



Greetings from Brethren Benefit Trust to the moderator, delegates, and members of the Southern Ohio District. It is our pleasure, as an agency of the denomination, to serve you.

The BBT staff has devoted much time and energy in the last year to discussion, planning, and prayer over how to best provide employee-based pension and insurance plans, and organizational asset management services well into the future. From these many gatherings, conversations, and reflective moments, a theme for the coming year has emerged — “Serving You Along Your Path.”

Our commitment at BBT is to seek ways that bestow the most benefit to our members and clients and their livelihoods, whether in physical or financial wellness, or in helping make their money work harder for them. BBT and its affiliates of Brethren Benefit Trust Inc., Brethren Foundation Funds Inc., and Brethren Foundation Inc. today serve approximately 5,000 people and organizations nationwide in our employee pension and insurance plans, our organizational asset management services, and through our deferred gift administration. As a Church of the Brethren institution, BBT manages its investments in a manner that reflects denominational values. We will continue to follow this path as we move through the coming year, and navigate the many changes and challenges in the financial and benefits marketplace.

We are encouraged by the words of Psalm 119, which tells us, “Your word is a lamp to my feet and a light to my path.” It is with our great faith in Christ that we, as a denomination and as an organization, are empowered to lead the way on this journey as we fulfill our duties, serve our customers, and plan the future course of BBT.

Brethren Pension Plan

Church of the Brethren Pension Plan serves more than 4,700 current and former employees of congregations and denominational organizations. In 2016, average monthly benefits were more than \$700, with some exceeding \$4,000 per month! Retirement distributions vary among members according to how long one has paid into the plan, how much was contributed from each paycheck, and the impact of the markets on the invested assets.

By saving according to the Annual Conference-recommended contribution formula where churches, districts, and camps contribute 11 percent of the employee’s wages to the Pension Plan, while the employees themselves contribute 4 percent of their wages, participants have a high probability of securing retirement income that comfortably replaces the income they received while working.

Investments

The global market’s rocky path was apparent in 2016, with Brexit and the U.S. presidential election, to name just two such potentially volatile investment scenarios. But the S&P 500 Index hit a record high and finished the year on a strong note, due in part to the prospect of the new administration’s policies.

Brethren Foundation Funds Inc. – BFFI

BFFI manages assets for congregations and denominationally related organizations. Whether the account has \$10,000 or much more, staff work diligently to ensure that clients have numerous investment options, can check the status of their funds and handle administrative tasks via a secure online Web portal, and are able to access their funds very quickly, much like one would with a bank, through electronic fund transfers. Assets under management at the end of 2016 for nearly 200 organizational asset management clients were \$155,816,620, an increase of \$5,736,355 (3.8 percent) over the total under management on Dec. 31, 2015, of \$150,080,265.

BFFI clients contributed \$14,922,820 to BFFI assets under management in 2016 and withdrew \$17,673,612.

Brethren Foundation Inc. – BFI

This ministry manages deferred gifts for any Church of the Brethren members who are working on stewardship of their resources. It offers a number of charitable gift instruments for various types of needs and results, and can write a gift for multiple Church of the Brethren congregations and organizations. Assets under management at the end of 2016 were \$5,252,862, a decrease of \$502,662 (8.7 percent) from the \$5,755,524 in total assets under management on Dec. 31, 2015. At the end of 2016, BFI was managing assets for nearly 200 deferred gift clients.

During 2016, one new charitable gift annuity, totaling \$100,648, was established. Also during 2016, 19 individuals closed a total of 28 accounts, including one charitable gift fund, six pass-through gifts, and 21 charitable gift annuities, resulting in a sum of \$456,833 being distributed to COB organizations.

Brethren Values Investing – BVI

At the November 2016 meeting, the BBT Board voted to discontinue its use of the term “socially responsible investing” when referring to this investment screen, and begin using the more precise designation of “Brethren Values Investing.” This new terminology, or “BVI,” is now being used in place of “socially responsible investing” or “SRI” as the identifier of the social screening for BBT.

Despite the new name, the actual funds have not changed and are invested just as they have been. All assets under management are invested, whenever possible, in a manner that is consistent with the positions of the Church of the Brethren as expressed in Annual Conference statements. These guidelines exclude the 25 largest publicly traded U.S. defense contractors, and publicly traded companies that generate 10 percent or more of their revenues from abortion, alcoholic beverages, defense contracts, gambling, pornography, tobacco, or weapons (and their components). Companies that consistently violate environmental regulations, as well as companies engaging in human rights violations (including slavery and child labor), are also screened out.

Perhaps the best way to think of this new approach is — BVI is simply SRI the Brethren way.

Workshops

We recognize that a very important aspect of handling retirement funds and retirement planning for other people is equipping them with the tools they need to be successful, and BBT has taken several steps to bolster this feature within the organization. Several staff members have been working on certifications that will give them the knowledge and authorization to increase their level of service to our members. As in past years, we will continue to provide free, educational presentations, upon request, on topics such as retirement readiness, long-term care, financial wellness, stewardship, and more.

Serving our Members

What we most want the district to know is that BBT exists to serve you. We acknowledge that there are many facets to a unique organization such as ours, one in which we must be vigilant about market trends, insurance regulations, and investment strategies, as well as address customer service for HR directors, recent retirees, pastors and church secretaries or treasurers, with any request, large or small. We strive to balance the small-business nature of our day-to-day interactions with the need to stay focused on national or even global trends and shifts that may affect us. This keeps us continually questioning how best to serve our members.

Our goal is sustainable, long-term products and services that will make a positive difference in many more lives in the years ahead.

Harry

Harry Rhodes
Chairman

Nevin

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President