



The key drivers of recent market volatility were concerns over:

- the war in Ukraine
- inflation
- the Federal Reserve's interest rate policy

From Brethren Pension Plan

# Pension Perspective

April 2022

## Benchmarks and returns — a point-in-time reference

Brethren Pension Plan invests in quality companies on a diversified fund platform, which are expected to provide real growth over time. While benchmarks are shown on the back page as a comparison, one should not immediately conclude that returns are insufficient if they trail their benchmarks. Benchmark performance can be driven by a few large companies, whereas it is responsible for a pension plan fund to have 30-70 rather equally weighted companies in it. This means our funds might not always track with the benchmarks but will still provide you with a successful retirement plan. To best understand your investments and the benchmarks in the current market cycle, contact BBT's Ed Shannon at (847) 622-3370.

## Investment Fund Fact sheets — for your reference

To learn more about the investment funds offered in Brethren Pension Plan, and to receive additional investment-related information regarding these funds, go to [www.brethrenpension.org](http://www.brethrenpension.org). Log in to your account and click on the Investment tab; then choose Investment Performance. This will show you the most recent performance report, and you can click on the individual fund name to view its corresponding Fund Fact sheet.

## BBT retirement plan — our strategic partners

Your Brethren Pension Plan account is an intricate combination of professional oversight and vigilant staff, working seamlessly to bring you a product that not only brings results, but also offers support and guidance along the way. Whether you just want to plan for retirement, or you are worried about what is happening to your money in a volatile market, it might help to become familiar with the many partners we utilize to keep your funds safe and secure. Here's the lowdown on all the partnering entities that help us keep your retirement funds growing, and safe –

### Northwest Plan Services

NWPS provides high-quality recordkeeping services for benefit plan sponsors, participants, and advisers, providing recommendations, solutions, and administration tailored to its clients. With Brethren Pension Plan's unique structure, we needed a recordkeeper that was flexible and adaptable, and NWPS came highly recommended for just this reason. Based in Seattle, Washington, NWPS has been serving clients for more than 25 years. They became the recordkeeper for Brethren Pension Plan in 2019.

### Edelman Financial Engines

EFE (the merged firms of Edelman Financial Services and Financial Engines) began with a philosophy that the average investor deserved access to the same kinds of tools used by sophisticated financial advisers; they wanted to give people from all walks of life a connection to good financial advice in order to help them reach retirement goals. Through BBT's connection with NWPS, Brethren Pension Plan members have access to everything EFE offers, from online tools to a dedicated financial adviser.

### Marquette Associates

Because BBT has 10 investment managers working with its 34 different funds, it made sense to have a professional investing consultant to advise BBT and assist with oversight. Marquette Associates is an investment consulting firm founded in 1986 and located in Chicago, Illinois. It currently manages more than \$356 billion in assets under advisement. Its goal of being a trusted partner to its clients through effective investment programs nicely parallels BBT's goals, and this partnership has now been part of BBT's success story for nearly 14 years.

### Legacy Professionals LLP

Legacy is a certified public accounting firm that specializes in providing services for employee benefit plans, among other niche clientele. With decades of experience, Legacy offers valuable recommendations and shares best practices with each audit. They are highly professional, friendly, and uniquely capable of discerning the complex framework of BBT's organization.

### Aon Hewitt

Because BBT is responsible for the growth of its retirees' funds, it is imperative to work with a firm that can accurately forecast risk and analyze actuarial factors that affect our distribution trajectory. Aon Hewitt calls itself a company that is in the business of better decisions. It has been working closely with BBT for more than 25 years, and has been helpful in plotting the supply needs of the pipeline to our retirement benefits fund, which must maintain a healthy funding rate for years into the future.

