3. Report of Church of the Brethren Benefit Trust

The past year was a time of transition for Church of the Brethren Benefit Trust. In a very literal sense, the transitions included switching from our old pension plan recordkeeper to a new one, bringing on new board leadership, saying goodbye to our company’s HR director who retired after 30 years of service, and starting a strategic plan. But in a philosophical sense, the year was truly a time to transform from “who we’ve always been,” to who we want to be going forward. We understand that might look a little different in the months and years ahead.

But wait. It seems as though we have been talking about change, transition, and transformation for a number of years in a row. We have, in part because our denomination is in turmoil and we don’t know what the future holds. We realize that with a shrinking Brethren population and a constant cycle of legislative challenges and changes, running an organization in our industry, which encompasses church pension plans, group health plans, and asset management services – requires vigilance and tenacity in order to remain vital and compliant. We devoted much time and energy in 2019 to discussing the direction of BBT, and we are now ready to proceed in that direction. Through all of it, we pledge to continue to place our emphasis on service – to all our members of the Brethren Pension Plan of whose future retirement funds we are the caretakers; to all those who use our insurance plans and products, for we take your health and wellness seriously; and for those whose funds we manage through the Brethren Foundation, who are counting on growth and stability in those funds for themselves and their beneficiaries.

The most important commitment is continuing to stay in relationship with those we serve. As we transition to new methods in step with the changing times, this commitment will not change. We are a small, faith-based organization, and we strive to keep in touch with how our business practices impact our members and clients. So although we try to operate with the professionalism and service of a much bigger agency, our strength lies in the fact that we are small; we are more like a big family, and we will always have time to listen to our members.

BRETHREN PENSION PLAN

Church of the Brethren Pension Plan is a 403(b)(9) plan that serves more than 4,400 current and former employees of congregations, districts, camps, retirement communities, and denominational organizations. In 2019, approximately 1,623 annuitants received a monthly benefit averaging $836, with most receiving their benefit via direct deposit — a total monthly distribution of approximately $1.36 million. The amount of money accumulated over a participant’s active involvement with the Plan is determined by two sources — contributions to the participant’s account (both employer and employee) and investment earnings on those contributions.
Brethren Pension Plan statistics
Brethren Pension Plan transitioned to a new recordkeeper in 2019, migrating from Empower to Northwest Plan Services, effective June 1. This change affects the way some Pension Plan statistics are reported. Membership in Brethren Pension Plan at the end of 2019 was slightly lower than the prior year because our previous recordkeeper did not complete the annual effort to close out low-balance and unvested accounts for former employees during 2018. This resulted in two years of activity being closed out in 2019 by the new recordkeeper. The former recordkeeper reported total number of annuities paid to members as total annuitants, which slightly over-stated that number because some individuals receive more than one annuity payment. Beginning in 2019, the new recordkeeper reports only on the number of individuals receiving annuity payments instead of the total number of annuities being paid. Assets under management increased significantly over year-end 2018 due to robust market performance in 2019.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Total plan members</td>
<td>4,533</td>
<td>4,757</td>
<td>4,426</td>
</tr>
<tr>
<td>Total annuitants</td>
<td>1,780</td>
<td>1,783</td>
<td>1,623</td>
</tr>
<tr>
<td>Annuitants — average age</td>
<td>75.5</td>
<td>75.6</td>
<td>76.2</td>
</tr>
<tr>
<td>Contributions to member accounts</td>
<td>$7.1 mil*</td>
<td>$7.2 mil</td>
<td>$7.2 mil</td>
</tr>
<tr>
<td>Annuity Benefits paid</td>
<td>$15.6 mil</td>
<td>$16.0 mil</td>
<td>$16.2 mil</td>
</tr>
<tr>
<td>Assets under management</td>
<td>$379.2 mil</td>
<td>$338.3 mil</td>
<td>$395.3 mil</td>
</tr>
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*million

