

**Desert Southwest  
United Methodist  
Foundation  
DSUMF**

1550 E. Meadowbrook Ave.  
Phoenix, AZ 85014-4040

Phone: 602.266.6956  
Phone: 800.229.8622  
Fax: 602.265.1524

**E-mail:**  
[dsumf@earthlink.net](mailto:dsumf@earthlink.net)

**Web Site:**  
[desertsw.org/foundation.html](http://desertsw.org/foundation.html)

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Executive Director

Lucille Sterling  
Controller

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**TO:** Agency Depositors  
**FROM:** Rick Brown, Ed.D., CFRE; Executive Director, DSUMF  
**RE:** Monthly Statements: March '04  
**DATE:** April 7, 2004

The Rate of Return (Net of Fees) for March was: - 0.52%  
The Rate of Return (Net of Fees) for the Y-T-D is: + 1.53%

A comparison of the Foundation's Portfolio performance vs. the major indexes is shown in the chart below.

<u>Index</u>	<u>Rate of Return for March (Gross of Fees)</u>	<u>Rate of Return for Y-T-D (Gross of Fees)</u>
S & P 500	-1.66%	+1.27%
DOW Jones Industrial	-2.18%	-0.93%
NASDAQ	-1.79%	-0.46%
DSUMF	-0.36%	+2.00%

Our Investment Service "Road Shows" were very well received. In all, more than 50 people representing 18 different churches attended the events. Lord Abbett Asset Management, Wachovia Securities, The United Methodist Federal Credit Union and Coulter Cadillac were co-sponsors of the events. We thank them for their support. We also thank all who attended for the time they spent with us. We intend on these "Road Shows" becoming annual events.

Economic reports released during the last week of March were very optimistic, especially the Labor Department's employment report released on Friday, April 2, 2004. The number of jobs created in March was well above expectations, manufacturing showed continuing strength, inflation at the wholesale level was tame, and consumer sentiment was stable. In the financial markets, stocks rose for the week, while bond prices fell sharply. The S&P 500 Index rose 3.0% to 1142. The yield of the 10-year U.S. Treasury note rose 31 basis points to 4.14%.

Nonfarm payrolls increased by 308,000 in March, roughly three times analysts' expectations and almost seven times February's 46,000 adjusted gain. This brings the total new jobs created by the growing economy to over 500,000 for the first quarter of 2004. The exceedingly upbeat payroll increase—the highest since April 2000—was long awaited by economists. Some of the largest gains were in construction, health care, and retail trade, whose tally included grocery employees returning to work after a protracted strike.

However, the unemployment rate rose slightly to 5.7%. Manufacturing activity continued to grow at a robust pace for the tenth month in a row. Factory orders rose 0.3% in February, partly reversing the previous month's decline. In summary: so far, so good; steady as she goes!

*Please Make a Bequest to Your Church Through Your Estate Plan!*

Desert Southwest  
United Methodist  
FOUNDATION  
DSUMF

Building Your Church's Future One Brick at a Time!