STEWARDSHIP PARTNERS
MARKET COMMENTARY

QUARTERLY CLIENT LETTER VOLUME 5 ISSUE 1 APRIL 2005

Authored by Howard J. "Rusty" Leonard, CFA
CEO and Chief Investment Officer, Stewardship Partners Investment Counsel, Inc.

Market Skids on Oil Slick, Collides with Inflation Concerns

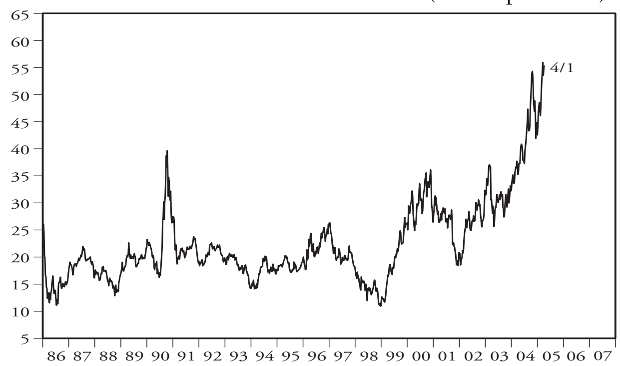
"Though I walk in the midst of trouble, you preserve my life." Psalm 138:7a (NIV)

Surging oil prices, prodded higher by continued strong global economic growth and ever tightening oil supplies, undermined investor confidence in the first quarter of 2005. Investors worried that the rise in oil and other commodity prices was symptomatic of a global economy where growth was beginning to reach its limits. As a result, inflation expectations began to rise and the commentary that accompanied the most recent of the Fed's "measured" short-term interest rate hikes also rattled investors. Both the bond and stock markets worried that the Fed might become less measured in the future and interest rates could move significantly higher. While economic growth seemed to be appropriately slowing in response to the double trouble of higher oil prices and interest rates as the quarter came to a close, the damage to share prices was already done. **Virtually no stock index was able to offer investors a positive return for the quarter** and the S&P 500 fell 2.15% while the technology laden NASDAQ fell a whopping 8.1% (please see Table 1 for a complete listing of index returns). Fortunately, both Stewardship Partners' US Equity and Global Equity CWI portfolios were able to surpass the return of their respective indices.

Chart 1

Oil Price Soars in the First Quarter

West Texas Intermediate Crude Oil Price (dollars per barrel)



Source: Platt's Oilgram & Yardeni.com

Table 1

First Quarter 2005 Total Returns

US Indices	1Q05
S&P 500	-2.15%
Russell 1000 Growth	-4.09%
Russell 1000 Value	0.09%
NASDAQ	-8.10%
S&P 400 (Mid Cap)	-0.40%
S&P 600 (Small Cap)	-2.06%
Treasury Bonds	0.88%
High Grade Corp. Bonds	0.65%
Gold	-1.86%
Global & International Indices	
MSCI World	-1.00%
MSCI EAFE	-0.10%
MSCI Euro	-0.30%
MSCI Far East	-2.32%
MSCI Japan	-2.33%
US Economic Sectors (Price Only)	
Energy	17.1%
Utilities	4.4%
Materials	1.3%
Consumer Staples	0.2%
Health Care	-1.0%
Industrials	-2.0%
Consumer Discretionary	-5.9%
Financials	-7.0%
Technology	-7.5%
Telecom	-8.6%

Source: ISI, Merrill Lynch, MSCI

While stock prices fell, the quarter was not without a few bright spots. Perhaps most importantly, the value of the US dollar actually increased versus the Euro and the Yen despite widespread expectations of further declines. Merger and acquisition activity also jumped as corporations sought to put to profitable use some of the estimated $1 trillion of cash piling up on company balance sheets. Dividend increases and share repurchases also picked up steam in the quarter. Earnings expectations strengthened on the back of economic growth that, for most of the quarter, seemed largely impervious to the effects of higher oil prices and interest rates.

Technology and telecom shares performed the worst during the first quarter and mid-cap and dividend-paying equities did best. Value stocks continued to outpace growth

Table of Contents:

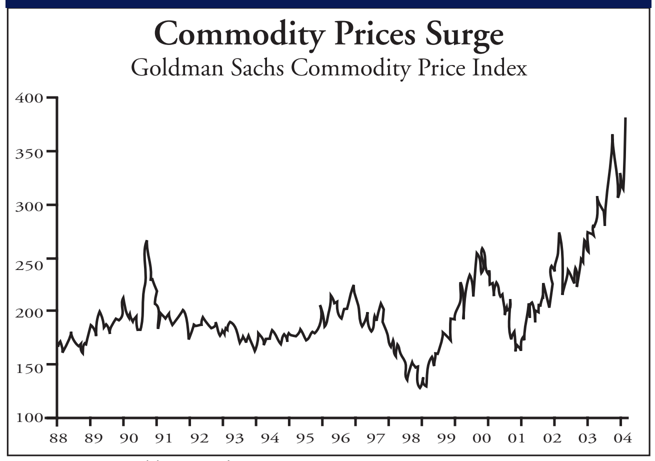
stocks and foreign stocks did slightly better than US stocks despite the US dollar's rebound. **While investors indeed "walked in the midst of trouble" in the first quarter, we are grateful that we were able to outperform for our clients**. We are therefore even more thankful that we serve a Lord who has not only "preserved our life" but also has sacrificially provided for our eternal well-being!