Annuity benefit
When a participant opts to take distributions from his or her retirement account in the form of an annuity, they can select up to 100 percent of their employer and employee account balances, turning this into a stream of monthly payments for the life of the participant (and the life of a surviving spouse, if that option is elected). The annuity benefit is calculated on the basis of account balance, life expectancy, the current rate of interest approved by the BBT Board (currently 4.5 percent), and the surviving spousal benefit election (if applicable). Members can also opt to receive their employee and/or employer account in the form of a Periodic Payment Plan with many time periods to choose from. Installments from a Periodic Payment Plan continue until the account balance reaches zero rather than for the life of the member. However, a non-spouse beneficiary can receive any remaining employee and employer funds in the account upon the death of the member, whereas the annuity is designed to benefit a surviving spouse. While members are encouraged to keep their employee subaccounts invested through Brethren Pension Plan or to include them in their annuities or Periodic Payment Plans, funds in the employee account may also be withdrawn as a lump sum or rolled over to another qualified retirement plan. Rolling eligible retirement funds into the Brethren Pension Plan employee account can provide a great convenience to current or former employees, and allows those funds to be invested according to Brethren values. Rollover funds are not eligible
for annuitization, but they can be withdrawn through the Periodic Payment Plan, taken as a lump sum, or rolled out.

On March 31, 2019, the Retirement Benefits Fund, which is the pool of money that is used to fund annuity payments, was 81.8 percent funded, compared with the Dec. 31, 2017, status of 85.6 percent. The decrease in funded status was due to the severe market downturn at the end of 2018. The annual actuarial study for plan year 2019 was underway at the time of this writing.

The BBT Investment Committee reviews the investment mix of the RBF at its three meetings each year, and investment staff along with BBT’s investment consultant, reviews it monthly. Changes to the asset allocation mix are made occasionally, to maximize earnings while minimizing risk. Since the RBF is designed to fund payments for the lifetime of our annuitants, the profile for RBF investments is more risk-averse than many other types of funds.

**Fund balances**

From year to year, Brethren Pension Plan investment fund balances change due to new contributions and distributions (including retirements), and from fluctuations in the investment markets. The following compares year-end account balances for the Plan’s Active Lives accounts (which include employees who are actively contributing to a Pension Plan account as well as inactive employees who are no longer making contributions) and the Retirement Benefits Fund. Members have discretion over their withdrawals from the Active Lives account, but once funds get moved into the RBF at the point of retirement, BBT takes responsibility to use those funds to make payments to members for their lifetime.

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<tbody>
<tr>
<td>Active Lives Account</td>
<td>$196,993,410</td>
<td>$212,884,500</td>
<td>$190,506,071</td>
<td>$228,847,843</td>
</tr>
<tr>
<td>Retirement Benefits Fund</td>
<td>$144,075,625</td>
<td>$166,297,190</td>
<td>$147,887,688</td>
<td>$166,548,115</td>
</tr>
</tbody>
</table>

In addition to costs related to screening for Brethren values, factors that affect BBT’s expenses include such things as fees related to the recordkeeper, reconciliation agent, and custodian. Expense is also incurred due to receiving Pension contributions from hundreds of individual sources rather than a single payroll department, which would be typical with most corporate pension plans. These contributions are aggregated by our recordkeeper and are primarily collected via monthly ACH transactions. Those employers who remit Pension contributions via check are charged significant fees by our recordkeeper; therefore, automated ACH is the recommended means for making Pension contributions. BBT values relationships. Its Client Relations team connects with members at work sites and district conferences, or via phone calls to provide individualized service as needed.
Index-based investing is enjoying great popularity in today’s culture because of the low-fee nature of that methodology. At the request of some of our members and employer groups, BBT rolled out seven new equity, bond, and short-term index funds in 2019, but we still maintain our suite of actively managed funds and our goal is that the investments that adhere to the Brethren Value Investing criteria meet or exceed the performance of the index funds. Throughout the years, BBT’s active investment management firms have delivered strong performances for pension participants over and above the fees they have charged, with the benefit of knowing members’ assets are invested according to BVI standards. Current investment performance can be found online in the Pension record-keeping system, in the most recent copy of Pension Perspective, and on BBT’s website. Please stop by our booth if you would like to talk with us more about Brethren Pension Plan’s investment offerings and performance.

Church Workers’ Assistance Plan
This benevolence ministry offers grants to active and retired church workers who have severe financial need. The Plan is funded by congregations and districts that contribute the equivalent of one percent of their staff members’ salaries, as well as by congregational donations. Three types of grants are provided by this program — direct financial assistance for retirees, active employees, and premium subsidization for the purchase of Medicare supplement insurance provided by Brethren Benefit Trust.

