STEWARDSHIP PARTNERS
MARKET COMMENTARY

QUARTERLY CLIENT LETTER | VOLUME 2 ISSUE 4 | JANUARY 2003

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Testing Times

"The Lord gave and the Lord has taken away; may the name of the Lord be praised." - Job 1:21b (NIV)

2002 was a year in which investors' resolve was severely tested and, in many cases, found wanting. Despite many successes, such as the routing of terrorists around the world, a recovering economy, rising corporate profits, sharply higher productivity, lower inflation, falling interest rates and unprecedented victories for conservative, market-friendly politicians in the US mid-term elections, equities fell sharply for the third year in a row. Such three-year declines come about infrequently with the most recent occurring in the 1939-41 period when the Great Depression was ending and World War II was just beginning. While there are always many concerns affecting investor attitudes, the economic and geo-political problems investors faced over the last three years seem small in comparison to those experienced in the 1939-41 period. So what caused this recent scorn for equities?

During the bubble of the late 1990's, extraordinary excesses in equity valuations were created and the first two years of falling share prices (2000 and 2001) can be attributed to the required restoration of valuation sanity in the market. The negative returns seen in 2002, however, were largely influenced by a crisis of investor confidence which was fueled by an explosion of greed, selfishness and lies. Never has a Christian Worldview Investment (CWI) approach been more relevant! Enron, WorldCom and an assortment of other dishonest management teams coupled with a number of high profile security analysts and accountants greedily manipulated their clients and thoroughly undermined confidence in the institutions that make our financial markets work effectively.

In 2002, it simply did not matter much to some investors that the economy and corporate earnings were on an improving trend as they did not know if they could believe the numbers being reported or how the experts were interpreting them. In anger and fear, many investors clearly chose to sell rather than participate in what they saw as a corrupt system. Sadly, this was an emotional overreaction as the fraudulent activity that led to such decisions, while spectacular, was not as widespread as many were led to believe. Without these ethical distortions, it is possible the bear market might have ended much earlier.

In the end, 2002 produced the worst performance results for equity investors of any of the three years since the downturn began in 2000. Given the improving fundamental situation during the year, this turn of events testifies to the unfortunate consequences of immoral actions. Investors' faith in our market-based, capitalistic system was tested during 2002. Fortunately it survived, but not without a few wounds. And while we suffered financial losses, we can be thankful that we have a greater faith in a Lord who is completely trustworthy and whom we, like Job, praise regardless of our circumstances. Thankfully, in the final quarter of the year, those circumstances improved somewhat as we achieved significant returns in our client portfolios in both absolute terms and relative to our benchmarks. Table 1 highlights both the poor full year and positive fourth quarter returns for a variety of major stock indices worldwide. With the financial system now seemingly cleansed, perhaps these results are a precursor to more promising days ahead.

Table 1
2002 Performance Results

	4th Quarter	Full Year
North America:		
S&P 500	7.9%	-23.4%
NASDAQ	13.9	-31.5
Canada	8.0	-12.9
Europe:		
UK	8.8	-16.3
France	17.4	-21.8
Germany	11.2	-33.8
Spain	18.3	-15.1
Italy	17.8	-12.6
Netherlands	15.9	-24.8
Sweden	18.1	-29.7
Switzerland	3.4	-12.6
Asia:		
Japan	-6.2	-9.8
Hong Kong	2.8	-18.2
Australia	4.8	-3.2

Source: Bloomberg

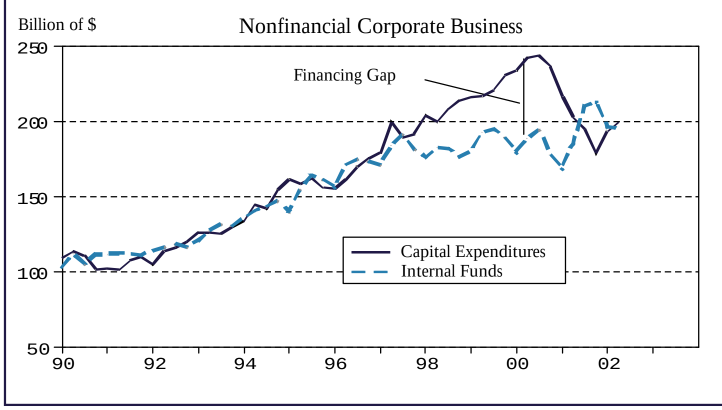
Consumer Exhaustion, Corporate Caution and Foreign Contraction

