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STEWARDSHIP PARTNERS MARKET COMMENTARY

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Stocks Soar Despite Growing Concerns

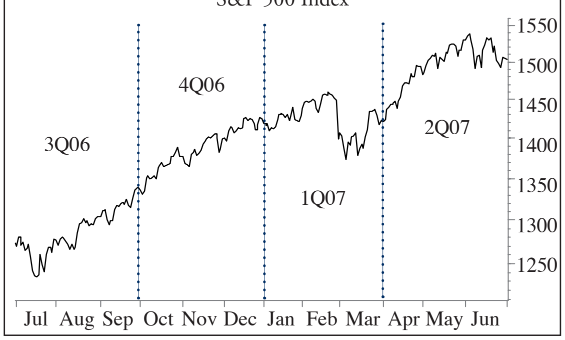
"Whoever has will be given more, and he will have an abundance." Matthew 13:12 (NIV)

While share prices faltered a bit in June and in response to concerns about problems with subprime mortgage loans and the possibility that these problems might spread to other forms of risky debt, **the second quarter of 2007 was an excellent period of wealth creation for global equity investors.** And has been the case in the past few years, the riskier the stock, the better, although small and mid cap US stocks did trail slightly behind large caps in the second quarter. Emerging market shares performed best, followed by developed foreign markets, while the US was again a bit of a laggard, partly because of continuing weakness in the US dollar. Still, as seen in Chart 1 and Table 1, not only did investors benefit from pleasant returns in the second quarter but **the returns off the fear-filled lows of just one year ago have been quite rewarding, providing investors with an abundance.**

Chart 1

Stocks Enjoy A Strong Quarter & an Exceptional Year

S&P 500 Index



Source: Stategas

These excellent returns have been achieved just as new potential cracks have begun appearing in the foundation of what is now nearly a five-year-old bull market. Earnings growth has slowed, interest rates have risen from their lows, and oil and many other commodity prices, have been spiking higher once again. Perhaps the greatest threat to the prosperity equities are now enjoying comes from the debt markets. As the liquidity surge has moved forward in recent years, many fixed income investors in search of higher yields have foolishly invested in securities of dubious value. **There remains a significant risk that the subprime mortgage problems are just the tip of a larger bad debt iceberg** that, if fully exposed, could temporarily tighten liquidity globally, causing a repricing of risk that could impact financial markets negatively. **Offsetting these concerns is the fact that the global economy is performing splendidly, earnings are coming in better than expected, and real interest rates are still historically low.**

Table 1

2Q07 Returns

US Indices	2Q07	YTD
S&P 500	6.28%	6.96%
Morningstar Large Cap. Value	5.42%	6.28%
Morningstar Large Cap. Growth	6.38%	8.06%
NASDAQ	7.50%	7.78%
S&P 400 (Mid Cap)	5.84%	11.98%
S&P 600 (Small Cap)	5.18%	8.56%
Treasury Bonds	-2.14%	-1.35%
High Grade Corp. Bonds	-1.88%	-1.60%
Gold	-1.70%	2.33%
Global & International Indices		
MSCI World	5.82%	8.01%
MSCI EAFE	5.34%	9.05%
MSCI Euro	8.53%	12.75%
MSCI Far East	0.05%	3.09%
MSCI Japan	-0.7%	2.24%
US Economic Sectors (Price Change Only)		
Energy	14.8%	17.2%
Utilities	-0.4%	8.9%
Materials	7.1%	16.7%
Consumer Staples	2.7%	4.9%
Health Care	5.0%	6.1%
Industrials	9.8%	11.0%
Consumer Discretionary	3.7%	2.9%
Financials	2.1%	-0.8%
Technology	10.4%	9.3%
Telecom	7.6%	15.5%

Source: Merrill Lynch, MSCI, NDR

Stewardship Partners' portfolios performed very well during the second quarter and have significant leads over their benchmarks for the year-to-date period. Over the quarter, our US BRI portfolios gained about 1.7% more than the S&P 500, our Global and Global Concentrated BRI portfolios rose 2-3% ahead of the index, and our International and SMID Cap BRI portfolios advanced 2.4% above their indices. Tactical versions of the above portfolios also outperformed but their results slightly trailed that of the standard portfolios. Only our Global Rising Dividends BRI portfolio failed to beat its index, but only by a small amount, as dividend-paying stocks did not perform as well as non-dividend-paying stocks in the quarter. Growth and large cap stocks performed well but high-quality shares underperformed low-quality.

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Can the World Handle a Long Period of Prosperity?

