

TO: Agency Depositors
 FROM: Ralph J. Serpico, Executive Director
 Desert Southwest United Methodist Foundation
 RE: Monthly Statement for June, 2009
 DATE: July 15, 2009



The Rate of Return (Excluding Fees) for June was: **-0.339%**
 The Rate of Return (Excluding Fees) for YTD June was: **+2.802%**

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 20% in fixed income investments, and up to 20% in Managed Futures

<u>Index</u>	June ROR	Y-T-D ROR
S & P 500	+0.20%	+3.16%
DOW Jones Industrial	-0.41%	-2.01%
NASDAQ	+3.48%	+16.99%
60% / 40% (SP500 / Aggregate Bond)	+0.35%	+3.06%
DSUMF (Including Fees)	-0.185%	+3.561%

Nonfarm payrolls shrank by 467,000 in June, higher than the 325,000 decline expected by economists. The Labor Department also said the unemployment rate ticked to a 26-year high of 9.5% as the number of jobless Americans rose to *14.7 million*. This is an increase from 9.4% in May. Job losses were widespread across the major industry sectors, with large declines occurring in manufacturing, professional and business services, and construction. Among the unemployed, the number of job losers and persons who completed temporary jobs (9.6 million) was little changed in June after increasing by an average of 615,000 per month during the first 5 months of this year. The number of long-term unemployed (those jobless for 27 weeks or more) increased by 433,000 over the month to 4.4 million. In June, 3 in 10 unemployed persons were jobless for 27 weeks or more.

Job losses from April to June averaged 436,000 per month, compared with losses averaging 670,000 per month from November to March. Since December 2007, according to data from the Bureau of Labor Statistics, the number of unemployed persons has increased by 7.2 million, and the unemployment rate has risen by 4.6 percentage points.

The major market indicators continued to show some improvement in June. The S & P 500, NASDAQ and the 60/40 reporting positive gains. Only the Dow showed a decline. Slow economic growth and increases in stock averages will likely occur over the long term, i.e., the next 10 years as the economy continues to adjust to consumer and industrial demands and governmental influence.

The rate of return for the DSUMF portfolio before fees showed a decrease of 0.338% for the month and YTD returns to a plus 2.802% through the end of June.