

CHANGING OF THE GUARD

"I the Lord do not change" Malachi 3:6 (NIV)

The initiation of the historic presidency of Barack Obama, with its promise of hopeful change, got a rude reception from the financial markets. The long political transition process during the world's most serious financial crisis in decades, coupled with the new president's gargantuan federal spending initiatives, undermined investor confidence. Treasury Secretary Geithner, on the other hand, was initially warmly welcomed by the market when his appointment was announced in November. By early February, however, investor confidence crumbled after he failed to live up to high expectations, built up by the president himself, of providing a credible solution for the banking system's toxic assets. The market promptly slid to new lows in early March as many investors became convinced that a depression was underway. A panic ensued as all confidence in the future was lost by many normally level-headed investors. While all these changes upset investors, it is always comforting to know our Lord never changes and His love endures forever.

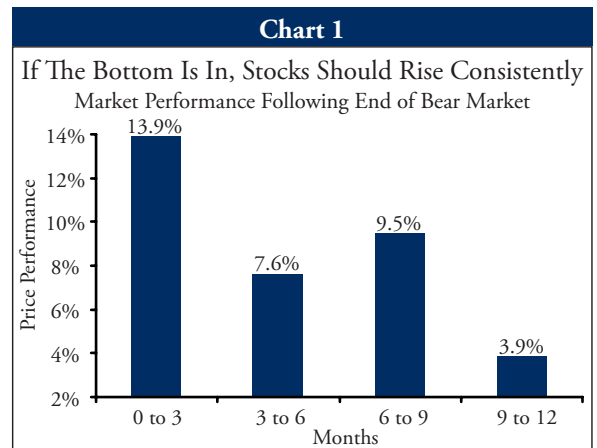


Table 1

1Q09 Returns

US Indices	1Q09
S&P 500	-11.01%
S&P 500 Citigroup Value	-16.11%
S&P 500 Citigroup Growth	-6.18%
NASDAQ* (price only)	-3.07%
S&P 400 (Mid Cap)	-8.66%
S&P 600 (Small Cap)	-16.84%
Treasury Bonds	0.05%
High Grade Corp. Bonds	-12.58%
Gold	5.95%
Global & International Indices	
MSCI World	-12.50%
MSCI EAFE	-14.64%
MSCI Euro	-18.26%
MSCI Far East	-15.90%
MSCI Japan	-10.03%
US Economic Sectors (Price Change Only)	
Energy	-12.08%
Utilities	-11.86%
Materials	-2.82%
Consumer Staples	-11.31%
Health Care	-8.52%
Industrials	-21.77%
Consumer Discretionary	-8.61%
Financials	-29.49%
Technology	3.96%
Telecom	-8.47%

Such despair is always evident at major market lows, and we are hopeful that March 6, 2009 will ultimately be determined to be the low point from which the next bull market will be measured. The world's equity markets bounced strongly off this low and turned in the best four week performance since 1933. Just as there was a political changing of the guard in the first quarter, this move may signify the bears have passed the baton to the bulls. Already, the market has rallied over 25% from its lows. Chart 1 highlights that stocks typically continue to rally each quarter in the year after a bear market bottom. Since this was one of the worst bear markets on record, down nearly 58% from its highs at the low, we would not be surprised if the rebound in share prices was also larger than normal. While there remain many serious issues for the market to contend with, some of which could clearly send the markets careening lower again, it is our sense that the bottom is in. Momentum appears to have shifted, and the bears now seem more worried than the bulls. And well they should be, given the massive dose of monetary and fiscal stimulus the economy is now receiving just as the negative forces of deleveraging are waning from the hyper-intense levels seen from September through February.

As we write this commentary in early April, many of our Stewardship Partners portfolios are well into positive territory for the year-to-date period and all are ahead of their relevant indices. Our performance versus the indices was also good in the first quarter as all portfolios outperformed their indices. Our Global, Global Concentrated, International Concentrated and SMID Cap portfolios turned in particularly good results. Stewardship Partners' continued focus on high quality companies having superior wealth creation capability versus their competitors is one reason for the good results, as such shares performed well during the quarter. Additionally, we greatly underweighted European stocks in our portfolios and this also significantly aided our results versus our benchmarks since Europe was the worst performing region of the world.