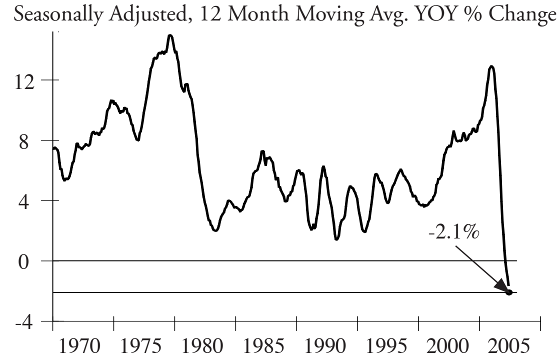
"The younger son… squandered his wealth in wild living." Luke 15:13 (NIV)

Anyone who has been in the financial services industry for a length of time can tell stories of people they have encountered who did not have the maturity and Godly focus to deal with an abundance of wealth in their lives. Anyone who follows sports or entertainment also is aware of many examples of bad decision-making among those who are suddenly blessed with substantial assets. Studies have also shown the financial fate of lottery winners is usually bad. Prosperity can be either a curse or a blessing depending upon how mentally and spiritually well-equipped those being blessed with it are to handle a situation where the temptation to think first of one's own desires is very strong. It is not at all unusual to see such individuals lose all perspective, make many foolhardy decisions and end up worse off than they were in the first place.

Chart 2

Home Prices Collapsing

Seasonally Adjusted, 12 Month Moving Avg. YOY % Change



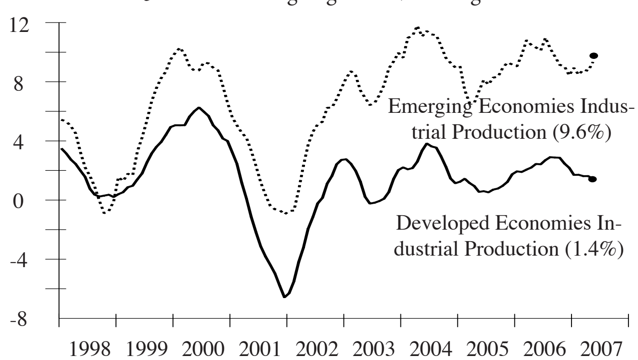
Source: ISI

The human tendency to overdo something good, thereby creating something bad, is well known. It is one reason why God gave children parents, and it is also why national economies have seemingly constantly grumpy central bankers. These dour civil servants seem most ill-tempered when everyone else is happy and prosperous. They are always concerned that the good times may go too far thereby sowing the seeds of ultimate economic destruction. It is their job to do their best to modulate the economy so that it neither runs too hot or too cold.

Chart 3

Emerging Market Economies Race Higher While Developed World Moderates

3 Month Moving Avg. YOY % Change



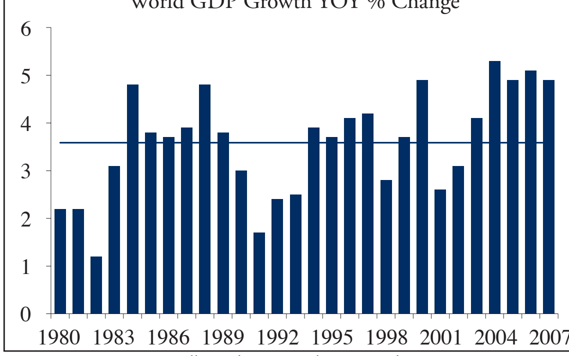
Source: ISI

At the moment, Ben Bernanke and the Fed seem to be having good success in making sure the US economy stays reasonably well balanced, even if they did allow the housing market to stay out well beyond midnight with unfortunate and ongoing consequences for the housing-related sector of the US economy (Chart 2). The more mature European economies generally do not need as much supervision. Still, the European Central Bank has always been a harsh disciplinarian which frowns on excessive economic joy, and it is currently providing vigilant oversight of its economy. There is little chance of overheating in Europe. Outside the world's developed economies, however, there is something of a wild party going on. Growth is running at a seemingly unsustainably fast pace as indicated by the wide disparity in industrial production growth (see Chart 3). Throughout much of the world's emerging markets, whose up-and-coming capitalist economies are still very childlike in nature, we are growing concerned that central bankers may have lost a measure of control. **There is a chance the party may stop more suddenly than risk-hungry emerging market investors are expecting as central bankers in these countries seek to reassert their authority over their overly exuberant economies.**

