

General BBT News

Celebrating a five-year bull market

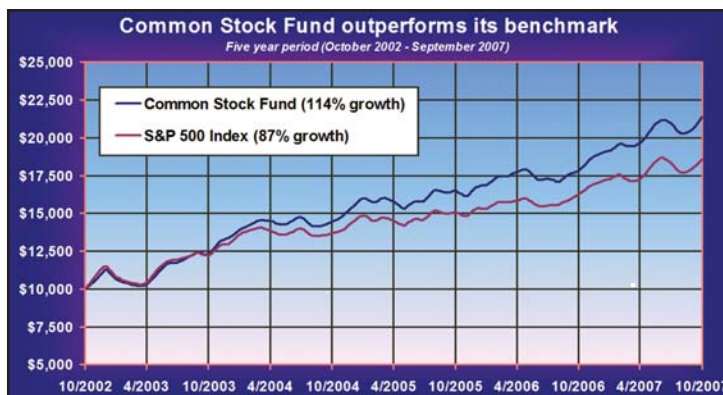
How low could they go, investors wondered, as the U.S. equity markets began dropping in 2000. Investors would have to wait a full two and a half years before they would finally know. For the Standard and Poor's 500 Index, the answer was 768 points, reached on Oct. 10, 2002, just half of its March 2000 high.

Since that time, however, the index has been on a steady, five-year bull market run, finishing the third quarter on Sept. 30, 2007, at 1,527 points, nearly doubling from its 2002 low. The steady rise has meant an 87 percent positive change in the index.

The S&P 500 is widely regarded as the single best gauge of the U.S. equities market. It includes 500 companies in leading industries in the U.S. economy and is used by many investment managers as a benchmark to measure portfolio performance.

While the S&P 500 index has shown tremendous growth over the past five years, the Church of the Brethren Pension Plan's Common Stock Fund has consistently beat the index to return even greater yields on investments.

Over the same five-year cycle, from October 2002 through



Even with strict investment screens, the Common Stock Fund has beaten its benchmark from October 2002 through September 2007.

September 2007, the Common Stock Fund grew 114 percent with average annual returns of 16.4 percent.

The chart above shows the growth of a \$10,000 investment in the Common Stock Fund over the five-year period compared with its

Continued on page 5

Brethren Foundation

A front door named Steve

The Brethren Foundation has a new front door, at least that is how Steve Mason, director of BFI, described the new role of the manager of operations for BFI. Steve Lipinski joined Brethren Benefit Trust on Nov. 1, 2007, to fill the new position and be the front door of BFI customer service.

As manager of operations, Lipinski is the primary contact to respond to client inquiries. He assists current and potential clients in utilizing Foundation

asset management services and charitable-giving programs. He works from the Church of the Brethren General Offices in Elgin, Ill.

Before joining BFI, Lipinski worked for three not-for-profit organizations marketing financial products. He also has had his own insurance and investment-products business and teaches business courses at Elgin Community College.

The extensive experience with business technologies that Lipinski has is proving to be a great asset for BFI as the manager of operations maintains databases and is responsible for record keeping, reporting, and the production of resource materials.

Raised in central Illinois, Lipinski holds a Masters of Business Administration from the University of Illinois with an undergraduate degree in broadcast communications. Steve and his wife, Elena, are residents of Elgin and have three children. — JW



Steve Mason (left), director of Brethren Foundation, and Steve Lipinski (right), manager of BFI operations.

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Wil Nolen announces he will retire in 2008

After nearly 25 years of serving as BBT's chief administrator, as well as trustee of the Brethren Pension Plan, Wil Nolen announced to the Brethren Benefit Trust Board of Directors in November that he will retire as BBT president in 2008.

What began as a position for Nolen as executive secretary of the Pension Board in April 1983 changed radically over the ensuing quarter century as a number of changes were made that have left indelible marks on

Church of the Brethren-related employees and organizations.

