STEWARDSHIP PARTNERS

MARKET COMMENTARY

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ABUNDANT LIQUIDITY HELPS PUSH EQUITIES HIGHER IN FIRST QUARTER

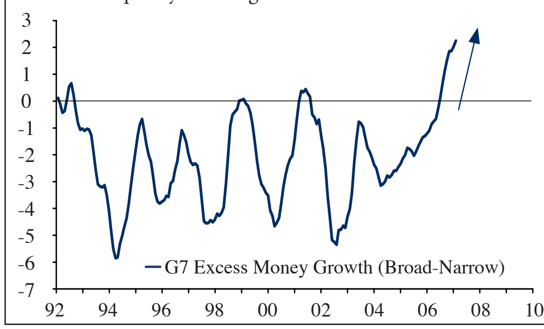
"You crown the year with your bounty… your carts overflow with abundance." Psalm 65:11 (NIV)

Liquidity, the quantity of money available to support economic activity, is the lifeblood of both the financial markets and the global economy. When liquidity growth is constrained, markets and economic expansions generally weaken and appear unhealthy. If, on the other hand, liquidity is abundant, financial markets normally are vibrant and vigorous, providing investors with strong returns. **Financial markets often perform very well when the volume of available money exceeds that needed by the global economy** to function normally as the surplus overflows into the financial markets, bolstering valuations. Since last summer, rapid growth in excess liquidity (Chart 1) has helped share prices around the world maintain positive momentum. During the first quarter of 2007, these extra funds allowed the world's equity markets to advance despite a variety of new investor concerns including US subprime mortgage difficulties, rising global short-term interest rates and higher energy prices. Investors continued to favor the world's riskier assets, such as emerging markets, lower quality and smaller stocks, which is common when liquidity is abundant, and the dollar declined.

Chart 1

Easy Money!

Excess Liquidity Growing at Fastest Pace in Last 15 Years



Source: ISI

Table 1

1Q07 Returns

US Indices	1Q07
S&P 500	0.64%
Morningstar Large Cap. Value	0.82%
Morningstar Large Cap. Growth	1.58%
NASDAQ	0.26%
S&P 400 (Mid Cap)	5.80%
S&P 600 (Small Cap)	3.21%
Treasury Bonds	0.81%
High Grade Corp. Bonds	0.29%
Gold	4.10%
Global & International Indices	
MSCI World	2.50%
MSCI EAFE	4.08%
MSCI Euro	4.10%
MSCI Far East	3.56%
MSCI Japan	3.52%
US Economic Sectors (Price Change Only)	
Energy	1.72%
Utilities	8.43%
Materials	8.38%
Consumer Staples	1.59%
Health Care	0.62%
Industrials	0.58%
Consumer Discretionary	-0.99%
Financials	-3.44%
Technology	-1.10%
Telecom	6.36%

Source: Merrill Lynch, MSCI, NDR

Of course, too much liquidity can quickly turn out to be too much of a good thing. Investment manias, as some real estate investors are now realizing, always end badly as liquidity-fueled speculators' wild expectations get violently brought back to reality. Such conditions are beginning to appear in China's stock market with numerous anecdotes of grandmothers and students investing furtively in the stock market. **It is hard to know when such a bubble will burst, but the process begins when liquidity flowing into a market peaks.** This Rubicon was crossed some time ago in the US residential real estate market, and the subprime mortgage mess is simply part of the correction of these earlier excesses. Greed-motivated buying in China likely will eventually turn into fear-induced selling.

Stewardship Partners' portfolios benefitted from the rising liquidity in the financial markets as all turned in positive returns in the first quarter of 2007. Our US BRI portfolios and Global Concentrated portfolios surpassed their benchmarks by nearly 1% in the first quarter while our Global, Global Balanced and International BRI portfolios trailed the relevant indices slightly. While growth stocks performed about in line with value stocks in the quarter, the high-quality and large cap stocks we invest in remained relatively weak. Good stock selection in the overweighted healthcare sector provided the biggest boost to our returns. We made no tactical trades in those accounts where our tactical overlay strategy is in place.

