown

to more than \$250,000 without either himself or an employer adding anything to it.

During all those years, Kurt set an investment strategy and never wavered from it and never again drew money out. He read the regular reports and paid attention to how his money was doing. Now, as he is nearing retirement, he is in regular contact with Ed Shannon, BBT retirement planning consultant, who has helped him change his investment mix to fit his age and retirement expectations. He has also benefited from the advice of Pension Plan partner, Edelman Financial Engines.

There are two sides to a Pension Plan account — (1) the money put in by yourself and your employer and (2) your efforts to invest and manage it wisely. Kurt had to relinquish the opportunity for the first, but he did the second very well. ■



Church Workers' Assistance

Assistance for a single mom



Joanna Davidson Smith was a dental assistant for 22 years before finding a call to ministry. Living in rural Mount Ida, Kansas, who was widowed when her husband died in an auto accident and she suddenly found herself the single mom to two young children.

Though she liked her work in the dental office, she was feeling disconnected. One day she was Googling something about spirituality, and “spiritual direction” popped up. She had not previously heard of this, and it piqued her deep interest.

Joanna says that ministry is in her blood. She is a direct descendant of Johann and Johanna Kipping, who were among the first group of eight to be baptized in 1708 in Schwarzenau, Germany, and go on to form the Church of the Brethren. Her great grandfather was a Brethren minister. Her grandfather was a member of the Board of Trustees of Brethren-affiliated McPherson College, and her father is also a Brethren minister. She says she lived and breathed ministry as she was growing up.

So, following her call, she entered a three-year program with the Benedictine Sisters at Atchison, Kansas, to prepare to be a spiritual director. After finishing the Benedictine program, she embarked on a two-year program at the Living School in New Mexico, founded by the widely known author and spiritual director, Richard Rohr. She finished this program in 2017 and was ordained in 2018. In the meantime, she moved to McPherson, Kansas, and took a position as an administrative assistant in the office of the Western Plains district of the Church of the Brethren.

For the past two years Joanna’s now adult son has been struggling with mental health issues. She had been trying to get insurance to cover the medical expenses and was finding the cost of the

insurance more than she could afford. The executive for Western Plains District, Sonja Griffith, knew about BBT’s Church Workers’ Assistance Plan, which is designed to help people like Joanna who are employed by the denomination, and she called the BBT offices.

“The next thing I knew,” says Joanna, “Debbie Butcher [BBT staff person who manages the Church Workers’ Assistance Plan] called me. It was wonderful. Very warm. A good conversation on the phone.” Debbie quickly arranged to help her. The initial contact with had been made in October, and by December help had arrived. The money Joanna receives goes directly to pay for health insurance, both hers and her son’s.

The Church Workers’ Assistance Plan was created to provide support for retired and active employees of congregations, districts, and camps who are in financial distress. It is an Annual Conference directive financed by church, district, and camp employers who designate 1 percent of their salary expenditures to the fund, and also from additional congregational donations. In 2020, more than \$290,000 in regular grants were given by the Plan.

Joanna’s need is precisely what the Church Workers’ Assistance Plan was created to meet. Measured in dollars, it is a small part of BBT’s budget as a financial services ministry, but measured in spirit, it is something the Church of the Brethren and the BBT staff can justly be proud of and something for which those it helps, like Joanna Davidson Smith, are deeply grateful. ■



The Church Workers’ Assistance Plan was created to provide support for retired and active employees of congregations, districts, and camps who are in financial distress.

Joanna Smith was able to take advantage BBT’s Church Workers’ Assistance Plan when she was struggling to make ends meet.

We see a real need here

“From an emotional standpoint, it was probably more valuable than from a financial standpoint.” These are the words of Pastor Michael Smith as he reflects on the first of two COVID-19 Emergency Grants he and his wife received from Brethren Benefit Trust. “To have somebody say, ‘Yes, we are going to help you. We see a real need here. You’ve filled out the paperwork. Here’s your money.’ There was no judgement, he says. “It was a matter of, ‘How can we help you?’”

