



The client portal is the most efficient way for clients to manage their accounts.

From Brethren Foundation Funds

Investment Perspective

December 2021

Markets and the Economy

As another Covid-19 variant emerged in the background, the S&P 500 Index declined 0.7 percent in November. Consumer prices continued to accelerate in October, rising at the fastest pace for any month in more than a decade, and pushing the 12-month increase to 6.2 percent, the largest since 1990. The Federal Reserve announced it would begin reducing monetary stimulus by decreasing its monthly pace of asset purchases. The unemployment rate dropped to 4.2 percent in November from 4.6 percent in October. New single-family home sales increased 0.4 percent in October; sales are down 23.1 percent from a year ago. Existing home sales continued to climb, increasing 0.8 percent in October; sales are down 5.8 percent versus a year ago. The bond market, as measured by the Bloomberg Barclays U.S. Government/Credit Bond Index, increased 0.5 percent in November.

Driven by energy costs, inflation in the eurozone rose to an annualized rate of 4.9 percent in November; up from an annualized rate of 4.1 percent in October. Inflation in the U.K. increased 4.2 percent in October from a year earlier, a result of the surge in energy prices. A decline in exports due to supply chain constraints and lower consumer spending contributed to Japan's economy shrinking at an annualized rate of 3 percent during the third quarter. In response, Japan announced \$490 billion in fiscal stimulus to support a recovery to the struggling economy. India's economy grew 8.4 percent in the July-to-September period compared with a contraction of 7.4 percent for the same period a year earlier. Canada's jobless rate dropped to 6 percent in November; down from the previous month's rate of 6.7 percent. International equities, as measured by the MSCI EAFE Index, declined 4.7 percent in November. ■

Year-end Considerations

Initiating transactions — In order to ensure that routine transactions are recorded in 2021, the Brethren Foundation Funds office must receive the properly completed documentation, including checks or EFT instructions in the case of deposits, **no later than 2 p.m. CST on Dec. 17**. Liquidations and other unusual transactions, due to size or complexity, will take longer to complete and should be initiated as soon as possible. Paperwork may be submitted by fax, email, or the postal service (please allow ample time for delivery). Submission details are provided on the required forms.

Using secure email — BFFI encourages clients to use secure methods to transmit sensitive data, such as bank account information. Access to BFFI's secure email service is available upon request.

Keeping the list of authorized individuals current — BFFI will only honor transaction or information requests about a client's account from individuals properly authorized to conduct business

with BFFI on behalf of a client. Accordingly, it is very important that all clients keep their list of authorized individuals current. Doing so minimizes transaction delays caused by paperwork updating, and reduces the possibility of unauthorized access to accounts. *BFFI recommends that at least two individuals be authorized on each account.*

Confirming the email address of the primary contact — Please make sure that the email address for the primary contact is correct. BFFI uses email to distribute important information to all clients quickly.

Registering for BFFI's client portal — Organizations are encouraged to sign up for online account management. Authorized users can access monthly statements, generate custom reports, initiate transactions, and more.

Please contact Sherri Crowe (scrowe@cobbt.org/847-622-3382) or Dan Radcliff (dradcliff@cobbt.org/847-622-3363) for assistance. ■

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All periods longer than one year are annualized.

