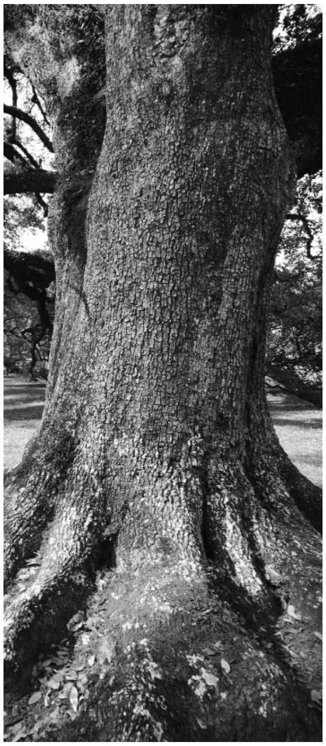


Investment Perspective

FROM THE BRETHREN FOUNDATION JULY 2007

Markets and the Economy

The Standard and Poor's 500 Index lost 1.7 percent in June, giving back some of its gains from prior months. However, the index still finished the second quarter up 6.3 percent, with a year-to-date return of 7.0 percent. Long-term interest rates rose in the month, lowering the bond market and raising concerns about the future direction of interest rates and inflation. Rising oil prices put pressure on most equity sectors.

Globally, equity markets were volatile during June, but a number of positive economic announcements held up the markets. The MSCI EAFE Index gained 0.1 percent during the month, bringing its year-to-date return to 10.7 percent. The Pacific Region outperformed the European markets for the month. Bonds fell during June; the Lehman Brothers Government/Credit Index was down 0.2 percent, which brings its year-to-date return to 1.0 percent.

Meet the Investment Committee

The Investment Committee consists of four individuals who are each uniquely qualified to provide financial leadership to BFI and deeply committed to the Church of the Brethren.

The Brethren Foundation Board has charged its Investment Committee with oversight and direction of the organization's investment program that manages more than $132 million of assets. The Investment Committee consists of the following four individuals who are each uniquely qualified to provide financial leadership to BFI and deeply committed to the Church of the Brethren:

Janice Bratton is vice president and an investment officer for Hershey Trust Company of Hershey, Pa. She has in-depth experience in asset allocation analysis, investment research, individual portfolio management, and direct client consultations. Jan earned two Bachelor of Science degrees from Pennsylvania State University and is a graduate of the Harvard Business School Executive Education Program and the Central Atlantic School of Trusts and Investments. She is a Chartered Financial Analyst® and a Certified Financial Planner™. Jan is a member of Spring Creek Church of the Brethren in Hershey, Pa.

Gail Habecker is a portfolio manager and member of the Investment Policy Committee for PMG Advisors LLC of West Conshohocken, Pa. During her 31 years of investment experience, Gail has developed numerous quantitative tools that contribute to the PGM Advisors' portfolio decision process. She graduated from Juniata College and the Wharton School of the University of Pennsylvania and is a Chartered Financial Analyst® and a member of the CFA Institute and the Philadelphia Society of Financial Analysts. Gail is a member of Mack Memorial Church of the Brethren, Dayton, Ohio.

Harry Rhodes is an owner of Rhodes and Butler PC, a law firm in Roanoke, Va. Harry has been practicing law since 1976, with an emphasis on estate planning and employee benefits. He is a graduate of the University of North Carolina and the University of Virginia School of Law and a member of the Virginia and American Bar Associations. Harry is a member of Central Church of the Brethren, Roanoke, Va.

Deborah Romary is president and chief executive officer of Romary Financial Services Inc. of Fort Wayne, Ind., which she established in 1999. She entered the financial services industry in 1980. Deb earned graduate degrees at the American College and Bethany Theological Seminary and is a Certified Financial Planner™, a Chartered Life Underwriter®, and a member of the International Association of Financial Advisors. Deb is a member of Beacon Heights Church of the Brethren, Fort Wayne, Ind.

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

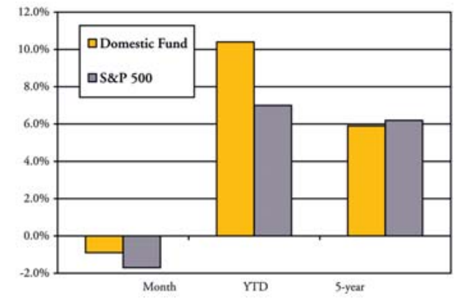
Monthly Fund Performance Report

for the period ending June 30, 2007

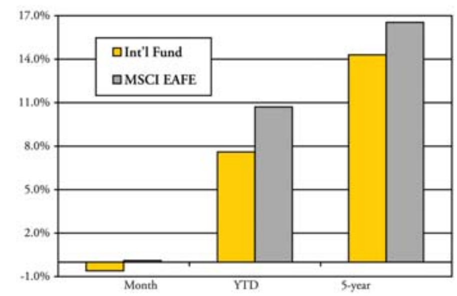
All Foundation investment funds must meet socially responsible investment guidelines.

