



Investment Perspective

FROM BRETHERN FOUNDATION

FEBRUARY 2010

MARKETS AND THE ECONOMY

Recently, U.S. and global stock markets have acted in a two-headed or bipolar manner. The performance of the markets has fluctuated due to forecasts and news reports that have pushed investors toward one of two opposing outlooks: On one side, analysts point to huge amounts of foreign and private debt that will need to be written off, making a deflationary impact on capital markets. On the other side, many see the U.S. and world economies showing steady growth.

The first of these two schools of thought has arisen in response to concerns about the eurozone countries of Portugal, Ireland, Greece, and Spain defaulting on government debt. Greece's debt problem is the most severe of these four countries. The other school of thought points to positive economic indicators announced this month as signs of improvements to come in our economy.

Investors responded to these opposing theories in January, creating large swings in the markets. Additionally, uncertainty in the direction of the market results in volatility, which has increased almost daily. Domestic bond markets responded to the declining stock market and uncertainty with above-market performance. BFI Bond Fund and Bond Core Fund rose 1.8 and 1.9 percent, respectively, compared with the benchmark of 1.5 percent.

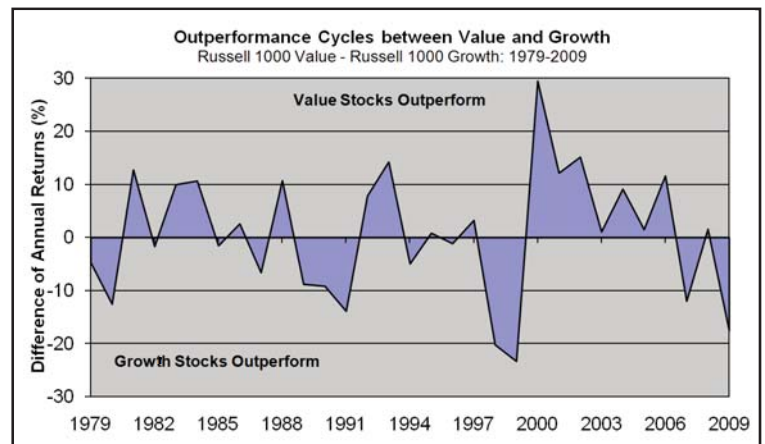
By unbundling the Domestic Stock Fund and establishing a separate Fund for each of these investment styles, BFI enables its clients to customize their domestic stock portfolios.

DOMESTIC STOCK FUND CAN BE UNBUNDLED

In addition to offering the five new investment options that were reported in the December 2009 issue of *Investment Perspective*, Brethren Foundation will, at the same time, implement a Domestic Stock Value Fund and a Domestic Stock Growth Fund, which were authorized in November 2006.

Assets in BFI's Domestic Stock Fund are invested evenly among the three following styles: value, growth, and core (which is already represented by the Domestic Stock Core Fund). By unbundling the Domestic Stock Fund and establishing a separate Fund for each of these investment styles, BFI enables its clients to customize their domestic stock portfolios.

This graph illustrates the difference in returns between a growth and value benchmark from 1979 through 2009, demonstrating that the styles seldom have similar performance. It is difficult, even for investment professionals, to predict when the market will favor growth or value at a given time. Highlighted here is the importance of including both investment styles in a diversified domestic stock portfolio. Please consult with a financial planner about the allocation of your investments.



Assets in BFI's Domestic Stock Fund are invested evenly among the three following styles: value, growth, and core (which is already represented by the Domestic Stock Core Fund). By unbundling the Domestic Stock Fund and establishing a separate Fund for each of these investment styles, BFI enables its clients to customize their domestic stock portfolios.

BFI expects to make these Funds available to clients by mid-year 2010.

