



The BFFI Board has three committees:

- Budget and Audit Review Committee
- Governance Committee
- Investment Committee

From Brethren Foundation Funds

Investment Perspective

September 2021

Markets and the Economy

Strong revenue growth among the companies in the S&P 500 Index contributed to the Index rising 3 percent in August. The Federal Reserve Bank signaled it would begin tapering asset purchases later this year. Gains in private-sector wages and salaries and the Child Tax credit boosted personal income 1.1 percent in July, up 2.7 percent in the past year. Personal consumption rose 0.3 percent in July; spending has increased 12.1 percent in the past year. A lack of supply of completed homes plus brisk price appreciation supported new single-family home sales increasing 1 percent in July; sales are down 27.2 percent from a year ago. The unemployment rate dropped to 5.4 percent in July from 5.9 percent in June. The bond market, as measured by the Bloomberg Barclays U.S. Government/Credit Bond Index, declined 0.2 percent in August.

Rising energy prices drove inflation in the

eurozone up 3 percent in August from a year earlier, an increase from the 2.2 percent year-over-year increase in July, and above the European Central Bank's target of 2 percent. Manufacturing and services sectors in the eurozone lost momentum in August but remained in an expansionary phase. China's manufacturing activity slowed in August due to weakening export demand. Driven by the manufacturing and construction sectors, India's gross domestic product grew 20.1 percent in the three months ending in June over the same period last year. New rounds of restrictions imposed to fend off another wave of COVID-19 infections factored into the Brazilian economy shrinking 0.1 percent between April and June. During July, Mexico's factories edged toward expansionary phase. International equities, as measured by the MSCI EAFE Index, rose 1.8 percent in August. ■

Investment Committee Membership Changes

The Brethren Foundation Funds Board of Directors has charged its Investment Committee with oversight and direction of the organization's investment program, which manages more than \$208 million in assets. The Investment Committee consists of four individuals. One member of the committee completed his term of service in July — Ron Gebhardt'sbauer. During its July meeting, the Board added one new member to the Investment Committee — Sara Davis.

Sara is manager of portfolio operations for Western Asset Management Company in Pasadena, California. Sara has been in the investment industry since 1985. She is a graduate of the University of Chicago and Columbia University. Sara is a member of the La Verne (Calif.) Church of the Brethren.

The other members of the Investment Committee are Russ Matteson, Audrey Myer, and Jerry Patterson.

Following are current members of the BFFI Board:

- Eunice Culp, Goshen, Ind.
- Sara Davis, La Cañada Flintridge, Calif.
- Jan Fahs, North Manchester, Ind.
- Dennis Kingery, San Diego, Calif.
- Donna March, Carpentersville, Ill.
- Russ Matteson, Modesto, Calif.
- Audrey Myer, Elizabethtown, Pa.
- Jerry Patterson, Fairfax, Va.
- Donna Rhodes, Huntingdon, Pa.
- Wayne Scott, Harrisburg, Pa.
- David Shissler, Hummelstown, Pa.
- Kathryn Whitacre, McPherson, Kan.
- David Steele (ex-officio) Martinsburg, Pa.
- Nevin Dulabaum (ex-officio) Elgin, Ill.

**Brethren
Foundation Funds
manages more than
\$208 million
in assets**

All periods longer than one year are annualized.