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MOVING FROM THE EMERGENCY ROOM TO INTENSIVE CARE

“Prepare a poultice of figs and apply it to the boil, and he will recover” Isaiah 38:21 (NIV)

As we noted in our last Quarterly Commentary, the global economy suffered a “heart attack” last Fall, when the credit markets became clogged with bad debts and investor fear. Since that time, the “patient” has been subjected to a variety of standard and experimental treatments by policymakers worldwide seeking to stabilize the situation. In total, the treatment has been extremely aggressive, and it appears to be working. Importantly, credit markets are again functioning although the improvement is neither complete nor even across markets. Fiscal stimulus efforts have been among the more standard responses used to revive economic growth. Throughout the world, many nations have increased spending to help get the blood flowing through their economies again. Table 2 indicates that the US and China have been among the most forceful in applying fiscal stimulus while



Source: Strategas

the European countries, constrained by both legislation that seeks to head off profligate spending and a more cautious attitude in their response due to inflation fears, have done less. Not surprisingly, while the stimulus is just now beginning to impact economic activity, China and the US are showing the first signs of stability, while Europe's economy is lagging. China's Manufacturing PMI Index has already rebounded rapidly and now indicates positive economic growth (Chart 2). Given the European economy's greater reliance on exports, this region may benefit significantly from recovering economic activity in the US and China. As a result, they may be able to limit their recovery costs by allowing the other economic superpowers to carry a heavier burden. If this strategy is successful, Europe may be able to protect its currency value relative to the US in particular.

One reason Europe is unwilling to spend more aggressively is that it already faces relatively high public debt ratios as a percent of GDP (Chart 3). The current US spending binge will quickly increase the US's debt ratio up to the level of many European countries and should likewise limit our spending flexibility in the years to come. Japan's ratio is in the stratosphere but the country benefits from a high domestic savings rate and little of this debt is owned outside its own borders. China, a younger economic powerhouse, has not yet built up too much debt and maintains a strong balance sheet and significant flexibility to deal with ongoing spending needs. Moreover, it is also a nation of big savers and therefore has the ability to fund its spending internally. China's stronger balance sheet will be a significant competitive advantage especially should the global economic crisis drag on for an extended period of time. The massive spending plans of President Obama and his Democratic congressional colleagues, however, may need to be curtailed in order for interest rates, inflation and the value of the US dollar to remain stable in the years ahead. Should US economic activity fail to begin growing again soon, this will quickly become an issue in the financial market with serious consequences. Moreover, if the US economy does not respond, or responds only sluggishly, Obama's plans to reduce the fiscal deficit by raising taxes on the wealthy could be dead on arrival. While we believe the combined fiscal and monetary stimulus in the US is so colossal in size that the economy will rebound quickly, perhaps more quickly than anyone now imagines, we will also be carefully monitoring the possibility of the US falling into a deflationary trap.

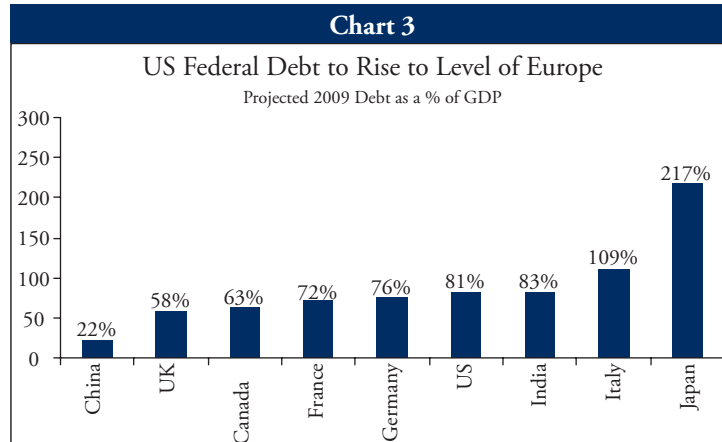
Table 2
US and China Lead World in Stimulus Spending

Stimulus Spending as a % of GDP

(% of GDP)	2008	2009	2010	Total
Canada	0.0	1.5	1.3	2.7
China	0.4	2.0	2.0	4.4
France	0.0	0.7	0.7	1.3
Germany	0.0	1.5	2.0	3.4
India	0.0	0.5	-	0.5
Italy	0.0	0.2	0.1	0.3
Japan	0.4	1.4	0.4	2.2
UK	0.2	1.4	-0.1	1.5
US	1.1	2.0	1.8	4.8
Average*	0.5	1.6	1.3	3.4

*PPP GDP-weighted average

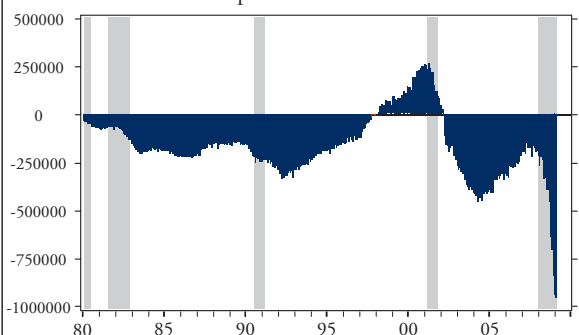
Source: IMF Estimates & Merrill Lynch



Source: IMF Estimates & Merrill Lynch

Chart 4

US Deficit at Scary Level
Federal Surplus/Deficit in Millions



Source: US Treasury, Haver Analytics, Merrill Lynch

efforts through the economic system.

