STEWARDSHIP PARTNERS MARKET COMMENTARY

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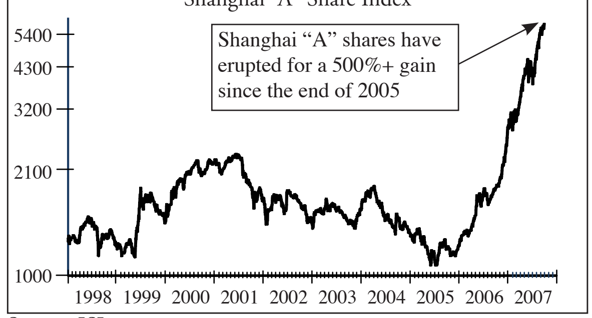
By The Way, Did You Notice That Credit Crunch?

"I will take refuge in the shadow of your wings until the disaster has passed." Psalm 57:1b (NIV)

Based on the wealth created by equities worldwide over the last three months, one could hardly be faulted for overlooking what was actually a very serious and consequential crisis in the world's credit markets. Indeed, Chart 1 highlights the debt markets seizing up had little impact on the Chinese stock market as it raced further into bubble territory following a short August break in the nearly vertical trajectory it has enjoyed since 2006. One reason Chinese speculators and equity investors around the world quickly put the credit crunch behind them was that those most affected by these dramatic developments were not simple and straightforward equity investors but some of the world's most sophisticated financiers. Many well-heeled hedge funds and banks, utilizing considerable leverage and a variety of complicated debt products (concocted by fee-hungry Wall Street firms to satisfy these investors' need for yield), found they had suddenly lost billions on these exotic debt instruments. The loose underwriting of US subprime mortgages that had fueled the housing bubble had finally caught up with them. Blue-blood private equity firms, the market's most recent stars, also found themselves crippled by these developments as they were no longer able to access the debt markets to finance acquisitions.

Chart 1

Chinese Fireworks
Stocks Explode Higher Despite Credit Crisis
Shanghai "A" Share Index



Source: ISI

Table 1

3Q07 & YTD Returns

US Indices	3Q	YTD
S&P 500	2.03%	9.13%
Morningstar Large Cap. Value	0.56%	6.88%
Morningstar Large Cap. Growth	5.30%	13.79%
NASDAQ	3.77%	11.85%
S&P 400 (Mid Cap)	-1.17%	10.03%
S&P 600 (Small Cap)	-2.05%	5.85%
Treasury Bonds	5.17%	3.75%
High Grade Corp. Bonds	1.71%	0.08%
Gold	14.22%	16.88%
Global & International Indices		
MSCI World	2.36%	11.74%
MSCI EAFE	2.18%	13.15%
MSCI Euro	3.14%	18.53%
MSCI Far East	1.36%	5.23%
MSCI Japan	-0.86%	1.96%
US Economic Sectors (Price Change Only)		
Energy	10.3%	29.3%
Utilities	3.4%	12.6%
Materials	5.5%	23.1%
Consumer Staples	4.7%	9.8%
Health Care	1.5%	7.7%
Industrials	5.9%	17.5%
Consumer Discretionary	-6.4%	-3.6%
Financials	-3.9%	-4.6%
Technology	6.5%	16.4%
Telecom	3.0%	18.9%

Source: Merrill Lynch, MSCI, NDR, Strategas

Perhaps the most important reason shareholders enjoyed another good quarter (see Table 1) was because the Fed took belated but dramatic steps to reverse the panic in the fixed income markets. By injecting liquidity and lowering the discount rate in mid-August and cutting the target rate by 50 basis points in mid-September, the Fed indicated that it would not be passive while the world's debt markets imploded in fear. This helped avoid greater carnage in the debt markets, but equity investors were especially blessed by the Fed's more market-friendly attitude as stocks recovered swiftly.

Stewardship Partners' portfolios performed very well during the third quarter and have sizable leads over their benchmarks for the year-to-date period. Based on preliminary gross returns, our US BRI portfolios gained over 2% more than the S&P 500 during the third quarter, our Global and Global Concentrated BRI portfolios rose 4-4.5% ahead of the index, our International BRI portfolios were almost 4% ahead and our SMID Cap BRI portfolios advanced nearly 5% above their index. Tactical versions of the above portfolios did even better. Our Global Rising Dividend BRI portfolios also surpassed their index by 1.8%. Growth and large cap stocks performed well which aided our results due to our investment style which favors these types of stocks. Weakness in the US dollar once again aided our returns on foreign equities.