FED EASES OFF THE ACCELERATOR SEEKING TO AVOID AN INFLATION ACCIDENT

"The Lord works out everything for his own ends." Proverbs 16:4a (NIV)

Considering the extent of the oil price and interest rate advances in the first quarter, the relatively muted decline in many shares can be viewed positively. Growing earnings expectations arising from the ongoing global economic expansion certainly helped diminish the market impact of emerging inflationary pressures. Less than two years ago, however, the Fed was very worried about the prospect of deflation and, along with President Bush, utilized every conceivable policy tool to stimulate the economy. As the economy began steering away from the deflationary abyss, the Fed was initially reluctant to remove its heavy handed easing in order to avoid a potentially quick relapse. As confidence grew in the sustainability of the recovery, the Fed began to slowly ease off the accelerator, utilizing its pattern of quarter point rate hikes at each meeting starting last summer in order to keep inflation at bay.

Chart 2

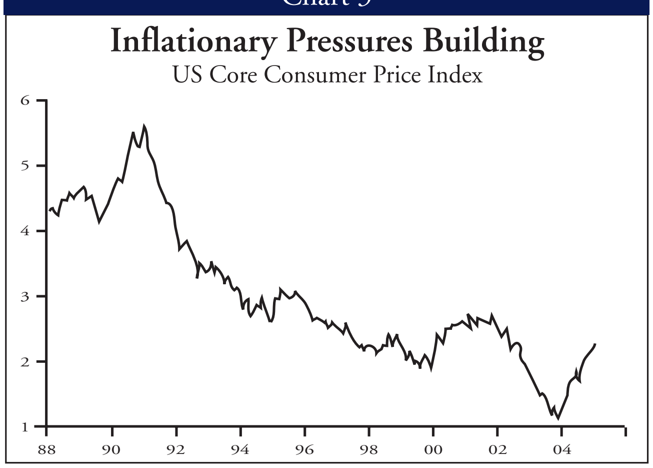


Source: ISI & Goldman Sachs

Early in 2005, however, with economic progress at times appearing perhaps too resilient and the Fed still in a largely accommodative mode, the risk of more aggressive Fed action began to rise. Moreover, both commodity prices and Core CPI had moved sharply higher (please see Charts 2 and 3). Still, it seems unlikely that the Fed will have to resort to actually "hitting the brakes" to keep the economy from overheating. Recent data releases appear to indicate that the Fed's "measured approach" coupled with higher energy costs are causing economic growth to slow. Indeed, the markets have recently begun to worry more about how much the global economy will falter rather than being concerned that it is growing too fast. **Eventually, however, bad news on the economic growth front may be greeted as good news by the bond and equity markets, since the threat of inflation would be expected to recede as the economic growth becomes more moderate.**

While high gas prices and higher interest rates are crimping consumer spending power, **the consumer does not appear to be in a state of duress.** The use of debt by the consumer may have become all too commonplace but the fact remains that delinquency rates on that debt have been falling. As interest rates rise, however, US consumers who have benefited from adjustable rate mortgages and utilized mortgage refinancing to lower their housing costs may be in for quite a shock. As rates head upward, so too will the monthly payments on the 36% of all US mortgages that are adjustable. These developments will surely prove to be a setback for consumer spending in the short run but the consumer's overall net worth is still quite impressive. As seen in table 2 on page 3, **the consumer's net worth has nearly doubled over the last ten years as assets have grown nearly as fast as liabilities. Furthermore, assets are nearly six times the level of liabilities.**

Chart 3



Source: ISI

Businesses are likely to be closely monitoring the economic impact of rising energy prices and interest rates. While considerable pent-up demand currently indicates that business spending will bolster economic growth in 2005, corporate management will quickly react to any sudden downturn in the economy by pulling in their spending plans. **At this point, however, we would argue that economic growth is set to slow to a more manageable pace.** Higher interest rates and slower economic growth could also aid the value of the dollar as US interest rates would be more competitive with rates in other countries thereby attracting incremental capital flows. Slower growth could also reduce the US demand for foreign goods and thus have a positive impact on the trade deficit.

While our forecasts of future economic trends, like all predictions of future events, are fraught with risk, we are confident that the Lord will indeed "work out everything for his own ends". We cannot know with any certainty what those ends might be but we will use our skills and experience to do the best we possibly can to position our client's assets for long term appreciation. Future investment success cannot be guaranteed but we are comforted by the knowledge that our Lord always desires the best for us.

Table 2

Consumer's Net Worth Nearly Doubled In 10 Years
(In Trillions of Dollars)

	1995:Q1	2005:Q1E	$ Change	% Change
Consumer Assets	$30.3	$59.8	+$29.5	97%
Stocks & Bonds	$16.4	$31.0	+$14.6	89%
Real Estate	$10.8	$23.0	+$12.2	113%
Cash	$ 3.2	$ 5.8	+$ 2.6	81%
Consumer Liabilities	$ 4.8	$11.1	+$ 6.3	131%
Home Mortgage Debt	$ 3.2	$ 7.8	+$ 4.6	144%
Consumer Net Worth	$25.5	$48.7	+$23.2	91%

Source: ISI

Oil Prices: Blessing or Curse

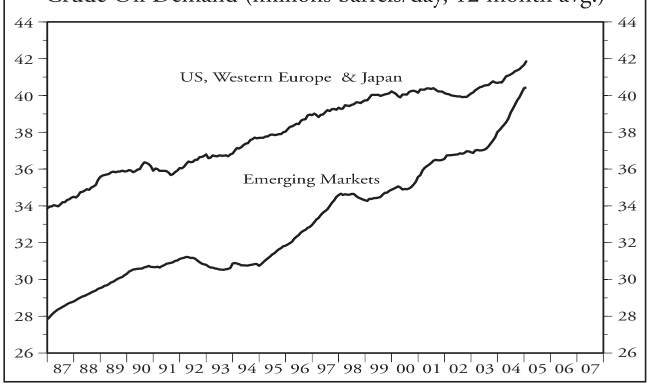
"The Lord your God…turned the curse into a blessing for you, because the Lord your God loves you." Deuteronomy 23:5 (NIV)

