



BBT's international funds have no investments in Russia or Russian companies



From Brethren Pension Plan

# PensionPerspective

March 2022

## What is happening with your Brethren Pension Plan?

The last half-year has been crazy for the financial world. Interest rates on mortgages have gone up to the highest level they have been since March 2020. Inflation is at the highest it has been since 1982. And the investment markets, which already had been trending downward this year, have fallen even faster with Russia's invasion of Ukraine, and the ripple effect that is having on the world, both politically and economically.

So what does this mean to your Brethren Pension Plan account?

### Time horizon

This depends on your retirement time horizon. For the short term, your account balance probably declined as the investment markets have retracted. Long term, these issues may not have much or any adverse impact on your account as the economy seems to be strong coming out of the Omicron COVID-19 variant. Over time, the markets have historically increased, even with short-term reductions, so one issue you may need to consider is the time horizon for your retirement. Short term you may need to make some adjustments to your plans; long term you could be fine if the pandemic, inflation, and the Ukraine conflict are resolved.

### Inflation

The recent escalation of inflation is decreasing our buying power, as the cost of goods and services is up 7.5 percent from one year ago. High inflation can be a challenge for people who live on fixed incomes, which makes budgeting and living within one's means all the more important. If you have questions about the impact inflation might have on you, BBT's Ed Shannon might have some answers. Contact Ed at [eshannon@cobbt.org](mailto:eshannon@cobbt.org) or at 847-622-3370.

### Set, wait, and rebalance

Because saving for your retirement is a long-term proposition, setting your asset allocation (deciding in which Brethren Pension Plan funds you should invest) should be done based on your time horizon, your desired investment returns, and the risk you're willing to take. Once your asset allocation is set you should let it go, but then revisit it annually to rebalance your account. Not sure how to do this? BBT's partner, Edelman Financial Engines, offers tools that range from free to fee-based, to assist you.

Start by going to Brethren Pension Plan's online Pension Plan web portal and click on the "Get Advice" tab.

### Russian investments in Brethren Pension Plan?

We have been asked since the start of the Russian attack on Ukraine if Brethren Pension Plan has investments in Russian companies or the Russian government. In the Plan's Large Cap Core International Fund, for which we hire the manager, there are no such Russian-related investments. There could be some in our emerging markets mutual fund, but if so, they would be relatively small, as this fund includes investments from developing markets around the world.

### Dreaming of retirement?

If the challenges of today seem to be weighing on you and you're looking for something whimsical to do, why not think about how you will pass the time in your retirement? [Click here](#) for an article on how you might fill the hours in your day once you've said farewell to work hours.

### Do you have a housing allowance? When you file your taxes don't forget ...

Finally, the housing allowance tax exemption is a great tax benefit for ministers. If you do declare the housing allowance exemption on your taxes, don't forget that there are a lot of qualified categories that you can include when calculating your housing expenses, such as appliances, linens, and batteries, to name just a few. To see a comprehensive listing, go to our website at [www.cobbt.org](http://www.cobbt.org). Click on Retirement Readiness Resources to find the housing allowance list at the bottom of the page. ■

Setting your asset allocation should be done based on your time horizon, your desired investment returns, and the risk you're willing to take.

Questions, comments, or concerns about this newsletter or your Brethren Pension Plan account? Let us know at [pension@cobbt.org](mailto:pension@cobbt.org).

