

# PRINCIPLES



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Q2 2009

## Getting Active Against Human Trafficking

*CBIS joins shareholder campaign to help hotels fight commercial sexual exploitation*

**I**N THE 2008 SURVEY OF PARTICIPANT'S SRI issue priorities and preferred SRI strategies, human trafficking ranked as one of the top concerns participants would like addressed by CBIS' active ownership program. In 2009, CBIS joined an Interfaith Center on Corporate Responsibility (ICCR) shareholder dialogue on the issue with global tourism and hospitality giant Wyndham Worldwide. The dialogue, led by Sisters of Mercy, focuses on working with Wyndham to develop policies that help prevent use of its hotels for the commercial sexual exploitation (CSE) of children, who are some of the most vulnerable victims of human trafficking in the form of child prostitution and child sex tourism.

Human trafficking is, in many respects, a human rights issue that corporations can combat with approaches that have proven successful in related areas (such as vendor standards), including policy development, employee training, implementation, performance monitoring and reporting. Religious and other concerned SRI investors have considerable experience and expertise helping global companies in these areas. We plan to spend much of 2009 learning about the complex issue of human trafficking and evaluating ways that we can work with other concerned shareholders and companies to fight it.

### Human Trafficking: Background

The U.S. State Department in its 2008 "Trafficking in Persons Report" pub-

lished by the Department's Office to Monitor and Combat Trafficking in Persons describes nine general and somewhat overlapping forms of human trafficking.

■ **Forced Labor** — when unscrupulous employers take advantage of gaps in

**“Human trafficking is, in many respects, a human rights issue that corporations can combat with approaches that have proven successful in related areas.”**

law enforcement to exploit vulnerable workers in circumstances of coercion. Female victims, such as women and girls in domestic servitude, are often sexually exploited as well.

■ **Bonded Labor** — where a person is kept under subjugation through debt, often an initial debt assumed as part of the terms of employment.

■ **Involuntary Servitude Among Migrant Laborers** — essentially its own category of debt bondage due to its prevalence, including abuse of contracts, deceptive recruitment and employment, exploitative and illegal costs assigned to laborers, and often with the complicity of employers in the destination country or state.

■ **Involuntary Domestic Servitude** — where domestic workers are trapped in servitude through the use of force and coercion. There is great demand, for example, in wealthier countries of Asia and the Middle East for domestic servants who sometimes fall victim to conditions of involuntary servitude.

■ **Forced Child Labor** — including the sale and trafficking of children and their entrapment in bonded and forced labor.

■ **Child Soldiers** — a severe manifestation of trafficking that involves recruitment of children through force, fraud, or coercion to be used as combatants or combat support personnel. Child soldiers and returning child soldiers are often rejected by their home communities. The problem is most critical in Africa and Asia, but armed groups in the Americas and the Middle East also use children in conflict areas.

■ **Sex Trafficking** — forced prostitution composes a large portion of overall trafficking activity and the majority of transnational modern-day slavery.

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*Human Trafficking (cont.)*

■ **Children Exploited for Commercial Sex** — where children are trapped in prostitution. The U.S. State Department estimates that over two million children are exploited in the global commercial sex trade. Because use of children in the commercial sex trade is prohibited under U.S. law and United Nations Protocol, there are no exceptions or cultural or socio-economic rationalizations that prevent the rescue of children from sexual servitude.

■ **Child Sex Tourism (CST)** — which involves adults who travel from their home country (where child sexual exploitation is illegal or culturally abhorrent) to another where they pay to engage in sex acts with children. CST's consequences for minors include long-lasting physical and psychological trauma, disease (including HIV/AIDS), drug addiction, unwanted pregnancy, malnutrition, social ostracism and sometimes death.

The International Labor Organization (ILO) — a United Nations agency dedicated to promoting freedom, equality, security and human dignity in the workplace — estimates that more than 12 million people are trapped in forced labor, bonded labor, child labor, and sexual servitude worldwide, while other estimates range from 4 million to 27 million. Views of what constitutes trafficking vary across languages and cultures, which can hinder comparability of data across countries and data-collecting organizations.