Oil prices, when adjusted for inflation, reached an all time high of $90 per barrel in 1980. Subsequent to this spike in prices, demand for oil actually declined for several years as consumers worked diligently to conserve and pursued alternatives. The resulting overcapacity led to a sharp decline in the inflation adjusted price of oil that has yet to be surpassed even 25 years later. Undeniably, the low price of oil seen over most of this quarter century was a true blessing as it supported a period of rapid economic expansion and wealth creation worldwide. It is unlikely that these low prices would have ever been realized unless the curse of very high prices had first stimulated users into conservation, thereby creating a significant excess supply of oil.

The latest spike in oil prices is primarily the result of strong demand from the world's rapidly growing emerging markets. As can be seen in Chart 4, these nations are now consuming nearly as much oil as the US, Western Europe and Japan combined. Some of the most recent surge in demand for oil from the emerging markets may be for the purposes of stockpiling as analysis of the data suggests that economic growth alone cannot account for the stunningly sharp increase in apparent consumption in recent years. While the source and extent of this stockpiling is unknown, if it were to cease, growth in demand for oil could fall meaningfully. Meanwhile, the world's oil producers are struggling to keep up with the current level of demand. OPEC, the world's marginal supplier, is almost out of unused oil production capacity as seen in Chart 5. Additional supplies of oil production could conceivably come from areas like the Middle East, Russia and Venezuela, but the political atmosphere in these countries is restraining new investment generally and the normally more easily accessed foreign investment in particular. Moreover, as seen in Chart 6, **even if additional crude oil could be produced, the world's refineries are also operating near capacity. Accordingly, if more oil were extracted, it could not be made into the various refined products needed**.

Chart 4

Emerging Markets Push Oil Prices Higher
Crude Oil Demand (millions barrels/day, 12 month avg.)

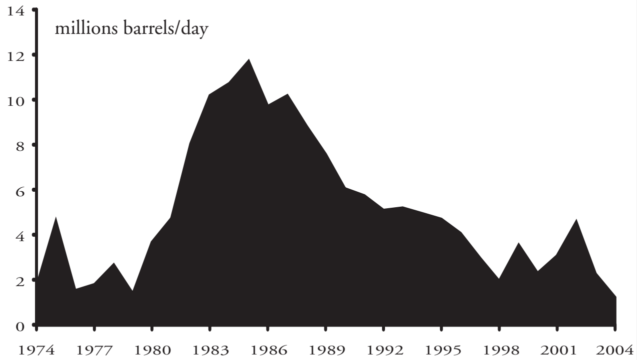


Source: Yardeni.com

Chart 5

OPEC Has Little Spare Capacity

Annual OPEC Immediately Deliverable Spare Capacity



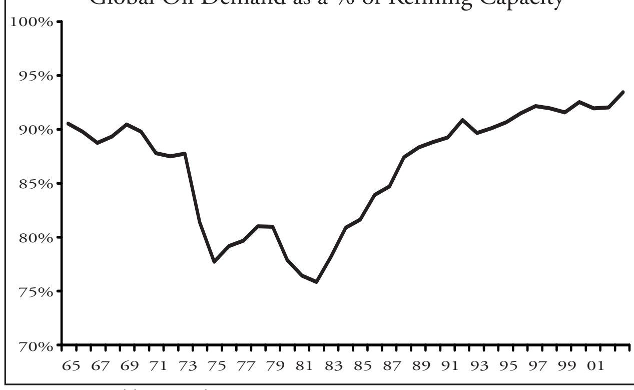
Source: BP, Goldman Sachs

With the energy market's supply/demand balance currently on a razor's edge, any supply disruption could lead to a rapid spike upwards in energy prices. Terrorism could be one potential source of such a disruption but corrupt and unstable governments in oil producing nations also pose risks. Already, conservation efforts are beginning to be examined and any further upward movement in prices would surely lead to falling demand, particularly in the emerging markets. As a result, **we would expect any further sharp increases in energy prices from current levels to be relatively short-lived.** Even current prices may be viewed as unsustainably high over the long term and we would not be surprised to see investors soon begin to discount lower oil prices in energy shares. **Oil prices in the \$35-\$45 range may be a more realistic assumption for long-term investors and any movement in this direction would likely favorably impact share prices.**

Chart 6

Little Refining Capacity Left Either

Global Oil Demand as a % of Refining Capacity



Source: BP, Goldman Sachs

Should oil prices remain at roughly current levels for an extended period, the world's equity markets may come to view this as a blessing in disguise if it doesn't lead to broad-based inflationary pressures. High energy costs act to reduce economic growth and lessen the need for central banks to raise interest rates to combat both excessive economic growth and rising inflation expectations. Lower interest rates are supportive of higher equity valuations and faster earnings growth for those company's not directly affected by elevated energy prices.