Nowhere is this truer than in the housing market. Government programs somewhat belatedly addressed the problems in this sector of the economy, but early signs of stabilization are becoming evident. Housing affordability is at a record high due to the combined effect of programs to reduce mortgage rates and sharp house price declines. If banks will not lend, however, the housing industry will remain mired at unusually low levels of activity. Of course, consumers must also regain confidence and a desire to buy homes as well. Recent housing-related data releases indicate progress on this front as does the uptick in some measures of consumer sentiment (Chart 5). Indeed, even beyond the housing sector the evidence is building that the global economy, while still in awful shape, is beginning to stabilize. The stock market's forceful rebound in March may actually be the best indicator of real economic progress. While skeptics point to the continued poor trends in employment levels, unemployment has always risen for months after previous recessions have ended. We may soon be able to safely move the "patient" from the emergency room to intensive care. Even so, the current economic situation remains fraught with risk. While the patient's prognosis is improving, temporary setbacks, at a minimum, are a near certainty. And the long-term economic consequences of the current administration's tax, borrow and spend policies could mean the economy will have to endure a lengthy period of rehabilitation.

Far more likely, in our view, is that the US economy may soon be growing too quickly. In addition to the sizable stimulus from the huge fiscal deficit (Chart 4), the Fed has also engaged in a wide variety of innovative programs mostly aimed at freeing up the flow of credit. Both the monetary and fiscal stimulus, however, utilize blunt policy instruments. Many of the policies are brand new, thus we cannot know exactly what the impact will be, but we see the risks almost exclusively running on the "too hot" side of the equation. This simply adds to an already high degree of economic uncertainty that may keep investors more cautiously positioned than normal. It may also lead to an economy that accelerates and decelerates rapidly as policymakers grapple with controlling the impact of their actions on growth, inflation and interest rates. If banks, however, are unable to effectively use the US Treasury's new program to remove the toxic debt from their books, they may undermine the stimulus efforts as a well capitalized banking system is critical to transmitting the impact of the government's massive spending

Chart 5

Consumers Cheering Up?
Rasmussen Consumer Index, 2 Week Average



Source: Strategas

SHOULD WE BE CONCERNED ABOUT END TIMES BIBLICAL PROPHECIES?

"No one knows about that hour or day, not even the angels in heaven, nor the son" Mathew 24:36 (NIV)

In light of the dire economic circumstances, increasing calls for a global currency, a growing alliance between Russia and Iran, China's ascendancy to superpower status, the rise of Islamic terrorism and continued moral decline, some clients have been asking us our opinion about whether these events signal that we are in the "end times" period. Not being trained appropriately, our knowledge base in these matters is insufficient and, therefore, our comments should be viewed with a healthy dose of suspicion. Moreover, it is not possible to properly review this issue in such a short space. Nevertheless, some observations can be made that may prove helpful. For those desiring more information about this subject I recommend "Prophetic Guide to the End Times" by Derek Prince and Joel Rosenberg's book "Epicenter". There are, of course, many other excellent resources on this subject as well.

First, it is helpful to recognize that if you were to conclude we are in the end times period, this would be something to rejoice about rather than worry over. It could only mean that our Savior's return is imminent and our hopes will soon be fulfilled. While the events surrounding the end times will be tumultuous, Christians can and should maintain an attitude of joyful anticipation while remaining

watchful for the signs of the end of the age that Jesus forewarned us about. As we increasingly sense such a time is at hand, we should be inspired to increase our efforts to hasten His coming.

Interestingly, economic turmoil is not addressed directly in end times prophecies. One may logically conclude economic problems would be present during a time of great tumult, but Jesus actually indicates the times will be normal, from an economic perspective, before He returns. Jesus noted people will be eating and drinking; buying and selling; planting and building just before the Lord returns (Luke 17:28-30). Accordingly, the current economic troubles may not be much of an end-times indicator at all.

