



BFFI would like to share stories from clients that reveal the positive impact of their invested assets on mission, outreach, or service.

MARKETS AND THE ECONOMY

Overlooking trade tensions and instead focusing on a strengthening economy and strong corporate results, investors pushed the S&P 500 Index to a 0.6 percent gain during September. The Index rose 7.7 percent during the third quarter, and is up 10.6 percent since the beginning of the year. Total personal income rose 0.3 percent in August as a result of a strong labor market and higher take-home pay, and is up 4.7 percent in the past year. On the spending side, personal consumption increased 0.3 percent in August and is up 5.3 percent in the past year, led higher by purchases of nondurable goods. Sales at gas stations and non-store-retailers drove retail sales to rise 0.1 percent in August, up 6.6 percent versus a year ago. The bond market, as measured by the Bloomberg Barclays U.S. Government/Credit Bond Index, declined 0.7 percent in September, ticked up 0.1 percent during the third quarter, and decreased 1.8 percent since the beginning of the year.

The eurozone's economy slowed to an annualized rate of 1.5 percent during the second quarter, down from the first quarter's annualized rate of 1.6 percent. The European Central Bank reiterated plans to taper its accommodative monetary policy. Citing concerns around Britain's departure from the European Union ("Brexit") next March, the Bank of England left its benchmark interest rates unchanged at 0.75 percent. China's retail sales increased by 9 percent in August from a year earlier, following an 8.8 percent rise in the previous month. Highlighting the uncertainties from the potential effects of the North American Free Trade Agreement negotiations, Canada's central bank held its key benchmark interest rate steady at 1.5 percent. International equities, as measured by the MSCI EAFE Index, rose 0.9 percent in September. The index increased 1.4 percent during the third quarter, and is down 1.4 percent since the beginning of the year.

IS THERE A STORY HERE?

BFFI is collecting stories to share in its publications and presentations that describe how assets under BFFI management have been used for the greater good. What good works have been accomplished with BFFI managed assets? BFFI would like to share stories from clients that reveal the positive impact of their invested assets on mission, outreach, or service that might otherwise not have been possible. All stories should be sent to Steve Mason at smason@cobbt.org

MONEY WHEN IT IS NEEDED

Assets invested in any BFFI investment option can be distributed most quickly if clients take advantage of BFFI's electronic transfer services. Assets being distributed electronically are transferred to the client's local financial institution, where handling of the assets is subject to that institution's rules and procedures. Typically, clients can expect the funds to appear in their local financial institution account within three to five business days following BFFI's receipt of the initial request.

Here are some additional considerations —

- Assets distributed via check take longer to be delivered and may be less secure during the delivery process.
- The distribution process may not start until the next business day for requests received after 2 p.m. CST.
- Large distributions or full liquidation of an account, subaccount, or investment option may take up to two days longer. BFFI appreciates early notice.

Please contact Steve Lipinski (847-622-3377) or Sherri Crowe (847-622-3382) for assistance.

Please contact Steve Mason, director of Brethren Foundation, with questions or comments.



Fund Performance Report

for the period ending September 30, 2018



All periods longer than one year are annualized.