Searching for Extreme Opportunities

"He will have no fear of bad news; his heart is steadfast, trusting in the Lord." Psalm 112:7 (NIV)

The recent upward spike in energy share prices provides a good example of extreme behavior that steadfast investors can capitalize on to produce profits in their portfolios. As seen in Table 3, the oil sector has been the best performing S&P 500 group over the last one, three and five year periods. Over the last year alone the average oil stock has risen by 44.1% versus just a 6.6% gain in the S&P 500. Oil prices have been boosted by apparently unsustainable increases in demand from both emerging market nations and speculators thereby rising to such high levels that it seems nearly certain to undermine future oil demand. Eventually, this will create a reversal in the price trend and lead to lower energy share prices, many of which already appear extended.

Table 3

Compound Annual Returns by Sector

S&P 500 Sectors

	5 Years	3 Years	1 Year
Energy	11.8%	21.3%	44.1%
Staples	8.5%	0.1%	1.0%
Materials	7.4%	12.4%	14.8%
Financials	3.9%	2.3%	-3.4%
Health Care	1.5%	-4.8%	0.1%
Industrials	1.3%	4.2%	15.2%
Utilities	-0.6%	-0.5%	19.9%
Discretionary	-2.3%	3.1%	4.5%
S&P 500	-4.0%	4.1%	6.6%
Telecom	-21.9%	-8.6%	1.8%
Technology	-24.1%	-3.3%	-3.0%

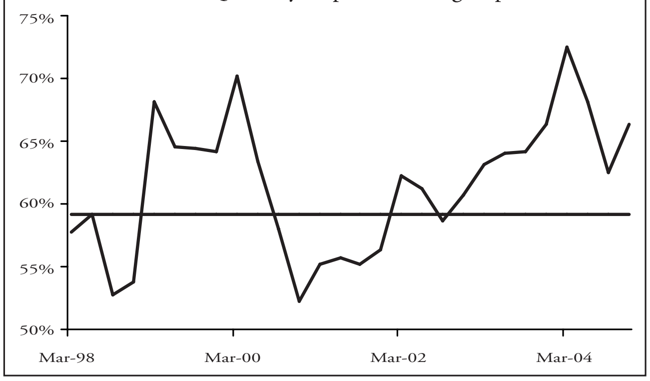
Source: ISI

Seeking out such extreme opportunities is one of Stewardship Partners' favorite and historically most profitable methods to realize capital appreciation for our client's accounts. While it is rare that we can precisely identify the exact point of maximum optimism or pessimism, just getting close generally produces worthwhile results. **Seeking to benefit from this recent surge in oil shares, we have recently reduced our holdings in energy stocks** significantly as we believe that a short to intermediate term correction is likely as hedge funds and other investors who have taken an unusually large position in these stocks seek to quickly reduce their holdings as forecasts for lower oil prices become more commonplace. This decision could prove premature, particularly if there is any unanticipated disruption in oil supplies or refining capacity, but the possibility of achieving stellar price appreciation from current levels over the intermediate term seems remote absent such an event.

Chart 7

More Companies Beating Analysts Estimates

% of S&P 500 Quarterly Reports Beating Expectations



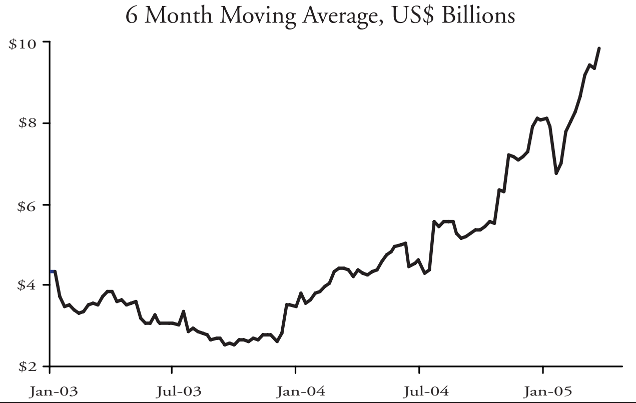
Source: ISI

One reason we are confident of this decision is that sentiment readings are highlighting the fact that many investors are overly enthusiastic about the prospects for the price of oil just as it is hitting its highest levels in history (unadjusted for inflation). Such sentiment indicators are very useful tools in helping us to tactically position our holdings in your portfolio. Currently, the same enthusiasm that is generating excessive optimism for oil stocks is also contributing to undue pessimism for most other stocks. This pessimism may not yet be at as extreme a level as seen during the worst periods of the past bear market but it is causing many individual stocks to offer seemingly attractive long term capital gain possibilities. **Investors appear to be particularly wary about the future earnings prospects of companies, a worry that we believe may, for the most part, be unwarranted.** As can be seen in Chart 7, the percentage of companies surpassing analyst's earnings estimates has been trending higher in recent quarters and we believe this trend could persist throughout 2005. Slower economic growth may negatively impact earnings potential in the second half of 2005 but this already seems to be factored into investor expectations. This leaves the door open to potential upside surprises as uncertainty about the direction of the economy dwindles. To be sure, **falling oil prices is one possible unexpected favorable development that could help instill renewed confidence in future earnings.**

Chart 8

Dollar Value of Announced Share Repurchases

6 Month Moving Average, US$ Billions



Source: ISI

Investors may currently have a gloomy opinion of share price prospects but corporate executives appear more optimistic since they are repurchasing company shares at an increasingly rapid rate as seen in Chart 8. These repurchases certainly reflect the substantial excess cash found on many company's balance sheets but also are an indication that the shares represent good long term value. Repurchasing shares is just one option among many available to management to deploy excess cash. If management determined that their share price was too high to justify repurchasing, they would likely instead increase dividends, pay down debt, use the cash to make acquisitions or invest in new or improved facilities. As it turns out, all of these things are happening at the moment, including a rapid increase in share repurchases. **Investors should gain confidence that those best positioned to understand the future potential for company earnings are increasingly buying back their own company's shares.**

What Goes Around Comes Around

"Let us hold unswervingly to the hope we profess, for he who promised is faithful." Hebrews 10:23 (NIV)

Even though corporate executives may be finding value in their shares, the market as a whole remains confused over the future trend in growth, inflation and interest rates. Until some clarity is realized in these areas, stock prices are likely to have difficulty mounting a sustained advance and will be subject to bouts of turbulence. If we are correct in our assumptions of growth slowing to a sustainable pace, of oil prices retreating and inflation fears abating, then interest rates should also decline. As we begin the second quarter of 2005, evidence is starting to build that these predictions could prove accurate. Should these trends continue, investor's may

Table 4

Quality Making A Comeback?