"I consider that our present sufferings are not worth comparing with the glory that will be revealed in us." - Romans 8:18 (NIV)

Massive fiscal stimulus and pro-growth monetary policy were very supportive of the US economy in 2002. As a result, the economy expanded, but in an uneven and somewhat unbalanced manner. One of the primary props for economic growth in 2002 was the very high level of sales in the auto and housing sectors where record-low interest rates had a decidedly favorable impact. Consumers also scrambled to refinance old, higher-cost mortgage debt and were not bashful about extracting cash from their homes in the process. This enabled individuals to elongate an already extended debt-induced consumption spree which, when coupled with the decline in share prices, has led to a household balance sheet that is now somewhat weakened (see Chart 1). Evidence that the consumer's purchasing power was becoming exhausted, after being nearly the sole support for economic growth during the post 9/11 period, turned up in weaker than expected Christmas sales. The key question now is whether reduced Christmas spending is indicative of a longer-term problem for the economy. Should the consumer decide to follow Biblical guidance on this matter by increasing savings and modulating spending to rebuild their diminished net worth, consumption and therefore economic growth, will be lower until a proper balance is achieved. (A recovery in share prices in 2003 would do much to speed this process). In essence, the fiscal and monetary policies pursued since 9/11 may have successfully avoided an immediate economic downturn by tempting consumers to add to their debt but it may have also simply postponed and extended an inevitable slowdown in consumer spending by over-stimulating retail and housing sales. Furthermore, since these policies appear to have failed to set in motion a strong economic recovery that would be able to feed on itself, we are concerned that economic growth could be weaker than expected in 2003 as the adjustment process continues. Accordingly, while we do not expect consumers to stop spending altogether, we would be surprised if they alone carried the US economy in 2003 as they did in 2002.

Chart 3

Internal Funds Drive Capital Investment

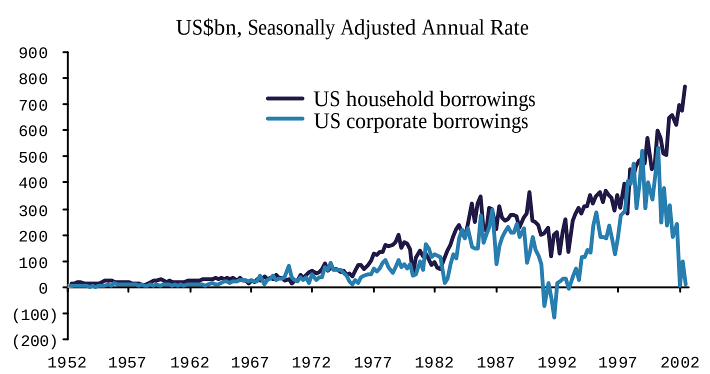


Sources: Federal Reserve Board, Merrill Lynch

While the consumers were busy leveraging their balance sheet, corporations were much more prudent (see Chart 2). As a result of careful management of corporate expenses and cash flow, the corporate financing gap, which had been significant at the height of the bubble, is now largely eradicated (see Chart 3). This means corporations have the financial flexibility to expand should they believe profitable opportunities for investment are available. Moreover, the US banking system is in very good shape

