

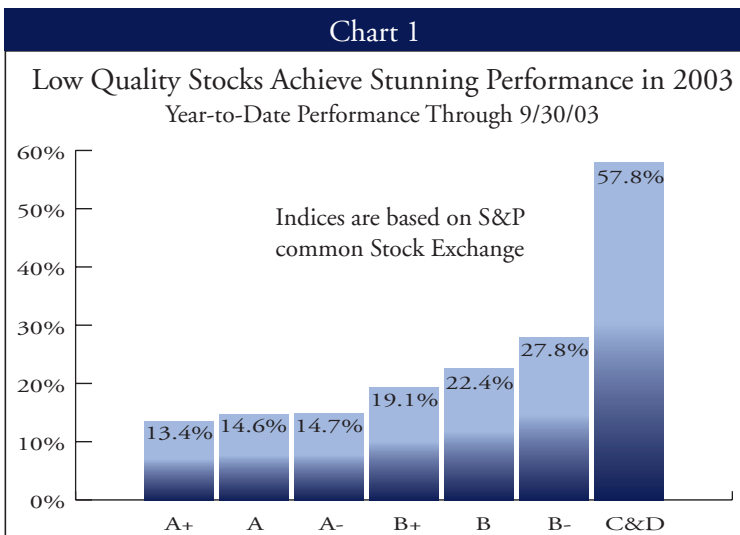
Authored by Howard J. "Rusty" Leonard, CFA
 CEO and Chief Investment Officer, Stewardship Partners Investment Counsel, LLC.

DEFLATION IS DEAD! LONG LIVE IRRATIONAL EXUBERANCE!

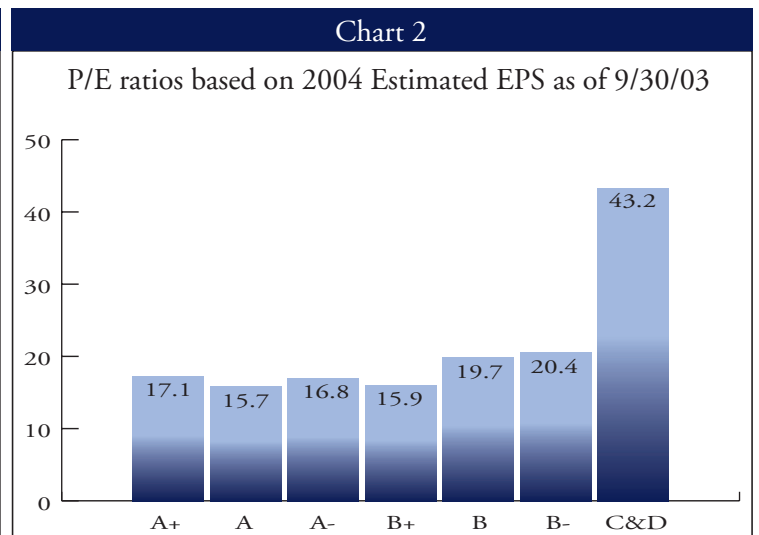
"The plans of the diligent lead to profit as surely as haste leads to poverty." Proverbs 21:5 (NIV)

As the third quarter began, we were deeply concerned the world's economy was flirting with a potentially damaging bout of deflation. For some time, various governmental and monetary authorities had made substantial efforts to stem the post-bubble tendency towards deflation. Despite their anti-deflationary policies, in early July the most one could conclusively argue had been accomplished was that the full impact of deflation had been temporarily delayed. The deflationary threat had not yet been eliminated, thereby leaving the door open to the possibility of a Japan-like decade of economic decay.

Following the synchronized global economic recovery achieved during the third quarter, however, the specter of a deflationary spiral has been at least temporarily vanquished. While strong deflationary forces still exist, the counterbalancing influences of renewed economic growth and historically low, short-term interest rates now seem likely to promote the much more palatable outcome of still low, but gradually rising, inflation trends. Due to the huge fiscal, monetary and currency stimulus unleashed on the US economy in particular, its economic growth in the short-term promises to be above average. Third quarter corporate earnings in the US and globally will almost certainly be surprisingly strong in view of the sharp rebound in economic growth during a period when corporate costs remain under tight control.



Source: Merrill Lynch Quantitative Strategy



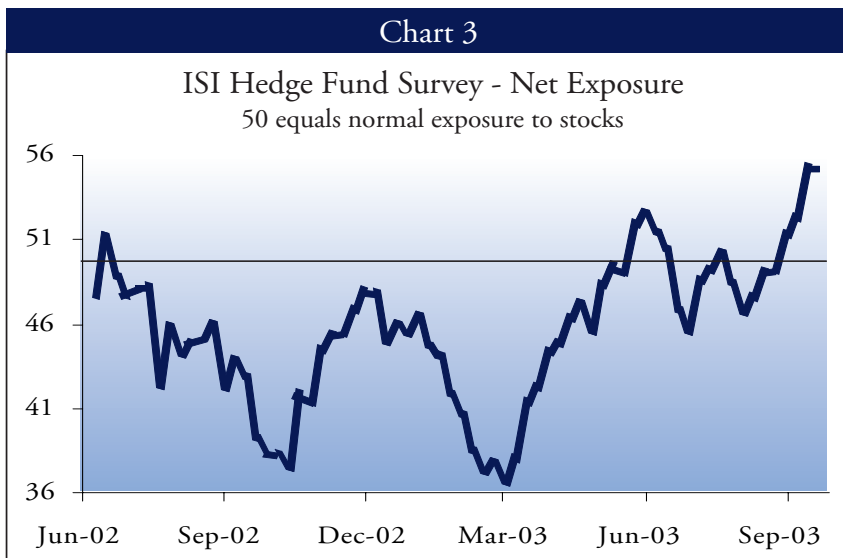
Source: Merrill Lynch Quantitative Strategy

While the pace of economic improvement clearly moderated at quarter end, it remained impressive. With such strong momentum established, some measure of follow through into the fourth quarter and 2004 can be expected, thereby creating an environment which should be beneficial to equity prices. In the absence of significant terrorist attacks, renewed war fears with Iran or North Korea, or other external shocks that could undermine the current economic vigor, equities could reasonably be expected to prosper over the long term given an environment of low inflation, low interest rates and rising earnings expectations.