Assets in the Pension Plan have grown rapidly since the Plan moved to market value accounting and began offering multiple investment strategies. The composition of the Pension Board was changed and BBT was created in 1988 to reflect the organization's need for expertise in employee benefits as well as accounting, law, and financial planning. In 1990, the Brethren Foundation was formed to allow congregations and organizations to utilize the Pension Plan's successful investment system.

During Nolen's tenure, the denomination's retiree assistance ministry was also strengthened with the creation of the Retired Church Workers Fund, which is now one component of the Church Workers' Assistance Plan.

"I have never met an employee of an organization who is as dedicated to their work as Wil Nolen has been to his," said Harry Rhodes, BBT Board chair. "We have a Pension Plan and other ministries that we can be proud of and it has been through Wil's leadership that those min-



Wil Nolen, president of Brethren Benefit Trust, addresses the BBT Board of Directors in Lancaster, Pa., on Nov. 17, following the announcement of his retirement in 2008.

istries have been developed or strengthened."

Nolen will be honored at two national conferences in 2008 for his 25 years with the Brethren Benefit Trust and 42 years of service to the denomination. The first celebration will be at the Church of the Brethren Annual Conference on Sunday, July 13, in Richmond, Va.; the second will be during the National Older Adult Conference, which will be held the first week of September in Lake Junaluska, N.C. — ND



Among his many avenues of service to the Church of the Brethren, Wil Nolen, BBT president, conducts choral music, including leading this hymn sing at the National Older Adult Conference in North Carolina in 2004.

Foundation

Not knowing the day, nor the hour — Be prepared

To illustrate the need for congregations to be financially prepared, Steve Mason, director of the Brethren Foundation, used the parable of the ten bridesmaids during a workshop for church leaders in Lancaster, Pa., in November: Five bridesmaid had oil and five did not.

Mason advised participants to have important financial processes in place before an unexpected opportunity arises, or their congregations will have to make significant decisions under the pressure of the moment. He emphasized the need for advanced planning on such topics as a gift acceptance policy, an investment policy, a spending policy, and a grant-issuing policy, as well as a clear decision on endowments — would the church accept them and under what circumstances?

For example, Mason asked, would your congregation accept a \$1 million dollar gift if it stipulated that the congregation use the funds to build a retirement center on an adjacent property? Often when such a gift is offered, congregations get so caught up in the moment they make decisions that negatively affect the long-term health of the congregation, Mason said.

The Brethren Foundation was established to help church leaders be good managers of their assets. In addition to providing asset management services, the Foundation also conducts educational workshops, seminars, and insight sessions on such topics as deferred gifts, endowment funds, and investment planning to make its financial expertise available at Annual Conference, district conferences, and agency and congregational meetings.

If your church, group, or organization would like to host such a workshop, please contact Steve Mason at smason_bbt@brethren.org or at 800-746-1505, ext. 369. — JW



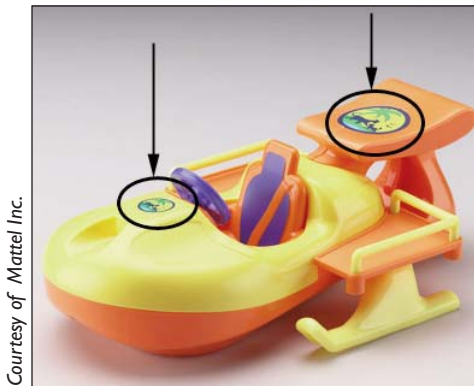
Kay Weaver speaks with Steve Mason, director of the Brethren Foundation, following a Foundation luncheon on endowments.

Are toxic chemicals leaching into your bloodstream?

Toxic pollutants have not been on the American radar screen for many years. Terms like lead-paint poisoning and DDT exposure seem to be from a bygone era, like the space-race and mutually assured destruction — relics from a bleak, smoke-stack past.

After highly publicized lawsuits against such giants as Occidental Petroleum, many were led to believe that the age of toxic pollution was over and environmental standards were firmly in place to ensure public safety. A series of mind-boggling recalls over the past year has caused the public to sit up and question how safe we are from toxic chemicals.

