



If transforming your investments into an outreach initiative sounds like a good idea, the Community Development Investment Fund offered by Brethren Foundation may be an attractive investment option.



Investment Perspective

FROM BRETHERN FOUNDATION

MARCH 2010

MARKETS AND THE ECONOMY

In February, the markets reacted negatively to the proposed U.S. budget and the corresponding reality of continued massive deficit spending as tax revenues shrink, while entitlement programs and proposed new programs escalate spending. By mid-February, the continued signs of improvement in the economic indicators and government reports of a diminishing rise in unemployment bolstered our stock market and, in correlation, international markets as well.

Internationally, Greece served as an example of the fragile nature of our interconnection in the global markets. A default on debt from a sovereign nation such as Greece could cause a ripple that has the potential to turn into a financial tsunami. This threat seemed to ease as the month came to a close, and the equity markets continued to climb into positive returns for the month.

Domestic equities fared well for February, and bond values declined as the yield curve for interest rates increased. Greece also had its impact on bonds, making investors become more nervous about holding debt other than U.S. Treasury bonds.

The seemingly uniform expectation from our equity managers who came to our offices in February for their annual review is that we will be in a trading range — meaning both gains and losses will be small — for an extended period of time.

INVESTING FOR THE GREATER GOOD

Imagine this: An investment option that allows you to put some of your church or organization's assets to work for the greater good while earning a modest financial return.

If transforming your investments into an outreach initiative sounds like a good idea, the Community Development Investment Fund offered by Brethren Foundation may be an attractive investment option. Since February 2004, assets invested in the CDIF have supported local community development projects through Calvert Foundation, an organization that facilitates loans to benefit economically underserved populations. In 2009 alone, assets invested through BFI in the CDIF built or rehabilitated eight affordable housing units, supported 106 new microcredit enterprises, created 163 new jobs, and financed nine new not-for-profit, cooperative, or social initiatives.

The CDIF has a solid performance history, generating a five-year annualized rate of return of 3.1 percent, net of investment expenses; nevertheless, this investment option carries some risk. A prospectus for Calvert Foundation is available upon request and should be reviewed before assets are placed in the CDIF.

BFI encourages its clients to consider investing in the CDIF as a long-term portion of their church or organization's portfolio, but recommends that investments be limited to 1 percent of their total investment assets.

If you wish to learn more about the CDIF and are planning to attend the 2010 Annual Conference in Pittsburgh, Pa., consider attending the BBT-sponsored insight session titled "For the Glory of God and My Neighbor's Good," which will be led by a representative of Calvert Foundation.

Please contact Steve Mason, director of Brethren Foundation, if you have questions or comments.

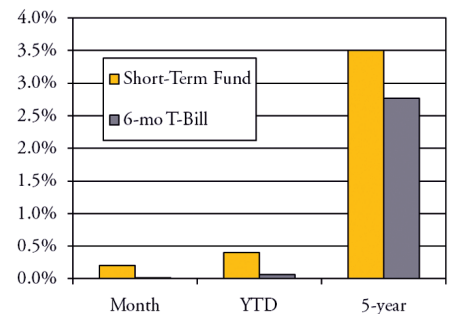
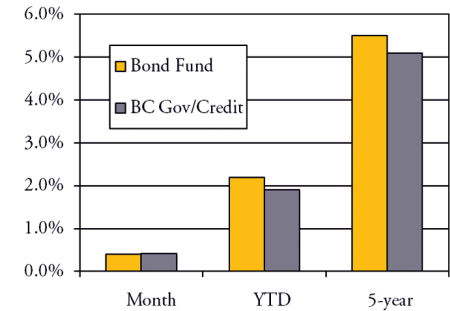
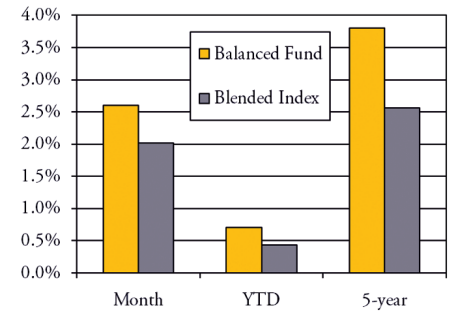
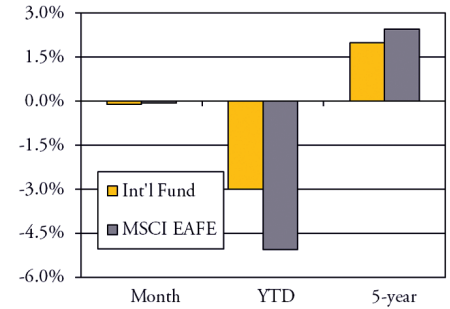
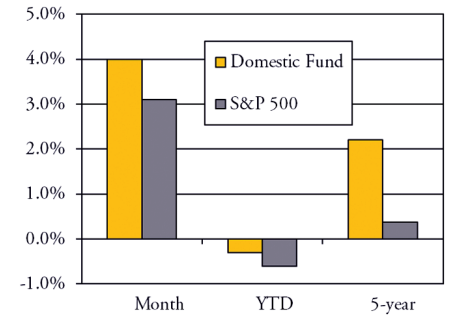
Monthly Fund Performance Report

for the period ending February 28, 2010

Performance Report

All Foundation investment funds must meet socially responsible investment guidelines.

FUNDS (Net of Investment Fees)	BENCHMARKS (Gross)
Domestic Stock Fund: Rate of Return Current month 4.0% Year to date (0.3)% Five years 2.2%	S&P 500: Rate of Return Current month 3.1% Year to date (0.6)% Five years 0.4%
Domestic Stock Core Fund: Rate of Return Current month 4.0% Year to date 0.1% Five years 2.0%	S&P 500: Rate of Return Current month 3.1% Year to date (0.6)% Five years 0.4%
Small Cap Fund: Rate of Return Current month 3.3% Year to date (0.4)% Five years 4.8%	Russell 2000: Rate of Return Current month 4.5% Year to date 0.7% Five years 1.2%
International Stock Core Fund: Rate of Return Current month (0.1)% Year to date (3.0)% Five years 2.0%	MSCI EAFE: Rate of Return Current month (0.7)% Year to date (5.1)% Five years 2.5%
Balanced Fund: Rate of Return Current month 2.6% Year to date 0.7% Five years 3.8%	Blended Balanced Index: Rate of Return Current month 2.0% Year to date 0.4% Five years 2.6%
Bond Fund: Rate of Return Current month 0.4% Year to date 2.2% Five years 5.5%	Barclays Capital Gov/Credit: Rate of Return Current month 0.4% Year to date 1.9% Five years 5.1%
Bond Core Fund: Rate of Return Current month 0.4% Year to date 2.3% Five years 5.5%	Barclays Capital Gov/Credit: Rate of Return Current month 0.4% Year to date 1.9% Five years 5.1%
Short-Term Fund: Rate of Return Current month 0.2% Year to date 0.4% Five years 3.5%	Merrill Lynch 6-Month T-Bill*: Rate of Return Current month 0.0% Year to date 0.1% Five years 2.8% * Changed 5/1/09. YTD and 5 yr blended w/90-day T-Bill.
Comm. Dev. Investment Fund: Rate of Return Current month 0.2%* Year to date 0.7%* Five years 3.1%* *Interest accrues on a quarterly basis.	Consumer Price Index: (most recent data available) January 2010 0.2% Year to date (thru Jan. 2010) 0.2% Five years 2.8% The CPI is an indicator of inflation.



Five-year returns are annualized.