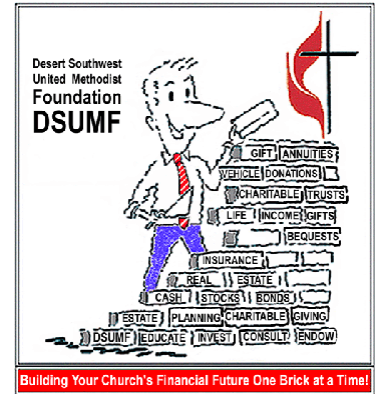


TO: Agency Depositors
FROM: Rick Brown, Ed.D., CFRE; Executive Director,
Desert Southwest United Methodist Foundation
RE: Monthly Statements for January & February '07
DATE: March 9, 2007



The Rate of Return (Net of Fees) for January was: +1.484
The Rate of Return (Net of Fees) for February was: -1.003
The Rate of Return (Net of Fees) for the Y-T-D is: +0.466

A comparison of the Foundation's Portfolio performance vs. the major indices is shown below.
The indices do not contain expenses. The DSUMF portfolio contains up to 60% in stocks,
up to 35% in bonds, and up to 10% in Managed Futures.

<u>Index</u>	<u>January ROR % (Gross of Fees)</u>	<u>February ROR % (Gross of Fees)</u>	<u>Y-T-D ROR % (Gross of Fees)</u>
S & P 500	+1.406	-2.185	-0.810
DOW Jones Industrial	+1.272	-2.797	-1.561
NASDAQ	+2.014	-1.939	+0.036
60% / 40% (SP500 / Aggregate Bond)	+0.900	-0.600	+0.300
DSUMF	+1.640	-0.850	+0.778

Our 2006 audit is complete; it was "unqualified," and there were a very few, minor audit adjustments in your December 2006 final balances. "Kudos and "Props" go out to Lucille Sterling for running such a "clean" operation on a very complicated portfolio made up of more than 180 different sub-accounts!

You may be aware that there has been some volatility in the markets over the last couple of weeks. When there is a lot of volatility, our portfolio shines! When there is Volatility, we say "Bring it on!" Evidence of that is in the numbers above. Our investment strategy involving preservation of principal while generating a reasonable total return by maintaining a low-risk, socially screened, actively managed portfolio continues to serve you well. Both our YTD "Gross" and "Net" Rates of Return are higher than all four major indices shown above.

At the end of February and beginning of March, there was a sharp sell-off in U.S. and overseas stock markets. Recent GDP growth for the 4th Quarter of 2006 was revised downward, the housing market got another batch of bad numbers, and there were hints of quickening inflation. The S&P 500 Index fell 4.4% to 1,387, for its worst weekly performance in more than four years. The yield of the 10-year U.S. Treasury note fell 16 basis points to 4.52%.

In the midst of all this gloomy economic news, January brought a surprisingly strong 1.0% increase in personal incomes—double the increase in personal spending, and the fastest growth rate in a year. At the same time, a key benchmark indicating the rise or fall of inflation remained just above the Federal Reserve Board's inflation "comfort zone" for most of the past year, but they have decided to keep the interest rate right where it has been for the last several months.

Consumer confidence remains strong, and traders welcomed a February employment report depicting a labor market in which unemployment edged down while wages grew. Non-farm jobs grew by 97,000 in February, their smallest gain in two years, but the unemployment rate went down to 4.5%. Traders interpreted the news as a sign that the labor market was in no danger of overheating.

As always, we appreciate the trust you have placed in us to manage your long-term funds!