NVEST WEALTH STRATEGIES

NVEST NSIGHTS

December 31, 2007

IN THIS ISSUE:

Delivering financial peace of mind.

SUMMARY POINTS:

- 4Q 2007 treacherous
- 2007 performance good overall
- 2008 challenging start
- 2008 expect positive full year
- Stay long-term "Buy-Hold" investor

Change; I Don't Want It!

Bill Henderly, CFA, Nvest Wealth Strategies, Inc.

How difficult is life when we experience change? We learn to live with change. But when change hits at where we live, our personal lives, it can be painful. We learn to live with change we cannot do anything about. In general, change that can cause harm to our way of life is unsettling, uncomfortable and painful; and we generally don't want it.

2007 was a dramatic year, all about change. As we sit on the doorstep of 2008, it looks every bit like more change that is unattractive. In fact, it suggests our financial lives are prospect for negative change. Some would say 2008 does not offer enthusiastic expectations.

For us, as we manage client investment accounts, our concern is more on future client reaction. We have concern about the financial market landscape (frozen credit markets, slowing economic outlook and recession talk, inflation, high oil prices and the presidential election). But our biggest ongoing worry is about clients and their reaction to an uncertain future. From many years of experience and many economic slowdowns, I know some clients will become exasperated with the conditions to the point of wanting to change objectives (become more conservative) or even cash out of stocks. So how does each of us respond to personal change? Do we "run and hide", or endure it? Our role is to manage your portfolio and coach you through worry.

2007 witnessed the 5th birthday to the Bull Market (started October 9, 2002), and it may have witnessed its conclusion on October 31st. Client portfolio values appear to have hit their high value level in October. Client portfolios invested for the full year experienced returns from approximately 7% to over 8% depending on their mix of stocks/bonds. These portfolio returns are better than the stock market alone (Dow Jones Industrials rose about 6%; S&P 500 was up about 5%). Thus, the various stock and bond market mutual funds we utilized in general produced better returns with less risk than being 100% in the stock market. It is also apparent as we review new client portfolios (started investing with us during 2007), returns were far smaller than full year returns. Thus, time in the market investing, despite a treacherous and volatile 2007, was rewarding.

How should you respond to the outlook for more change (in 2008)? When markets turn volatile, they too are saying "change" is occurring. The markets are saying that yester-year leaders are evolving into new leadership. Volatility connotes change and new leaders are emerging. Always remember the markets are forward looking. When volatility increases, the opportunity to find gold also increases.

Continued on Page 2

Our Little Secret

Bill Henderly, CFA, Nvest Wealth Strategies, Inc.

Everyone and his brother seem caught in a discussion about recession. It dominates every public investment discussion and receives 24/7 focus on financial news. At year-end, the debate was between "things are ok" and "recession". After last week (the first week of 2008), the view that "things are OK" is probably mostly gone. It appears the financial crisis is re-intensifying. The DJIA is down (its worst start since 1904). The yield on 2-year Treasury rates is 2.7%. Home prices are declining at a faster rate and employment is weakening. Economic news suggests weakness in the US and for other developed economies, and is probably slowing for developing economies as well. The financial media is permeated with negative news.

But let me tell you a little secret: when it comes to investing, the question of whether we're in a recession (or are heading for one) doesn't matter much.

We're not dismissing the importance of economic and business growth. They are important to individuals, politics and the financial markets. The fact that the economy is more often growing than contracting is what keeps the long-term upward trek to the stock market. If companies and the economy don't grow, then investors would not invest for the prospect of higher values.

A recession is defined as 2 consecutive quarters of negative growth. By the time we recognize and label it, we are late and looking the wrong way. Savvy investors are forward seeking, not backward looking.

Continued on Page 2

CONTACT US:

2310 Home Road
Delaware, Ohio 43015
740.917.9234

WWW.NVESTWEALTH.COM
Email: info@nvestwealth.com

Change; I Don't Want It! (Continued from page 1)...