Active employees of Church of the Brethren congregations, districts, or camps with five years or more of service are eligible to apply for Church Workers’ Assistance Plan grants, and retirees are eligible to apply if they served 10 years or more at a church, district, or camp. Those with 20 or more years of eligible service qualify for a higher level of financial assistance. The amount of assistance is determined by income level and need, and takes into consideration any other forms of support the applicant may have available to them.

In 2019 BBT provided more than $314,000 in assistance to 49 individuals.

Supplemental Income for Equitable Annuitants
This fund has provided additional retirement income to former lay staff members of the Church of the Brethren General Board who were employed prior to the time that they were eligible to participate in Brethren Pension Plan. Eligible individuals were notified last year that final supplemental payments would be made in early 2020 for this discretionary program. Fund balances and the number of eligible participants no longer support the expense of actuarial studies and administering the program. The funds were redeployed, in part, to help subsidize the retiree life insurance program, which is no longer open to new enrollees.
Looking ahead

In early 2020, BBT launched financial advisory services for Brethren Pension Plan members through a partnership with Financial Engines in order to help members make investment decisions for their retirement accounts and better prepare for retirement. The service provides a free annual retirement evaluation to all Pension members, and offers a free self-help online option to analyze and develop an investment strategy that meets member’s needs. The offering also includes two fee-based levels of service that provide higher levels of oversight and support. Those who wish to adhere to a strict Brethren Values Investing strategy should select the self-help option if they want to ensure that 100% of their investments will remain BVI compliant.

**BRETHREN INSURANCE SERVICES**

Brethren Medical Plan completed its second year as a self-insured plan in 2019; during the year it served the employees of six Church of the Brethren organizations with four plan designs that were part of the Highmark Blue Cross Blue Shield provider network. We hosted our second annual meeting of all medical plan sponsors in the BBT offices in August. Key areas of focus for the meeting were opportunities to partner in keeping medical plan expenses down, and rolling out the next step of our wellness strategy across all medical plan sponsors. Brethren Medical Plan encourages members to engage in their health and wellness. Those who do not participate are asked to pay a higher premium than those who do.

As of Dec. 31, 2019, Brethren Insurance Services held 2,430 certificates of coverage, providing plan designs with rich benefits, competitive pricing, and excellent service to members and their dependents. BIS provides an excellent array of ancillary insurance products for pastors and denominational employees. These include vision, dental, life, accidental death and dismemberment, short- and long-term disability, Medicare supplement, accident, and pet insurance. We also continue to make Long-Term Care insurance available to all members of the Church of the Brethren, employees of Church of the Brethren-affiliated agencies, organizations, colleges, and retirement communities, and their families and friends.

The regulatory environment remains complex and unclear with regard to insurance, but we have been exploring new ways to fulfill our Annual Conference mandate of providing insurance products for pastors, church members, agencies, retirement communities, and affiliated organizations within our denomination. We are engaging with a few districts to review hypothetical offerings to see if we can find a way to offer a sustainable medical plan that is also appealing and affordable enough to our clergy and church workers, to get the participation needed for such an offering.
With our overall emphasis on benefit options and price points, we were able to bring three new Brethren organizations into our group for ancillary plans during the year. We lost one employer group during the same time period.

Looking ahead
In 2020, BBT will focus on growing our medical plan through collaboration with prospective new employer groups. We continue to focus on enhancing our programs and growing the number of participants in the ancillary plans. We will also work with our various congregations and districts to gather census data that will allow us to market our ancillary insurance offerings in order to offer the most competitive options available. Potential insurers compare the number of employees who are eligible for benefits with the number enrolled in benefits. It has been a challenge for some of our constituents to provide BBT with census information on their employees who are not enrolled in BBT’s benefits. Therefore, we could not get competing market quotes in 2019. It is important to those we serve to be able to market our products from time to time, so we hope we will receive this additional employee data in 2020.

The benefits programs of Brethren Benefit Trust are evolving and developing in new and creative ways to better serve the changes and challenges confronting our denomination and those of like mind.

ASSET MANAGEMENT SERVICES

Organizational assets are managed by Brethren Foundation Funds. Assets under management at the end of 2019 for nearly 200 organizational clients were $184,070,914, an increase of $16,111,425 (10.9 percent) over the total under management on Dec. 31, 2018, of $165,959,489.

BFFI clients contributed $8,320,663 to BFFI assets under management in 2019, and withdrew $21,439,479.