Chart 2

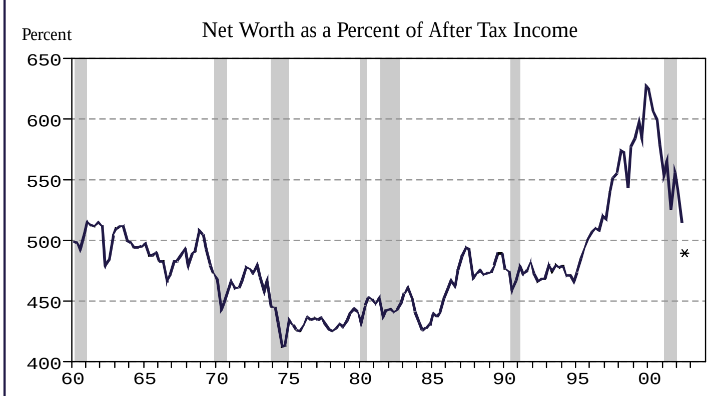
US Household and Corporate Borrowings



Source: US Federal Reserve Flow of Funds release

Chart 1

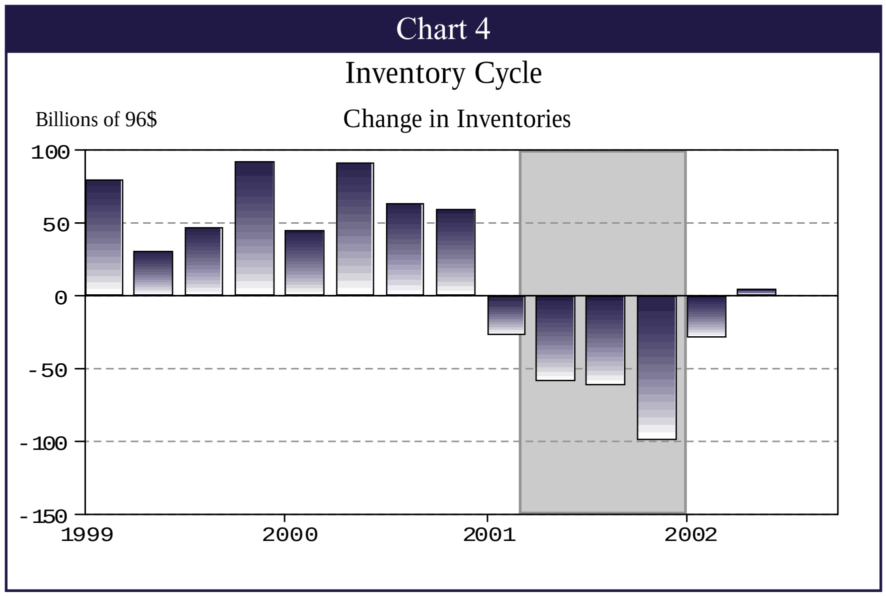
Household Net Worth Sinks



Sources: Federal Reserve Board, Merrill Lynch and ready to supply financing having not suffered any serious ramifications from the bursting bubble. With capacity utilization still running at very low levels and pricing power remaining weak, however, many companies are only cautiously considering new investment programs. While we expect this sector of the US economy to improve in 2003, it is not likely to be strong enough to propel the entire economy to rapid economic growth.

Major foreign economies also seem set to suffer a contraction in their growth rates in 2003. Central Europe, most notably Germany, appears to be stagnating. Both monetary and fiscal policies have not been sufficiently accommodative to thwart the current slowdown in economic growth. Japan's economy also continues to flounder under the weight of misguided policies. While China and Asia in general are performing much better, the negative impact of the expected weak growth in much of Europe and Japan may well hinder the trade sector of the US economy and therefore limit its potential to constructively impact GNP growth.

On the positive side of the US growth equation is the likely accumulation of inventories following a long period of de-stocking, a process that has already begun (see Chart 4). This could produce a significant boost to US GNP growth. Positive surprises could also include the possibility that the world's economies could benefit from sharply lower energy prices in 2003, the potential that geopolitical concerns could be allayed thereby freeing up global investment plans and that monetary and fiscal policies become more stimulative in Japan and Europe. Until such developments become more visible, however, US economic growth will likely be moderate. Still, the potential for positive surprises seems greater than the risk of negative surprises. Over the longer term, however, we fully expect that the US economy will rebound to a more normal 3-4% growth rate. Meanwhile, we are mindful that "our present sufferings" of moderate growth expectations are hardly sufferings at all and, to keep the issue in a proper perspective, are virtually meaningless when compared to the eternal glory all Christians will ultimately enjoy in heaven.



Source: Bureau of Economic Analysis

Teach Your Children to Speak Chinese

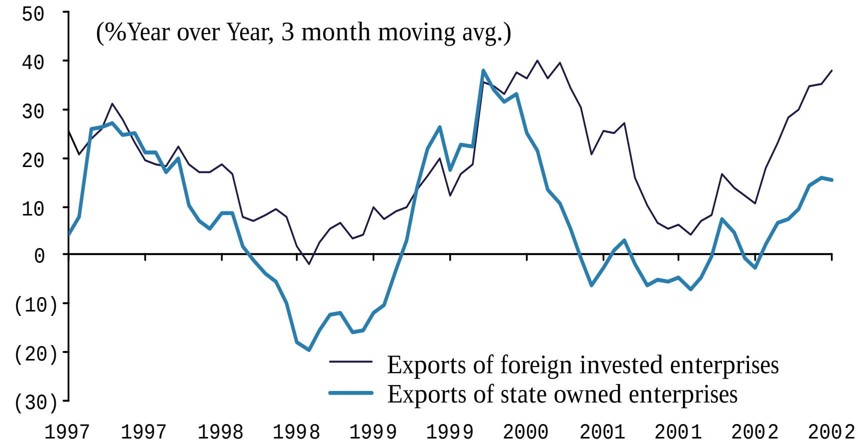
"Now to him who is able to do immeasurably more than we can ask or imagine, according to his power that is at work within us, to him be the glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen." - Ephesians 3:20-21(NIV)