Stock prices rose during the course of the third quarter economic rebound, if only moderately for the S&P 500, as global growth prospects improved. The advance in speculative shares, however, was far more impressive as displayed in the beleaguered technology sector, which had stood to lose the most from strengthening deflationary trends. Low quality companies in general breathed a huge sigh of relief as a harsh

fate was narrowly avoided. Chart 1 highlights the spectacular performance of risky shares thus far in 2003 while Chart 2 reveals the absurdly high valuations for these same shares. The diligent plans of governmental and monetary authorities finally resulted in an economic recovery but the hasty reaction of speculators bidding up risky stock share prices to seemingly foolish levels may ultimately impoverish them.

Oddly, while speculative shares soared to levels reflecting a resurfacing of the irrational exuberance seen in the late 1990's, the response of higher quality, dividend-paying shares was muted. This was particularly surprising given the passage of a law that reduced the double taxation on dividends in May. Excluding the mostly non-dividend paying technology stocks in the S&P 500, the index increased only marginally during the third quarter (the S&P 500 actually closed the quarter below its mid-June high). Investors in general seemed unwilling to commit to higher equity exposure in view of lingering doubts about the sustainability of economic growth and high valuations. The rise in speculative shares can probably be traced to the activities of hedge funds, which are known for their short-term orientation and now reportedly control 30-40% of the daily trading volume. In view of the rapidly improving economic picture, hedge funds have, since March, been hastily moving from a significant net short position to a net long position, by covering their highest beta shorts. Chart 3 highlights this trend and Table 1 shows just how significant the impact was on high beta, lower-quality stocks. In doing so, they created an aberration in the market by rapidly boosting the share prices of the most suspect companies. In view of our high-quality bias, defensive positioning, and low technology weighting in our Leader portfolios, we were pleased to be able to deliver third quarter performance largely in line with our various portfolio's benchmarks. For the year to date period through September 30, the performance of our Domestic, Global and International Leader Portfolios have all surpassed their relevant benchmarks.



Source: ISI

Table 1

Riskiest S&P 500 Stocks Perform Best in 2003
 S&P 500 Decile by Beta

	Beta	Average YTD % Chg
Decile 1	2.7	56.8
Decile 2	2.0	39.5
Decile 3	1.6	20.1
Decile 4	1.3	26.1
Decile 5	1.2	10.9
Decile 6	1.1	14.9
Decile 7	0.9	15.6
Decile 8	0.8	11.7
Decile 9	0.6	13.9
Decile 10	0.3	17.2

Source: ISI

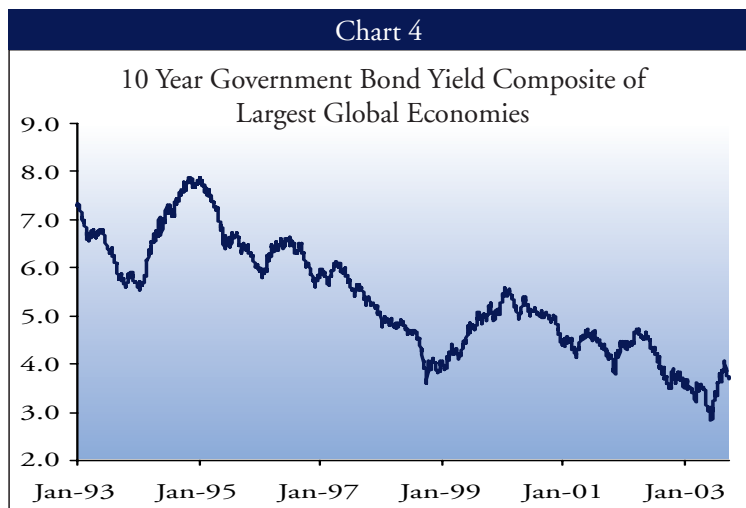
GLOBAL HEALING OR “SUGAR SHOCK” RECOVERY?

“Stern discipline awaits him who leaves the path.” Proverbs 15:32a (NIV)

