

PRINCIPLES

A Quarterly Newsletter published by Christian Brothers Investment Services, Inc.

Q1 2010



Active Ownership in 2010

Human trafficking takes center stage; new governance resolution at Goldman Sachs

IN 2010, CBIS plans to engage 34 companies by participating in 29 dialogues and filing five shareholder resolutions. Our issue emphasis remains substantially unchanged from that of 2009, with the majority of effort focused on dialogues relating to human rights and environmental concerns. New initiatives on distribution of pornography and corporate contributions to Planned Parenthood are also planned for later in 2010. Details of these initiatives will be announced later in the year. CBIS has established productive discussions with a number of companies in recent years, reducing our need to file shareholder resolutions.

New Resolution at Goldman Sachs

CBIS will file for the first time (we are the primary filer) at [Goldman Sachs](#) asking the company to separate the positions of chairman and CEO, a best-practice in corporate governance. Shareholders are calling for an independent chair to enhance investor confidence and strengthen the integrity of the board. *The Wall Street Journal* and other major media have noted the company's image problem, calling it the most acute on Wall Street. The firm is perceived to be benefiting unfairly from the billions in taxpayer dollars being spent to prop up the financial system while it pays exorbitant salaries and bonuses to employees.

We have filed a resolution at [BP](#) with an international shareholder group led by FairPensions, a U.K. non-profit that coordinates civil society

groups, pension funds, faith-based organizations and individual investors seeking to improve corporate environmental and social performance. The resolution asks BP to provide share-

“Our concern with Nucor involves the apparent use of slave labor in Brazil by one of the company’s suppliers.”

holders with the business case for oil extraction in the Canadian tar sands region given the attendant environmental, social and financial risks. Filing resolutions is rare in the U.K. due to the high hurdles imposed by U.K. law, which requires 100 separate shareholders as co-filers.

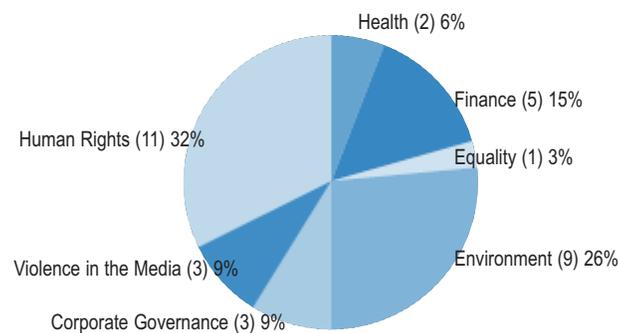
Refiled Resolutions

We were not satisfied with the progress last year at [Cash America](#) on the issue of

payday lending and have refiled our resolution there for 2010. We have joined an Interfaith Center on Corporate Responsibility (ICCR) resolution asking for greenhouse gas emission reductions at [Exxon](#). We are hopeful for progress at [Cisco](#) after a CBIS-led resolution asking for an annual shareholder vote on executive pay received 51.4% support in 2009. Cisco's board is not required to provide this vote to shareholders, so we are reserving our right to refile the resolution again in 2010.

(continued on page 2)

Engagement by Issue in 2010



In This Issue

Active Ownership in 2010	1
SRI Issue Update: Confronting Human Trafficking	3
Join the Campaign Against Human Trafficking	5
Security Brief	5
Beware of Greeks Bearing Debts	6
Frequently Asked Questions	7
Announcements	8

2010 Resolutions and Dialogues

■ Resolutions

Ticker	Company	Action	Issue	Focus Area
CSH	Cash America	Primary Filer	Predatory Lending	Report on anti-predatory lending policies.
CSCO	Cisco	Primary Filer	Executive Compensation	Give shareholders say on pay.
GS	Goldman Sachs	Primary Filer	Corporate Governance	Separate positions of board chair and CEO.
BP	BP	Co-Filer	Environment	Assess operating risks in Canadian tar sands.
XOM	Exxon Mobil	Co-Filer	Environment	Reduce greenhouse gas emissions.