Many who study the end times prophecies (and the Bible is full of prophecy – some suggest one-third of it is considered prophecy and estimate that half of all Biblical prophecies have already been fulfilled) believe that a single global currency will be present during this period. Recent calls at the G-20 meetings for such a currency by the leaders of both Russia and China, as well as by a Nobel prize-winning economist have led some to believe this is another sign of the approaching end times period. On a practical level, there is little chance that such calls will be heeded anytime soon. However, our view is that such an initiative could only become a reality during a period of severe economic stress. This would be needed in order to justify such a significant change, as there would be great opposition to such a plan. Strong opposition was present at the formation of the Euro, which many believe is the precursor to the new global currency. At the moment, the Euro is actually under stress with some observers believing it may not survive the current crisis. Should the Euro not survive, (we believe it will) this would likely set back the timetable for the introduction of a global currency for a considerable period.

Jesus also indicated the time leading up to His return would be similar to the times of Noah and Lot. Genesis 6 indicates that the times of Noah were filled with corruption, violence and evil. In Lot's time, aggressive, brazen homosexuality was rampant (Gen 19), and the city of Sodom was full of pride, food, and idleness. Additionally, its residents did not care for the poor (Ez 16:49). Clearly, a case can be made the current period fits these descriptions. However, other periods also similarly qualify. Only in this time period, however, does the technology exist to implant chips into people that would govern their buying and selling as indicated in the book of Revelation. Also, only in recent years has there been the existence of nuclear and other weapons of mass destruction required to fulfill some of the Bible's descriptions of carnage in the tribulation period.

The Bible also indicates there will be warnings of the impending end times period, which it refers to as "birth pains". These are said to be wars and rumors of wars, earthquakes, famines and pestilence. This will be followed by persecution of Christians, apostasy, the rise of false prophets and "love growing cold". While a case can be made that such developments are now occurring, it is not as strong a case as many would desire to see. Still, Christians should remain watchful for an increasing intensity in "birth pains", as the Bible instructs us to be.

Another key event for students of prophecy has been the re-establishment of the nation of Israel in 1948, the subsequent re-gathering of Jews from all over the world and the recovery of the old city section of Jerusalem, including the all-important Temple Mount, during the Six Days War in 1967. Had these events not occurred, the prophecy countdown to the end times period and the return of Jesus could not begin. Even now, however, there remains a problem. The Jews have not yet rebuilt the ancient Temple on the Temple Mount. While plans have been made to do so, the area remains a Muslim holy site. In order to build the Temple which the Bible says the anti-Christ will desecrate, the Muslim holy sites would seemingly need to be torn down. Until this seemingly impossible political feat occurs, some will question whether we are actually in or near the end times period.

In view of this information, wisdom dictates that all Christians should take the Lord's advice and "Watch, therefore, for you do not know what hour your Lord is coming...Therefore, you also be ready, for the Son of Man is coming at an hour you do not expect" (Matt 24:42-44). We should certainly be ordering our spiritual life as if the Lord's return is imminent, just as the wise virgins did in the parable of the ten virgins (Matthew 25), even if He may tarry. Any action we take now to get our heart right is a timely one, even if the Lord's return does not occur in our lifetime. Adapting our investment portfolios in preparation for the end times period, other than by applying a Biblically Responsible Investment (BRI) approach that honors the Lord, is not as clear cut. First, given scripture says that even Jesus does not know when this time will begin, it is hard to confidently take positions that may protect capital or enhance its value during such a time. Investors could find themselves in the wrong investments for a very long time. Second, it is hardly clear from scripture what those investments might be. Investors will need to adapt to the economic circumstances during the end times period as it unfolds, assuming investing is still even a viable activity at that time. Who knows what the nature of the economic system may be in place as the end times period comes upon us? Finally, it may be the least of our concerns anyway as Christians will be subject to persecution and will be seeking to deal the hardships caused by their refusal to have the "mark of the beast" on their body (Revelation

13:17). The most sensible preparation is to not allow the Lord's wealth, which He has given you temporary stewardship over, to be used to undermine His kingdom or dishonor His name. This is exactly what we try to accomplish at Stewardship Partners.

UNCERTAINTY DOMINATES THE INVESTMENT LANDSCAPE

"...you do not know what a day may bring forth" Proverbs 27:1 (NIV)

