



Investment Perspective

FROM BRETHERN FOUNDATION

APRIL 2009

MARKETS AND THE ECONOMY

The first quarter of 2009 started out looking as if the decline in equities in 2008 was just the beginning. January, February, and the first week in March saw the S&P 500 index drop an additional 27 percent after the 43 percent decline for the entire year in 2008.

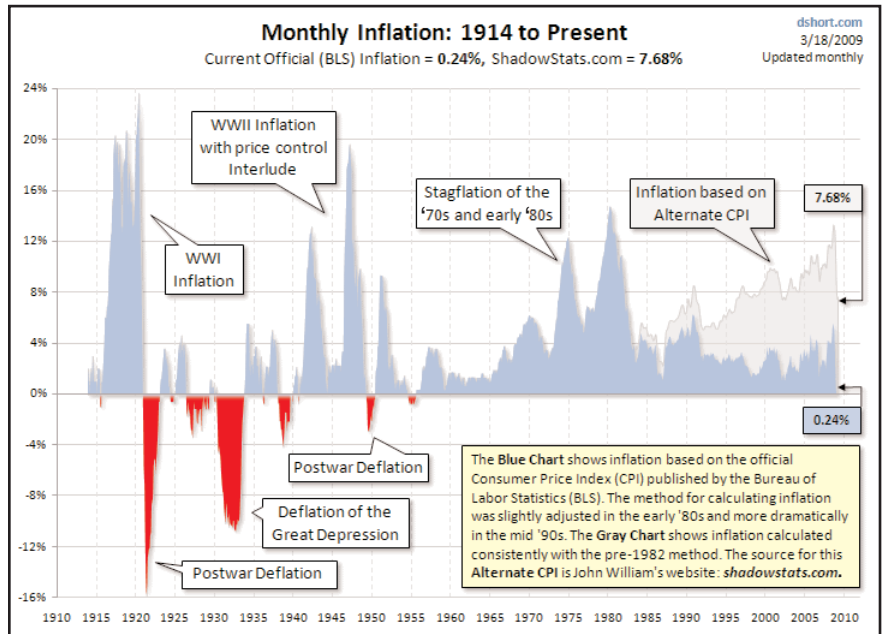
Yet, there was a silver lining for the remainder of March. Details of the Obama administration's stimulus package, coupled with additional promises to purchase 30-year Treasury securities by the Federal Reserve, bolstered bank stocks. The financial sector made a robust rebound in mid-to-late March, leading the entire market higher. The S&P 500 index ended with an 8.76 percent gain for March, while the quarter was down 11.01 percent. The MSCI EAFE index we use to track international performance was up 6.39 percent in March; however, for the quarter, the MSCI EAFE showed a decline of 13.85 percent. Bonds followed suit, showing increased value from falling interest rates in the month of March with the Barclay's Gov/Credit Index up 1.10 percent, while this index was down 1.28 percent overall for the first quarter.

A COMMENT ON INFLATION

What is the consumer price index for February 2009? Is it 0.24 percent as reported in the media or is it 7.68 percent? The answer depends on whether the current official method of calculation is used, or if the method of calculation prior to 1982 is used.

Since the early 1980s, adjustments have been made to the way the CPI is calculated, and the difference between the results of the two methods is dramatic. Although the rationale and defense of the calculation

changes are complicated, as is the countercommentary, the effect of the change is highlighted in the accompanying chart. Anyone receiving payments adjusted for the CPI (for example, Social Security recipients) is receiving less under the current formula than they would under the old one. Likewise, anyone making payments with CPI adjustments would pay less under the current formula than under the old one. If our own experience seems to be inconsistent with the official data, it may have something to do with the change in calculation method.



