

## THE BUSH BLASTOFF!

*"Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up" Galatians 6:9 (NIV)*

**P**atience was rewarded in 2004. For the first three quarters of the year, the market struggled in a relatively narrow range as investors agonized over the presidential election as well as disconcerting trends in oil prices and job creation. The Fed's embarking on a path to higher short-term interest rates also was unsettling. Despite these fears, the economy continued to grow at an above average pace, inflation remained contained and corporate earnings were surpris-

ingly strong. Nevertheless, by the end of the third quarter, stocks still remained mired at levels close to where prices were at the beginning of the year.



Following President Bush's victory in the presidential election, however, equities advanced rapidly straight through year-end (see Chart 1). A torrent of buyers shed their earlier fears and loaded up on equities. Not the least among these were the hedge funds, which had spent most of the year reducing exposure to the market. After Bush's electoral success, however, hedge funds flip-flopped and closed out the year bullishly positioned. Retail investors also joined in the buying fray and a spurt of merger activity added to the rising interest in stocks. As a result, investor sentiment indicators became dangerously extended. High levels of optimism are not uncommon, however, following a quarter when many shares rose 10% or more. Table 1 highlights the performance of various indices.

With the burst of fourth quarter buying, stocks provided patient investors worthwhile returns for 2004. Investors continued to favor lower quality stocks (particularly in the fourth quarter advance), smaller stocks and value stocks in 2004. While these influences provided an

Table 1

### 4Q04 & 2004 Total Returns

| US Indices             | 4Q     | 2004   |
|------------------------|--------|--------|
| S&P500                 | 9.23%  | 10.88% |
| S&P BARRA Growth       | 8.13%  | 4.70%  |
| S&P BARRA Value        | 9.32%  | 13.34% |
| NASDAQ                 | 14.83% | 9.07%  |
| S&P 400 (Mid Cap)      | 12.16% | 16.48% |
| S&P 60 (Small Cap)     | 13.00% | 22.65% |
| Treasury Bonds         | 1.65%  | 8.31%  |
| High Grade Corp. Bonds | 2.58%  | 9.46%  |
| Gold                   | 4.80%  | 4.65%  |

### Global & International Indices

|               |        |        |
|---------------|--------|--------|
| MSCI World    | 12.05% | 15.25% |
| MSCI EAFE     | 15.36% | 20.70% |
| MSCI Euro     | 18.94% | 22.23% |
| MSCI Far East | 12.75% | 16.69% |
| MSCI Japan    | 13.09% | 15.95% |

### US Economic Sectors (Price Only)

|                        |        |        |
|------------------------|--------|--------|
| Energy                 | 4.22%  | 28.27% |
| Materials              | 7.97%  | 10.79% |
| Industrials            | 9.49%  | 15.95% |
| Consumer Discretionary | 13.11% | 12.14% |
| Consumer Staples       | 7.36%  | 6.04%  |
| Health Care            | 4.84%  | 0.24%  |
| Financials             | 7.20%  | 8.23%  |
| Technology             | 13.39% | 2.13%  |
| Telecom                | 7.43%  | 15.98% |
| Utilities              | 11.13% | 19.60% |

Source: ISI, Merrill Lynch, MSCI

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obstacle to our investment approach, which focuses more on higher quality, larger cap and often growth oriented industry leaders, Stewardship Partners' US Equity CWI portfolios were able to produce returns (preliminary) of roughly 15% for 2004. As investors with a Christian worldview, Stewardship Partners seeks to influence our world with a biblical perspective with the money entrusted to our care. By not growing weary in doing this good work, we were able to reap meaningful returns for our clients in 2004.

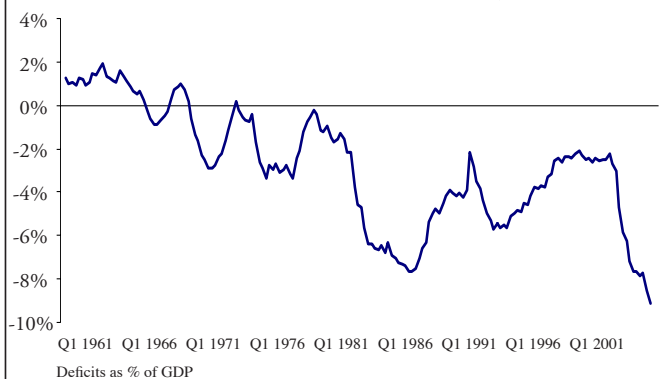
## DOES THE BUSH ROCKET HAVE ENOUGH FUEL TO TAKE US TO A HIGHER ORBIT?

*"Though I walk in the midst of trouble, you preserve my life" Psalm 138:7a (NIV)*

Chart 2

### Dangerous Deficits

U.S. Fiscal + Current Account Deficit as % of GDP



Source: ISI

the economy's long-term expansion potential.