The first recall that shook the public was the recall of pet food because of tainted wheat supplies — would a company actually boost profit margins by substituting dangerous chemicals in food products? Then toothpaste was recalled because it contained, of all things, antifreeze. These sparked a scrutinization of imports, mainly from China, that then resulted in a barrage of pulled-from-the-shelf stories.



Courtesy of Mattel Inc.

Go Diego Go!™ Animal Rescue Boat was recalled by Mattel because of lead paint.

Some recalls have been deeply disturbing, like that of Aqua Dots because of a date-rape drug effect if swallowed. Others have been simply mystifying, such as the usage of lead paint when nontoxic substitutes are readily available.

Most disconcerting of all, however, is that many recalls have come from reputable companies like Fisher-Price and Mattel.

Consumers generally believe that products

manufactured in the U.S., or at least sold in the U.S., are safe. This fundamental trust has been violated. Moreover, Americans now question the Consumer Products Safety Commission's effectiveness if tanker loads of toxic toys are able to reach store shelves — and children's stomachs?

The recent recalls have rekindled American anxiety on toxicity. The findings of a broad study by the Body Burden Work Group and Commonweal Biomonitoring Resource Center has confirmed the need for concern.

The study tested the blood and urine of 35 individuals from seven different states and found that all tested positive for three industrial chemicals known to be carcinogenic:

Bisphenol A, commonly found in hard clear plastic bottles and aluminum cans; **phthalates**, used to add scent to detergents and personal care products and to soften plastics; and **polybrominated diphenyl ethers** (PBDEs), used as flame-retardants in furniture, carpets, and televisions.

In the study's report titled, *Is it in us? Chemical contamination in our bodies*, researchers concluded that industrial chemicals are finding their way into people's bodies, regardless of geographic location, age, occupation, gender, race, or lifestyle.

The American Chemistry Council responded to the report by stating that the study simply proved the presence of trace amounts of the chemicals and not their adverse affects. Philip Landrigan, pediatrician with Mount Sinai School of Medicine, responded to the results in a very different way —

“The most worrisome thing about the presence of scores of chemicals in people's bloodstreams is the concern about what these chemicals might be doing to children.

Children's developing organ systems — their brains, their immune systems, their lungs, their reproductive systems — are extremely sensitive, and the development is easily disrupted, especially in the earliest years of life. The situ-

ation in which we find ourselves, in which these industrial chemicals are in children's bodies with insufficient knowledge of their toxicity, is potentially perilous.”

To learn more about the build up of toxic chemicals in our environment and our bodies visit these sites:

- Environmental Working Group at www.ewg.org
- Human Toxome Project at www.bodyburden.org
- National Council of Churches Ecojustice Program at www.nccecojustice.org
- Biomonitoring Resource Center at www.commonweal.org
- Society of Toxicology at www.toxicology.org



There are now over 80,000 chemicals registered for use in the American marketplace, with approximately 2,000 more being introduced each year. Unlike the government's approval process for pharmaceuticals, pretesting for industrial chemicals is currently not required, despite both proven and suspected dangers of many of them to our health. The evidence of leaching into the population's bloodstream indicates a need for further control.

Faith-based organizations are calling for action. The National Council of Churches of Christ's Eco-justice Program has developed a new resource, *Mindful Living: Human Health, Pollution, and Toxics*, to help the church “keep clean the temple of the Holy Spirit from toxins.” It is an excellent resource for individuals looking to better understand and become involved in environmental health issues.

Environmental pollution is an issue that will always be with us. Its pervasive nature calls the church into action to improve the health and well-being for us, our children, and all of God's creation. — JW

BBT Board adopts a new mission and vision

Recognizing the tight competition for financial services in the marketplace, the Brethren Benefit Trust's Board of Directors adopted a new vision for BBT to be the financial service partner of choice for its members and clients.



Nevin Dulabaum

Wil Nolen (left), BBT president, Stan Noffsinger (center), general secretary of the general board, and Dave Gerber, BBT board member, listen to Board discussion.