■ Dialogues

Ticker	Company	Action	Issue	Focus Area
ABT	Abbott Laboratories	Leader	Health	Improve access to AIDS medicines.
AA	Alcoa	Participant	Human Rights	Improve labor and environmental standards.
AEP	American Electric Power	Participant (M)	Environment	Reduce greenhouse gas emissions.
ADM	Archer Daniels Midland	Participant	Environment	Ensure sustainable water use.
BBY	Best Buy	Leader	Violence in the Media	Prevent sale of violent video games to minors.
COF	Capital One Financial	Participant	Predatory Lending	Create anti-predatory lending policies.
CVX	Chevron	Participant	Environment	Reduce greenhouse gas emissions.
C	Citigroup	Participant	Financial Services	Social guidelines for international lending
KO	Coca-Cola	Leader	Human Rights	Global human rights and water use
DDS	Dillard's	Leader	Human Rights	Develop strong labor standards for vendors.
LLY	Eli Lilly	Participant (M)	Health	Improve access to TB/Malaria medications.
FCH	Felcor Lodging Trust	Leader	Environment	Disclose energy efficiency/GHG goals.
F	Ford Motor	Participant	Environment	Implement GHG reduction commitments.
JPM	JPMorgan Chase	Leader	Financial Services	Incorporate social criteria in lending.
KFT	Kraft Foods	Participant	Environment	Ensure sustainable water use.
LOW	Lowe's	Leader	Environment	Report on store siting policies.
MCD	McDonald's	Leader	Corp. Governance	Declassify board of directors.
FD	Macy's	Leader	Human Rights	Ensure vendors comply with labor standards.
NEM	Newmont Mining	Leader	Human Rights	Community opposition at mining sites
NUE	Nucor	Participant	Human Rights	Oppose use of slave labor in supply chain.
OXY	Occidental Petroleum	Participant	Human Rights	Implement global human rights policy.
RDSA	Royal Dutch Shell	Participant	Human Rights	Assess impact of operations on communities.
S	Sears Roebuck	Leader (M)	Human rights	Implement global vendor labor standards.
SLB	Schlumberger	Participant	Human Rights	Support human rights at suppliers in Sudan.
SNE	Sony	Leader	Violence in the Media	Ensure proper rating of video games.
TGT	Target	Participant	Violence in the Media	Prevent violent video game sales to minors.
WMT	Wal-Mart	Participant	Equality	Advancement of women and minorities
WFC	Wells Fargo	Participant	Financial Services	Implement anti-predatory lending policies.
WYN	Wyndham Worldwide	Leader	Human Rights	Help prevent human trafficking at hotels.

(M) = Dialogue is in the monitoring phase. / Blue type indicates that CBIS is the engagement leader and strategy coordinator.

Shareholder Resolution — A proposal placed on the proxy ballot by a group of shareholders, and voted on by all shareholders at a company's annual meeting. Resolutions are non-binding, but high vote totals get management's attention and often spur them to action. **Corporate Dialogue** — An ongoing communication between a group of shareholders and company management. The shareholders hope to convince management to take action on an issue of concern. A failed dialogue may result in the filing of a shareholder resolution.

Active Ownership in 2010 (cont)

Nucor Shifts to Dialogue

We have joined an ICCR shareholder group that is asking **Nucor**, the largest steelmaker in the U.S., to report on its efforts to ensure protection of human rights in its global operations and supply chain. Our concern with Nucor

involves the apparent use of slave labor in Brazil by one of the company's suppliers. Our group filed a resolution for the 2010 proxy season, but withdrew the resolution and established a dialogue with the company in February after Nucor agreed to take several concrete steps that address our concerns.

Dialogues on Water Use

CBIS will continue to work with ICCR colleagues to encourage **Archer Daniels Midland** and **Coca-Cola** to report on water-related risks and opportunities for water conservation. On average, households account for less than 10% of total water use, while industry and

(continued on page 3)

Active Ownership in 2010 (cont)

agriculture are the largest users. The United Nations reports that more than one in six people worldwide do not have adequate access to clean water, while the Organization for Economic Cooperation and Development (OECD) predicts that the number of people living under severe water stress will rise to 3.9 billion by 2030, nearly half the projected world population. The impact of climate change will also influence the availability of water given the changing patterns of precipitation and melting glaciers.