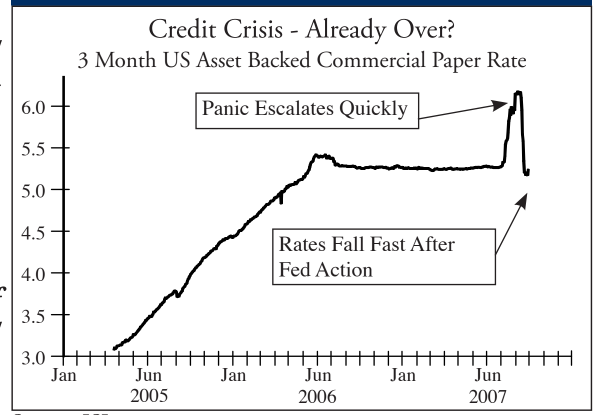
Table of Contents:

Restoring The Credit Markets To Health Is Not Without Side Effects

"I will restore you to health and heal your wounds." Jeremiah 30:17 (NIV)

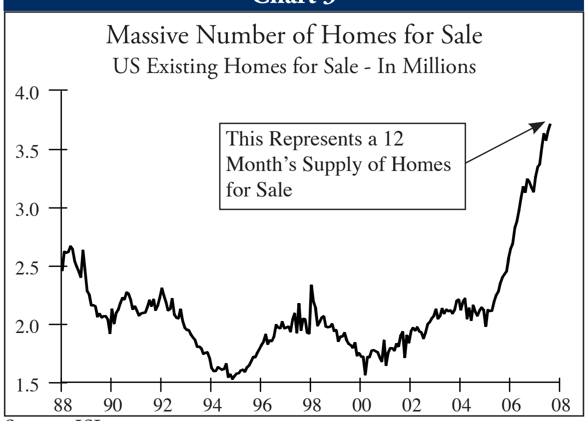
Shareholders clearly benefited from the Fed's actions to restore the health of the credit markets. Equity markets worldwide quickly and favorably responded to the reduced risk of recession implied when the Fed turned its attention to avoiding the possibility of a recession and away, at least temporarily, from the need to reduce inflation. The economy had already been slowing even before the credit problems erupted but many feared the Fed would be stuck fighting a non-existent inflation battle while debt-induced recessionary forces took hold of the US and the global economy. This high level of fear in the debt markets was abundantly evident in the rapidly rising rates in the short-term portion of the market (see Chart 2). ***Given the lack of transparency in these markets, fixed income investors simply were afraid to do business with almost anyone since they did not know exactly who owned the bad subprime mortgage debt. As a result, the crisis escalated with extraordinary speed.*** Each day would bring new and surprising revelations of a German bank in trouble or an Australian hedge fund that was liquidating due to its exposure to this crisis. Bond and equity investors alike naturally were asking themselves who might be next. Given the financial markets' abject disdain for uncertainty, it was not surprising to see markets faltering.

Chart 2



Source: ISI

Chart 3



Source: ISI

The Fed was initially inclined to let these matters sort themselves out and allow those who had invested foolishly to take their lumps. Thus it failed to address the issue with lower rates at its early August meeting. While the market initially responded well, fear quickly began to build again. Soon, the debt markets had virtually ceased functioning leading to an effective credit tightening that was far in excess of the Fed's desires and certain to lead to recession if not reversed. Appropriately, if belatedly, the Fed (as well as other central banks around the world) acted, first with a series of inter-meeting liquidity-enhancing actions but culminating with a dramatic 50 basis point reduction in the Fed's target rate. Equities soared in approval of the Fed's new recession fighting stance while the credit markets slowly began to return to a more healthy state, a process that is continuing at this moment. ***It is not yet clear, however, if the Fed's actions will ultimately be sufficient to fully heal the mess that Wall Street investment firms and hedge funds have created through their extensive efforts to utilize inordinate leverage outside the realm of regulation or the Fed's direct control to hype their returns.***

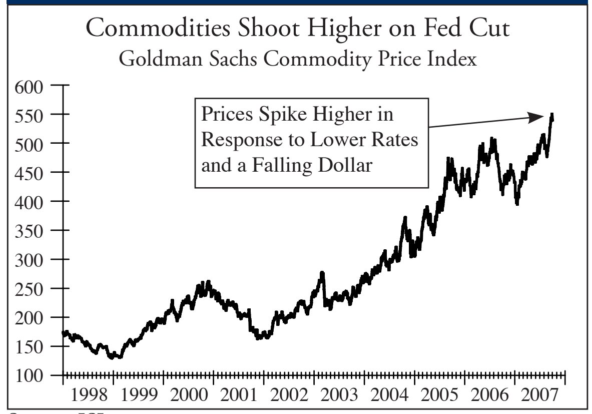
Chart 4

Source: ISI

While the Feds actions have done much to restore liquidity in the debt markets, the principal initial cause of the problem, faulty lending in the US mortgage market, has only begun to be addressed. Many financial institutions have already acknowledged their "sins" in this area, writing off billions in losses but many more have yet to do so. Moreover, the bubble in housing is nowhere near resolved. ***Further pain for financial institutions could be forthcoming. Charts 3 and 4 highlight how serious the situation is in the US housing market (and housing markets worldwide seem to be teetering as well). It will be many months before the US housing market has cleared its massive inventory and significant price declines will likely be required***

to accomplish this. More than a million homeowners may lose their homes, and most homeowners are seeing their net worth decline as prices fall. ***Unfortunately, the Fed may discover that it might not be able to do much to directly help either homeowners or the housing market.*** When the Fed reduced its target rate, mortgage rates actually did not fall in tandem. Without lower mortgage rates, clearing the housing market will take even longer. Worse still, long-term interest rates actually moved higher thereby steepening yield curve. Investors drove up long rates in recognition that the Fed's recession fighting stance might have negative long-term implications for inflation and thus real bond returns. While the Fed had no choice but to address the credit market crisis with lower rates, these important side effects were an unavoidable consequence of their actions.