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THE CHANGING COMPLEXION AND BRIGHT FUTURE OF GLOBAL GROWTH

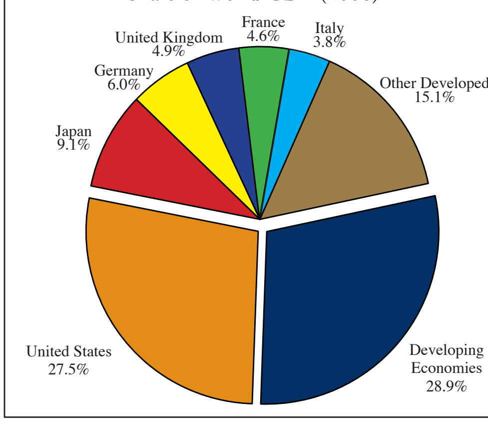
"There is surely a hope for you, and your hope will not be cut off." Proverbs 23:18 (NIV)

The rapid development of the world's emerging market nations, as they increasingly adopt wealth-creating capitalistic economic systems, is changing the way the world's economy operates. While the US still dominates the world's economy, its influence is beginning to recede. Given the expectation for continued rapid growth in the emerging markets, this realignment of global economic power and influence should continue for years to come. As seen in Chart 2, the percentage of global GDP accounted for by developing nations now exceeds the US's share. Additionally, since the developing nations' economies are not as mature as the US and Europe, relying more on the agriculture and manufacturing sectors than the service segment for economic activity, the rapid expansion in these countries is causing a disproportionately larger rise in the global demand for raw materials and industrial equipment. As a result, a slowdown in the US economy like that which is currently unfolding, which once would have triggered a decline in prices in a wide variety of commodities, no longer has the same effect as the impact of lower US demand is more than offset by continually rising demand from outside the US. As a result, the resource and manufacturing sectors of the global economy that had been receding in stature for the past several decades could well be on the ascendancy again over the next couple of decades. This has important long-term investment implications since these sectors of the economy may very well produce surprisingly high and consistent growth leading to sharply increased earnings prospects and valuations for companies operating in these areas.

Chart 2

Developing Markets Now Larger than US!

Share of World GDP (2006)

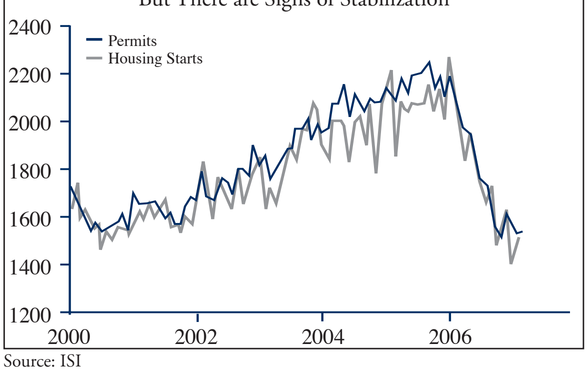


Source: ISI

Chart 3

Housing Bubble Bursts

But There are Signs of Stabilization



Source: ISI

Despite the unrelenting growth in the global economy, US economic activity has hit a few domestic headwinds that have slowed its pace. Foremost among the factors negatively impacting the US economy are the housing and auto markets. In the past, weakness in these two areas virtually guaranteed a US recession. Investors used to say that when General Motors caught a cold, the economy would suffer from pneumonia. Additionally, if the US economy was sick, the global economy stood a good chance of being in need of hospitalization! Neither of these statements is relevant any longer. Indeed, the whole equation has been turned upside down. Currently, General Motors is in intensive care, the US economy has a mild sore throat and the global economy remains vibrant! While US auto sales have been weak (with Ford's being particularly poor due in part to a boycott by Christians concerned about the company's high level of financial support for homosexual activist groups), it is the housing market that has been of greater concern to investors. Chart 3 highlights the decline in US housing starts that has accompanied the bursting of the bubble in this market. Some tentative signs of stabilization in housing have been seen, but there remain concerns that further significant damage could occur in this sector. We believe, however, it is unlikely further housing problems will lead to a US recession unless employment begins to significantly weaken. With jobs now plentiful and unemployment at just 4.4%, it is difficult to see the current housing market difficulties progressing to a calamitous decline as some have speculated may happen. **While some consumers are presently having difficulty adjusting to higher mortgage payments, unless this problem spreads, more serious trouble for the US economy should be avoided.**

As roughly one to two million US homeowners grapple with the repercussions of ill-conceived mortgage loans on their spacious, modern homes, more than a billion consumers in the emerging markets are working diligently and saving aggressively so they might purchase their first car or home as well as a variety of other consumer products. Their aspirations to achieve a better standard of living coupled with the enormity of their numbers seem to assure an extended period of above-average global economic expansion. The potential for global wealth creation of this trend is breathtaking and dwarfs that seen during the rebuilding of Europe and Japan in the two decades after World War II. The biggest challenge for economic policy makers in this environment of accelerating global prosperity will be to properly modulate the advance to minimize destabilizing booms and busts. Inflation is another potential risk to this rosy scenario, and it is properly the focus of all the world's leading central bankers. This threat is seen in the US, which has been struggling recently to contain inflationary pressures, and in global commodity prices, that have begun to soar again after a brief respite in the second half of 2006. Even so, inflation trends globally remain tame (Chart 4) as wages stay contained by the disintermediation of labor from the high-cost developed countries to the low-cost emerging markets. The brisk growth of global productive capacity has also apparently exceeded the spirited advance in demand, keeping competition vibrant and prices contained. **Similar to the late 1940s to the early 1960s periods, a virtuous combination of key economic forces are allowing for a rapid, non-inflationary, long-term global economic advance.**

