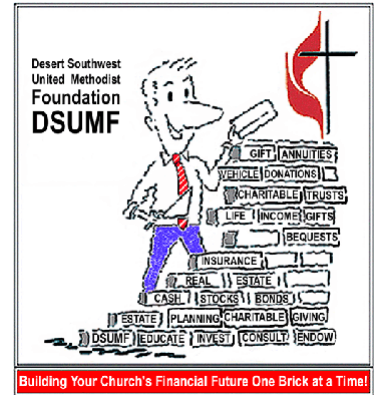


MEMO

**TO: Agency Depositors**  
**FROM: Rick Brown, Ed.D., CFRE; Executive Director,**  
**Desert Southwest United Methodist Foundation**  
**RE: Monthly Statement for November '04**  
**DATE: December 8, 2004**



**The Rate of Return (Net of Fees) for November was: +2.690%**

**The Rate of Return (Net of Fees) for the Y-T-D is: +5.502%**

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>November ROR (Gross of Fees)</u>	<u>Y-T-D ROR (Gross of Fees)</u>
<b>S &amp; P 500</b>	<b>+3.716%</b>	<b>+5.273%</b>
<b>DOW Jones Industrial</b>	<b>+3.841%</b>	<b>-0.248%</b>
<b>NASDAQ</b>	<b>+5.810%</b>	<b>+4.456%</b>
<b>DSUMF</b>	<b>+2.849%</b>	<b>+7.225%</b>

Economic news was moderately upbeat this week. November manufacturing and services sector activity posted stronger-than-expected growth, and third-quarter gross domestic product (GDP) was revised upward from 3.7% to 3.9% due to increases in consumer spending, business investment, and exports. For the week, the S&P 500 Index rose 0.7% to 1,191, while the yield of the 10-year U.S. Treasury note rose 2 basis points to 4.26%.

Nonfarm payrolls grew by 112,000 in November after rising 303,000 in October. November gains were about half of what economists had been expecting. Employment rose marginally in numerous service industries, including health care, social assistance, and leisure and hospitality. The unemployment rate dropped to 5.4% in November, down from 5.5% in October.

According to the Federal Reserve Board's "Beige Book," a summary of regional economic conditions, 11 of the 12 Federal Reserve districts reported expanded economic activity from mid-October through mid-November. This is considered broad-based economic growth which is highlighted by improving labor market conditions, an increase in business lending, manufacturing, and service sector activity.

Factory orders rose 0.5% in October, following a slight gain in September. The increase was nearly double what analysts had expected. New orders for nondurable manufactured goods rose 2.4%, personal income rose 0.6% in October; it was the largest increase in personal income since May.

All in all, the 2004 economic year is turning out to be pretty good for all. The DSUMF, YTD, Gross of Fees, Rate of Return is better than all 3 major indexes and we are proud of that accomplishment.

***THE INVESTMENT COMMITTEE, BOARD OF DIRECTORS, AND STAFF OF THE DSUMF  
WISH YOU A VERY MERRY CHRISTMAS AND A HAPPY, PROSPEROUS NEW YEAR!***

THANK YOU FOR YOUR CONTINUED TRUST IN OUR INVESTMENT SERVICE!