**Issue Focus:****Child Sex Tourism (CST)**

CBIS and other religious investors have fought against several of these forms of human trafficking for the past 20 years through our broader human rights advocacy initiatives. Our work helping companies develop vendor standards for global supply chains has sought to help many U.S. companies avoid suppliers who use bonded, slave and child labor. Yet the commercial sexual

exploitation of children is a form of trafficking that shareholders and corporations cannot address through human rights policies alone. We believe that a more focused policy is required.

ICCR's efforts to combat CST through shareholder activism began in 2005 in response to a conviction in a Costa Rican court of man accused of pimping minors in a child sex tourism ring that included receptionists at a Costa Rican Marriott hotel. ICCR helped persuade Marriott that, as an operator of facilities used for CST and CST-supporting activities, it not only faced considerable reputational risk but that there was more it could do to help

**“The ILO estimates that there are 12.3 million people in forced labor, bonded labor, forced child labor and sexual servitude worldwide.”**

prevent use of its hotels by CST traffickers. Marriott responded positively to ICCR's initiative and appointed a task force composed of nine top executives to study the issue. Their work led to the revision of Marriott's global human rights policy to include specific measures to help prevent CST, such as training employees to recognize and respond to warning signs and including anti-CST communications in welcome packages sent to guests at its facilities worldwide.

ICCR subsequently expanded its work in the area to help several other hotel chains, airlines and cruise ship lines create anti-CST policies and train employees to effectively respond to evidence of use of company facilities for trafficking.

**What Companies Can Do**

As is the case with many social justice and human rights concerns, corporate

management will often express sympathy for the cause of combating CST and a heartfelt empathy for its victims, along with a skepticism that they have any power to combat it through corporate policy development. Moreover, the issue is so loaded with social stigma that many companies are concerned that publicly associating themselves with it — even in the laudable context of developing anti-CST policies — will harm their public image and reputation.

A group of companies operating in the tourism sector, however, have created a more constructive response. Beginning in the late 1990s, a number of Scandinavian tour operators began working with the World Tourism Organization (WTO) to create a tourism industry response to the problem of CST. By 2003, the effort had evolved into a six-point “Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism” supported by the United Nations World Tourism Organization, the United Nations Children's Fund (UNICEF) and the European Union, along with a number of national governments. Nearly 1000 companies in 23 countries are now signatories of The Code (only five U.S. companies are), which offers a useful framework for guiding anti-CST policy development. The Code asks companies to:

1. Establish an ethical policy regarding CST, often by amending existing policies to specifically mention the need to protect children from sexual exploitation.
2. Train their personnel in the country of origin and travel destinations in how to respond to evidence of CST.
3. Introduce a clause in contracts with suppliers stating a common repudiation of CSE of children (primarily aimed at tour operators who work with local hotels).
4. Provide information to travelers through catalogues, brochures, in-flight films, ticket-slips and web pages. Several European airlines do

this but American carriers have been reluctant so far.

5. Provide information to “key persons” at tourist destinations, including local officials, taxi drivers and community representatives. The idea is to publicize the intolerance of CST to beneficiaries of the company’s operations.
6. Report annually on actions and results.

#### Dialogue with Wyndham Worldwide

CBIS’ initial work on the issue of human trafficking and CST takes the form of our participation in an ICCR dialogue with Wyndham Worldwide, a

leading provider of travel-related products and services including hotel operations, vacation ownership, vacation rentals and related services. Ramada Inn, Days Inn, Super 8 hotels and Wyndham Vacation Resorts are a few of its well-known global brands. As of December 31, 2008, Wyndham owned approximately 7,000 franchised hotels representing nearly 600,000 rooms. The company generated \$4.3 billion in revenue during calendar year 2008.

Wyndham recently adopted a policy called the Protection on the Rights of Children and has revised its training program and communications materials to raise awareness of anti-CSE

policies with employees. Our ICCR dialogue group has asked Wyndham to become a Code signator, which it has refused to do so far, preferring (as many American companies do) to develop its own company-specific policy.