Annual Returns

	High Quality	Low Quality
1999	20.9	69.6
2000	8.9	-4.4
2001	-2.9	-1.4
2002	-17.7	-27.9
2003	24.1	67.8
2004	7.0	20.6
2005 YTD	1.0	-2.3

High Quality are companies with A+ to AAA senior debt ratings
Low Quality are companies with CC to BBB- senior debt ratings

Source: ISI

return to focusing on corporate profit prospects and they may be willing to value earnings at a somewhat higher multiple. **The combination of good earnings, higher valuations and improved sentiment could produce worthwhile returns for stocks over the balance of 2005.**

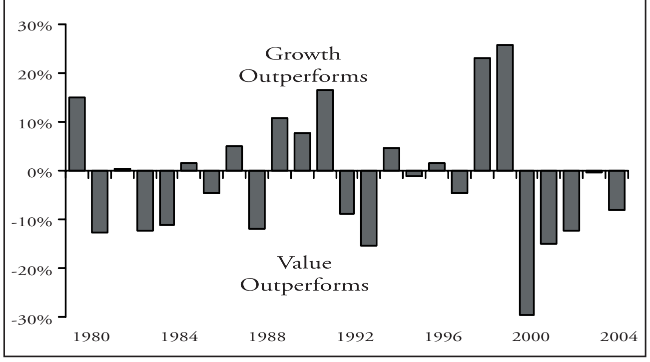
One trend that has started to work and we are hopeful will continue to work in Stewardship Partner's favor going forward is that **the performance of higher quality stocks relative to low quality stocks will improve.** As seen in Table 4, both in 2003 and 2004, lower quality stocks significantly outperformed the higher quality stocks that Stewardship Partners' Leaders approach focuses on. In the first quarter, this trend reversed and, if it persists, it should enable our portfolios to have a better chance of outperforming the S&P 500 due to the quality bias typical in our holdings.

Another trend that may be due for reversal is the favoritism the market has shown towards value stocks over growth shares in the past five years (see Chart 9). Since Stewardship Partners' Leaders approach also typically means the positions we hold in client accounts have better growth prospects than other similar stocks, investors' preference for slower growing value stocks over the past five years has presented us with a challenge to overcome. Fortunately, despite this impediment, our track record has been superior to the index since Stewardship Partners started in April of 2001. Should the preference for value stocks reverse, which would not be unusual after such a long run of un-interrupted outperformance, we may find achieving good returns in the future easier than in the past. Additionally, large cap growth stocks are currently trading at the low end of their 10-year valuation range indicating that these stocks presently offer better value than at most points over the last decade.

Chart 9

Are Growth Stocks About to Recover?

Russell 1000 Growth Minus Russell 1000 Value Returns



Source: ISI

Table 5

Growth Stocks Oversold?

Ranked Five Year Price Performance by Style

Mid-Cap Value	110.7%
Small-Cap Value	98.8%
Small-Cap	58.6%
Mid-Cap	50.4%
Small-Cap Growth	22.7%
Large-Cap Value	16.7%
Mid-Cap Growth	9.3
Large-Cap	-9.3
Large-Cap Growth	-30.0

Source: ISI

The underperformance of growth (see Table 5) and quality shares in recent years has pushed these stocks into an extremely oversold position, at least in relation to other stocks, from which future outperformance may be more easily attained. Though there can be no assurance that these trends will reverse, the odds that quality growth stocks will be an attractive area to invest in are now much better than five years ago. In an environment where economic growth may be more moderate, shares where earnings growth is evident could be in short supply. As a result, such stocks could benefit not only from faster earnings growth but also from higher price investors may be willing to pay for that growth.

While we hold unswervingly to our faith that the high quality, faster growing CWI Leader stocks we buy for our clients will produce superior long term results, we are far more confident in the fact that we serve a Lord who is always faithful. It is our hope that our service will not only bless you but also glorify Him. But even if we should fail in our efforts to produce wealth for our clients while avoiding companies whose activities are at odds with our biblically-based Christian beliefs, we rest securely in the knowledge that our Lord is faithful to provide for all of our needs, whatever they may be.

We at Stewardship Partners continue to be grateful for the opportunity to serve your investment needs. Please contact us if you have any questions or if we can be of any assistance.

