



Brethren Foundation Board and staff members are assisted by two consultants to ensure that clients' needs and interests are addressed.



Investment Perspective

FROM BRETHERN FOUNDATION

NOVEMBER 2009

MARKETS AND THE ECONOMY

The U.S. economy was jump-started into growth last month, but equities still face an uncertain outlook as domestic markets gear up for comments from the Federal Reserve and a key government report on employment. The Fed's monthly policy statement could signal fewer liquidity measures for capital markets, while nonfarm payroll data and positive manufacturing data show indications that the recession is moderating. Gross domestic product rose a healthy, annually adjusted 3.5 percent, mostly due to the "cash for clunkers" auto sales incentive. Investors are nervous that monetary and fiscal stimulus actions may be discontinued too soon.

The rapid decline in equity markets near the end of the month was a reminder that domestic and international equity markets remain highly sensitive to signs of economic weakness. The S&P 500 Index closed out its first down month since February as the sustainability of the rally was questioned. The common belief right now is that the U.S. economy will grow in the fourth quarter, but at a slower pace than in the third quarter. Reports are surfacing that bank earnings may come under fire again as the quality of their commercial loans continues to deteriorate. Unemployment remains high and will likely increase, keeping the pressure on the U.S. housing market. Indications are that some corporations may be looking at another round of layoffs in the near future.

MEET THE CONSULTANTS

Brethren Foundation Board and staff members are assisted by two consultants to ensure that clients' needs and interests are addressed —

Tim Fallon is a managing director and owner of Marquette Associates in Chicago. Tim coordinates and oversees the Eleemosynary Services Team at Marquette. Prior to joining Marquette Associates, Tim had terms of service with the General Board of Pension and Health Benefits of the United Methodist Church and SEI Capital Resources. Tim is a Certified Investment Management Analyst®.

Tim provides investment counsel to Brethren Foundation. He assists with selection and assessment of investment managers, offers interpretation of investment performance, and acts as a resource to the Investment Committee and staff.

Malcolm Nimick is the managing director and owner of Ascension Capital Enterprises in Sewickley, Pa. Prior to founding Ascension Capital Enterprises, Malcolm served as a consultant in the areas of strategic and operational planning with the Aging Research Institute and as chief investment officer for Lancaster Pollard, where he also managed the Registered Investment Advisor unit and wrote research for the investment banking unit. Malcolm is a Chartered Financial Analyst®.

Malcolm also provides investment guidance to Brethren Foundation. He assists staff in providing counsel and commentary to clients in the areas of portfolio performance, asset allocation, and investment strategy.

Please contact Steve Mason if you have questions or comments about this newsletter.

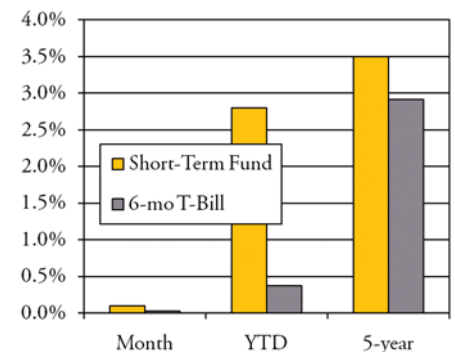
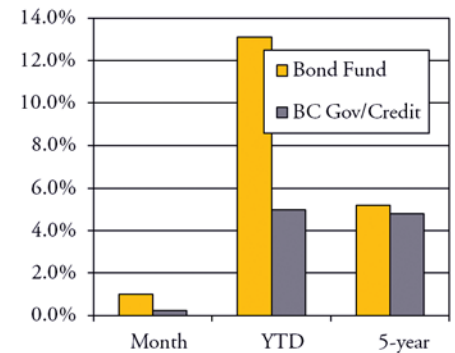
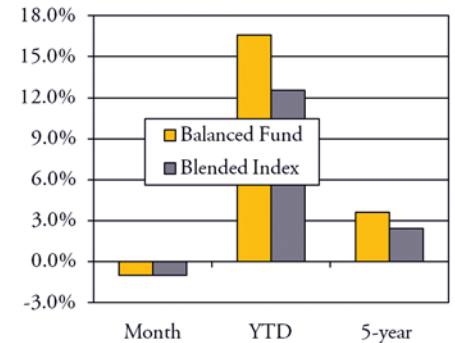
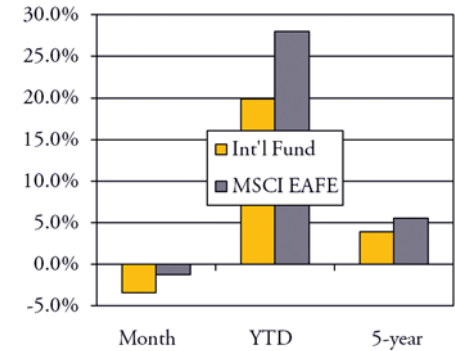
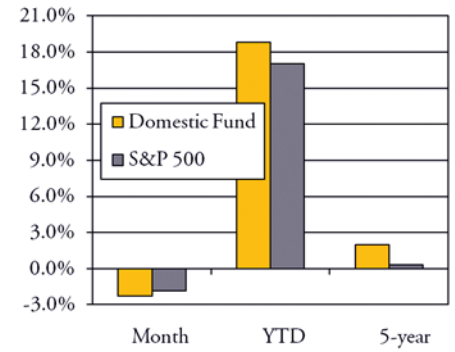
Monthly Fund Performance Report

for the period ending October 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 (2.3)% Year to date 18.8% Five years 2.0%	S&P 500: Rate of Return Current month (1.9)% Year to date 17.1% Five years 0.3%
Domestic Stock Core Fund: Rate of Return Current month (0.3)% Year to date 17.1% Five years 2.0%	S&P 500: Rate of Return Current month (1.9)% Year to date 17.1% Five years 0.3%
Small Cap Fund: Rate of Return Current month (3.7)% Year to date 21.8% Five years 3.6%	Russell 2000: Rate of Return Current month (6.8)% Year to date 14.1% Five years 0.6%
International Stock Core Fund: Rate of Return Current month (3.4)% Year to date 19.9% Five years 3.9%	MSCI EAFE: Rate of Return Current month (1.3)% Year to date 28.0% Five years 5.6%
Balanced Fund: Rate of Return Current month (1.0)% Year to date 16.6% Five years 3.6%	Blended Balanced Index: Rate of Return Current month (1.0)% Year to date 12.6% Five years 2.4%
Bond Fund: Rate of Return Current month 1.0% Year to date 13.1% Five years 5.2%	Barclays Capital Gov/Credit: Rate of Return Current month 0.2% Year to date 5.0% Five years 4.8%
Bond Core Fund: Rate of Return Current month 0.9% Year to date 12.9% Five years 5.2%	Barclays Capital Gov/Credit: Rate of Return Current month 0.2% Year to date 5.0% Five years 4.8%
Short-Term Fund: Rate of Return Current month 0.1% Year to date 2.8% Five years 3.5%	Merrill Lynch 6-Month T-Bill*: Rate of Return Current month 0.0% Year to date 0.4% Five years 2.9% * Changed 5/1/09. YTD and 5 yr blended w/90-day T-Bill.
Comm. Dev. Investment Fund: Rate of Return Current month 0.1%* Year to date 2.4%* Five years 3.0%* *Interest accrues on a quarterly basis.	Consumer Price Index: (most recent data available) September 2009 0.2% Year to date (thru September 2009) 1.0% Five years 2.7% The CPI is an indicator of inflation.



Five-year returns are annualized.