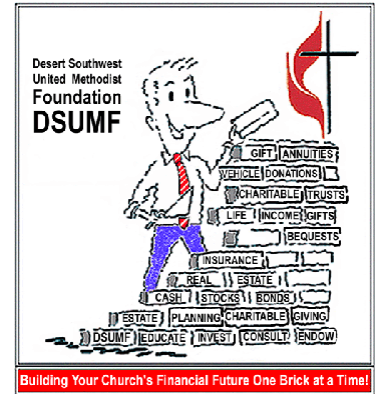


TO: Agency Depositors
FROM: Rick Brown, Ed.D., CFRE; Executive Director,
 Desert Southwest United Methodist Foundation
RE: Monthly Statements for August '05
DATE: September 7, 2005



The Rate of Return (Net of Fees) for August was: -0.212%
The Rate of Return (Net of Fees) for the Y-T-D is: +1.705%

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>August ROR % (Gross of Fees)</u>	<u>Y-T-D ROR % (Gross of Fees)</u>
S & P 500	-1.187	+0.689
DOW Jones Industrial	-1.520	-2.876
NASDAQ	-1.521	-1.085
DSUMF	-0.057	+2.879

The week's economic news, which excluded the impact of Hurricane Katrina, conveyed a picture of an economy that is growing, but at a less robust pace. The estimate of second-quarter growth in real gross domestic product was revised to an annual rate of 3.3%. The non-farm jobs report indicated 169,000 new jobs for the month of August, and the lowest unemployment rate of 4.9% since the terrorist attacks on September 11, 2001. For the week, the S&P 500 Index rose 1.1% to 1,218 and the yield of the 10-year U.S. Treasury note fell 16 basis points to 4.03%.

Thank you for continuing to place your trust in our investment activities. Should you ever have any questions or concerns, please contact us at your convenience.

I also extend a standing offer to meet with you and your committee(s) to discuss our investment strategy, process, and results. Just call 602.266.6956 Ext. 203 or E-mail me at rick@dsumf.org.

Remember to go to our web site at www.dsumf.org to read the latest issue of DOLLAR SENSE, where on a monthly basis, there is a different article on each of the following four topics: Endowment Funding, Estate Planning, Charitable Giving, and Investing.

On a different topic, I'm sure all of you are aware that hurricane Katrina has devastated more than 90,000 square miles of our great Gulf Coast. Hundreds of thousands, perhaps more than a million of our brothers and sisters in Christ have been displaced. Many of them may never be able to return to their homes again. There is tremendous need. Please give. Give of your time, your talent, or your money, but please give. To give from your heart out of true compassion for your brothers and sisters in need is to also experience the true Joy of Giving! The best way to give is to send a check to the Annual Conference Center c/o the Treasurer's Office. Please indicate on the memo line of your check that it is for the Hurricane Katrina Response. These funds will be forwarded to UMCOR, the United Methodist Committee on Relief. Your contribution combined with the powerful and efficient connectional system of our United Methodist Church will enable huge sums of money and volunteers to mobilize immediately. How will you respond to the largest natural disaster our country has ever experienced?