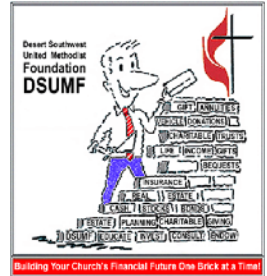


TO: Agency Depositors
FROM: Rick Brown, Ed.D., CFRE; Executive Director,
 Desert Southwest United Methodist Foundation
RE: Monthly Statements for June '07
DATE: August 8, 2007



The Rate of Return (Net of Fees) for July was: **-2.441%**
The Rate of Return (Net of Fees) for the Y-T-D is: **+3.394%**

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 30% in bonds, and up to 10% in Managed Futures.

<u>Index</u>	<u>July ROR % (Gross of Fees)</u>	<u>Y-T-D ROR % (Gross of Fees)</u>
S & P 500	-3.304%	+2.540%
DOW Jones Industrial	-1.488	+5.668%
NASDAQ	-2.237	+5.144%
60% / 40% (SP500 / Aggregate Bond)	-1.500%	+2.900%
DSUMF	-2.287%	+4.509%

Our portfolio continues to outperform both the S&P 500 and the Lehman Brothers "60/40" indices during this period of volatility in the marketplace. The reason is attributed to the low risk level we're taking on your behalf.

The last week of July resulted in a rough week for stocks and bonds, which made investors tentative as they digested a mixed slate of economic news:

1. The unemployment rate ticked upward to 4.6% in July from 4.5% in the previous month. Job creation was strong in health care, financial services, and food service, but job cuts in the construction, manufacturing, and government sectors limited overall gains.
2. The Employment Cost Index rose 0.9% in the second quarter of 2007. The index, which tracks the overall change in costs for employers to pay wages, salaries, and benefits to workers, has increased at roughly the same rate over the past year, which is good news for inflation-watchers.
3. Growth in the manufacturing sector decelerated in July to its slowest pace in four months. Industries with decreased activity included agriculture and real estate. Financial services and hotels and restaurants were among the industries that grew in July.
4. Overall spending on construction projects decreased 0.3% in June from the previous month, and fell 2.4% from the year-ago level. Consumer confidence increased in July to 112.6, its highest level since August 2001. The strong index reading marked a rebound from a decline in confidence in June. Survey respondents felt more positive about their current situations and their outlook for the future. Sentiment was particularly upbeat on the current job market, as well as expectations for moderate inflation and stable interest rates and equity markets.

The Commerce Department announced revisions to its income and spending figures dating back to January 2004. Income rates were revised higher, and spending was revised lower. The result is that personal savings rates have been improperly reported over the past 3½ years. In fact, the savings rate was negative only four times since the data were first collected in 1959. For the month of June, personal income rose 0.4%, personal spending increased 0.1%, and the personal savings rate increased to 0.6%.

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