Another concern for the global economy is China's rapid growth in plant and equipment. There has been an enormous build-up of industrial infrastructure in recent years leading many to wonder if the boom might be followed by a crash. As Chart 3 reveals, the growth in Chinese investment has been significantly greater than what both Japan and the US experienced during the surge in investment in these countries. Moreover, there has also been a large advance in credit growth to finance this investment boom which could compound China's difficulties should the boom turn out to be a bust. While there is little evidence a bust in China is imminent, it is a factor that bears close attention. It is unlikely such a downturn would greatly impact world economic growth since China still remains a small, if rapidly growing, component of this growth. Still, it would be a negative force, and Asian economies would likely bear the brunt of any possible downturn, particularly Japan.

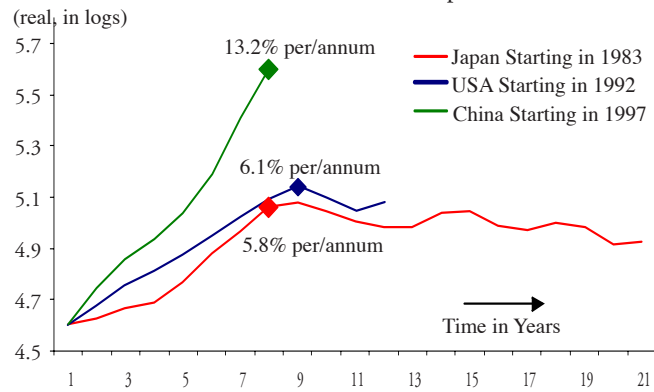
In addition to these concerns, the impact of higher oil prices is likely to slow global economic growth in 2005. In Europe, the very strong Euro will help reduce the effect of higher oil prices, which is priced in dollars, but will itself contribute to slower economic growth as European exports have become more expensive and therefore, less desired. Furthermore, the trend towards higher short-term interest rates is a further deterrent to growth, although a fairly mild one at this point since rates are still low. While the US deficit problem and the Chinese over-investment issue may not be immediate issues for the global economy, oil prices, strong foreign currencies and higher short-term interest rates should alone be sufficient to slow growth from the rapid pace seen in 2004. As shown in Chart 4, the growth rate in global Industrial production has already turned lower from previously lofty levels

While investor sentiment had risen by year-end 2004 on the back of the strong market performance, there remains a degree of skepticism amongst investors about the long-term health of the US economy and, therefore, the global economy. This skepticism has been highlighted in the recurring weakness in the value of the dollar and reflects legitimate concerns about the dangerously large federal budget and current account deficits (see Chart 2). President Bush's aggressive policy initiatives on Social Security and tax reform may leave investors unsettled about the prospects for improvements in the federal budget deficit, at least in the intermediate term. Additionally, the dollar's weakness has yet to have the anticipated positive impact on the current account deficit. Eventually, there will need to be changes in these trends and the consequences to investors could be significant. Slower US economic growth and higher interest rates are two possible negative outcomes that may be required to reverse these trends. This may be avoided in the near term, but it could ultimately limit

Chart 3

### Will China's Boom Bust?

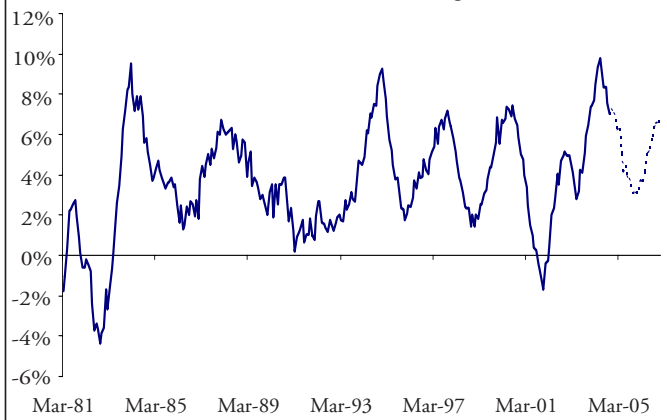
Investment Booms: Level of Gross Capital Formation



Source: CSFB

Chart 4

Global Industrial Production Growth Slowing to Moderate Levels



Source: CSFB

and is expected to fall further in 2005. A slowdown from these lofty levels, however, should still leave the world with at least an average level of growth, which should be supportive of further worthwhile corporate earnings expansion. Moreover, the slower growth may also keep inflation in check and interest rates lower than what many are expecting. Should the markets avoid problems related to the US deficits and Chinese over-investment, the risk to global economic growth expectations may actually turn out to be on the upside in 2005.