Michael is a bi-vocational minister, who has pastored North Winona Church of the Brethren in Warsaw, Indiana, for 13 years. His other vocation has been to work for the JCPenney department store chain. When the pandemic hit, JCPenney ceased operation and furloughed its employees. After Michael was furloughed, there was a time when unemployment insurance had not yet begun and the Smiths needed some help. Michael had anticipated this and talked with Torin Eichler, his district executive minister, who suggested he apply for a COVID-19 Emergency Grant from Brethren Benefit Trust. The money the Smiths needed was sent by direct deposit within five business days.



The 1933 Annual Conference met in this large, high-ceilinged hall in Hershey, Pennsylvania.

Some months later Michael found it necessary, at the urging of his wife and congregation, to deal with hearing loss that had been getting worse for the past 10 years. He found a company that offered hearing aids at a lower than typical price, but because of the effect of the pandemic on the family finances, help was needed. Michael applied for another COVID-19 Emergency Grant. Debbie Butcher, Employee Benefits Specialist at BBT, expedited the process and again, the money was provided.

COVID-19 Emergency Grants are

available to employees of churches, districts, and camps in the Church of the Brethren who are struggling financially due to the economic conditions created by the pandemic. Since the grants began in March 2020, a total of \$328,727 has been given to 141 recipients.

These figures represent the many recipients of assistance from this program, but equally important, as Michael Smith reminds us, they represent the emotional and spiritual benefits of a financial relief effort that says, “How can we help you?” to those with a need. ■



Visiting together is almost as essential as worship or church business. Here, conference goers are relaxing on the lawn at the 1908 Des Moines, Iowa, Conference. There were many photos taken at the 1908 conference because that was the year Church of the Brethren celebrated its 200th anniversary.



Brethren Insurance Services



At the 1928 Annual Conference held in La Verne, California, the photographer captured a sea of people in attendance all under a huge tent. Note the variety of head coverings from that era.

Virtual Medicine and More



Who would have imagined medical care at a distance? With the advent of virtual medicine, people can see and talk to a doctor through their

smartphone, tablet, or computer, meaning they don't have to wait days to schedule a doctor's appointment, go to a doctor's office, or sit in a waiting room. Virtual medicine (sometimes called "telemedicine") is part of a communications revolution that allows treatment of basic ailments and the prescribing of medication in the matter of a few hours, regardless of the time of day. For example, Brethren Medical Plan clients can use their smartphones or computers to access their accounts with any and all of their questions about their health. They can find doctors, hospitals, and imaging centers, rate and review providers, view their claims, share information with family and friends, and get health and wellness information.

In the diabetes management program called Livongo, they can use a touchscreen health monitor. They can check and update their glucose readings. They can get

- real-time clinical data analytics to help them change their behavior.
- They have access to Sharecare, a health tracking app that looks at their daily activity and stress levels.
- Sharecare offers a RealAge test to learn the real age of their body based on their health habits, current health conditions, and family history. Sharecare also enables them to participate in biometric screenings, which are part of a WellNow Rewards program in which BBT hosts screening events across multiple locations.
- All of this internet connectivity allows them to pay attention to their health and find ways to improve it. But then there is the moment when they need to talk to a person. They can do this online.
- They have access day and night, seven days a week, to U.S.-licensed, board-certified doctors, who can treat most non-emergency illnesses and who can even prescribe medications when appropriate. All of this can happen through on-screen communication while

clients are in their home or anywhere.

Virtual doctors can treat sinus infections, upper respiratory infections, bronchitis, flu, conjunctivitis, coughs, and sore throats. Eighteen of the top 20 reasons people visit urgent care centers can be treated through a virtual medicine visit, keeping sick people out of waiting rooms and doctors' offices.

For those who are a part of the Brethren Medical Plan, there are two options — amwell.com or doctorondemand.com. It's very easy to register and download

these mobile apps using a smartphone. Depending on the availability of virtual doctors in the area, members could use either or both of these services.

Not everyone is “tech-savvy,” and some may be uncomfortable with these new realities or reluctant to take advantage of this extraordinary technology, but they need not be afraid of it. It will not completely replace hands-on medical care, but will allow people who cannot get to physicians, clinics, and hospitals, to receive expert treatment from wherever they are with a smartphone. ■

Note: At the present time, the Brethren Medical Plan covers the employees of agencies and organizations, but is not available to ministers or to the staff of camps and districts. BBT is working to change that. In the near future BBT hopes to provide these options once again to Brethren pastors and the staff of churches, camps, and districts.