Performance Report

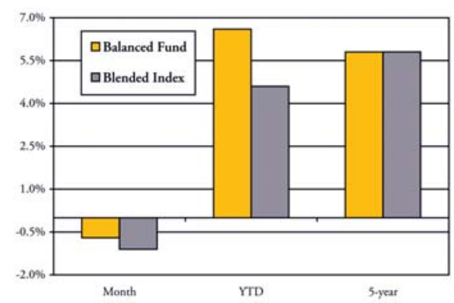
FUNDS (Net of Investment Fees)	BENCHMARKS (Gross)
Domestic Stock Fund:	**S&P 500:**
Rate of Return	**Rate of Return**
Current month .... (0.9)%	Current month .... (1.7)%
Year to date 10.4%	Year to date 7.0%
Five years 5.9%	Five years 6.2%



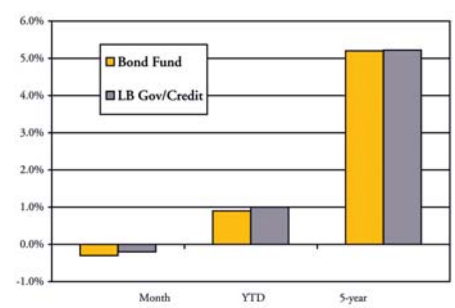
FUNDS	BENCHMARKS
Domestic Stock Core Fund:	**S&P 500:**
Rate of Return	**Rate of Return**
Current month .... (0.3)%	Current month .... (1.7)%
Year to date 7.9%	Year to date 7.0%
Five years 5.3%	Five years 6.2%
Small Cap Fund:	**Russell 2000:**
Rate of Return	**Rate of Return**
Current month .... (0.8)%	Current month .... (1.5)%
Year to date.................... 6.5%	Year to date 6.5%
International Stock Index Fund:	**MSCI EAFE:**
Rate of Return	**Rate of Return**
Current month .... (0.6)%	Current month.................. 0.1%
Year to date 7.6%	Year to date 10.7%
Five years 14.3%	Five years 16.5%



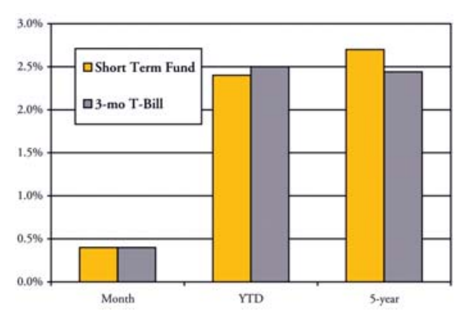
FUNDS	BENCHMARKS
Balanced Fund:	**Blended Balanced Index:**
Rate of Return	**Rate of Return**
Current month .... (0.7)%	Current month .... (1.1)%
Year to date 6.6%	Year to date 4.6%
Five years 5.8%	Five years 5.8%



FUNDS	BENCHMARKS
Bond Fund:	**Lehman Bros Gov/Credit:**
Rate of Return	**Rate of Return**
Current month .... (0.3)%	Current month .... (0.2)%
Year to date 0.9%	Year to date 1.0%
Five years 5.2%	Five years 5.2%



FUNDS	BENCHMARKS
Bond Fund Core:	**Lehman Bros Gov/Credit Interm.:**
Rate of Return	**Rate of Return**
Current month .... (0.3)%	Current month.................. 0.0%
Year to date 0.9%	Year to date 1.4%
Five years 5.2%	Five years 4.6%
Short-Term Fund:	**3-Month T-Bill:**
Rate of Return	**Rate of Return**
Current month 0.4%	Current month 0.4%
Year to date 2.4%	Year to date 2.5%
Five years 2.7%	Five years 2.4%



FUNDS	BENCHMARKS
Community Development Investment Fund:	**Consumer Price Index:**
Rate of Return	**Rate of Return**
Current month 0.2%*	Current month.................. 0.6%
Year to date.................... 1.5%*	Year to date 3.2%
	Five years 2.5%
*Interest accrues on a quarterly basis.	*The CPI is an indicator of inflation.*

Returns for periods longer than one year are annualized.