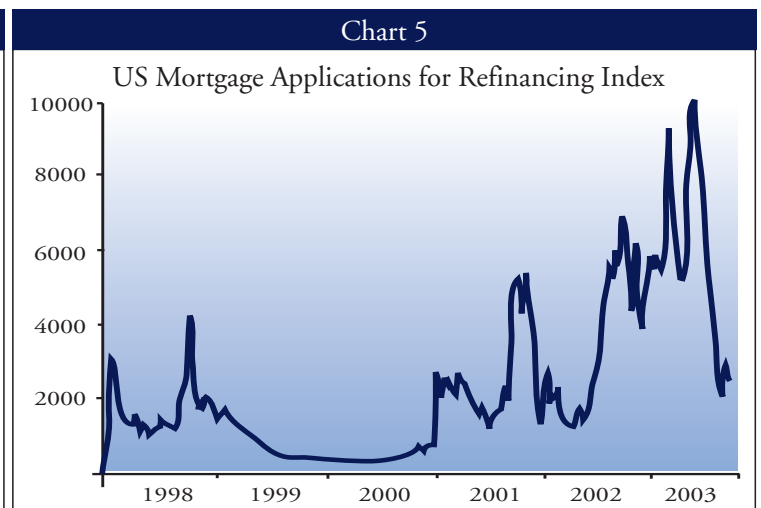
The failure of the quality stocks to meaningfully build upon their strong, second quarter gains is indicative of skepticism regarding the staying power of the nascent economic upturn. Additionally, concerns that the downturn did too little to work off the excesses of the previous bubble period remain. Some investors believe the powerful stimulus undertaken to stave off deflation undercut natural economic forces that would have normally, if painfully and efficiently, cleansed the global economic system of excess capacity and debt. According to this line of reasoning, the stimulus is likely to produce only a short-term burst of activity before wearing out; much like a child's reaction after eating too many candy bars too quickly. Some would argue the deceleration in the US economy's advance evident at the end of the third quarter is indicative of the “sugar shock” effect already wearing off. Significant risks do remain, but the likelihood is rising that the global economy, while coming frighteningly close to the precipice of a deflationary abyss, has managed for now to avoid the bubble's most dire consequences. Consumer spending has remained reasonably strong even though the substantial consumer debt incurred during both the

upturn and, uncharacteristically the recession, was not reduced as it typically is during economic downturns. Part of the reason has been that the consumer has reacted to the unnaturally low interest rates to refinance higher cost debt and acquire long-lived capital goods. To some degree, the consumer's balance sheet has been strengthened by virtue of extending the maturity of debt. Business spending is also picking up in response to improved economic activity, low interest rates and improved profits. Increasingly, the global economic recovery seems to be part of a normal healing process rather than a response to a short-term reflation shock.

Nevertheless, there may be a price to pay for past excesses and the means employed to avoid lasting deflation. By leaving the path of natural corrective economic forces, the economy may face other forms of "stern discipline". The most important cost for the economy thus far has been the surge in longer-term bond yields. Short-term interest rates have remained stable at low levels, but the yield on ten-year government bonds has spiked sharply higher in the developed world (see Chart 4). While still low in a historical context, this change in trend negatively impacts the global economy. One of the first casualties of the backup in rates has been a dramatic reduction in refinanced mortgages in the US (see Chart 5). Refinancing had been a source of lower costs and increased cash for consumers during the recession. The sharp decline in this activity should have an unfavorable impact on consumer spending, particularly if employment growth fails to improve.



Source: CSFB



Source: ISI

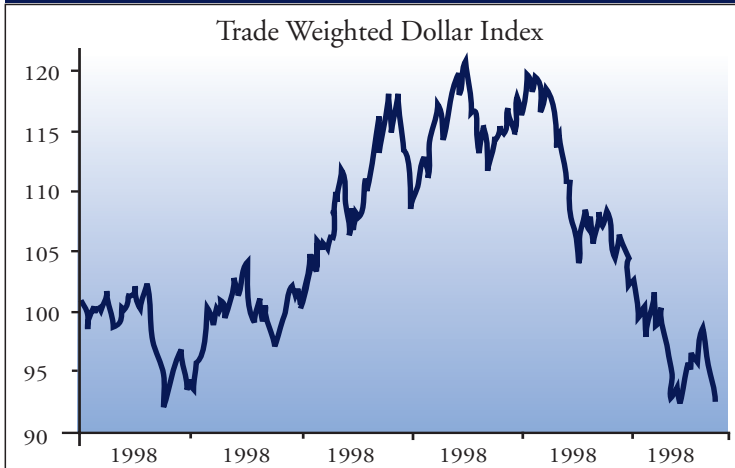
THE DEFLATING DOLLAR

“The prudent see danger and take refuge but the simple keep going and suffer for it.” Proverbs 27:12 (NIV)

Another casualty of the deflation-fighting, economic policies pursued in the US has been the falling value of the dollar. The soaring US budget deficit, combined with the excessive trade and current account deficits, highlight a structural problem with over-consumption in the US and over-saving in Asia and, to a lesser extent, Europe. At the recent G-7 meeting of economic ministers in Dubai, an agreement was reached that will effectively lead to a multi-year decline in the value of the US dollar. This managed decline is intended to help rotate consumption and savings between regions so that more balanced and sustainable global economic growth can be maintained. Assuming the dollar's continued fall can be organized in an orderly fashion, there may not be any destabilizing outcomes. However, if the dollar were to freefall, a panic could ensue that might drive long-term interest rates sharply higher as foreigners ceased to fund US overspending. This is unlikely to occur, as foreigners are beneficiaries of our excessive spending habits, and because they already own a lot of dollar-denominated assets. Moreover, the US remains the world's most flexible large economy and will continue to attract foreign investment since it may still offer attractive returns even after factoring in a declining dollar. Still, the risk level has risen. The US's large and rising debt limits its flexibility and exposes the nation to potentially more severe adjustments in the event of an unexpected, unfavorable economic event.

By pursuing dollar deflation versus economic deflation, US economic growth potential should slow slightly relative to its trading partners/financiers. Long-term interest rates will also be higher than they would have been had a strong-dollar policy been maintained. The world's previously strong desire to hold US dollars will continue to diminish until the dollar finds a level that investors agree is more appropriate

Chart 6



Source: ISI and Bloomberg

Chart 7



Source: Merrill Lynch Quantitative Strategy

(see chart 6). The opportunity to achieve favorable investment returns overseas, however, has been given a boost due to the expectation of rising foreign currency values. US corporations will also benefit as roughly 20% of sales come from overseas. It is estimated that the decline in the dollar over the past year has increased the earnings of the S&P 500 by 2-3% and similar gains are likely over the next 2-3 years. There can be little doubt that this coordinated attempt to deflate the US dollar is one of the most significant factors for investors to consider in their investment strategy. Progress of this policy must be steadfastly observed as any failure of it or changes to it could have a significant impact on dollar-denominated investors. The prudent investor should recognize the danger to dollar denominated assets and seek refuge in stronger currencies. Additionally, as governments around the world have pursued aggressive reflationary policies, the price of gold should continue to benefit (see Chart 7).

