Have you ever wondered, “What are they doing over there at PCA Retirement & Benefits (RBI) besides providing insurance and retirement?” Ok, maybe you haven’t wondered that exactly, but the question remains – What else does RBI do? Answer: More than you think!

Let’s start by highlighting two things:

1. **We love PCA employees** – that means pastors and ministry staff, Christian school teachers, custodial workers, school and church administrators, and everyone in between.

   Our products and services are available to all employees of PCA churches and church-related organizations. These products and services may extend from your date of hire to the day you retire, and throughout your retirement. And for those who are pursuing pastoral ministry, we are committed to you even before you receive your first call to pastor a church.

2. **We have big goals** – for us and for you! Our desire at RBI is to provide you with excellent products and services that will assist you and your family in reaching and securing your financial goals. And we believe we are uniquely equipped to help you because we know you and we know how.

   We have a team of 6 full-time staff, known as Ministry Partner Services, who are exclusively committed to serving you, our ministry partners. This team includes three Financial Planning Advisors who are also experienced PCA pastors. These fully-qualified men have earned industry standard credentials in financial planning and retirement and deeply care about the church and those who serve her. We are not an independent or “for profit” organization, but an agency of the PCA that is passionate about assisting and guiding those who serve God’s people. We understand the unique challenges you face in ministry and ministry-related positions, and we want to walk with you as you navigate those difficult situations.

   So what is it exactly that we do beyond administering insurance and retirement plans? Our team is here to provide you (and your spouse) with the following services, free of change:

   1. **Financial Planning**
   2. **Retirement Planning**
   3. **Financial Planning Seminars (Offered Regionally)**
   4. **Call Package Consulting**

**Financial Planning** is a process in which we: 1) establish the financial planning relationship with you and discuss expectations of our time together; 2) gather appropriate information about your finances and financial goals; 3) analyze and evaluate your financial information; and 4) mutually develop a plan that puts you on a path towards achieving your financial goals.

**Retirement Planning** addresses your retirement planning concerns appropriate for your stage of life. In the early years, we will work with you to evaluate your retirement goals and assist you in evaluating the specific steps you have taken or need to take to reach those goals. This service overlaps strongly with financial planning. In the middle years, we evaluate your current allocation of resources and what adjustments should and can be made given your ever-changing financial risks (medical coverage, life insurance, long term disability, long term care) and ever-changing financial circumstances (e.g., children entering or finishing college, a spouse working outside the home). In the later years, we shift our focus to a very comprehensive analysis of your pres-
ent retirement resources and your retirement goals. We discuss the opportunities and challenges that are before you as you approach retirement, such as when to retire, when to take Social Security, ensuring financial security for your spouse, and leaving an inheritance to your heirs. Here the emphasis in planning shifts from “accumulation” strategies to “decumulation” strategies.

**Financial Planning Seminars** give us the opportunity to travel to you and meet with you in small and large group settings. We know that ministry keeps you very busy and we find that our seminars are invaluable in helping our participants slow down and consider the important questions related to finances, insurance and retirement that might otherwise be set aside. Typically, we have the opportunity to meet with you 1-1 after these seminars to go over any questions that might have been raised as a result of attending the presentations.

**Call Package Consulting** is a service offered to those entering or already serving in pastoral ministry. A call package is essentially a pastor’s compensation package. A survey conducted by PricewaterhouseCoopers at the request of PCA Retirement & Benefits revealed that a significant majority of ordained pastors in the PCA desired assistance in understanding and structuring their call package. In addition to working with pastors, we assist Personnel Committees, Sessions, Diaconates, Boards, and Presbyteries as they structure and evaluate call packages.

We love the Church and we love those who minister faithfully to her people. We are committed to serving PCA employees beyond simply administering benefit plans. Let us help you address your retirement and financial planning needs so that you may be freed to do the work God has called you to do. We know you and we know how and it’s our desire to provide you with the assistance and guidance you need to achieve your financial goals for the glory of God and the advancement of the Gospel.

