

Fund Performance Report

for the period ending June 30, 2013

All periods longer than one year are annualized.

Funds (Net of Investment Fees)	Current Month	Last Three Months	Year-to-Date	Five Years
Benchmarks (Gross)				
SHORT-TERM				
Short-Term Fund	(0.1)%	0.3%	(0.4)%	0.3%
<i>Merrill Lynch 6-Month Treasury Bill Index¹</i>	0.0%	0.1%	0.1%	0.4%
COMMUNITY DEVELOPMENT				
Community Development Investment Fund²	0.1%	0.2%	(0.1)%	1.2%
<i>No Benchmark</i>	N/A	N/A	N/A	N/A
FIXED INCOME				
Treasury-Free Bond Fund	(2.4)%	(2.3)%	(3.6)%	N/A
<i>Barclays Capital U.S. Government/Credit Bond Index</i>	(1.8)%	(2.5)%	(2.7)%	N/A
Bond Fund	(2.1)%	(2.0)%	(3.2)%	5.3%
<i>Barclays Capital U.S. Government/Credit Bond Index</i>	(1.8)%	(2.5)%	(2.7)%	5.3%
Treasury Inflation-Protected Securities Fund³	(4.2)%	(7.4)%	(8.6)%	N/A
<i>Barclays Capital U.S. TIPS Index</i>	(3.6)%	(7.1)%	(7.4)%	N/A
High Yield Bond Fund³	(2.9)%	(1.9)%	0.4%	N/A
<i>Barclays Capital U.S. Corporate High Yield Bond Index</i>	(2.6)%	(1.4)%	1.4%	N/A
EQUITY AND FIXED INCOME				
Balanced Fund	(1.7)%	0.3%	5.6%	6.3%
<i>Blended Balanced Index⁴</i>	(1.5)%	0.7%	7.0%	6.8%
EQUITIES				
Domestic Stock Value Fund	(1.4)%	3.6%	14.6%	N/A
<i>Russell 1000 Value Index</i>	(0.9)%	3.2%	15.9%	N/A
Domestic Stock Core Fund	(1.6)%	2.9%	11.0%	N/A
<i>S&P 500 Index</i>	(1.3)%	2.9%	13.8%	N/A
Domestic Stock Growth Fund	(0.2)%	1.3%	12.5%	N/A
<i>Russell 1000 Growth Index</i>	(1.9)%	2.1%	11.8%	N/A
Common Stock Fund	(1.4)%	1.8%	11.5%	6.0%
<i>S&P 500 Index</i>	(1.3)%	2.9%	13.8%	7.0%
Small Cap Fund	0.8%	0.9%	10.9%	N/A
<i>Russell 2000 Index</i>	(0.5)%	3.1%	15.9%	N/A
INTERNATIONAL EQUITIES				
International Stock Core Fund	(4.2)%	(1.5)%	4.1%	N/A
<i>MSCI EAFE Index</i>	(3.5)%	(0.7)%	4.5%	N/A
Emerging Markets Stock Fund³	(10.5)%	(11.4)%	(11.9)%	N/A
<i>MSCI Emerging Markets Index</i>	(6.3)%	(8.0)%	(9.4)%	N/A
REAL ESTATE				
Public Real Estate Fund^{3,5}	(3.3)%	(5.0)%	(0.9)%	N/A
<i>S&P Developed Property Index</i>	(2.5)%	(3.6)%	3.1%	N/A
ALTERNATIVES				
Commodities-Based Fund³	(8.5)%	(16.1)%	(16.0)%	N/A
<i>Dow Jones UBS Commodity Index</i>	(4.7)%	(9.5)%	(10.5)%	N/A
U.S. INFLATION				
Consumer Price Index (May 2013)⁶	0.2%	0.4%	1.5%	1.5%

¹ Changed May 1, 2009. 5-year blended with 90-day Treasury Bill. ² CDIF interest accrues on a quarterly 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 Net of mutual fund expenses only. ⁶ Most recent data available.



Your retirement plan has recently undergone a transition so that it may better serve its 5,000 members.



