



November 5, 2009

RE: October 2009 Wells Fargo Advisor letter

It has recently come to our attention that a number of Church of the Brethren Pension Plan members, as well as churches in the denomination, have been contacted by representatives of Wells Fargo Advisors concerning pensions and retirement. They make reference to the Brethren Benefit Trust Web site and imply that there are serious issues with the Brethren Pension Plan and that members should be concerned about their investments.

First, we want to assure you that Church of the Brethren Pension Plan remains a safe and reliable investment for our many members who seek retirement security. Over its 66 years of service to the denomination, the Board and staff of Church of the Brethren Benefit Trust have striven to provide its members the most generous benefits that the markets would sustain, while maintaining responsible stewardship of its resources. Current Board and staff members remain committed to that heritage of service and financial security.

Because Church of the Brethren Pension Plan is organized as a "church plan," as defined by the Internal Revenue Service, we are able to focus our efforts solely on the interest and well-being of our members — rather than corporate shareholders. Our operating expenses are among the lowest compared with our peers. Our investment options, deceptively simple in appearance, offer exceptional diversification and performance — even in down markets. BBT's investment managers are reviewed quarterly and are expected to perform within the top 25 percent of their peers, and to meet or beat their industry benchmarks over a five-year running period or they are replaced. Even with the recent decrease in its annuity assumption rate, the first in its history, Church of the Brethren Pension Plan compares favorably with similar annuities, and it has a proven track record of increased benefits when finances and the markets allow.

Brethren Pension Plan is pleased to offer a secure and dependable alternative to secular plans that promise much but all too often deliver expensive fees, impersonal service, and disappointing returns. It is ironic that a subsidiary of one of the nation's largest banks that recently received federal government bailout money, and whose executives receive huge bonus incentives, would warn Brethren Pension Plan members about investments that present "serious issues."

According to the CBS Evening News, reported February 9, 2009, Wells Fargo was among the first banks to receive bailout funds and was awarded the largest single amount — \$25 billion in tax money! Shortly after receiving this money, Wells Fargo bought out Wachovia Bank for \$12.7 billion making itself the nation's second-largest bank in terms of deposits. While bank leadership protested that they did not use bailout money for the purchase, the article pointed out that a Wells Fargo

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news release, made just two weeks before the purchase, said the “capital investment from the government (tax-payer bailout) will enable us to finance the Wachovia acquisition.” There are serious issues indeed!

Furthermore, what secular plans offer a benevolent program such as the Church Workers’ Assistance Plan that is administered by Brethren Benefit Trust as a part of the Pension program? Year to date, CWAP has distributed over \$112,000 in assistance grants to retired and actively employed church workers. These monies have helped to pay down crushing debt and to provide access to medical care where it was desperately needed.

Since 1943, Plan members have looked to Brethren Pension Plan to help provide retirement security and to reflect the denomination’s values of compassion and generosity. BBT staff members take their roles and responsibilities seriously and strive each day to shape and direct the Plan to meet the expectations of those we serve.

If you have any questions or concerns about Brethren Pension Plan, please contact me at 800-746-1505.

Sincerely,

A handwritten signature in black ink that reads "Scott W. Douglas". The signature is written in a cursive style with a large, looping initial 'S'.

Scott W. Douglas
Director of Pension Plan and
Employee Financial Services