



Investors who want to enjoy a significant social return on their investments and are willing to accept a modest financial return as well, can do so by making a small investment in the CDIF.



Investment Perspective

FROM BRETHERN FOUNDATION

MARCH 2009

MARKETS AND THE ECONOMY

In order to assess whether current plans in Washington will jump-start the economy to the point that it is self-sustaining, the root causes of the country's economic mess need to be identified. There are two basic issues to address. The first is the housing market. With the number of qualified buyers at a much-reduced level, the housing supply glut just does not seem to be going away — even though homebuilders are cutting back on new home construction. To lower the housing supply, some legislation has been aimed at reducing the number of foreclosures. Purchasing mortgage-backed securities and long-term debt securities is another approach the Federal Reserve Board could take to solve the housing problem. This would allow homeowners to refinance and lower their monthly payments. It would make more people qualified for purchasing a newer or more valuable home. It would also eliminate the variable component of some mortgages by moving them to a fixed rate.

The second major issue to address is price instability throughout the economy. Manufacturers and others are struggling because prices are fluctuating greatly. This is evidenced by higher input costs, changing input costs, wholesale and retail fluctuations, and businesses discounting retail prices to move product.

Negotiating power is now in the hands of U.S. consumers — they account for about 70 percent of our economy and contribute much to the rest of the world's economies. How quickly they loosen their purse strings and buy products will determine the extent and duration of our current recession.

INVESTING IN COMMUNITY

A woman in the southeast African country of Malawi strengthened her struggling nursery school and founded both a concession business and a home rental business, providing employment for 12 people among the three businesses. In California, a bakery offers training and employment opportunities for adults with mental disabilities, the homeless, and low-income individuals in need of employment services. In northern Ohio, a woman and her three children, who had lived in a small two-bedroom apartment for 10 years, were able to move into a brand new house with a lease-purchase agreement.

What do these success stories have in common? Each received financial support through a local community development financial institution or microfinance organization that includes investments from Brethren Foundation clients. Calvert Foundation operates the fund that connects lenders like BFI clients with borrowers like the businesswoman, bakery, and single mother above.

Through the BFI Community Development Investment Fund, each investor has the opportunity to support housing, microlending, small business development, and community development across the United States and internationally. By accepting a low, fixed rate of return, investors support development efforts in local communities while enjoying a modest financial return on their investment.

In 2008, the nearly \$500,000 of client assets invested in Brethren Foundation's CDIF built or rehabilitated nine affordable housing units; provided microcredit loans for 219 new enterprises; financed 19 nonprofits, cooperatives, or social innovations; and created 317 new jobs. Investors who want to enjoy a significant social return on their investments and are willing to accept a modest financial return as well, can do so by making a small investment in the CDIF.

For more information about the Community Development Investment Fund, contact Steve Mason, director of Brethren Foundation.

