

Letter from the president

Invest in what lasts



Dear Friends,

From COVID-19 to its economic impacts to cultural and political unrest, Everence® and our members were not immune to the turbulence of 2020 – but we are grateful that Everence remained financially stable during this time. We credit this to our dedicated staff who continued serving our clients during the pandemic, and our loyal members who have been at the core of our 75-year history of financial stewardship services rooted in strong Anabaptist faith values.

SUPPORTING ONE ANOTHER

As communities navigated the pandemic, we doubled the Everence Sharing Funds available for 2020, awarding \$1.5 million (matched by \$2.2 million from churches) to help those facing serious needs, including providing for pastors in congregations experiencing reduced giving. And we joined with Mennonite Disaster Service and Mennonite Central Committee U.S. to establish the COVID-19 Congregational Relief Fund to support under-resourced churches facing financial crisis due to the pandemic. In addition, we distributed nearly \$60 million in charitable gifts on behalf of our members, and gave \$386,000 to 497 nonprofits and churches through our MyNeighbor program.

STANDING WITH THE DIVERSE COMMUNITIES WE SERVE

Our call to serve the church includes a responsibility to address the economic inequalities experienced by Black, Latino/a, Asian, Indigenous and other people of color. To better meet the needs of our members, we are innovating our services for immigrants (leer en español), actively engaging in community economic development, building relationships in underserved neighborhoods, and educating others about the intersection of race, faith and money.

GROWTH AND RESILIENCY IN THE MIDST OF UNCERTAINTY

Despite economic volatility, our assets under management increased by nearly 12%, exceeding \$5 billion as of Dec. 31, 2020. As the pandemic's impacts persist, we continue to adjust to new realities by exploring new ways to help more people on their financial stewardship journeys.

INVESTING IN WHAT LASTS

For 75 years, Everence has invested in enduring values like hope and sharing, love and caring – values that continue to guide us through times of change. Thank you for being part of the Everence community.

Sincerely,

Kenneth D. Hochstetler
President and CEO

“Commit your work to the Lord, and your plans will be established.” –Proverbs 16:3 (NRSV)

2020 annual report highlights

The financial information presented is unaudited and does not comply with Generally Accepted Accounting Principles. This information is presented on a combined basis for all Everence entities and should not be relied upon in determining the financial strength or condition of any specific Everence entity. Members may request audited financial statements for Everence Foundation, Everence Association, Inc., Everence Federal Credit Union and certain other Everence entities included in this consolidated report.

Financial information

Balance sheets

| | December 31 | |
|--|------------------------|------------------------|
| | 2020 | 2019 |
| Assets | | |
| Cash and short-term investments | \$ 193,451,720 | \$ 142,239,652 |
| Bonds | 1,040,059,586 | 818,284,564 |
| Stocks | 3,654,236,929 | 3,169,047,026 |
| Mortgage loans and notes receivable | 270,119,912 | 248,547,593 |
| Real estate and real estate mutual funds | 25,851,113 | 26,975,997 |
| Property and equipment | 16,867,451 | 16,379,854 |
| Other investments | 55,718,716 | 49,961,978 |
| Other assets | 10,547,736 | 10,699,807 |
| Total assets | \$5,266,853,163 | \$4,482,136,471 |
| Liabilities and unassigned funds | | |
| Reserves for life, annuity and health certificates | \$ 291,666,847 | \$ 302,139,385 |
| Claim liabilities | 4,556,037 | 4,581,030 |
| Invested funds managed for others | 4,131,883,395 | 3,440,187,977 |
| Reserves for gift plans | 398,709,362 | 361,512,778 |
| Premiums paid in advance | 1,637,402 | 2,078,776 |
| Other liabilities | 275,474,830 | 216,398,556 |
| Unassigned funds and special reserves | 162,925,290 | 155,237,969 |
| Total liabilities and unassigned funds | \$5,266,853,163 | \$4,482,136,471 |

Statements of operations

| | Years ended December 31 | |
|---|-------------------------|----------------------|
| | 2020 | 2019 |
| Revenues and other additions | | |
| Assessments | \$ 51,943,011 | \$ 57,495,038 |
| Invested funds additions | 746,436,968 | 441,039,263 |
| Gift plans additions | 80,457,013 | 70,232,307 |
| Net investment income (including unrealized appreciation/depreciation on investments) | 405,840,129 | 463,256,994 |
| Other income | 36,424,702 | 29,452,072 |
| Contributions | 889,862 | 453,100 |
| Total revenues and other additions | 1,321,991,685 | 1,061,928,774 |
| Expenses and other disbursements | | |
| Member benefits | 53,681,600 | 60,656,075 |
| Increase (decrease) in reserves | (10,274,034) | (6,424,225) |
| Administrative and miscellaneous | 65,495,568 | 60,219,544 |
| Charitable distributions | 63,773,990 | 50,644,082 |
| Constituent distributions and withdrawals | 455,763,840 | 334,740,533 |
| Increase (decrease) in funds managed for others | 647,927,243 | 507,260,661 |
| Increase (decrease) in gift plans | 38,332,813 | 52,674,217 |
| Total expenses and other disbursements | 1,314,701,020 | 1,059,770,887 |
| Net income before net capital gains and taxes | 7,290,665 | 2,157,887 |
| Net capital gains (losses) | 36,020 | (51,266) |
| Taxes | (623,997) | 377,593 |
| Net income | \$ 7,950,682 | \$ 1,729,028 |