FOLLOW THE MONEY, NOT THE ANALYSTS

“Money is the answer for everything”. Ecclesiastes 10:19b

Following the money is a time-tested method of success when investigating crimes. It is also useful for understanding and predicting investing trends. The startling advance in low-quality share prices in the second and third quarter of 2003 highlights this principle (see Table 2). As noted earlier, hedge funds were largely responsible for this price action as they sought to cover volatile, short positions in order to quickly bring their exposure from net short to net long. These funds have become a dominant force in the financial markets by virtue of

Table 2

2003 Quarterly Performance by Risk Category

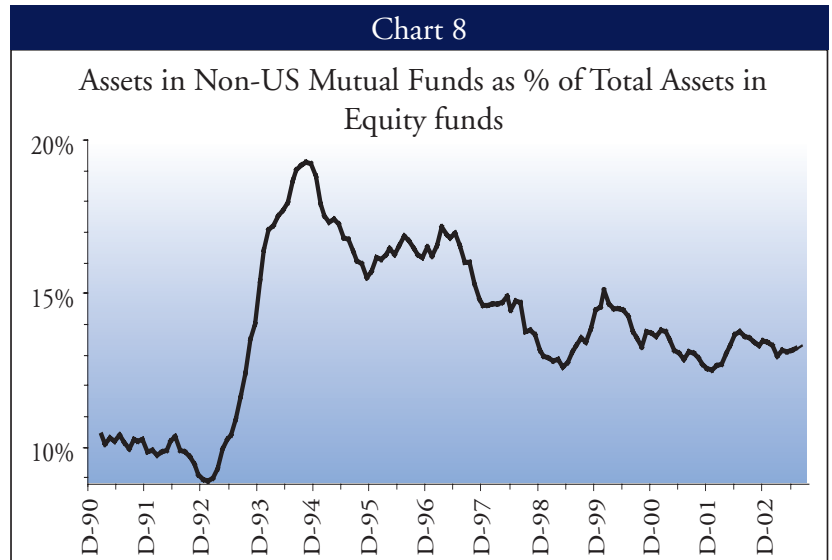
	A+	A	A-	B+	B	B-	C&D
1st Quarter	-5.22	-5.23	-5.68	-4.95	-4.30	-4.99	-6.00
2nd Quarter	14.95	14.56	15.78	18.15	20.66	23.01	44.10
3rd Quarter	4.08	5.53	5.05	6.04	6.00	9.33	16.53

Source: Merrill Lynch Quantitative Strategy

the growing number of such funds and the tendency to trade more frequently than other investors. This new and growing force in the marketplace is something to which every investor must now give consideration. This dynamic is similar to the blind buying by index funds that was instrumental in the superior performance of large cap stocks in the latter half of the 1990's. If investors can anticipate which investors will drive the market in the future, and couple this knowledge with superior company- level analysis, profits are sure to follow.

In view of the near certainty of a declining US dollar over the longer term, a good guess about the future direction of substantial money flows would be outside the US. International and global fund managers are likely to be recipients of surprising amounts of inflows after a long period of declining interest in international investing (see Chart 8). The deflating-dollar theme will take some time to spread and gain traction thus availing early adherents to gain an advantage. Foreign bonds are also likely to benefit as investors scramble to avoid the potential of rising U.S.

interest rates and enjoy the returns from stronger foreign currencies. Because Europe's economic outlook is more tenuous than that of Asia, it is possible that Asian equities and European bonds may be the targets of many investors in coming quarters. Low quality and small cap shares may also be worth avoiding as both have had outstanding moves and hedge funds may now seek to short these shares due to overvaluation and a lack of foreign currency exposure. Large cap stocks may benefit from greater foreign exposure and a return of smaller investors to both index funds and yet another popular new investment vehicle, Exchange Traded Funds (ETF's). ETF's are likely to extend any move in a popular market sub-sector further than would have been anticipated and may create additional volatility. Another area which has benefited from the deflation theme has been cyclical and commodity stocks. Following two decades of underperformance, this group may be poised for a multi-year advance as the simultaneous growth in demand from China, India and recovering developed economies might result in a surprisingly long period of prosperity for this oft-maligned sector. Careful analysis of individual stocks in each of these sectors is still required to achieve the most attractive results and to avoid pitfalls.



Source: Merrill Lynch Quantitative Strategy

While following the money might be profitable, adhering to the recommendations of Wall Street analysts can be dangerous. Investors Business Daily recently reported "The 600 most recommended stocks, based on a weighting of analyst ratings, lost 24% in 2000. They fell 5.1% in 2001 and 20.7% in 2002. They fared better this year, rising 30.7% through July. Compare those results with analysts' 600 least recommended stocks during that stretch. They rose 6.4% in 2000 and 20.5% in 2001, crushing the most recommended batch. The least recommended stocks fell 16.4% in 2002, beating the most recommended group's heavier loss. In 2003 the least recommended group advanced 35.6% through July, beating the most recommended sample for the fourth straight year." Accordingly, it may be wise to limit exposure to the technology sector of the market given Wall Street's recently renewed enthusiasm for these highly valued stocks.