Monthly Fund Performance Report

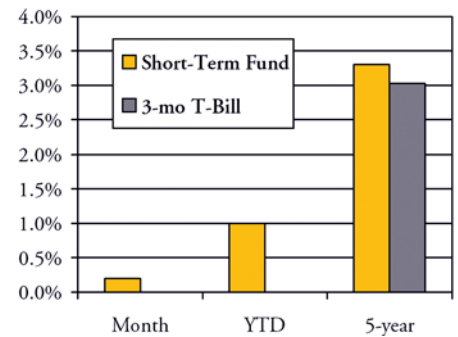
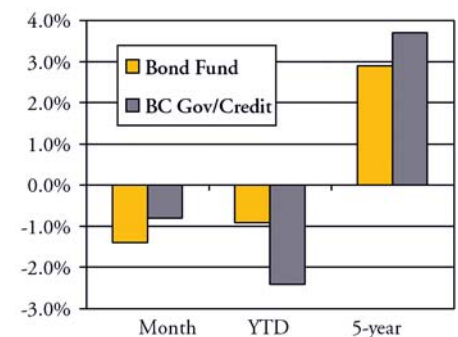
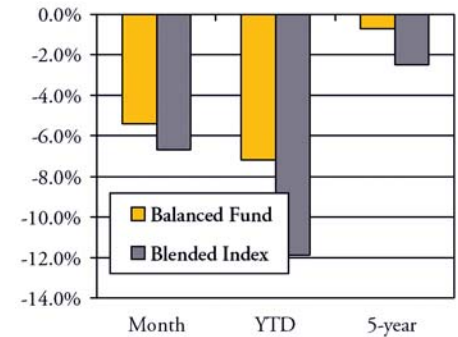
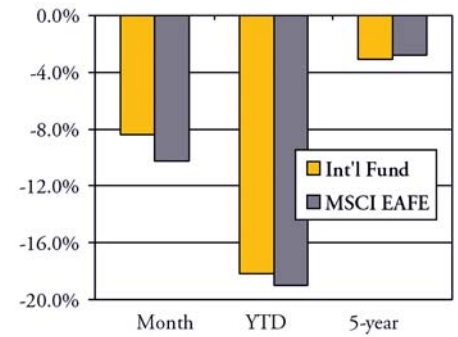
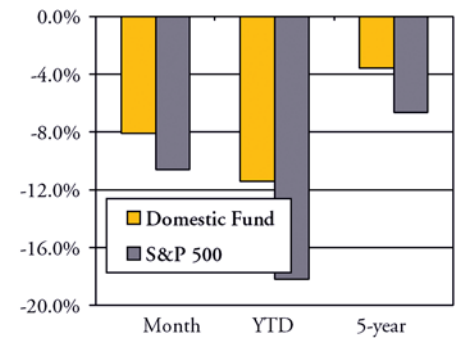
for the period ending February 28, 2009

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 (8.1%) Year to date (11.4%) Five years (3.6%)	S&P 500: Rate of Return Current month (10.6%) Year to date (18.2%) Five years (6.6%)
Domestic Stock Core Fund: Rate of Return Current month (8.0%) Year to date (13.4%) Five years (4.0%)	S&P 500: Rate of Return Current month (10.6%) Year to date (18.2%) Five years (6.6%)
Small Cap Fund: Rate of Return Current month (11.6%) Year to date (19.0%) Five years (4.3%)	Russell 2000: Rate of Return Current month (12.2%) Year to date (21.9%) Five years (6.7%)
International Stock Core Fund: Rate of Return Current month (8.4%) Year to date (18.2%) Five years (3.1%)	MSCI EAFE: Rate of Return Current month (10.2%) Year to date (19.0%) Five years (2.8%)
Balanced Fund: Rate of Return Current month (5.4%) Year to date (7.2%) Five years (0.7%)	Blended Balanced Index: Rate of Return Current month (6.7%) Year to date (11.9%) Five years (2.5%)
Bond Fund: Rate of Return Current month (1.4%) Year to date (0.9%) Five years 2.9%	Barclays Capital Gov/Credit: Rate of Return Current month (0.8%) Year to date (2.4%) Five years 3.7%
Bond Core Fund: Rate of Return Current month (1.4%) Year to date (1.0%) Five years 2.9%	Barclays Capital Gov/Credit: Rate of Return Current month (0.8%) Year to date (2.4%) Five years 3.7%
Short-Term Fund: Rate of Return Current month 0.2% Year to date 1.0% Five years 3.3%	3-Month T-Bill: Rate of Return Current month 0.0% Year to date 0.0% Five years 3.0%
Comm. Dev. Investment Fund: Rate of Return Current month 0.2%* Year to date 0.5%* Five years 3.0%	Consumer Price Index: (most recent data available) January 2009 0.4% Year to date (thru Jan. 2009) 0.4% Five years 2.7% <i>The CPI is an indicator of inflation.</i>

*Interest accrues on a quarterly basis.



Five-year returns are annualized.