Returning to the issue of the health of the economy and financial markets, it is worth reiterating that the range of possible outcomes remains very wide. The patient has been subjected to government intervention never seen, nor probably contemplated, previously. Accordingly, we are now in a period where it is especially important to monitor the economy for clues about how it is responding so that the proper decisions can be made about the next steps in its care. This is particularly important since it is not only true that many of the medicines being utilized to stabilize the patient are experimental, but even the foundations of the hospital building itself are shaking. President Obama is talking bold steps on many fronts which are completely altering the environment in which the economy is operating within. Thus, the patient may react in unexpected ways to its treatment because there are substantial and rapid changes occurring in the surrounding circumstances. As noted earlier, fiscal stimulus may not be as effective as in the past if the banking system remains hamstrung by toxic debt. Investors may be much more cautious in making long-term commitments due to concerns about the prospect for higher inflation, higher interest rates and a weaker dollar not to mention stifling new government regulations. Additionally, the President's foreign policy initiatives are adding to the uncertainty as they represent a tectonic shift from the approach his predecessors followed. Not only has the patient not yet stabilized, but also the hospital itself seems to be shaking violently from the earthquake caused by President Obama's presidency. Worse yet, many fear the aftershocks associated with his economic and foreign policy plans might be as bad as the original earthquake. While Obama ran as a centrist, it is clear that he is governing from the far left. It will take time for corporations and investors to adjust to the new paradigm, which is not only well out of sync with his campaign but also is even farther from the status quo. Obama is taking big risks with his presidency and may be moving the country too far too fast on multiple fronts.



While such fears are legitimate, it is still helpful to keep the situation in a longer term perspective. One consequence of any bear market is investors shorten their time horizons dramatically. Their thinking becomes warped by the fear of impending calamity, which is actually highly unlikely. This leads to assigning unwarranted value to any piece of negative information and ignoring evidence the selling may have gotten overdone. Chart 6 is intended to help alleviate this problem. Besides suggesting investors in large cap stocks should be paying close attention in years that end in either the number 8 or 9, it also shows large cap stocks have just turned in their worst ten year performance ever. While this is no guarantee that share prices will not fall further, it certainly suggests taking a contrarian approach could soon be highly profitable to investors. The uncertainty created by the rapid and consequential policy changes noted above may dissipate over time, due to a politically expedient change of course a la Bill Clinton following his far left misadventures early in his first term, an electoral failure in the 2010 mid-term elections or unanticipated success of Obama's policies. In any case, share prices will benefit if uncertainties are reduced. Another indication current share prices may already incorporate the high degree of uncertainty about future growth prospects and interest rates is the sharply falling price to book ratio (Chart 7). This metric has fallen dramatically to 1984 levels even in the face of significant write-offs taken in the financial sector, which acted to push the ratio higher. Furthermore, the price to book ratio is generally regarded as a more stable, and perhaps more telling, measure of share value than earnings, since book values are not as volatile as earnings trends. In view of the current high levels of investor insecurity, if this ratio stabilizes on its firm historical foundation, confidence may begin to be restored

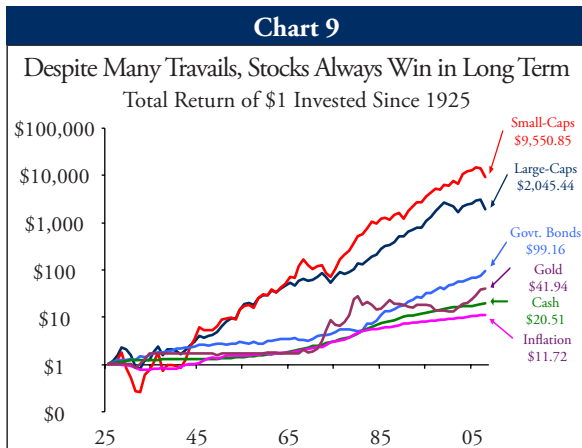
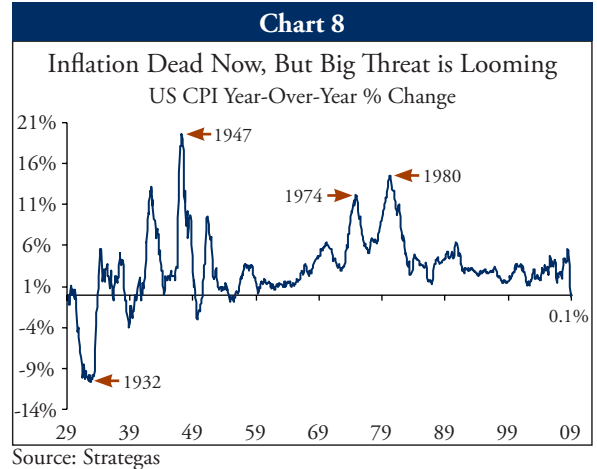
and share prices may be able to further build upon their recent significant advance.