There may not be enough fuel in the economy's tank to move into a higher orbit of growth, but even a somewhat lower level than what was experienced last year will be good enough for most investors. Only a full-blown US dollar crisis, perhaps as a result of a serious terrorist attack, would likely be able to completely derail the global economy in 2005. While we invest in the midst of such threats to our wealth, we know even if the worse were to occur, our Lord has preserved our life eternally.

## WILL THE DOLLAR BURN UP DURING RE-ENTRY?

*"Have no fear of sudden disaster... for the Lord will be your confidence" Proverbs 3:25 (NIV)*

Could a crisis related to the tumbling value of the dollar erupt with enough ferocity to send both the US and global economy reeling? Such a possibility, while still unlikely, should not be totally overlooked, particularly in an age of terrorism. For most US based investors, their wealth is largely denominated in dollars and our currency's value is one of the most commonly overlooked risk factors in our portfolio of assets. There is a big difference, however, between a falling currency and a currency crisis. The latter generally requires investors in US dollar based assets to become concerned the US would not be able to service its debt. There does not appear to be any reason for such concerns to arise since the US should be able to easily service its debt for years to come even if current economic trends continue. Moreover, we believe the world's central banks have contingency plans to deal with any currency calamity that might arise. **Given the importance of the US dollar to the global economy, all nations have a great incentive to prevent a sudden collapse in its value. As the dollar continues its descent, it should be able to avoid becoming a fireball!** No matter what the dollar's future course, our confidence remains primarily in our Lord.

While we have not been expecting a dollar disaster, we have been warning of a declining dollar for quite some time. Indeed, our currency has performed very poorly since 2002, (as seen in Chart 5), and its fall has been rapid but orderly. Now with nearly universal bearishness on the value of the dollar, some investors are beginning to suggest all of the currency's troubles are reflected in its price. In this view, the dollar could be poised for a significant rebound. Such a contrarian approach is often accurate when there appears to be complete agreement in the marketplace on the future direction of the price of a security. To be sure, we would not be surprised if the dollar did mount a short-lived rally from its current low level. Over the longer term, however, we suspect the dollar may yet endure further weakness.

There are two main reasons why we believe the dollar could remain under pressure for several more years. First, currency cycles tend to be long lasting due to the difficulty in reversing the fundamentals that are pushing the cycle forward. In the current case, significant progress on lowering either the federal budget deficit or the current account deficit seems unlikely. While the federal budget deficit has been less than expectations lately, some of President Bush's policy initiatives

Chart 5

Deficits are Sinking the Dollar  
Trade Weighted Dollar Index

Source: ISI, Bloomberg

on tax and social security reform may create additional deficit spending in the intermediate term. The current account deficit, while being aided on the margin by the weaker dollar, is not likely to show significant improvement as long as the US continues to grow faster than its major trading partners in Europe and Japan.

A second reason to expect long-term pressure on the value of the dollar is foreign nations are seeking to diversify their holdings of US dollars. China, which is generally believed to be preparing to revalue its own currency, has apparently been adding to its holdings of euro's and reducing the percentage of dollars in its portfolio. When China revalues, the euro will rise and China will preserve more of its wealth by holding more euros than dollars. OPEC nations have also been diversifying their currency holdings away from the dollar due to concerns about having their dollars frozen by governmental authorities as a result of some future terrorist activity or political disagreement. Both China and the OPEC nations have been rumored to be considering valuing the Chinese currency and oil versus a basket of currencies versus just the dollar. Such changes would reduce the demand for dollars. Japan has been one of the few consistent large buyers of dollars as it has sought to keep the yen from appreciating against the dollar to support its exporters. At some point, this buying of dollars may also dissipate. Therefore, a number of structural forces are at work that may continue to apply pressure to the value of the dollar. **Accordingly, we remain long-term dollar bears but we would expect the pace of the dollar's decline to slow.** This expected decline may also be more frequently punctuated with temporary recoveries.