When a client becomes overly worried to the point of exasperation, the decision to become more conservative is very costly to long-term success. Two mistakes are made. First, selling stocks to become more conservative locks in negative performance. Negative performance is captured in our performance history. Second, the more difficult future decision awaits us – when to reinvest. I can guarantee you, the decision to reinvest and reestablish your portfolio will be late. The market will be on the rise before we feel good about reinvesting. Arriving late will cost huge upside performance that can never be recaptured. Forever, the portfolio performance will struggle to match the market index and historical returns will be muted. With a rearview mirror look, these "timing the market" investors conclude investing is a low performance experience.

Warren Buffet and other outstanding investors did not develop strong historical results by jumping in/out of the markets. They employed discipline; stayed invested for the long-term. They prevailed over change by knowing it is an ongoing part of investing.

Nvest Wealth Strategies, with over 30 years of investment market expertise, knows client success accrues to long-term TIME IN the market investors. We utilize a diversified mix of different style no-load mutual funds possessing strong historical performance to deliver attractive long-term performance.

Our Little Secret (Continued from page 1)...

Many respected investors and economists we monitor do NOT believe we will experience a recession. They believe we are now in the 3rd mid-cycle slowdown that will allow the current growth cycle to continue for more years. The Fed is in the game (lowering interest rates and putting money into the financial system) and Democrats in Congress and President Bush are seeking ways to stimulate the economy. No one wants a recession. The question investors are evaluating is, "will they act quickly and meaningfully enough"?

In any case, many actions are being pursued to encourage the economy and credit markets. The 5-year old Bull Market may be over. We do know however, that successful long-term investors are sifting through the market volatility for tomorrow's new market leaders. Near term volatility will remain as savvy investors acquire "golden" investments being discarded by emotional short-term investors. We think 2008 will be a positive performance experience as the outlook improves.

We might be wise to keep the following ideas in mind....

- Since 1990, 73% of the calendar quarters produced a positive total return for the S&P 500.
- Numerous investor studies reveal a "timing penalty" of about 1.5% each year for investors who try to time their investments instead of using a "buy and hold" strategy.

We know that assembling portfolios with a diversified variety of historically strong performing mutual funds has rewarded long-term investors. Currently, client portfolios own a less risky mix of funds to aid in preserving capital. If you are becoming exasperated, we need to visit and review your situation. In troubling times like these, we look forward to meeting with you to hear your worries and talk them through.

Dividends Galore and Cash

Stock mutual funds paid larger dividends in 2007 than in recent years. They are required to pay out dividends and net realized capital gains each year. Most funds do not have loss carryforwards to reduce gains following 5 years of a bull market. Thus, client portfolios have more cash than usual (that's not all bad with market uncertainty). After the yearend dividend distributions, some fund prices afforded the opportunity to capture a loss, which we took in personal accounts to help reduce taxes. We plan to reinvest cash later this month or in February. In the short term, we want to avoid a "wash sale" if we reinvest before 30 days from selling. And we think investors will remain jittery about the future in early 2008. We do expect an improving outlook and good returns for 2008. Thus, we do want to get cash reinvested. It's hard to dance if we don't get off the chair and on the dance floor; it's hard to swim if we don't get in the water.

Please visit www.nvestwealth.com weekly for investment commentary and mutual fund performance updates!

nvest WEALTH STRATEGIES

Delivering financial peace of mind.

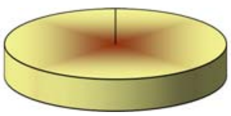
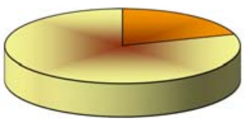
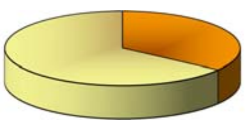
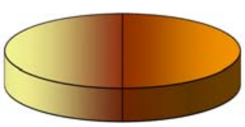
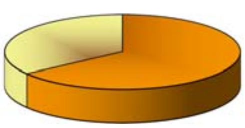
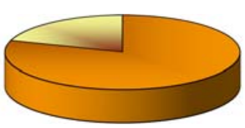
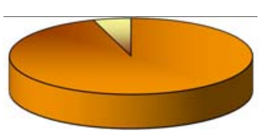
CONTACT US:

2310 Home Road
Delaware, Ohio 43015
740.917.9234

WWW.NVESTWEALTH.COM
Email: info@nvestwealth.com

BENCHMARKING AS OF December 31, 2007

Summary of index portfolio returns compiled by Nvest Wealth Strategies, Inc.

