Safety first — When it comes to our clients’ assets

What’s in a name? When it comes to protecting assets we manage for Brethren Foundation clients, there’s a lot packed into a name. In fact, just one word in the name makes all the difference now. BFI recently announced the creation of Brethren Foundation Funds Inc., a new 501(c)(3) tax exempt corporation affiliated with Brethren Foundation Inc., and an important addition in bringing another layer of protection to client assets.

This new structure, known as BFFI, was set up to separate organizational client assets from the obligations and liabilities of BFI and its deferred gift program. “Although we believe that we were offering a safe platform for invested assets and the risk to organizational client assets was low, we also believe this is an opportunity to provide an additional layer of protection for these assets,” said Steve Mason, director of BFI/BFFI.

A process, developed with the guidance of legal counsel to be as simple as possible, was initiated to move all organizational client assets from BFI to BFFI. We understand we are dealing with the invested funds of our most precious commodity — our clients — and we wanted to take measures to make sure they were comfortable and understood the change taking place. It should also be noted that deferred gift accounts were not affected by this process; these accounts — charitable gift annuities, charitable trusts and charitable gift funds — all remain with BFI.

The assets were transitioned on November 3. Except for a short period while funds were being moved from the BFI name to BFFI, and the additional letter in the acronym, this was designed to be seamless and invisible to Foundation clients.

“We take our responsibility of managing client assets very seriously,” added Steve Mason. “That’s why we have spent a year planning this transition and kept our clients informed along the way. We want them to understand that their concerns about investment strategies are our priority.”

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During November — Ready, Set Enroll!

It’s Open Enrollment time again for all Brethren insurance plans

Attention employees of Church of the Brethren-affiliated organizations who work 20 hours or more: Your open enrollment for Dental, Vision, Life and Disability insurance through Brethren Insurance Services happens Nov. 1-30. You may download this year’s open enrollment kit at brethrenbenefittrust.org/open-enrollment after Oct. 27. Like last year, this year’s open enrollment kits will only be available electronically. Do we have your email address? If not, please send an email to us at

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2015 OPEN ENROLLMENT

for Dental and Vision
Life and Disability

NOV. 1-30, 2014

READY SET ENROLL!
How a concern becomes a value

One of the characteristics that distinguishes most of the funds managed by Brethren Pension Plan and Brethren Foundation is that they are socially screened for Church of the Brethren values. That means that we do not invest in companies that generate 10 percent or more of their revenues in abortion, alcohol, defense, gambling, pornography, or tobacco. We also do not invest in the top 25 publicly traded defense contractors. These screens all come from statements approved by Church of the Brethren Annual Conference delegates.

So what would it take to add another concern to the list of investment screens?

This past summer, Church of the Brethren Annual Conference delegates, meeting in Columbus, Ohio, considered an amendment to an unfinished business item pertaining to climate change. The amendment proposed that Church of the Brethren-related investments “should cultivate renewable energy production and use, and should screen out entities that prolong climate-threatening dependency on fossil fuels.” There is growing momentum for this kind of a ban. According to the New York Times, 180 philanthropies, religious organizations, pension funds, local governments, and hundreds of wealthy individual investors have pledged to divest themselves of assets tied to fossil fuel companies in recent years.

When asked whether the amendment would be supported by Brethren Foundation (and BBT), Steve Mason, BBT and BFI’s director of socially responsible investing, reported that it would be best for the topic to be filtered through the Annual Conference query process as its own item of business, rather than being tacked on as an amendment to an existing item of business. This stand-alone process would allow the topic of the amendment to go through a seasoned process of discernment.

What is a seasoned process of discernment? Or to reframe the question, what is the proper course if one would like BBT/BFI to consider adopting a new investment screen?

A query for any topic needs to be submitted to the Annual Conference as a new business item. Queries can come in one of three ways: They can begin as a congregational concern that is approved and sent to the respective district conference, where it also is approved and is then sent on to Annual Conference; they can be drafted and sent to Annual Conference by one of the official Annual Conference agencies (Church of the Brethren Inc., Bethany Theological Seminary, On Earth Peace, or Brethren Benefit Trust); or there can be a motion made to establish a new item of business from the Annual Conference floor. With regard to investment screens, BBT’s practice is to follow Annual Conference statements; we refuse to initiate investment screens on our own.

Once a new business item is discussed by Annual Conference delegates, the usual outcome of that initial dialog is for a study committee to be created to discern the feasibility of the proposal. Why this approach? The creation of a study committee means that a group of individuals who have various perspectives on the subject are able to collectively give the issue a seasoned response. When addressing divestiture of fossil fuel-related investments, such a process could shape the scope of the business item, making sure recommendations are practicable and could lead to meaningful implementation.