Christian Worldview Investing (CWI)- Investing as Jesus Would

"Blessed are they that maintain justice, who constantly do what is right" Psalm 106:3 (NIV)

Stewardship Partners, founded in 2000, is a leader in the field of investing with a Christian perspective, a form of Socially Responsible Investing (SRI) known as Christian Worldview Investing (CWI). Rusty Leonard, CFA, Stewardship Partners' founder and CEO, practiced this investment philosophy while managing over $3 billion of assets as a portfolio manager from 1989 to 2000 with the Templeton organization. He also had the privilege of working directly for the world-renowned global mutual fund manager, John Templeton. **By employing a CWI approach to investing, Stewardship Partners seeks to achieve long-term capital gains through ownership in securities of companies that are a blessing to mankind. Conversely, we seek to avoid profiting from owning companies engaged in sinful activities that bring physical and spiritual loss to our fellow man. Our heart's desire is to do no harm to our fellow man in the process of being the best possible guardians of the wealth the Lord has given us stewardship over.** Simply put, a "what would Jesus do" approach to portfolio management is what we seek for our clients.

Below are some of the issues of concern to Stewardship Partners and the specific sinful activities that fall into each category:

1. **Justice and mercy for the defenseless:**
    - Abortion
    - Persecution of Christians and other oppressed peoples
    - Life destroying scientific research.

2. **Justice and mercy for the poor and needy:**
    - Discrimination or substandard labor practices
    - Any abuses of the poor, children and the elderly

3. **Compassion for those addicted and/or engaged in sinful lifestyles and concern about those organizations that support such activities:**
    - Alcohol, Gambling and Tobacco
    - Pornography
    - Homosexuality

4. **Protection of the institution of marriage and the family**
    - Entertainment that seeks to destroy appropriate attitudes
    - Efforts to promote alternative lifestyles

Additionally, there are a number of areas of interest to us where we favor companies that embrace the following:

Support for traditional Judeo/Christian values

- Honesty, Compassion, Diligence, Prudence and Creativity
- Support for quality products at fair prices and constructive stakeholder relations
- Support for a sustainable and healthy environment
- Support for charitable giving
- Support for the Jewish people and the state of Israel

Armed with this information, we are then prepared to make as strong an effort as possible to build investment portfolios that reflect our client's Christian worldview. We obtain the information on the objectionable practices of corporations from our affiliate **The Institute for Christian Worldview Research (ICWR)** and the information on the positive attributes of corporations from our friends at **American Values Investments** (http://www.americanvalues.com/). We believe these sources of information give Stewardship Partners the best database of CWI information that currently exists.

It is our hope that over time, we and other firms like ours may be able to gather enough assets under management to be able to adequately offset the negative impact on our culture that the many large and liberal Socially Responsible Investing (SRI) funds are having in the marketplace. As things presently stand, the Christian message is not being heard in the financial and corporate marketplaces as the amount of money dedicated to CWI, while growing is still small.

For a more in depth study of the topic of Christian Worldview Investing, please see our paper entitled "The Biblical Basis for Christian Worldview Investing."

CWI in Action - Examining Corporate Behavior

"Love must be sincere. Hate what is evil; cling to what is good" Romans 12:9 (NIV)

Below you will find an example of both a company that exhibits exemplary character, Sysco, and one we avoid, Pfizer, in our desire not to be co-owners of enterprises engaged in or supportive of activities which are harmful to our fellow man and our Lord's creation. **We believe, in the long run, both countries and companies that most align their activities with biblical principles will achieve the greatest success.**

The Good – Sysco – Christian Heritage of Integrity and Charity

"Instruct them to do good, to be rich in good works, to be generous" 1 Timothy 6:18a (NIV)

Sysco's founder, John Baugh, was raised in a Christian home where the Bible was read daily. John was taught that it was his obligation to look after the needs of those less fortunate and to be selfless in his behavior. His father instilled in him that the highest value he could uphold was that of integrity and that he should always conduct himself in a manner that would leave his integrity unquestioned by others. **These Biblically-based childhood lessons were evident in the manner in which Mr. Baugh built Sysco into the world's largest distributor of food products to restaurants and other institutions.**

Sysco's Code of Business Conduct and Ethics stresses that the company desires to outperform its competitors using fair and honest business practices and eschews any unethical or illegal business practices. The code outlines the courteous, professional and ethical behaviors that are expected from anyone representing Sysco and must be signed by all employees and even the company's independent auditors. New Sysco board members are required to attend an ethics orientation within six months of their appointment.

Mr. Baugh's early lessons about charity have also been evident in Sysco's philanthropic endeavors. Mr. Baugh was a supporter of a Christian ministry called ServLife that seeks to bring both the gospel and practical assistance to the needy around the world. Other members of the Sysco board are also known for their efforts to assist their community through Christian ministry and community development. Each of Sysco's operations are active in providing assistance to their communities and the company is a significant supporter of Second Harvest, the largest US organization dedicated to helping feed the hungry. Sysco also won an award in Seattle for its environmental achievements.

Sysco employees have access to a full range of employee benefits including a stock participation plan that allows the purchase of Sysco shares at discounted prices. The company is also known for its emphasis on quality and safety, something of particular importance for a company in the food business.

Sysco's good works are no guarantee of long-term investment success but, as Christian Worldview Investors, we know we are at least engaging in good Biblical stewardship as we seek favorable investment returns through ownership of this company.

The Bad – Pfizer – Abortion, Homosexuality & Anti-Family Behavior

"Things that cause people to sin are bound to come, but woe to that person through who they come" Luke 17:1 (NIV)

Pfizer, the world's leading drug manufacturer, has the unfortunate distinction of also being a producer of two drugs that are used in the abortion process. Additionally, the company has donated at least $150,000 to Population Services, a leading organization that supports abortion as a means of family planning in poor countries and has also been reported to be a financial contributor to Planned Parenthood, the leading provider of abortion services in the United States. **While many of Pfizer's other medicines are of great benefit to society, its abortions drugs are clearly designed to kill defenseless children**. One of the goals of Stewardship Partners is to obtain justice and have mercy for the defenseless via the influence we have with the investments under our control. Accordingly, we are unwilling to be co-owners in this company given its very active involvement in both funding and carrying out the murder of unborn children. Moreover, it is our long term objective to be able to influence companies like Pfizer that promote abortion to repent of this heinous activity and instead engage in only life-giving work. Christian investors who value every life clearly would not desire to be associated with Pfizer in any manner on this basis alone.