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

Monthly Fund Performance Report

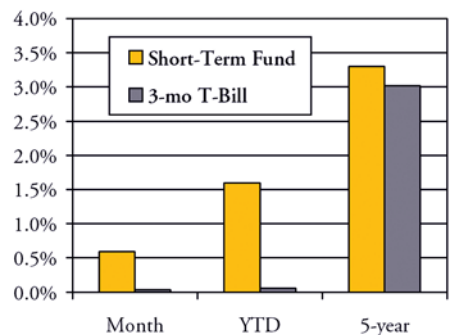
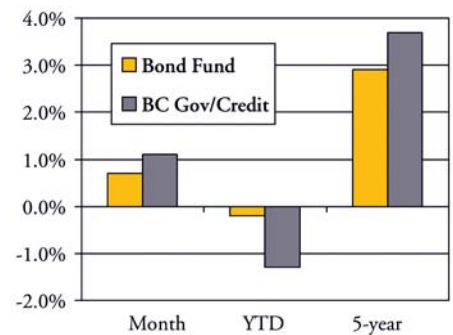
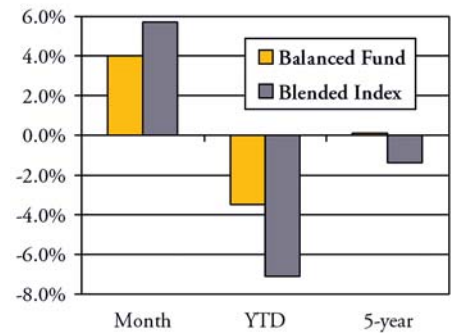
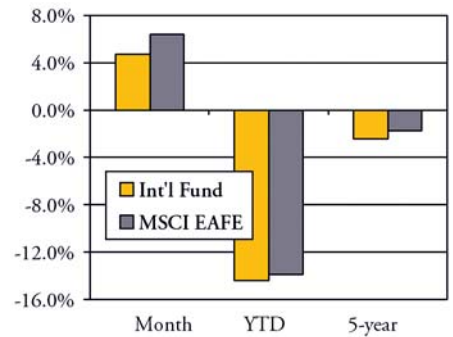
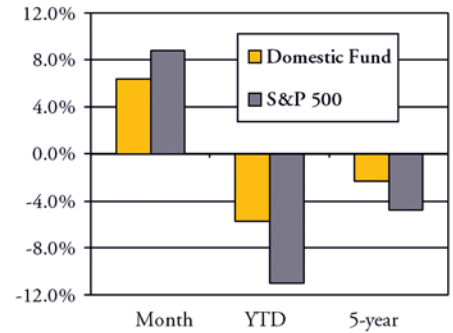
for the period ending March 31, 2009

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 6.4% Year to date (5.7)% Five years (2.3)%	S&P 500: Rate of Return Current month 8.8% Year to date (11.0)% Five years (4.8)%
Domestic Stock Core Fund: Rate of Return Current month 5.4% Year to date (8.7)% Five years (2.8)%	S&P 500: Rate of Return Current month 8.8% Year to date (11.0)% Five years (4.8)%
Small Cap Fund: Rate of Return Current month 7.4% Year to date (13.0)% Five years (2.4)%	Russell 2000: Rate of Return Current month 8.9% Year to date (15.0)% Five years (5.2)%
International Stock Core Fund: Rate of Return Current month 4.7% Year to date (14.4)% Five years (2.4)%	MSCI EAFE: Rate of Return Current month 6.4% Year to date (13.9)% Five years (1.8)%
Balanced Fund: Rate of Return Current month 4.0% Year to date (3.5)% Five years 0.1%	Blended Balanced Index: Rate of Return Current month 5.7% Year to date (7.1)% Five years (1.4)%
Bond Fund: Rate of Return Current month 0.7% Year to date (0.2)% Five years 2.9%	Barclays Capital Gov/Credit: Rate of Return Current month 1.1% Year to date (1.3)% Five years 3.7%
Bond Core Fund: Rate of Return Current month 0.8% Year to date (0.1)% Five years 2.9%	Barclays Capital Gov/Credit: Rate of Return Current month 1.1% Year to date (1.3)% Five years 3.7%
Short-Term Fund: Rate of Return Current month 0.6% Year to date 1.6% Five years 3.3%	3-Month T-Bill: Rate of Return Current month 0.0% Year to date 0.1% Five years 3.0%
Comm. Dev. Investment Fund: Rate of Return Current month 0.3%* Year to date 0.8%* Five years 3.0%	Consumer Price Index: (most recent data available) February 2009 0.5% Year to date (thru Feb. 2009) 0.9% Five years 2.6% <i>The CPI is an indicator of inflation.</i>

*Interest accrues on a quarterly basis.



Five-year returns are annualized.