Chart 4

Low Global Inflation

40 Countries, CPI % Change, Equally Weighted

Source: ISI

Despite this attractive long-term outlook, central bankers' current short-term policies are increasingly aimed at constraining growth and preventing an uncontrolled and potentially destabilizing spike in economic activity. If successful in moderating economic growth while simultaneously averting a recession, these actions could free up additional excess liquidity that could help fuel a worthwhile advance in the global financial markets. **Equities in particular have historically performed well during economic slowdowns.**

The Blessings and Curses of Rising Excess Global Liquidity

"I have set before you life and death, blessings and curses." Deuteronomy 30:19 (NIV)

To support and drive brisk long-term growth, the global economy needs to be plied with plenty of liquidity. Lately, central banks have been more than accommodative in this regard as seen in Table 2. These unusually high levels of money growth are well beyond the increase in nominal GNP and create excess liquidity that overflows from the real economy into the financial markets. But the central bankers are getting assistance from other sources of liquidity as well. **Perhaps the most significant source of additional money growth may be the so-called "carry trade."** This is where large investors leverage their investable assets by borrowing money in countries where interest rates are low (and preferably where the currency is weak, such as Japan) and reinvest the proceeds in assets producing higher returns in strong-currency countries. If the trade—often utilized by the rapidly growing hedge fund industry—works as desired, the investor profits from not only the spread in returns between the assets but also from favorable movements in the exchange rates. This partly explains why European stocks have done better than we expected in recent years as hedge funds have borrowed heavily in a weak-currency country, Japan, to invest in strong Euro assets, including European equities. US shares have not benefitted as much from the carry trade due to the expectation of dollar weakness and this is one reason why the US equity market has lagged most global markets in recent years (Chart 5, Next Page). **The precise amount of money engaged in this type of trade is unknown, but is very significant. It has created greater demand, and therefore higher prices, for financial assets worldwide. This is, however, "hot" money, and it may seek to flee faster than it arrived. Liquidity**

Table 2

Regional Money Growth

Latest YoY % change of Broad Money Measures

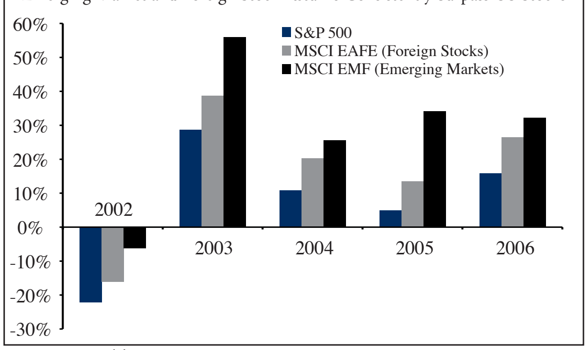
U.S.	Eurozone	U.K.	Canada	China	Pac Rim	Latin America	Eastern Europe
7.2%	10.0%	12.7%	8.1%	17.3%	14.7%	18.5%	22.5%

Source: ISI

Chart 5

Carry Trade Favors Non-US Stocks?

Emerging Market and Foreign Stock Returns Consistently Surpass US Stocks



Source: Stewardship Partners

can be quite the coward when put under even the slightest stress.

During the first quarter, global equity markets got an indication of how cowardly carry-trade-based liquidity can be when investors briefly went into a panic when concerns erupted that hedge funds would need to unwind their Yen-based carry trades due to the possibility of rising interest rates in Japan. While these concerns quickly proved overblown, it did give investors a glimpse into just how meaningful the carry trade is on the pricing of a variety of assets around the globe, particularly riskier assets. Should Japan actually ever pull out of its deflationary abyss, its interest rates and currency will certainly rise to more normal levels. This could potentially cause meaningful dislocations in the global markets as the many investors holding Yen-based carry trades seek to exit them in short order. It is our hope that circumstances will allow for a gradual unwinding of these trades once Japan finally beats back the deflationary grip on its economy but this cannot be assured.