Chart 4

Global Economic Growth - Steady & Above Average

World GDP Growth YOY % Change

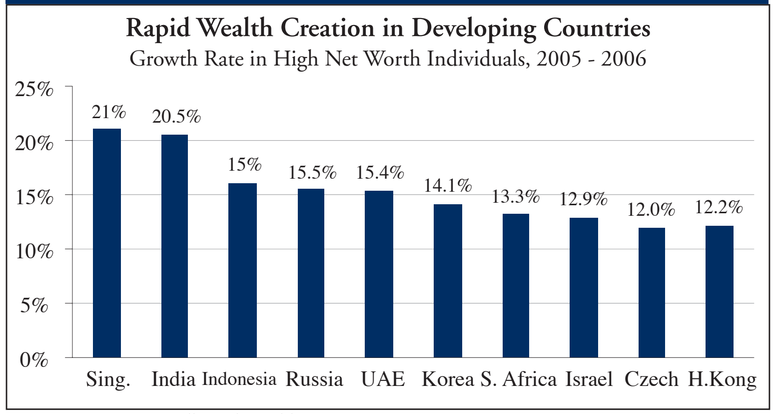


Source: IMF WEO, Merrill Lynch Commodity Research

Nevertheless, for the moment at least, the global economy currently appears to be in splendid shape with good, if not strong, non-inflationary growth evident most everywhere. Chart 4 indicates that global GDP growth rates are both above-average and still in a rising trend. Prosperity seems to be bursting out all over the world, even in some long-suffering nations in Africa and Eastern Europe that previous periods of economic blessings bypassed. We remain convinced that the possibility of a decade or more period of rapidly rising global prosperity is possible if significant global warfare can be avoided and presuming central bankers manage to consistently guide this global growth through the various obstacles it will undoubtedly encounter along the way.

Chart 5 highlights the rapid growth in high-net-worth individuals (people with more than $1 million in investable assets) in the world's emerging markets. If central bankers around the world do their job well, such impressive wealth creation trends could be maintained for an extended period. **The next ten to twenty years may one day be viewed as a truly golden era for investors as the world now abounds in significant wealth creation opportunities.** And global prosperity has benefits for the US as well.

Chart 5



Source: Capgemini/Merrill Lynch Wealth Report

Since many of these opportunities are outside this country, many US investors are increasingly looking to move their money to these emerging nations, thereby putting pressure on the value of the US dollar. Additionally, foreign investment flowing into the US over time may wane somewhat as foreigners also find more attractive investment opportunities in other nations. This risk is becoming more apparent with the increasing talk by foreign governments, such as China, about forming "sovereign wealth funds" (SWFs) with their excess foreign currency reserves. These sometimes massive stockpiles of money, mostly accumulated by running large trade surpluses with the US, are generally largely made up of US dollars invested in US Treasuries. The purpose of these SWFs is to help governments run their assets more effectively and with greater diversification. One goal is to decrease US Treasury holdings and to increase equity holdings in order to increase long-term returns. Thus, **dollar-denominated investments may continue to be at a disadvantage to many foreign-based investments over the long term due to the falling value of the US dollar.** Furthermore, interest rates in the US will likely be biased higher while price-earnings multiples on equities could still rise as a result of this new and substantial source of demand for shares.

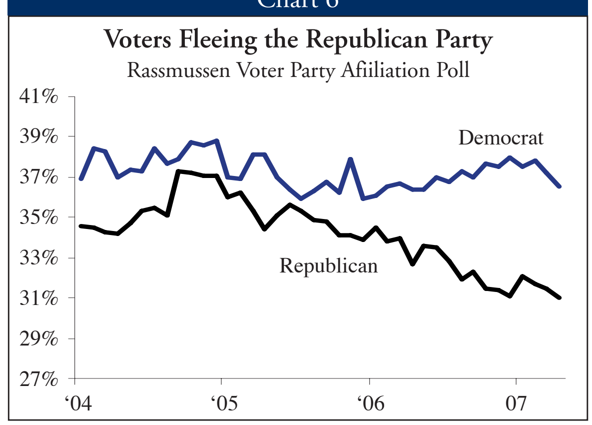
These trends are not all negative for the US. The federal budget deficit has receded in recent years despite rapid growth in expenditures due to still faster growth in tax receipts. Tax payments have been boosted by strong global growth. Moreover, the large trade and current account deficits the US has run in recent years seem to be turning around as the lower value of the US dollar promotes exports and restricts imports

The 2008 Election Could Soon Cause Trouble for the Financial Markets

"The whole assembly grumbled against the leaders." Joshua 9:18 (NIV)

