



Investment Perspective

FROM BRETHREN FOUNDATION

MARCH 2012

MARKETS AND THE ECONOMY

The Standard & Poor's 500 Index ended the month at 1365.68, just short of its highest close (1372.18 on Feb. 28) since June 5, 2008 (1404.05). This 4.3 percent gain for February was driven by strong domestic economic data, Europe's approval of another Greek bailout plan, and stimulative measures by the world's central banks.

In the U.S., fourth quarter GDP was revised up to 3 percent, personal income and savings figures were revised higher for the second half of 2011, new home sales were slightly stronger than expected in January, and pending home sales reached a two-year high in that month. The bond market, as measured by the Barclays Capital Government/Credit Index, decreased 0.1 percent during February.

European Union leaders agreed to a second bailout package for Greece, but it remains unclear whether Greek policymakers will make the cuts necessary to secure the plan. There is also concern that austerity measures may suppress Greece's economic growth. To further aid European banks, the European Central Bank distributed \$713 billion in loans to 800 lenders at the end of February. International equities, as measured by the MSCI EAFE, returned 5.8 percent during the month.

MARCH PRINTED STATEMENTS MAY BE DELAYED

Brethren Foundation attempts to mail monthly statements by the eighth day of the following month. In April, the eighth falls on a Sunday, and the office will be closed on the preceding Friday in honor of Good Friday. It is possible that March statements and the April edition of *Investment Perspective* will not be ready for the mail by April 5 and may arrive a bit later than usual. However, statements will be available by April 5 via the BFI client portal.

HAVE YOU REGISTERED FOR ONLINE ACCESS TO ACCOUNT INFORMATION?

BFI recommends that clients take advantage of online access to their account information. One of the benefits is that client representatives have the earliest possible access to statements — typically by the fifth of each month. With four levels of online access, approved users can have access that best suits client needs. Depending on the level of access, online users can initiate transactions electronically and review statement, activity, and performance data for their accounts. Please contact **Steve Lipinski** at 847-622-3377 or slipinski@cobbt.org to discuss online account access.

NO MORE PRINTED STATEMENTS FOR CLIENT PORTAL USERS

Beginning in April, clients who have signed up for online access to account information will no longer receive printed statements in the mail, except by written request. Approved users will receive an email alert each month when the statements — and the latest issue of *Investment Perspective* — are available on the client portal.

Correction Notice: Benchmark data for the Commodities-Based Fund were incorrectly reported in the February issue of *Investment Perspective*. We regret the error. A corrected version of the issue is available at www.bbtfoundation.org or from the BFI office upon request.

Please contact Steve Mason, director of Brethren Foundation, with questions or comments.

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Fund Performance Report

for the period ending Feb. 29, 2012



All periods longer than one year are annualized.

Performance Report

Funds (Net of Investment Fees) Benchmarks (Gross)	Current Month	Three Months	Year-to-Date	Three Years	Five Years	Ten Years
SHORT-TERM						
Short-Term Fund	0.3%	1.0%	1.0%	1.4%	2.3%	2.5%
<i>Merrill Lynch 6-Month Treasury Bill Index</i> ¹	0.0%	0.0%	0.0%	0.3%	1.2%	1.9%
COMMUNITY DEVELOPMENT						
Community Development Investment Fund ²	0.2%	0.6%	0.4%	2.6%	2.8%	N/A
<i>No Benchmark</i>	N/A	N/A	N/A	N/A	N/A	N/A
FIXED INCOME						
Bond Core Fund	0.4%	3.2%	1.9%	10.4%	7.0%	N/A
<i>Barclays Capital U.S. Government/Credit Bond Index</i>	(0.1)%	2.3%	1.0%	7.8%	6.4%	N/A
Bond Fund	0.4%	3.3%	2.1%	10.6%	7.1%	6.2%
<i>Barclays Capital U.S. Government/Credit Bond Index</i>	(0.1)%	2.3%	1.0%	7.8%	6.4%	5.8%
Treasury Inflation-Protected Securities Fund ³	0.4%	2.0%	2.1%	N/A	N/A	N/A
<i>Barclays Capital U.S. TIPS Index</i>	(0.3)%	2.0%	2.0%	N/A	N/A	N/A
High Yield Bond Fund ³	2.1%	8.6%	5.5%	N/A	N/A	N/A
<i>Barclays Capital U.S. Corporate High Yield Bond Index</i>	2.4%	8.3%	5.5%	N/A	N/A	N/A
DOMESTIC EQUITY						
Domestic Stock Core Fund	4.7%	10.6%	10.0%	20.0%	2.1%	4.1%
<i>S&P 500 Index</i>	4.3%	10.1%	9.0%	25.6%	1.6%	4.2%
Domestic Stock Value Fund	5.7%	15.8%	15.8%	N/A	N/A	N/A
<i>Russell 1000 Value Index</i>	4.0%	10.1%	7.9%	N/A	N/A	N/A
Domestic Stock Growth Fund	4.0%	8.4%	9.9%	N/A	N/A	N/A
<i>Russell 1000 Growth Index</i>	4.8%	10.7%	11.0%	N/A	N/A	N/A
Domestic Stock Fund	4.8%	11.6%	11.9%	23.6%	4.0%	5.6%
<i>S&P 500 Index</i>	4.3%	10.1%	9.0%	25.6%	1.6%	4.2%
Small Cap Fund	3.4%	9.1%	9.6%	35.7%	7.2%	N/A
<i>Russell 2000 Index</i>	2.4%	10.4%	9.6%	29.5%	1.8%	N/A
Public Real Estate Fund ³	3.4%	15.2%	10.8%	N/A	N/A	N/A
<i>S&P Developed Property Index</i>	3.2%	12.0%	10.9%	N/A	N/A	N/A
INTERNATIONAL EQUITY						
International Stock Core Fund	5.5%	9.6%	11.2%	19.9%	(2.0)%	6.5%
<i>MSCI EAFE Index</i>	5.8%	10.4%	11.4%	20.3%	(2.5)%	6.8%
Emerging Markets Stock Fund ³	6.9%	21.1%	20.1%	N/A	N/A	N/A
<i>MSCI Emerging Markets Index</i>	6.0%	16.6%	18.1%	N/A	N/A	N/A
ALTERNATIVES						
Commodities-Based Fund ³	2.7%	5.2%	7.5%	N/A	N/A	N/A
<i>Dow Jones UBS Commodity Index</i>	2.7%	1.3%	5.2%	N/A	N/A	N/A
EQUITY AND FIXED INCOME						
Balanced Fund	3.1%	8.3%	8.0%	18.6%	5.8%	6.2%
<i>Blended Balanced Index</i> ⁴	2.6%	6.9%	5.7%	18.6%	4.0%	5.2%
U.S. INFLATION						
Consumer Price Index (January 2012) ⁵	0.4%	0.1%	0.4%	2.4%	2.3%	2.5%

¹ Changed May 1, 2009. 3-year, 5-year, and 10-year blended with 90-day Treasury Bill. ² CDIF interest accrues on a daily basis. ³ These investment funds may not meet socially responsible investing guidelines because they are invested in mutual funds. All other investment funds must meet socially responsible investing guidelines. ⁴ Weighted average of the S&P 500 Index (60 percent) and the Barclays U.S. Capital Government/Credit Bond Index (40 percent). ⁵ Most recent data available.