



Making an Impact

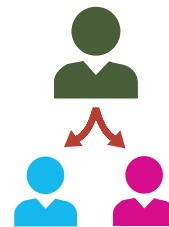
Annual Report
2016

2016 Highlights

ELFEC's mission is faithful investing that promotes justice and respects God's creation. We help individuals, congregations and faith-based institutions grow their assets, creating more money for ministry.

28

PARTNER
ACCOUNTS



\$29
MILLION

UNDER MANAGEMENT



\$164
THOUSAND

IN DONATIONS OF
STOCKS AND
SECURITIES

\$1.4
MILLION



DISTRIBUTED TO
CANADIAN CHARITIES

15



NEW
PLANNED
GIFTS

722 total
since 1997

38

CHARITIES
SUPPORTED



\$8.3
MILLION



DISTRIBUTED TO CANADIAN
CHARITIES SINCE 2008

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2016: Making an Impact

In 2016 your ELFEC board has been strongly focused on portfolio management and responsible investing. Here are a few highlights:

No more fossil fuels

This year we've strengthened our commitment to responsible investing by removing traditional oil-and-gas companies from our portfolio.

We've chosen to do this for both moral and practical reasons. First, it's now clear that consumption of fossil fuels is harming our environment and contributing to global warming. Second, the most catastrophic effects of unchecked climate change will occur in areas least equipped to deal with them, and this will disproportionately affect some of the world's poorest populations. Thus we can no longer reconcile investing in this sector with honouring God's creation, or loving and serving the poor.

On the practical side, investing in companies with business models built on fossil fuel production comes with significant financial risks. We believe that clean and renewable energy represents a better long-term investment.

Exploring "impact investments"

In 2016 we also commissioned a study investigating the area of "impact investing." This involves supporting companies providing both financial and social return on investment.

A good example is solar bonds, where investors provide capital to organizations that install solar panels under the province's FIT program. The investor earns interest on the bond, and also contributes to the expansion of green energy.

At press time the ELFEC board has approved a total \$1M investment in four such projects, including solar bonds. Watch for more details as these projects unfold.

Higher overall returns, and another new partner

This year we're pleased to report an overall return of 5.4%, thanks in part to a restructuring of our portfolio. We've moved from a traditional 60/40 split between fixed income and equities to a more growth-focused 50/50 split.

Finally, we were also pleased to welcome the BC Synod to our family of responsible investors in 2016. They join the MNO Synod Foundation as our second partner from outside the Eastern Synod, and bring our assets under management up to \$29M.

Thank you

Our thanks to all our member congregations and partners for entrusting us with your carefully stewarded financial assets. It's our pleasure to grow these investments thoughtfully and responsibly as we work together to build a more just and sustainable economy.



Jeff Pym, ELFEC Executive Director, and Susan Heard, Chair, Board of Directors

Tri-Church Mission Project Brings Syrian Refugees to Canada

ELFEC helps facilitate stock transfer to kick-start fundraising campaign

In September 2014, a full year before heartbreaking photos of young Alan Kurdi woke the world to the Syrian refugee crisis, the congregation of St. James Lutheran in St. Jacobs, ON was already asking their pastor how they could help.

Pastor Martin Giebel began making inquiries, and soon a coalition of three churches – St. James, St. Jacobs Mennonite Church, and St. Mark’s Lutheran in Kitchener – had formed a Joint Mission Partnership Committee.

Since sponsoring a refugee family entails one full year of financial support after the family arrives in Canada, a fundraising campaign was at the top of the Committee’s agenda.

“Long-time St. James member Walter Hachborn made a generous gift to kick-start the campaign, and we were able to use it as an opportunity to match other donations up to \$75,000,” says Pastor Martin.

Because this gift came as a stock transfer, and since St. James, like most churches, does not have the brokerage account needed to accept transferred investments, ELFEC was happy to help.