Funds (Net of Investment Fees) Benchmarks (Gross)	Current Month	Three Months	Year to Date	Three Years	Five Years	Ten Years
SHORT-TERM						
Short-Term Fund	0.0%	0.0%	0.0%	1.2%	1.1%	0.8%
<i>ICE BofAML 6-Month Treasury Bill Index</i>	0.0%	0.0%	0.1%	1.5%	1.4%	0.8%
COMMUNITY DEVELOPMENT						
Community Development Investment Fund ¹	0.1%	0.5%	1.3%	2.0%	1.9%	1.9%
<i>No Benchmark</i>	—	—	—	—	—	—
FIXED INCOME						
Bond Core Fund	(0.2)%	2.1%	(1.4)%	6.2%	3.5%	3.8%
<i>Bloomberg Barclays U.S. Government/Credit Bond Index</i>	(0.2)%	2.1%	(0.9)%	6.1%	3.4%	3.5%
Bond Fund	(0.3)%	2.1%	(0.7)%	6.4%	3.7%	3.9%
<i>Bloomberg Barclays U.S. Government/Credit Bond Index</i>	(0.2)%	2.1%	(0.9)%	6.1%	3.4%	3.5%
Treasury Inflation-Protected Securities Fund ²	0.3%	3.4%	4.6%	7.3%	5.1%	3.1%
<i>Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index</i>	(0.2)%	3.1%	4.3%	7.3%	4.6%	3.2%
Bank Loans Fund ²	0.4%	1.0%	3.7%	3.6%	—	—
<i>S&P/LSTA U.S. Leveraged Loan 100 Index</i>	0.6%	0.5%	2.5%	3.9%	—	—
High Yield Bond Fund ²	0.4%	2.1%	4.8%	6.8%	6.6%	7.0%
<i>Bloomberg Barclays U.S. Corporate High Yield Bond Index</i>	0.5%	2.2%	4.5%	7.1%	6.7%	7.1%
Global Aggregate Fixed Income Fund ^{2,3}	—	—	—	—	—	—
<i>Bloomberg Barclays Global Aggregate Index</i>	—	—	—	—	—	—
DOMESTIC EQUITY						
Domestic Stock Large Cap Core Index Fund ⁴	3.1%	7.9%	21.3%	18.0%	17.8%	—
<i>S&P 500 Index</i>	3.0%	8.0%	21.6%	18.1%	18.0%	—
Domestic Stock Mid Cap Fund	2.2%	4.8%	18.0%	10.4%	9.9%	12.7%
<i>Russell Midcap Index</i>	2.5%	4.9%	20.1%	15.6%	15.4%	14.8%
Domestic Stock Growth Fund	3.5%	12.3%	24.3%	19.8%	19.4%	15.8%
<i>Russell 1000 Growth Index</i>	3.7%	13.9%	21.1%	24.6%	24.4%	19.4%
Domestic Stock Fund	2.9%	8.3%	21.3%	15.8%	15.5%	13.7%
<i>S&P 500 Index</i>	3.0%	8.0%	21.6%	18.1%	18.0%	16.3%
Small Cap Fund	1.2%	2.2%	13.4%	16.9%	22.4%	17.3%
<i>Russell 2000 Index</i>	2.2%	0.5%	15.8%	10.7%	14.4%	13.6%
INTERNATIONAL EQUITY						
International Stock Core Fund	3.8%	2.0%	8.1%	12.0%	11.6%	7.9%
<i>MSCI EAFE Index</i>	1.8%	1.4%	11.6%	9.0%	9.7%	7.3%
Emerging Markets Stock Fund ²	(0.9)%	(4.1)%	10.2%	4.8%	7.8%	3.4%
<i>MSCI Emerging Markets Index</i>	2.6%	(4.1)%	2.8%	9.9%	10.4%	4.9%
ALTERNATIVE INVESTMENTS						
Commodities-Based Fund ²	(1.3)%	4.5%	30.5%	10.8%	6.6%	(3.4)%
<i>Bloomberg Commodity Total Return Index</i>	(0.3)%	3.4%	23.0%	5.8%	4.2%	(4.7)%
Public Real Estate Fund ²	1.3%	7.5%	20.6%	9.0%	5.9%	6.8%
<i>S&P Developed Property Index</i>	1.6%	6.5%	21.6%	9.0%	7.0%	8.9%
Multi-Strategy Hedge Fund ^{2,3}	—	—	—	—	—	—
<i>60% S&P 500 Index/40% Bloomberg Barclays U.S. Aggregate Bond Index</i>	—	—	—	—	—	—
Global Inflation Protection Fund ²	0.2%	2.1%	15.7%	10.4%	8.4%	—
<i>Bloomberg Barclays U.S. TIPS 1-10 Year Index + 2%</i>	0.2%	2.9%	6.1%	8.5%	6.2%	—
EQUITY AND FIXED INCOME						
Balanced Fund	1.6%	5.8%	12.2%	12.9%	11.2%	10.1%
<i>Blended Balanced Index ⁵</i>	1.7%	5.6%	12.2%	13.6%	12.3%	11.3%
TACTICAL FUNDS (additional fees apply)						
Conservative Fund ^{2,3}	—	—	—	—	—	—
<i>Blended Conservative Index ⁶</i>	—	—	—	—	—	—
Income Fund ²	1.0%	3.4%	5.1%	9.0%	7.6%	—
<i>Blended Income Index ⁶</i>	0.9%	3.2%	6.0%	9.7%	7.6%	—
BVI Income Fund	1.0%	3.4%	5.5%	9.7%	—	—
<i>Blended SRI Income Index ⁶</i>	0.9%	3.2%	6.0%	9.9%	—	—
Income & Growth Fund ²	1.3%	3.6%	8.4%	10.5%	9.9%	—
<i>Blended Income & Growth Index ⁶</i>	1.3%	3.7%	8.7%	11.2%	9.8%	—
BVI Income & Growth Fund	1.4%	3.8%	8.2%	11.1%	9.9%	—
<i>Blended SRI Income & Growth Index ⁶</i>	1.3%	3.7%	8.7%	11.2%	9.7%	—
Growth Fund ¹	1.7%	4.2%	11.2%	11.3%	11.0%	—
<i>Blended Growth Index ⁶</i>	1.7%	4.0%	11.4%	12.3%	11.1%	—
BVI Growth Fund	1.9%	4.3%	11.0%	12.6%	11.7%	—
<i>Blended SRI Growth Index ⁶</i>	1.7%	4.0%	11.4%	12.4%	11.3%	—
Aggressive Growth Fund ²	2.2%	4.7%	14.0%	12.2%	12.1%	—
<i>Blended Aggressive Growth Index ⁶</i>	2.2%	4.5%	14.3%	13.4%	12.2%	—
BVI Aggressive Growth Fund	2.4%	4.9%	13.6%	13.7%	—	—
<i>Blended SRI Aggressive Growth Index ⁶</i>	2.2%	4.5%	14.3%	13.6%	—	—
U.S. INFLATION						
Consumer Price Index (July 2021) ⁷	0.5%	2.2%	4.9%	2.7%	2.6%	1.9%

¹CDIF interest accrues on a daily basis. ²These investment funds may not meet Brethren Values Investing guidelines because they are invested in mutual funds. All other investment funds must meet Brethren Values Investing guidelines. ³No assets invested in this fund. ⁴Expected to match benchmark gross of fees. Typically, will not match benchmark net of fees and due to required cash position. ⁵Weighted average of the S&P 500 Index (60 percent) and the Bloomberg Barclays U.S. Capital Government/Credit Bond Index (40 percent). ⁶Changed January 1, 2021. 3-year, 5-year, and 10-year blended new with old benchmarks. ⁷Most recent data available. CPI data are from the Consumer Price Index for All Urban Consumers. All items are not seasonally weighted.