One reason we do our best to focus on long-term issues like the prospect for an extended period of rapid global economic growth, sovereign wealth funds, and the prospect of a falling US dollar is that we have often found our clients are rewarded most when we are one to two steps ahead of the average investors' thought process. Another similar issue that has recently attracted our attention is the investment ramifications of the 2008 elections. **While still more than a year away, it is possible these elections could well have investment implications well before then.** Looking far ahead in a fickle political environment, however, can be dangerous. With the current mentality of the average US voter being "Throw all of the bums out of office!", it is hard to know exactly what the makeup of our next government might be. The situation is complicated because for the first time in decades, no incumbent

Chart 6



Source: Strategas

Table 2

Republicans Have Most to Lose 2008
Senate Seats up for Election in 2008

Democrat 12 (2 in Play)		Republican 21 (7 in Play)	
Baucus	MT	Alexander	TN
Biden	DE	***Allard (ret)***	***CO***
Durbin	IL	Chambliss	GA
Harkin	IA	Cochran	MS
Johnson	***SD***	***Coleman***	***MN***
Kerry	MA	***Collins***	***ME***
Landrieu	***LA***	Cornyn	TX
Lautenberg	NJ	Craig	ID
Levin	MI	Dole	NC
Pryor	AR	***Domenici***	***NM***
Reed	RI	Enzi	WY
Rockefeller	WV	Graham	SC
		Hagel	NE
		Inhofe	OK
		McConnell	KY
		Roberts	KS
		Sessions	AL
		Smith	***OR***
		Stevens	AK
		Sununu	***NH***
		Warner	***VA***

Source: ISI

is part of the presidential election. The 2008 presidential election is a wide-open race and its outcome could easily be influenced by one or more third-party candidates.

Still, we can be certain of one thing—there will be a new government in place in early 2009. **While many factors may yet impact which party controls what, our overall conclusion is that the political environment for investors is likely to be more challenging in the years to come.** While recent elections in Germany and France have moved the political debate further to the right in Europe, we believe the US, absent a major flare-up in terrorism, is likely to drift to the left. Even if the conservatives were to be victorious—an unlikely prospect given the precipitous decline in those identifying themselves as Republicans since the 2004 election (Chart 6, previous page)—we suspect a leftward drift would still occur. First, a war-weary nation will likely develop something of an isolationist/protectionist streak. Second, conservative ideals are no longer fresh, and the Bush administration never really fully embraced them. Furthermore, conservatives currently have no true leader to rally around to help them stand firm on conservative principles of low taxes, small government and free markets. Finally, aging baby-boomers are likely to be increasingly looking to the government to assist them in a variety of ways, notably via nationalized healthcare, during their retirement years. **If liberals do dominate the next government, one of the key components to the success of the markets in recent years, globalization, may be threatened. Moreover, tax rates on capital gains and dividends will likely move significantly higher as liberals search for revenue to fund the many government programs they desire to put in place. Corporate earnings and, probably more importantly, valuations could be materially impacted by the likely shift to the political left that will progress further in 2008.**

Democrats already control both houses of Congress, but the odds are that they will extend their lead in the Senate in 2008. As seen in Table 2, Republicans will have 21 senators up for election in 2008 versus only 12 for the Democrats. If there truly is a sentiment in the nation to find all new leadership, as the polls currently suggest with the congressional approval level below even that of President Bush, the Republicans have more to lose in 2008. While it seems highly unlikely that the Democrats could win the presidency, maintain their advantage in the House, and gain a commanding 60 seat presence in the Senate, it cannot be entirely ruled out at this stage. The market may worry about this as the election draws nearer, even if it does not actually occur. If the Democrats were to secure 60 Senate seats, or even if they could draw support from a few liberal Republican senators from the Northeast for votes on important issues to get to the 60-vote majority, they would be able to enact whatever legislation they wished without Republicans having the ability to block it. Such a lack of balance in our government would certainly give rise to concerns in the market, particularly given the historical tendency for Democrats to be viewed as anti-business. **For Biblically Responsible Investors (BRI) like us, this scenario would be a true nightmare given the long-standing Democratic Party support for abortion, gambling and homosexuality as well as its historically greater willingness to tolerate pornography.** Liberals may also be able to fill open Supreme Court and other lower court positions with the most liberal of jurists.

