



Investment Perspective

FROM THE BRETHERN FOUNDATION

APRIL 2007

MARKETS AND THE ECONOMY

The Standard and Poor's 500 Index rose 1.1 percent in March, finishing the quarter with a 0.6 percent return. Most of the month's return came after investors interpreted a statement from the Federal Reserve Board indicating the Fed might cut its discount interest rate in the near future. Most of the economic data in March was weak with renewed concerns about a decline in the housing market and soft manufacturing indicators. Higher oil prices helped the Energy sector achieve the best performance in the index, 6.1 percent, while merger activity continued to boost the Utilities sector; it was up 4.1 percent. The MSCI EAFE Index gained 2.5 percent during the month, making the first quarter of the year return of 4.1 percent. Of the two broad regions, the European Region enjoyed the highest return, 3.6 percent, while the Pacific Region returned 0.3 percent. Bonds drifted slightly negative with the Lehman Government/Credit Index down 0.2 percent for the month, which brings its year-to-date return to a positive 1.5 percent.

GROWTH AND VALUE OPTIONS: WHAT YOU TOLD US

During the past three months, we explored the opportunities and challenges of actively managing the placement of assets in value and growth stock investment options, with the assumption that we would create these new fund choices if there was strong interest by our clients. We included a survey and an invitation for feedback with last month's *Investment Perspective*, which was sent to the primary contact for each client. We sent out 206 surveys and received 35 responses for a 17 percent response rate. The following is a summary of the responses — items A through D were included in the survey.

We don't believe sufficient interest in the new investment options exists to justify implementing them at this time.

	Responses	Of Responses	Of Surveyed
A The current investment choices are sufficient.	30	85.7%	14.6%
B We prefer the investment option of separate funds for core, growth, and value, as well as the Domestic Stock Fund.	1	2.9%	0.5%
C We prefer the investment option of two additional weighted blended funds: one weighted 7 percent toward growth and one weighted 7 percent toward value.	1	2.9%	0.5%
D We prefer the investment option of weighted funds, but want them weighted more heavily than 7 percent.	1	2.9%	0.5%
Both B and C with "value" highlighted	1	2.9%	0.5%
Don't know. We trust you.	1	2.9%	0.5%
Total (Percentage total off due to rounding error)	35	100%	17.0%
Did not respond			83.0%
Did not recommend a change	31	88.6%	15.0%
Recommended a change	4	11.4%	2.0%



We don't believe sufficient interest in the new investment options exists to justify implementing them at this time. If circumstances emerge that justify implementing these new options, we will inform you promptly. Please feel free to direct questions to Steve Mason, director of the Brethren Foundation.

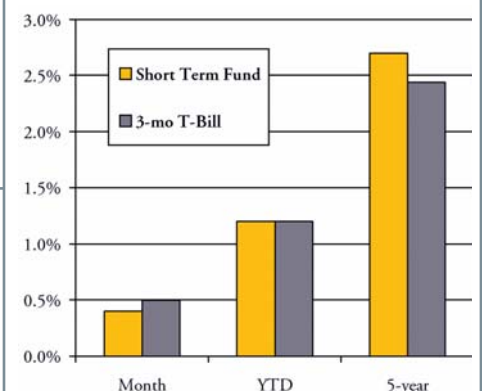
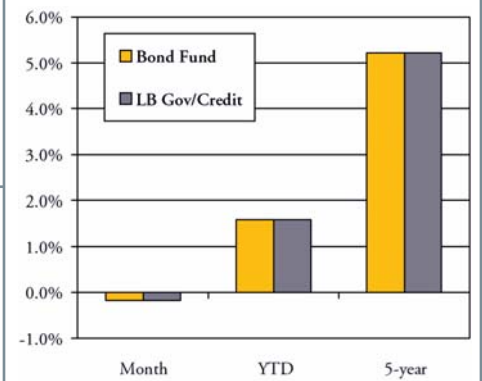
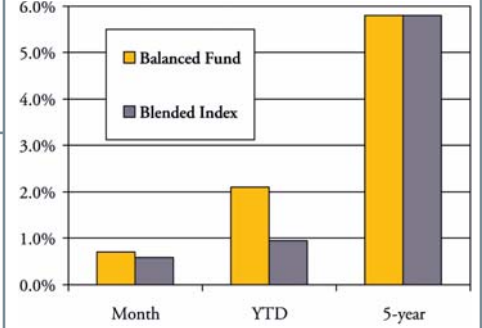
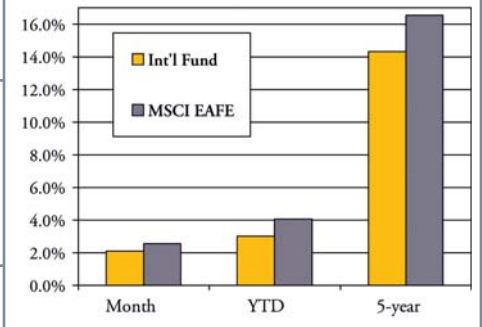
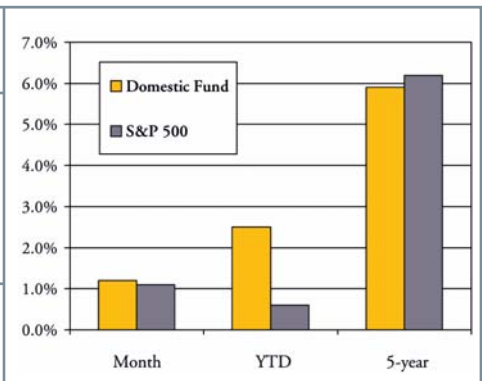
Monthly Fund Performance Report

for the period ending March 31, 2007

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 1.2% Year to date 2.5% Five years 5.9%	S&P 500: Rate of Return Current month 1.1% Year to date 0.6% Five years 6.2%
Domestic Stock Core Fund: Rate of Return Current month 0.4% Year to date 0.0% Five years 5.3%	S&P 500: Rate of Return Current month 1.1% Year to date 0.6% Five years 6.2%
Small Cap Fund: Rate of Return Current month (0.1)% Year to date 3.2%	Russell 2000: Rate of Return Current month 1.1% Year to date 2.0%
International Stock Index Fund: Rate of Return Current month 2.1% Year to date 3.0% Five years 14.3%	MSCI EAFE: Rate of Return Current month 2.5% Year to date 4.1% Five years 16.5%
Balanced Fund: Rate of Return Current month 0.7% Year to date 2.1% Five years 5.8%	Blended Balanced Index: Rate of Return Current month 0.6% Year to date 0.9% Five years 5.8%
Bond Fund: Rate of Return Current month (0.2)% Year to date 1.5% Five years 5.2%	Lehman Bros Gov/Credit: Rate of Return Current month (0.2)% Year to date 1.5% Five years 5.2%
Bond Fund Core: Rate of Return Current month (0.2)% Year to date 1.5% Five years 5.2%	Lehman Bros Gov/Credit Intern.: Rate of Return Current month 0.2% Year to date 1.6% Five years 4.6%
Short-Term Fund: Rate of Return Current month 0.4% Year to date 1.2% Five years 2.7%	3-Month T-Bill: Rate of Return Current month 0.5% Year to date 1.2% Five years 2.4%
Community Development Investment Fund: Rate of Return Current month 0.3%* Year to date 0.7%* *Interest accrues on a quarterly basis.	Consumer Price Index: Rate of Return Current month 0.5% Year to date 0.9% Five years 2.5%



Returns for periods longer than one year are annualized.