CBIS will spend 2009 lending support to the ICCR dialogue with Wyndham, learning more about the broader human trafficking issue and evaluating how we can work with corporations to combat human trafficking and CST. ■

Please see the [Shareholder Advocacy Directory](#) at the CBIS website ([www.cbisonline.com](http://www.cbisonline.com)) for the latest updates on all our Active Ownership initiatives.

## When it Comes to CSE, Talk Isn’t Cheap

Let’s face it. Most of us find it very uncomfortable to talk about the commercial sexual exploitation (CSE) of children through such evils as sex tourism, prostitution, sex trafficking and other forms of sexual violence and abuse. The scenes are so horrific that they sear the mind. We feel a powerless disgust at the faintest thought of them. And we squirm at the notion of discussing the topic in polite company. We want to ignore it and hope someone else — the police, government authorities, outraged local citizens, concerned relatives, somebody — puts a stop to it. But when we put a human face on this otherwise nameless and faceless evil, it becomes harder to ignore.

**Neary** grew up in rural Cambodia. Her parents died when she was a child. Her sister married her off at 17, hoping to give her a better life. Three months later she and her husband went to visit a fishing village. Her husband rented a room in what Neary thought was a guest house. When she woke the next morning, her husband was gone. The owner of the house told her she had been sold by her husband for \$300 and that she was actually in a brothel. For five

years, Neary was raped by five to seven men every day. In addition to brutal physical abuse, Neary was infected with HIV and contracted AIDS. The brothel threw her out when she became sick. She eventually found her way to a local shelter before she died of HIV/AIDS at the age of 23. (Source: ICCR)

**“It’s not easy to talk about the commercial sexual exploitation (CSE) of children, but if our words can help victims like Neary and Lila then it is hard to imagine a more valuable discussion.”**

**Lila**, a 19-year-old Romanian girl who had already endured physical and sexual abuse from her alcoholic father, was introduced by an “acquaintance” to a man who offered her a job as a housekeeper in the U.K. When she arrived in the U.K., the man sold her to a pimp and Lila was forced into prostitution. She was threatened that she would be sent home in pieces if she did not follow every order. After an attempted escape, her papers were confiscated

and the beatings became more frequent and brutal. Months later, after being re trafficked several times, Lila was freed in a police raid. She was repatriated back to Romania where, after two months, she fled from the shelter where she had been staying. Her whereabouts are unknown. (Source: U.S. State Dept.)

The International Labor Organization (ILO) has estimated that as many as 1.8 million children are exploited in prostitution or pornography worldwide. One form of this exploitation is child sex tourism (CST), which the Interfaith Center on Corporate Responsibility (ICCR) describes as “an organized multi-million dollar industry with its own tour guides, websites and brothel maps.” CST is especially prevalent in Asia and Central and South America.

Religious investors can use their power as corporate shareholders to help corporations realize that anti-CST policies may be able to make a positive difference in children’s lives. It’s not easy to talk about the commercial sexual exploitation of children, but if our words can help victims like Neary and Lila, then it is hard to imagine a more valuable discussion.

## Cash Out or Jump In?

*Cash may seem a safe place to park a bruised portfolio. But cash yields are close to zero and cash balances won't produce income or catch a market rebound. So what should investors do now?*

INVESTORS' RISK tolerances have been sorely tested, and probably broken in some cases, by the stock market's 50% plunge since late 2007. While many signs of excess were evident at the market's peak — such as razor-thin credit spreads, sky-high home prices relative to rents, and tales of mortgages offered to borrowers with no income, job or assets — a recommendation to move an institutional portfolio into cash at the time would have seemed preposterous advice. Markets were surging and the conventional wisdom was to hang on for the ride.

More importantly, many of the risks that finally upended markets actually appeared years ago, long before the market's late-2007 peak. Wise investment decisions in 2005 — such as cutting back on equity exposure and paring credit risk in bond portfolios — now seem obvious, in hindsight. But the perseverance of distorted market conditions in 2006 and 2007 made these moves appear foolish for quite some time, no doubt trying the patience of investors who followed this advice and perhaps shortening the careers of some investment advisors and fiduciaries who implemented it.