One of the victims of the long downturn in share prices has been optimism. Having been buffeted by an overly optimistic expectations at the top of the market in early 2000, various corporate scandals and the terrorist threat, investors have overcompensated by assuming a more skeptical attitude towards the future. One of our foundational principles at Stewardship Partners, however, is optimism. We believe that this is both biblical and sensible given the amazing progress that mankind has consistently achieved over the centuries. Moreover, progress is actually accelerating as time passes. As our Judeo-Christian culture has spread around much of the world, democracy, freedom, the rule of law and increasingly free markets and free trade have promoted more rapid innovation and growth. Clearly, we do not believe that uninterrupted progress is attainable, but periods of weakness are to be viewed as stunning opportunities for us to position your investments for a future that could prove to be better than we could ever imagine.

One reason we are optimistic about the long-term prospects for equity investors currently is China's emergence as an economic super-power. While still a communist nation, China has for almost two decades been increasingly turning to capitalism to manage its economy and has encouraged foreign investment. As Chart 5 indicates, it is the foreign-owned companies that are leading China's export boom versus its poorly-managed state-run enterprises. Embracing foreign capitalists has significantly contributed to China's strong GNP growth, averaging about 8% annualized in recent years. Over the next ten years, there is little doubt that China will supplant Japan as the primary driver behind Asian economic growth. Its rapid development will be a boon to world economic growth as well; a development that short-term oriented investors may have not yet begun to contemplate. On a purchasing power parity basis, China's economy already ranks second only to the US in size and is sixth in nominal terms (although still only about one-eighth the size of the US economy in nominal terms). Its nearly 1.3 billion people (over 20% of the world's total) represent an enormous market of insatiable and increasingly prosperous consumers as well as a huge pool of talent. With over 200 million users, China is already the world's largest mobile phone market and it is also the fourth largest automotive market in the world. Vehicle production in 2002 was up an astounding 50%! As a result, China is not only a large exporter and deflationary force for the whole world but it is also a huge importer of goods and services from the rest of the world. Its impact on many companies' long-term prospects remains un-appreciated. Given China's growing involvement and influence in world affairs, wise parents might want to encourage their children to take Chinese language courses to best prepare them for future opportunities in business, politics and the mission field.

Chart 5

China Exports by Type of Enterprises



Source: CEIC Data

From our Christian Worldview Investing perspective, however, we have concerns about religious persecution in China, its abortion policies and its support for the persecution of Sudanese Christians through its oil company's activities in Sudan. Even if these were not issues of concern to us, however, there are currently very limited opportunities for equity investment in China at this time due to its still small stock market. Accordingly, we expect to benefit from China's movement onto the world economic stage primarily through investments in surrounding countries that are beneficiaries of its growth as well as via companies located all over the world that will profit from China's propensity to promote economic expansion globally.

Collapsing Currencies, Galloping Gold

"How much better to get wisdom rather than gold." - Proverbs 16:16a (NIV)

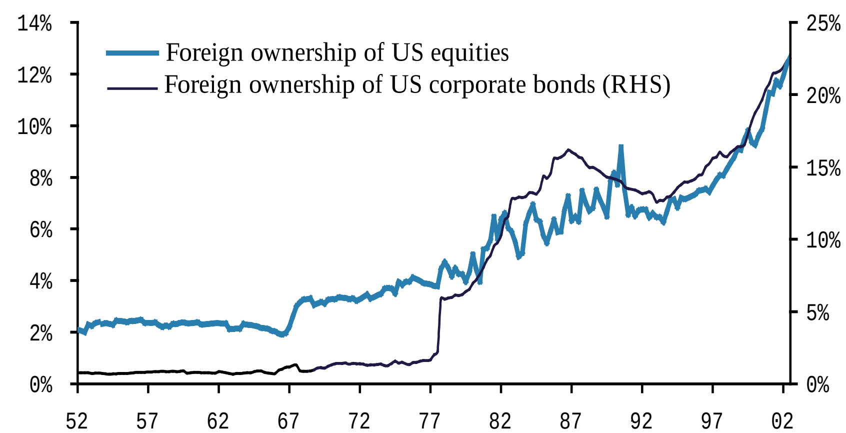
Trends in currency values are notoriously difficult to predict, particularly over short periods of time. A wide array of factors influence investor's perceptions of a currency's value and these change quickly and often. At the moment, the US dollar has been weakening against other major currencies largely as a result of concern about the potential for war with Iraq. Given the high probability that a war with Iraq would have only a small impact on the world or the US economy, it is difficult to justify these concerns. Of greater concern is that almost all currencies have been falling in value relative to the price of gold. This indicates that the markets are worried that the economic policies currently being pursued by the major nations are mortgaging their future and undermining the value of their currencies. Some investors are therefore turning to gold as a safer alternative.