# FUND PERFORMANCE REPORT

For the period ending February 28, 2022	YTD	3 Months	1 Year	3 Years	5 Years	10 Years
TARGET DATE FUNDS	%	%	%	%	%	%
Target Date Fund 2015	-5.9	-4.6	-0.4	4.2	4.1	—
Blended Index	-5.1	-3.8	-0.2	5.8	4.8	—
Target Date Fund 2025	-6.4	-4.7	0.2	5.0	4.9	—
Blended Index	-5.5	-3.8	0.6	6.6	5.6	—
Target Date Fund 2035	-7.5	-5.0	1.7	6.5	6.1	—
Blended Index	-6.5	-3.8	2.1	8.0	6.7	—
Target Date Fund 2045	-8.0	-5.1	2.9	8.0	7.3	—
Blended Index	-6.9	-3.8	3.4	9.2	7.8	—
Target Date Fund 2055	-8.0	-5.1	3.9	9.4	8.5	—
Blended Index	-6.9	-3.8	4.6	10.4	8.9	—
BRETHREN VALUES INVESTING <sup>1</sup>	%	%	%	%	%	%
BVI Balanced Fund	-7.1	-4.5	4.8	11.3	9.4	—
Blended Balanced Index	-6.3	-3.9	8.6	12.7	10.5	—
BVI Index Balanced Fund	-6.5	-4.0	8.2	13.0	—	—
Blended Balanced Index	-6.3	-3.9	8.6	12.7	—	—
Common Stock Fund	-9.1	-4.9	9.9	15.2	12.8	11.6
S&P 500 Index	-8.0	-3.9	16.4	18.2	15.2	14.6
BVI Domestic Stock Large Cap Core Index Fund	-8.2	-4.2	15.7	18.0	15.0	—
S&P 500 Index	-8.0	-3.9	16.4	18.2	15.2	—
Domestic Stock Growth Fund	-10.7	-7.7	12.3	18.6	16.1	13.9
Russell 1000 Growth Index	-12.5	-10.6	12.5	23.2	20.2	17.0
Domestic Stock Mid Cap Fund	-6.9	0.2	15.2	13.4	8.8	11.1
Russell Midcap Index	-8.0	-4.3	7.1	14.3	12.0	12.8
Small Cap Fund	-9.7	-5.6	2.3	15.6	18.0	15.4
Russell 2000 Index	-8.7	-6.6	-6.0	10.5	9.5	11.2
International Stock Core Fund	-11.3	-9.2	-6.8	7.9	7.6	6.0
MSCI EAFE Index	-6.5	-1.7	2.8	7.8	7.2	6.2
Treasury-Free Bond Fund	-4.0	-4.2	-2.9	4.2	3.3	3.1
Bloomberg U.S. Government / Credit Bond Index	-3.6	-3.9	-2.6	3.8	3.0	2.7
Short-Term Fund	-0.1	-0.2	-0.2	0.9	1.1	0.9
ICE BofA 6-Month Treasury Bill Index	-0.1	0.0	0.0	1.1	1.3	0.8
Community Development Investment Fund	-1.5	-1.5	-1.2	0.3	0.7	1.3
No Benchmark	—	—	—	—	—	—
INDEX FUNDS ( NON-BVI )	%	%	%	%	%	%
Balanced Index Fund	-6.5	-5.4	6.6	—	—	—
60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index	-6.3	-4.3	6.2	—	—	—
Domestic Stock Large Cap Core Index Fund	-8.0	-5.5	16.0	—	—	—
S&P 500	-8.0	-3.9	16.4	—	—	—
Domestic Stock Mid Cap Index Fund	-8.4	-7.3	9.0	—	—	—
CRSP Mid-Cap Index	-8.8	-5.2	8.5	—	—	—
Domestic Stock Small Cap Index Fund	-7.2	-6.3	0.4	—	—	—
CRSP US Small-Cap Index	-7.1	-3.9	0.8	—	—	—
International Stock Core Index Fund	-5.1	-2.1	2.2	—	—	—
FTSE Developed All Cap ex US Index	-6.3	-1.4	3.0	—	—	—
Emerging Markets Stock Index Fund	-2.3	-1.2	-7.4	—	—	—
FTSE Emerging Markets All Cap China A Inclusion Index	-3.7	-2.0	-6.6	—	—	—
Total Bond Market Index Fund	-3.8	-3.9	-2.6	—	—	—
Bloomberg U.S. Aggregate Float Adjusted Index	-3.3	-3.6	-2.6	—	—	—
GENERAL ( NON-BVI )	%	%	%	%	%	%
Balanced Fund	-6.9	-4.4	5.0	11.4	9.4	8.5
Blended Balanced Index	-6.3	-3.9	8.6	12.7	10.5	9.9
Emerging Markets Stock Fund	-4.0	-3.7	-7.8	1.5	3.3	1.6
MSCI Emerging Markets Index	-4.8	-3.0	-10.7	6.0	7.0	3.2
Bond Fund	-3.6	-4.0	-2.5	4.1	3.2	3.1
Bloomberg U.S. Government/Credit Bond Index	-3.6	-3.9	-2.6	3.8	3.0	2.7
Treasury Inflation-Protected Securities Fund	-2.9	-2.4	5.5	6.8	4.3	2.5
Bloomberg U.S.Treasury Inflation-Linked Bond Index	-1.2	-0.9	6.1	7.5	4.8	2.8
Bank Loans Fund	-0.4	0.1	2.3	3.4	3.5	—
S&P / LSTA U.S. Leveraged Loan 100 Index	-0.4	0.4	1.8	3.6	3.6	—
High Yield Bond Fund	-0.9	0.3	3.5	6.3	4.9	5.8
Bloomberg U.S. Corporate High Yield Bond Index	-3.7	-1.9	0.6	5.3	4.9	5.9
Global Aggregate Fixed Income Fund	0.4	1.5	-2.6	-3.4	-1.1	—
Bloomberg Global Aggregate Index	-3.2	-3.3	-5.3	2.2	2.4	—
ALTERNATIVES ( NON-BVI )	%	%	%	%	%	%
Global Inflation Protection Fund	-2.9	-0.3	7.0	9.2	9.1	—
Bloomberg U.S.TIPS 1-10 Year Index +2%	0.1	0.7	7.6	8.5	6.3	—
Multi-Strategy Hedge Fund	-3.1	-0.6	6.3	6.6	5.0	—
60% S&P 500 Index / 40% Bloomberg U.S. Aggregate Bond Index	-6.1	-3.7	8.6	12.4	10.4	—
Public Real Estate Fund	-7.3	-3.8	10.9	7.1	6.4	6.4
S&P Developed Property Index	-7.9	-2.0	13.9	6.8	6.6	8.0
Commodities-Based Fund	11.3	12.9	31.7	15.3	8.0	-1.8
Bloomberg Commodity Total Return Index	16.5	20.6	35.5	13.2	6.8	-1.9
U.S. INFLATION	%	%	%	%	%	%
Consumer Price Index <sup>2</sup> (January 2022)	1.2	1.6	7.5	3.8	3.0	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.