### What Now?

Hindsight is 20/20, but foresight is obscured by uncertainty and emotion. Today, participants may well be torn between the urge to cash out of the market completely to preserve what's left of their assets or to jump back in headlong, hoping to catch a market bottom and quickly rebuild lost principal. Of course, these are emotional poles, cartoons of investor sentiment. Neither constitutes a rational and practical investment strategy.

### Moving to Cash?

It may be tempting to consider moving smaller portfolios to cash to await better times. But it takes a lot of luck to make the correct decision twice: when locking in losses to avoid further downside and when reentering the market in hopes of catching the bottom. Equity and bond values have already been discounted substantially, and large sums of institutional cash (estimated at \$4 trillion or more) wait for opportunities.

Chart I, "Missing the Upturn," illustrates the potential pitfall of missing the equity rallies that follow downturns. The recent market decline totaled 57% from its peak to the March 2009 trough,

**“Volatility is the price of additional returns, relative to cash, that bonds and stocks produce over time.”**

making it the worst since the Great Depression of the 1930s. But investors who moved to cash when selling pressure was heaviest, in early March, would have missed a 20% gain through mid-April. No one can say with assurance that a new bull market has begun. But, given the magnitude of losses since the market's peak, being completely out of the market now is probably riskier than maintaining a prudent amount of equity exposure.

### Reassessing Goals and Assumptions

Of course, what constitutes a prudent exposure to equities, or to any asset class, will vary from participant to participant, depending on their investment

goals. As CBIS has consistently noted, a constructive response to the market's decline is a thorough review of your organization's investment goals, financing needs, tolerance for risk, long-term asset allocation targets and asset class return assumptions. Rather than moving substantial assets to cash, at what is now essentially a zero yield (as shown in Chart II), we believe the better option is to shift some stock exposure to bonds, which offer attractive yields and suffer more from illiquidity than from actual default risk.

Institutions with the long-term objective of meeting mission-related financing goals and operating expenses far into the future should remain invested in long-term assets. Volatility is the price of the additional returns, relative to cash, that bonds and stocks produce over time. While a decision to move to cash might provide near-term emotional comfort, we believe it would almost certainly come at a substantial cost relative to long-term financial goals.

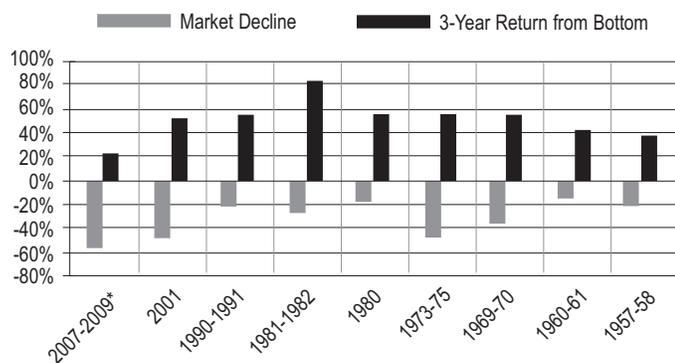
### Portfolio Positioning

The most important portfolio-related decision participants face is the allocation between stocks and bonds. Over the near term, we believe that risk/return prospects favor bonds given the probable range of return outcomes. Here are some specific suggestions for putting your portfolio back on track.

- CBIS advises rebalancing a bond overweight gradually (i.e., over a period of two to four successive quarters) to return to targeted equity exposure. This is essentially dollar cost averaging in the face of equity market uncertainty.
- Although less likely, if an equity allocation is overweight, rebalance in

