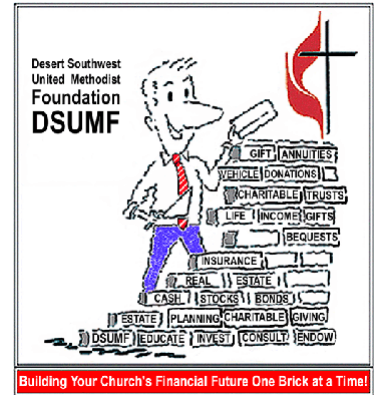


MEMO

TO: Agency Depositors
FROM: Rick Brown, Ed.D., CFRE; Executive Director, Desert Southwest United Methodist Foundation
RE: Monthly Statement for December '04
DATE: January 10, 2005



The Rate of Return (Net of Fees) for December was: **+1.957%**
 The Rate of Return (Net of Fees) for the Y-T-D is: **+7.605%**

A comparison of the Foundation's Portfolio performance vs. the major indexes is shown below. The indexes do not contain bonds or expenses; The DSUMF portfolio contains up to 35% in bonds.

<u>Index</u>	<u>December ROR (Gross of Fees)</u>	<u>Y-T-D ROR (Gross of Fees)</u>
S & P 500	+3.144%	+8.251%
DOW Jones Industrial	+3.052%	+3.052%
NASDAQ	+3.614%	+7.910%
DSUMF	+2.114%	+9.455%

As you can see from the numbers above, we are very proud of our investment service results for 2004. Our gross-of-fees rate of return was greater than all of the major indexes. Our net-of-fees rate of return was a respectable 7.595%! This is more proof that our Investment Strategy and our Asset Allocation Model are right on target and continue to produce decent returns.

The economic outlook for 2005 is good, despite the poor returns on the market during the first week of this month! Positive economic news predominated the final week of 2004. Consumer confidence rebounded to its highest level in five months, existing-home sales reached a record high, and initial jobless claims declined. For the week, the S&P 500 Index rose 0.1% to 1,212. The yield of the 10-year U.S. Treasury note was unchanged at 4.22%.

New jobs added for the month of December was 150,000+, bringing the year's total to more than 2.2 million, which is the highest number since 1999.

As we close the books on 2004, we move right into our year-end audit, which is scheduled to begin on January 25, 2005.

THEREFORE, PLEASE NOTE THAT THIS IS A PRELIMINARY, END-OF-YEAR, MONTHLY STATEMENT. AS USUAL, YOUR AFTER-AUDIT DECEMBER, AS WELL AS YOUR JANUARY AND FEBRUARY STATEMENTS WILL BE SENT WHEN THE AUDIT IS COMPLETE.

ATTACHED TO THIS STATEMENT IS A REQUEST FROM OUR AUDITORS (Romek & Sanders) TO VERIFY THE BALANCES SHOWN ON YOUR STATEMENTS. NOW IS THE TIME FOR YOU TO RAISE ANY CONCERNS IF YOU HAVE THEM. PLEASE RESPOND TO OUR AUDITOR'S REQUEST FOR VERIFICATION. THE SOONER YOU RESPOND, THE SOONER WE CAN PRODUCE FINAL AUDITED STATEMENTS.

THANK YOU FOR YOUR CONTINUED TRUST IN OUR INVESTMENT SERVICE!