QUALITY TO BE CROWNED NEXT KING

Keep your lives free from the love of money and be content with what you have, because God has said, "Never will I leave you; never will I forsake you." Hebrews 13:5

With the global economic recovery spreading its roots every day, the environment for equity investing has become more favorable. Since it remains early in the recovery process, risks remain and trends need to be monitored closely. Moreover, a constructive economic backdrop is not sufficient to produce attractive returns from equities. Surprisingly good earnings trends and reasonable valuations are usually necessary ingredients for meaningful advances in stock prices. Over the short term, we expect third quarter earnings results to be very positive and believe 2004 earnings estimates will be revised upward for many companies after these numbers are reported during October. Negative earnings pre-announcements for the third quarter have been at low levels, highlighting the improving trends many companies see in their business.

Valuation levels for many stocks, however, are already at what many would consider fair value and are well above fair value for the lower quality and many technology shares. Surprisingly good third quarter earnings may provide a lift for stocks, but earnings are already expected to be strong by virtually every market participant, thus the anticipated good results may be reflected in current prices. Failure to achieve or exceed these heightened expectations or even simply matching them could lead to a short-term, market correction.

The ongoing reversal in bond yields also may also trigger valuation concerns for equities, particularly since a renewed downward trend in long-term, interest rates seem very unlikely. Declining interest rates would likely only occur if the threat of deflation resurfaced and the

Table 3

Valuation Comparisons

S&P Sectors	P/E Ratio		Div.Yield
	2003E	2004E	
Technology	26.2x	21.5x	0.4%
Materials	17.5	12.4	2.4
Industrials	17.1	15.2	1.9
Financials	11.9	10.8	2.5
S&P 500	18.9	17.2	1.8
Cons.Disc.	18.0	15.5	1.0
Cons. Staples	17.4	15.7	2.0
Energy	15.7	15.9	2.6
Utilities	12.7	11.7	3.9
Health Care	16.9	14.9	1.6
Telecom	14.2	13.3	3.5
Countries			
France	18.7x	15.2x	3.2
Germany	22.1	14.7	2.3
Italy	18.1	15.6	3.7
Netherlands	14.9	13.1	3.5
Spain	14.9	13.4	2.4
Sweden	23.1	16.0	2.5
Switzerland	19.4	16.1	1.6
UK	20.1	18.3	3.4
Australia	15.1	13.6	3.8
Hong Kong	17.5	16.9	3.3
Singapore	17.7	14.9	2.3
Japan	24.4	19.4	1.0

Source: ISI, Merrill Lynch, MSCI

negative implications for earnings in such a scenario would quickly undermine stock prices regardless of the direction of interest rates. Falling interest rates have been an important valuation prop for the market for many years. It is quite possible that rising interest rates will now become an impediment to stock prices.

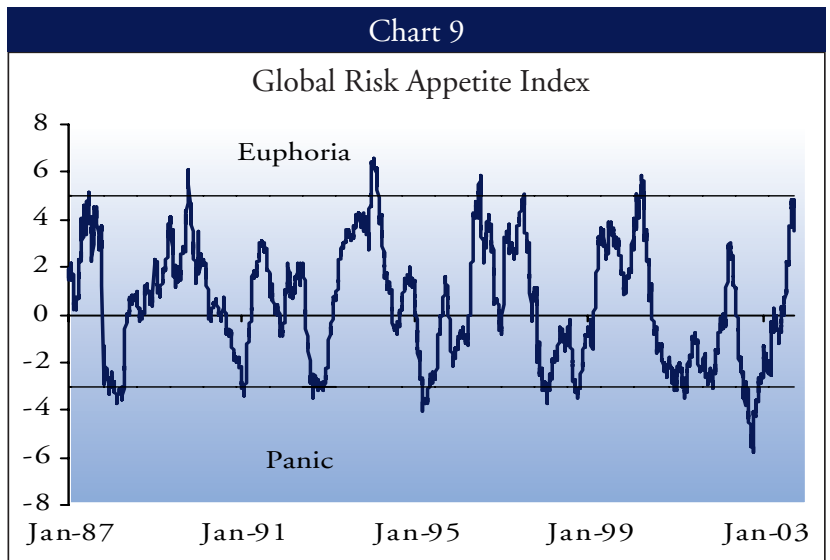
Few would argue that stocks are undervalued at this time. An analysis of the US market, however, reveals that the high valuation given to the technology sector biases the S&P 500's P/E ratio upward (see Table 3). Every other sector of the market sells at more reasonable valuation levels based on 2004 expected earnings, which could leave room for further share price advances over the next year in these areas. This is particularly true if earnings continue to be revised higher and interest rate increases are only moderate. Overseas, valuations based on 2004 earnings estimates are also more attractive than the low quality and technology sectors in the US. Also, dividend yields tend to be higher in most overseas market than those found in the US and interest rate pressures on P/E valuations may well be less than in the US.

In the short term, our greatest concern for share prices revolves around the current highly optimistic sentiment for stocks and risky assets in general. It is rare that periods of such confidence about the future direction of share prices prove to be a profitable buying opportunity. Chart 9 highlights the current highly optimistic mood of investors, which has now almost climbed to levels last seen at the end of the bubble. The buyer must beware, particularly purchasers of the riskiest asset classes.

Over the long term, we believe that investors will once again favor high quality companies. Lower quality stocks and the technology sector of the market could be dethroned as the market's leaders as we move into 2004. Investors should also be able

to add to their returns by diversifying overseas where valuations are often better and where favorable currency returns may be achieved.