*(continued on page 5)*

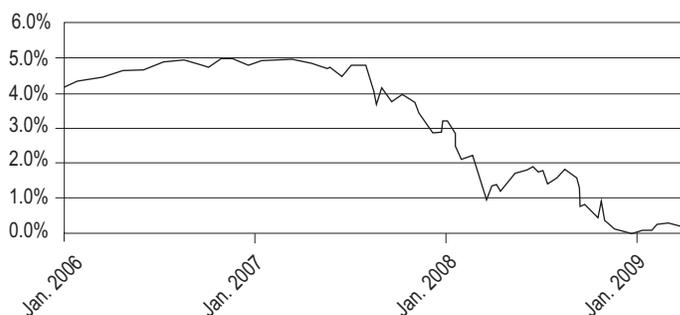
## I. Missing the Upturn: 1957 – 2009



\*From early March 2009 low through April 24 / Source: S&P 500 historical data

## II. No Interest in Cash

(3-Month U.S. Treasury Bill Yield, Jan. 1, 2006 — April 17, 2009)



Source: U.S. Federal Reserve

one step back to the full bond allocation to take advantage of relatively attractive valuations.

- In the case of retirement assets or a surplus of capital for future spending requirements, participants should consider increasing fixed-income exposure to take advantage of current attractive nominal returns resulting from wide credit spreads.
- If new cash inflows are expected, incorporate them into the rebalancing process incrementally, rather than immediately reaching target allocation for equities.

## Managing Cash Balances

With heightened daily volatility in stocks and a credit fears still weighing

on bonds, it is best to have liquidity in place before cash is needed. If you expect cash outflows over the coming 12 to 24 months, consider raising cash now and maintain sufficient liquidity to meet those needs. The [RCT Flex Cash](#) and [RCT Short Bond](#) Funds can serve this purpose.

The Flex Cash Fund provides security of principal, a stable net asset value and daily liquidity. But with near-zero yields in the cash markets, the RCT Short Bond Fund may offer a more attractive place for cash balances when immediate liquidity is not an issue.

The Short Bond Fund, now yielding about 4.7%, reaches a bit farther out the yield curve to capture the higher incomes available at slightly longer

maturities. It also augments yield with an added degree of credit exposure, although its widely diversified holdings and AA+ average credit quality offer protection from default risk in a slowing economy. The Fund's net asset value is not fixed at \$1 and may fluctuate slightly, but the benefit is the chance to earn income on cash balances before the cash is needed. The Short Bond Fund may be a better place for cash you won't need for at least six months.

Your CBIS Investment Advisor can help you translate these broad based themes into specific strategies tailored to match your organization's risk tolerance and investment objectives. ■

## Frequently Asked Questions

CBIS has advised participants to consider the [RCT Short Bond Fund](#) as a vehicle for cash not needed right away (i.e. over the next six months). What about bank certificates of deposit (CDs) as another alternative?

The Federal Reserve and U.S. Treasury Department have taken extraordinary measures in recent months to prevent a wholesale breakdown in the global financial system, and these measures have certainly strengthened the financial position of the U.S. banking sector. Nevertheless, banks remain under a cloud — from the smallest community banks to the largest multi-national institutions — due to the prospect of ongoing economic weakness and the resulting uncertainty about medium-term prospects for profitable residential and commercial lending. It's true that CDs are FDIC insured and investors are therefore protected against the failure of the issuing bank. However, the prospect of

navigating an FDIC reimbursement of insured deposits, if required, is an unpleasant one to contemplate and such an event may well impair a participants' liquidity for a period of time.

The [RCT Short Bond Fund](#) offers a number of advantages over CDs, in our view. These include ongoing daily access to invested funds, portfolio diversification, high credit quality and a current yield (at approximately 4.3%) in excess of typical CD yields for one-year maturities (which range from 1.35% to 1.5%).

CBIS anticipates that very low short-term rates will persist through 2009 and 2010 due to accommodative Fed monetary policy and U.S. Treasury intervention to secure credit market recovery. Participants should take advantage of the higher yields offered by the RCT Short Bond Fund relative to CDs of comparable maturities while avoiding the potential liquidity risks associated with investment in a single issuing institution.

# SRI Impact on Performance: Spring 2009 Update

## *New analysis shows SRI has minimal long-term impact on return*

Some Catholic institutions interested in socially responsible investing (SRI) are concerned that SRI inevitably produces lower returns than does non-SRI investing. We understand the worry about anything that might threaten investment performance, but based on our quarter-century of experience as an institutional investment manager we also know that concern over long-term SRI impact is refuted by the historical data.

