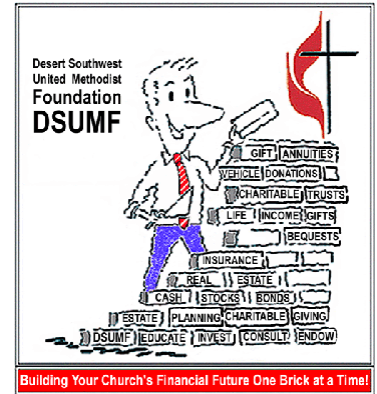


TO: Agency Depositors
FROM: Rick Brown, Ed.D., CFRE; Executive Director,
 Desert Southwest United Methodist Foundation
RE: Monthly Statements for May '05
DATE: June 8, 2005

The Rate of Return (Net of Fees) for May was: +2.323%
The Rate of Return (Net of Fees) for the Y-T-D is: - 0.514%



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>May ROR % (Gross of Fees)</u>	<u>Y-T-D ROR % (Gross of Fees)</u>
S & P 500	+2.995	-1.685
DOW Jones Industrial	+2.698	-2.926
NASDAQ	+7.627	-4.929
DSUMF	+2.459	+0.248

Weak growth on the employment front headlined a busy week of economic reports. Employers added surprisingly few workers to their payrolls in May, though the overall unemployment rate fell slightly to 5.1%. Business productivity for the first quarter was revised upward, and labor costs also came in higher than initially reported. Factory orders rose and the manufacturing and services sectors continued to expand. Consumers expressed more confidence about economic conditions for the first time in three months. For the week, the S&P 500 Index fell 0.3% to 1,196, however the S&P 500 increase by almost 3% in the month of May. The yield of the 10-year U.S. Treasury note fell 10 basis points to 3.98%.

The DSUMF continues to "raise the bar" in terms of our asset manager evaluation process. Currently when evaluating asset managers and the overall portfolio performance, we look at 1) rate of return (ROR), 2) Weighted Percentile Rankings from Peer Group Analysis, 3) Alpha Ratios, 4) Beta Ratios, 5) R-Squared, and 6) Sharpe Ratios. We're confident that our statistical analysis of our current mix of asset managers and Asset Allocation Model provides you the best option for your church's long term investment funds.

We appreciate your continued trust in our stewardship of your funds.

Please remember to visit our web site at www.dsumf.org to read our monthly newsletter called DOLLAR SEN\$E.