PRINCIPLES

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CBIS

Shock and Thaw: Portfolio Risks and the Markets

Investment policy observations on the one-year anniversary of the market meltdown

by Frank D. Haines, Chief Investment Officer

Frank D. Haines

The year that has passed since the September 2008 bankruptcy of Lehman Brothers initially shocked investors with the severity of market losses and the apparent failure of asset diversification to protect portfolios. The strength of the rebound off March 2009 lows has been almost as surprising. Yet despite this partial recovery, the year's tumultuous events have left investors with more than the usual uncertainty about the future.

One of the wonderful attributes of human nature is that the passage of time helps us move from shock and disbelief to a dispassionate analysis of what we can do to properly manage our affairs in the future. Following are some thoughts which may be helpful in assessing investment policy and direction on the one-year anniversary of the market meltdown.

Gaining Perspective on Portfolio Losses

Over the trailing twelve-month period through early March 2009, which marked the trough of the market decline, most bond portfolios (aside from Treasuries) had declined from 4% to 8%, stocks had fallen 40% to 50%, and most alternative assets — such as REITs, commodities and emerging markets — had declined even further. The most distressing aspect of the period was the failure of asset class diversification to soften these declines.

However, there were several aspects to this downturn that made it unique. The normal impact of a severe economic recession was compounded by a global financial crisis and an unprecedented deleveraging by many hedge funds and proprietary trading desks, which had come to dominate trading. Once the latter two events moderated and liquidity and confidence returned to the markets, there was a significant thaw in investor sentiment and a sharp rebound in asset prices.

> "Modeling cannot help investors assess all possible sources of uncertainty, and it is not a substitute for thoughtful forward-looking risk assessment."

By October 31, U.S. stocks were up approximately 17% on a year-to-date basis, non-U.S. stocks had climbed about 28% (benefiting from diversification into non-dollar currencies) and bonds had risen by over 6%.

Cumulatively, over the trailing two-year period ending October 31, 2009, U.S. stocks declined 16%, non-U.S. stocks fell by 17% and U.S. bonds rose by nearly 7% — numbers more typical of stock and bond market volatility and correlations. A balanced portfolio composed of 60% stocks and 40% bonds would have declined just under 7% over the trailing two-year-period through October 31, a painful decline but not a devastating one.

CBIS' asset allocation modeling can offer a perspective on whether your organization's asset allocation is appropriate given its current spending and long-term financial goals — both in terms of downside risk and inflation-adjusted preservation of capital. But because modeling relies on historical volatility and correlation patterns among asset classes, it provides only a starting point to assess future risks. While the conditions of the past year were historically unique, the long history of financial markets shows that unique events periodically occur and can disrupt even the best laid financial plans. Modeling cannot help investors assess all possible sources of uncertainty, and it is not a substitute for thoughtful forward-looking risk assessment.

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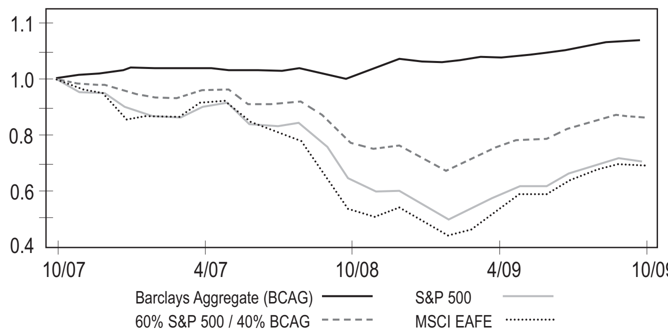
(October 2007— October 2009)



Market Rebound in 2009 (Indexed to 1.0)
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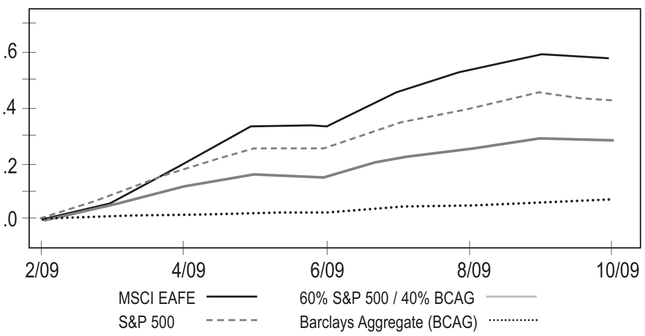