Chart 5



Source: ISI

Another undesired side effect of the Fed's change in policy has been the sharp, inflation-boosting gains in commodity prices. Indeed, stocks performed well in the third quarter, but commodities were the best performing asset class of all as oil, gold, wheat and other commodities all soared (see Chart 5). These gains were partially the result of the weaker US dollar but also were due to investor hopes that the global economic boom, that has benefited commodity prices greatly, will not be interrupted by a US recession.

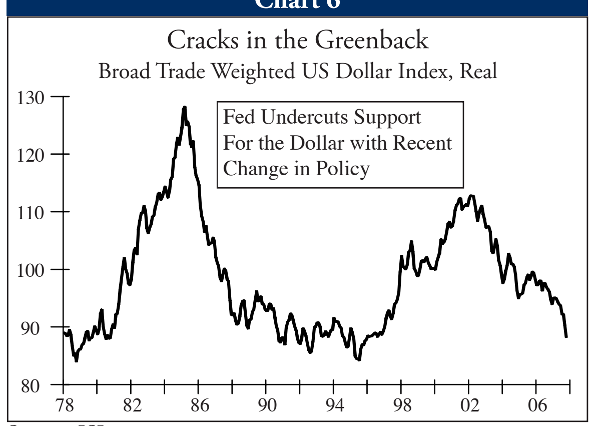
Despite these longer-term concerns, inflation currently remains subdued and global economic growth is still positive, particularly in the emerging markets. While the credit crunch thus far has been short and swift, it is certain to negatively impact economic growth in coming quarters. Despite their housing and mortgage woes, however, the US consumer has remained resilient. As long as employment trends remain stable, the consumer is not likely to seriously falter. The US economy is also benefiting from the weaker dollar via stronger growth in exports and a reduced current account deficit. ***Nevertheless, economic activity globally will almost assuredly slow in the year to come as the housing bubble continues to deflate and more limited financing options for consumers and businesses reduce economic activity. There also remains a chance that the credit crunch will return and wreak further havoc with the financial markets.***

Beware A Serious Side Effect: Declining Dollar Disease

"You yourself will be very ill with a lingering disease." 2 Chronicles 21:15a (NIV)

Perhaps the most consequential and undesired side effect for long-term US-based investors of the Fed's new policy course, should it be maintained, is the continuation of the trend of a declining US dollar (see Chart 6). Indeed, the dollar fell sharply after the Fed's announcement of its rate cut. US-based investors necessarily have a significant portion of their wealth denominated in US dollars. ***It is impossible to denominate the wealth represented in your home or business in anything but US dollars.*** If the dollar falls substantially over a long period of time, US based homeowners and business owners simply have to endure the loss of wealth that is associated with this "disease". ***Investments in securities, however, can easily be diversified to reduce currency risk and help preserve the value of your wealth when the US dollar is weak. Prudence dictates proper consideration be given to obtaining the optimal currency diversification of one's wealth.*** Just ask the average wealthy person in countries like Argentina or Brazil who have seen their wealth decimated as a result of cataclysmic declines in the value of their currencies.

Chart 6

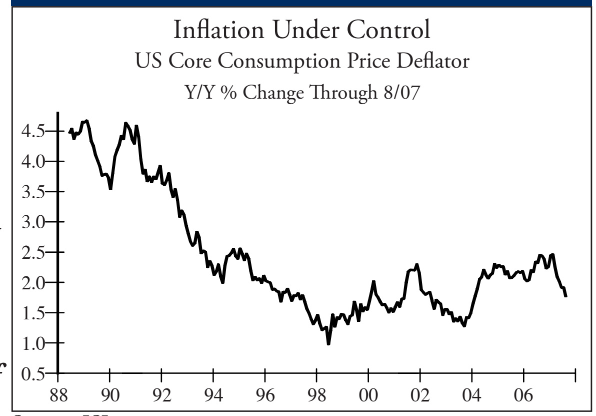


Source: ISI

While it is may be difficult to make a case for a disastrous US dollar collapse similar to those experienced in other countries, a significant and more extended decline appears likely. Fortunately, investors can take action to limit the impact of any such occurrence. Indeed, those investors who have diversified into foreign shares over the last five years have seen their wealth enhanced by the dollar's decline.

