

MEMO

TO: Agency Depositors
FROM: Rick Brown, Ed.D., CFRE; Executive Director, DSUMF
RE: Monthly Statement for October '04
DATE: November 6, 2004

The Rate of Return (Net of Fees) for October was: +1.183%
The Rate of Return (Net of Fees) for the Y-T-D is: +2.737%

A comparison of the Foundation's Portfolio performance vs. the major indexes is shown in the chart below. The indexes do not contain bonds; our portfolio does.

<u>Index</u>	<u>Rate of Return for October (Gross of Fees)</u>	<u>Rate of Return for Y-T-D (Gross of Fees)</u>
S & P 500	+1.382%	+1.617%
DOW Jones Industrial	-0.527%	-4.253%
NASDAQ	+3.957%	-1.437%
DSUMF	+1.339%	+4.298%

In a busy week prior to the presidential election, a host of economic reports indicated that the U.S. economy continues to gain traction. For the week, the S&P 500 Index rose 3.1% to 1,130, while the yield of the 10-year U.S. Treasury note rose 6 basis points to 4.03%.

The Commerce Department reported that real GDP grew at a 3.7% annual rate in the third quarter, slightly higher than the second quarter's rate of 3.3%. Growth in consumer spending and business investment drove much of the increase. Business investment rose 11.7% based on purchases of capital equipment. The GDP price deflator, one of the broadest inflation measures available, rose at an annualized rate of just 1.1% for the period, following the second quarter's 3.1% increase.

Recently declining mortgage rates stimulated growth in sales of both existing homes and new homes.

As of this writing, the presidential election has been decided and the markets have reacted as expected. Regardless if the incumbent is a Republican or a Democrat, the markets have always gone up immediately after a presidential election when the incumbent wins.

On Tuesday and Wednesday after Election Day alone, the markets went up by 3% compared to being down or flat for the whole year! For all who are counting on a reasonable gain on their investments this year, let's hope this trend continues!

THANK YOU FOR YOUR CONTINUED TRUST IN OUR INVESTMENT SERVICE!

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

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