Shock and Thaw (cont)

Considering Your Alternatives

Some institutions turned in recent years to alternative investments — such as hedge funds and private equity — for portfolio diversification. Yet the 25% to 30% declines in endowment portfolios at major universities with heavy alternatives exposure (and minimal bond exposure) show that even such highly sophisticated investors were not immune from the past year's losses. Alternative assets offer potential for high returns if purchased at reasonable valuations, yet they are analytically complex, typically come with high fees and are often very illiquid. The poor performance of many such programs during the past year shows how difficult it can be to prudently evaluate the attendant risks. Alternative investments can deliver the hoped-for benefits, but investors are advised to tread carefully in this area.

Deflating Inflation Fears

Rising inflation presents a difficult environment for bond prices due to rising interest rates. And many investors are showing heightened interest in inflation hedging products given the deficit spending and loose monetary policy being employed to manage the global financial crisis. Severe inflation is a likely eventual outcome of these policies, however current economic indicators — such as declining housing prices, rising unemployment and weak capacity utilization — point to deflation as the greater near-term economic risk. The greater near-term market risk is that of additional bubbles developing as monetary ease translates into asset price inflation. For the time being, bonds offer nominal and real returns in the 4% to 6% range, with far less volatility than equities and a low correlation in case of another downturn. Positioning early for inflation that may be years in the future will have investment costs. Moreover, bonds provide a role in a diversified portfolio not readily replaced by alternative substitutes.

> "The shock and thaw of the past year has driven home one important lesson for investors: the benefit of not panicking. "

Are We Out of the Woods?

The economist John Kenneth Galbraith once quipped that "the only function of economic forecasting is to make astrology look respectable." Nevertheless, a survey of the forces impacting the economy helps us at least shape our investment expectations and anticipate future portfolio risks.

Much of the consumption-driven economic growth of the decade leading up to last year's crisis was financed by the buildup of unsustainable levels of debt. And government actions to rescue the financial sector and reassure voters have only deferred the unresolved problems of toxic assets, bank insolvency, derivative risk and arbitrary financial regulation. Given the current need for reduced public and private consumption, debt reduction and higher taxes, economic growth will likely struggle at a tepid pace in the years ahead. And market returns going forward will depend on this growth, not on the memory of past peaks in earnings or stock prices.

History shows that stocks often perform well when the Federal Reserve lowers short-term interest rates. Despite the depth of negative sentiment and uncertainty as 2009 began, the reduction in short-term interest rates from 2% to near 0% over the last half of 2008 set the stage for this year's rally. As investors look forward and evaluate equity allocation, they should recognize that the Fed Funds rate has nowhere to go but up. On the other hand, institutional cash levels are historically high, at over $3 trillion, which could support equities until the larger economic picture becomes clearer.

The future will no doubt produce new events that rattle the markets and produce sudden declines. The shock and thaw of the past year has driven home one important lesson for investors: the benefit of not panicking. Those who felt they "had to do something" in late 2008 and early 2009 — and moved to cash or Treasuries — paid a high price by missing out on the subsequent strong rally. Participants are best-served by adhering to well-considered investment policies and pausing, then thinking carefully, before reacting to market shocks.■

The Pope Tells it Like it Is

A Pragmatic Look at “Caritas in Veritate”

Following is a condensed version of a presentation by CBIS Global President Louis de Thomasis FSC, PhD at The Fratelli Delle Scuole Cristiane International Center, Rome, September 16, 2009


Brother Louis de Thomasis, FSC

“Caritas in Veritate,” officially published on July 7, 2009, is a truly unique and extraordinary document. It has the power to be an indispensable force, a creative dynamic and a potent catalyst to help us — the Church, the people, governments, businesses — bring together the often separate worlds of “faith” and “finance.” It offers a vision that can guide our struggle to make freedom, peace and prosperity a reality for our new globalized society, and one that can help us make our dedication to a “preferential option for the poor” much more than a nice sounding homily.