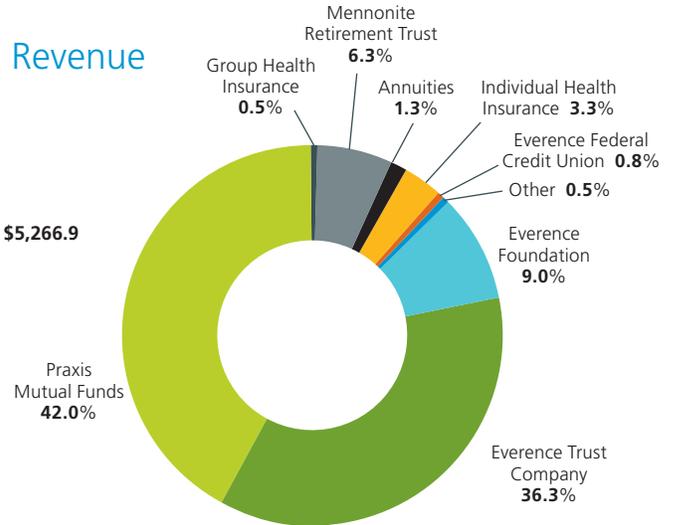
Total assets*

(in millions)



*Includes assets managed on behalf of customers.

Revenue



Making a difference

Charitable gift plans

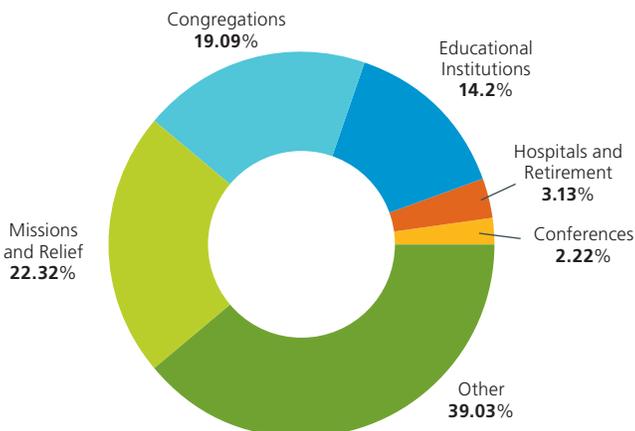
Contributions (in millions)



Distributions to charities (in millions)



Distribution by charity type



Grant and member benefit programs

(in millions)

| | 2020 | 2019 |
|----------------------------------|-----------------|-----------------|
| Sharing Fund grants ¹ | \$ 1.426 | \$ 0.853 |
| Safe Church grants ¹ | 0.007 | 0.021 |
| Member Chapter grants | 0.039 | 0.037 |
| Total grant distribution | \$ 1.472 | \$ 0.912 |

| | 2020 | 2019 |
|---|----------|----------|
| Local church grant matches ¹ | \$ 2.222 | \$ 1.187 |
| Number of grants distributed | 2,575 | 2,027 |
| Number of churches receiving grants | 652 | 641 |

| | 2020 | 2019 |
|------------------------------------|-----------------|-----------------|
| College Scholarship program | \$ 0.058 | \$ 0.046 |
| Will preparation grant | \$ 0.005 | \$ 0.008 |
| Accidental death benefit | \$ 0.000 | \$ 0.002 |
| Total other member benefits | \$ 0.053 | \$ 0.056 |

Positive investments

(in millions)

| | 2020 | 2019 |
|---|-----------|-----------|
| Community development investments ² | \$ 17.874 | \$ 14.518 |
| Everence Money Market Accounts | 17.131 | 14.975 |
| Church mortgages and high-impact loans ³ | 58.226 | 54.366 |
| Positive impact bonds | 262.585 | 200.013 |

MyNeighbor

| | 2020 | 2019 |
|---|----------|----------|
| Charitable distributions (1.50% of transaction totals) ³ | \$ 0.345 | \$ 0.386 |

¹Everence provides Sharing Fund and Safe Church grants that must be matched by Everence member congregations or other eligible groups applying for these grant programs.

²Everence channels investment dollars as loans to underserved communities through community development investing options integrated into our investment portfolios and funds.

³High-impact loans assist emerging and socially engaged congregations, help nonprofit organizations make environmentally friendly improvements, and address community development needs in the U.S.