In the end the campaign far exceeded its goal, raising a total of \$85,000. This was enough to sponsor not one, but three groups of refugees. One group is here already, while the other two await authorization to travel to Canada.



Halil family celebrate with members of the tri-church mission partnership committee. L-R, top row: Emel and Ferhad (sister and brother-in-law to the Halils), Doris Bean, Jacob Letkemann; middle: Mom (Taco), Dad (Muhammed), Zekeriya (7), Elizabeth Hachborn; bottom: Julia Beddoe, Sue Shantz, Emel (16) and Hozan (19).

Halil family now safely housed in Kitchener, ON

Taco and Muhammed Halil fled Syria early in the war, and were living with their children in a Turkish refugee camp when they received an invitation to come to Canada.

After much hard work by the tri-church Committee, the family arrived in September, 2016, and are now settled in a Kitchener apartment. They’ve been joined there by Taco’s sister and her husband, who had arrived earlier (also as government-sponsored refugees), and were living in Mississauga.

The Committee has spent the past months helping the family navigate Canadian society – a task complicated by both a language barrier and the fact that the entire family is illiterate. The children are now enrolled in local schools, and both Taco and Mohammed are in an ESL program.

The Committee is now working to bring the Halil’s other son, Ibrahim, to Canada, along with Hozan’s young wife Leyla, whom he met and married while in the refugee camp. Ibrahim left the camp with a group of friends when he was just 11 years old, and is currently in Germany as an unaccompanied minor hoping to be reunited with his family.

Young siblings flee Syria; abandoned by human trafficker in Turkey

Chirin (21) and Ahmad (17) fled their home in Qamishli, Syria, after a tearful parting from their parents and younger siblings. Their father does essential work in Syria, and could not obtain a passport.

Chirin and Ahmad went to Turkey, hoping to make the perilous journey across the Aegean Sea into Greece. Instead they were abandoned by the man they paid to bring them to Europe, and left almost penniless.

The two have now been issued refugee cards by the Turkish police, and are waiting for the paperwork allowing them to depart for Canada. Once they are here, the Committee will settle them in Kitchener-Waterloo and support them until they are on their feet.

Until then, the siblings have no means of supporting themselves, for without legal status in Turkey they cannot work, and they do not speak the language. The Committee is not allowed to send donated funds outside Canada to help them. Thus Pastor Martin has raised additional funds through a GoFundMe campaign, and flew over to visit the two in early February.

Both are humbly grateful for the kindness of Pastor Martin and the Committee, and can hardly wait to start their new lives in Canada.

Indomitable 63-year old loses family to ISIS violence

The third refugee group is a family of one – 63-year-old Hanaa, who escaped Aleppo in 2012, helping her pregnant niece Rana find safety, first in Cairo and then in Amman, Jordan.

When Rana, along with her husband and four children (including baby Kareem, miraculously delivered safety in December, 2012), left for Canada, Hanaa stayed behind, waiting for her nephew Mhaid and his family to join her. Sadly, Mhaid and his family were killed during the Russian bombing of Raqqa.

Hanaa is now in Merzin, Turkey, awaiting passage to Canada. Here she will join Rana, her only remaining family member.



Pastor Martin Giebel flanked by 17-year-old Ahmad (l) and 21-year-old Chirin (r) during a February 2017 visit. The young siblings are in Turkey awaiting government clearance to travel to Canada.



No photo of Hanaa is currently available. Here an anonymous Syrian woman visits a cemetery after her son was killed in Daraa, Syria.

Intern Thrives in Small Congregation, Thanks to Dannecker Grant

*“It was a wonderful year,
and a time of growth
and affirmation.”*

– ELAINE BOONE, FORMER VICAR,
ST. MARK’S KINGSTON

On the eastern edge of Kingston’s university district sits the little church of St. Mark’s – a small but mighty congregation engaged in everything from refugee sponsorship to tree planting. It serves a population ranging from students to prison inmates, and boasts an active book club, adult education group, and social justice ministry.

