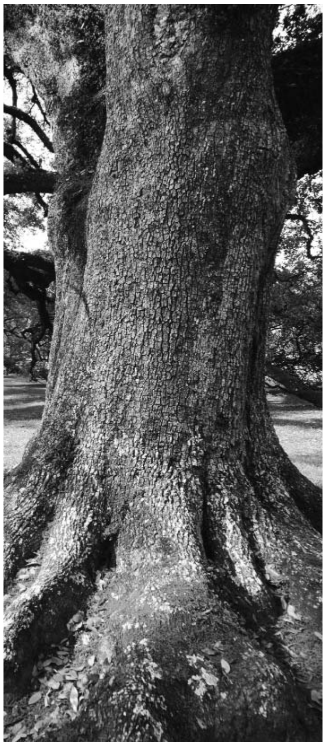

Investment Perspective

FROM THE BRETHREN FOUNDATION
MAY 2007

Markets and the Economy

The Standard and Poor's 500 Index had a strong month, rising 4.4 percent in April and bringing its year-to-date return to 5.1 percent. The month began with positive news on capital spending and corporate earnings. More than two-thirds of the companies in the Index posted first-quarter results that were better than analysts had expected. Toward the end of April, however, news that the real gross domestic product had only grown at a rate of 1.3 percent for the first quarter confirmed that the widely anticipated slow-down of the economy had begun. Nevertheless, a series of mergers and acquisitions, along with strong orders for durable goods, sustained April's high returns.

The MSCI EAFE Index gained 4.4 percent in April, bringing its year-to-date return to 8.7 percent. Of the two broad regions, the Pacific was flat in April, while the European Region enjoyed a 6.5 percent return. Bonds also had a good month; the Lehman Government/Credit Index was up 0.6 percent.

Rebalancing: Discipline vs. Opportunism

Rebalancing is the exercise of reallocating assets from one type of investment to another to put a portfolio back in line with its set strategy. Everyone charged with the responsibility of managing the investment of assets for themselves or others should consider the importance of rebalancing assets periodically.

When assets are initially invested, decisions are made on their allocation based on an investment strategy that takes into consideration such factors as risk tolerance and the time horizon for use of the assets. A conservative investment strategy will seek to protect principal but provide limited opportunities for income generation or asset appreciation, while an aggressive strategy will seek higher yields but risk low returns or even losses over the short term. Typically, an investment portfolio will include a mixture of conservative and aggressive investment options.

Over time, as the markets ebb and flow in cycles of varying lengths, some investment options will perform better than others, such that the profile of the investment portfolio will drift from its original proportions. At such times, it can be tempting, especially when the overall portfolio is performing well, to let the portfolio remain "out-of-balance." The discipline of rebalancing ensures that a portfolio does not become riskier than is comfortable for the investor and that the positive gains of a good performance are locked in.

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Rebalancing can be made according to a schedule or when the portfolio reaches a specified level of imbalance. Rebalancing on a schedule automates the process and ensures that the portfolio is in line with a strategy or policy on a regular basis. Experts do not agree on the proper frequency for calendar-driven rebalancing, except that monthly is too frequent. Rebalancing only when the portfolio achieves a certain level of imbalance generally requires less frequent asset reallocation but also requires more active attention to the portfolio by the investor and exposes the portfolio to more risk.

Portfolio rebalancing is an important discipline for everyone responsible for invested assets. Acceptable parameters should be established for the management of each portfolio and should include instructions on the rebalancing of the assets.

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

1505 Dundee Ave. Elgin, IL 60120 888-311-6530 FAX 847-742-0135 www.bbtfoundation.org

Monthly Fund Performance Report

for the period ending April 30, 2007

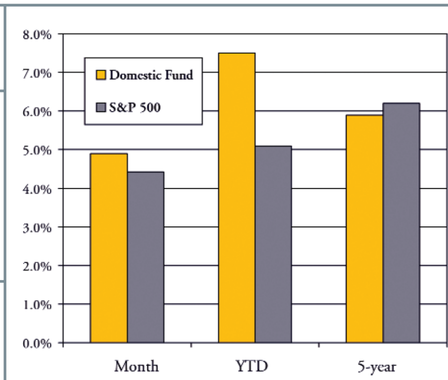
All Foundation investment funds must meet socially responsible investment guidelines.