Unlike our Lord, the stock market is fickle. In the short term, it can behave irrationally and erratically. As we patiently wait to see if our investment strategies pay off with superior long term returns, our desire is that you will continually fix your eyes on the far more important matters of your eternal destination and our Lord's kingdom here on earth. Achieving superior investment returns while employing a Christian Worldview Investing approach is good stewardship of what the Lord has entrusted to you here on this earth. However, walking in a close personal relationship with our Lord and Savior Jesus Christ, being guided by the Holy Spirit and inspired by the wisdom of the bible – these should be our highest goals. We trust you will strive to be a good steward of what the Lord has entrusted you while simultaneously keeping free from the love of money. Our prayer is that you will always be content in the knowledge that your god will never leave you or forsake you.



Source: CSFB

All of us at Stewardship Partners thank you for your continued confidence in our ability to guide your portfolio through the ups and downs of the market. 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 at info@stewardshippartners.com. May the Lord bless you with His riches of wisdom and love as you grow closer to Him!

CWI IN ACTION - EXAMINING CORPORATE BEHAVIOR

“For where your treasure is, there your heart will be also.” Luke 12:34



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 directly 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. Our heart's desire is to do no harm to our fellow man in the process of being the best possible stewards of the wealth the Lord has given us stewardship over.

Below you will find an example of both a company that exhibits exemplary Christian character, Noble Energy, and one that we avoid, Playboy, in our desire not to be supportive of or associated with harmful enterprises. We believe that, in the long run, both countries and companies that most align their activities with biblical principles will achieve the greatest success. The results of some of our research can be found below. Research on corporate business activities and national trends in areas of interest to Christians is carried out by an affiliate of Stewardship Partners, the Institute for Christian Worldview Research (ICWR). Our friends at American Values Investments (www.amvalues.com) provide us information on the positive values many corporations embrace.

Special Offer

The ICWR maintains a database on the corporate activities of nearly 1,700 public companies focusing on their involvement in alcohol, tobacco, gambling, abortion, pornography and non-marriage lifestyles. Should you desire a report from ICWR on companies you hold in your portfolio, please feel free to contact Sharon Swaringen by e-mail at sswaringen@stewardshippartners.com. If you will simply provide us with a list of the companies you would like us to review, it would be our pleasure to produce a report for you that may be enlightening.

THE GOOD - NOBLE CORP. – BIBLICALLY BASED MANAGEMENT PRINCIPLES

“A good name is more desirable than great riches.” Proverbs 22:1a (NIV)



James Day, the CEO of Noble Corporation, says, “This company has had a culture of basing what it does on Biblical principles.” At the first Christian Worldview Investing conference held in April 2003, Mr. Day also said that the outworking of this approach included, “Keeping the balance sheet clean, keeping your staff together in good times and bad, having good training and having a vision.” The company believes that its employees are its most important assets and will not sacrifice safety for the sake of generating higher profits. Given the dangers involved in the oil business, Noble's employees are sure to value this core value of the company.

More than twenty years ago, Mr. Day began a voluntary prayer breakfast for the executive staff and management now opens all meetings with prayer. The positive impact from prayer can be seen in the company's historical performance, which has been quite good despite the volatile nature of the industry in which the company operates.

Noble is also notable for its charitable works and has supported a wide variety of values based charities. This includes the Boy Scouts of

America where Mr. Day serves on the annual Friends of Scouting campaign.

Stewardship Partners is always seeking potential investments in companies like Noble, where biblical principles are at the core of all that the company does. This does not guarantee corporate or investment success, but in our view, it enhances the possibility of a positive long-term outcome for investors. Stewardship Partners does not presently own Noble in its client’s accounts but considers it an excellent candidate for purchase should its growth and valuation profile ever make it a good fit for our portfolios.

THE BAD - PLAYBOY ENTERPRISES - PORNOGRAPHY IS JUST THE BEGINNING

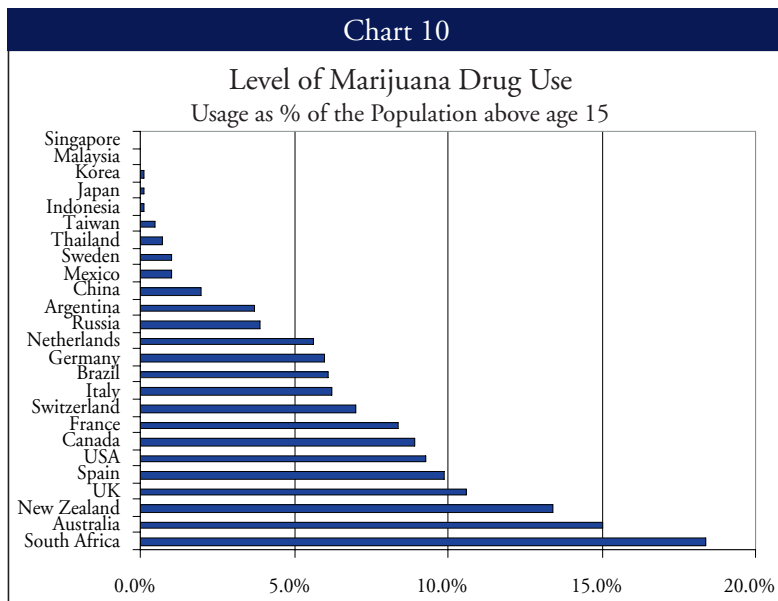
“Things that cause people to sin are bound to come, but woe to that person through who they come.” Luke 17:1 (NIV)

Playboy, the hedonistic creation of Hugh Hefner, is well known for its production and distribution of pornography through magazines, video and DVD sales, cable TV channels and the internet. One could reasonably argue that Playboy has done more than any other company in the world to undermine a biblical view of sexuality, pollute the minds many with sin and to further the legitimization of pornography in our culture.

