

nvest nsights

March 31, 2008

IN THIS ISSUE:

SURVIVOR - PAGE 1

PIXIE DUST - PAGE 1

BENCHMARKING - PAGE 3

FUND PERFORMANCE - PAGE 4



Delivering financial
peace of mind.

SUMMARY POINTS:

- 1Q 2008 exasperating
- Market turmoil and bad news may continue a while longer
- Markets will begin heading higher before the bad news is over
- Stay long-term "Buy-Hold" investor

CONTACT US:

2310 Home Road
Delaware, Ohio 43015
740.917.9234

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

Survivor

Bill Henderly, CFA, Nvest Wealth Strategies, Inc.

Reality TV is about competition – a contest pitting one contestant against another. Many of us have watched and are entertained by such shows as Dancing with the Stars; Survivor; The Apprentice; Deal or No Deal; even American Idol. How about, Are You Smarter Than A 5th Grader?

The first quarter (2008) when added to November and December (2007) creates a string of 5 consecutive months of market turmoil. Five down months in a row does not happen often. Investors may not be feeling too smart these days. Many may be wondering what should be done to their investment portfolio to be a survivor (and not a casualty). Many of our clients are new with us (over the past year or two) and don't have a full market cycle of portfolio experience. They are still getting familiar with our investment philosophies and processes. We are getting to know their risk psychology. Our greatest worry is not for the markets (not being cute), but where each client's psyche is relative to this market correction. We worry more about clients' perspective to events affecting their portfolio's value. We are aware many clients were banged up pretty bad in the last bear market (2000 to 2003). We want to help clients be survivors – remain long-term investors who endure corrections and experience long-term success.

Equities of all sizes, large and small companies, domestic and foreign, posted negative returns each month of 2008's first quarter. The credit crunch has left very few areas to hide. Even safe Treasury issues recorded small negative returns in March (not for the 1st quarter, though). For the quarter, the S&P 500 lost 9.5% while the NASDAQ dropped 14.1%. Foreign stocks lost 8.9%, and emerging markets lost more yet. One-year returns ending March 31, 2008 were also negative for the indexes. While most areas of the markets have been hit hard, a few are holding up; but history confirms corrections ultimately cycle to all areas.

Our client portfolios generally fared better than the stock indexes. Better "relative" performance does not provide much comfort when the absolute portfolio value is lower; relative performance should be monitored to verify that active management adds long-term value. Your client report contains several performance reports. One favorite is the "Asset Class Performance Summary". This report shows several different time intervals of performance for Cash, Bonds, and Stocks, and the total portfolio. Time intervals include: 1st Quarter, 12 Months, 5 Years (if applicable), and Inception with all periods ending 3/31/2008. You should compare these returns to Benchmarking (page 3) of this newsletter for your portfolio objective (stock/bond mix). Portfolios are best compared to these custom benchmarks (made up of stocks, bonds, foreign) rather than a straight S&P or other index; no portfolio owns the S&P 500 index.

Continued on Page 2

Pixie Dust

Bill Henderly, CFA, Nvest Wealth Strategies, Inc.

Borrowed money has vanished like pixie dust. You will recall Tink, famous fairy from Peter Pan, who sprinkled pixie dust on Peter to enable him to fly and perform other youthful fantasies. It appears the fantasies of investors (or shall we call them speculators?) have vanished. Those fantasies were home prices never fall, and cheap short-term money would always be available. Peter, I hope you have wings so you don't get hurt. For some investors, real estate follows too closely the bursting of the technology bubble (2000). For older investors, they may recall other irrational exuberances: oil (1981), biotech, Japanese stocks, or even autos (1929).

Stocks have dropped 15% since last October, and small stocks have slipped over 20% since July. How far may prices drop and how long can the pain last? Let's review how tough and long bad market conditions can be. History provides some perspective on what to expect, though it never repeats itself exactly. Today's investment environment is driven by its own unique underlying conditions.

According to Ned Davis Research, since 1950 the S&P 500 experienced 12 market declines. That's one correction every 3.5 years on average. The average correction lasted 12 months with an average loss of 28.5% (median loss was 24.6%). In contrast, the average gain over 3.5 years was 112% (median gain was 74%).

Corrections of 10% have been numerous. When the decline is between 10% and 15%, recovery was fairly quick. Often when a decline reaches 15%, it slips further to bear market status of 20% or greater. Bear markets (over the past 6 decades) last less than a third of the average bull market duration. Our most recent bull market was 5 years old. On average, a 15% loss occurred over six months.

Continued on Page 2



Delivering financial peace of mind.

Survivor (of the Fittest) (Continued from page 1)...

