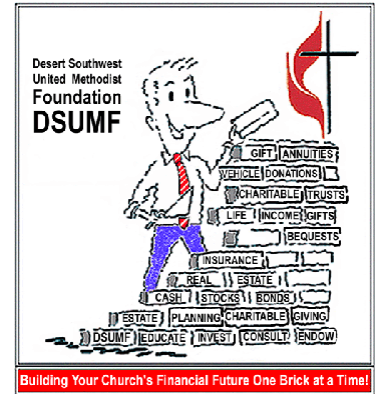


TO: Agency Depositors
FROM: Rick Brown, Ed.D., CFRE; Executive Director,
 Desert Southwest United Methodist Foundation
RE: Monthly Statements for October '05
DATE: November 7, 2005



The Rate of Return (Net of Fees) for October was: -0.900%
The Rate of Return (Net of Fees) for the Y-T-D is: +1.065%

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>October ROR % (Gross of Fees)</u>	<u>Y-T-D ROR % (Gross of Fees)</u>
S & P 500	-1.806%	-0.407%
DOW Jones Industrial	-1.232%	-3.285%
NASDAQ	-1.480%	-2.601%
DSUMF	-0.900%	+1.218%

The last week of October brought a variety of worrisome economic reports; however, there were two pieces of news that helped the markets overcome their doldrums. One piece of good news was President Bush's nomination of Dr. Ben Bernanke as the new Federal Reserve Board chairman. The other piece of good news included the better-than-expected economic growth of 3.8% for the third quarter of 2005. This economic growth comes in the face of both higher energy costs and the effects of hurricanes Katrina and Rita.

The worrisome news included: 1) a drop of 2.5 points in the consumer confidence index, 2) a less-than-expected rise in home sales, and 3) a drop of 2.1% in new durable goods orders.

The Fed has raised the interest rate another 0.25%, bringing the total rate to 4.0%. The price on a barrel of oil has dropped below \$60.00; 59,000 new jobs were created in September, and the unemployment rate dropped to 5.0%.

We are hoping for a little end-of-year rally as we go into the last two months of the year. So far in November, the markets have done just that. As always, we 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. This month's article on charitable giving provides information about donating securities to your local church.