We would expect increasing market chatter about the prospect of a sweeping Democratic victory in 2008 to pick up before too long. Table 3 highlights that polls currently give the Democrats sizable margins on the question of which party should be trusted to address the issues listed. As can be seen, it is an across the board sweep for the Democrats at the moment. While the election process will surely shrink and perhaps reverse some of these margins of difference, the results do highlight just how much work the Republicans have to do in order to win over the electorate. It is somewhat alarming to see a Democratic advantage even on an issue like national security. Worse yet for healthcare stocks, the Democratic margin on healthcare issues appears to be insurmountable. This will certainly weigh on healthcare valuations, at least until the election outcome is known.

Table 3

Republican Losing Across All Issues
Which Party Best For This Issue?

Issue	Dem	GOP	Net Dem Advtg.
Taxes	44%	40%	4
Immigration	40%	35%	5
Nat'l Security	47%	40%	7
Abortion	45%	35%	10
Economy	50%	40%	10
War in Iraq	51%	35%	12
Education	48%	35%	13
Ethics & Corruption	44%	28%	16
Soc. Security	50%	32%	18
Health Care	55%	30%	25

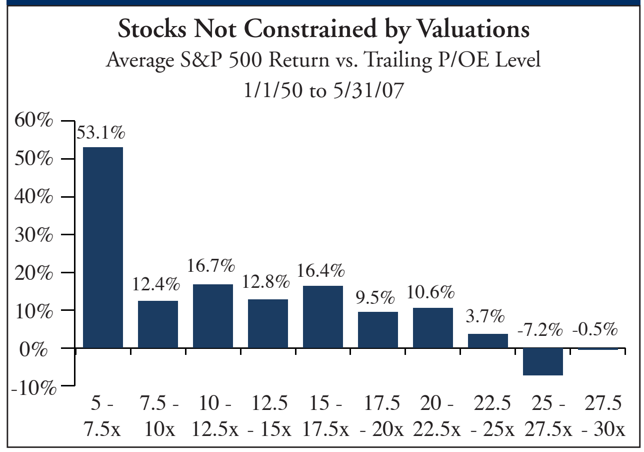
Source: Strategas

Plenty of Reasons for P/E Multiples to Expand

"Your silver and gold increase and all that you have is multiplied." Deuteronomy 8:13 (NIV)

Valuations for healthcare stocks and for the market overall may be impacted by the prospects of a turn to the left politically in the US, but **valuation levels for both the S&P 500 and overseas shares are still quite reasonable and leave plenty of room for further advances.** Chart 7 (next page) examines the annualized returns investors have historically earned at different levels of the S&P 500's price to trailing operating earnings ratio. With the ratio currently at 16.6x, it is in an area where the S&P 500 has risen at a 16.4% average annualized rate. While increasing political concerns or bad debt issues may hold down valuations for a period of time, it seems unlikely that stocks will actually decline in value for an extended period of time. Instead, the increase in share prices may be somewhat more limited than this information might suggest. Of course, if the US political equation remains more balanced and bad debt concerns do not become too problematic, stocks could respond very favorably. There are also other counterbalancing developments that are acting to propel valuations higher such as sovereign wealth funds potentially investing hundreds of billions in equities, rapid growth in global excess liquidity, and potentially lower than expected long-term interest rates.

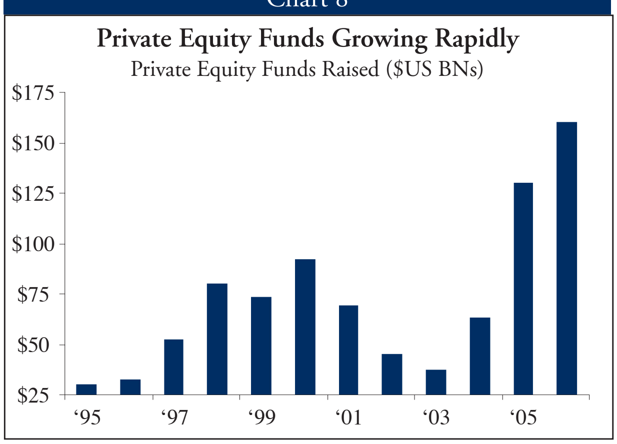
Chart 7



Source: Stewardship Partners, Ned Davis Research

Price-earnings multiples have already been under pressure during the current bull market. In all bull markets prior to this one since 1962, P/E multiples have always expanded. In this case, however, P/E multiples have actually fallen from 18.5x at the beginning of the bull move to 16.6x currently. In this case, strong earnings growth has been responsible for more than 100% of the advance in share prices and the bull's move has been held back somewhat by shrinking valuations. Given the present liquidity-laden markets, this is rather surprising and hard to justify. With models of P/E ratios suggesting that valuations on US stocks should be higher than they are currently, it is possible that this bull market will not end until valuations rise. If so, there may be significant gains yet to come, even if earnings growth slows.