While some degree of concern may be justified, gold appears to be getting expensive. The risk is that it stays overvalued or becomes even more overpriced, and currencies undervalued, until economies worldwide return to a self-sustaining growth track. As long as fiscal and monetary policies seem to be overly loose, the price of gold may benefit due to fears of future inflation. Such fears appear unwarranted at the moment, but they are nevertheless impacting the price of gold and the value of currencies relative to gold. As investor confidence grows that the US and other countries are managing their finances in a sound fashion, which we ultimately expect to happen, gold will look less safe and more like the lump of metal that it is. President Bush's bold fiscal plans may help boost the price of gold in the short term but we believe that investors will find it more profitable to acquaint themselves with God's wisdom than to chase the latest gold fad.

Among the major currencies, we believe the US dollar is currently the most attractive on a long-term basis. As noted above, recent war concerns are likely overstated. Additionally, the US economy is showing greater growth than either Europe or Japan and is the world's single economic and military superpower. Moreover, as the world's foremost defender of Israel, the US avails itself of the Lord's blessing. Nevertheless, we recommend that investors think seriously about their need for currency diversification on a longer-term basis. Most Americans have the majority of their assets denominated in US dollars and do not understand the risk that they are exposed to due to this lack of diversification. Given the US economy's reliance on both debt and equity financing (a significant amount of which is owned by foreigners, see Chart 6) and free capital markets, maintaining investor confidence is key to avoiding a significant currency decline. Should world events unfold in an unexpected manner or if terrorist attack on our important economic interests suddenly undermine that confidence, both foreign and domestic investors will be quick to dump their dollar-denominated debt and shares for Euros, Yen and gold. A dramatic, unexpected decline in the dollar could also lead to balance sheet concerns in the US, which would only compound the problem. While such a scenario is unlikely to occur, investors should be aware that it could. Just as wisdom regarding God's ways is far more valuable than gold, Dollars, Euros or Yen; financial wisdom dictates pursuing a degree of currency diversification to protect against this admittedly small risk that most investors are not even aware that they are taking.

Chart 6

Foreign Ownership of US Equities and Corporate Bonds



Source: CLS Emerging Markets

Pressing Onward and Upward

"One thing I do: Forgetting what is behind and straining toward what is ahead, I press on toward the goal." - Philippians 3:13b-14a (NIV)

While short-term economic conditions will likely be neither too hot nor too cold (although we see greater risk that our view could prove conservative rather than optimistic), the outlook for corporate earnings could well be better. This is true particularly in the US where corporate managers took advantage of the greater flexibility that they have relative to their European and Japanese counterparts in controlling their costs and pressed on towards the goal of improved profitability despite slow economic growth. Pension and share option expenses are likely to offset some of the expected improvements, but corporate earnings should still advance at an attractive pace in the US in 2003. Overseas, earnings progress may prove to be a little more difficult due to lingering economic weakness and because expense reductions have been more muted.

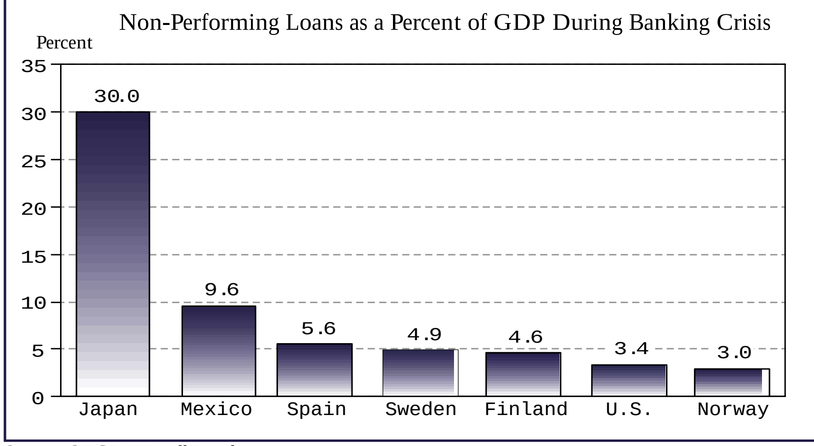
In addition to improving earnings, share prices could also benefit in 2003 from an improvement in valuations. In Europe and the