TURNING UNCERTAINTY INTO LONG TERM PROFITS

“Be very careful...making the most of every opportunity, because the days are evil” Eph 15:16 (NIV)

Severe investor angst always accompanies depressed share prices. Its existence is something wise, cool-headed investors perversely celebrate as they intuitively recognize it as a quite promising circumstance. The more agitated the average investor appears to be, the greater the opportunity for long-term profits for those willing and able to look beyond the problems. Still, it is virtually impossible for even the wisest investors to refrain from investing anything until just the right time, and then to go all in. Investing in the midst of a great calamity is normally a process that needs to be adjusted and recalibrated to reflect the rapidly changing facts and circumstances that inevitably accompany such a situation and are the cause of the high levels of short-term uncertainty depressing share prices. Indeed, even the best investors are certain to make many moves that they will quickly regret as they seek to navigate successfully in a bottoming stock market. Despite these short-term miscues, the key fact is they are actively taking positions. By not abandoning the market, they may be buffeted for a while, but history has revealed long-term success is enhanced by seeking values in the rubble. Many casual observers, and even probably a few active ones too, likely believe stock prices are well below the levels reached last October 10th. In actuality, the market is essentially flat since then. Accordingly, one could have invested at the peak of the panic over the imminent total collapse of our financial system last October and not been much worse off despite all the hand-wringing since then. Risk is almost always massively overstated in times of extreme distress.

One current risk that may not be overstated is the potential for surging inflationary pressures. Another is concern that the US Treasury may have difficulty selling all the bonds needed to fund the deficits. Chart 8 reveals there is no inflation threat at the moment. The fiscal and monetary policies being pursued now, however, almost guarantee a future surge in inflation. Indeed, inflation is the objective of the policies. But the chart also highlights a wide range of inflationary conditions since 1929. While these intermittent bouts of inflation and deflation temporarily hindered the advance of share prices, Chart 9 reveals that equity investors always came out ahead in the long term. Sadly, the average investor not only cannot see the opportunity inflation uncertainties, or other disconcerting development, creates; but also he thinks those who can have lost their minds! While it gives us no pleasure to accommodate such fretful sellers, there is no possibility of changing their minds.



Now we do not want to appear overconfident about the short-term trend in stock prices. We recognize in a market with as fragile a psyche as this one, volatility will remain high and further significant declines are possible. Even if additional losses are realized, however, they stand a good chance of being recovered relatively quickly, as has been seen in the market's action since October. The road ahead for the market may well be bumpy, but history suggests the odds favor those who remain constructively engaged in the investing process during the turbulence. Investors who flee inevitably fail to fully re-enter the market until after a substantial move higher has already taken place. While we are not encouraged by the economic policies being pursued by our president and Congress, we have an abiding confidence in the ability of corporations to adapt to whatever scenario unfolds and create wealth for their shareholders. The historical evidence overwhelmingly supports such a stance. While this is no guarantee of future success, it does tilt the odds significantly in favor of those willing to stay invested

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 assistance.

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
 - Life destroying or distorting scientific research
 - Human rights issues such as religious persecution, terrorism and political oppression
- 2. We desire *justice and mercy for the poor* so we screen out companies involved in:**
 - Greed-based marketing techniques
 - Discrimination and unjust labor practices
 - Any abuses of the poor, children and/or 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 lifestyles the Bible indicates are sinful

Additionally, 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 biblically-based Christian worldview. We obtain the information on both the objectionable practices and the exemplary attributes of corporations from our affiliate *The Biblically Responsible Investing Institute* (BRII, formerly ICWR) (www.BRIInstitute.com). We believe BRII gives Stewardship Partners the most comprehensive 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, a biblically-based Christian message is not being heard as effectively in the corporate marketplace as it should be since the amount of money dedicated to BRI, while growing rapidly, still falls far short of that in the typically more liberally-biased SRI funds.

For a more in depth study of the topic of Biblically Responsible Investing (BRI), 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, Adobe, and one we avoid Aetna. We own Adobe in some Stewardship Partners portfolios while we actively avoid ownership in Aetna 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 best align their activities with biblical principles will achieve the greatest success.**

THE GOOD – ADOBE – EXCELLENCE, INTEGRITY, TEAMWORK & COMMITMENT

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

Adobe was founded in 1982 by two co-workers at Xerox. John Warnock and Charles Geschke had developed software that helped computers communicate with printers but found that Xerox was unable to grasp the significance of their work. As a result, they left to form Adobe and the beginning of one of the software industry's biggest success stories had begun. The company moved from success to success and went public in 1986. Growth continued via both acquisition and the rapid expansion in personal computing. In 1993, Adobe released Acrobat which allowed the creation of documents that could be read on any computer system. Now, most computer users receive PDF's on a regular basis, often as attachments to the more than 1.3 billion e-mails that are sent worldwide every hour. Without the ubiquitous PDF files created using Adobe's Acrobat software, one wonders if the world could function normally! If you have ever wondered how so many marketing documents you receive can look so slick, Adobe's Acrobat is the reason. It completely dominates the field and Adobe is continuously innovating in the rapidly changing technology marketplace. It is now a leading software provider for photo, video and web-based publishing and its record of strong growth appears likely to continue.