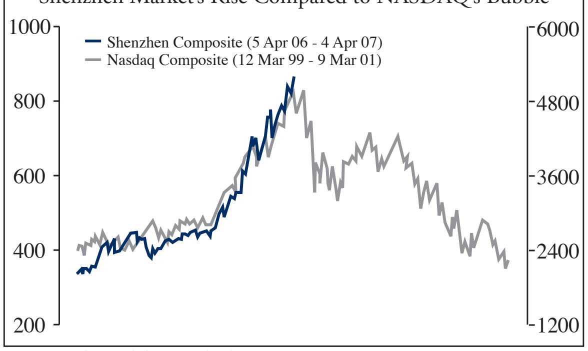
Meanwhile, Japan's moribund economy still is not responding to the stimulation of ultra-low interest rates, and therefore its low rates continue to help hedge funds fuel a global boom in liquidity. This, in turn, facilitates lower long-term interest rates as many proceeds from the Yen carry trade loans are used to bid up the price of government fixed income securities. Lower interest rates promote more rapid expansion in global productive capacity as corporations can more easily justify taking on leverage to grow their business. Additional manufacturing capacity creates jobs and works to keep inflation contained. All these developments are significant blessings resulting from excess liquidity.

Unconstrained liquidity growth, however, could turn into a curse for investors. One of the main concerns of policymakers is that abundant liquidity may be promoting unwise risk-taking. With plentiful money initially creating very attractive growth, interest rates and inflation, and also allowing investors easy access to financial leverage, many find themselves taking bigger and bigger risks. Initially, the payoff is attractive and more speculators are attracted to similar or even higher-risk investments. Inevitably, as in the subprime mortgage market, some of these questionable investments go bad, and the liquidity that previously rushed in and boosted returns suddenly comes to a screeching halt.

Chart 6

Chinese Market's Point of Maximum Optimism?

Shenzhen Market's Rise Compared to NASDAQ's Bubble



Source: Seeking Alpha - Michael Panzner

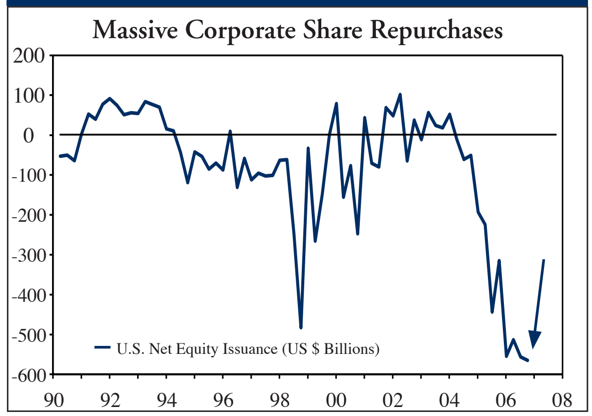
Another problem with current liquidity-based bubbles, such as we are now seeing in China's local stock markets, is that nearly all the excess money has the ability to rush out just as fast as it rushes in. The "speed" of money is accelerating with all of the new investment products available to traders from online trading to a wide array of leveraged and inverse index exchange-traded fund (ETF) products. Moreover, large and small investors alike almost anywhere in the world now have access to previously hard-to-access, small equity, bond and commodity markets. This can cause a tsunami of money flowing from around the world suddenly targeting an attractive investment opportunity in some far corner of the global investment universe. Recently, foreign and local investors have both been targeting China's Shanghai and Shenzen equity markets. **It has been reported that in a recent week, Chinese retail investors opened 1 million new brokerage accounts bringing the four month total to over 10 million new accounts! This exceeds the number of new accounts opened over the prior four years combined! While we do not yet know how wild a Chinese bubble can get, Chart 6 is rather ominous.**

Reasons for Long-Term Optimism

"Therefore, since we have such a hope, we are very bold." 2 Corinthians 3:12 (NIV)

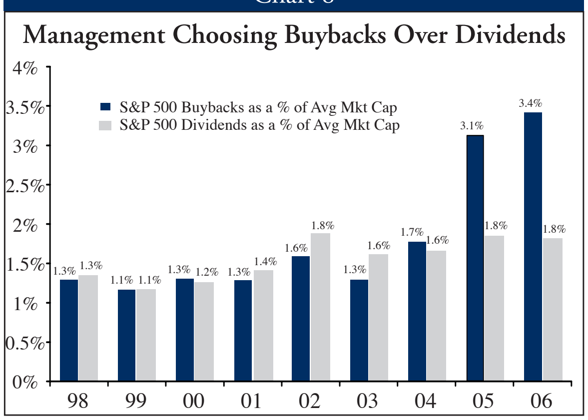
US corporate balance sheets are also flush with liquidity. After years of rising margins, increased productivity, carefully controlled capital spending and relatively flat unit labor costs, the average US company has built a significant stockpile of cash, especially in the technology sector. Indeed the average US holding in Stewardship Partners' US BRI portfolio has no debt whatsoever on its cash rich balance sheet and we are overweight the technology sector across all of our portfolios. **This very favorable financial position is allowing many companies to engage in sizable buybacks of their own stock, thereby boosting earnings.** We believe this factor is being underestimated by most analysts and future earnings forecasts will be biased higher as a result. **The scope of the share repurchases is unprecedented as seen in Chart 7.** Moreover, there is no reason why these aggressive share buybacks should cease. In fact, share shrinkage may accelerate if earnings continue to rise as anticipated.