Extraordinary Directness and Force

“Caritas in Veritate” is unique in its exposition of the long history of the Church’s development of its social doctrine. And uncharacteristically for Church documents like this, Benedict XVI presents a point of view that not only includes theological exhortations but also ventures to dialogue with the world. He thrusts himself right into the middle of the world’s many difficult problems, including the global economic crisis, and breaks new ground — not only by choosing certain topics, but also by his treatment of and worldly insights into those topics. He speaks of technology, of micro financing, labor unions and intellectual property rights, the environment, free markets, agrarian reform, business ethics, world energy problems, migration of peoples and the costly bureaucratic administration of international organizations. He concludes with a plea for the development of a world governance authority with effective powers. This is somewhat unique and extraordinary: a Pontiff strays from the usual and expected area of spirituality and presents a direct and trenchant synthesis of timely economic, political and worldly topics. Since 1891, with the introduction of “Rerum Novarum,” Popes have always reflected on real-life situations, but rarely with such concreteness, directness and force.

Because of this unique and extraordinary approach, reflecting the world as it is today, there is a real possibility that “Caritas in Veritate” may help the disparate worlds of faith and finance come together. We — all of us — may be able to find new, creative, innovative and effective strategies that make real to the world our “preferential option for the poor.” As Benedict XVI warns in this Encyclical, “The risk of our time is that the de facto interdependence of people and nations is not matched by ethical interaction of consciences and minds that would give rise to truly human development.”(8) It is in the context of “charity in truth” that “only in truth does charity shine forth, only in truth can charity be authentically lived.”(3) The Pope points out that, “The different aspects of the crisis, its solutions, and any new development that the future may bring, are increasingly interconnected, they imply one another, they require new efforts of holistic understanding and a new humanistic synthesis.”(21) With this understanding, “The crisis thus becomes an opportunity for discernment, in which to shape a new vision for the future.”(21)

This “new humanistic synthesis” and this “new vision of the future” — faith and finance — becomes the light that will show us the path to find a way for “Charity in truth” in a world that is in desperate need of both.

> Benedict XVI thrusts himself right into the middle of the world’s many difficult problems, including the global economic crisis, and breaks new ground . . .

Beyond Ideologies

We can see the negative and destructive forces precipitated by ideologies of all kinds when we observe the struggles for power and influence in societies, nations, politics and even religions. Competing ideologies often produce a reductionism in thinking that casts people and institutions into liberal or conservative camps — the “left” or the “right.” From those polarities, values and principles are twisted and molded to conform to an ideology rather than implemented in a way that best solves the problems at hand. Sides are taken, unnecessary animosity develops among people, and the problems go unsolved. All too often, we see energies to do good and the desire for cooperation and creativity dissipate and turn people against people, institution against institution, and religion against religion.

“Caritas in Veritate” goes a long way to correct that situation through ideas that initiate a “new humanistic synthesis” in order “to shape a new vision for the future.” Benedict XVI eloquently, decisively and courageously presents the topic of “wealth distribution” versus “wealth creation” — a topic charged with ideological dynamite in the world of global economics. Without a doubt, we will see the ideologues — whether in politics, governments or in the Church itself — try to twist what the Pope has said on this subject in order to fit their respective ideology. No doubt we will hear many across the globe, shouting from the hilltops, "The Pope is on my side!"

I reject this type of forced reading of "Caritas in Veritate" on the subject of wealth distribution versus wealth creation. The inevitable tension between these two facets of capitalism is a very pragmatic economic concern. And I believe that — with an unbiased, non-ideological, fair and open reading of Benedict XVI's views — a reasonable person will see that a reconciliation of these ideologies must be achieved if we are to create a "new vision for the future." For example, Pope Benedict XVI brings up the controversial topic of profit — a very divisive ideological topic. Rather than the ideological swipes often heard on this subject, he says that, "Profit is useful..." However, with keen insight, he further clarifies that profit is only useful in the scheme of human development within society "...if it serves as a means towards an end that provides a sense both of how to produce it and how to make good use of it."(21) In essence, there are no anathemas against capitalism.