## HAVE EQUITY VALUATIONS ENTERED DEEP SPACE?

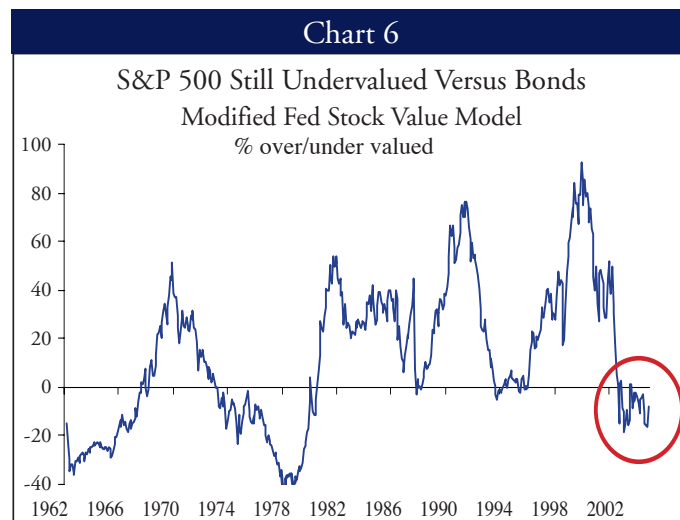
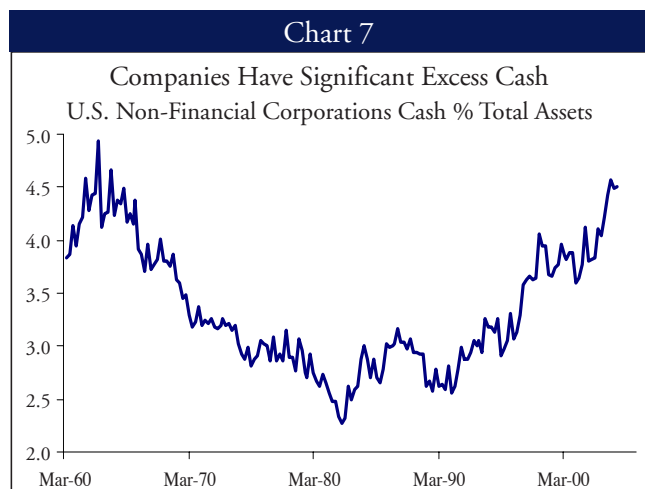
*"Honest scales and balances are from the Lord" Proverbs 16:11 (NIV)*

Concern over the dollar's doldrums certainly did not dissuade investors from bidding up the price of stocks over the last two years. Since October 2002, equities have moved roughly 40% higher. After such an advance, it is appropriate to examine whether investors are paying too much for shares. Have valuations risen to an extreme level from which future returns can only be expected to be minimal?

Chart 6 highlights the results of a modified version of a stock valuation model utilized by the Federal Reserve. This model primarily looks at the valuation relationship between stocks and bonds. As can be seen, since 2002, stocks have been undervalued relative to bonds and have hovered at an undervaluation level last seen around 1980. This continuing undervaluation in the face of rising stock prices

reflects two issues.

First, earnings growth has been surprisingly strong and corporate profit margins have reached levels not seen since the 1950's. This has helped keep equity valuations in line since earnings have been growing about as fast as stock prices. Second, interest rates have been very tame. Had long-term interest rates risen as they normally do in a recovery, stocks would now appear to be less attractively valued. This propitious set of circumstances may be difficult to sustain in 2005 and beyond. Earnings, while still expected to advance by over 10% for the S&P 500 in 2005, will be rising at a slower pace than in the past two years. Additionally, there is concern pressures are building which could lead to higher long-term interest rates. Even if interest rates moved modestly higher, however, at current prices equities would likely remain more attractively valued versus bonds than at most points over the last twenty-five years.





One of the side benefits of the strong corporate profitability seen in the last two years has been a build up in the excess cash held on company balance sheets (see Chart 7). Reflecting concern about the sustainability of the economic recovery, corporations have been very cautious about expanding their operations. Consequently, until recently merger and acquisition activity has been relatively light. In the fourth quarter, takeover activity suddenly spiked up as many institutional shareholders started to pressure companies to deploy the excess cash on their balance sheets. This trend towards acquisitions may remain in place for some time given the large amount of excess cash as well as the borrowing capacity many companies currently enjoy. Such an environment should be conducive to investor sentiment and will place additional cash in shareholder hands, which will need to be re-invested. **It would be unusual for stock prices to perform poorly during a period of heightened takeover activity. This development could prove quite supportive for equity valuations in 2005** and some of the excess cash will also likely be utilized for higher dividend payments.

Table 2

Average Inflation, Treasury Yields,  
Valuation and Tax Rates By Decades

|                | CPI Y/Y %<br>Change | 10-Year<br>Treasury | Operating<br>P/E | Dividend<br>Tax Rate | Capital<br>Gains Tax<br>Rate |
|----------------|---------------------|---------------------|------------------|----------------------|------------------------------|
| 1950s          | 2.1%                | 2.97%               | 12.6x            | 90.5%                | 25.2%                        |
| 1960s          | 2.3%                | 4.67%               | 18.1x            | 80.3%                | 25.4%                        |
| 1970s          | 7.1%                | 7.50%               | 11.8x            | 70.2%                | 42.8%                        |
| 1980s          | 5.6%                | 10.60%              | 11.7x            | 48.2%                | 23.2%                        |
| 1990s          | 3.0%                | 6.66%               | 19.5x            | 36.7%                | 25.7%                        |
| 2000s          | 2.5%                | 4.80%               | 22.5x            | 29.5%                | 18.0%                        |
| <b>Average</b> | <b>3.9%</b>         | <b>6.33%</b>        | <b>15.6x</b>     | <b>62.0%</b>         | <b>22.5%</b>                 |
| Current        | 3.2%                | 4.32%               | 17.6x            | 15.0%                | 15.0%                        |

Source: ISI

they excessively high. As a result, 2005 could be a year when a reasonable return is possible for equity shareholders if earnings growth materializes as expected and interest rates stay subdued.