Chart 8



Source: Strategas

One reason that may explain the lower P/E's in this bull market is the enormous growth in hedge funds and the associated increase in short selling during the course of this upturn. Shorting, however, is becoming ever more perilous due to the new big kid on the block, private equity, and the surge of buying that has accompanied this new development. **With so many private equity deals taking companies private this year, hedge funds with significant short positions must wake up each morning with a degree of fear as they worry if they will soon find out one of their shorted stocks just had a private equity takeover announced at a significant premium. With the amount of money flowing into private equity funds rising dramatically (Chart 8), coupled with the use of significant leverage, it is possible the current acquisition spree could continue. Valuations and investor sentiment can only benefit as the funds freed up by these takeovers return to the market and bid other share prices up. Stock valuations are also being aided by massive share repurchases as management teams wisely seek to boost earnings and increase valuations in the most tax-efficient manner.**

Fundamentals Remain Sound but Vigilance Required

"So, if you think you are standing firm, be careful that you don't fall!" 1 Cor. 10:12 (NIV)

The S&P 500 has roughly doubled during the course of the current, nearly five-year bull run. It has moved sharply higher in the last twelve months and has just completed a very impressive quarter. Accordingly, it seems fair to expect that share prices might struggle to move higher in the short term, particularly since we are now moving into what has proved in the past to be the seasonally weakest period for stocks. It is hard, however, to make a bear case for the market at this juncture. The global economy seems to be accelerating, the US economy seems to be ready to overcome its temporary slowdown, earnings are likely to remain impressive, and there is an abundance of liquidity supplied by central bankers, private equity firms, cash-rich corporate balance sheets and investors allocating money away from real estate and into stocks. Moreover, sentiment for equities is no longer overdone following the June sell-off and valuations cannot be described as extended. It would seem that a unique, defining event that would shake investor confidence would be necessary to cause a significant or extended decline in share prices. Perhaps an important terrorist attack, the US consumer quickly pulling in their spending due to the rapidly deteriorating housing market, or a sizable collapse in the debt markets due to quality concerns that would send the excess liquidity running for cover could be the culprit. While conceivable, none of these seem likely at this time.

Terrorism is, of course, a constant and unquantifiable threat. It always has the potential to rear its ugly head and shock investors, even if its direct economic consequences are quite minimal. Lately, there has been increased speculation from the Secretary of Homeland Defense as well as others of an attack on US soil possibly being imminent. The recent, rather lame terrorist effort by a group of medical doctors in the UK, however, shows how futile terrorist efforts have become recently. With no attack on US soil since 9/11 and only economically inconsequential attacks elsewhere, the burden of proof resides with the terrorists that investors should take them seriously. They simply do not seem to have the capability to do anything other than kill innocent people from time to time—a horrible outcome, of course—but not one that does any significant economic damage or advances their cause in any meaningful way. But when **a recent US government-sponsored effort to clandestinely acquire radioactive compounds was easily successful thereby highlighting serious weaknesses in our terrorist defense efforts, it should remind investors that circumstances can change quickly.**

US consumers, long the stalwart of the economic expansion, have finally begun to show a little weakness. Retail sales have been softening recently as the housing recession unfolds, oil prices hit new highs, and interest rates move up. While some consumers are clearly being hurt by their poor choices in financing their homes, most everyone who wants to be employed is employed. Given the strong employment market, the dislocations caused by bad mortgages should be temporary as some will have to give up their homes but should be able to find more affordable living conditions without much trouble. At this point, it would be surprising if consumer spending collapsed and threw the US into a recession without something occurring to weaken the employment picture.

Given the complexity of today's debt markets and how many fixed income investors rushed into riskier securities in search of higher yield, this currently appears to be the most likely place a shocking development might occur. The recent downgrades of some mortgage-backed securities may lead to further problems in the debt market that could spill over into equities. It may take a while yet for the market to get a full understanding of the scope of this problem but, for now, the problems we know about seem manageable.

Risks are always present in the market and in individual stocks. While we will remain vigilant in seeking to identify potential problems than may impact the short- or long-term performance of our client's portfolios, **we believe that likelihood of the second half of 2007 being nearly as worthwhile as the first half are good.** Perhaps the currently unseen risk for the second half is a strengthening economy leading to renewed inflation fears and threats of a hostile Fed.

