Economic & Investment Outlook
Third Quarter 2008

As the major index results below show, all of the equity indexes posted year-to-date negative results.
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Index	Jun-08	QTD	YTD	Description
S&P 500 Index*	-8.6%	-3.2%	-12.8%	Large-cap stocks
DJIA*	-10.2%	-7.4%	-14.4%	Large-cap stocks
Nasdaq Comp.*	-9.1%	0.6%	-13.5%	Large-cap tech stocks
Russell 1000 Growth	-7.2%	1.3%	-9.1%	Large-cap growth stocks
Russell 1000 Value	-9.6%	-5.3%	-13.6%	Large-cap value stocks
Russell 2000 Growth	-6.0%	4.5%	-8.9%	Small-cap growth stocks
Russell 2000 Value	-9.6%	-3.6%	-9.8%	Small-cap value stocks
EAFE	-8.2%	-1.9%	-10.6%	Europe, Australasia & Far East Index
Lehman Aggregate	-0.1%	-1.0%	1.1%	U.S. Government Bonds
Lehman High Yield	-2.8%	1.8%	-1.3%	High Yield Corporate Bonds
All returns are estimates as of June 30, 2008. *Return numbers do not include dividends.				

In our opinion, the storm clouds are gathering momentum to manifest a further worsening in the amount of economic and investment volatility over the next twelve to eighteen months. Specifically, we expect the following:

- Inflation will continue to increase worldwide
- Interest rates will rise
- The dollar will reverse its decline to stabilize and begin to strengthen
- Unemployment will rise
- Tax rates will increase
- Personal bankruptcies will reach record levels
- Spendable consumer income will experience a steady decrease
- The recession will deepen and recovery will be slow

Because we anticipated the current turmoil, we made tactical asset allocation decisions during the past twelve months, which have the portfolios now anchored to windward. Just as a solidly built home is structured to withstand the buffeting of nature's storms, a well-structured investment portfolio is built to withstand economic and investment storms.

The impetus for our investment decision-making stems from making assessments about the US and global economies and the impact upon the asset classes comprising the investment portfolios. Long-term strategic and short-term tactical weightings of the asset classes are our primary focus because investment research reveals that 90% of portfolio returns are attributable to the asset allocation decisions while a mere 10% is attributable to manager and security selection. However, this is not to imply that we do not carefully also exhaustively research for the best managers and securities to place within the asset classes.

During times of financial stress, the quiet millionaire™ stays patient, realizing that what counts in the end is the greater amount of wealth accumulation resulting from a well-diversified investment portfolio with multiple asset classes, structured to perform in accordance with the individual investor's personal tolerance for downside risk. This is the keystone to our "win by not losing" approach, which is formulated during our weekly Investment Policy Meetings, and ensures that proactive, opportunistic investment decision-making is being made on your behalf.

Please feel free to inquire further regarding our economic and investment outlook.