	INDEX PORTFOLIO	STOCK/BOND ALLOCATION		TOTAL RETURN THROUGH 12/31/07				
				4QTR	YTD	12 MTHS	3 YEARS	5 YEARS
	Capital Preservation	0% / 100%	*Cumulative*	1.0%	4.3%	4.3%	10.2%	15.3%
			Annualized	N/A	N/A	4.3%	3.3%	2.9%
	Income	20% / 80%	*Cumulative*	0.1%	4.6%	4.6%	13.4%	28.6%
			Annualized	N/A	N/A	4.6%	4.3%	5.2%
	Balanced Conservative	35% / 65%	*Cumulative*	-0.6%	4.8%	4.8%	16.2%	39.8%
			Annualized	N/A	N/A	4.8%	5.1%	6.9%
	Balanced	50% / 50%	*Cumulative*	-1.1%	5.5%	5.5%	20.1%	54.0%
			Annualized	N/A	N/A	5.5%	6.3%	9.0%
	Balanced Growth	65% / 35%	*Cumulative*	-1.6%	6.0%	6.0%	23.5%	67.7%
			Annualized	N/A	N/A	6.0%	7.3%	10.9%
	Growth	80% / 20%	*Cumulative*	-2.4%	6.1%	6.1%	26.9%	83.5%
			Annualized	N/A	N/A	6.1%	8.3%	12.9%
	Aggressive Growth	95% / 5%	*Cumulative*	-3.0%	5.8%	5.8%	28.7%	94.0%
			Annualized	N/A	N/A	5.8%	8.8%	14.2%

The index returns reflect returns of various mutual fund averages compiled by Morningstar and allocated as follows: Capital Preservation: 90% Bond Average, 10% Treasury Bill Index; Income: 80% Bond, 10% Large Cap Growth, 10% Mid Cap Value; Balanced Conservative: 65% Bond, 15% Large Cap Growth, 15% Mid Cap Value, 5% Small Cap Value; Balanced: 35% Bond, 20% Large Cap Growth, 15% Mid Cap Value, 8% Small Cap Growth, 7% Small Cap Value, 15% International; Growth: 20% Large Cap Growth, 20% Mid Cap Value, 10% Small Cap Growth, 10% Small Cap Value, 20% International; Aggressive Growth: 10% Bond, 20% Large Cap Growth, 30% Mid Cap Value, 10% Small Cap Growth, 10% Small Cap Value, 20% International. You cannot invest in these indexes or averages. The level of diversification represented by these benchmark averages is materially different than actual client accounts; therefore, clients may experienced different levels of performance volatility. Past performance is no guarantee of future results.