During 2019, three new organizational clients invested a total of $796,610 with BFFI. Seven organizational clients closed their BFFI accounts, and removed $1,137,412 from BFFI management.

For the 5-year period ending on Dec. 31, 2019, all but one of BFFI’s strategic investment funds had positive performance in absolute terms and more than one-third had a 5-year performance history that equaled or outperformed their benchmarks. Go to cobb.org/asset-management-performance-report for the most recent information.

Enhanced tools for stronger investing
Many BFFI clients have learned that valuable data and customer service tools are only a click away. Online account management, which was first offered in the third quarter of 2011, was being used by more than 82 percent of BFFI’s
clients at the end of 2019. Clients using the online client portal are able to generate custom reports, and typically have access to monthly statements by the third business day of the next month. Printed statements are in the mail by the eighth day of the following month for those who still receive statements in this manner.

**Client satisfaction**

In 2019, BFI commissioned Nonprofit Risk Management Center of Leesburg, Virginia, to conduct a client satisfaction survey, replicating the research completed in 2015. More than 54 percent of BFI clients responded to the 2019 survey, up from a 41 percent response rate for the 2015 survey. The chart below presents the percentage of 2019 respondents that indicated they “agree” or “somewhat agree” with the client service statements, with corresponding data from the 2015 survey —

<table>
<thead>
<tr>
<th>Regarding client service —</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with the asset management services.</td>
<td>91.6%</td>
<td>97.0%</td>
</tr>
<tr>
<td>BFFI cares about my institution and treats us as a valued client.</td>
<td>93.0%</td>
<td>98.0%</td>
</tr>
<tr>
<td>My transactions are handled in a timely fashion.</td>
<td>87.1%</td>
<td>95.1%</td>
</tr>
<tr>
<td>My transactions are handled accurately (without errors).</td>
<td>87.3%</td>
<td>95.1%</td>
</tr>
<tr>
<td>I am able to reach the client service team when I need assistance.</td>
<td>91.6%</td>
<td>96.0%</td>
</tr>
<tr>
<td>The client service team is friendly and knowledgeable.</td>
<td>91.6%</td>
<td>97.0%</td>
</tr>
<tr>
<td>I am confident that the client service team can answer my questions and resolve my issues.</td>
<td>91.6%</td>
<td>97.0%</td>
</tr>
</tbody>
</table>

Nearly two-thirds of the respondents in 2019 indicated that BFFI publications (*Investment Perspective* and the *Information Statement*) are valuable resources, although actual readership declined between 2015 and 2019. More than 90 percent of the 2019 respondents indicated they were satisfied with the ease of use of the web portal (76.1% in 2015) and 52.7 percent indicated that problems with the web portal are resolved in a timely manner (58.7% in 2015).

According to the report by The Nonprofit Risk Management Center, “A small number of respondents left comments or answered the open-ended survey questions. Of those who responded, numerous were positive.” Other comments indicate opportunities for further improvement in service to BFFI clients, including highlighting major changes in the annual *Information Statement*, improving access to the *Information Statement* and *Investment Perspective*, and providing assistance with the web portal. The report indicated that “the 2019 survey results reveal that BFFI client satisfaction remains high and has increased since the 2015 survey.”
DEFERRED GIFTS

Brethren Foundation manages its own assets, which include the assets of charitable gift annuities it has issued and charitable gift funds it has established for donors, as well as the assets of charitable trusts and pooled income funds for which it serves as trustee.

Assets under management at the end of 2019 were $4,792,073, an increase of $324,258 (7.3 percent) from the $4,467,815 in total assets under management on Dec. 31, 2018.

At the end of 2019, BFI was managing assets for nearly 150 deferred gift donors. During 2019, three charitable gift annuities totaling $110,000 were established with BFI. Also during 2019, 20 individuals closed a total of 26 accounts, including one pooled income fund, two charitable remainder trusts, two charitable gift funds, seven pass-through gifts, and 14 charitable gift annuities, resulting in a total of $727,403 being distributed to Church of the Brethren organizations.