WE ARE BBT

Helpful to talk to a real live person



Connie Sandman has been with BBT longer than any other staff member. In fact, she was on staff even before BBT was BBT. In 1982 she joined the BBT precursor, the Pension Board. Today she works

as an Insurance plan specialist on BBT's Brethren Insurance Services staff, where she contributes to BBT's positive reputation for service.

Among the many things she does, Connie handles the enrollment forms that come from organizations and churches whose employees are beginning to use the insurance products; she makes sure that employees are properly signed up for the insurance they have elected.

Each month Connie invoices churches and organizations for the money they have deducted from employees' paychecks, and she also sends an invoice to the BBT finance department, so the insurance underwriters can be paid.

Connie does not handle insurance claims. The organization, church, or individual goes directly to the insurance underwriters, but if something goes wrong with a claim,

Connie is there to advocate for the person and help solve the problem.



In all the years since Connie has joined the staff, BBT has been known for good customer service, and Connie is presently one of BBT's most appreciated customer service voices.

“There was a time recently,” she said, “when I talked to a treasurer at a church that was enrolling their pastor in our products for the first time. He was totally lost, and when he called in, he was so happy and surprised that he got me. We ended up talking four different times, and he was so happy that he got a live person.” ■



Brethren Foundation Funds



The only time Annual conference was held in Canada was in 1923 in Calgary, Alberta. This photo shows the big crowd gathered there.

God's money



“It’s God’s money, and it’s there to be used for God’s work,” said Thomas Prager, member of Beaverton Church of the Brethren, about his

congregation’s investments in Brethren Foundation Funds. His church, which opened its account in 2012, separates its investments with BFFI into four funds.

Beaverton leadership does not touch the principal in the Endowment Fund, drawing only on the earnings, which they use for special projects or if a disaster in the community causes a need. The building fund is set aside for capital improvements and maintenance; the congregation is presently accumulating money to build an addition. The pastoral fund ensures enough money to pay the pastor and purchase necessities such as pulpit mics. Finally, the multi-purpose discretionary fund was recently needed to help pay for increasing the size of the parking lot.

The Beaverton church is very service-minded. Of the eight churches in the community, theirs is probably the most active. They support the food bank, Habitat

• for Humanity, and Helping Hands Mission among
• others, sometimes using their Foundation earnings.

• They have stayed with the same conservative mix of
• stocks and bonds. Thomas reports to the board every
• month and to the church council meeting. “As God’s
• money, we don’t want to hide it and save it,” says
• Thomas. “We want to try to make a little more money
• with it, but we’re also not willing to get too risky with
• it. We want to be good stewards.”

• In that spirit they felt some responsibility to make a
• comparison, so they talked to a representative from
• a well-known investment firm. After their discussion
• with the adviser, the congregation chose to retain
• Brethren Foundation Funds. They found it was
• competitive in terms of performance and fees, and
• felt that Brethren Values Investing was important.

• When Annual Conference created the Brethren
• Foundation in 1990 it was exactly this kind of good
• service the founders envisioned for congregations.
• Phil Stone, who chaired the study committee and

the committee responsible for putting the idea of the Foundation forward, said many years later, “The Foundation does the immediate things we hoped could be accomplished — be a place for the church agencies, congregations, and districts to be able to place resources and have them managed carefully. That’s been done beautifully. I mean it’s just hard to imagine how you’d improve much on that.”

• The Beaverton Brethren would agree, and they are very happy with their investments, especially the way the recent performance of the economy has affected them. Last year they installed a large, new digital sign, and they were able to cover the \$24,000 cost almost entirely with the earnings from their investments in Brethren Foundation Funds. Prager said that they felt that God paid for the sign. ■



WE ARE BBT

This image from the 1908 Conference in Des Moines, Iowa, shows the rugged architecture of the huge halls where the Brethren were meeting.