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 <u>justice and mercy for the defenseless</u> 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 <u>justice and mercy for the poor</u> 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 <u>compassion for those addicted and/or engaged in sinful lifestyles</u> so we screen out companies involved in:**
   - Alcohol, Gambling and Tobacco
   - Pornography
   - Homosexuality

4. **We want to <u>protect marriage and the family</u> 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, Abbott Labs, and one we avoid, Marriott. We have been proud long-term owners of Abbott Labs in some Stewardship Partners portfolios while we actively avoid ownership in Marriott 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 – Abbott Labs – Blessing Others with Generosity

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

Abbott Labs, founded in 1888, is a global healthcare company that discovers, develops, manufactures and markets a wide variety of pharmaceuticals, medical devices, diagnostic tests and nutritional products. Abbott's 65,000 employees seek to create new and better medical technologies to improve lives in the 130 countries the company operates in throughout the world. The company efforts over time to be a blessing to their fellow man are extensive and praiseworthy. Abbott's products are ones that save, extend or enrich people's lives and include nutritional aids for children and adults, easy-to-use meters for diabetics to measure glucose levels and Humira, a drug which helps those afflicted with rheumatoid arthritis and Crohn's disease. Moreover, Abbott continually seeks to improve its citizenship and recently embarked on an extensive company-wide effort to redefine its core values. **The company highlights four values that define Abbott: pioneering, achieving, caring and enduring. These values have recently caused Abbott to improve the reporting of information from clinical drug trials, improve the guidelines issued to their suppliers, enhance employee benefits and standardize globally the company's ethics and compliance program.**

One area of concern that many people are looking for private sector solutions is the fact that 47 million Americans do not have health insurance. While hospitals cannot deny an uninsured person medical care, there still needs to be a more optimal solution for this problem. **Abbott helped match over 2 million people with patience assistant programs like The Partnership for Prescription Assistance which brings together pharmaceutical companies, doctors, patient advocacy groups and community groups to help low income, uninsured patients get free or nearly free medicines.** Abbott also partnered with the Magic Johnson Foundation in introducing a campaign to reduce new HIV infections in the African American community by 50 percent over 5 years. Further, the company sponsors diabetes camps through the "Send a Kid to Camp" program which provides product donations and scholarship funds to children and teens that have recently been diagnosed with diabetes or are struggling with its effects.

Abbott is also very compassionate in how it is trying to be a force for positive change on many fronts in the battle against HIV. The company has made extensive efforts to be a positive force in the battle against HIV in Africa and other developing countries. Abbott has either given away free or made available at no profit nearly 70 million HIV test kits. Additionally, the company's AIDS drug, which is among the most popular second-line therapies for the disease, has also been made available at significantly reduced prices in the Third World. In all African countries with the exception of South Africa, Abbott has purposefully not sought patent protection for its AIDS drug so that patients can receive it freely or at affordable prices. Abbott has also invested $44 million to help upgrade hospital facilities in AIDS-ravaged Tanzania. Brand-new, state-of-the-art facilities have been put in place for AIDS diagnosis and treatment. Additionally, 7,200 healthcare professional have been trained on how to quickly identify and best treat patients with AIDS at 80 hospitals and health care centers in the country. Recognizing how AIDS particularly ravages children, Abbott, in conjunction with the Baylor College of Medicine, has opened a clinic specifically targeted to children with AIDS in Malawi. Abbott also supports many other programs aimed at children with AIDS and seeks to drive their success and spread information to others in the relief community about the most successful approaches so that these may be replicated elsewhere.

Abbott has a long history of philanthropy. The Abbott Fund was established in 1951 to help lead the company's charitable efforts. Over the last two decades, charitable efforts related to the AIDS crisis have been at the forefront of the company's and the Abbott Fund's work. Over the years, more than $100 million has been given to help the millions of people afflicted with this virus. The company has also focused on helping those who do not have the means to help themselves while in the midst of a health crisis. Through both direct company grants and product donations and via the Abbott Fund, the company has given in excess of $300 million to those unable to access appropriate healthcare. A further $171 million of free medicines, nutritional products and medical devices have been given free of charge to 136,000 people in need. Abbott also has programs to help the underprivileged in Afghanistan, Columbia and Bolivia.

Additionally, Abbott has perhaps the most extensive list of employee assistance and programs we have ever seen, including adoption assistance. It also has evidenced strong commitment to maintaining a healthy and sustainable environment. Not surprisingly, it has been included in many "Best Company" lists.