Benedict XVI makes many other observations in his balanced approach to this important and controversial topic. Probably the most far-reaching and decisive are seen when he talks about the "free market place" as the center and most vital "heart" of the ideological battle taking place. Benedict XVI tells us with great wisdom and insight that:

"In a climate of mutual trust, the market is the economic institution that permits encounter between persons, in as much as they are economic subjects who make use of contracts to regulate their relations as they exchange goods and services of equivalent value between them, in order to satisfy their needs and desires. The market is subject to the principle of so-called commutative justice, which regulates the relations of giving and receiving between parties to a transaction. But the social doctrine of the Church has unceasingly highlighted the importance of distributive justice and social justice for the market economy, not only because it belongs within a broader social and political context but also because of the wider network of relations within which it operates. In fact, if the market is governed solely by the principle of equivalence in value of exchanged goods, it cannot produce the social cohesion that it requires in order to function well. Without internal forms of solidarity and mutual trust, the market cannot completely fulfill its proper economic function."(35)

> This is somewhat unique and extraordinary: a Pontiff strays from the usual and expected area of spirituality and presents a direct and trenchant synthesis of timely economic, political and worldly topics.

Such analysis clearly shows that Benedict XVI has objectively assessed the global economic situation. He has not diminished the Church's rich and magnificent social doctrine and its traditional underpinnings dating back to Pope Leo XIII's "Rerum Novarum" of 1891. He is able to address controversial wealth distribution versus wealth creation arguments with fairness and balance. If we imitate the Pope in this regard, and bring his message to the global economic scene, then maybe we can help create a solution for today's global economic mess. But if we continue with the left versus right and liberal versus conservative fights, we will stay trapped in a broken, ineffective and deteriorating dialogue.

Telling It Like It Is

Benedict XVI's timing of the release of "Caritas in Veritate" is another important aspect that we must consider. The Pope delayed the release of this Encyclical because the current global economic crisis, with all its governmental and political machinations, required additional analysis. Here, the Pope is writing an Encyclical on the economy while dramatic surprises are unfolding:

- A severe global stock market downturn;
- A global financial institutional scare;
- A global financial meltdown of asset values;
- Banks, businesses and countries becoming financially distressed;
- A worldwide recession;
- Dangerously climbing unemployment around the world;
- And Bernard Madoff, a former chairman of the NASDAQ stock exchange, found to be the perpetrator of history's biggest Ponzi scheme.

We may ask ourselves, "What happened to the invisible hand that the father of capitalism, Adam Smith, talked about? What happened to the enlightened self-interest that he said would be present in the free market place, which in reality succumbed to the excesses of greed, fraud and destructive behavior?"

Governments around the world are taking the blame away from themselves by pointing condemnatory fingers in all directions: at the market machinations of hedge fund managers; at the toxic debt held by banks due to excessive lending to high risk entities; at the misaligned incentives and obscene pay for poor-performing executives; at the frauds perpetrated by greedy, corrupt financiers; and on and on. Many businesses and citizens the world over are pointing their fingers at governments. They say governments precipitated this "irrational exuberance" by permitting the creation of ill-conceived and incomprehensible financial products. And they accuse governments of complicity in this catastrophe through their failure as regulators.

Now Benedict XVI dares to enter this foray and counsels the entire world on how to create a more just society. Without trepidation, he announces plainly and clearly, "Corruption and illegality are unfortunately evident in the conduct of the economic and political class in rich countries, both old and new, as well as in poor ones."(22) How wonderful that, in one sentence, he tells us all to stop the nonsense of trying to blame the rich or the poor, the developed or undeveloped countries, capitalism or socialism. It is people — corrupt people and people acting illegally. That's the problem. And this supposedly "too intellectual/academic" Pope tells it plainly, without ambiguity or obfuscation.