Chart 7



Source: ISI

Chart 8

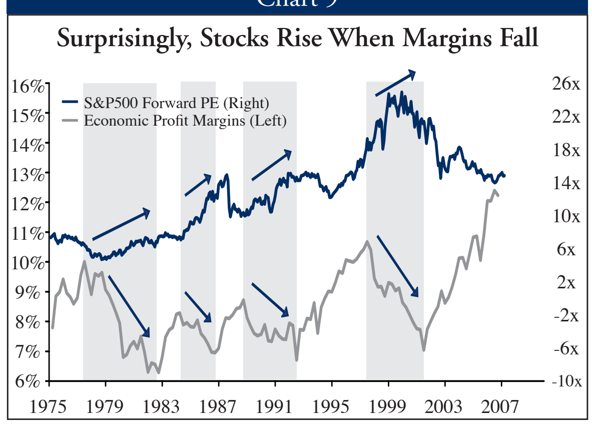


Source: ISI

When management teams are faced with the issue of how to deploy their excess cash, they must evaluate several options. They can reinvest more aggressively in their own business in search of higher organic growth rates. Many are happily finding that under current attractive business conditions, they can expand their internal business sufficiently and still have significant cash remaining. This is the sign of a truly attractive business model. Or, they can seek to grow faster than normal by utilizing excess cash for acquisitions. As seen in frequent headlines, many companies are pursuing an acquisition strategy. At many other companies, management is increasingly opting to simply return excess cash to shareholders via stock repurchases rather than dividends (Chart 8). This is due to the more attractive tax benefits of share repurchases versus dividend payments as well as management's motivation to maintain earnings per share growth as net income increases moderate. By reducing a company's share count, management is also participating in creating extra liquidity for investors. The very active private equity business is also adding to this increased liquidity by taking whole companies private and filling shareholders' pockets with cash.

Company profit margins have indeed risen to very high levels, prompting many investors to worry about the impact on stock prices of a reversal of fortune on this front. Chart 9 demonstrates that these worries could easily be misplaced. **Historically, price-earnings multiple expansion has tended to more than offset margin compression, particularly when the margin decline was relatively small. Still, we are not yet ready to concede that margins will fall sharply anytime soon.**

Chart 9



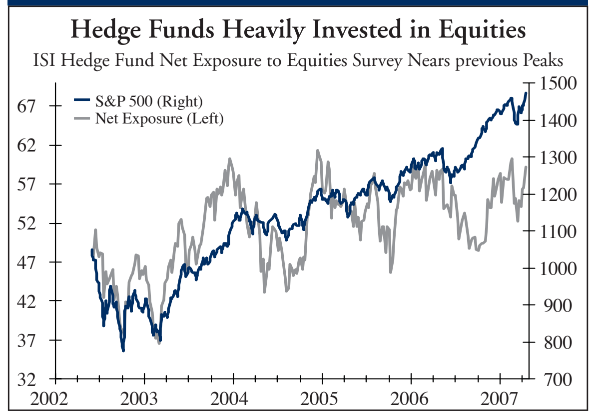
Source: ISI

Too Much Short-Term Optimism?

"… do not forget the things your eyes have seen." Deuteronomy 4:9 (NIV)