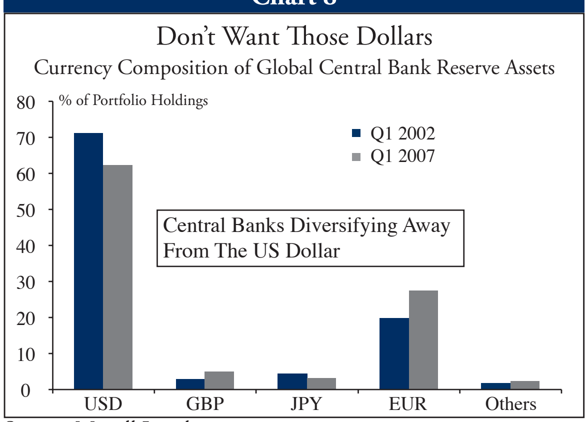
Many issues contribute to the movements in a currency's value over time. As usual, the law of supply and demand dominates, but these forces are influenced by a variety of factors that change over time. Currently, the belief that the US economy may slow more or even be at the risk of a recession due to the housing bubble's burst is weighing heavily on the greenback. Investors believe that US interest rates could be headed lower as the Fed seeks to support the weakening US economy. Accordingly, ***low US interest rates may not support the value of the dollar when higher interest rates may be available in foreign debt obligations.*** This is particularly important in view of the fact that the US needs to attract substantial foreign investment each year in order to fund its admittedly improving but still substantial current account deficit. While inflation currently appears very much under control (see Chart 7), ***the weakening dollar itself is inflationary as import prices rise to reflect the dollar's weakness.*** This, combined with accelerating commodity prices, which are also tied to a weaker dollar, will keep the inflation issue for the dollar at the forefront of investor thoughts, potentially producing additional downward pressure on it. ***In view of these factors, it is difficult to predict a renewed uptrend in the value of the US dollar anytime soon, even though it has already been falling for the last five years.***

Chart 7



Source: ISI

Chart 8



Source: Merrill Lynch

But there are other pressures on the dollar as well. As the US's dominant economic position is slowly being eroded by the more rapid growth of other nations, those countries who have principally been on the receiving end of the US dollars we send abroad through our purchases of goods and services are looking to diversify away from the dollar. This becomes more imperative when these holders of dollars, notably China, Japan and the Middle Eastern countries, see the Fed pursuing policies that are not meant to support the dollar's value. As seen in Chart 8, the currency composition of foreign central banks reserves remains dominated by the US dollar but the trend over the past five years has been to reduce the dollar's exposure while increasing that of the European currencies, where the Central Bank is currently pursuing a stronger currency policy and where countries are not borrowing heavily from other nations like the US. This trend may be set to accelerate as many of these nations actively seek to obtain a higher return on their investments by setting up sovereign wealth funds aimed at expanding their investment portfolios into additional asset classes and currencies. This movement will result an increase in the supply of dollars on the market without an offsetting increase in demand. As a result, the value of the US dollar may remain under pressure for however long it takes these nations to get their portfolios positioned as they desire given the huge amount of money involved.

Another consideration investors must take into account when they analyze the impact on their wealth of a decline in the dollar's value is the fact that the US is a target of terrorists. While there has not been a successful terrorist attack on US soil since 9/11/2001, there is no question that the terrorists desire to hit our nation again, perhaps with biochemical or nuclear weapons. Since investor confidence ultimately determines the value of a currency, any terrorist attack, such as so-called "dirty bombs" going off simultaneously in several economically-sensitive locations, which would undermine confidence in our economy's future prospects, could lead to a rapid flight from the dollar. In view of the complexities of the financial markets, it would be difficult to predict the full impact of such a development, but it would not be positive! ***Therefore, we believe that a concerted effort to follow the lead of the countries noted above and diversify the currencies your wealth is denominated in is a wise choice. The risk in doing so currently appears small and transitory.***

A Falling Dollar Also Has Some Favorable Side Effects

"In his distress he sought the favor of the Lord his God ." 2 Chronicles 33:12 (NIV)

While a falling dollar is unquestionably a negative development for US-based investors, it does have some offsetting favorable implications. Foremost among these is the benefit to the increasingly international earnings base of many of the largest US companies. As seen in Table 2, the average US company currently has more than one-third of its sales in foreign countries with the energy and technology companies selling more than 50% of their products overseas. On the other hand, the financial, utility and telecom sectors have very little in the way of revenues denominated in foreign currencies. ***Clearly, the dollar's movements need to be taken into account when shaping the sector exposure of a US portfolio.*** This partly accounts for Stewardship Partners' current overweight positions in technology and industrial stocks and our underweighted exposure to utilities, telecom and financials. Small and Mid-cap companies also tend to have minimal foreign revenues which could hurt their relative earnings prospects in a period when the dollar is weak. Stewardship Partners' global portfolios also are underweight US stocks in part to take advantage of the weak US dollar. ***Although it is possible the dollar might have a trading rally following its recent sharp sell-off, the long-term trend seems to remain downward.***

Table 2

Weaker Dollar Boosts S&P 500 Profits
% of S&P 500 Sector Revenues in Foreign Currencies

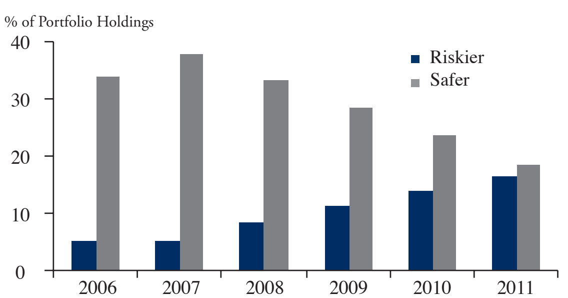
	Current	5-Year Average
Energy	54.6%	57.2%
Information Technology	52.2%	50.2%
Materials	45.2%	44.9%
Consumer Staples	42.9%	40.3%
Industrials	36.8%	34.1%
S&P 500	**36.6%**	**36.1%**
Health Care	35.4%	33.3%
Consumer Discretionary	25.9%	29.2%
Financials	17.0%	16.2%
Utilities	8.3%	8.5%
Telecommunication Services	3.4%	3.4%