CBIS has joined a dialogue with [Kraft Foods](#), the world's second-largest foodmaker, about the impact of its activities on water supplies. Kraft employs 140,000 people worldwide and owns many well-known brands such as Maxwell House, Oscar Mayer and Oreo.

The company has committed to a 15 percent reduction in water use by 2011 and has signed on to an industry group's water efficiency commitment, which seeks to cut water use among signator companies by 20 percent or more.

Other Dialogues

CBIS will continue our engagements with international companies [Royal Dutch Shell](#) and [Sony](#). The dialogue with small-cap holding [FelCor Lodging](#) on climate change and energy efficiency will also continue in 2010. We will maintain contact with management and monitor progress at [American Electric Power](#), [Eli Lilly](#) and [Sears](#).

Concluded Dialogues

We no longer hold shares of [Glaxo-SmithKline](#), due to concerns regarding the company's involvement with embry-

onic stem cell research, or [Merck](#), due to life ethics concerns. We have concluded our five-year-long dialogue at [Time Warner](#) since our objectives there have largely been met. The company has taken a number of steps in response to shareholder requests, including:

- Creating an annual process to evaluate the separation of the positions of Chair and CEO;
- Producing its first corporate social responsibility report (three years ago) due in part to pressure from CBIS and our shareholder group; and
- Joining Ceres, a national network of non-profit organizations, investors and companies addressing corporate sustainability challenges, due to pressure from CBIS.■

Summaries of all 2010's 34 active ownership engagements can be found in the Shareholder Advocacy Directory at the CBIS website (www.cbisonline.com).

SRI Issue Update: Confronting Human Trafficking

CBIS engagements with Wyndham, Nucor, Macy's seek progress on this key concern.

Participants named human trafficking as a top concern in the most recent Socially Responsible Investing Survey (conducted in 2008). In 2009, CBIS expanded our work in the area of human rights to emphasize this issue in engagements with hotel operator [Wyndham Worldwide](#), retail giant [Macy's](#) and global steelmaker [Nucor Corporation](#). Following are updates on all three engagements.

Wyndham Worldwide

Our work with global hotelier Wyndham Worldwide focuses on measures the company can take to prevent the use of its hotels for child sex tourism (CST). Due in part to our dialogue, the company has expanded its human rights policy to include a section on the "Protection of the Rights of Children" that publicly condemns all forms of exploitation of children, states the company's support of laws to prevent and

punish child sex offenders, and pledges cooperation with law enforcement authorities. Wyndham has also agreed to implement a program that trains employees to identify and respond to evidence of CST. Shareholders are asking the company to report on implementation of its program, including a description of training sessions conducted.

Wyndham has also established a partnership with the anti-trafficking, non-profit Polaris Project that makes free hotel rooms available for trafficking victims in emergency situations.

Shareholders are encouraging Wyndham to create educational materials for hotel guests that inform them about laws against trafficking. Several European hotel chains provide such materials, which Wyndham can use as models.

Creating an anti-CST policy is the first element of the travel and tourism

industry's "Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism" (www.thecode.org). The Code is supported by the United Nations Children's Fund (UNICEF), the U.N. World Tourism Organization, the European Union, and a number of governments. Shareholders are encouraging Wyndham to become a signator, which requires that companies:

1. Establish an ethical policy regarding commercial sexual exploitation of children.
2. Train staff.
3. Provide information to travelers by means of catalogues, brochures, home pages and other publications.
4. Coordinate with local government authorities, social service agencies and non-profit organizations.
5. Report annually.

(continued on page 4)

Wyndham, Nucor (cont)

The Code is supported by almost 950 companies worldwide, although only three U.S. companies are signatories.