Client satisfaction
In 2019, BFI commissioned the Nonprofit Risk Management Center of Leesburg, Virginia, to conduct a client satisfaction survey, replicating research completed in 2015. More than 51 percent of BFI clients responded to the 2019 survey, which is similar to the response rate for the 2015 survey. The chart below presents the percentage of 2019 respondents that indicated they “agree” or “somewhat agree” with the client service statements, with corresponding data from the 2015 survey —

<table>
<thead>
<tr>
<th>Regarding client service —</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>My payments are issued in a timely manner.</td>
<td>98.8%</td>
<td>97.0%</td>
</tr>
<tr>
<td>My tax documents are issued in a timely manner.</td>
<td>92.9%</td>
<td>98.5%</td>
</tr>
<tr>
<td>My tax documents are easy to read and understand.</td>
<td>97.6%</td>
<td>95.3%</td>
</tr>
<tr>
<td>I am confident that the client service team can answer my ques-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>tions and resolve my issues.</td>
<td>94.9%</td>
<td>86.4%</td>
</tr>
</tbody>
</table>

Critical comments from the respondents can be merged into two themes — five comments identified fund management as a concern and three comments indicated fund performance communication could be improved. Although the quantitative data indicated a decrease in a knowledgeable and reachable client service team, the qualitative data suggests a different view. According to The Nonprofit Risk Management Center report, “The vast majority of the comments from 2019 respondents indicated that client service is ‘prompt, courteous, reliable’ and that staff are ‘friendly, knowledgeable, and really seem to want to connect with you.’"
BFI also manages the operations and client service for Brethren Foundation Funds Inc., an affiliated organization that manages assets primarily of churches, organizations, and agencies of the Church of the Brethren.

INVESTMENT OVERSIGHT

The Investment Guidelines for Church of the Brethren Benefit Trust, Brethren Foundation, and Brethren Foundation Funds provide a long-term, disciplined, organized approach to investment management. Good governance demands we have Investment Guidelines that provide clear communication between the staff and the participants in Brethren Pension Plan and the investors in Brethren Foundation and Brethren Foundation Funds. The Guidelines give an overview of authority and responsibility, and provide the principles governing general oversight of the assets under our supervision, as well as guidance for the investment managers. Ingrained in the Board, staff, our investment consultant, and investment managers is a code of professional responsibility insisting upon adherence to the Guidelines. This code of professional responsibility contains a set of core principles grounded in ethical standards essential to improving trust and integrity.

Members of the Board and staff, along with our investment consultant and investment managers, have earned advanced designations (e.g., Certified Financial Planner, Certified Investment Management Analyst, Certified Financial Analyst, Society of Actuaries) that contain rigorous ethics standards with the intended outcome being a heightened degree of accountability to the organization, our clients, the law, and the profession. Candidates are subject to comprehensive background checks before they are admitted to certification programs. Once earned, there are disciplinary processes to ensure compliance with codes of professional responsibility. Failure to comply can lead to public disciplinary action, including permanent revocation of their designation. Furthermore, their designations entail continuing education requirements, including a minimum number of hours related to ethics.

The commitment to pursue continuing and/or advanced education includes a strenuous curriculum on a wide-range of subjects such as governance, fiduciary duty, legal and regulatory issues, tax law, economics, financial theory, investment strategies, portfolio management, managing risk, ESG investing, planning, and behavioral finance, to name a few. Each year, certificants devote 20+ hours toward continuing competency to acquire a deeper understanding of the ever-evolving investment management landscape, and developing leadership skills to provide cutting-edge investment strategies.

Certificants must stay abreast of and comply with their firm’s policies along with legal and regulatory requirements of various federal, state, and regulatory agencies. Furthermore, they must adhere to the rules of the governing bodies that issue their designations. While not expected to have the same level of knowledge
as that of an attorney or compliance officer, they are expected to at least be able
to identify potential violations. Those who act in a supervisory capacity are held
to an even higher standard and must show reasonable effort to ensure that those
they oversee comply with applicable laws, rules, regulations, firm policies, and
the standards or codes of the governing bodies of the designations.

BBT's mandate is to execute our duties with integrity, loyalty, objectivity, and
high standards of professional conduct. This directive is bolstered by profes-
sional and educational excellence, coupled with advanced designations demand-
ing a demonstrated knowledge and competency. In doing so, we promote
faithfulness to our Investment Guidelines, the written and ever-evolving docu-
ments designed to ensure we act in the best interest of our participants and
clients.

BRETHREN VALUES INVESTING

In 2019, the Board and staff of BBT continued its work in a manner consistent
with Brethren Values Investing guidelines.