Unfortunately, Pfizer has also been supportive of the sin of homosexuality. Pfizer has donated money to homosexual causes, sponsored homosexual events, advertised in homosexual magazines and offers homosexual employees both domestic partner benefits and company-sponsored group meetings. While we do not invest in companies that are the most active promoters of the sin of homosexuality, Stewardship Partners does not believe homosexuals should be discriminated against. Rather, **Christians should seek to minister in love to those caught up in this sin just as we would to people trapped in other sins or as we would desire to minister to us regarding our own sins**. We believe it is appropriate for Christians to make whatever efforts we can to undermine Satan's attempts to destroy our fellow men and women's souls by seducing them into this lifestyle. For those already ensnared in this sin, we should reach out in love and seek to compassionately share the truths of scripture with them in hope of bringing them to repentance. We hope one day corporations will offer programs that minister to this segment of the population instead of taking actions which endorse and even promote the sin of homosexuality. Despite efforts to distort the Bible's teaching on this subject, in some cases by well-intentioned Christians, God's word is very clear that homosexuality is a sin that harms those involved in this lifestyle. There is ample evidence of physical harm caused to many engaged in homosexual behavior but we are equally concerned about the emotional and spiritual damage this lifestyle causes to its adherents. **Since we seek to invest in companies that are a blessing to mankind, we do not invest in companies that are among the most active in endorsing or promoting homosexual behavior**.

Additionally, Pfizer has also advertised on television programs whose content has been deemed to be harmful due to its offensive language, sexual content and violence. Such programming promotes sinful behavior and seeks to undermine biblical family relationships. It appeals to our sin nature and seeks to drag us down a path which will separate us from our Lord. Pfizer could have chosen to advertise only programs that are edifying and we hope that in the future it will.

Our Ultimate Goal - Funding the Lord's Work

"Therefore go and make disciples of all nations" Matthew 28:19a (NIV)

It is our hope that Stewardship Partners will be able to produce wealth for you thereby helping you to both share with God's people who are in need and assist in fulfilling the great commission. Our non-profit ministry affiliate, Wall Watchers, provides a free service to help you educate yourself about the many wonderful Christian giving opportunities available to wise donors. We invite you to join the over 75,000 other monthly visitors to our ministry's website at www.MinistryWatch.com, the internet's top site for donors to Christian ministries. Should you desire to have someone show you how to best use the www.MinistryWatch.com site, please contact Ken Carter at 704-841-7828 or kcarter@wallwatchers.org. We would be pleased to be able to help you bless God's people who are in need. Ken would also be happy to sign you up for our monthly e-mailed newsletter, Ministry-Direct that keeps you informed about important matters in the world of Christian ministries. You can also sign up yourself on our website. Additionally, Wall Watchers offers a bi-weekly e-mail newsletter with updates from our stewardship education site www.theGoodSteward.com which is visited nearly 25,000 times each month by Christians seeking wise, Biblically-based counsel.

MinistryWatch.com Shining Light Ministry – CareNet

"Rescue those being led away to death." Proverbs 24:11 (NIV)

Care Net, originally founded as an advocacy ministry by theology professor Dr. Harold O.J. Brown in response to the Supreme Court's decision to legalize abortion, has turned its focus over the years to the very practical work of supporting an affiliated network of over 800 pregnancy centers. **Care Net's goals are to help women with unplanned pregnancies to choose life for their child and to bring the good news of the gospel to these women as well.** Care Net operates a 24/7 pregnancy help line called Option Line that fields 7,000 calls per month, up 2,000 from just one year ago. Callers are then directed to one of the network of pregnancy centers. The ministry also provides educational materials to the church through its Sanctity of Human Life Sunday annual event and offers training to its affiliates. Importantly, Care Net is continually seeking ways of expanding its network, particularly in under served urban areas. Last year Care Net added about 100 affiliates. There can be little doubt that the efforts of this crucial ministry preserve the lives of thousands of children each year. Few giving opportunities offer such a meaningful impact.

Care Net is also a good steward of the gifts given to it by those desiring to help the ministry save the lives of the unborn. **MinistryWatch.com gives the ministry a four star Financial Efficiency Rating and an "A" Transparency Grade. Please see MinistryWatch.com's special Shining Light Ministry report on Care Net as well as our full report on the ministry at MinistryWatch.com.**

The Christian Ministry Marketplace – Helping Donors Give Wisely

"A generous man will prosper, he who refreshes others will himself be refreshed" Proverbs 11:25

Much like the stock market provides for a sensible and efficient allocation of capital in our economy, the rise of a Christian Ministry Marketplace is providing donors with a myriad of helpful resources to maximize the impact and joy of giving to the work of the Lord. As donors begin to take their giving as seriously as their investing, they will find the assistance offered by the groups listed below to be invaluable. By utilizing these resources, donors are not only likely to make better personal giving decisions, but are also contributing to the growth in the marketplace itself. By so doing, they are helping to lay a foundation for wiser giving for all who follow in their footsteps. Accordingly, we encourage donors to investigate how these groups might help you to give more wisely, achieve a greater impact and create increased joy for both yourself and receivers of your gifts.