In other words, it’s the perfect host for a Seminary intern. The only problem? A congregation this size can’t usually foot the bill for a Vicar’s salary.

“Most Seminary students serve internships in larger, more established congregations,” says St. Mark’s Pastor, Steve Hoffard. “But a smaller congregation like St. Mark’s is actually much better preparation for what awaits you after your first call.”

Fortunately, a bequest from the late Otto F. Dannecker provides funds for this exact situation, and St. Mark’s was able to host Seminary student Elaine Boone for a one-year internship last year.

“It was a wonderful year and a time of growth and affirmation,” says Elaine. “The small size of the congregation meant I had a chance to visit with many members, and I also quickly felt part of the community.”

ELFEC is proud to manage the Dannecker Fund, which was established to help pay the cost of educating seminary students and candidates.



Above: Vicar Elaine Boone (l) and Pastor Steve Hoffard at Kingston’s annual Shinerama Sidewalk Sale. Below: promoting a fundraising concert for Kingston’s Inter-Church Refugee Partnership.



St. Mark’s, Kingston - the perfect size to host an intern from Waterloo Lutheran Seminary.

St. Michael's Finnish Lutheran Church Newest ELFEC Partner

When this small Montreal congregation sold their valuable heritage property, they lacked the expertise to manage the proceeds themselves. Happily, ELFEC was there to help.

Finnish and other Nordic people traditionally refer to their worship space as a “church home.” But it’s still unusual to find a congregation worshipping in an actual house.

Nevertheless, the congregation of St. Michael's Finnish Lutheran Church had been worshipping in a beautiful heritage home for more than 50 years. Located in Montreal's once-toney Square Mile district, the “home” consisted of a large stone house, a wall-enclosed garden, and a coach-house with an upper apartment. It was originally built in 1870.

The congregation bought the property in 1960, and enjoyed its central location and homey feel. But eventually it began to deteriorate beyond repair. A stone wall buckled, causing city officials to worry about safety. Plaster crumbled. Replacing the slate roof would be prohibitively expensive.

At the same time, the congregation was shrinking, and it soon became obvious the repairs were not financially feasible. Eventually the difficult decision was made to sell.

Once the property sold (thanks, in large part, to the hard work and dedication of then-Council leader Heli Parenteau) the once-impooverished congregation found itself with a large chunk of capital in hand. Unsure where to invest, they turned to ELFEC for advice, and were impressed with what they heard.

“Jeff Pym came to meet with us several times, and he was so knowledgeable and believable. It was an easy decision,” says Council Treasurer Pirkko Kotkavuori. Council was also impressed with ELFEC's solid returns, and liked the idea of putting their funds to work helping others within the Synod. In the end they entrusted ELFEC with \$500K of their capital, making them one of ELFEC's largest individual investment partners.

After selling their church home, the congregation partnered with St. John's Estonian Lutheran Church, from whom they now rent a worship space. The Finns of Montreal have blossomed in response to this new arrangement, according to St. Michael's Pastor Matthew Anderson.

“It was a difficult journey we took to sell the old church home,” says Pastor Matt, “but in the end it was a journey well worth taking.”

ELFEC helps congregations grow their assets through faithful investing that promotes justice and respects God's creation. Call any time for advice or information.



Built in 1870, the old Church Home belonging to St. Michael's was finally sold in 2016.



St. Michael's kantele (a kind of Finnish dulcimer) players at the official de-consecration service.



Traditional Finnish church architecture.

Community Outreach Breakfast

Delton Glebe Counselling Centre Community Breakfast

Leading researcher makes keynote address at new Waterloo counselling centre, advocating integration of spiritual practice with traditional psychotherapy.

American psychologist and researcher Kenneth Pargament studies the intersection of religion and psychology, and says there is good evidence for counsellors and therapists to be more sensitive to spirituality in clinical practice.