Screening
Whenever possible, assets managed for members, clients, and donors are inv-
vested according to Brethren Values Investing guidelines that are consistent with
Church of the Brethren Annual Conference statements. This means that the 25
publicly traded companies that receive the most U.S. Department of Defense
contracts (in terms of dollars), and companies that generate 10 percent or more
of their gross earnings from U.S. Department of Defense contracts, firearms and
military weapons systems, weapons of mass destruction, abortion, alcohol, gam-
bling, pornography, or tobacco, are screened from BBT investment portfolios.
Companies that are egregious violators of environmental or human rights reg-
ulations are also screened from BBT portfolios.

Advocacy
The second of BBT's three-pronged BVI strategy is advocacy, based on Annual
Conference positions on social issues, with companies in which BBT owns
stocks, and with other initiatives that affect how companies interact with share-
holders and others in the global community. In 2019, BBT engaged in a variety
of shareholder initiatives, including the following —

ConocoPhillips
BBT continues as the lead organization in an effort to secure the rights of
indigenous peoples to free prior and informed consent regarding
ConocoPhillips' activities in their region. Investors met with company
representatives in New York on March 25 to receive an update on the
company's efforts. On May 14, staff attended ConocoPhillips' annual
meeting in Houston and encouraged the board to continue its attention to
developing social indicators to document the implementation of its
expanded Human Rights position. Before and after the meeting BBT staff interacted with board and staff members in private conversation on this topic.

**Bangladesh Investor Initiative**

BBT signed an investor letter in February, encouraging the Bangladesh government to support the accomplishments of the Accord on Fire and Building Safety that was established in the wake of the Rana Plaza building collapse in April 2013, to address workplace safety in Bangladesh garment factories. The Bangladesh government was attempting to prevent the Accord from continuing its efforts to improve and secure the safety of workers. This matter was in front of the Bangladesh Supreme Court. The investor letter called on —

1) the Prime Minister of Bangladesh to signal strong support for allowing the Accord to continue its work until the government has the capacity to do so; and

2) the companies sourcing product from the Bangladesh garment sector to urge the Bangladesh government to allow the Accord to complete its work.

In May, the Appellate Division of the Bangladesh Supreme Court accepted an agreement negotiated by the Accord Steering Committee and the Bangladesh Garment Manufacturers and Exporters Association with endorsement of the Government of Bangladesh. The agreement enables the Accord to operate in Bangladesh for one more year and provides for a BGMEA team to work closely with the Accord to learn the core functions of Accord operations. After 13 months a new structure will be established to implement all aspects of the Accord operations.

BBT has been supporters of this initiative since the initial investor letter in 2013.

**Japan**

BBTI was represented in July by Boston Common in meetings with Japanese companies in BBT’s portfolio on human rights issues.

**SEC Rulemaking Regarding Shareholder Rights.**

BBT signed a shareholder letter sent by US SIF to the Securities and Exchange Commission on Sept. 18 expressing concern about SEC’s stated intent to initiate a rulemaking on Rule 14a-8 that will likely weaken shareholders’ rights. This matter emerged a couple of years ago as part of the Financial CHOICE Act of 2017, which passed the House but not the Senate, and has been on hold for much of the time since. The proposed changes, which were approved by the SEC on Nov. 5, and published in the Federal Register on Dec. 4, include —
1) Increase the ownership requirement for filing shareholder resolutions from holding $2,000 worth of stock for one year to holding $25,000 of stock for one year or $15,000 of stock for two years or $2,000 of stock for three years;
2) Prohibit investors from aggregating holdings to meet the ownership threshold;
3) Increase the vote thresholds required for refiling a shareholder proposal (from 3 percent to 5 percent in year one, from 6 percent to 15 percent in year two, and from 10 percent to 25 percent in year three);
4) Prohibit more than one proposal per shareholder per meeting; and
5) Require shareholders to make themselves available to the company for dialogue in person or by phone and, possibly prohibit shareholders from hiring representatives and managers to conduct shareholder advocacy on their behalf.

The SEC will consider next steps after the comment period ends on Feb. 3.

Positive Investing
The third component of BBT’s Brethren Values Investing activities is positive impact investing, which means investing funds in higher-than-normal risk areas or economically depressed communities to help stimulate economic growth and redevelopment. At the conclusion of 2019, Pension Plan members and asset management clients had more than $964,000 of their assets under management invested in the Calvert Foundation Community Development Investment Fund.