The Christian Ministry Marketplace

Resources for Christian Donors

WHY give to Christian ministries?

Teaching on Stewardship:

- Crown (crown.org)
- Eternal Perspectives (epm.org)
- Generous Giving (generousgiving.org)
- Royal Treasure (royaltreasure.org)
- Sound Mind Investing (soundmindinvesting.com)
- The Gathering (thegathering.org)
- TheGoodSteward.com (thegoodsteward.com)
- MaximumGenerosity.org (maximumgenerosity.org)

HOW to give with a discerning mind?

Professional Advisors:

- CFPN (cfpn.org)
- Christian Community Foundation (thefoundations.org)
- National Association of Christian Financial Consultants (nacfc.org)
- National Christian Foundation (nationalchristian.com)
- Stewardship Alliance

Donor Advisors:

- Legacy (philannthropyatwork.com)
- Excellence in Giving (excellenceingiving.com)
- Calvin Edwards & Co. (CalvinEdwardsCompany.com)

WHERE to invest in kingdom ministries?

Ministry Research:

- ECFA (ecfa.org)
- Generous Giving (generousgiving.org)
- Geneva Global (genevaglobal.com)
- MinistryWatch.com (ministrywatch.com)

Ministry Mutual Funds:

- Nat'l Christian Fdn (nationalchristian.com)

Online Donation Services:

- Network For Good (networkforgood.com)
- Kintera (kintera.org)

Notable Christian Ministry Marketplace Member - Calvin Edwards & Co.

"Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver". 2 Corinthians 9:7

Calvin Edwards & Company is a leading donor advisory consulting firm, which helps individuals, families and foundations maximize the good they achieve through strategic giving. Founded in 2001 by ministry and Christian financial services veteran Calvin Edwards, the firm seeks to assist thoughtful, high capacity donors with customized services to help ensure their generosity is as effective as it can be. In this process, Calvin Edwards & Company provides information, perspective, and judgment that informs and guides their clients' decisions. Calvin and his staff regularly prepare in depth research reports that help define the important issues a wise donor should consider when evaluating a potential ministry for a sizable gift. The company can also assist in formulating the appropriate accountability methods for how a gift is utilized and can aid donors in structuring gifts so that the intended effect can be optimized and common barriers to effectiveness minimized. Calvin Edwards & Company serves only the donor. There are no fund raising relationships with charities and the company makes no attempt to serve non-profits. There sole purpose is to help their donor clients maximize the good they achieve through their giving. **If you are a significant donor, we would highly recommend that you consider enhancing your giving with the assistance of Calvin Edwards & Company.**

Knowing Jesus Christ as Your Lord and Savior

While most of those reading this will have already established a personal relationship with Jesus as their Lord and Savior, it is very likely that many have not. If you are someone who has not yet turned your life over to your Creator, we would have failed you miserably if we presented only information relating to your investments yet did not share with you the most important information of all: truths which have eternal significance for your soul and that will have an overwhelmingly positive impact on your life on this earth.

The gospel message is a simple one, far less complicated than the global impact of rising oil prices or the effect of a revaluation of the Chinese currency. For most people, the first part of it is easy to relate to - you are a sinner. If you are anything like the rest of us (and you are) more often than you probably would like to admit, you either do, say or think something that is clearly wrong and which you are ashamed of. "But what's the big deal", you might say. "If everyone has this problem with sin, can't we all just accept the fact and try our best to get along?"

Well, on this earth, that is exactly what we try to do. We forgive one another's faults and press on with life. From an eternal perspective, however, there remains a problem. Our Creator, who loves us with a love that can only be described as extravagant, has prepared an eternal home for us that He very much desires to share with us. Unfortunately, in our sinful state, we are unable to enter into heaven, which is by its very nature perfect.   Desperate not to be separated from us for an eternity, our God devised the only possible solution – a divine exchange. He sent His very own son, who was perfect and thus without sin, as a sacrifice to pay the penalty for our sins. In this exchange, Jesus bore, through His death, all of our sins, so that we in turn could receive all the glory that was due to Him. He was made sinful while we were made perfect and, in our now perfect state, we are able to enter into the eternal home our Lord has prepared for us.

What then gives each of us access to participate in this divine exchange? By responding to this incredible demonstration of extravagant love by our God through an amazing act of your own. As you let the realization of just what your Lord has done for you filter through your heart, mind and soul, you will unavoidably desire to humbly come before Him, acknowledging that it was your sin that led to His sacrifice and recognize His Lordship in your life. And with this step of faith, the divine exchange is completed in your life, and along with it, the assurance of eternal life with a Lord whose love for you knows no bounds. If you have not done so already, we encourage you to take this time to contemplate the issue of your eternal destination and to take that step of faith that will make all the difference in your life, both now and eternally. Based on my experience and the experience of literally millions of others throughout history, it is the most satisfying, enriching and worthwhile choice you will ever make. Years of wonderfully inspiring spiritual growth await you and, if the Bible ever seemed confusing to you in the past, you will now find its wisdom leaping off the pages and into your heart.

If we at Stewardship Partners can be of any assistance to you in this all important matter of your eternal destiny, please do not hesitate to contact us. Like Jesus, we also greatly desire to share an eternal heavenly home with you!

STEWARDSHIP PARTNERS

Stewardship Partners Investment Counsel, Inc.
PO Box 157 Matthews, NC 28106-0157
Phone: (704) 846-0458 Fax (704) 846-0683

E-mail: mkuckel@stewardshippartners.com
Web-Site: www.stewardshippartners.com