A strong argument can also be made for higher than normal equity valuations. Measuring stock valuations against what has been achieved in the past may not be utilizing "honest scales and balances". As seen in Table 2, not only is inflation below the historical average but also yields on long-term treasury bonds are significantly under previous levels. Add to this the much more attractive tax rates on dividends and capital gains that now exist due to President Bush's tax cuts and there appears to be very good reason for investors to be willing to pay more than they would in the past for stocks. Had the same taxation levels been in place in prior years, the average P/E based on the S&P 500's operating earnings would undoubtedly have been higher. **Although valuations cannot currently be described as low, neither are**

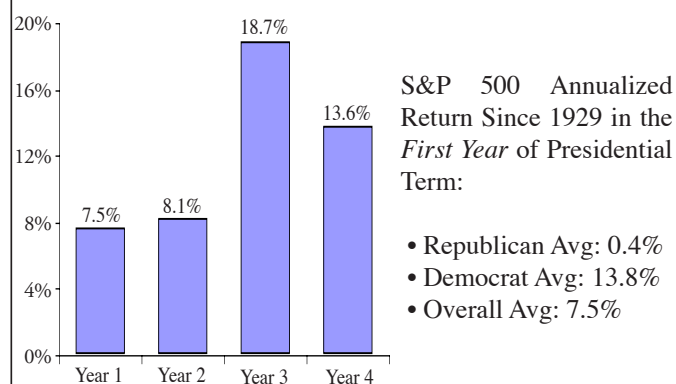
## LOOKING FOR A SAFE RETURN

*"He who trusts in himself is a fool, but he who walks in wisdom is kept safe" Proverbs 28:26 (NIV)*

Over the course of the current bull market, now over two years old, risky stocks have fared better than high quality shares. Dividend paying stocks, larger company shares and equities where the underlying company was profitable all underperformed. As this bull market matures, **we believe investors are likely to have more success with safer, higher quality shares** where better values can now be found. Higher quality shares also tend to be more attractive to investors when the market has to work harder to move higher. In the end, however, we find ultimate, eternal safety by walking in the wisdom of God's word.

One indicator that suggests playing it safe in 2005 will be wise is the Election Cycle (see Chart 8). **The first year of a new president's term has typically been the worst for investors.** Ominously, the first year of a republican president's term has been far worse than that of the average democratic president. Indeed, the market has been barely able to eke out a positive return in the average republican's initial year in his term.

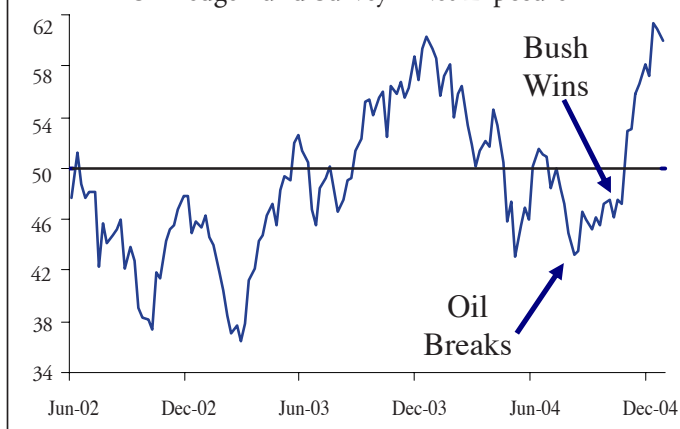
Chart 8

Presidential Election Cycle  
S&P 500 Annual Return

Source: ISI

Chart 9

ISI Hedge Fund Survey - Net Exposure



Source: ISI

neutral position relative to their benchmarks.

Another concern for the markets has been high oil prices. In this case, the evidence suggests investors need not be alarmed. Table 3 indicates even after oil prices had risen by 50%, stocks, on average, had still risen in the ensuing three, six and twelve month's periods. Moreover, since the 1970's oil shortage, the S&P 500's earnings have become less sensitive to oil prices due to the increased weight of financial and technology stocks in the index and the lower weight of energy and basic materials. Oil's inflation adjusted price is actually still well below the levels attained in the 1970's. Oil, while still an issue to be contended with, is simply not the threat to share prices it used to be.