It will come as no surprise that Stewardship Partners will never invest its client’s money in this company, no matter how attractive its businesses might ever become. Ownership of Playboys stock would put Stewardship Partners in a position of seeking to profit from an organization that has gone well out of its way to support behaviors that destroy lives and families. Our desire is to promote righteousness and restrain evil wherever we are able. Ownership in Playboy’s stock or other similar companies that promote sin is at odds with our desire to share the love of Jesus Christ with the lost and to be a blessing to our fellow man.

As one sin often leads to others, Playboy’s initial pornography business soon led it into gambling activities, which continue to this day via its three internet gambling sites. Moreover, the company has been a supporter of Planned Parenthood, the leading provider of abortions and abortion counseling in the United States. They have also made contributions to the ultra-liberal People for the American Way, which promotes a whole spectrum of issues offensive and even antagonistic to Christians.

EXAMINING NATIONAL TRENDS FOR BIBLICALLY BASED BEHAVIOR



Source: Global illicit drug trends

“Misfortune pursues the sinner, but prosperity is the reward of the righteous.” Proverbs 13:21 (NIV)

Another facet of our research at Stewardship Partners is measuring the character and spiritual atmosphere of the various countries in which we invest our client’s assets. John Templeton said that investing in countries where people are diligent and thrifty produces the best long-term investment results. We have extended this line of thought to include many other areas including a comparison of the prevalence of cannabis (marijuana) usage in various countries. In the long run, we believe that countries, companies and individuals who follow Biblical principles will reap greater prosperity than those that flaunt such wisdom.

As seen in chart 10, there is a large difference in the percentage of various nations’ usage of marijuana. Asian countries

have very little usage of this drug, which remains illegal to use in almost all countries. In the Netherlands, where it is legal, usage is apparently below average relative to the rest of the world. Australia, New Zealand and South Africa have by far the highest usage rates, perhaps because of lax law enforcement and an ability to easily grow the marijuana plant. In the end, however, the decision to use drugs legalized or otherwise, is at least a partial reflection of the character of a nation. As potential investors, we are impressed by the lack of marijuana usage in Asian nations. We are concerned, however, about the moral climate in many of the other countries where a significant portion of the population are willing to break laws and abuse their bodies for temporary “high”. While there are no public companies that are involved in the manufacture or distribution of illegal drugs, we are hopeful that both government and corporate policies will be increasingly instituted to reduce drug usage and the culture that condones such use. As many who have been entrapped by drugs and alcohol can testify, a personal relationship with Jesus Christ is often a key ingredient to overcoming this self-destructive behavior.

OUR ULTIMATE GOAL

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

It is our hope that Stewardship Partners’ ability to produce wealth for you will help you to share with God’s people who are in need and help fulfill the great commission. Our non-profit 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 nearly 25,000 other monthly visitors to our ministry’s website at www.ministrywatch.com, the internet’s top site for donors to Christian ministries. Search through our extensive database of over 500 ministries to find those that the Lord may lead you to support or to review our work on those ministries you already support. For each ministry, our Full Reports have information about the organization’s history, its statement of faith, its program accomplishments, current ministry needs, its Financial Efficiency Rating and financial Transparency Grade and its financial statements. Through the ministry of Wall Watchers, we trust that we can help you bless those Christian ministries that are doing so much to spread the good news of the gospel and meet the physical and spiritual needs of God’s people. Should you desire to have someone show you how to best use the www.ministrywatch.com site, please contact Jim Batten at 704-841-7828 or jbatten@wallwatchers.org. We would be very pleased to be able to help you help God’s people who are in need. Jim would also be happy to sign you up for our monthly e-mailed newsletter, MinistryDirect. You can also sign up yourself on our website. Additionally, Wall Watchers offers a bi-weekly e-mail newsletter with updates from our stewardship education site www.theGoodSteward.com

MINISTRYWATCH.COM FEATURED MINISTRY – NORTHWEST MEDICAL TEAMS INTERNATIONAL

“Blessed is he who has regard for the weak; the Lord delivers him in times of trouble.” Psalm 41:1(NIV)



Northwest Medical Teams International (NMTI) demonstrates the love of Christ to those in crisis by sending volunteer medical and emergency response teams, distributing humanitarian aid and providing community development and children’s ministry programs. NMTI has responded to a variety of natural disasters and conflicts around the world and also operates mobile dental clinics to the poor in the United States. The ministry was founded when a businessman asked the Lord to show him how he might be used to help the innocent victims of Cambodia’s “killing fields” in 1979. In 2002 128 volunteer teams traveled the world to carry out NMTI programs of assistance and more than \$90 million in medical supplies and humanitarian aid were shipped to those in need.

NMTI’s mobile medical clinic also treated more than 13,000 people in the northwest US.

NMTI has over 2,000 volunteers, many of which are physicians, nurses and EMT personnel compared to just 60 full time staff members. Many of these volunteers have served on multiple missions and are available to be called up on 24 to 48 hours notice. NMTI is a non-denominational ministry, it welcomes volunteers of various faiths and takes no stance on political issues. Nevertheless, it is strongly evangelical in its orientation and partners with Christian groups in the areas they serve. Every board member signs an evangelical statement of faith and staff and volunteers agree to respect and support the ministry's mission statement which state in part "to demonstrate the love of Christ" to people affected by poverty, conflict and disaster.

NMTI receives an "A" Transparency Grade and gets a five star financial efficiency rating from MinistryWatch.com. NMTI's financial efficiency can be traced to the heavy use of volunteers, low fundraising costs, minimal overhead and the fact that the ministry receives millions of dollars of medical goods at no cost. Furthermore, NMTI operations are structured in a simple manner without the many levels and confusingly intertwined organizations seen in many other groups. This enhances the transparency of the ministry's efforts.