Wyndham is also working with the highly regarded non-profit, ECPAT, a network of organizations that promote the right of all children to live free of child prostitution, child pornography and child trafficking for sexual purposes. We commend Wyndham for these positive steps and look forward to continued progress with this dialogue.

Nucor

CBIS has joined an engagement led by Domini Social Investments with Nucor Corporation, the nation's largest steel producer, regarding use of slave labor in the company's supply chain.

Nucor came under scrutiny in 2006 after a *Bloomberg Markets Magazine* cover story, "The Secret World of Modern Slavery," reported that pig iron bought by Nucor was made with charcoal produced in Brazil by slaves. Charcoal is made by burning scraps of hardwood, which are then blasted in a furnace to make pig iron, a basic ingredient of steel. The pig iron is purchased by brokers, sold to steelmakers and foundries, and then bought by some of the world's largest companies for use in the manufacturing of cars, tractors, sinks and refrigerators.

Although Brazil banned slavery more than a century ago, forced labor continues there today. Nearly one million men and women work for little or no wages as forced laborers in Latin America, according to the United Nations' International Labor Organization (ILO). Most victims are poorly skilled, illiterate, landless workers. In some cases, workers are forced into debt to pay for food, travel, and accommodations, and are physically and psychologically coerced to compel their labor.

Nucor agreed to investigate after a shareholder resolution filed two years ago received 27% shareholder support.

Our shareholder group filed again in 2010, since the company had not reported on the results of its investigation. In February, we withdrew the resolution after management committed to a number of specific steps that address our concerns.

Macy's

Our work with Macy's continues to focus on the company's supply chain and corporate code of conduct against the use of forced and child labor. Following discussions held in 2009 and led by CBIS, Macy's agreed to instruct suppliers to discontinue purchasing cotton from the country of Uzbekistan due to child labor concerns. Each fall, state offi-

“Next steps with Macy's include encouraging the company to evaluate vendor compliance with Macy's request to avoid Uzbek cotton”

cialists there order up to two million children to leave school and work under hazardous conditions harvesting cotton for two months to fill government-mandated quotas.

Members of the Interfaith Center on Corporate Responsibility, including CBIS, are also asking the world's largest apparel brands and retailers to stop buying cotton harvested in Uzbekistan, the world's third largest cotton exporter.

Macy's has encouraged its retail and apparel trade association to write to the government of Uzbekistan and the U.S. Department of State, encouraging decisive and immediate action to end the use of forced child labor in Uzbekistan.

Our next steps with Macy's include encouraging the company to evaluate vendor compliance with its request to avoid Uzbek cotton and to develop a

traceability program so that vendor factories know the origin of materials used to make the clothing sold through Macy's retail stores.

In addition to our work with Macy's on Uzbek cotton, we are also encouraging the company to issue a report that includes a description of the ways it assesses human rights at the factories that make its clothing, an evaluation of compliance by these factories, and a general description of any concerns found and how they were resolved. Many major apparel companies produce reports of this kind.

Other Initiatives

CBIS is working to raise awareness of this issue in ways that supplement our work with Wyndham Worldwide, Nucor and Macy's.

SRI in the Rockies — We have proposed a panel discussion for the SRI industry's primary annual conference, called "SRI in the Rockies." The conference draws about 650 people, including company representatives, academics, researchers, SRI analysts, investment executives, portfolio managers, and individuals associated with community development banks and religious organizations. The event is a prestigious forum that offers a powerful opportunity to raise awareness of the issue across the SRI community and to educate attendees about how corporations can help in the fight against human trafficking.

Raising Awareness through the Media — We have been trying to promote our work through business publications that serve the travel and tourism industry in order to educate and influence decision makers at hotels and airlines about human trafficking, including child sex tourism. As one example, CBIS was recently featured in an issue of *Business Travel Executive* discussing human trafficking. ■

Join the Campaign Against Human Trafficking

Visit the SRI Action Center at www.cbisonline.com/sriaction for a simple but effective way to help.

The SRI Action Center is a new feature on the CBIS website's front page that gives participants ideas for actions they can take as individuals to help improve the environmental and social performance of companies. The SRI Action Center currently profiles the issue of human trafficking and suggests a simple but effective way to support our efforts to combat the form of trafficking known as Child Sex Tourism (CST).