Benedict XVI announces plainly and clearly, "In and of itself, the market is not, and must not become, the place where the strong subdue the weak. Society does not have to protect itself from the market, as if the development of the latter were ipso facto to entail the death of authentically human relations. Admittedly, the market can be a negative force, not because it is so by nature, but because a certain ideology can make it so." It is people who do this — corrupt people who twist reality with false ideologies to the detriment of the weak, the marginalized and the poor. Again, the Pope tells it like it is.

Benedict XVI goes on to say, "The economic sphere is neither ethically neutral nor inherently inhuman and opposed to society. It is part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner."(36) The Pope makes it clear that the world of economics and finance is not some necessary evil that we are reluctantly forced to deal with. On the contrary, he clearly states that all our economic activity is a significant and constitutive part of being human. Again, the Pope tells it like it is.

Bringing Vision to Life

I could go on at length and show many more examples of Benedict XVI's pragmatic counsel about the complex world of economic activity. Of course, there are those who will give more emphasis to the theological, philosophical and spiritual elaborations of this Encyclical. All these dimensions are, indeed, found within it. But my focus here is to stress that in "Caritas in Veritate" Benedict XVI's mind is not in the clouds of other worldly truths. Instead, he is talking, telling, sharing and counseling all of us about real human development concerns in today's globalized society.

> He tells us all to stop the nonsense of trying to blame the rich or the poor, the developed or undeveloped countries, capitalism or socialism. It is people — corrupt people and people acting illegally. That's the problem.

My greatest fear — especially for us in the Catholic community — is that, instead of putting into action what the Pope is saying, we will continue to discuss and argue about what he said. I fear that those who confuse the teachings of the Magisterium and the rich deposit of faith that is found in the social doctrine of the Church will lead us astray by carving "Caritas in Veritate" into a monument of their ideology. Pope Benedict XVI has done his job. Now it is up to us to do our job to fix our "earthly city."(6) It is we who must use our creativity to develop a "new humanistic synthesis"(21) and "shape a new vision for the future."(21)

As Catholics who invest funds so that we may support our missions, programs and members, we should be very attentive to how we invest our funds. We should seek opportunities to interact with society for its betterment by investing our funds utilizing Catholic values and socially responsible principles, while earning income for our needs.

CBIS Global

We at CBIS Global, as part of Christian Brothers Investment Services, Inc., have for the past twenty-eight years been proud to be partners with over one thousand religious congregations and Church-affiliated organizations worldwide, leading the integration of Catholic values with institutional investing. CBIS has developed a diversified range of institutional funds that incorporate Principled Purchasing of securities and dialogues with corporations to advance the values of our faith in the marketplace. Catholic, socially responsible investment practices enable us to support and implement Pope Benedict XVI's goals as articulated in "Caritas in Veritate." And we are enthusiastically engaged in this collaborative work with our clients to help to bring Benedict XVI's vision to life. ■

About CBIS Global

CBIS Global, the European division of CBIS, works in partnership with Catholic institutions and other like-minded individual and institutional investors to help them achieve their financial goals through the ethical management of their investments. CBIS Global's initial offering of four euro-denominated funds includes:

- European Short-Term Govt. Bond Fund
- Global Bond Fund
- European Equity Fund
- Global Equity Fund

The Funds are registered and incorporated in Ireland under the auspices of UCITS 2003. They are legally available throughout the European Union and the world according to individual country requirements. The Funds are not available for sale in all jurisdictions. Where available for sale, an offer will only be made through the prospectus for the Funds, and the Funds may only be sold in compliance with all applicable country and local laws and regulations. For more information, please visit the CBIS Global website.

www.cbisglobal.com.

2009 Active Ownership Highlights

Executive pay, access to medicine, child labor, environmental justice headline 2009 engagements

Following are highlights from several key CBIS 2009 active ownership initiatives. For the latest on all 34 engagements, please see the Shareholder Advocacy Directory at the CBIS website (www.cbisonline.com).