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

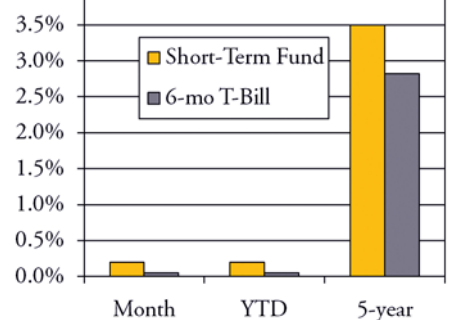
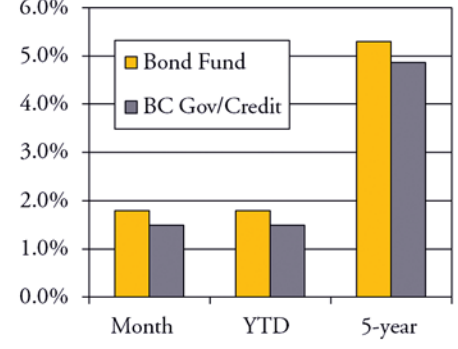
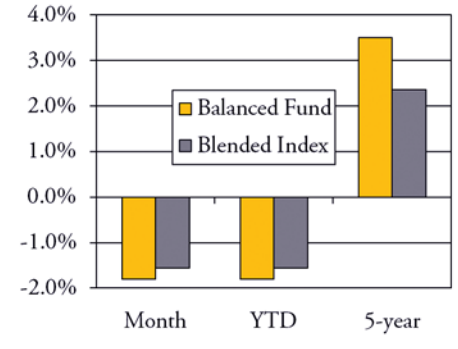
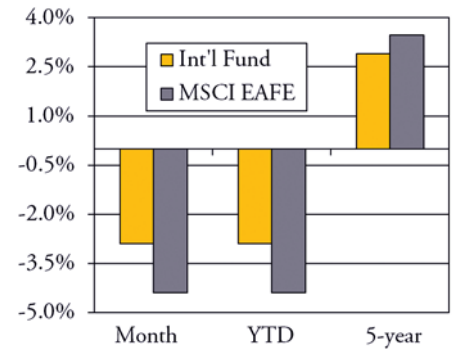
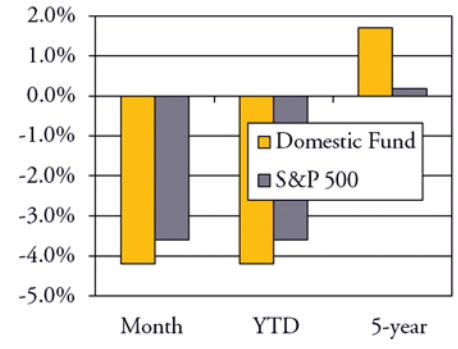
Monthly Fund Performance Report

for the period ending January 31, 2010

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 (4.2)% Year to date (4.2)% Five years 1.7%	S&P 500: Rate of Return Current month (3.6)% Year to date (3.6)% Five years 0.2%
Domestic Stock Core Fund: Rate of Return Current month (3.7)% Year to date (3.7)% Five years 1.7%	S&P 500: Rate of Return Current month (3.6)% Year to date (3.6)% Five years 0.2%
Small Cap Fund: Rate of Return Current month (3.5)% Year to date (3.5)% Five years 4.4%	Russell 2000: Rate of Return Current month (3.7)% Year to date (3.7)% Five years 0.6%
International Stock Core Fund: Rate of Return Current month (2.9)% Year to date (2.9)% Five years 2.9%	MSCI EAFE: Rate of Return Current month (4.4)% Year to date (4.4)% Five years 3.5%
Balanced Fund: Rate of Return Current month (1.8)% Year to date (1.8)% Five years 3.5%	Blended Balanced Index: Rate of Return Current month (1.6)% Year to date (1.6)% Five years 2.4%
Bond Fund: Rate of Return Current month 1.8% Year to date 1.8% Five years 5.3%	Barclays Capital Gov/Credit: Rate of Return Current month 1.5% Year to date 1.5% Five years 4.9%
Bond Core Fund: Rate of Return Current month 1.9% Year to date 1.9% Five years 5.3%	Barclays Capital Gov/Credit: Rate of Return Current month 1.5% Year to date 1.5% Five years 4.9%
Short-Term Fund: Rate of Return Current month 0.2% Year to date 0.2% Five years 3.5%	Merrill Lynch 6-Month T-Bill*: Rate of Return Current month 0.1% Year to date 0.1% Five years 2.8% * Changed 5/1/09. YTD and 5 yr blended w/90-day T-Bill.
Comm. Dev. Investment Fund: Rate of Return Current month 0.5%* Year to date 0.5%* Five years 3.1%* *Interest accrues on a quarterly basis.	Consumer Price Index: (most recent data available) December 2009 0.1% Year to date (thru Dec. 2009) 3.8% Five years 2.9% The CPI is an indicator of inflation.



Five-year returns are annualized.