Pension Perspective

FROM BRETHERN PENSION PLAN

JULY 2013

Dear Brethren Pension Plan participant,

Your retirement plan has recently undergone a transition so that it may better serve its 5,000 members. Thanks to Brethren Pension Plan's relationship with its new record-keeping partner, a variety of new tools and account management functions are now available to you.

On July 1, Brethren Pension Plan made available its redesigned Web portal; it offers a variety of financial calculators, new ways of looking at data like your asset allocation and potential retirement income, and educational resources that will help you as you make decisions about your finances. The Web portal is a great way to review your account balance, which is now valued on a daily basis. And Brethren Pension Plan sponsors are now able to manage employee contributions and enroll new members more efficiently than before.

How can you access these tools? You may use the PIN and instructions you should have received in the mail at the end of June to log in to your account online through the GWRS account management Web portal (or over the phone using KeyTalk, an interactive customer management service). If you do not have your PIN, please contact us so that we can assist you.

Another change: your quarterly statement. This newsletter accompanies the first of two reports that together make up your second quarter account statement. Brethren Pension Plan produced return information for your account as normal for April and May; the Plan's new record keeper, Great-West Retirement Services, performed those services for June and will continue to do so into the future. The June statement will arrive at your home soon; look for an envelope from Great-West. Contact us if you do not receive it — or if you need help as you explore your new account features — at 800-746-1505.

When you receive your June statement from Great-West, we encourage you to do the following —

- 1. Compare the ending balances indicated on your May 31, 2013, report (enclosed) with the "Balance as of May 31, 2013" amounts indicated on the June 30, 2013, report from Great-West.**
- 2. Check your contact and beneficiary information for accuracy. Feel free to call us for assistance with updating this information, or use your new Web portal to update this information on your own.**
- 3. Store both reports with your other important personal financial information for future reference.**

We hope these enhancements will help you as you prepare your path to retirement. Thank you for allowing us to walk with you during this important process.

Scott W. Douglas

Scott Douglas
Director of Employee Benefits

UNDERSTANDING YOUR NEW PENSION PLAN STATEMENT

Get to know your Brethren Pension Plan account in a brand new way using your reformatted statement, which will be mailed to you quarterly from Great-West and is available on the redesigned Pension Plan Web portal at pension.brethrenbenefittrust.org. Your first new statement will be mailed to you at the end of July; use the guide below to understand it better.



1. **Your information.** Check this section to ensure that your name and address are correct. Your participant ID and the statement date are also found here.

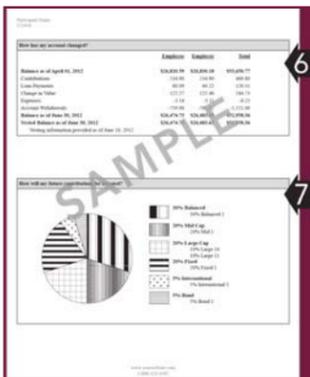
2. **Announcements.** Brethren Pension Plan will post updates in this section.

3. **What is my account balance?** This section shows you the total value of your Plan account for that statement period.

4. **Where can I go for help?** To get assistance, use the contact information in this section to contact Brethren Pension Plan staff.

5. **What might my monthly income be at retirement?** This section will give you an estimate of your retirement income based on a variety of factors including account balance, years until estimated retirement, and more.

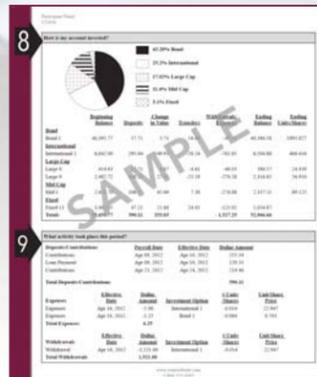
6. **How has my account changed?** Learn about the fluctuations to your account balance over the statement period, including opening and closing values.



7. **How will my future contributions be invested?** This chart shows a breakdown of your asset allocations as of the end of the statement period. You may change your investments using the Web portal.

8. **How is my account invested?** This chart displays the overall allocation of your account and offers detailed information about the total market value of each investment.

9. **What activity took place this period?** See data that reflects



statement period and year-to-date.