When you stay at a hotel, you can provide the service desk with a letter that voices your concern about CST. The letter is available for download at the [SRI Action Center](#). Where appropriate and if your organization agrees, you may wish to put the letter on your organization's letterhead.

This simple action informs hotels about human trafficking and encourages them to formulate a response, while sharing information about the anti-CST policies used by many members of the tourism industry.

Please let CBIS know when you use this letter and if you receive a response. We'll track the number of letters distributed as well as responses received. Email us at: sriaction@cbisonline.com.

Text of Letter

Greetings:

I am very concerned about the issue of human trafficking, a phenomenon that affects virtually

every country, including the United States. As a guest at your hotel, I wanted to share information and learn what you and your parent company are doing to protect human rights and educate your staff.

According to the United Nations, an estimated 2.5 million people are victims of human trafficking, including forced labor and sexual exploitation. Some of the most vulnerable who

“When you stay at a hotel, you can provide the service desk with a letter that voices your concern about CST . . . available for download at the SRI Action Center.”

fall prey to trafficking are children, through prostitution and sex tourism.

Many major hotels now have or are working to create an ethical policy against commercial sexual exploitation of children, to train hotel staff to help identify human trafficking, and to partner with government and social service agencies. Reporting on your website the actions your company is taking would help keep guests like me informed of your commitment, is evidence of proactive and attentive management, and is an important aspect of corporate social responsibility.

Developing a corporate policy, training staff, and reporting publicly are components of an industry-wide Code of Conduct called The Code (www.thecode.org), a practical tool facilitating the protection of children's rights by the travel and tourism sector. It is a multi-stakeholder initiative in collaboration with ECPAT (End Child Prostitution, Child Pornography and Trafficking — www.ecpat.net) with over 800 members in 32 countries and is recognized among tourism industry associations, governments, and child rights and protection organizations, such as the United Nations World Tourism Organization (UNWTO) and the United Nations Children's Fund (UNICEF). Signatories include Carlson Companies, Accor, and the American Society of Travel Agents.

Please give this letter to the Hotel Manager and to the company CEO so that senior management can learn of my interest in this issue and can respond. I have provided my name and address below. As the marketplace increasingly demonstrates, companies must be aware of and sensitive to social and ethical issues. As a customer, the moral and ethical standards a hotel embraces as evidenced by its policies and practices are very important to me.

By taking action to eradicate human trafficking, including the sexual exploitation of children, your hotel can signal your commitment to human rights. At the same time, I can feel comfortable that I am giving my business to a responsible member of our local and global community. ■

Security Brief: Are You a Victim of Identity Theft?

How do you know if you've become a victim of identity theft? While many of the signs are obvious, all too often they are recognized only long after the fact. Vigilance can help spot ID theft soon after it occurs, reducing the potential damage.

- If you receive a call from a creditor demanding payment for a purchase you did not make, have the caller give you all the information possible and investigate.
- Watch for strange credit card charges. Keep all your receipts and reconcile them with your statements each month.
- Unexpectedly getting turned down for credit is a common

sign. Check your credit reports and FICO scores quarterly.

- When account usernames, passwords and/or ATM PINs stop working, someone may have changed them.
- If invoices for subscription services stop arriving, it could mean an identity thief has changed your address.

If you become a victim: alert the credit bureaus immediately, notify merchants of fraudulent charges, change all passwords and PINs, report the crime to the police and follow their advice. Keep a log of every conversation, including names, dates, times and phone numbers.

Beware of Greeks Bearing Debts

Greece's sudden fiscal woes highlight the threats still facing global markets.

by Frank Haines, Chief Investment Officer



Frank Haines
Chief Investment Officer

Tourists marvel at the architecture of ancient Greece, whose magnificent buildings, such as the Parthenon, remain standing after two millennia of war, earthquakes and exposure to the elements.