Cisco: One of the most prominent active ownership successes in 2009 was the 51.4% majority vote at gloabl tech giant Cisco Systems' annual meeting for our resolution asking the company to subject executive pay decisions to an advisory vote by shareholders. The majority vote sends a clear signal to Cisco's board that shareholders strongly favor executive compensation reform.

A number of leading technology companies have already adopted such non-binding advisory votes. We call on Cisco to be just as responsive and we ask the board to issue a statement on how it plans to acknowledge the shareholder concern demonstrated by the high vote.

Investors filed approximately 100 Say on Pay proposals in 2009. Votes averaged more than 46% in favor, and more than 25 companies had votes over 50%. More than 30 companies have adopted advisory vote policies, including Apple, Microsoft, Hewlett-Packard and Intel. In addition, nearly 300 TARP participants established an advisory vote in 2009. In July 2009, the U.S. House of Representatives passed the "Corporate and Financial Institution Compensation Fairness Act of 2009" that would require such votes at all public companies. The bill is expected to come before the Senate in 2010.

CBIS calls on Cisco to enact an advisory vote process without waiting for federal legislative action.

Chevron: In 2009, we withdrew a resolution that asked Chevron to adopt targets for reducing greenhouse gas emissions since the company agreed to establish an emissions reduction goal, discuss plans to track the carbon content of its products and integrate the cost of carbon into new investments.

Dillard's: Last year, we withdrew a CBIS-led resolution asking for a sustainability report since Dillard's agreed to require better protections for workers at factories that produce its clothing and to issue a report that describes ways it assesses labor rights at vendor facilities. In 2009, the company asked shareholders for comments on its first draft.

Newmont Mining: Earlier this year, Newmont released a ground-breaking report that outlines policies for better community relations at its most contentious mining sites worldwide. The report was part of an initiative started in 2007 after CBIS raised concerns about community resistance to company operations in Peru, Indonesia and Ghana over mining waste disposal, water use, cyanide use and development on sacred lands. A CBIS-sponsored resolution that asked Newmont to improve its community relations policies won 94% of the vote at the company's 2007 annual meeting. CBIS was then appointed to an independent advisory panel, along with groups like Oxfam and noted human rights leaders, to help the company prepare its report. We are now awaiting Newmont's action plan for policy implementation.

> "The majority vote sends a clear signal to Cisco's board that shareholders strongly favor executive compensation reform."

We believe it is critical that the company report to stakeholders by the 2010 annual meeting which policies it plans to implement to improve community relations in both the long and short-term, the draft timetable for implementation, and the benchmarks and indicators that will be used to assess progress and measure success.

Macy's: Based on discussion held in 2009 and led by CBIS, Macy's has agreed to inform its suppliers to discontinue purchasing cotton from the country of Uzbekistan due to child labor concerns. ICCR members along with CBIS are asking the world's largest apparel brands and retailers to stop buying cotton harvested in Uzbekistan, the world's third-largest cotton exporter. Each fall, state officials demand that children, aged 11 to 17, leave school to work under poor sanitary, health and nutritional conditions to harvest cotton for two months to fill government-mandated quotas. As one of the nation's largest retailers, Macy's operates more than 800 department stores in 45 states.

We are pleased that the company has also encouraged its retail and apparel trade association to write to the government of Uzbekistan and the U.S. State Department, encouraging decisive and immediate action to end the use of forced child labor in the cotton fields of Uzbekistan. The Q3 2009 *Principles* profiled the CBIS active ownership initiative on this issue in the lead article "A Harvest of Shame."

Time Warner: Time Warner established in 2009 a substantive and innovative policy that outlines how its board of directors will evaluate the company's leadership structure each year and the factors it will analyze to judge whether the structure is appropriate. The board has also committed to annually release a report with its conclusion and rationale. The move comes after five years of CBIS engagement with the company over its excessive compensation of top management. We appreciate the steps taken by the board to address shareholder concerns and believe that an improved process is now in place.■

CBIS Congratulates Partners for the Common Good (PCG)

PCG wins $1 million grant from U.S. Treasury Department's Community Development Fund

CBIS congratulates community development lender Partners for the Common Good (PCG) for winning a $1 million grant from the U.S. Treasury Department's Community Development Financial Institutions (CDFI) Fund. PCG was selected on October 2, 2009 as one of 62 community development organizations to receive a 2009 CDFI award from a list of over 450 applicants.