This belief is also central to the mandate of Waterloo's Delton Glebe Counselling Centre (DGCC), a multi-faith not-for-profit agency built on the idea that faith and spirituality are important resources for healing and change.

So, when DGCC began planning an event to introduce their services to their surrounding community, they thought immediately of Dr. Pargament.

"He's really the leading researcher in this field, and it was quite a coup to get him," says DGCC Executive Director Janet Howitt. "Luckily, ELFEC was able to help with a small grant to cover the travel expenses and speaker's fee."

When Dr. Pargament came to Waterloo last October, he spoke to a group of 120 guests at DGCC's inaugural community breakfast, and found an audience overwhelmingly receptive to his ideas.

"We know that quality of life is diminished when people are in spiritual distress," says DGCC Clinical Director Kristine Lund. "Yet the big spiritual issues – who am I, why am I here, what's my purpose – are often left out of traditional psychotherapy.

"Most of the guests at our breakfast were delighted to learn about this type of counselling, and that it's now available at the Delton Glebe Centre. We're grateful to ELFEC for helping us bring a scholar of Ken's calibre to Waterloo."

The Delton Glebe Counselling Centre is a community service provided through Waterloo Lutheran Seminary, committed to strengthening emotional and spiritual well-being. It provides services to individuals, couples, families, children and groups. Further info: glebecounselling.ca | 519.884.3305



Worship and Liturgy

Six Nations Talking Circle a Highlight of 2016 National Worship Conference

The work of healing relationships with Indigenous Peoples has rightly come to the forefront of social justice work in many of Canada's churches.

"This conference explores how we can take what we do on Sunday mornings and live it out during the rest of the week. Our Six Nations brothers and sisters made a powerful and moving presentation on this theme."

– Pastor Tanya Ramer,
Trinity New Hamburg,
2016 National Worship
Conference Lutheran co-chair

Thus the National Worship Conference was honoured to host guests from Six Nations of the Grand River at their 2016 event, held this past July in Waterloo, Ontario.

Father Norm Casey is parish priest for the Anglican Parish of the Six Nations, and Scott Knarr is Diaconal Minister of Music at Mount Zion, Waterloo. Together with Six Nations guests Richelle Miller and Ken Kirkwood, Father Norm and Scott presented a workshop called Meeting at The Table. The presentation used an Indigenous Talking Circle to explore ways of walking the path towards justice and harmony. The group also prepared and led worship at the Monday evening session.

Another highlight of the Conference was recognition of the 2016 Companions of the Worship Arts. Honoured this year were the Reverend Dr. Paul Gibson, one of the most influential figures in transforming the worship life of the Anglican Church of Canada, and the Reverend André Lavergne, noted

for his many contributions to worship and the arts in the ELCIC.

The National Worship Conference is held every second year at rotating locations across Canada. Now a joint event hosted by both Lutheran and Anglican National Churches, it brings rostered leaders, musicians, lay people and outreach organizations together to explore the evolving role of liturgy and music in helping people engage with their faith.

"The word 'liturgy' actually means 'work of the people,' says Tanya Ramer, incoming pastor at Trinity New Hamburg and one of the Conference's co-chairs. "This conference explores ways to take what we do on Sunday mornings and live it out during the rest of the week – our Six Nations brothers and sisters made a powerful and moving presentation on this theme."

ELFEC was pleased to provide a grant to help defray travel expenses for the Conference's Six Nations guests, as well as several colleagues who attended to help honour both Reverend Gibson and Reverend Lavergne.



Opening worship of the 2016 National Worship Conference, with ELCIC National Bishop Susan Johnson and Kathryn Smith.



Responsible Investing

ELFEC Now Investing Your Funds in Clean Energy

ELCIC Eastern Synod delegates affirm “creation – not for sale”



As we’ve been reporting for several years, ELFEC is committed to the principles of responsible investment.

Broadly speaking, this means both “screening out” companies engaged in tobacco, gambling, weapons or other ethically questionable activities, and “screening in” those that demonstrate progressive behaviour on issues like labour rights, resource development, executive compensation and environmental impact.