In 2018 (the most recent year in which data is available), BBT assets in the Calvert Fund helped build or rehabilitate 10 affordable housing units, support 35 new enterprises through small and microcredit loans, finance two community facilities, support one Fair Trade farmer, and support 100 jobs.

Affiliation
BBTI and BFFI are full members of the Interfaith Center for Corporate Responsibility, an organization that “pioneered the use of shareholder advocacy to press companies on environmental, social, and governance issues.” ICCR is a coalition of more than 300 members, including faith communities, socially responsible asset managers, unions, pensions, non-governmental organizations, and other socially responsible investors with combined invested assets of more than $400 billion.

CLIENT RELATIONS

The Client Relations department is charged with focusing on four primary imperatives — developing and strengthening relationships with new and existing customers, developing new resources and enhancing existing resources used to serve our customers, identifying new products and services that BBT might make available to existing and new customers, and interpreting programs and operations.
The team seeks to fulfill the goals stated above through our client and prospect visits. These contacts include attending the Fellowship of Brethren Homes Forum, Annual Conference, National Older Adult Conference, National Youth Conference, and all district conferences where presentations and reports are shared and exhibits displayed. Client Relations supports preparation for Annual Conference by involvement with the production of live and written reports and Memorial Tribute, arranging insight sessions, overseeing exhibits, and hosting a retirement readiness seminar. Its monthly outreach to all District Executives includes checking on the status of any pastoral transitions and vacancies. This effort helps to minimize the number of pastors who miss the 31-day new-hire enrollment opportunity for insurance products, as well as retain/grow our ancillary insurance participation rates. Client relations also identifies potential candidates to serve on the BBT board.

In addition to connecting with current and prospective clients, the team’s engagement plan includes regular contact with the Fellowship of Brethren Homes — exploring collaborations with the executive director and executive staff during onsite visits, and encouraging them to consider BBT’s array of products and services. Communicating BBT’s value proposition and strengthening denominational relationships with the Brethren retirement communities is the primary focus.

Client Relations is also working on increasing BBT marketing presence through more frequent direct mail campaigns with the objective of increasing participation in our core ministries — Brethren Pension Plan, Brethren Insurance Services, and Brethren Foundation. Facilitating the implementation of benefit plan enhancements that improve participant and plan sponsor experiences is also part of our priorities. We regularly meet with plan sponsor representatives to effect important plan features and identify new opportunities to improve our service and product offerings.

BBT continues to develop and enhance our personal financial services offering through Brethren Pension Plan’s retirement readiness resources. This includes a full-time Retirement Planning Consultant, targeted message campaigns optimized to reach the various demographics represented across our membership, licensed professional asset allocation expertise via financial planners, and online educational resources.

**COMMUNICATIONS**

The Communications staff is responsible for maintaining the brand and distributing the message of Brethren Benefit Trust to the members and clients we serve, as well as to the general membership of the Church of the Brethren. This department produces many newsletters and updates throughout the year, maintains and posts information on the BBT website at www.cobbt.org, and facilitates the organization’s presence at various denominational conferences and events.
Newsletters

We publish newsletters that include a wide array of content on topics such as sound investing, health and wellness, current financial news, and more. Benefit News is our quarterly flagship newsletter, filled with information pertinent to all we serve, as well as a general audience. All newsletters are mailed to their corresponding audiences (Pension and Insurance members, and Foundation clients), and also archived on the BBT website for easy access to current and past issues, available to the general public. 2019 saw the last quarterly issue of our Pension newsletter, Pension Perspective, targeted to both active and inactive Plan members. This publication is now a monthly publication in 2020, with a goal of increasing electronic mail distribution. Our monthly electronic newsletter for insurance members, Well Now, enjoys a robust open rate, while bringing relevant articles on current health-related topics to our readership. Our Foundation newsletter, Investment Perspective, is emailed and mailed monthly to asset management clients.

Projects

In 2019, additional projects put out by the Communications department included a Retirement Readiness handbook, for those attending the free one-and-a-half-day seminar offered by BBT that explains a number of crucial aspects of retirement planning, held prior to Annual Conference. The 86-page Information Statement for the Brethren Foundation is also produced through this department. Retiree News, our 50-page collection of personal updates for our Plan retirees, came out in September. Communications also produced 10 different Benefits Guides for the Insurance department, and four different New Hire booklets for the Pension department. In addition to these, there are customized flyers for field visits, brochures covering everything from workshops to fund information and financial assistance for church workers. In addition to print media, Communications is also responsible for video production, such as the Memorial Tribute, shown at Annual Conference and National Older Adult Conference, the BBT report video used at Annual Conference and district conferences, and in 2019 began working with Client Relations on short videos to accompany the new Tips by Text program that was introduced in the fall. In addition, Communications worked throughout the year on other projects according to the schedule of events, such as board reports, Investment Guidelines updates, booth design for Annual Conference, shipping and signage for district conferences, and various video and print design projects.