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**SMALL CAP GROWTH MANAGER CHANGE**

by MARK MELENDEZ

At our March 16th Board Meeting, the Board of Directors of PCA Retirement & Benefits (RBI) voted to replace Geneva Capital Management, Ltd., one of two investment management firms within one of our Core Funds (i.e. PCA Small Cap Fund), and also part of underlying investment in small cap investments within the Target Retirement Funds. The termination of Geneva Capital Management, Ltd. as a manager was a recommendation from our investment consultant, Callan & Associates. With their continuing assistance, RBI selected Brown Investment Advisory & Trust Company (‘Brown Advisory’) as our new small cap growth manager.

In 1993 Brown Advisory was launched as an investment management arm of Alex. Brown & Sons, the first investment bank in the United States. In 1998 Brown Advisory became independently owned and in 1999 launched its private equity and mutual fund business. Brown Management has $26,562 million in assets under management (as of 9/30/2017) and has offices throughout the United States and in London, UK.

On March 16, 2018, Brown Advisory took over the investment management and began to execute trades within the growth strategy of the PCA Small Cap Fund. This information is being provided to make you aware of the change within the Small Cap lineup of the PCA Retirement Plan. If you are an investor in one of our Target Retirement Funds or invest directly in the PCA Small Cap Fund, no action is required of you. Your investments within the PCA Retirement Plan remain the same. This change only impacts one of the investment managers within the fund.

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**Preparing and Protecting our Church Servants.**

**Financial Planning Seminars**

The goal of our seminars is to be of significant help to you and your spouse, no matter where you are financially.

Want to find out where we are headed next? Want to host a financial planning seminar in your area?

**Visit pcarbi.org/seminar/**
When I entered pastoral ministry, I was one of those older ‘second career’ guys in seminary with a wife, five children, and a really dry sense of humor. Those years were both exciting and challenging. But God was more than faithful, and because of His gracious provision, financial concerns were always secondary for us. When I received my first ‘call’ to ministry, we were extremely thankful. But the call package that I received as an Assistant Pastor was not large. We didn’t live an extravagant lifestyle, but because of the cost of living in that area, and several lifestyle choices that we made at that time, there was not much leftover for retirement contributions. So for several years, we made no contributions at all.

The next call that I received came with a larger call package, and the necessary relocation facilitated a restructuring of our financial obligations – a new mortgage with a lower interest rate, lower utility bills, a newer home with fewer repairs, etc. As a result, I was able to begin to save for retirement once again. I had saved some money in an IRA years before, but it wasn’t much, and I knew that those missed years would be costly. For whatever reason, it really didn’t seem all that important to me at the time, but interestingly, when I turned 50, everything changed. Retirement didn’t seem that far off to me anymore. And I found myself wondering what it would take to get back on track.

I suspect many of you have been in a similar circumstance. There have been periods of time where you have regularly contributed to your retirement account, but there have also been periods when you could not. Where do you stand now? Are you on track to replace your income in retirement? Do you know how much you should be contributing towards your retirement plan?

Let me encourage you a little before I go any further. If you’re young and just starting out, and you’re struggling to find money to invest, know that you can do this. Start small, but start contributing. Even if it’s just a few dollars a month at first… contribute something! Then, each year, contribute a little more. And if you’re older, and your experience has been like mine, you need to know it’s not too late to make a big difference in your retirement picture! There are a number of strategies available to help you accumulate more, pay fewer taxes, stretch the dollars you have already saved, and maximize your Social Security benefits. We can help you determine how much you need to be contributing. And we can help you develop a workable plan!