But Greece's fiscal condition is far more delicate, and increasingly tenuous. Since year-end 2009, Greece has emerged as ground zero for sovereign debt risk, as its leadership struggles to confront a fiscal budget deficit exceeding 12% of GDP and gross debt at 113% of GDP — numbers that far exceed the maximum authorized under European Union (EU) guidelines. This precarious financial condition was partly enabled by fraudulent statistical reporting by previous Greek governments and the recently disclosed use of complex currency derivatives in 2001 to mask the true extent of its debt load.

When these revelations surfaced late last year, credit rating agencies downgraded the country's sovereign debt rating and bond investors swiftly drove interest rates higher for Greek debt. The ability of the nation to issue new debt became doubtful, forcing anxious planning by the Greek government to cut spending and raise taxes, while it explored options behind the scenes for emergency support from the EU or the International Monetary Fund (IMF) if debt markets proved to be unaccommodating.

By early March, commitments to increase the country's value-added tax (VAT) and fuel tax, coupled with cuts in public sector payroll and wages, stabilized the situation — although assurances of solidarity by EU members Germany and France remained vague. The situation remains fragile. Greece must raise EUR 50 billion in 2010 to refi-

nance maturing debt, while its economic growth projections seem aggressive in the face of planned austerity measures and the vociferous and at-times violent opposition by public sector unions at every step of the process.

Canary in the Coal Mine

Greece has a small impact on the overall health of the EU in economic terms. Its gross domestic product (GDP) accounts for only 2% of the EU's total. But it has far greater significance as an early indication of the potential end game resulting from years of excessive bor-



“The Greek problem is not just a European issue, but a likely precursor to the next stage of the global financial crisis. . . .”

rowing by developed nations. Greece is an extreme example of a government that increased debt far faster than economic growth could justify — a disconnect magnified by its aging population's looming healthcare and retirement costs. Yet Greece's predicament typifies what results from politicians' shortsighted solutions for long-term problems, such as financing pork barrel projects that score easy political points while deferring more economically sustaining infrastructure investments, and addressing mounting future liabilities with vague, unfunded promises.

When the public sector becomes too large for the private sector to support, when bookkeeping becomes too arcane for reasonable analysis, and when

lenders refuse to roll over outstanding debt, the problem can no longer be ignored. Greece has now reached that stage. Other EU nations — such as Spain, Portugal and Italy — are not far behind. Nor are northern European nations, as the financial industry represents a major segment of their economies. The U.K., Ireland, Switzerland, Belgium, the Netherlands and the Scandinavian nations will face severe financing problems if their banking sectors relapse into insolvency due to further credit deterioration. The recent depreciation of the U.K. pound and the euro against the U.S. dollar is an early indicator of the bond markets' concern about this possibility, suggesting that the sovereign debt problem may not end with the near-term resolution of Greece's woes.

Borrowing Our Way to Prosperity

Given such fiscal disarray, it is disappointing that the French and German governments seem obsessed by efforts to curtail the use of credit default swaps (CDS) and other derivatives, owing to their purported role in speculative assaults on Greek debt and on the euro. This parallels the U.S. government's reliance on a rhetorical attack against bankers and financial speculators (deserved as it may be) as a substitute for a candid acknowledgment of its own massive regulatory lapses, monetary policy errors and fiscal mismanagement during the past several decades.

Europe may be a few steps ahead on the road to sovereign debt crisis, but the U.S. may not be far behind. The International Monetary Fund (IMF) estimates that the U.S. debt-to-GDP ratio will reach 108% by 2014, not far from Greece's current 113%. Far more optimistically, the U.S. government projects nominal GDP growth in excess of 5% in 2012 and beyond, and a decline

in the unemployment rate to nearly 5% from its current 10%. Under this scenario, federal debt will remain near 65% of GDP. But such forecasts, similar to Greece's sanguine predictions, are hard to take at face value.

The problem confronting all developed nations is that economic growth and financial market gains during the so-called "Great Moderation" of the past 25 years were well above historical norms, and were powered by a wave of cheap, excessive debt accumulation. Low yields were accompanied by financial innovation that ended up failing badly. The now-inevitable deleveraging will curtail future growth, despite the government liquidity programs and fiscal stimuli employed to offset near-term pain.