US, stocks are selling in a range of 17-19x expected earnings. In Asia, outside of Japan, equities typically sell at even lower valuations. In Japan the price-earnings multiple on anticipated 2003 earnings is over 37x. In the US, given the low levels of inflation and interest rates we would be surprised if the S&P 500 did not trade at a higher multiple during 2003 as by the end of the year we believe that expectations for more balanced economic growth may prevail, oil prices could be substantially lower, geo-political tensions might be significantly reduced and optimism about the future should be growing. All the same factors could be true for Europe as well with the only difference being that the expectations for future economic growth may be less exciting. Without meaningful banking and other reforms in Japan, the cost of which at this point the government remains unwilling to bear, Japan seems destined for continued malaise. Relative to other banking crises in recent years, **Japan's bad loan problem is enormous (see Chart 7).** Moreover, its manufacturing base is under competitive threat from China. Valuations are high and will no doubt fall when interest rates ultimately move higher. **Asia outside of Japan, on the other hand, has perhaps the best combination of growth prospects and reasonable share prices in the world. We would not be surprised to see Asian growth forecasts raised and valuations expand during 2003 and beyond. Overall, we look for a return to a more optimistic mood during the course of 2003 and we believe that share prices are unlikely to fall for a fourth straight year.** As seen in Table 2, in the past, the turnaround year following a multi-year downturn in equities has always been very profitable for investors.

Relative to bonds and real estate, equities appear to be the most worthwhile long-term asset to hold at the moment. As earnings continue to recover, the benefits that bonds and real estate enjoyed from record low interest rates will start to accrue to equities as well. The Federal Reserve's valuation model currently indicates that shares are still 30% undervalued versus bonds. This suggests reasonable upside for equities, even in an environment where interest rates move slightly higher.

Chart 7

Japanese Banking Disaster



Source: OECD, Merrill Lynch

Table 2

S&P 500 Annual Total Returns

Year	Total Return
1929	-8.4%
1930	-24.9
1931	-43.3
1932	-8.1
1933	+53.9
1939	-0.4
1940	-9.8
1941	11.6
1942	+20.3
1975	-14.7
1976	-26.5
1977	+37.2
2000	-9.1
2001	-11.9
2002	-23.4
2003	??

Source: ISI

What Would You Have Done?

"No eye has seen, no ear has heard, no mind has conceived what God has prepared for those who love him." - 1 Corinthians 2:9 (NIV)

Picture yourself in January 1942. You have only just begun to see the economy pull out of the Great Depression and the economic outlook is uncertain at best, particularly considering the uncertainty created by the malaise of the past decade. Worse yet, stock prices have fallen in each of the last three years and the decline would not end until a few more months had passed. The World has been involved in a war that spans the globe for two years already and now the US is entering the fray following the Japanese attack on Pearl Harbor. Moreover, the Axis powers are winning wherever the war is being fought. While you do not realize it at the moment, nuclear warfare will be a reality in less than four years. It is difficult to imagine more dire circumstances where the ultimate outcome for freedom and the very foundations of your society are in doubt. How would you have positioned your portfolio under these most trying of situations? It would have been easy, even fully justifiable based on the facts, to be pessimistic about the future of equities. It would have also been very wrong as the time of greatest investor despondency usually is reflected in low share prices relative to future earnings power. **As my old boss John Templeton once said, "Bull markets are born on** pessimism, grow on skepticism, mature on optimism and die on euphoria." Before long, the resolve and ingenuity of the Allies turned the tide of the war and good triumphed over evil once again. Investors were rewarded with returns of well over 100% during the next several years and much larger returns over the next twenty years as progress and innovation flourished in the post-war period.

Now compare that situation to your current state. In January 2003, the economy has already been in a recovery mode for over a year following what proved to be a rather shallow recession. As in 1939-41 the stock market has once again fallen for three years straight. The US is again in a global war with a terrorist enemy but this enemy appears to be in hiding following an early and crushing defeat. A new war might be starting shortly with Iraq, but this foe cannot compare to the Japanese or the Germans in World War II. Investors are generally pessimistic given the incessant talk of economic malaise, stock market downturns and rogue states as well as terrorists that may have the capability of using weapons of mass destruction. How now do you invest your portfolio? While there are differences between the two periods, it seems reasonable to consider that a favorable outcome might also be achievable over the next few years and decades as well. No one can know the future but centuries of history proclaim the mercy of our God in consistently rescuing peace-loving people from evildoers. That progress and innovation have ultimately always moved forward at an accelerating pace should offer some comfort to wary investors. But even if disaster strikes and brings all our earthly hopes to ruin, we have confidence in the fact that we have a Savior who has prepared an eternal place for us that is so good it is beyond anyone's comprehension.