The PCA Call Package Guidelines suggests a general rule of thumb. Between 10-15% of your current salary (including Housing Allowance for pastors) ought to be contributed in order to replace a high percentage of your final salary in retirement. But even these percentages have limitations. The 10% recommendation, for example, works well for those in their early 30’s who pay into Social Security throughout their career. And 15% is sufficient for a 40 year old who is just beginning the journey. But what about the rest of us? What if we’re somewhere in between? What if we’ve been intermittent savers? What if we’re in our late 40’s or 50’s and are only beginning to take retirement preparation seriously? Moreover, what if we’ve opted out of Social Security? How much do we need to contribute?

In reality, retirement planning isn’t always simple. Most of us need a more tailored approach to know if we’re contributing and saving enough. So please give us a call! We’ll listen to your story, help you think through the best way to maximize your retirement possibilities, and determine how much you need to be contributing. Helping you steward God’s financial resources with wisdom and compassion is our calling!
### INVESTMENT PERFORMANCE | JUNE 2018

**CORE FUNDS**

<table>
<thead>
<tr>
<th>Fund</th>
<th>6/30/2018</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCA Large Cap Growth</td>
<td>5.08%</td>
<td>19.77%</td>
<td>11.96%</td>
<td>14.06%</td>
<td>8.78%</td>
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<td>PCA Large Cap Value (inception 12/28/09)</td>
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<td>7.40%</td>
<td>10.32%</td>
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<tr>
<td>S&amp;P 500 Stock Index</td>
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<td>13.81%</td>
<td>11.35%</td>
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<td>PCA Mid Cap Growth</td>
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<td>17.36%</td>
<td>10.21%</td>
<td>12.28%</td>
<td>10.26%</td>
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<tr>
<td>PCA Mid Cap Value</td>
<td>2.21%</td>
<td>10.95%</td>
<td>8.67%</td>
<td>10.67%</td>
<td>9.65%</td>
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<tr>
<td>PCA Small Cap Value (inception 12/15/11)</td>
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<td>15.04%</td>
<td>10.71%</td>
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<td>International Stock</td>
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<td>4.31%</td>
<td>4.31%</td>
<td>1.76%</td>
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<tr>
<td>PCA Diversified Bond</td>
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<td>-0.82%</td>
<td>1.36%</td>
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<td>Conservative Bond</td>
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<td>1.22%</td>
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<td>Wells Fargo Stable Value Fnd Q (inception 05/01/17)</td>
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**TARGET FUNDS**

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<th>Fund</th>
<th>6/30/2018</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
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<tbody>
<tr>
<td>PCA TR 2060</td>
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<td>PCA TR 2055</td>
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<td>PCA TR 2035</td>
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<td>PCA TR 2010</td>
<td>0.54%</td>
<td>2.75%</td>
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<td>PCA TR Harvester</td>
<td>0.55%</td>
<td>2.72%</td>
<td>2.77%</td>
<td>3.32%</td>
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**Updated from page 2**

**SMALL CAP CHANGES**

**Current Investment Managers**

Monarch Partners Asset Management, LLC. (Value)

NEW Brown Advisory, LLC. (Growth)

**More information about our newest manager’s investment philosophy**

Brown Investment Advisory’s investment philosophy is based on the belief that attractive risk-adjusted rates of return are achieved by exploiting market inefficiencies in the small-capitalization universe through a concentrated portfolio of diversified, high quality business models with above average growth, sound management and favorable competitive positioning.

**As of 09/30/17**

**Benchmark:** Russell 2000 Growth

**Strategy Assets (Millions):** $2,708

**Holdings Range:** 70

**Investment Style:** Fundamental Research, 100% Bottom up

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**Listen. Learn. Lead.**

The PCA Church Leader Podcast features interviews with a wide variety of people serving in churches and ministries across the PCA: ruling elders, women’s ministry leaders, pastors, campus ministers, and more.

Every episode provides practical tools and tips for church leaders from church leaders.

Tune in at pcarbi.org/podcast. Available on iTunes.

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**FEATURING**

Alexander Jun
Debbie Locke
Will Huss
Rick Downs
Mary Vassar Hitchings

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**Voluntary Retirement Plan Review is a triannual publication of PCA Retirement & Benefits**
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