Table 3

S&amp;P 500 Performance Following +50% Y/Y Surge in Price of Crude Oil

| Oil Passed 50% Threshold |                |           |             | S&P 500 Performance |            |            |            |
|--------------------------|----------------|-----------|-------------|---------------------|------------|------------|------------|
|                          | Date           | Price     | Y/Y % Chg   | +1Mo                | +3Mo       | +6Mo       | +12Mo      |
| 1                        | Oct-73         | \$5.87    | 67.2%       | -11.4               | -10.6      | -16.6      | -31.8      |
| 2                        | Oct-79         | 17.81     | 63.4        | 4.3                 | 13.1       | 4.4        | 25.2       |
| 3                        | Jul-87         | 21.33     | 84.1        | 4.8                 | 5.9        | -18.7      | -10.0      |
| 4                        | Sep-90         | 33.69     | 71.9        | -0.7                | 7.9        | 22.6       | 26.7       |
| 5                        | Aug-99         | 21.28     | 59.0        | -2.9                | 5.2        | 3.5        | 14.9       |
| 6                        | Dec-02         | 29.39     | 51.5        | -2.7                | -3.6       | 10.8       | 26.4       |
|                          | <b>Average</b> | <b>NA</b> | <b>66.2</b> | <b>-1.4</b>         | <b>3.0</b> | <b>1.0</b> | <b>8.6</b> |
| 7                        | Sep-04         | 45.94     | 62.3        | 1.4                 | 6.8        |            |            |

Source: ISI

Stewardship Partners remains clearly focused on understanding the fundamental prospects for shareholder wealth creation in the companies on our CWI Leaders' List. Identifying which of these stocks represent the best long-term value in relation to those prospects is our primary objective. In line with our growing emphasis on safety, our stock selection is increasingly biased towards companies with attractive dividend growth prospects. While the results of our investment strategies cannot be guaranteed, we continue to work diligently to provide attractive absolute and relative long-term investment returns.

We at Stewardship Partners continue to be grateful for the opportunity to serve your investment needs. Please contact us if you have any questions or if we can be of any assistance by email at [mkuckel@stewardshippartners.com](mailto:mkuckel@stewardshippartners.com)

## CHRISTIAN WORLDVIEW INVESTING (CWI)- 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 Christian Worldview Investing (CWI). 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 CWI 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 some of the issues of concern to Stewardship Partners and the specific sinful activities that fall into each category:

1. Justice and mercy for the defenseless:
  - Abortion
  - Persecution of Christians and other oppressed peoples
2. Justice and mercy for the poor and needy:
  - Discrimination or substandard labor practices
  - Any abuses of the poor, children and the elderly
3. Compassion for those addicted and/or engaged in sinful lifestyles and concern about those organizations that support such activities:
  - Alcohol, Gambling and Tobacco
  - Pornography
  - Homosexuality
4. Protection of the institution of marriage and the family
  - Entertainment that seeks to destroy appropriate attitudes
  - Efforts to promote alternative lifestyles

Additionally, there are a number of areas of interest to us where we favor countries and companies that embrace the following:

1. Countries
  - Personal, political and religious freedom through democracy
  - Economic freedom through capitalism
  - Fiscal responsibility in government finances
  - Support for the Jewish people and the state of Israel

## 2. Corporate Support for traditional Judeo-Christian values

- 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

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 Christian worldview. We obtain the information on the objectionable practices of corporations from our affiliate The Institute for Christian Worldview Research (ICWR) and the information on the positive attributes of corporations from our friends at American Values Investments (<http://www.americanvalues.com/>). We believe these sources of information give Stewardship Partners the best database of CWI 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 be able to adequately offset the negative impact on our culture that the many large and liberal Socially Responsible Investing funds (SRI) are having in the marketplace. As things presently stand, the Christian message is not being heard in the financial and corporate marketplaces as the amount of money dedicated to CWI, while growing, is still small.

For a more in depth study of the topic of Christian Worldview Investing, please see our paper entitled "The Biblical Basis for Christian Worldview Investing".

## CWI IN ACTION - EXAMINING CORPORATE BEHAVIOR

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*"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 character, ConocoPhillips, and one we avoid, Viacom, in our desire not to be supportive of or associated with 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 most align their activities with biblical principles will achieve the greatest success.**

## THE GOOD –CONOCOPhillips– BIBLICALLY-BASED LEADERSHIP

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



ConocoPhillips' Chairman of the board, Archie Dunham, an avowed Christian, has stated the following: "Our goal is two fold: to provide outstanding returns to our shareholders and to make the world a better place to live". While achieving the first goal of superior returns to shareholders is not the point of this review of the company, we are happy to report over the last five years ConocoPhillips has met this objective. The company's stock has achieved a total return over the last five years of 97% versus just 52% for the S&P Energy Index and -11% for the S&P 500. Just as importantly, however, the company has also demonstrated its commitment to make the world a better place to live in a number of ways.