In order to help institutions better understand the sources and measurement of SRI impact, CBIS recently updated an analysis of the impact of our SRI program on the long-term performance of the [CUIT Core Equity](#) and [Value Equity](#) portfolios through March 31, 2009. These portfolios represent our two longest-standing manager relationships, each with more than 14 years of historical performance data.

### Defining SRI Impact

SRI impact is defined as the difference in gross-of-fee performance between the CBIS portfolio and our manager's equivalent non-SRI portfolio. Gross-of-fee data is used to eliminate the impact of differing fee structures on returns. Because our SRI program is an overlay on our managers' strategy, there are minor changes in portfolio holdings that result from stocks screened by

CBIS' Principled Purchasing list, creating potential differences in returns.

### A Focus on Active Ownership

The centerpiece of our SRI program is not screening but active ownership — advocating for responsible, sustainable business practices on the part of companies whose shares we own. For example, as of March 31, 2009 only 29

**“Our SRI program did not have a meaningful long-term impact on results for either portfolio over the 14-year period of study.”**

companies were restricted from the [CUIT Core Equity Fund](#), an S&P 500 index tracking portfolio. When building CBIS portfolios, our managers substitute unrestricted companies for screened companies and/or reweight the portfolio across unrestricted companies. The wide selection of available unrestricted securities helps our managers counter any potential negative impact resulting from strong performance by screened companies.

### Measuring SRI Impact

Securities law prevents us from broadly publishing gross-of-fee data and the updated report is available by request from your Investment Advisor. However, the analysis shows that our SRI program did not have a meaningful long-term impact on results for either portfolio over the 14-year period of study. This conclusion is mirrored by an analysis of the net-of-fee return for the [CUIT Core Equity Fund](#) since its January 1995 inception. The Fund's Class A shares returned an average of 5.73% annually during the period compared with the S&P 500's 5.85%. The Class A share expense ratio was 0.37% at March 31, 2009, suggesting the return differential was not related to screens.

### General Conclusions

The return produced by any SRI program depends on two factors: The success of the underlying investment program and the degree to which SRI policies constrain investment strategy. Manager skill is a central driver of SRI program return, just as it is for non-SRI programs. Catholic trustees and fiduciaries can achieve competitive investment returns from socially responsible investing by teaming with an experienced SRI partner and skilled investment managers. ■

### Security Brief: Ensuring Office Secur-IT-y

Keeping your office IT-secure means taking a few simple precautions, such as using anti-virus and firewall software, creating hackproof passwords and keeping your web-surfing guard up against phishing scams. But IT security also means taking precautions with your printed receipts, bank statements, payroll records and discarded credit card statements. All these can end up in a dumpster, and if they do, you might as well leave them out on the street.

Criminals can search through dumpsters for information such as bank account numbers, credit card numbers and passwords that might be their key to your wallet. Churches, charities and schools that employ staffs and keep regular business hours

are appealing targets — they offer numerous potential victims and a cloak of darkness during off hours for safe dumpster diving.

Participants should shred all private documents before throwing them away. Shredders are relatively inexpensive and shredding prevents identity thieves from leaving your dumpster with anything more than dirty hands.

Also, don't ignore risks from other physical aspects of your virtual world. Log off your computer and e-mail programs when away from the office to prevent anyone from sending e-mails under your name, and don't forget to shred any e-mails you might have printed.

# Reining in Portfolio Volatility

*Bonds offer value and stability despite rising Treasury yields and inflation fears*

STOCKS WEREN'T the only asset class battered in 2008. Bonds also took a brutal thumping by their own more stable return standards, with corporate credits producing a rare negative performance for the first time in decades. And the bad year seems worse given the positive return of the Barclays Capital Aggregate Index — the benchmark for long bond programs such as the **RCT Intermediate Diversified Bond Fund (IDBF)** — due to its relatively heavy exposure to Treasury and government-guaranteed mortgage securities, which benefitted from investor's flight to safety in the turbulent fourth quarter.