Both capital spending and consumption will be reduced as debt levels are reduced in the private sector. Sovereign governments have somewhat more flex-

ibility (unless, like Greece, they can't issue their own currency), yet they must ultimately deleverage too. And without confidence in strong economic growth and resultant tax revenues, buyers of government debt will force interest rates higher. Whether the ultimate resolution of the debt burden comes through default or inflation, it seems inevitable that promises made to pensioners and public employees may be broken.

The Next Stage of the Crisis?

Thus, the Greek problem is not just a European issue, but a likely precursor to the next stage of the global financial crisis, one that may well play out over the next several years. Bond investors must now balance sovereign risk with credit risk in an uncertain and volatile environment. This adds to the complexity of bond valuation, given that government yield curves are the basis for establishing all other bond values.

For equity investors, corporate earnings and profit margins will likely be burdened by rising interest rates and government actions to curb fiscal deficits—whether in the form of higher taxes, trade barriers or currency weakness. Such an environment will probably lead to low nominal investment returns and favor active portfolio management over passive indexing due to the mismatches between valuation and fundamentals created by market volatility and fiscal retrenchment.

Politicians may see things differently:

"For Greece, the problem is completely over; I don't see any other case now in Europe. I don't think there is any reason to think the euro system will collapse or will suffer greatly because of Greece."

-Former European Commission

President and Italian prime minister,
Romano Prodi on March 9, 2010.

But comments such as these only reinforce our concern. ■

Kathy Almaney Elected Chairperson of CBIS Board of Directors



CBIS board member Kathy Almaney was elected board chairperson at the February 19 meeting of CBIS' board of directors. She succeeds Br. Damien Steger, FSC of St. Mary's Press, who had acted as interim Board chair in 2009. Kathy Almaney has served as a member of the CBIS board of directors since February 2004. She is the founder and president of Almaney Consulting,

a provider of human resources and general management consulting services to corporate and institutional clients. Prior to founding Almaney Consulting in 2002, Ms. Almaney worked at Northern Trust Company in Chicago for almost 23 years, most recently as a Senior Vice President of Human Resources. She was a manager for over 20 of her 23 years with Northern Trust in the areas of recruiting, employee relations, training, EEO, diversity, compensation and management con-

sulting. Before joining Northern Trust, she was a teacher and a Director of Religious Education at several Catholic schools and parishes. Ms. Almaney holds a bachelor's degree from Siena Heights College (now University) in Adrian, Michigan, and a Masters in Religious Education from Loyola University, Chicago. Ms. Almaney also serves as a director for the Women Employed Institute and the Advisory Board of Catholic Charities of Chicago.

Frequently Asked Questions

Q: I recently read about an IRS requirement that U.S. institutions file a special form for foreign accounts. I invest in the CUIT International Fund. Does that mean my organization needs to file this form?

A: No, the IRS Report of Foreign Bank and Financial Account (or FBAR) requirements does not cover the CUIT International Fund.

While the Fund invests in stocks of foreign companies, the Fund itself is domiciled in the U.S., so it is not considered an international or foreign holding by the IRS.

The IRS recently raised the profile of the FBAR requirements when it issued updated guidance for filing requirements in February of this year, alleviating some confusion among investors and tax professionals alike.

For other international holdings, including any investments in **CBIS Global Funds**, please consult a tax professional to determine if the FBAR requirements apply.



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New Contact Information

All correspondences regarding participant accounts should be mailed to:

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The phone number remains (800) 321-7194, while the fax number is now 866-205-1499.

For international participants, the phone number is 720-279-3318 and the fax number is 303-825-2575.

Announcements

CBIS Office Closings

CBIS offices will be closed on Friday, April 2 in honor of Good Friday, on Monday, May 31 for Memorial Day, and on Monday, July 5 in honor of Independence Day.

Your CBIS Investment Advisor is ready to assist you.

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