Adobe's core beliefs include a commitment to conducting business in an ethical manner, treating everyone the company comes in contact with respect, fostering superior company leadership, providing shareholders with a strong return on their investment, be a model corporate citizen through charitable giving and other programs and ensuring a dynamic, energizing and fun workplace. Adobe strongly emphasizes the need for honesty in all of its communications and activities. The company states “By doing the right thing, and operating with integrity and transparency, we build and maintain credibility and trust with our employees, customers, vendors, partners, stockholders and the community”. This is not simply idle corporate talk. Adobe is recognized by the investment community to be one of the best-run technology companies and has received numerous awards, including being named as one of the 100 best companies to work for by Fortune Magazine and one of the top employers in Canada as well. Adobe is a company with a global reach and maintains a formal code of ethics and a code of business conduct. Adobe's strong corporate culture, as well as these policies, have clearly had a positive impact on the success of the company. There is virtually no evidence of significant ethical failings in Adobe's

history. With the company's continued commitment to operating in a way that allows it to bless all those it interacts with, we suspect that this record of exemplary ethical achievement will continue in the years to come.

Adobe's leadership is also displayed in the opportunities and benefits it provides for its over 7,000 employees as well as in its commitment to environmental sustainability. The company actively seeks to promote an environment where employees can find an appropriate balance between their professional and work lives. In addition to all the standard employee benefits, the company seeks to be a blessing to its workers in many other ways. Adobe recognizes its valued employees can face many challenges outside the office as well as inside. Employees responsible for the care of children or adults can receive up to 100 hours per year of care provided by fully licensed in-home or center-based care providers when situations arise that prevent normal care from being possible. Adobe also has a market leading time-off policy that allows employees to manage personal needs including health, hobbies, family and interests outside of work. Employees also earn a three week sabbatical after five years of employment. Additionally, the company provides assistance with adoptions, offers commuting alternatives, provides educational assistance and allows free use of fitness facilities. On average, each Adobe employee receives 56 hours of professional development training each year and each employee has a personalized individual development plan. There is no doubt this company is living up to its goal of treating its employees fairly.

Adobe has also demonstrated leadership in its aggressive efforts to promote environmental sustainability. Its sizable corporate office complex has won three prestigious Platinum level certification for energy and environmental design excellence from the US Green Building Council. Adobe currently has over 70 programs in process focusing on conservation and energy reduction. It has also recently redesigned its packaging to reduce the environmental impact and is increasingly encouraging users to acquire their software via internet downloads.

Adobe's charitable efforts are also extensive. In 2008, the company gave over \$42 million to a wide variety of charities around the world, including Mercy Corp, the Salvation Army and Habitat for Humanity. These donations included cash and the company's own software. Education is one of the main focus areas of Adobe's charitable endeavors. Adobe also offers employees a generous matching gift program.

Adobe's good works are, of course, no guarantee of long-term investment success. As Biblically Responsible Investors, however, this company's charitable efforts, its clear desire to operate ethically and its impressive treatment of its own employees and the environment allows us to know we are shareholders in a company seeking to be a blessing to all. It is clearly a company we can be proud to own!

THE BAD – AETNA - ABORTION AND HOMOSEXUALITY

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

Aetna, one of the country's leading health benefits companies, assists companies in providing medical, dental, pharmacy, behavioral health, group life and disability plans to their employees. Aetna, founded in 1850, now serves nearly 18 million people through a network of almost 900,000 health care professionals in over 5,000 hospitals in all fifty states. Its annual revenues exceed \$31 billion and it employs more than 35,000 employees. While the company is a leader in the managed care industry and has won numerous awards for both its business activities and its treatment of its employees, we are concerned about some aspects of its operations.

Our greatest disappointment with Aetna is its decision to offer coverage for abortions in its health insurance plans. Aetna will reimburse the costs of any abortion at any point during the pregnancy. There is no requirement that the abortion be necessary to save the life of the mother. Indeed, any reason for the abortion is sufficient to earn a payment for the procedure from Aetna.

Furthermore, Aetna is one of the nation's most significant supporters of homosexuality. It has been a trailblazer in offering extensive benefits to homosexual employees and is an active advertiser in homosexual magazines as well as having a long track record of financially supporting a wide variety of homosexual organizations.