Funds throughout the generations

“The Church of the Brethren is very fortunate that we have BBT to manage our funds,” says Vicki Ehret, interim Executive Minister of the Atlantic Southeast District. “They have done an excellent job. And they are always just a phone call away.”

This is a small and very diverse district, which currently consists of 16 churches in Florida. It has a long history with Brethren Foundation Funds, and people of the district really know how to use BFFI.

Because of the sale of churches that have closed, the district has considerable financial resources. Some years ago, they did an experiment. They invested \$100,000 of their funds in a well-known investment firm, and they invested another \$100,000 in Foundation Funds. After three years, Foundation Funds outperformed the other company, and that cemented the relationship with Foundation Funds.

They have set up their investments so that they never take more than 5 percent in any given quarter, and they have been able to stick to this plan.

In fact, during the first and second quarters of this year they did not need to take this money. And they were still able to help some of their congregations.

Though they are small, and some are struggling financially, the congregations of Atlantic Southeast are committed to the district and faithfully make their allocations, meaning that a large portion of the district’s budget is paid for by the congregations.

This has freed the district to use its investment earnings to help struggling congregations and to finance new church starts. The district lends money to its congregations rather than make outright gifts, but the loan terms are very generous. The church receives the money it needs, not expecting any interest or repayment for three, even five, years.

The people of Atlantic Southeast district understand good stewardship. “We want to continue,” says Vicki, “to have funds throughout the generations to continue the work of Jesus.” ■



Brethren Values Investing



He's a full measure man.
/He won't tell you a lie.
/When Cyrus rolls his wagon to the scales, /
Just wave him right on by. /Level on the level, /
Signed with a shake of a hand. /Unaffected, well-connected, /Simple, honest man.

Signed with a shake of the hand

Without the Church of the Brethren Annual Conference there would be no Brethren Values Investing. Of course, Brethren have always disciplined their business activities by their faith, going back to when almost all Brethren were farm people. Some years ago, songwriter and college professor Andy Murray wrote a song about this, lifting up the business values of a Brethren farmer bringing his grain to market. The miller knew what kind of person this man was as Murray described in the lyrics at left.

Simple, honest people, whose word was their bond — this was what the Brethren had been known for since the movement's founding in 1708 Germany. As the Brethren moved into the complexities and

challenges of the 20th century, they began to shed their sectarian ways, moving away from agriculture, and becoming part of the larger culture. However, they did not lose these basic values. As modern life became more complex, they discussed in their Annual Conferences the many challenges they faced, and they created a body of Annual Conference Statements and Resolutions that articulate where the Brethren stand. As Brethren Pension Plan was established in 1943, grew, and then as Brethren Benefit Trust was created to include the Pension Plan and the newly established Brethren Foundation, the Brethren measured and shaped their investments according to the values embedded in these Annual Conference actions. ■

Screening for Brethren Values

Today, whenever possible, assets managed for BBT members, clients, and donors follow Brethren Values Investment guidelines that are consistent with social statements approved by the Church of the Brethren Annual Conference. Notably, this means screening out the top 25 publicly traded companies that receive the most U.S. Department of Defense contracts, and companies that generate 10 percent or more of their

gross earnings from Defense Department contracts. Further, companies that produce 10 percent or more of their income from firearms and military weapons systems, weapons of mass destruction, abortion, alcohol, gambling, pornography, or tobacco, are screened from BBT investment portfolios, as well as companies that are egregious violators of environmental or human rights regulations.



2015 Annual Conference, in Tampa, Florida.

Advocacy

The second prong of BBT's BVI strategy is to advocate for Annual Conference positions on social issues with companies in which Brethren Pension Plan members' and Brethren Foundation and Brethren Foundation Funds' client assets are invested, influencing the ways those companies behave in the global community. In 2020, BBT engaged in a variety of shareholder initiatives.

ConocoPhillips: BBT continues to serve as lead shareholder in a long-term investor effort. The goal is to encourage the company to establish social indicators to document the implementation of its expanded Human Rights Position, including giving attention to the rights of indigenous peoples in the areas worldwide where ConocoPhillips conducts its business.