First, the company goes out of its way to treat its employees with dignity and enable them to develop to their maximum ability. Decision-making is decentralized to give workers a significant say in the operations of their workplace. ConocoPhillips has also set up a variety of programs to aid its employees' lives. Included among these are its Integrated Health Services program, which provides for the health of company employees.



**Second, ethics is an area of emphasis at ConocoPhillips.** The company's ethics policy is considered to be the cornerstone of its internal controls systems. Maintaining the high ethical standards of this policy is considered a condition for continued employment. One element of the company's ethics policy is its core principal of "Valuing All People". Its determination is to promote alignment of employee and business goals.

**Third, the company has been a leader in making efforts to preserve the environment.** It converted to double-hulled tanker ships in order to lessen the chance of environmental damage. ConocoPhillips has reduced its level of air pollution by 90% in recent years and it has monetary contributions to environmental conservation projects. The company has received numerous awards for its environmental stewardship.

**The company also has distinguished itself in its corporate giving** through an innovative program that allows charities to receive up to \$6,000 in corporate funding through employee involvement in the charity. Habitat for Humanity has been one of the beneficiaries of this program.

ConocoPhillips is led by a sincere Christian man and his Christian worldview is reflected in its corporate behavior. **ConocoPhillips good works are no guarantee of long-term investment success but, as Christian Worldview Investors, we know we are at least engaging in good Biblical stewardship as we seek favorable investment returns through ownership of this company.**

## THE BAD – VIACOM – PROMOTING PORNOGRAPHY AND HOMOSEXUALITY

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

**VIACOM.** Viacom is a company in which Christian Worldview Investors would certainly want to avoid becoming part owners. The company owns CBS, MTV and Viacom. All three networks are known for promoting sinful programming which endorse a worldview that is often completely at odds with Biblical teaching. A wide variety of programs produced for these networks contain nudity, sexual content and homosexuality. Viacom was fined \$550,000 by the FCC for the Janet Jackson Super Bowl "Wardrobe malfunction", has promoted homosexual topics on its Children's oriented Nickelodeon Channel, is the producer of the homosexual-themed "Queer as Folk" on Viacom and is planning to launch a homosexual cable TV channel in February 2005. Additionally, the company is a significant financial sponsor of homosexual events throughout the country and is a regular advertiser in both homosexual and pornographic magazines and on anti-family oriented television programs. **Viacom easily fails ICWR's Anti-Family Activity, Homosexuality and Pornography screens and is rated by ICWR as one of the most active corporate supporters of homosexuality in the country.**

While we do not invest in companies that actively promote the sin of homosexuality, Stewardship Partners does not believe homosexuals should be discriminated against. Rather, **Christians should seek to minister in love to those caught up in this sin just as we would to people trapped in other sins or as we would desire to minister to us regarding our own sins.** We believe it is appropriate for Christians to make whatever efforts we can to undermine Satan's attempts to destroy our fellow man's souls by seducing them into this lifestyle. For those already ensnared in this sin, we should reach out in love and seek to compassionately share the truths of scripture with them in hope of bringing them to repentance. We hope one day corporations will offer programs that minister to this segment of the population instead of taking actions which endorse and even promote the sin of homosexuality. Despite efforts to distort the Bible's teaching on this subject, in some cases by well-intentioned Christians, God's word is very clear that homosexuality is a sin that harms those involved in this lifestyle. There is ample evidence of physical harm caused to many engaged in homosexual behavior but we are equally concerned about the emotional and spiritual damage this lifestyle causes to its adherents. **Since we seek to invest in companies that are a blessing to mankind, we do not invest in companies that actively endorse or promote homosexual behavior.**

## OUR ULTIMATE GOAL - FUNDING THE LORD'S WORK

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*"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 over 60,000 other monthly visitors to our ministry's website at [www.MinistryWatch.com](http://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 the [www.MinistryWatch.com](http://www.MinistryWatch.com) site, please contact Ken Carter at 704-841-7828 or [kcarter@wallwatchers.org](mailto:kcarter@wallwatchers.org). We would be pleased to help you bless God's people who are in need. Ken would also be happy to sign you up for our monthly emailed newsletter, MinistryDirect. You can also sign up yourself on our website. Additionally, Wall Watchers offers a bi-weekly email newsletter with updates from our stewardship education site [www.theGoodSteward.com](http://www.theGoodSteward.com) which is visited over 10,000 times each month by Christians seeking wise counsel.