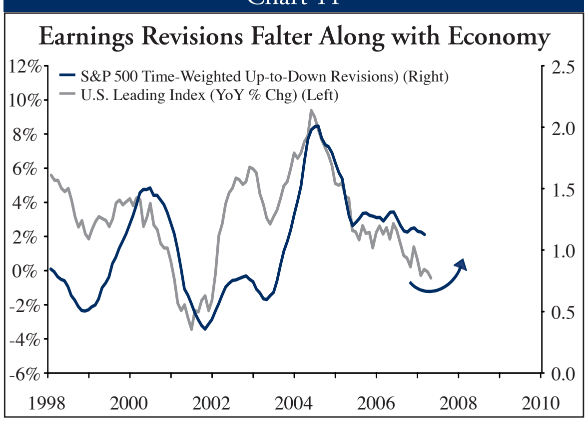
Excess liquidity almost always produces excess optimism on the part of investors. A market flooded with liquidity is able to stare down almost any problem that confronts it and continue rising. Investors naturally get used to this friendly trend and begin to expect more of the same. For a while, they are rewarded for casting their cares aside but, eventually, a point of maximum optimism is reached and suddenly the previously discarded concerns seem shockingly large, leading to a rapid retreat in share prices. Due to the failings of human nature and emotion, this same process repeats itself over and over again, to differing degrees, in all markets. The long-term trend has always been higher, but we are always on the lookout for evidence that optimism is running too high. As this commentary is being written in late April, our indicators, one of which is featured in Chart 10, are raising a short-term alarm. As a result, **we would not be surprised if the excess liquidity the market has enjoyed soon shows its cowardice again.**

Chart 10



Source: ISI

Chart 11



Source: ISI

And there are plenty of issues the market could temporarily stress over. Despite the fact that vacillations in China's stock market have little connection to the state of the world economy or even China's economy, a bursting of that liquidity bubble could be imminent. This could once again unjustifiably perpetuate a temporary sell-off in markets around the globe. Or perhaps the concerns will further build that the US economy may be heading for a recession or stagflation causing earnings revisions to sink dangerously lower (Chart 11). Potential financial system duress could be the culprit if US employment begins to sag and the subprime mortgage problem seeps into the healthier segments of the mortgage market. The market also seems quite susceptible at the moment to a renewed focus on rising and very legitimate geopolitical risks and the attendant risks to oil prices.

If the worst of the geopolitical risks are avoided, we believe any correction could prove to be relatively minor as there is no evidence that the strong liquidity trends are about to subside. Moreover, the economy could well be on firmer footing before too long. Chart 12 highlights a measure that has historically done a good job of forecasting the US Leading Economic Indicators. It is clearly projecting a strengthening in economic prospects, which if it comes to pass, would boost earnings and encourage investors. We feel this is probable and **future trends in earnings and interest rates are more likely to be upward than downward due to the extended period of above-average global growth we foresee.**

Chart 12

Source: ISI

We at Stewardship Partners continue to be grateful for the opportunity to serve your investment needs. Please do not hesitate to contact us if you have any questions or if we can be of any assistance.

STEWARDSHIP PARTNERS

Biblically Responsible Investing COMMENTARY

Biblically Responsible Investing (BRI)- 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 Biblically Responsible Investing (BRI). 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 with the world-renowned global mutual fund manager, John Templeton. **By employing a BRI 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 just some of the issues of concern to Stewardship Partners and the specific sinful activities that fall into each category:

1. We desire *justice and mercy for the defenseless* so we screen out companies involved in:
- Abortion
- Persecution of Christians and other oppressed peoples
- Life destroying scientific research

2. We desire *justice and mercy for the poor* so we screen out companies involved in:
- Political oppression
- Any abuses of the poor, children and the elderly

3. We have *compassion for those addicted and/or engaged in sinful lifestyles* so we screen out companies involved in:
- Alcohol, Gambling and Tobacco
- Pornography
- Homosexuality

4. We want to *protect marriage and the family* so we screen out companies involved in:
- Entertainment that seeks to destroy biblically-based attitudes
- Efforts to promote alternative lifestyles

Additionally, there are a number of areas of interest to us where we favor companies that clearly embrace:
- 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 both the objectionable practices and the exemplary attributes of corporations from our affiliate **The Institute for Christian Worldview Research** (**ICWR**) (www.ICWR.com). We believe this source of information give Stewardship Partners the best database of BRI 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 influence corporate behavior in a positive manner with biblical principles. As things presently stand, the Christian message is not being heard very effectively in the financial marketplace since the amount of money dedicated to BRI, while growing rapidly, still falls far short of that in liberal SRI funds. For a more in depth study of the topic of Biblically Responsible Investing, please see our paper entitled *"The Scriptural Basis for Biblically Responsible Investing."*

BRI in Action – Comparing Good and Bad 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 attributes, Gilead Sciences, and one we avoid, Harrah's Entertainment. We currently are proud owners of Gilead Sciences in some Stewardship Partners portfolios while we actively avoid ownership in Harrah's in order not to be co-owners in 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 – Gilead Sciences – Giving a Balm via Science and Charity

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

Gilead Sciences is a biopharmaceutical company whose name incorporates a reference to the "Balm of Gilead" noted in the Bible (Jeremiah 8:22 – "Is there no balm in Gilead? Is there no physician there? Why then is there no healing for the wound of my people?") Gilead was known for a certain kind of tree from which a resin was derived that was used to formulate medicines in Biblical times. **Gilead Sciences is a company whose mission is to discover, develop and commercialize healing "balms" that address life-threatening diseases. And the company has had success in doing just that. Gilead's HIV medications are its most well-known products and have done much to extend the lives of those afflicted with AIDS.** These medications account for roughly two-thirds of the company's sales. Gilead also produces drugs used to fight cystic fibrosis, fungal infections, hepatitis and influenza. Through just this one company's efforts, tens of millions of lives are positively impacted every year and many lives are saved.