11. **How have investments in my account performed?** Learn about the performance of all investment options in your Plan in this area.

12. **Important information about your income at retirement.** This area goes into greater detail about the assumptions and factors used to calculate the estimates throughout your statement.

Still have questions about your statement? Please contact Brethren Pension Plan staff to learn more about your new and improved statement.

DAILY VALUATION: WHAT DOES IT MEAN?

Part of Brethren Pension Plan's recent transformation is the addition of **daily valuation** services of all member account data. After 5 p.m. CDT on each business day, the previous business day's account activity will be posted to your account. If your investments experience ups and downs in the marketplace, you'll see the impact on your account on the following business day.

Questions? Contact the Brethren Pension Plan staff to learn more about this enhancement.

deposits and contributions, investment expenses, and withdrawals during the statement period.

10. **What is the rate of return on my retirement account(s)?** This section shows your account's investment performance for your account over the



MARKETS AND THE ECONOMY

The S&P 500 Index declined 1.3 percent in June but was up 13.8 percent for the first half of 2013. U.S. factory output declined in May — the first decline since November and the lowest figure since the recession ended in June 2009. The unemployment rate ticked up to 7.6 percent in May from 7.5 percent as more Americans jumped into the job market. Sales of new homes rose 2.1 percent in May, their highest level since July 2008, while existing home prices were 12.1 percent higher in April than a year earlier and 2.5 percent higher than they were in March. First-quarter GDP estimates were revised downward from 2.4 percent to 1.8 percent, largely from weaker-than-expected consumer spending and slower business investment. Federal Reserve Chairman Ben Bernanke announced plans to moderate the central bank's stimulative policies if the U.S. economy performs in line with projections; this statement roiled the equity and bond markets. The bond market, as measured by the Barclays Capital Government/Credit Index, decreased 1.8 percent in June and is down 2.7 percent for the year.

The manufacturing sector in the eurozone shrank in May for the 22nd consecutive month, while manufacturing in the U.K. posted its second consecutive month of expansion. The European Central Bank took no new steps to stimulate that region's economy. After being negative for the past six months, Japan's core consumer price index was flat in May compared with a year earlier. Industrial production in Japan increased 2 percent in May over April. The Bank of Japan ruled out the need for additional monetary stimulus for now. Meanwhile, China's industrial output was up 9.2 percent year-over-year in May, down from April's growth rate of 9.3 percent. These rates are slower than those consistently recorded during 2010 and 2011. International equities, as measured by the MSCI EAFE, decreased 3.5 percent during June but are up 4.5 percent for the year.

IS YOUR DEBT STANDING IN THE WAY OF YOUR DREAMS?

Ensuring that your retirement income helps you maintain your standard of living is a difficult enough challenge on its own. But how do you do that when you retire with significant debt? A February report by the Employee Benefits Research Institute revealed that American families headed by individuals age 75 or older had significant increases in the incidence of debt, the average amount of debt held, and the percentage with debt payments greater than 40 percent of their income in 2007-2010. Is that how you want to spend your retirement income? But paying off a mortgage, student loans, credit cards, and other important — but potentially detrimental — debt can get in the way of your retirement saving. How can you work toward minimizing your debt while maximizing your retirement savings?



Build a budget. In order to know the best path to reducing your debt, you need to take a look at where your money's going each month. Building a budget — *and sticking to it* — is the first step on a path toward making

wise spending and saving choices. Taking a look at your spending can help you assess what expenses can be reduced or eliminated — which will leave you with the financial resources you need to pay off debt faster. A financial adviser can help guide you through the process and serve as a voice of reason as you're rethinking your finances.

Priorities, priorities. All loans are not built the same — some of your debt may be set at a lower interest rate than others. If you have credit card debt, for example, it is likely that the interest you're paying on those cards is much higher than your mortgage or student loan debt. By focusing your attention on high-interest-rate debt and paying it down more quickly while making standard payments to your less costly debts, you can reduce the amount of money you're paying in interest — and invest it in your Brethren Pension Plan account instead.

Remember: You only get to plan for your retirement once; your decisions about debt and savings today can have serious impacts on your lifestyle down the road.