Department of Labor Rulemaking Regarding the Consideration of ESG: In July 2020, Brethren Benefit Trust signed a shareholder letter sent by the Interfaith Center for Corporate Responsibility (ICCR) in opposition to the Department of Labor's proposed rule, "Financial Factors in Selecting Plan Investments." The letter expressed concern that the rule would deter

consideration of environmental, social, and governance (ESG) factors by retirement plans, despite evidence that integrating such factors can improve performance.

Workplace Equality in retail, consumer goods, and pharmaceuticals. In June 2020, Brethren Benefit Trust signed onto a workplace equality initiative led by Boston Common Asset Management. In this initiative, letters were sent to nine

companies in the retail, consumer goods, and pharmaceutical sectors that are in the Pension Plan and Asset Management portfolios. The letters encouraged them to provide a better understanding of their approach to building an inclusive workforce. The nine companies are — Kroger, Target, and TJX (retail); Colgate-Palmolive, Estee Lauder, and Proctor & Gamble (consumer goods); and GlaxoSmithKline, Novartis, and Roche (pharmaceuticals).



2016 Annual Conference, in Greensboro, North Carolina.

Positive Investing

The third component of BVI is positive impact investing, which means investing funds that stimulate economic growth and redevelopment in communities where it is needed. At the conclusion of 2020, Brethren Pension Plan members and Brethren Foundation Funds asset-management clients had more than

\$925,000 of assets under management invested in a fund called Community Development Investment Fund.

The assets placed in the CDIF by the Brethren Pension Plan and by BFFI asset-management clients address the black homeownership gap in America; support

the Elizabeth Seton Pediatric Center in New York, which provides specialized clinical and rehabilitative services to medically complex children with multiple physical and neurological conditions and disabilities; and help fund Hawthorne Eco Village Apartments, an affordable rental property in Minneapolis, Minnesota. ■

“These really worked for me”

BFI

“These charitable gift annuities have really worked for me,” says Allegra Hess. As she moved into her retirement years, she realized that she had greater financial resources than she had expected, which affected her tax situation. The charitable gift annuity was an excellent solution. She could support the various ministries and service organizations she loved while helping herself with her tax situation.

Leaving money to an organization you care for can be a complicated task, but not so with Brethren Foundation, which manages a variety of charitable gift instruments for Brethren members nationwide who have a array of needs — to make gifts, to deal with taxes, or to care for a surviving spouse or dependents.

Through the Charitable Gift Annuity program, Allegra made a significant gift to Brethren Foundation Inc. and specified the charity or church

organization of her choice as the remainder beneficiary. This establishes an annuity that the Foundation then administers, and Allegra is paid an established amount each year until the end of her life. There is an immediate charitable deduction and then a tax-free portion of annual payments for a number of years based on the age of the donor. When Allegra dies the balance of the annuity account then goes to the named organization.

In 2020 just when the pandemic was closing things down, Allegra moved from Illinois, where she had lived for 50 years, back to her native Lancaster County, Pennsylvania, where she still has dozens of relatives. She left behind a long career as a physical education teacher, mental health therapist, and active member of York Center Church of the Brethren to take up residence at Brethren Village in Lititz.

With her deep connections in Illinois

and in Pennsylvania, Allegra has many church and community organizations she cares about and wants to support. She has made gifts in the name of colleges, church organizations, community services institutions, and retirement centers.

So, yes, the charitable gift annuities really have worked, giving Allegra the opportunity at the end of her life to support the organizations she cares about; helping her with her tax situation; giving her a dependable income through the annuity and allowing the satisfaction of knowing she has done a good thing.

The charitable gift annuities are part of a deferred gifts program that was added to Brethren Foundation in 1990 soon after it was created. This program is now separately incorporated as BFI, and it is enabling many like Allegra Hess to support their retirement and the organizations they love. ■



BBT Staff and Board

BBT Board

2020 saw BBT welcoming two familiar faces. Jerry Patterson was appointed by the Board to serve a four-year term. Wayne Scott was elected to the Board by Brethren Pension Plan and Brethren Insurance Services members; he represents the denominational retirement communities. Both men served previously on the BBT Board.