### Our Investment Managers

BBT currently has 10 separate investment managers that oversee a large number of our funds. This oversight involves a complex framework of not only the investment managers, but also the staff investment team (five staff and two consultants), the Board's Investment Committee, and other contracted vendors, working together to maintain stability, preserve capital, and promote growth. Considerable time and energy is devoted to vetting, interviewing, and selecting investment managers. This focused management is one of the things that sets Brethren Pension Plan funds apart from other self-managed funds. ■

BBT currently has 10 separate investment managers that oversee our large number of funds.

# FUND PERFORMANCE REPORT

For the period ending March 31, 2022	YTD	3 Months	1 Year	3 Years	5 Years	10 Years
TARGET DATE FUNDS	%	%	%	%	%	%
Target Date Fund 2015	-6.9	-6.9	-1.5	3.7	3.8	—
Blended Index	-5.9	-5.9	-0.4	4.9	4.6	—
Target Date Fund 2025	-7.0	-7.0	-0.7	4.6	4.6	—
Blended Index	-5.8	-5.8	0.7	5.9	5.4	—
Target Date Fund 2035	-7.2	-7.2	1.3	6.4	6.0	—
Blended Index	-5.5	-5.5	2.9	7.7	6.8	—
Target Date Fund 2045	-7.1	-7.1	2.6	8.0	7.3	—
Blended Index	-5.5	-5.5	4.2	9.2	8.0	—
Target Date Fund 2055	-7.1	-7.1	3.3	9.4	8.5	—
Blended Index	-5.4	-5.4	4.8	10.4	9.0	—
BRETHREN VALUES INVESTING <sup>1</sup>	%	%	%	%	%	%
BVI Balanced Fund	-6.7	-6.7	3.5	10.8	9.3	—
Blended Balanced Index	-5.2	-5.2	7.6	12.3	10.7	—
BVI Index Balanced Fund	-5.4	-5.4	7.3	12.6	—	—
Blended Balanced Index	-5.2	-5.2	7.6	12.3	—	—
Common Stock Fund	-6.8	-6.8	8.7	15.6	13.1	11.6
S&P 500 Index	-4.6	-4.6	15.6	18.9	16.0	14.6
BVI Domestic Stock Large Cap Core Index Fund	-4.8	-4.8	15.2	18.6	15.9	—
S&P 500 Index	-4.6	-4.6	15.6	18.9	16.0	—
Domestic Stock Growth Fund	-7.1	-7.1	13.4	19.4	17.0	14.0
Russell 1000 Growth Index	-9.0	-9.0	15.0	23.6	20.9	17.0
Domestic Stock Mid Cap Fund	-4.3	-4.3	12.1	14.1	9.0	11.2
Russell Midcap Index	-5.7	-5.7	6.9	14.9	12.6	12.9
Small Cap Fund	-8.9	-8.9	1.0	15.1	18.3	15.3
Russell 2000 Index	-7.5	-7.5	-5.8	11.7	9.7	11.0
International Stock Core Fund	-12.6	-12.6	-9.2	7.0	6.4	5.7
MSCI EAFE Index	-5.9	-5.9	1.2	7.8	6.7	6.3
Treasury-Free Bond Fund	-6.5	-6.5	-4.1	2.4	2.8	2.9
Bloomberg U.S. Government / Credit Bond Index	-6.3	-6.3	-3.9	2.1	2.4	2.5
Short-Term Fund	-0.3	-0.3	-0.5	0.7	1.0	0.8
ICE BofA 6-Month Treasury Bill Index	-0.1	-0.1	-0.1	1.0	1.3	0.8
Community Development Investment Fund	-2.7	-2.7	-2.2	-0.1	0.5	1.2
No Benchmark	—	—	—	—	—	—
INDEX FUNDS ( NON-BVI )	%	%	%	%	%	%
Balanced Index Fund	-4.7	-4.7	7.3	—	—	—