## MINISTRYWATCH.COM SHINING LIGHT MINISTRY – SAMARITAN'S PURSE

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*"Take care of him; and whatever more you spend, when I return, I will repay you" Luke 10:35 (NIV)*



Many people desire to meet the needs of their fellow men and women who were affected by the recent Tsunami, much like the Good Samaritan did in Jesus' parable when he took care of an unknown man of a different religion. One of the better organizations to accomplish this goal, among many others that can be found in our recent MinistryWatch Donor Alert, is Samaritan's Purse. Samaritan's Purse receives an "A" Transparency Grade and a 4 Star Financial Efficiency Rating from [www.MinistryWatch.com](http://www.MinistryWatch.com). Samaritan's Purse is well known for its popular program Operation Christmas Child that brings Christmas gifts packed in shoeboxes from Christians in North America to poor children across the world. This ministry, however, accomplishes far more than just this work, including a long time ministry to aid the needy people in war-torn Sudan.

Disaster relief is another major focus of this ministry and Samaritan's Purse has sprung into action to bring supplies to the areas affected by the tsunami. More than 2 million packets of water cleansing chemicals are on the way to Sri Lanka along with 14 water filters, each which can supply the needs of 3,000 people. The ministry is also supplying building materials, family survival kits which include a small stove, a lantern and cooking utensils and two million servings of dehydrated soup. Please see additional information on Samaritan's Purse in our January MinistryDirect newsletter.

## THE CHRISTIAN MINISTRY MARKETPLACE – HELPING DONORS GIVE WISELY

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*"A generous man will prosper, he who refreshes others will himself be refreshed" Proverbs 11:25*

Much like the stock market provides for a sensible and efficient allocation of capital in our economy, the rise of a Christian Ministry Marketplace is providing donors with a myriad of helpful resources to maximize the impact and joy of giving to the work of the Lord. As donors begin to take their giving as seriously as their investing, they will find the assistance offered by the group 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. In 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.

## The Christian Ministry Marketplace Resources for Christian Donors

### WHY give to Christian ministries?

#### Teaching on Stewardship:

- Crown ([crown.org](http://crown.org))
- Eternal Perspectives ([epm.org](http://epm.org))
- Generous Giving ([generousgiving.org](http://generousgiving.org))
- Royal Treasure ([royaltreasure.org](http://royaltreasure.org))
- Sound Mind Investing ([soundmindinvesting.com](http://soundmindinvesting.com))
- The Gathering ([thegathering.org](http://thegathering.org))
- TheGoodSteward.com ([thegoodsteward.com](http://thegoodsteward.com))

### HOW to give with a discerning mind?

#### Professional Advisors:

- CFPN ([cfpn.org](http://cfpn.org))
- Christian Community Foundation ([thefoundations.org](http://thefoundations.org))
- National Association of Christian Financial Consultants ([nafcfc.org](http://nafcfc.org))
- National Christian Foundation ([nationalchristian.com](http://nationalchristian.com))
- Stewardship Alliance

#### Donor Advisors:

- Gordon Loux ([mygivingcoach.com](http://mygivingcoach.com))
- Legacy ([philanthropyatwork.com](http://philanthropyatwork.com))
- Excellence in Giving ([excellenceingiving.com](http://excellenceingiving.com))
- Calvin Edwards & Co. ([CalvinEdwardsCompany.com](http://CalvinEdwardsCompany.com))

### WHERE to invest in kingdom ministries?

#### Ministry Research:

- ECFA ([ecfa.org](http://ecfa.org))
- Generous Giving ([generousgiving.org](http://generousgiving.org))
- Geneva Global ([genevaglobal.com](http://genevaglobal.com))
- MinistryWatch.com ([ministrywatch.com](http://ministrywatch.com))

#### Ministry Mutual Funds:

- Nat'l Christian Fdn ([nationalchristian.com](http://nationalchristian.com))

#### Online Donation Services:

- Network For Good ([networkforgood.com](http://networkforgood.com))

## FEATURED CHRISTIAN MINISTRY MARKETPLACE PARTICIPANT – CFPN

*"He will teach us His ways so that we might walk in His paths" Isaiah 2:3*



CFPN, ([www.CFPN.org](http://www.CFPN.org)) the Christian Financial Professionals Network, is a non-profit organization committed to equip and motivate Christian financial professionals to serve the body of Christ by implementing biblical wisdom in their lives and practices. Led by Christian financial author and the founder of the nation's largest Christian financial planning firm, Ron Blue, CFPN's goals are:

- To make the Body of Christ aware of a competent, capable, Christian financial professional community.
- To raise an army of trained Christian financial professionals worthy of the task.
- To bring together the Need (The Body) and the Solution (Financial Professionals) resulting in trillions of dollars flowing into kingdom work.

Stewardship Partners is a Founding Corporate Sponsor of CFPN and Rusty Leonard, CFA is a Charter member of the group, which now amounts to nearly 650 members. If you are a Christian financial advisor, you need to strongly consider joining this rapidly growing group and seek CFPN's certification.



## *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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