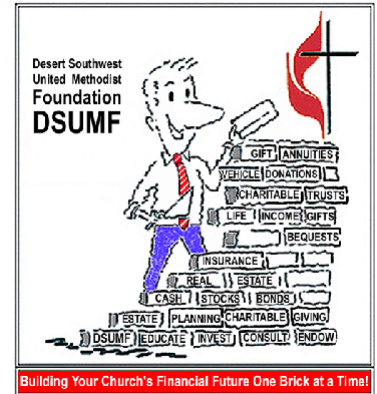


**TO:** Agency Depositors  
**FROM:** Rick Brown, Ed.D., CFRE; Executive Director,  
 Desert Southwest United Methodist Foundation  
**RE:** Monthly Statements for April '07  
**DATE:** May 9, 2007



The Rate of Return (Net of Fees) for April was: **+2.521%**  
 The Rate of Return (Net of Fees) for the Y-T-D is: **+3.629%**

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>April ROR % (Gross of Fees)</u>	<u>Y-T-D ROR % (Gross of Fees)</u>
<b>S &amp; P 500</b>	<b>+4.329</b>	<b>+4.517</b>
<b>DOW Jones Industrial</b>	<b>+5.735</b>	<b>+4.812</b>
<b>NASDAQ</b>	<b>+4.272</b>	<b>+4.546</b>
<b>60% / 40% (SP500 / Aggregate Bond)</b>	<b>+2.900</b>	<b>+3.900</b>
<b>DSUMF</b>	<b>+2.680</b>	<b>+4.255</b>

The most closely watched economic news this past week was Friday's release of April's employment report, which showed slower-than-expected growth in nonfarm payrolls and an uptick in the unemployment rate from 4.4% to 4.5%. In other news, consumer incomes continued to rise while spending increases slowed. Continued weakness in the new-home market caused overall construction spending to stagnate. For the week, the S&P 500 Index rose 0.8% to 1,506. The yield of the 10-year U.S. Treasury note fell 6 basis points to 4.64%.

U.S. nonfarm productivity grew at a 1.7% annual rate in the first quarter. Although the gain was better than expected, it was weaker than the fourth quarter's 2.1% increase. Unit labor costs, a key inflationary measure, rose at a modest annual rate of 0.6% in the first quarter, below expectations and well off the fourth quarter's torrid 6.2%.

Manufacturing and services sectors posted strong gains. Consumers reined in spending, and a key inflation measure called the "core PCE deflator moderated from 2.4% last year to 2.1% this year. A slump in homebuilding put a dent in construction spending.

The Foundation's portfolio's rate of return is keeping pace with all the major indices.

**Thank You for continuing to be a member of our Investment Services Family!**