Abbott'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 its shares. Abbott 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 – Marriott – Gambling, Porn and Human Rights Concerns

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

Marriott is a hotel company that unfortunately offers gambling at some locations. **It is undeniable that gambling can develop into a highly destructive addiction. Many, many families have sadly 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 it had instead been donated to the Lord's work.**

Pornography is another sinful product from which Marriott profits. The company distributes porn through pay-per-view adult movie sales in its hotel rooms. **BRI investors have no desire to be associated with profits from the porn business as we are certain our Lord would have difficulty saying to us "Well done good and faithful servant" if this is how we invested His talents. Those looking to patronize porn-free hotels should go to CleanHotels.com for information on alternatives to Marriott.**

Marriott also operates several hotels in Saudi Arabia, a country that fails our human rights screens due to its hostility to religious freedom and its persecution of religious minorities.

Excluding Marriott from our list of potential investments seems appropriate as we would not like to be shareholders of a company with these activities or profit from them. Gambling, porn and religious persecution are all sins that separate us from our Lord and destroy lives. As BRI investors seeking to please and honor our Lord, we naturally look elsewhere to achieve investment success.

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 over 180,000 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 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, 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 over 35,000 times each month by Christians seeking wise, biblically-based counsel on stewardship topics.

Featured Ministry – Good News Jail and Prison Ministry

"He has sent me to proclaim freedom for the prisoners." Luke 4:18 (NIV)

Good News Jail and Prison Ministry was founded by Dr. William Simmer and his wife in the late 1950s. Since that time, it has sought to provide chaplains to as many prisons as their donors made possible. Currently, the ministry is targeting having 500 chaplains serving in prisons throughout the US and internationally as well. These chaplains are on-call 24 hours a day, seven days a week, and operate several programs meant to draw prisoners into a closer relationship with the Lord. The Bible correspondence course utilized by the ministry contains 224 individual Bible studies that seek to enhance the prisoner's biblical knowledge. Another course is the Life Learning program that seeks to incorporate biblical wisdom into issues that prisoners face both behind bars and outside of prison. The ministry also encourages volunteers to assist their chaplains in their ministry to prisoners. With 2.4 million adult prisoners already behind bars, the need for prison chaplains supported by believers' gifts, rather than those supported by more constrictive government funding, is great.

The ministry receives an "A" Transparency Grade from MinstryWatch.com which is particularly impressive since the ministry is officially recognized by the IRS as a church and thus is not required to report its financial information to anyone. It also receives a 4-star Financial Efficiency Rating. MinstryWatch.com has included Good News Jail and Prison Ministry on its list of 30 Brightest Shining Lights Ministries due to its effectiveness, transparency and straightforward evangelical orientation. For donors desiring to bring the gospel to prisoners via trained evangelical chaplains, Good News Jail and Prison Ministry is a good choice.

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 invalu-

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:
- Kingdom Advisors (kingdomadvisors.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)

able. 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.

Featured Ministry Marketplace Participant – Kingdom Advisors

"Blessed is the man who does not walk in the counsel of the wicked." Psalm 1:1

Kingdom Advisors is a rapidly growing association of Christian financial professionals dedicated to communicating biblical wisdom to their clients, apply professional principles in their practices and live out their faith their marketplace in order to have a kingdom impact. The organization was originally founded by Larry Burkett as the Christian Financial Planning Institute. In 2003, however, Ron Blue took over leadership of this 16-member organization and laid plans to significantly increase its size and impact. Four years later, the now renamed Kingdom Advisors has 1,400 members and is growing rapidly. Over 100 local branches of the group are either already formed or are in the process of forming. Additionally, members have begun to create affinity groups within Kingdom Advisors where financial advisors can join together with others who share their interests. The most popular group thus far has been the Biblically Responsible Investing Affinity Group headed by Dan Hardt. A Biblically Responsible Charity Affinity Group is also now forming to connect financial advisors who desire to help Christian clients give wisely and effectively to kingdom efforts.

Members of the group are also encouraged to pursue the Qualified Kingdom Advisor designation which requires participation in a rigorous study program designed by Ron Blue, founder of the largest Christian financial planning firm in the world. Kingdom Advisors' professional training is designed to assist financial professionals in becoming disciples of Christ who are equipped and motivated to disciple others in comprehensive biblical financial stewardship. Over 400 Kingdom Advisor members have already completed these studies, including some of the most respected financial advisors in the country. If you are a Christian financial advisor, you need to be a member of Kingdom Advisors!

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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