Investment screens can be a tool organizations use to effectively state their social convictions without hurting their long-term investments. Do you believe BBT/BFI should omit a certain kind of investment? If so, we welcome the conversation but encourage you to filter your concern through the query process. We believe the outcome will yield the best results for both conveying Brethren values and being a realistic investment screen. — N.D.
Switch your focus from hungry to healthy and happy

In today’s fast-paced world, we feed our bodies without even having to think. The trouble is, the world isn’t going to slow down anytime soon, and we have been programming ourselves for more than a generation to think that the old-fashioned idea of preparing a home-cooked meal and sitting for a spell to enjoy it is not only a thing of the past, but in some households it’s practically extinct.

Though ratings have soared for cooking shows from “Rachael Ray” to “Chopped” to “The Chew,” and people still enjoy clipping recipes and reminiscing about grandma’s delicious homemade gravy, are they inspired enough by this to incorporate it into their lifestyle on a regular basis? A recent survey concluded that although more than 80 percent of us acknowledge that a healthy, home-cooked meal is important, only 50 percent of us are accomplishing this five or more nights a week.

As we fall further into the trap of giving up food prep and cooking time in favor of other things, we are spiraling into a society of overweight, underactive, unhealthy citizens. Even that lucky percentage of people who — thanks to the gift of genetics — don’t have to worry about obesity may have other issues to face in the coming years, such as coronary disease or diabetes.

There are many ways to wage a full assault on this problem and the Internet is full of advice, but let’s face it, it’s hard to remain inspired day after day when we still get tired and hungry and can’t really focus on a specific goal. What most people need is to know that it’s easier to be motivated if the bar is not set too high and we don’t expect quick results.

Make your first goal to read something every day about health. It can certainly be from the Internet — but don’t sign up for a newsletter. When things appear in our inbox daily, it’s too easy to ignore them. Make it a deliberate action on your part to search something on Google that you need to know today. Maybe you need help resisting those donuts in the other room that are calling your name. Go online and read up on the evils of trans fats in order to win the donut war. Maybe you felt sluggish halfway through your morning and are thinking that the giant bowl of Honey Nut Cheerios might not have been such a good choice for breakfast. Google an article about sugar and its effects on your energy level. Take five to ten minutes to read an article on something that will help you today. You’ll gain useful information and it will stick.

If you’re outraged at the price of produce when you’re trying to shop for healthy foods, be inspired that not only is there plenty of local produce you can buy at lower prices, but that Community Gardens across the country are making a difference in people’s lives for many reasons you never imagined. See communitygarden.org/mission/

If you’re trying to make smart choices when you shop, don’t just make a list, do five minutes of research. We are often fooled by the wording on labels, and need to learn to look on the back of the package in order to discern the truth about how “natural” or “healthy” that food really is at exploringwomanhood.com/mindbodysoul/weightloss/misleading-labels.htm

If you’re resisting exercise because it seems overwhelming, there are plenty of Internet sites that can inspire you in just a few minutes and won’t leave you feeling that getting in shape has to be exhausting or take an impossibly long time. Try evanshealthlab.com/23-and-12-hours/ for a fun explanation of something easy you can do to get started.

Let’s not forget that our spirituality is also related to our health. We were created in God’s image, and we can honor that gift by improving our spiritual health as well as our physical health. Keep the connection between the body, mind, and spirit strong, and remember that you don’t always have to be working out or eating carrots to improve your health. Smiling and staying positive, helping out an elderly neighbor, or volunteering at a local church are all things that give you a spiritual health boost, and can also be invaluable to your wellbeing.

Finally, remember that it’s important to take your health seriously, but equally important to find happiness along the way as you strive to embrace healthy habits. — J.B.
Rebalancing

For a lot of practical reasons, it would be helpful to know exactly how long we are going to live. One of those reasons is financial planning for retirement. The whole process would boil down to a simple math equation, and might look something like this:

$$\max E \left[ \int_0^T e^{-pT} u(c_t) dt + e^{-pT} u(W_f) \right]$$

If we only knew, we would definitely have an advantage in knowing how much money we need to put away for retirement. By the way, if you’re morbidly curious, you can go online to www.death-clock.org, punch in a few statistics about yourself, and it will provide your doomsday date, complete with countdown. In reality, it might be counterproductive to have that information. If we all actually had our own expiration date, we might just be wondering why we should save today’s money for a time years from now when we don’t know if we’ll still be able to enjoy it. Wouldn’t we be better off using our money now to create memories and enjoy life?

In other words, is it a good idea to save for the future, or should we all embrace the fiduciary equivalent of carpe diem? English economist John Maynard Keynes was actually opposed to saving money for the future, and claimed in his work “A Treatise on Money,” that where saving exceeded investment, recession would occur. He promoted spending instead. Our last two presidents have also embraced this approach, offering stimulus packages that put money in the wallets of every American in the hope that we would be itching to get out there and spend it on something discretionary. Yet, as of April 2014, Gallup polls showed that Americans were much more interested in saving (64 percent) than in spending (34 percent), and actually find saving more enjoyable. However, although a majority of Americans profess to want to increase their savings, they have actually been increasing their consumption, leading to the conclusion that what we feel we should be doing is not necessarily what we are practicing.