Source: Strategas

Another repercussion of a weak dollar is the prospect for rising cross-border acquisition activity. US companies are becoming increasingly attractive takeover targets for European, Canadian and Asian companies. To the extent that sizable takeover premiums are offered, some US shareholders will benefit directly while others will see US share prices rise generally on takeover speculation and the recycling of proceeds from acquired companies into new shareholdings. Private equity funds targeting US companies, already sitting on a cash stockpile of over $300 billion, may be able to easily attract additional investment from foreign investors anxious to use their appreciated currency to purchase well-run US companies that look comparatively cheap. Indeed, ***equities, more so than debt or cash, tend to maintain value during currency depreciations and are thus a relatively attractive asset class under such circumstances.***

Chart 9

Sovereign Wealth Funds Massive Shift To Equities
Gov't Institutions Seek to Reduce Bonds and Increase Equities
% Portfolio Exposure to Riskier and Safer Assets



Source: Merrill Lynch

As noted earlier, the desire by sovereign wealth funds in countries like China, Kuwait and the UAE to diversify away from US dollar denominated fixed income investments into riskier assets with better return possibilities will contribute to weakness in the US dollar. But it also will create trillions of dollars of demand for equities around the world over the next five to ten years. Merrill Lynch estimates that this new demand may equate to 7-8% of the world's current equity and fixed income market capitalization of $52.5 trillion. This enormous flow of funds into riskier assets like equities (see Chart 9) will help boost P/E multiples unless it is offset by a similar amount of new supply shares, which appears unlikely. On the other hand, the lower implied demand for government fixed income obligations may also lead to higher interest rates, which has a depressing impact on P/E multiples.

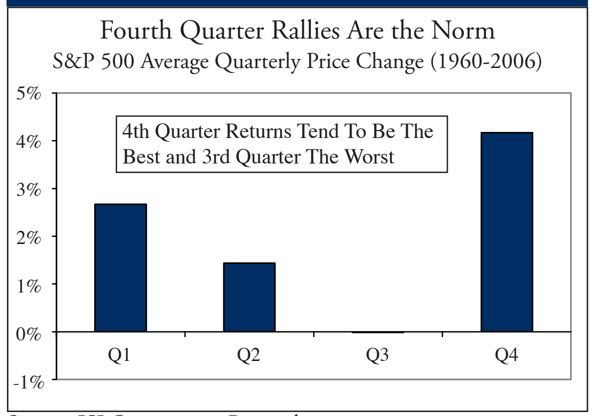
Should the Fed reverse course and pursue a policy viewed as more supportive of the US dollar, this would have negative ramifications for share prices. As this would necessarily involve higher interest rates, a recession would be more likely and corporate earnings would likely falter. A recession at this time would likely also raise many credit quality concerns that might further spook the financial markets. As a result, ***we believe the Fed favors a weak dollar. This will also aid the export sector of the economy***, one of the few places the Fed has a chance to positively impact the economy at the moment with its policy actions.

Percentages Indicate a Favorable Fourth Quarter

"I tell you, now is the time of God's favor" 2 Corinthians 6:2 (NIV)

Shares reacted typically to the first Fed rate cut. Equities have historically risen 100% of time in the first month following an initial Fed move and so far, there is little evidence this track record will be interrupted. The favorable reaction to the cut, however, was so strong that ***it raises the question of whether some of the normally strong fourth quarter returns were pulled forward into the third quarter.*** The good performance of shares in the third quarter, which is seasonally unusual (see Chart 10) was achieved mostly after the Fed's decision to lower rates in mid-September. ***Even so, based on the very strong historical record of high positive returns in the fourth quarter (nearly 80% of all fourth quarter returns have been positive since 1960), the percentages still seem to favor worthwhile equity returns as the year comes to a close.*** Additionally, fourth quarter results have tended to be even stronger during periods when economic activity has been weaker, as is the case currently.

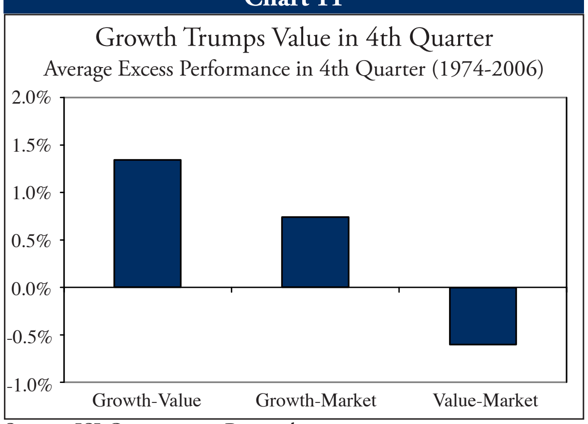
Chart 10



Source: ISI Quantitative Research

Also contributing to our optimism that the year may close on a favorable note for Stewardship Partners' clients is the past propensity for growth stocks to outperform the market in the fourth quarter (see Chart 11). Growth stocks have already begun to outperform value stocks in 2007, after lagging them for the previous seven years, and this has certainly contributed to our index-beating returns so far this year due to the bias of our portfolios to hold growth stocks. Additionally, large cap stocks have also begun outperforming small and mid cap shares in 2007 following many years of laggard relative performance. Should this trend also be maintained in the fourth quarter, it may boost to our results given our bias towards larger cap holdings. Indeed***, it is our hope that favorable trends towards high quality, large cap, growth stocks we typically own in our clients portfolios will develop further and extend for many years.***