The AIDS epidemic is now 25 years old, and Gilead has been one drug company that has focused considerable resources to ease the plight of its millions of victims. **If AIDS is diagnosed early and a drug regimen consisting of medications produced by Gilead and others is begun soon thereafter, Gilead estimates that an AIDS sufferer's life can be extended by 35 years.** This gives the patient hope that they might live long enough for Gilead or another drug company to discover not just improved treatments but perhaps even a cure. Gilead currently has another AIDS drug in Phase II testing. While Gilead's commitment to commercializing drugs to help AIDS patients is very noteworthy, **Gilead's biggest long-term contribution to its fellow men and women may end up being its drug Tamiflu, which was originally seen as a remedy to seasonal flu viruses but now is part of an effort to prepare globally for a potential highly dangerous avian flu outbreak that could kill millions worldwide.** Many governments have already stockpiled large quantities of Tamiflu due to this risk.

Gilead is also very compassionate in how it makes its life-extending medicines available to those who cannot afford them. Patients who are unable to pay for the medicines they need can receive assistance from Gilead. For impoverished AIDS patients in the third world, Gilead has set up a special program where the critical medicines can be obtained at cost. Gilead has worked with generic pharmaceutical companies based in India to provide low-cost manufacturing of these drugs and then allows them to be sold at no profit to Gilead. There are now nearly 100 underdeveloped countries where these drugs are made available to millions who otherwise would have no treatment options under this innovative and kindhearted Global Access program. While Gilead surely loses potentially millions of dollars through this effort, they are unquestionably extending the lives of many who would be facing a more immediate death. Gilead deserves great acclaim for undertaking this very significant humanitarian effort to those who are too poor to normally afford their products.

Gilead also is engaged in other charitable activities. Through the Gilead Foundation, the company seeks to improve the health and well-being of people in communities underserved by normal healthcare facilities. The foundation has made grants to assist women with AIDS in Haiti, to provide training to those seeking to control and prevent AIDS in West Africa, to educate medical personnel in Thailand about AIDS and to fund critical machinery at a clinic in Burkina Faso. The company also provides grants to medical education programs, scientific conferences and the development of health education materials.

Employees of Gilead are blessed to be working for a company that encourages excellence, teamwork, accountability and integrity. Employee development is a key concern and the company's staff is blessed with a wide range of attractive benefits. Healthcare benefits, including health savings accounts, are available to all employees along with a 401(k) plan, stock options, an employee stock purchase plan, tuition reimbursement and access to an Employee Assistance Plan.

Gilead's good works are, of course, no guarantee of long-term investment success. As Biblically Responsible Investors, however, this company's life-saving work, its demonstrated concern for the poor and its treatment of its own employees allows us to feel good about our ownership in Gilead. Gilead is also a way for Christian investors to portray their concern and compassion for homosexuals, the primary group of people that suffer from AIDS. It is clearly a company that we can be proud to own!

The Bad – Harrah's – Gambling, Homosexuality and Porn

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

Harrah's Entertainment is the world's premier provider of branded casino entertainment with 40 casinos operating in three countries. Brand names utilized are Harrah's, Caesars and Horseshoe. Four million square feet of casino floor space is managed by Harrah's containing over 63,000 slot machines, 469 poker tables and 2,256 other gaming tables. Sadly, the company counts over 40 million people as members of its Total Rewards program. Studies have shown that the presence of casinos can have a serious detrimental impact on the communities in which they operate with a notable increase in urban blight and crime. Additionally, **it is undeniable that gambling can develop into a highly destructive addiction. Many, many families have unfortunately been destroyed by the scourge of gambling. Even if a gambler avoids addiction, gambling is still very poor stewardship of the resources the Lord has given the gambler control over, particularly considering the good the money lost to gambling could achieve if donated to the Lord's work.**

Harrah's also has provided corporate support for the sin of homosexuality. Harrah's has donated money to homosexual organizations and has advertised its services in homosexual magazines. These advertisements were provocative and clearly promoted homosexual relationships at the company's hotels.