Northwest Medical Teams International is clearly doing exemplary work in a highly cost efficient and transparent manner. The full MinistryWatch.com report on NMTI can be found at: http://www.ministrywatch.com/mw2.1/F_FullRpt.asp?EIN=930878944

TRIBUTE TO DEREK PRINCE – BIBLE TEACHING EXCELLENCE

"The Lord is faithful to all his promises." Psalm 145:13b



With the recent deaths of well-known Christian ministry personalities like Bill Bright and Larry Burkett, the passing of a less well-known giant of the Christian faith is easy to miss. Derek Prince, of Derek Prince Ministries, died recently at the age of 88 in Jerusalem. Derek was born in India to British parents and was educated at England's most prestigious Universities: Eton College and Cambridge University. His keen intellect and mastery of philosophy was quickly recognized and led to him being one of the youngest students to ever receive a fellowship at King's College. While serving in the British Army during World War II, he had a life-changing encounter with Jesus Christ. From that point forward, the bible was the only book of "philosophy" that he had any interest in.

Following the war's end, the Lord led him on a path that encompassed more than sixty years of dedicated service to the Lord's work on six continents, primarily in the area of bible teaching. His impact on the body of Christ, while little recognized in the US, was extensive. His daily radio broadcast "Keys to Successful Living" reached over half the globe and many behind the iron curtain credited his teaching on prayer and fasting as playing an important roll in the demise of Communism. Teaching to the end, he authored more than 40 books, the last of which was just recently released. Many of these have been translated into more than 60 languages. Derek was also well known for his insightful teaching on praying for the government, deliverance from evil spirits and Israel. His greatest gift was his ability to explain the bible and its teachings in a simple, clear and insightful way. He had said that he would hope his legacy would be three simple words "He was faithful". The founders of Stewardship Partners, whose lives were enriched by Derek's teaching beyond what we are capable of describing, can testify that those words ring true for his life. We believe that the Lord will be faithful to continue to bless Derek Prince Ministries and that His promise that it will one day grow to be a "mighty ocean" will come to pass.

Derek Prince Ministries will continue to operate and disseminate his excellent teaching materials through their twelve worldwide offices. We highly recommend that readers avail themselves of his books and tapes as we are confident you will be blessed. Indeed, Stewardship Partners would like to share the blessing we received from Derek's teaching by offering you free of charge a relevant sample of Derek's teaching. Please e-mail your desire to receive Derek's booklet "God's Plan for Your Money" and your mailing address to sswaringen@stewardshippartners.com and we will send this insightful teaching to you as soon as possible. Information about Derek Prince Ministries can be found at its website www.dpmusa.org.

FEATURED MINISTRY MARKETPLACE PARTICIPANT - GENEROUS GIVING

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



In addition to Stewardship Partners’ non-profit affiliate Wall Watchers, there are a wide variety of organizations that the Lord has raised up to help donors to Christian ministries be more effective in their giving. We call this the Ministry Marketplace because it includes a variety of service providers that are similar to those found in the financial services marketplace. As donors begin to utilize the quality information and services available through this Ministry Marketplace to help them make better giving decisions, their giving will become more strategic and produce greater joy for both themselves and the recipient of their donations.

Generous Giving, a unit of the McClellan Foundation of Chattanooga, TN, which has itself given away hundreds of millions to Christian ministry over the years, is one of the most important service providers in the Ministry Marketplace given its mission “to motivate followers of Jesus Christ towards greater biblical generosity”.

Headed by Daryl Heald, it is their desire to transform the hearts of Christians so that giving becomes a joy rather than a burden. As stated at www.GenerousGiving.com, “Jesus’ own life is our ultimate example of extravagant generosity. He taught us that “it is more blessed to give than to receive” (Acts 20:35). And he lived it: by setting aside his heavenly wealth, choosing to live humbly among sinful men, and willfully giving up his life so that we in turn could have life. And just as He said “follow me” to his first disciples, He calls to us to do the same today. But following Christ applies to every dimension of our lives—not just to our hearts and heads, but to our relationships, our possessions and our money as well.”



Generous Giving’s website offers a host of tools that will encourage and empower donors. The Generous Giving Marketplace www.GenerousGiving.com/marketplace is another unique service of this ministry. Here you can find information on hundreds of giving opportunities organized in a rational manner thereby making it easy for the user to quickly match up giving opportunities with giving passions.

An overview of the resources available for Christians to service all aspects of their giving and investing needs can be found below. While the list is not exhaustive, it comprises some of the most prominent organizations who can help you direct your money in building up the kingdom of God! (Click on name for web page.)

WHY
give to Christian ministries?
 Teaching on Christian 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)

HOW
give with a discerning mind?
 Professional Advisors:
 - CFPI (christianfpi.org)
 - Christian Community Fdn (thefoundations.org)
 - Nat’l Christian Fdn (christianfoundation.com)
 Donor Advisors:
 - Calvin Edwards & Co. (no website)
 - Gordon Loux (mygivingcoach.com)
 - Legacy (philanthropyatwork.com)
 - Excellence in Giving (excellenceingiving.com)

WHERE
invest in kingdom ministries?
 Ministry Research:
 - ECFA (ecfa.org)
 - Generous Giving (generousgiving.org)
 - Geneva Global (genevaglobal.com)
 -MinistryWatch.com (ministrywatch.com)
 Ministry Mutual Funds:
 - Nat’l Christian Fdn (christianfoundation.com)
 Online Donation Services:
 - Network For Good (networkforgood.com)

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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