Chart 11



Source: ISI Quantitative Research

Another reason to be optimistic about equities over the short term is the high rate of growth in money supply around the world. Such strong growth rates have typically been correlated with compelling performance from stocks as P/E multiples benefit from the demand for financial assets resulting from excessive liquidity. In the end, however, Stewardship Partners' focus remains on the long-term performance of our client's accounts. And we see much reason for optimism. The triumph of capitalism across the world appears to be creating an environment where billions of people will see rapidly increasing incomes over the next two decades. Accordingly, there should be many highly attractive long-term wealth-creating opportunities for patient investors. ***We foresee a period of a decade or more that may one day come to be viewed as a truly golden age for investors as billions of people in the emerging markets strive to attain the standard of living now enjoyed by those in the developed economies.***

Naturally, risks abound that could undermine this rosy scenario. Terrorists utilizing weapons of mass destruction and global warfare are perhaps the two greatest risks but uncontrollable disease, environmental degradation and socialism are others. Stewardship Partners intends to remain alert and vigilant to do our best to protect our clients' wealth from these and other potential harmful trends that may yet develop. ***Of greatest concern at the moment is the possibility of nuclear-based warfare in the Middle East or the chance that the credit crisis may reignite.***

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

STEWARDSHIP PARTNERS

Biblically Responsible Investing COMMENTARY

Biblically Responsible Investing (BRI)- Investing as Jesus Would

"Blessed are they that maintain justice, who constantly do what is right." Psalm 106:3 (NIV)

Stewardship Partners, founded in 2000, is a leader in the field of investing with a Christian perspective, a form of Socially Responsible Investing (SRI) known as Biblically Responsible Investing (BRI). Rusty Leonard, CFA, Stewardship Partners' founder and CEO, practiced this investment philosophy while managing over $3 billion of assets as a portfolio manager from 1989 to 2000 with the Templeton organization. He also had the privilege of working directly with the world-renowned global mutual fund manager, John Templeton. ***By employing a BRI approach to investing, Stewardship Partners seeks to achieve long-term capital gains through ownership in securities of companies that are a blessing to mankind. Conversely, we seek to avoid profiting from owning companies engaged in sinful activities that bring physical and spiritual loss to our fellow man. Our heart's desire is to do no harm to our fellow man in the process of being the best possible guardians of the wealth the Lord has given us stewardship over.*** Simply put, a "what would Jesus do" approach to portfolio management is what we seek for our clients.

Below are just some of the issues of concern to Stewardship Partners and the specific sinful activities that fall into each category:

1. **We desire *justice and mercy for the defenseless* so we screen out companies involved in:**
   - Abortion
   - Life destroying or distorting scientific research
   - Human rights issues such as religious persecution, terrorism and political oppression

2. **We desire *justice and mercy for the poor* so we screen out companies involved in:**
   - Greed-based marketing techniques
   - Discrimination and unjust labor practices
   - Any abuses of the poor, children and/or the elderly

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

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

Additionally, we favor companies that clearly embrace:

- Honesty, Compassion, Diligence, Prudence and Creativity
- Support for quality products at fair prices and constructive stakeholder relations
- Support for a sustainable and healthy environment
- Support for charitable giving
- Support for the Jewish people and the state of Israel

Armed with this information, we are then prepared to make as strong an effort as possible to build investment portfolios that reflect our client's biblically-based Christian worldview. We obtain the information on both the objectionable practices and the exemplary attributes of corporations from our affiliate ***The Biblically Responsible Investing Institute*** (BRII, formerly ICWR) (www.BRIInstitute.com). We believe BRII gives Stewardship Partners the most comprehensive database of BRI information that currently exists.

It is our hope that, over time, we and other firms like ours may be able to gather enough assets under management to influence corporate behavior in a positive manner with biblical principles. As things presently stand, a biblically-based Christian message is not being heard as effectively in the corporate marketplace as it should be since the amount of money dedicated to BRI, while growing rapidly, still falls far short of that in the typically more liberally-biased SRI funds.

