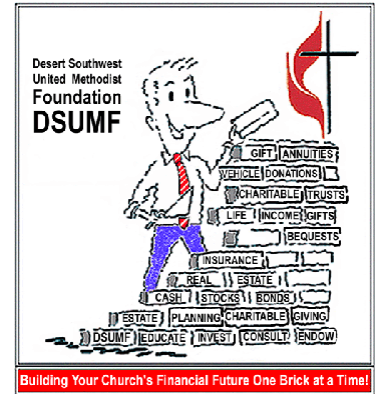


TO: Agency Depositors
 FROM: Rick Brown, Ed.D., CFRE; Executive Director,
 Desert Southwest United Methodist Foundation
 RE: Monthly Statements for December '05
 DATE: January 9, 2006



The Rate of Return (Net of Fees) for December was: -0.103%
 The Rate of Return (Net of Fees) for the Y-T-D is: +3.085%

A comparison of the Foundation's Portfolio performance vs. the major indices is shown below. The Indices below 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	-0.095%	+2.914%
DOW Jones Industrial	-0.825%	-0.611%
NASDAQ	-1.247%	+1.355%
DSUMF	+0.051%	+4.943%

In last month's Cover Memo, I predicted an end-of-year upswing in the markets. So much for my year-end prediction of a "nice Christmas Bonus" in our portfolio! I should have known better! O.K! Here's a 2006 New Year's resolution: No More Market Predictions! I promise!

The final week of 2005 was a light one for economic news, with much of the nation taking time off to celebrate the holidays. For the week, the S&P 500 Index fell 1.7%, to 1,248, finishing the year up 2.9%. The yield of the 10-year U.S. Treasury note was up 1 basis point for the week, finishing at 4.39%, up 17 basis points for the year.

The consumer confidence index rose to 103.6, which is the highest level since August. "The resiliency of the economy, recent declines in prices at the pump, and job growth have consumers feeling more confident at year-end than they felt at the start of 2005," Conference Board economist Lynn Franco said in a statement. "Consumers are confident that the economy will continue to expand in 2006." Let's hope so!

As usual at this time of year, we remind you that we will begin our 2005 audit before month's end. **Your December Statement is a preliminary, unaudited one. It is not enclosed; it will be mailed to you by our auditors.** Once our audit is complete, you will receive a "Final," audited, December statement, along with the January and February monthly statements. These should be available in early March 2006. So, **you will not be receiving January or February statements until the audit is complete**, adjustments, if any are made, and the audit has been accepted by The Foundation's Board of Directors in their end-of-February meeting.

Finally, in an effort to cut expenses and to drive traffic to our wonderful web site, **all future Monthly Statement Cover Memos will be posted on our web site** under the Rates of Return section at the following address: www.dsumf.org/investments.htm. Once you are at the site, click on the month and year for the corresponding Monthly Statement Cover Memo. As a matter of fact, if you visit there now, you'll see all the Monthly Memos posted since January 2003!