2021 began with Shelley Kontra tendering her resignation in March due to scheduling issues. Donna March was enthusiastically appointed by the board in April to fill out the remaining year of Kontra's term. In addition, Kathryn Whitacre of McPherson, Kansas, will begin serving in July, as she was elected this year by Pension Plan and Insurance Plan members via mail-in ballot in the spring. Two elections will take place at the 2021 virtual Annual Conference; the final member will be added by Board appointment in July.



Jerry Patterson



Wayne Scott



Shelley Kontra



Kathryn Whitacre



BBT Staff

Following the retirement of Brethren Foundation staff member Steve Lipinski, Daniel Radcliff joined BBT in October 2020 as the Client Manager for Brethren Foundation. Sherri Crowe took over Steve's role as Manager of Brethren Foundation Operations.

In the Finance department, Tracy Repmann was hired in September

2020, as Assistant Director of Financial Operations, and Victoria Crouter joined BBT as Accounting Associate in February.

BBT leadership announced in January that as part of its evolving strategic plan, the department of Client Relations would transition to a new focus and have a new name

— Relationships and Growth. Scott Douglas and Loyce Borgmann became the director and assistant director, respectively, of this department. The remaining member of Client Relations, Ed Shannon, maintained his role as Retirement Planning Consultant as he shifted to the Employee Benefits department, where he continues to serve members and clients.

BOARD MEMBERS

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Huntingdon, Pennsylvania

Kevin Kessler, Vice Chair

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Sara Brenneman

Hershey, Pennsylvania

Eunice Culp

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Ron Gebhardtshauer

Copper Mountain, Colorado

Dennis Kingery

San Diego, California

Donna March

Carpentersville, Illinois

Russ Matteson

Modesto, California

Audrey Myer

Elizabethtown, Pennsylvania

Jerry Patterson

Fairfax, Virginia

Wayne Scott

Harrisburg, Pennsylvania

David Shissler

Hummelstown, Pennsylvania

David Steele

Ex officio
General Secretary,
Church of the Brethren Inc.

STAFF

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President; Ex officio of the Board

Jean Bednar

Director of Communications

Loyce Swartz Borgmann, CRPC®

Assistant Director of Client Relations

Debbie Butcher

Employee Benefits Specialist

Joven Castillo

Network Administrator

Tammy Chudy, Health & Life Ins. Cert.

Director of Retirement Operations

Victoria Crouter

Accounting Associate

Sherri Crowe, APMA, CRPC®

Manager of Brethren Foundation Operations

Lori Domich

Retirement Plans Specialist

Scott Douglas, CRPC®

Director of Client Relations

German Gongora

Director of Operations for Information
Technology

Michelle Kilbourne, Ph.D.

Director of Human Resources and
Administrative Services

Fatima Kurth

Accountant / Bookkeeper

Steve Mason

Director of Brethren Foundation and
Director of Brethren Values Investing

John McGough, CIMA®

Chief Financial and Investment Officer

Diane Parrott

Administrative Office Assistant

Dan Radcliff

Client Manager for Brethren Foundation

Huma Rana, CPA

Director of Financial Operations

Tracy Repmann

Assistant Director of Financial Operations

Lynnae Rodeffer

Director of Employee Benefits

Connie Sandman

Insurance Plans Specialist

Ed Shannon, CRPC®

Retirement Planning Consultant

Jeremiah Thompson, MBA

Director of Insurance Operations

Veronica Treadwell

Accounting Specialist

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BMO Global Asset Management

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Calvert Impact Capital

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Crossmark Global Investments

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Kayne Anderson Rudnick Investment Management

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Manning & Napier Advisors, LLC

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Ponder Investment Company

Nashville, Tennessee

Boston Trust Walden

Boston, Massachusetts

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Sewickley, Pennsylvania

Marquette Associates

Chicago, Illinois

AUDIT SERVICES

Legacy Professionals LLP

Chicago, Illinois

SECURITIES CUSTODIAN

U.S. Bank

Minneapolis, Minnesota

DEPOSITORY

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Chicago, Illinois

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The Nottingham Company, Inc.

Rocky Mount, North Carolina

PENSION PLAN RECORDKEEPER

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Seattle, Washington

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EyeMed Vision Care

Mason, Ohio

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Pittsburgh, Pennsylvania

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