"This is both a testimony to and an affirmation of the leadership provided by PCG's CEO Jeannine Jacokes, with the support of its members and directors," said Michael O'Hern, FSC, Chief Executive Officer of CBIS. "All of us at CBIS congratulate PCG for this success."

PCG launched and operates the financial industry's first wholesale loan participation network that channels institutional capital to community organizations serving worthy borrowers left out of the economic mainstream.

CBIS is a founding member of PCG and sponsored its first funds in 1989. PCG lends money to nonprofits organizations and for-profit, mission-driven organizations that promote affordable housing, neighborhood revitalization, entrepreneurship and healthy communities in the U.S. and abroad. From 2004 through 2008, PCG directly provided $14.5 million in loans and a combined $46.9 million with lending partners. The results of its lending include:

- Creation of 5,345 units of affordable housing;
- Financing of 63,816 community service slots for critical activities, including education, child care, health care, and human services;
- Supporting development of 364,520 square feet of community facility and commercial real estate;
- Creation or preservation of 1,741 jobs;
- Empowered access to microfinance by thousands of entrepreneurs in developing countries.

Through the CDFI Program, the U.S. Treasury Department supports for-profit and non-profit community-based lending organizations known as Community Development Financial Institutions (CDFIs) that serve rural and urban low-income people and communities across the nation. The program is funded through an annual appropriation from the United States Congress. The CDFI Fund receives applications on an annual basis and awards funds through a competitive process. Since inception, the CDFI Fund has awarded over $821 million in grants. ■

Frequently Asked Questions

CBIS sometimes achieves a notable active ownership breakthrough — such as the recent majority vote by Cisco shareholders for our "say on pay" resolution — after a shareholder resolution has been filed. What is a shareholder resolution and how does CBIS determine when to file one?

A shareholder resolution is a proposal placed on a company's proxy ballot by a group of shareholders and voted on by all shareholders at a company's annual meeting. Managements are often willing to engage in dialogue about an issue of concern simply because we and our SRI partners are significant shareholders with constructive ideas that can improve corporate performance. But when management is unreceptive to our overtures, or when a dialogue stalls, filing a shareholder resolution can rally support for our ideas from the company's other shareholders. High vote totals often spur management to take the issue more seriously. The move to file a resolution and the specific language of that resolution are determined using a team approach by the shareholder group. CBIS is the team leader and primary strategist for some initiatives. For others, we participate as a team member and lend our expertise and support to the group. In all cases, we pool our shares with those of other team members to exert maximum negotiating leverage.

Security Brief: " 'Tis the Season to Be Cautious"

It's the holiday season, and along with the Christmas cheer comes a more active level of online shopping and banking, as well as a heightened volume of "special offers" received by email. Here are a few tips that will keep the holiday season joyous by protecting you against online fraud.

■ Never respond to emails that request personal financial information. Reputable companies don't ask for passwords or account details in an email.

■ Visit bank websites by typing the URL into the address bar. Criminals use links in emails to direct victims to a fake site, usually with a similar name, such as "chasebank.com" instead of "chase.com," where they steal usernames and passwords.

■ Monitor activity in your online accounts and regularly check your statements. Report any suspicious transactions to your bank or credit card provider.

■ Beware of sensational emails with claims such as: "Urgent your account details may have been stolen." These are likely attempts to trick you into disclosing confidential information. In general, be wary of using links embedded in promotional emails. Go directly to the company's site instead.

CBIS

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Announcements

Save the Date: Rome Gathering, February 24, 2010

CBIS will return to Rome, Italy on Wednesday, February 24, 2010, for our annual Rome Gathering. For our European participants, watch your mail and e-mail for more information soon.

CBIS Office Closings

CBIS offices will be closed on Friday, December 25 for Christmas and Friday, January 1 for New Year's Day.

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