For a more in depth study of the topic of Biblically Responsible Investing (BRI), please see our paper entitled ***"The Scriptural Basis for Biblically Responsible Investing."***

BRI in Action – Comparing Good and Bad Corporate Behavior

"Love must be sincere. Hate what is evil; cling to what is good." Romans 12:9 (NIV)

Below you will find an example of both a company that exhibits exemplary attributes, Hershey, and one we avoid, Petrochina. We own Hershey in Stewardship Partners' Global Rising Dividend BRI portfolios while we actively avoid ownership in Petrochina 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 – Hershey Foods – Loving Their Neighbor

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

Hershey Foods, founded by Milton Hershey in 1893, is an amazing testimony to how one man's vision to bless others with all that the Lord had given him can bear fruit for more than a century. As almost everyone who was once a child is aware, Hershey Foods is one of the pre-eminent manufacturers of chocolate candy in the world. The company now has revenues amounting to nearly $5 billion annually and employs over 13,000 people worldwide. Hershey's chocolate bars, Reese's Peanut Butter Cups, Kit Kat and Hershey's Chocolate Kisses are among the company's best-known products. More recently, the company has been expanding aggressively into dark chocolate premium candies. Nearly every American has had the opportunity to savor Hershey's delicious products. ***In addition to making a very popular product, Hershey is also an exemplary corporate citizen.*** Its corporate philosophy statement stresses its desire to protect and enhance the company's high level of ethics and its determination to maintain a strong people orientation while demonstrating care for every employee. Furthermore, the company states its intent to offer products of consistently superior quality and value as well as to balance business growth with prudence. Few would argue Hershey has not lived up to these ideals. Strong corporate governance is also present at Hershey.

Cocoa, the base ingredient for chocolate, is farmed in mostly poor rural areas around the equator. As a result, Hershey has engaged in and financially supported programs seeking to improve the incomes and living conditions of the cocoa farmers in Latin America and Africa. One program provided classes for farmers that enabled them to immediately improve their farming methods and incomes. Another encouraged farmers to form cooperatives to help sell their cocoa at higher prices. These programs helped raise farmer incomes by 55% in Africa. Hershey has also been active in establishing systems that seek to monitor and appropriately limit the use of child labor on the nearly 2 million family-run cocoa farms in Western Africa. Hershey has also supported a program that has trained over 2,000 teachers and had an impact on over 40,000 students in Western Africa. Additionally, Hershey offers excellent training and benefits to its employees.

Hershey is also a standout with its advertising policies' respect for traditional American values. It is corporate policy to not advertise when a program or publication contains graphic and unnecessary violence, explicit sexual situations, the use of vulgarity and profanities, the glamorization of drug or alcohol use or sensationalism of delicate or controversial social subjects. The company also takes care to regulate its methods of advertising to youths in order to not encourage overeating and obesity. The company focuses its advertising on the adult market and no longer advertises to the youth market except to encourage active and healthy lifestyles for children. Hershey states that it respects the gatekeeper role of parents when it comes to including snacks in an appropriately balanced diet, thus its decision to avoid advertising directly to children.

Hershey has also taken many proactive efforts to be a good steward of the environment. At its largest facility, it recycles 90% of its waste through its own recycling center thereby saving thousands of tons of paper and cardboard each year. It has also sought to employ energy saving technology wherever possible through energy-efficient lighting, refrigeration and trailers. The company has also found ways to use the water left over from the production of condensed milk and has invested in equipment to reduce its emissions.

Hershey is engaged in a myriad of philanthropic activities, but it is best known for Milton Hershey's original charitable endeavor, the Milton Hershey School. Started in 1909 with just 10 students, all orphans, the school will soon have 2,000 students. Thousands of underprivileged youths have been blessed with the excellent education and secure environment of the Hershey School. Perhaps because the uplifting work of the school gave him even greater joy than his business success, Milton Hershey turned over nearly his entire fortune, Hershey stock valued at the enormous sum of $60 million in 1918, to a trust designed to support the school. Today, that trust is valued at over $8 billion, providing the school with the ability to continue to expand its work.

Hershey's good works are, of course, no guarantee of long-term investment success. As Biblically Responsible Investors, however, this company's charitable efforts to help the poor and orphans, its pro-family values, its environmental stewardship and its treatment of its own employees allows us to feel good about our ownership in its shares. It is clearly a company that we can be proud to own!

The Bad – Petrochina – Religious Oppression and Sudan Genocide

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

Petrochina is a huge Chinese oil company with over 460,000 employees and interests in many parts of the world. The company is controlled by the communist Chinese government which owns more than 85% of the company's shares through the China National Petroleum Corporation. Petrochina was originally established in 2000 to facilitate an initial public offering of China National Petroleum Corporation (CNPC). Due to CNPC's involvement in a variety of countries with poor human rights records outside of China, which itself has a poor record, Petrochina was set up to try and shield the IPO from criticism. Still, it is perfectly obvious that Petrochina and CNPC are effectively one organization, and there is virtually no transparency into the dealings between the two companies. Accordingly, many investors concerned about human rights have still chosen to avoid this stock.

Petrochina has many strikes against it. Being controlled by the communist government that oppresses people of religious faith, supports abortion and scorns democracy alone is enough for most investors who are concerned about their fellow man to be alarmed. Additionally, the company has many strikes against it from an environmental perspective, including a large chemical spill that forced one of China's large cities to shut down its water system and drill new wells. Furthermore, the company has business interests in oppressive regimes like Iran, Myanmar and Syria.