Ultimately, we know that any financial success that we achieve in this world is of little eternal value unless we can use it for God's glory. To that end, we at Stewardship Partners would encourage you to utilize the services of our affiliated ministry, Wall Watchers, which offers two web sites to assist you. Biblically based teaching on the stewardship of the resources the Lord has given us can be found at www.thegoodsteward.com while an extensive database of information on nearly 500 Christian ministries to assist you in making wise giving decisions is located at www.ministrywatch.com. Hundreds, if not thousands, of people are taking advantage of these tools each day and we hope that they will bless you as well.

All of us at Stewardship Partners thank you for your continued confidence in our ability to guide your portfolio through these turbulent times. As always, we invest your money with your Christian worldview in mind. Should you have any questions or comments about this Market Commentary or any other subject, please feel free to contact us. May the Lord bless you this year with His riches of wisdom and love as you grow closer to Him!

Christian Worldview Investing (CWI) in Action

Stewardship Partners is a leader in the field of investing with a Christian perspective. 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 with the world-renowned global mutual fund manager, John Templeton. By employing a Christian worldview 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 that are engaged in sinful activities that bring physical and spiritual loss to our fellow man. If Jesus were a carpenter in today's world, we believe he would pursue just such an approach in any investments he might have due to His great love for His creation. Below you will find an example of both a company that we own that exhibits exemplary Christian character and one that we avoid in our desire not to be supportive of harmful enterprises. Research on corporate business activities and global trends in areas of interest to Christians is carried out by an affiliate of Stewardship Partners, the Institute for Christian Worldview Research and our friends at American Values Investments.

King Pharmaceuticals - *Blessing its Employees, its Community and the World*

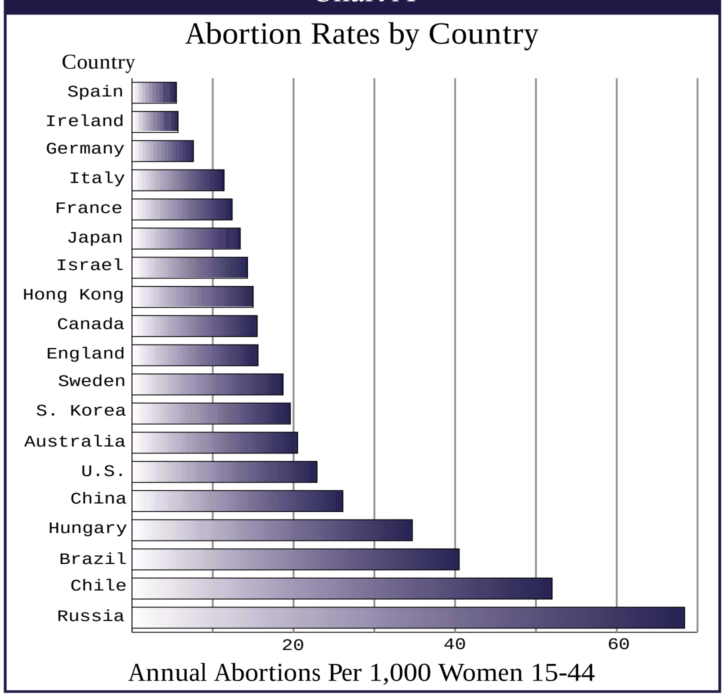
No other company that we have encountered is as appealing from a Christian Worldview Investing perspective as King Pharmaceuticals. King is a very successful drug manufacturer based in Bristol, Tennessee. Its products help patients with a variety of maladies including cardiovascular ailments and infections. Moreover, the company has a wonderful record of blessing their employees, its community and the world with its generosity. A strong Christian ethic is evident throughout the company. The company's generosity to its community and the world is evident through its support for the King Benevolent Fund (in the interest of full disclosure, it is appropriate to note the King Benevolent Fund is a client of Stewardship Partners.) The Fund distributes free medicines worldwide via medical missionaries, free food locally via its Lord's Storehouse program, and cares for the needs of the elderly through its Widow's Mite operation. These programs are characteristic of the company's many efforts to demonstrate our Lord's love for His people. King also maintains a staff of chaplains to minister to the needs of its employees.