Which leads to an overall premise: Everything in moderation. This adage works with almost any aspect of life, really, but is certainly applicable to our money. We need to be moderate in our spending habits, and be able to differentiate between wants and needs. And when it comes to investing our money, we should apply balance there as well.

Whether you’re a passive investor or fixated on the bottom line, what everyone with any amount of funds invested should do, at the very least, is practice rebalancing. In other words, don’t dismiss those pension or IRA statements by throwing them in a file without a glance. And don’t rearrange your asset allocation every week in response to the slightest dip or rise in the Standard & Poor’s 500 index. If you want your stocks and bonds in a certain proportion, recalibrating is in order every so often. Your investments will perform according to the market, so you need to keep an eye on them. You can log on through our website at www.cobbt.org/pension-login. There are dozens of ways for you to explore the world of your pension funds. Click on “Investment Trends” to see how your money has been growing. Compare various funds to see how they perform. If it’s time to rebalance, simply click on “Rebalance My Investments” and you’ll be able to reallocate your percentages with a few clicks of the mouse. You can even set up an automatic rebalancing schedule. You define the balance ratios in your portfolio, since it’s up to you how you want to divvy up your funds, but it’s also up to you to make sure your ratios stay in check. You may want to seek the advice of a professional, and you should always read the fine print or disclaimers.

Balance is good. Make a schedule, check your percentages regularly, and then get on enjoying life with no known expiration date. — J.B.
It's Open Enrollment season, and Brethren Benefit Trust is excited to be offering coverage on all of our benefits. Here is a quick review of what all those benefits are.

Our excellent Dental plan coverage comes through the Delta Dental PPO network, with three different plan designs for you, depending on what level of coverage you're looking for. No matter which plan you choose, 100 percent of preventive services are covered, and all three include orthodontia.

The Vision coverage, through EyeMed, uses the Select PPO network and offers minimal copayments and generous allowances for annual eye exams, contact lenses and eyeglasses, with no deductible.

We also offer a variety of helpful coverage plans through Basic Life with Accidental Death and Dismemberment, Dependent Life, and Supplemental Life with Accidental Death and Dismemberment. To be eligible, employees need to be working a minimum of 20 hours per week. If you want specific information, please look over the enrollment forms at www.cobbt.org/open-enrollment.

If you are considering Long-Term Disability coverage, this is the time to act. Our plan pays $5,000 per month. Short-Term Disability is also available, and pays 60 percent of your weekly salary and includes maternity benefits as well. Both Long-Term and Short-Term Disability are offered without underwriting and are subject to the 3/12 Pre-Existing Period, which means that any sickness or injury for which you received medical treatment, consultation, care, or services — including diagnostic procedures — or took prescribed drugs or medicines to treat during the three months immediately prior to your effective date of insurance is not covered for the first 12 months the policy is in effect.

Coverage for benefits acquired through Open Enrollment takes effect on Jan. 1, 2015. If you have questions or need extra help interpreting the many services we offer, please feel free to contact our member services representative, Connie Sandman, at insurance@cobbt.org or 800-746-1505, Ext. 366.

Joining BBT as Director of Communications is Jean Bednar, who previously served as Judson University’s Director of Advancement. Jean is a 26-year resident of Elgin and is very involved in the community. She has worked in marketing and communications for a non-profit organization, produced various written materials as both a freelancer and volunteer, and held several leadership roles, including current president of the Gail Borden Public Library Board of Trustees. She earned a Bachelor of Arts in English from the University of Utah in Salt Lake City.

Jean grew up in Kenai, Alaska, and Chicago. She resides with her husband in the Elgin Historic District, and they have two sons, one in college and the other a 2014 college graduate.

Julie Kingrey joined BBT as the assistant director of Financial Operations. Julie and her family recently relocated to the area from Farmville, N.C., due to her husband’s work. Prior to the move, Julie was employed for more than 10 years as fund accounting manager at The Nottingham Company in Rocky Mount, N.C., a BBT vendor. Julie was familiar with BBT when she arrived since she worked on the BBT account while at Nottingham. Julie brings experience and a variety of skills well suited to this position. She holds a Bachelor of Science in accounting with a minor in management from Pennsylvania State University. Julie, her husband, and their two children now reside in Wheaton, Ill.
Don’t miss Open Enrollment for all Insurance Services products — Nov. 1-30.

The staff members of Brethren Benefit Trust wish you a Happy Thanksgiving and thank you for allowing us to serve you.