Pornography is another sinful product from which Harrah's profits. The company distributes porn through pay-per-view adult movie sales in its hotel rooms. Additionally, casino entertainment often includes morally questionable elements. Harrah's efforts to promote the sins of pornography and homosexuality, in addition to gambling, are regrettable and the number of people negatively impacted by this company is measured in the tens of millions.

Excluding Harrah's from our list of potential investments is an easy call. There is virtually nothing that a Biblically Responsible Investor can find in this company that would offer any encouragement. By virtue of its business, the company is not able to make changes that might eliminate our concerns, other than voluntarily ceasing operations. Obviously, this will not occur. As a result, the company is essentially irredeemable. As a result, investors using a BRI approach quite naturally avoid investing in companies like Harrah's that have such a widespread negative impact on our world.

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' ability to produce wealth for you will help you to 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 90,000 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 Rod Pitzer at 704-841-7828 or rpitzer@wallwatchers.org. We would be pleased to be able to help you bless God's people who are in need. Rod would also be happy to sign you up for our monthly e-mailed newsletter, MinistryDirect, 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 monthly 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.

Featured Ministry – Young Life – Bringing the Gospel to the Young

"If anyone gives even a cup of water to one of these little ones… " Matthew 10:42 (NIV)

Young Life, founded in 1941, has been responsible for millions of young people coming to know Jesus as their Lord and Savior. The stated mission of the organization is to reach every young person, everywhere, for Christ. These relationships are typically nurtured through Young Life's club meetings and during weeklong camping events at one of the ministry's 23 camps. These camps serve 74,000 children each year and many students report that it was one of the best experiences of their lives. Roughly 1 million students in 53 countries are impacted by this impressive ministry each year. The ministry desires to be involved in 7,500 schools and its continued growth seems assured as the ministry's effectiveness remains noteworthy.

Young Life was a founding member of the ECFA and has long demonstrated financial accountability and transparency. The ministry receives an "A" Transparency Grade from MinstryWatch.com. Young Life also receives a 3-star Financial Efficiency Rating. MinstryWatch.com has included Young Life on its list of 30 Brightest Shining Lights Ministries due to its effectiveness, transparency and straightforward evangelical orientation.

The Christian Ministry Marketplace – Helping Donors Give Wisely

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

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
to 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)
- Strategic Resource Group (srginc.org.)

WHERE
to invest in kingdom ministries?

Ministry Research:
- ECFA (ecfa.org)
- Generous Giving (generousgiving.org)
- Geneva Global (genevaglobal.com)
- MinistryWatch.com (ministrywatch.com)
- Samaritan's Guide (acton.org/cec/guide/)

Ministry Mutual Funds:
- Nat'l Christian Fdn (nationalchristian.com)

Online Donation Services:
- Network For Good (networkforgood.com)
- Kintera (kintera.org)

Featured Ministry Marketplace Participant – Excellence in Giving

"Do not forget to do good and to share with others, for with such sacrifices God is pleased." Hebrews 13:16

One element that has long been missing from the Christian Ministry Marketplace has been the aid and counsel that qualified, experienced advisors can bring to a giving decision. Due to the absence of such guidance, many well-intentioned donors have made giving decisions that proved to be less than optimal. Excellence in Giving (EIG) seeks to fill that gap and thereby bring forth more resources for the Lord's work. Founded by Wall Street veteran Al Mueller, EIG is one of a group of new philanthropic advisors that seek to transform the burden of wealth into the joy of generosity for major donors. The goal of the firm is to maximize the value and satisfaction of their clients' charitable giving. This is accomplished through a four-step process:

1. Discovery - EIG explores the issues their clients care most about, the values that they want to pass on to their children and the legacy that they would like to be remembered for.
2. Evaluation - EIG reviews their clients' current giving and produces an impact and satisfaction assessment. Analysis of new opportunities combined with the establishment of giving guidelines and initiation of a due diligence process are part of a course of action that leads to a Giving Game Plan.
3. Participation – EIG works with its network of contacts to identify the best opportunities, manages every aspect of the giving process from project evaluation, negotiation of grant terms and outcome measurements and seeks to partner with others, where appropriate, to leverage a client's gift.
4. Celebration – EIG provides both a quantitative and qualitative review of the giving process and the positive results achieved are celebrated.

Investors regularly seek out the assistance of investment managers like Stewardship Partners in order to maximize their investment results without taking undue risks. High capacity donors would likewise do well to seek out the professional philanthropic counsel of Excellence in Giving if they desire to maximize the positive impact of their giving. Excellence in Giving's website can be found at www.ExcellenceinGiving.com and Al Mueller can be reached at 719-329-1515.

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

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