At this year’s Biennial Eastern Synod Assembly, delegates affirmed – in a vote of 96% - that church investment should reflect the values we hold as Christians. Afterwards, they heard a presentation outlining ELFEC’s plan to put companies engaged in traditional oil-and-gas activities on the “screen out” list for investment.

Thus during 2016 we have engaged in five structured activities designed to lessen the carbon footprint of our portfolio. These include:

- Immediately freezing investment in any company actively producing fossil fuels
- Selling interests in any company involved in tar sands production
- Avoiding investment in utilities that burn thermal coal
- Gradually selling holdings in any conventional oil-and-gas producers
- Replacing fossil fuel companies with those engaged in renewable energy

Going forward, we will continue this divestment process while seeking out new investment opportunities in the clean energy sector.

As always, we remain committed to bringing our partners the highest return possible, while ensuring your funds are invested in accordance with Christian values.



As of December 31, 2016

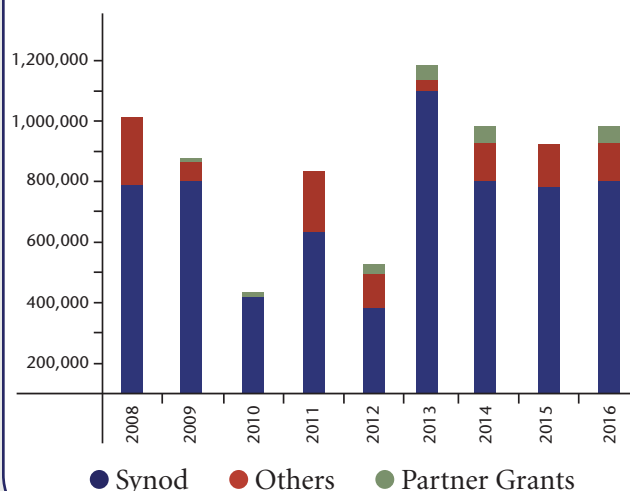
2016 Foundation Financials

Statement of Financial Position (000s)

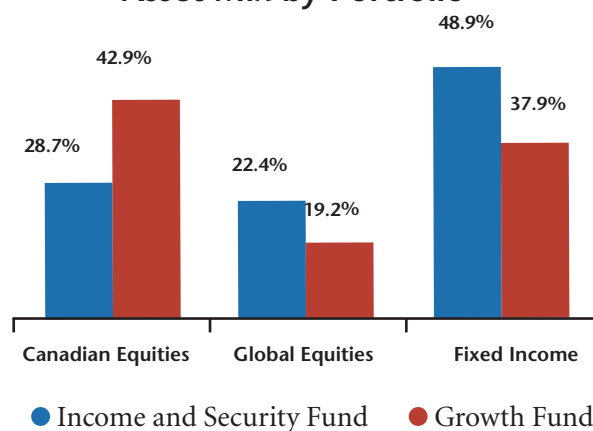
Assets	
Cash	1,097
Accounts Receivable	114
Donated Life Insurance	13
Investments	27,949
TOTAL	29,173
Liabilities	
Accounts Payable	558
Managed Fund Income Due	478
Managed Fund Capital	12,298
Fund Balances	
Endowment	11,553
Restricted	4,256
Unrestricted	30
TOTAL	29,173

Our generosity and growth continues thanks to the support of our donors and funding partners. 2016 saw our assets under management grow to \$29M and total grants and income distributed reach \$1.4M.

Charitable Distributions



Asset Mix by Portfolio



Statement of Operations

Donations	713
Investment Gain	967
Other Income	184
Total Income	1,864
Expenses	273
Grants	912
Reinvested Investment Income	679

In keeping with our commitment to financial accountability and transparency, full audited financial statements prepared by RLB LLP are available at www.elfec.ca.

Many thanks to our supporting partners



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