Performance Report

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	0.1%	0.4%	1.1%	0.8%	0.6%	1.0%
ICE BofAML 6-Month Treasury Bill Index ¹	0.1%	0.5%	1.3%	1.0%	0.7%	0.5%
COMMUNITY DEVELOPMENT						
Community Development Investment Fund ²	0.1%	0.4%	1.3%	1.6%	1.7%	2.1%
No Benchmark	—	—	—	—	—	—
FIXED INCOME						
Bond Core Fund	(0.7)%	0.1%	(1.9)%	1.6%	2.4%	4.8%
Bloomberg Barclays U.S. Government/Credit Bond Index	(0.7)%	0.1%	(1.8)%	1.4%	2.2%	4.0%
Bond Fund	(0.6)%	0.3%	(1.8)%	2.0%	2.6%	5.0%
Bloomberg Barclays U.S. Government/Credit Bond Index	(0.7)%	0.1%	(1.8)%	1.4%	2.2%	4.0%
Treasury Inflation-Protected Securities Fund ³	(1.0)%	(0.8)%	(0.7)%	2.8%	1.4%	—
Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index	(1.1)%	(0.8)%	(0.8)%	2.0%	1.4%	—
Bank Loans Fund ³	0.6%	1.8%	4.2%	—	—	—
S&P/LSTA U.S. Leveraged Loan 100 Index	0.7%	2.1%	4.0%	—	—	—
High Yield Bond Fund ³	0.1%	1.8%	1.2%	7.4%	5.3%	—
Bloomberg Barclays U.S. Corporate High Yield Bond Index	0.6%	2.4%	2.6%	8.1%	5.5%	—
Global Aggregate Fixed Income Fund ^{3,4}	—	—	—	—	—	—
Bloomberg Barclays Global Aggregate Index	—	—	—	—	—	—
DOMESTIC EQUITY						
Domestic Stock Large Cap Core Fund	0.8%	7.3%	7.1%	12.7%	6.8%	7.3%
S&P 500 Index	0.6%	7.7%	10.6%	17.3%	13.9%	12.0%
Domestic Stock Large Cap Core Index Fund ⁵	0.4%	7.6%	10.5%	—	—	—
S&P 500 Index	0.6%	7.7%	10.6%	—	—	—
Domestic Stock Mid Cap Fund	(2.2)%	(2.1)%	(3.7)%	7.4%	8.1%	—
Russell Midcap Index	(0.6)%	5.0%	7.5%	14.5%	11.7%	—
Domestic Stock Growth Fund	(0.1)%	10.3%	17.0%	15.4%	12.8%	—
Russell 1000 Growth Index	0.6%	9.2%	17.1%	20.6%	16.6%	—
Domestic Stock Fund	(0.5)%	5.2%	7.2%	12.5%	9.7%	10.4%
S&P 500 Index	0.6%	7.7%	10.6%	17.3%	13.9%	12.0%
Small Cap Fund	(2.8)%	4.8%	16.7%	25.9%	16.4%	15.3%
Russell 2000 Index	(2.4)%	3.6%	11.5%	17.1%	11.1%	11.1%
INTERNATIONAL EQUITY						
International Stock Core Fund	0.3%	0.9%	(0.3)%	10.4%	4.2%	5.2%
MSCI EAFE Index	0.9%	1.4%	(1.4)%	9.2%	4.4%	5.4%
Emerging Markets Stock Fund ³	(0.6)%	2.8%	(5.5)%	15.3%	3.2%	—
MSCI Emerging Markets Index	(0.5)%	(1.1)%	(7.7)%	12.4%	3.6%	—
ALTERNATIVE INVESTMENTS						
Commodities-Based Fund ³	1.3%	(2.0)%	(3.1)%	0.2%	(8.3)%	—
Bloomberg Commodity Total Return Index	1.9%	(2.0)%	(2.0)%	(0.1)%	(7.2)%	—
Public Real Estate Fund ³	(1.9)%	0.3%	(1.4)%	4.6%	3.6%	—
S&P Developed Property Index	(2.2)%	(0.6)%	(0.5)%	7.5%	6.6%	—
Multi-Strategy Hedge Fund ^{3,4}	—	—	—	—	—	—
60% S&P 500 Index/40% Bloomberg Barclays U.S. Aggregate Bond Index	—	—	—	—	—	—
Global Inflation Protection Fund ³	0.6%	0.7%	(1.6)%	9.4%	—	—
Bloomberg Barclays U.S. TIPS 1-10 Year Index + 2%	(0.5)%	0.1%	1.3%	3.7%	—	—
EQUITY AND FIXED INCOME						
Balanced Fund	(0.6)%	3.2%	3.6%	8.2%	6.9%	8.5%
Blended Balanced Index ⁶	0.1%	4.6%	5.5%	10.8%	9.3%	9.0%
TACTICAL FUNDS (additional fees apply)						
Conservative Fund ^{3,4}	—	—	—	—	—	—
Blended Conservative Index	—	—	—	—	—	—
Income Fund ³	(0.2)%	1.7%	0.9%	6.2%	—	—
Blended Income Index	(0.3)%	1.5%	0.2%	5.6%	—	—
BVI Income Fund	(0.3)%	1.3%	0.0%	—	—	—
Blended SRI Income Index	(0.2)%	1.7%	0.5%	—	—	—
Income & Growth Fund ³	(0.2)%	2.3%	1.5%	9.2%	—	—
Blended Income & Growth Index	(0.1)%	2.4%	1.5%	8.2%	—	—
BVI Income & Growth Fund	(0.5)%	1.9%	1.5%	8.2%	—	—
Blended SRI Income & Growth Index	(0.1)%	2.4%	1.3%	8.0%	—	—
Growth Fund ³	(0.2)%	2.5%	1.9%	10.5%	—	—
Blended Growth Index	0.1%	2.8%	2.1%	9.4%	—	—
BVI Growth Fund	(0.4)%	2.3%	2.6%	10.0%	—	—
Blended SRI Growth Index	0.1%	3.0%	2.2%	9.8%	—	—
Aggressive Growth Fund ³	(0.2)%	2.8%	2.4%	11.6%	—	—
Blended Aggressive Growth Index	0.1%	3.0%	2.5%	10.3%	—	—
BVI Aggressive Growth Fund	(0.3)%	3.0%	3.4%	—	—	—
Blended SRI Aggressive Growth Index	0.3%	3.6%	3.0%	—	—	—
U.S. INFLATION						
Consumer Price Index (August 2018) ⁷	0.1%	0.2%	2.2%	1.9%	1.5%	1.4%

¹Changed May 1, 2009. 10-year blended with 90-day Treasury Bill. ²CDIF interest accrues on a daily basis. ³These 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. ⁴No assets invested in this fund. ⁵Expected to match benchmark gross of fees. Typically, will not match benchmark net of fees and due to required cash position. ⁶Weighted average of the S&P 500 Index (60 percent) and the Bloomberg Barclays U.S. Capital Government/Credit Bond Index (40 percent). ⁷Most recent data available. CPI data are from the Consumer Price Index for All Urban Consumers. All items are not seasonally weighted.