Most disconcerting of all, however, is China's and Petrochina's involvement in the genocide in Sudan. In order to meet its thirst for oil, China has courted the evil leadership of Sudan for years with significant financial aid, oil field technical expertise and protection from US sanctions. This has allowed the Sudanese government to proceed with its killing of its own people in the oil field areas, with deaths now estimated at over 400,000 and with millions more displaced. It is hard to imagine why any shareholder would desire to own this stock. ***Excluding Petrochina from our list of potential investments is an easy decision. As BRI investors seeking to please and honor our Lord, we naturally look elsewhere to achieve investment success. Should you desire additional information on this issue please visit: www.SaveDarfur.org and www.SudanDivestment.org.***

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, which 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 – The Persecution Project Foundation

"Help me, for men persecute me without cause." Psalm 119:86b (NIV)

The Persecution Project Foundation is a Christian ministry established by Brad Phillips to help inform the world about the persecution that is currently taking place, to provide aid and encouragement to those suffering from persecution, to engage Christians to intercede on behalf of the suffering and to proclaim the Gospel of Jesus Christ by word and deed. Phillips and his teams have made many dangerous trips to the region to bring aid and supplies to just some of the millions who are in desperate need. The ministry has particularly focused on Christian persecution on the continent of Africa. Sudan has been the country where this ministry has had its biggest impact due to the genocide of Christians and other peoples in Darfur. It is estimated that over 2 million Christians have lost their lives over the last 20 years due to the persecution being carried out by government sponsored groups and even the government itself. While a small organization, The Persecution Project Foundation is carrying out vital work that is worthy of a much higher level of support from those of us who live in a country with religious freedom.

The ministry receives an "A" Transparency Grade from MinstryWatch.com, indicating its good efforts to be financially transparent with donors. It also receives a 4-star Financial Efficiency Rating, highlighting that it is managing its financial affairs in a commendable manner. While the Persecution Project Foundation is still a relatively small ministry, MinstryWatch.com believes that Christians should consider allocating a greater percentage of their giving dollars than they have in the past to organizations like this one that is seeking to follow the Biblical mandate to help the persecuted in their time of trouble.

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

The Christian Ministry Marketplace
Resources for Christian Donors

WHY to give to Christian ministries?

Teaching on Stewardship:

- Crown (crown.org)
- Eternal Perspectives (epm.org)
- Generous Giving (generousgiving.org)
- Royal Treasure (royaltreasure.org)
- Sound Mind Investing (soundmindinvesting.com)
- The Gathering (thegathering.org)
- TheGoodSteward.com (thegoodsteward.com)
- MaximumGenerosity.org (maximumgenerosity.org)

HOW to give with a discerning mind?

Professional Advisors:

- CFPN (cfpn.org)
- Christian Community Foundation (thefoundations.org)
- National Association of Christian Financial Consultants (nacfc.org)
- National Christian Foundation (nationalchristian.com)
- Stewardship Alliance

Donor Advisors:

- Legacy (philannthropyatwork.com)
- Excellence in Giving (excellenceingiving.com)
- Calvin Edwards & Co. (CalvinEdwardsCompany.com)
- Strategic Resource Group (srginc.org)

WHERE to invest in kingdom ministries?

Ministry Research:

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

Ministry Mutual Funds:

- Nat'l Christian Fdn (nationalchristian.com)

Online Donation Services:

- Network For Good (networkforgood.com)
- Kintera (kintera.org)

work of the Lord. As donors begin to take their giving as seriously as their investing, they will find the assistance offered by the groups listed below to be invaluable. By utilizing these resources, donors are not only likely to make better personal giving decisions, but are also contributing to the growth in the marketplace itself. By so doing, they are helping to lay a foundation for wiser giving for all who follow in their footsteps. Accordingly, we encourage donors to investigate how these groups might help you to give more wisely, achieve a greater impact and create increased joy for both yourself and receivers of your gifts.

Featured Ministry Marketplace Participant – Strategic Resource Group

"We carry the offering, which we administer in order to honor the Lord." 2 Corinthians 8:19b (NIV)

Strategic Resource Group (SRG) was founded by Paul Schultheis in order to help Christian high-capacity donors to make the maximum impact with their giving in the neediest regions of the globe. SRG's focus is principally on the Middle East. It has extensive knowledge of the meaningful giving opportunities found in this region and the key players needed to make a project successful. SRG then builds partnerships with those donors with the capacity to fund such opportunities at a high level. By drawing together funders and prayer warriors with those in desperate need of funds and prayer, not only are those called to ministry blessed with that which they need to fulfill their calling but relationships are birthed that allows the Lord to guide future giving more easily. SRG has a ministry mutual fund model that helps donors target their giving and benefit from the extensive regional expertise of SRG's portfolio managers in order to maximize the eternal impact of their giving. To further maximize the impact, donors to SRG's ministry mutual funds do not incur any fees as the SRG board of directors has agreed to underwrite the costs of SRG's research and management.

There can be little question that the Middle East is a worthwhile target for SRG's and its donor partners' efforts. Despite the reputation for being among the most difficult mission fields, the Middle East is in many ways ripe to hear the good news of the Gospel. Increasingly, there are reports of the Lord working to soften the hearts of disillusioned Muslims so that many are more receptive to the gospel than in the past, and some are actually giving their lives to Jesus. For those with a heart for the Middle East, becoming a partner with SRG is perhaps the most impactful way to improve the effectiveness of your giving. For more information, go to www.srginc.org.

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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