From an investment perspective, King's shares have recently been battered along with the rest of the market and now sell for around 10x its expected earnings. Analysts have become concerned that the company's growth by acquisition strategy might not work as well in the future and there are worries that its two main drugs might suffer competitive threats earlier than was previously presumed. Given that not all of these concerns are likely to prove warranted, the stock currently seems to be attractively valued in relation to its long-term earnings power.

Loews Corporation - *Profiting from Harming Mankind and Supporting Addictive Behaviors*

Loews, which is not the same company as the home improvement stores, is one of the corporations that stands out as engaged in a variety of businesses that are harmful. First, it is a tobacco manufacturer. Second, it is both a distributor of pornography as well as supporting pornographic media through its advertising. Third, it is a corporate contributor to Planned Parenthood, which is the leading advocate for and provider of abortions. No matter how attractive an investment Loews' stock might ever appear to be, we would not purchase this stock for our clients. Being a part owner or profiting from such business activities does not comport with our desire to share the love of Christ, to be a blessing to our fellow man and to lead lives of integrity.

Chart A



Source: Alan Guttmacher Institute

Global Trends

Another facet of the research we monitor is shown below. As we are global investors, we follow a variety of factors that give us an indication of the spiritual atmosphere in various countries. Over the long term, we would fully expect those nations that more closely follow Biblical principles would reap greater blessings than those that do not. In performing this research we often come across insightful information and thought that our clients might be interested in seeing Chart A (previous page) and Table A relating to abortion rates and charitable giving worldwide.

Regarding abortion, it is interesting to note that the rate at which children lose their life in this manner is lower in countries like Ireland (where abortion is illegal), Spain and Italy where the Catholic church has a strong influence and highest in former communist nations where churches were largely eliminated from having an influence on society. On the other hand, Western Europe has lower rates of abortion than the United States despite the generally recognized greater influence of Christianity in the US than in Europe.

Table A

Revenues of Non-Profit Organizations in US Dollars

1995 Data, US$ in Millions

	Revenues Excluding Volunteer Time			Revenues Including Volenteer Time		
	Cash Revenue	% from Private Giving	US$'s from Private Giving	Cash Revenue	% from Private Giving	US$'s from Private Giving
Europe						
Austria	$6,711	5.7%	$386	$8,151	21.6%	$1,761
Finland	6,302	7.1	447	8,959	35.6	3,189
France	58,016	8.5	4,931	103,769	48.8	50,639
Germany	95,966	3.4	3,263	156,114	40.6	63,382
Ireland	5,201	10.3	536	5,956	21.6	1,286
Netherlands	60,938	3.4	2,072	79,501	25.9	20,591
Norway	5,994	8.8	527	10,754	49.2	5,291
UK	81,647	11.3	9,226	114,290	36.6	41,830
Other Developed						
Australia	20,561	9.1	1,871	26,089	28.4	7,409
Israel	11,100	10.5	1,166	12,011	17.3	2,078
Japan	286,703	3.6	10,321	315,271	12.3	38,778
US	631,599	21.2	133,899	789,783	37.0	292,220
Eastern Europe						
Czech Republic	923	15	138	1,144	31.4	359
Poland	2,628	15.5	407	2,783	20.2	562
Romania	134	26.5	36	294	66.4	195
Slovakia	327	23.7	77	334	25.5	85
Latin America						
Argentina	15,155	18.6	2,819	18,521	33.4	6,186
Brazil	12,249	17.0	2,082	13,752	26.7	3,672

* Other revenues are generated from government funding and fees charged to users of non-profit services

Source: John Hopkins Comparative Nonprofit Sector Project, Phase II

When examining giving trends around the world, people in the United States give the greatest amount of money, but this simply is a reflection of the size of our country and our economy. Still, when looking at private gifts alone, the US is the leader among the developed nations in terms of the percentage of nonprofit revenue coming from this source. In Europe, the tendency is for non-profit organizations to rely more on grants from governmental entities than from individuals. Once donations of volunteer time is factored into the equation, however, several European nations look to be on par with or even exceeding the US in terms of private giving. Interestingly, Romania looks best on these measures as both cash private giving and total private giving (including volunteer time) significantly exceed both the US and all the European nations covered in the study. Japan stands out as this study's big loser with proportionately little giving coming from the private sector.

Knowing Jesus Christ as Your Lord and Savior

While most of those reading our quarterly market commentaries will have already established a personal relationship with Jesus as their Lord and Savior, it is very likely that many will 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 Federal Reserve's valuation model or the problems in the Japanese banking system. 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. "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 to be united with us for 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 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 to 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 recognizing 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.

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