Meeting for its fall meeting in Lancaster, Pa., from Nov. 15-17, the Board worked to develop a strategic plan with organizational consultant Keith Stuckey. The one-year process resulted in a clear, client-focused direction for BBT and clarified the core values that will define BBT's niche as a church agency. The new statements are —

- **Vision Statement:** Brethren Benefit Trust will be seen as the financial service partner of choice by those it exists to serve.
- **Mission Statement:** Brethren Benefit Trust, a financial and stewardship ministry of the Church of the Brethren, serves individuals and organizations affiliated with or sharing the values of the Church.
- **Core Values:** Trustworthiness; fiduciary responsibility; social responsibility; high business standards; high ethical stan-



Nevin Dulabaum

Gail Habecker, chair of the Investment Committee, addresses the Board. Also pictured is Board member John Braun.

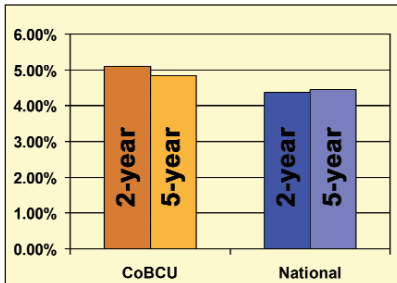
dards; responsible stewardship; mutual support; compassionate service; partnering; competitive services.

The planning process also produced key strategic imperatives that will guide BBT as it sets long-term goals and action steps to fulfill its mission to better assist the church with financial services. — JW

Credit Union

CD rates are excellent

The Church of the Brethren Credit Union is offering yields on Certificates of Deposits that exceed national averages. For its two-year CDs, CoBCU is offering an annual percentage yield of 5.10 percent,



which exceeds the national average of 4.36 percent, according to Bankrate.com. For its five-year CDs, CoBCU is offering 4.84 percent, compared with the national average of just 4.45 percent.

What is even more attractive is that CoBCU only requires a minimum deposit of \$500 to receive these excellent CD yields. Many banks require a much higher minimum deposit to receive their marketed yields.

Membership in the Church of the Brethren Credit Union is open to all church members, employees of Brethren-related institutions, students at Brethren colleges, and residents at Brethren-affiliated retirement communities. Family members of existing Credit Union members can also join. Membership is free.

In addition to great rates on Certificates of Deposit, the Credit Union is also offering competitive rates on money market accounts and special club savings accounts. Rates are listed at www.cobcu.org. — JW

Christmas Savings Club

A lack of foresight and financial planning can lead Christmas shoppers to one of two extremes that take the joy out of the Christmas season and leave shoppers with a bah-humbug mood.



The first is excessive debt. Many manage their funds well throughout the year, only to find that holiday shopping blows their annual budgets, leaving them starting the new year with credit card debt. The second killer of Christmas cheer is the scrooge approach: Since some shoppers are not financially prepared for Christmas, they skimp their way through Christmas gifting as cheaply as possible. Neither option is fun.

There is a third way, which avoids debt while providing the financial freedom to celebrate the holiday season by giving gifts.

If your holiday season was less than spectacular this year, resolve to do things differently next year. The key is to simply plan ahead by saving a set sum each pay period throughout the year and then spending according to that total.

The Credit Union can assist you by opening a Christmas Club account and setting up an automatic deposit each pay period to help guarantee you are able to fully celebrate next Christmas without debt and without being a scrooge. — JW

Important Reminders

New lockbox addresses

Please use the following lockbox addresses for all deposits and remittances —

- **Brethren Foundation**

24099 Network Place
Chicago, IL 60673-1240

- **Brethren Pension Plan**

24092 Network Place
Chicago, IL 60673-1240

- **Church of the Brethren Credit Union**

24095 Network Place
Chicago, IL 60673-1240



Attention Pension Plan members

It is important to contact BBT in writing if you have a change in your employment, your marital status, or if you move. If you have any questions regarding the Brethren Pension Plan, please contact Lori Domich at

ldomich_bbt@brethren.org or call **800-746-1505, ext. 365**.