60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index	-5.5	-5.5	5.5	—	—	—
Domestic Stock Large Cap Core Index Fund	-3.3	-3.3	17.9	—	—	—
S&P 500	-4.6	-4.6	15.6	—	—	—
Domestic Stock Mid Cap Index Fund	-5.2	-5.2	10.6	—	—	—
CRSP Mid-Cap Index	-6.3	-6.3	8.9	—	—	—
Domestic Stock Small Cap Index Fund	-4.3	-4.3	2.9	—	—	—
CRSP US Small-Cap Index	-5.7	-5.7	0.7	—	—	—
International Stock Core Index Fund	-4.2	-4.2	2.0	—	—	—
FTSE Developed All Cap ex US Index	-5.3	-5.3	1.6	—	—	—
Emerging Markets Stock Index Fund	-4.9	-4.9	-7.1	—	—	—
FTSE Emerging Markets All Cap China A Inclusion Index	-5.5	-5.5	-7.0	—	—	—
Total Bond Market Index Fund	-5.8	-5.8	-4.1	—	—	—
Bloomberg U.S. Aggregate Float Adjusted Index	-6.0	-6.0	-4.1	—	—	—
GENERAL ( NON-BVI )	%	%	%	%	%	%
Balanced Fund	-6.5	-6.5	3.8	10.9	9.3	8.4
Blended Balanced Index	-5.2	-5.2	7.6	12.3	10.7	9.9
Emerging Markets Stock Fund	-7.5	-7.5	-11.7	0.7	2.0	1.7
MSCI Emerging Markets Index	-7.0	-7.0	-11.4	4.9	6.0	3.4
Bond Fund	-6.1	-6.1	-3.5	2.4	2.7	2.9
Bloomberg U.S. Government/Credit Bond Index	-6.3	-6.3	-3.9	2.1	2.4	2.5
Treasury Inflation-Protected Securities Fund	-2.6	-2.6	4.7	6.3	4.4	2.7
Bloomberg U.S.Treasury Inflation-Linked Bond Index	-3.0	-3.0	4.3	6.2	4.4	2.7
Bank Loans Fund	-0.4	-0.4	2.5	3.5	3.5	—
S&P / LSTA U.S. Leveraged Loan 100 Index	-0.2	-0.2	2.3	3.8	3.7	—
High Yield Bond Fund	-1.0	-1.0	3.4	6.1	5.0	5.8
Bloomberg U.S. Corporate High Yield Bond Index	-4.8	-4.8	-0.7	4.6	4.7	5.7
Global Aggregate Fixed Income Fund	1.2	1.2	-0.4	-2.6	-1.3	—
Bloomberg Global Aggregate Index	-6.2	-6.2	-6.4	0.7	1.7	—
ALTERNATIVES ( NON-BVI )	%	%	%	%	%	%
Global Inflation Protection Fund	-1.5	-1.5	7.0	9.7	9.2	—
Bloomberg U.S.TIPS 1-10 Year Index +2%	-1.3	-1.3	5.9	7.6	6.0	—
Multi-Strategy Hedge Fund	-1.8	-1.8	6.5	7.3	5.1	—
60% S&P 500 Index / 40% Bloomberg U.S. Aggregate Bond Index	-5.1	-5.1	7.5	12.1	10.6	—
Public Real Estate Fund	-3.8	-3.8	12.5	7.2	7.8	6.8
S&P Developed Property Index	-3.9	-3.9	15.4	7.0	7.7	8.3
Commodities-Based Fund	28.0	28.0	58.2	20.8	11.5	0.2
Bloomberg Commodity Total Return Index	25.5	25.5	49.3	16.1	9.0	-0.7
U.S. INFLATION	%	%	%	%	%	%
Consumer Price Index <sup>2</sup> (February 2022)	2.1	2.1	7.9	3.9	3.1	2.2

<sup>1</sup> Brethren Values Investing (BVI) assets under management are invested in a manner that is consistent with the positions of the Church of the Brethren as expressed in Annual Conference statements. <sup>2</sup> Most recent data available. CPI data are from the Consumer Price Index for all Urban Consumers; all items are not seasonally weighted.