Funds (Net of Investment Fees) Benchmarks (Gross)	Current Month	Three Months	Year to Date	Three Years	Five Years	Ten Years
SHORT-TERM						
Short-Term Fund	0.0%	(0.1)%	(0.1)%	1.0%	1.0%	0.8%
<i>ICE BofAML 6-Month Treasury Bill Index</i>	0.0%	0.0%	0.1%	1.3%	1.3%	0.8%
COMMUNITY DEVELOPMENT						
Community Development Investment Fund ¹	(0.1)%	(0.5)%	0.8%	1.7%	1.7%	1.8%
<i>No Benchmark</i>	—	—	—	—	—	—
FIXED INCOME						
Bond Core Fund	0.3%	(0.8)%	(2.1)%	6.3%	4.2%	3.6%
<i>Bloomberg Barclays U.S. Government/Credit Bond Index</i>	0.5%	(0.6)%	(1.4)%	6.3%	4.1%	3.3%
Bond Fund	0.3%	(0.9)%	(1.7)%	6.4%	4.3%	3.7%
<i>Bloomberg Barclays U.S. Government/Credit Bond Index</i>	0.5%	(0.6)%	(1.4)%	6.3%	4.1%	3.5%
Treasury Inflation-Protected Securities Fund ²	0.6%	0.8%	5.5%	8.3%	5.7%	2.9%
<i>Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index</i>	0.9%	1.3%	5.6%	8.5%	5.3%	3.1%
Bank Loans Fund ²	(0.2)%	0.5%	4.2%	3.9%	—	—
<i>S&P/LSTA U.S. Leveraged Loan 100 Index</i>	(0.5)%	0.2%	2.7%	4.2%	—	—
High Yield Bond Fund ²	(0.9)%	(0.7)%	4.0%	7.6%	6.2%	6.9%
<i>Bloomberg Barclays U.S. Corporate High Yield Bond Index</i>	(1.0)%	(1.2)%	3.3%	7.4%	6.3%	6.9%
Global Aggregate Fixed Income Fund ^{2,3}	—	—	—	—	—	—
<i>Bloomberg Barclays Global Aggregate Index</i>	—	—	—	—	—	—
DOMESTIC EQUITY						
Domestic Stock Large Cap Core Index Fund ⁴	(0.5)%	1.4%	23.0%	20.3%	17.8%	—
<i>S&P 500 Index</i>	(0.7)%	1.3%	23.2%	20.4%	17.9%	—
Domestic Stock Mid Cap Fund	(2.0)%	(0.9)%	16.9%	15.7%	10.3%	12.5%
<i>Russell Midcap Index</i>	(3.5)%	(2.0)%	17.8%	17.5%	14.4%	14.4%
Domestic Stock Growth Fund	(1.3)%	(1.5)%	22.4%	22.5%	18.9%	15.4%
<i>Russell 1000 Growth Index</i>	0.6%	3.2%	25.0%	29.2%	25.1%	19.5%
Domestic Stock Fund	(1.3)%	(0.3)%	20.8%	19.3%	15.3%	13.6%
<i>S&P 500 Index</i>	(0.7)%	1.3%	23.2%	20.4%	17.9%	16.2%
Small Cap Fund	(2.8)%	(0.5)%	12.9%	20.0%	21.1%	16.9%
<i>Russell 2000 Index</i>	(4.2)%	(3.0)%	12.3%	14.2%	12.1%	13.1%
INTERNATIONAL EQUITY						
International Stock Core Fund	(5.4)%	(6.7)%	0.9%	12.4%	11.1%	7.7%
<i>MSCI EAFE Index</i>	(4.7)%	(5.1)%	5.8%	9.8%	9.2%	7.4%
Emerging Markets Stock Fund ²	(5.4)%	(6.3)%	3.3%	4.3%	6.6%	3.9%
<i>MSCI Emerging Markets Index</i>	(4.1)%	(7.0)%	(4.3)%	9.3%	9.5%	5.2%
ALTERNATIVE INVESTMENTS						
Commodities-Based Fund ²	(5.2)%	2.6%	34.0%	13.2%	7.0%	(2.1)%
<i>Bloomberg Commodity Total Return Index</i>	(7.3)%	(0.2)%	22.8%	6.1%	3.3%	(3.6)%
Public Real Estate Fund ²	(2.1)%	(1.4)%	18.9%	9.2%	7.6%	7.6%
<i>S&P Developed Property Index</i>	(2.1)%	(2.2)%	19.0%	9.2%	8.4%	9.4%
Multi-Strategy Hedge Fund ^{2,3}	—	—	—	—	—	—
<i>60% S&P 500 Index/40% Bloomberg Barclays U.S. Aggregate Bond Index</i>	—	—	—	—	—	—
Global Inflation Protection Fund ²	(1.8)%	(1.2)%	14.4%	10.5%	8.4%	—
<i>Bloomberg Barclays U.S. TIPS 1-10 Year Index + 2%</i>	0.4%	0.9%	7.1%	9.1%	6.5%	—
EQUITY AND FIXED INCOME						
Balanced Fund	(0.7)%	(0.6)%	11.6%	14.9%	11.3%	9.9%
<i>Blended Balanced Index ⁵</i>	(0.2)%	0.6%	12.9%	15.0%	12.5%	11.1%
TACTICAL FUNDS (additional fees apply)						
Conservative Fund ^{2,3}	—	—	—	—	—	—
<i>Blended Conservative Index ⁶</i>	—	—	—	—	—	—
Income Fund ²	(0.6)%	(1.0)%	4.0%	9.8%	7.8%	—
<i>Blended Income Index ⁶</i>	(0.7)%	(0.8)%	5.2%	10.4%	8.0%	—
BVI Income Fund	(0.7)%	(1.1)%	4.3%	10.6%	—	—
<i>Blended SRI Income Index ⁶</i>	(0.7)%	(0.8)%	5.2%	10.7%	—	—
Income & Growth Fund ²	(1.0)%	(1.0)%	7.3%	11.7%	9.9%	—
<i>Blended Income & Growth Index ⁶</i>	(1.1)%	(0.9)%	7.8%	12.2%	10.0%	—
BVI Income & Growth Fund	(1.1)%	(1.1)%	7.0%	12.4%	10.0%	—
<i>Blended SRI Income & Growth Index ⁶</i>	(1.1)%	(0.9)%	7.8%	12.2%	9.9%	—
Growth Fund ²	(1.4)%	(1.1)%	9.9%	12.7%	11.0%	—
<i>Blended Growth Index ⁶</i>	(1.6)%	(1.0)%	10.3%	13.5%	11.1%	—
BVI Growth Fund	(1.4)%	(1.1)%	9.7%	14.2%	11.9%	—
<i>Blended SRI Growth Index ⁶</i>	(1.6)%	(1.0)%	10.3%	13.7%	11.4%	—
Aggressive Growth Fund ²	(1.8)%	(1.3)%	12.5%	13.7%	12.0%	—
<i>Blended Aggressive Growth Index ⁶</i>	(2.0)%	(1.1)%	12.9%	14.6%	12.1%	—
BVI Aggressive Growth Fund	(1.8)%	(1.2)%	12.2%	15.7%	—	—
<i>Blended SRI Aggressive Growth Index ⁶</i>	(2.0)%	(1.1)%	12.9%	15.2%	—	—
U.S. INFLATION						
Consumer Price Index (October 2021) ⁷	0.8%	1.3%	6.3%	3.0%	2.7%	2.0%

¹CDIF interest accrues on a daily basis. ²These investment funds may not meet Brethren Values Investing guidelines because they are invested in mutual funds. All other investment funds must meet Brethren Values Investing guidelines. ³No assets invested in this fund. ⁴Expected to match benchmark gross of fees. Typically, will not match benchmark net of fees and due to required cash position. ⁵Weighted average of the S&P 500 Index (60 percent) and the Bloomberg Barclays U.S. Capital Government/Credit Bond Index (40 percent). ⁶Changed January 1, 2021. 3-year, 5-year, and 10-year blended new with old benchmarks. ⁷Most recent data available. CPI data are from the Consumer Price Index for All Urban Consumers. All items are not seasonally weighted.