Excluding Aetna from our list of potential investments is not a difficult decision. There are many admirable aspects to this company but, as BRI investors seeking to please and honor our Lord, we naturally look elsewhere to achieve investment success as we do not want to be associated with a company that uses shareholder resources in a manner that have such a clear negative

impact on individuals and society in general.

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 create an abundance for you will help you to share with those 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 thousands of 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 this site, please contact Rod Pitzer at 866-364-9980 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, which keeps you informed about important matters in the world of Christian ministries. You can also sign up yourself on our website.

FEATURED MINISTRY – FREE WHEELCHAIR MISSION

"But the word of God continued to increase and spread" Acts 12:24 (NIV)



Free Wheelchair Mission, founded by Don and Laurie Schoendorfer in 2001, is seeking to provide free wheelchairs to 20 million of the world's most desperately poor disabled in developing countries. The inspiration for the ministry came when the Schoendorfer's witnessed a handicapped women struggling to cross a busy highway while vacationing in Morocco. Don, who had obtained a doctorate in engineering, devised an inexpensive but durable wheelchair that could be easily produced in large quantities. To date, the ministry has distributed over 350,000 of these low cost wheelchairs to the world's disabled poor in 70 countries. Noting the clear evidence in the Bible for Jesus' concern for the poor, the ministry seeks to bring Christian love to the disabled by helping to restore their mobility, if only in a less miraculous method than Jesus himself.

The ministry's very efficient procedures enable the wheelchairs to be assembled and distributed for roughly \$50. The wheelchairs are assembled in China using commonly available components. Shipped from Shanghai to the designated country in containers holding 550 wheelchair kits each, the ministry minimizes both manufacturing and distribution costs. The ministry partners with a variety of humanitarian organizations which receive the shipment in their home port and arrange for the logistics of assembling the wheelchairs and selecting those to receive the gift of a new wheelchair. Distribution partners are carefully screened before being given the opportunity of working with Free Wheelchair Mission.

Free Wheelchair Mission receives an "A" Transparency Grade from MinistryWatch.com indicating its good efforts to be financially transparent with donors. It also receives a 3-star Financial Efficiency Rating highlighting that it is managing its financial affairs in a manner on par with the average ministry in the MinistryWatch.com database. This ministry won MinistryWatch.com's Shining Light Award in 2008. We believe this ministry is worthy of your consideration as one of many excellent ministries to which you might donate from the abundance we hope Stewardship Partners will help you create over the long term.

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. 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)
- MaximumGenerosity.org (maximumgenerosity.org)

HOW
to give with a discerning mind?

Professional Advisors:

- Kingdom Advisors (kingdomadvisors.org)
- National Association of Christian Financial Consultants (nacfc.org)
- National Christian Foundation (nationalchristian.com)

Donor Advisors:

- Excellence in Giving (excellenceingiving.com)
- Calvin Edwards & Co. (CalvinEdwardsCompany.com)
- Kardia (<http://www.kardiaplanning.com/>)

WHERE
to invest in kingdom ministries?

Ministry Research:

- ECFA (ecfa.org)
- Generous Giving (generousgiving.org)
- 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)
- Strategic Resource Group (srginc.org)

FEATURED MINISTRY MARKETPLACE PARTICIPANT - KARDIA

“The Lord answered, “Who then is the faithful and wise manager...?” Luke 12:42

Kardia is a Christian wealth counseling firm using Biblically-based methods to serve affluent families who have a heart for impacting the Kingdom of God. Led by Jay Link, Kardia seeks to assist their clients eliminate inheritance taxes, achieve effective business transitions and optimize inheritance plans and enhance giving to the Lord’s work. Using their proprietary Master Stewardship Planning process, they seek to obtain extraordinary results for their clients. And such results have been already been obtained as Kardia’s planning efforts have generated hundreds of millions of dollars in giving to the Kingdom that might not have been achieved without their assistance. Mr. Link’s influence actually extends well beyond Kardia. In the late 1990’s Mr. Link spent several years training 325 other financial professionals in his methodologies. Organized under the Family Wealth Counselors name, these advisors have no doubt accounted for millions of additional funds freed up for the Lord’s work over the last decade. Kardia also offers services to Christian ministries. Given Kardia’s familiarity with the unique issues facing major donors to Christian ministries, they seek to assist ministries to learn how to best meet the needs of such donors and development long term relationships with them. Mr. Link has also published several books including “Getting to the Heart of the Matter: A Revolution in Estate Planning for Wealthy Families” and “Ten Unique Stewardship Dilemmas Wealthy Christians Face.” For highly affluent Christian families desiring to be the best possible stewards of what the Lord has put under their control, Kardia’s services could prove to be especially worthwhile.

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!

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