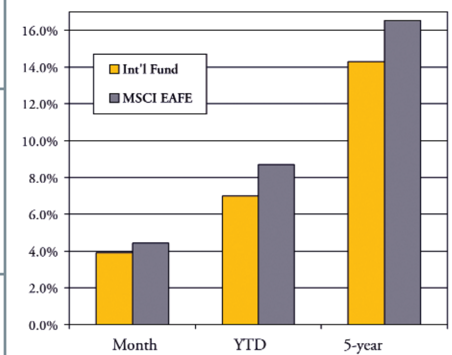
Performance Report

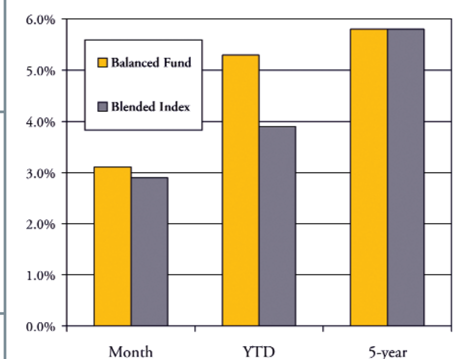
FUNDS (Net of Investment Fees)	Rate of Return: Current month	Year to date	Five years	BENCHMARKS (Gross)	Rate of Return: Current month	Year to date	Five years
Domestic Stock Fund:	4.9%	7.5%	5.9%	**S&P 500:**	4.4%	5.1%	6.2%
Domestic Stock Core Fund:	5.5%	5.6%	5.3%	**S&P 500:**	4.4%	5.1%	6.2%
Small Cap Fund:	0.8%	4.0%		**Russell 2000:**	1.8%	3.8%	
International Stock Index Fund:	3.9%	7.0%	14.3%	**MSCI EAFE:**	4.4%	8.7%	16.5%
Balanced Fund:	3.1%	5.3%	5.8%	**Blended Balanced Index:**	2.9%	3.9%	5.8%
Bond Fund:	0.6%	2.1%	5.2%	**Lehman Bros Gov/Credit:**	0.6%	2.1%	5.2%
Bond Fund Core:	0.6%	2.0%	5.2%	**Lehman Bros Gov/Credit Interm.:**	0.5%	2.1%	4.6%
Short-Term Fund:	0.4%	1.7%	2.7%	**3-Month T-Bill:**	0.4%	1.7%	2.4%
Community Development Investment Fund:	0.2%*	1.0%*		**Consumer Price Index:**	0.9%	1.9%	2.5%

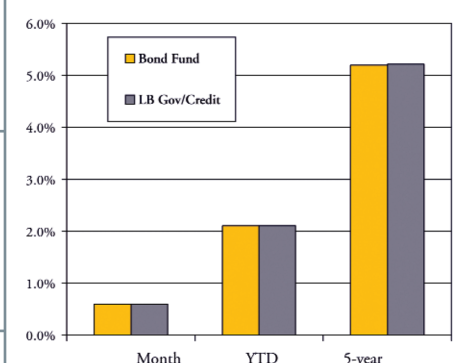
*Interest accrues on a quarterly basis.

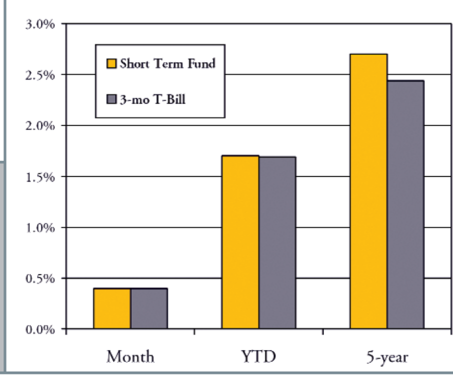
The CPI is an indicator of inflation.











Returns for periods longer than one year are annualized.