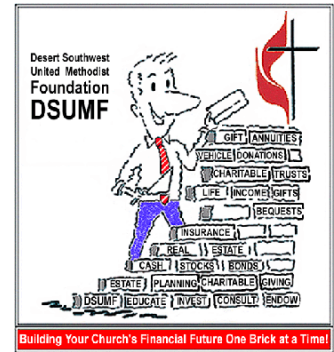


TO: Agency Depositors

FROM: Lucille Sterling, Executive Director
Desert Southwest United Methodist Foundation

RE: Monthly Statements for May '10

DATE: June 11, 2010



The Rate of Return (Net of Fees) for May was: **-5.164%**
 The Rate of Return (Net of Fees) for the Y-T-D is: **-2.108%**

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 equities, up to 20% in fixed income, and up to 20% in Managed Futures.

<u>Index</u>	<u>May ROR % (Gross of Fees)</u>	<u>Y-T-D ROR % (Gross of Fees)</u>
S & P 500	-8.0	-1.5
DOW Jones Industrial	-7.6	-1.6
NASDAQ	-8.2	-0.2
60% / 40% (SP500 / Aggregate Bond)	-4.5	0.7
DSUMF	-5.0	-1.5

INVESTMENT SERVICE

The Desert Southwest United Methodist Foundation's (DSUMF's) Investment Service is a financial service available to all agencies, boards, churches, and church foundations Desert Southwest Conference (DSC) of the United Methodist Church (UMC). The Service provides professional management of funds at a low risk with a moderate rate of return in a portfolio that is screened according to the Social Principles of the UMC.

There are laws associated with investing money. The DSUMF understands the laws and is in complete compliance with the laws. As a matter of fact, the DSUMF takes its fiduciary responsibilities very seriously. We adhere to the "Prudent Man Rule," as well as all 27 Investment Practices required by 3 Acts of Congress.

The Goals of the DSUMF's Investment Strategy are to:

1. maintain Principal Value in relation to market inflation and deflation over the long-term (3+ years) and,
2. maintain the Buying Power of the assets under management in relation to market inflation and deflation over the long-term (3+ years).