But 2008 is history. Investors need to assimilate the events of 2008 into a portfolio strategy that offers the best chance to achieve financial goals going forward. From that perspective, CBIS believes that bonds now offer compelling value for participants concerned with principal preservation and current income.

## Stocks versus Bonds

In our view, asset class return expectations for the next 12 to 24 months favor bonds over stocks. Bonds now offer approximately a 5% yield, the potential for augmented returns due to credit spread tightening and far more limited downside risk. Indeed, the S&P 500 has already risen more than 30% from its early March low even as companies announce weak earnings outlooks for

2009 and 2010 and pare dividends to conserve cash flow. Moreover, ongoing deleveraging by consumers and businesses will weigh on consumption, capital spending and employment. While the federal government's stimulus program will support certain market sectors (like green energy and infrastructure) the range of possible outcomes for equity returns through the remainder of 2009 and 2010 remains quite wide. In short, we believe that bonds appear to offer the expected return of equities (roughly 6%) along with far less downside risk.

## What About Inflation?

Inflation is the bane of bond investors, and the prospect of inflation resulting from the massive government spending happening worldwide is a valid concern. A surge in inflation would reduce expected returns for bonds, but the probability of rising inflation over a 12 to 24 month period appears limited, in our view. In fact, consumer prices fell 0.7 percent over the past year (the biggest decline since 1955) and the forces countering inflation — whether from a demand or cost perspective — appear quite strong. Global consumption remains constrained by rising unemployment, increased savings and debt deleveraging. From a corporate perspective, reduced demand constrains product pricing. And the stiff competi-

tion for jobs makes rising wages an unlikely inflation driver. Finally, there is little probability of any sustained rebound in home prices without employment gains, and the peak in sub-prime and alt-A mortgage resets still lies ahead, in 2010 and 2011.

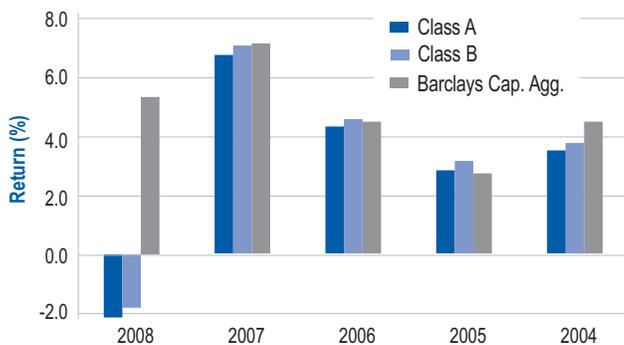
## Falling Spreads versus Rising Yields

Rising rates across the medium- to long-end of the Treasury yield curve are also a source of potential concern. And the sizeable federal financing needs over the next several years make higher government yields a distinct possibility. Yet spread compression as credit markets heal is offsetting rising risk-free rates. Since March 31, despite sharply higher government yields at the five-year point and longer, the IDBF has produced positive returns from most corporate sectors. And we believe there is room for considerable additional spread compression given the carnage of late 2008.

## IDBF: Positioned for Recovery

The RCT Intermediate Diversified Bond Fund combines three highly experienced, proven bond managers pursuing three distinctly different approaches to bond investing. The IDBF appears well-positioned to capitalize on depressed bond prices and capture the prospective equity-like returns offered by high-quality bonds as credit markets recover. ■

### I. IDBF Annual Returns



### II. U.S. Treasury Yield Curve





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*Announcements*

**Principles Now Exclusively Electronic**

You're reading the first all-electronic issue of *Principles*. As part of CBIS' commitment to environmental stewardship, we are now distributing *Principles* solely through the CBIS website. If you'd like to ensure you receive timely notification when a new issue is available, please sign up for E-Delivery at [www.cbisonline.com/edelivery](http://www.cbisonline.com/edelivery).

**CBIS Office Closings**

CBIS offices will be closed on Friday, July 3 in honor of Independence Day and on Monday, September 7 for Labor Day.

*Your CBIS Investment Advisor is ready to assist you.*

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