Selected Mutual Funds—Total Return Performance Summary

As of December 31, 2007

Bond Funds - Taxable	Style	4th Qtr	YTD	12 Mths	3 Years	5 Years
Taxable Intermediate Bond Average		*1.7%*	*4.7%*	*4.7%*	*3.5%*	*4.1%*
Wells Fargo Ultra Short	AS	0.4%	3.2%	3.2%	3.8%	3.1%
Vanguard Short Federal	HS	2.7%	7.4%	7.4%	4.5%	3.4%
PIMCO Low Duration	HS	2.7%	7.9%	7.9%	4.4%	3.7%
Vanguard Short-Term Investment Grade	HS	1.8%	5.9%	5.9%	4.3%	3.9%
American Century GNMA Income	HI	3.1%	6.4%	6.4%	4.4%	3.7%
Wells Fargo Government Securities	HI	2.9%	6.9%	6.9%	4.2%	3.7%
PIMCO Real Return	HI	5.2%	11.6%	11.6%	4.7%	6.4%
PIMCO Total Return	HI	3.9%	9.1%	9.1%	5.3%	5.3%
PIMCO Diversified Income	AI	1.5%	4.0%	4.0%	5.8%	N/A
Diamond Hill Strategic Income	AI	-5.2%	-4.8%	-4.8%	2.5%	6.9%
Neuberger & Berman Lehman Bros High Income	LI	-1.8%	1.6%	1.6%	3.7%	6.1%
Victory Convertible Securities	LI	-2.8%	6.8%	6.8%	5.7%	8.6%
Bond Funds - Tax Exempt						
Tax-Free Intermediate Bond Average		*2.8%*	*6.1%*	*6.1%*	*3.8%*	*3.3%*
Vanguard Muni Limited Term	HS	1.5%	4.3%	4.3%	2.9%	2.6%
T. Rowe Price Tax Free S/I	HS	1.3%	3.9%	3.9%	2.7%	2.5%
Vanguard Muni Intermediate Term	HI	1.5%	3.4%	3.4%	3.4%	3.6%
Vanguard Ohio Long-Term	HL	1.5%	3.3%	3.3%	3.6%	4.0%
Stock Funds - Domestic						
S&P 500 Index		*-3.3%*	*5.5%*	*5.5%*	*8.6%*	*12.8%*
Equity Fund Average		*-3.9%*	*4.7%*	*4.7%*	*8.3%*	*14.7%*
Janus Advisor Risk Managed Growth	LG	1.2%	10.3%	10.3%	8.0%	N/A
Marsico 21st Century	LG	0.6%	19.3%	19.3%	15.2%	22.7%
Vanguard Index 500	LB	-3.4%	5.4%	5.4%	8.5%	12.7%
TCW Galileo Dividend Focus	LV	-6.3%	1.6%	1.6%	7.3%	13.8%
Diamond Hill Long/Short	LV	0.9%	3.1%	3.1%	13.6%	16.0%
Munder Mid-Cap Growth	MG	-0.2%	20.6%	20.6%	14.9%	20.4%
Columbia Mid-Cap Value	MV	-3.0%	7.7%	7.7%	13.3%	19.2%
Muhlenkamp	MV	-7.9%	-9.7%	-9.7%	0.5%	13.3%
Weitz Value	MV	-6.7%	-10.4%	-10.4%	2.0%	9.6%
Century Small-Cap Select (Closed)	SG	-2.6%	2.5%	2.5%	5.1%	13.8%
William Blair Small-Cap Growth (Closed)	SG	-8.2%	-2.2%	-2.2%	4.2%	18.4%
Neuberger & Berman Genesis (Closed)	SB	4.6%	21.9%	21.9%	15.0%	19.0%
Diamond Hill Small-Cap	SV	-4.2%	-3.8%	-3.8%	5.2%	17.7%
James Small-Cap	SV	-5.4%	-6.2%	-6.2%	4.3%	17.1%
Wells Fargo Small-Cap Value (Closed)	SV	-4.2%	10.3%	10.3%	12.8%	20.7%
Stock Funds - International						
Morgan Stanley EAFE Index (Foreign)		*-1.8%*	*11.2%*	*11.2%*	*16.8%*	*21.6%*
American Century International Discovery	MG	-1.2%	24.5%	24.5%	29.1%	30.5%
Harbor International	LV	1.1%	21.8%	21.8%	25.0%	26.6%
Oakmark International (Closed)	LV	-4.8%	-0.5%	-0.5%	14.0%	19.5%
Tweedy Brown Global Value (Closed)	LV	-2.2%	7.5%	7.5%	14.3%	17.5%
William Blair International Growth	LG	-0.8%	18.1%	18.1%	20.9%	24.4%
Stock Funds - Specialty						
PIMCO Commodity Real Return	LB	9.3%	23.8%	23.8%	13.1%	16.9%
Vanguard Special Health Care	LG	-2.4%	4.4%	4.4%	10.1%	13.1%
JP Morgan US Real Estate	MV	-12.5%	-17.7%	-17.7%	9.1%	19.1%
Columbia Technology Z	MG	-0.1%	23.5%	23.5%	16.3%	28.8%

NVEST WEALTH STRATEGIES
2310 HOME ROAD
DELAWARE, OH 43015
740.917.9234

WHO DO YOU CALL WITH QUESTIONS???

RE: Schwab or NWS' Statements: Steve Henderly
RE: Portfolio Management & Strategy: Bill Henderly
RE: Copy of Current Disclosure Form ADV Part II: Steve Henderly