Medical Plan closing Dec. 31, 2007

Active members of the Ministers' Group of the Brethren Medical Plan (BMP) will have until March 5, 2008, to apply for medical coverage under the Health Insurance Portability

and Accountability Act (HIPAA). HIPAA applies to individuals who have had 18 months of continuous coverage in a group plan.

Under HIPAA, individuals who can prove creditable coverage in a group medical plan are guaranteed to qualify for medical coverage without providing proof of good health. There are no pre-existing conditions, limitations, or waiting periods to obtain coverage in any state. No one in the Ministers' Group, which includes employees of congregations, districts, and camps, is uninsurable.

Even with HIPAA finding medical coverage can be very time consuming and premiums can be very high. Do not wait for the last minute to find medical coverage. BBT's Web site has state-by-state information on medical plans that is a good place to start.



Medical Reimbursement Accounts

Brethren FlexCare balances must be spent down by year's end.

Members of the Brethren Medical Plan who take advantage of the flexible spending accounts for either medical reimbursements or dependent care costs need to spend the remaining money in their flexible spending account(s) by Dec. 31, 2007, or the balance(s) will be forfeited. FlexCare participants were recently notified of their remaining balances.

Members have until **March 31, 2008**, to submit account withdrawal forms and receipts for reimbursement for all purchases and visitors to providers completed in 2007. Submit these to Mennonite Mutual Aid, P.O. Box 483, Goshen, IN 46527.

If you need a Brethren FlexCare account withdrawal form, please download it from www.brethrenbenefittrust.org by clicking on "Forms" and then "Insurance."

You may also contact **Tammy Chudy** at **tchudy_bbt@brethren.org** or at **800-746-1505, ext. 372**.



"five-year bull market" ... continued from page 1

benchmark, the S&P 500 index. The index would have grown the investment to \$18,585; the Common Stock Fund would have more than doubled that investment to \$21,372.

The Common Stock Fund is a diversified blend of five separate funds that are managed by four investment fund managers. It is comprised of a value stock fund, a growth fund, and a core stock fund. The Common Stock Fund also has a blend of small cap stocks and some international stocks.

Though beating the benchmark is the goal for all actively managed funds, the results of the Common Stock Fund are particularly notable since all BBT investments are subject to strict socially responsible screens. BBT seeks to avoid investment in companies that are in conflict with the social values expressed by the Church of the Brethren.

BBT's socially responsible investment guidelines exclude invest-

ment in companies that generate 10 percent or more of their revenue from the alcohol, defense, gambling, pornography, or tobacco sectors. In addition, the guidelines exclude companies that are among the 25 largest publicly traded defense contractors. Each of BBT's investment managers is responsible for seeing that their portfolios are in compliance with these guidelines at all times.

The BBT Investment Committee monitors investment manager compliance with these guidelines. To beat the benchmark while adhering to these social screens highlights the quality of BBT's investment managers and its sound investment policy.

Beating the benchmark on a consistent basis is a remarkable achievement; beating it with strict investment screens is even more significant. But beating it during a massive wartime spending period, which included spending on Afghanistan and Iraq, without investing in the U.S. military-industrial complex, is indeed remarkable. — JW

General BBT News

Happy Holidays from BBT



Nevin Dulabaum

This nativity scene was photographed at the Circle of Peace congregation in Peoria, Ariz.

The BBT staff wish all of our members and clients, and their loved ones, a safe and blessed holiday season. May the love of Christ bring peace to your hearts and your lives.

In This Issue

- **General BBT News**
Board of Directors adopts a new mission and vision for BBT.
- **Brethren Foundation**
A new front door — Steve Lipinski.
- **Heart, Soul, and Mind**
Are toxic chemicals leaching into your bloodstream?
- **Credit Union**
CD rates are above national averages.
- **Brethren Insurance Plans**
End-of-year reminders.

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Inside: Will Nolen announces he will retire in 2008.

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