Website

The plan for a BBT website facelift in 2019 was delayed due to budgeting. However, a vendor was chosen and work has begun, with the new website expected to go live sometime in 2020. As part of the transition to the new Pension Plan recordkeeper, Northwest Plan Services, the Communications department was invited to take part in some decision making for the new Pension Plan web portal, which has now been live since June 2019. We believe the new Pension website offers an easier, more user-friendly navigation of the BBT website, a benefit to both current and potential customers, and others who visit.
Teamwork
The Communications department continues to meet regularly and collaborate with the Client Relations department in order to reach key target audiences with relatable messaging, and do so through both electronic and print communications, with a goal of producing measurable results. The Communications and Client Relations departments together function as a marketing team whose task is to interpret the products and value BBT has to offer, from excellent customer service to a completely unique Pension Plan, to asset management with Brethren Values Investing, while making sure the right people are hearing our message. At the end of 2019, Michelle Kilbourne joined the BBT staff as the new HR and Administrative Services director, and is leading the staff and board through a new strategic plan. With her background in organizational leadership, she has been helpful to the marketing team efforts. It is our hope that these combined forces within the staff will result in increased business from prospects, and increased confidence in our service from existing members and clients. The Communications department is dedicated to being a part of this important path for BBT.

BBT BOARD

Donna Rhodes (2019-2023) was appointed by the BBT Board to serve a second 4-year term, and was also selected to serve as the Board Chair.

Russ Matteson (2019-2023) was elected by the Local Churches and Districts to serve a 4-year term.

Audrey Meyer (2019-2023) was elected by the delegates at the 2019 Annual Conference to serve a 4-year term.

The 2019-2020 BBT Board consists of 12 members and two ex officio members. Serving as Board members are Donna Rhodes, chair; Kevin Kessler, vice chair; Sara Brenneman; Eunice Culp; Ron Gebhardtsbauer; Eric Kabler; Dennis Kingery; Shelley Kontra, Russ Matteson, Thomas McCracken; Audrey Myer, and David Shissler. David Steele serves as an ex officio member. President Nevin Dulabaum also serves as an ex officio member.

As of January 2020, the BBT Board consisted of four Caucasian females, eight Caucasian males, and two ex officio Caucasian males. BBT’s 25-member staff included two Hispanic males, one South Asian male, two South Asian females, seven Caucasian males, and 11 Caucasian females.
BBT STAFF

Staff hires
Debbie Butcher, Retirement Planning Consultant (new position) – March 25
Michelle Kilbourne, Director of Human Resources and Administrative Services
– October 1

THE BBT TEAM

BBT staff (as of Jan. 1, 2020) — Nevin Dulabaum, president; Veronica Aragon; Jean Bednar; Loyce Swartz Borgmann; Debbie Butcher; Joven Castillo; Ovidiu Catanescu; Tammy Chudy; Sherri Crowe; Lori Domich; Scott Douglas; German Gongora; Fatima Kurth; Michelle Kilbourne; Steve Lipinski; Steve Mason; John McGough; Diane Parrott; Huma Rana; Lynnae Rodeffer; Connie Sandman; Ed Shannon; Jeremiah Thompson; and Rick Villalobos.

CONCLUSION

This is our report. Some of it tells the story of change, and some of it is business as usual. Of course we can’t know what the future will bring, but we continue working together as a servant-based organization, to serve our members. We are hopeful, moving forward with a plan that assumes our denomination will once again thrive, and that our purpose in it will grow exponentially. That is the attitude we plan to adopt. We will continue to try to build our client base by going out and explaining how our pension plan and other investments and insurance products can help an organization improve its overall wellness. And we will tell them that as a Brethren-based organization, our investments are focused on things that are positive and good for the planet. This is our actual plan. And it is literally what our name translates to in our tagline.

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

May it be so.

Donna Rhodes Nevin Dulabaum
Board Chair BBT President