Performance (below) for a typical client portfolio invested for 5 years or more in our investment process:

Stock / Bond Mix	5 Years			
	1Q	12 Months	Cumulative	Annualized
20/80	-0.7%	+4.8%	+35.8%	+6.3%
35/65	-2.5%	+3.2%	+49.4%	+8.4%
50/50	-4.0%	+1.7%	+58.4%	+9.6%
65/35	-5.5%	+1.1%	+77.8%	+12.2%
80/20	-6.6%	-1.6%	+87.2%	+13.4%
95/5	-9.1%	-3.5%	+100.1%	+14.9%
S&P 500	-9.5%	-5.0%	+72.4%	+11.5%

These returns are for periods ending 3/31/2008. Individual portfolio returns may vary for cash held or other constraints (special stocks, or etc). The quarter and 12 month returns may be exasperating, hopefully not to the point of capitulation. Please glance at the 5 Year performances; they are important reminders of how investing for the long term can be rewarding (they include the recent 5 consecutive bad months).

Corrections occur, historically, once every 3 or 4 years. Our last bear market ended over 5 years ago. Most corrections last an average of 12 months. If this correction started with the NASDAQ in July, it is 9 months old; for the S&P500 starting in October, it is 6 months old. Hopefully, the end is near.

We know that successful investors are those who remain "time in" the market, not "timing the market". We pursue long-term investment philosophies. Our long-term 14 year record is built on "time in" the market. It has weathered several corrections and one major bear market. Our wish for every client, young or old, is to be an investment survivor. Our role at Nvest Wealth Strategies is to help you survive and succeed over the long haul.

Pixie Dust (Continued from page 1)...

Recessions are not always associated with corrections, but corrections often create one. Whether the US is now in a recession or not, is not the critical issue. Financial markets, being forward looking, typically lose value before a recession is formal and recover before it's over. Bad news will likely continue for a while, but history reveals new bull markets begin before news is better. Unfortunately, no one knows at the time, the severity or duration of a market decline. We should remember, market declines increase the return potential that exists from that point forward; it also increases the *perception* of risk and the temptation to throw in the towel after much of the damage is already done.

What are we doing? What should clients/investors be doing? As long-term investors, we know that PATIENCE, regardless of age or financial status, is required to ride out market downturns. On average, in the 12 market downturns since 1950, investors recovered their "losses" over a period of about 14 months. In nine instances, recovery from the trough was quicker, occurring in 8 months. Recovery time was lengthened and the magnitude of recovery was muted for those who did not stay invested; they missed the beginning of the recovery which provided the biggest pop. For most investors, equities don't just recover their losses; they advance further over several years with significant gains.

Client portfolios are broadly diversified – owning a variety of different style bond and stock mutual funds. We also hold about 10% of the portfolio in cash to be reinvested. This mix of talented mutual fund managers has performed well in this downturn. They have historically strong performance records which we anticipate will allow portfolios to recover depreciated values more quickly.

One telltale we are watching is commodities and the US dollar. Every asset class ultimately gets corrected when markets drop. Commodities are remaining "irrationally exuberant." Commodities are denominated in US dollars, so as the dollar declines, commodities (and inflation) rise. But as the world economy slows because the US has slowed, so too will be the demand for commodities. Add that financial institutions have reduced the availability of cheap "pixie dust", and commodities are showing early signs that their decline may be imminent. The US dollar will then stabilize and rise.

CONTACT US:

2310 Home Road
Delaware, Ohio 43015
740.917.9234

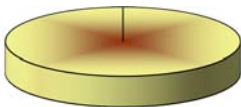


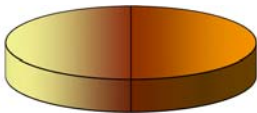

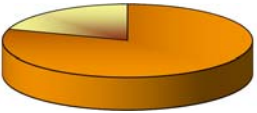

WWW.NVESTWEALTH.COM
Email: info@nvestwealth.com

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

BENCHMARKING AS OF March 31, 2008

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



INDEX PORTFOLIO	STOCK/BOND ALLOCATION		TOTAL RETURN THROUGH 3/31/08				
			1QTR	12 MTHS	3 YEARS	5 YEARS	
	Capital Preservation	0% / 100%	<i>Cumulative</i>	0.0%	3.0%	10.6%	14.2%
			<i>Annualized</i>	N/A	3.0%	3.4%	2.7%
	Income	20% / 80%	<i>Cumulative</i>	-2.2%	0.8%	11.7%	25.5%
			<i>Annualized</i>	N/A	0.8%	3.8%	4.6%
	Balanced Conservative	35% / 65%	<i>Cumulative</i>	-3.5%	-0.7%	13.0%	35.4%
			<i>Annualized</i>	N/A	-0.7%	4.2%	6.3%
	Balanced	50% / 50%	<i>Cumulative</i>	-5.1%	-1.8%	15.3%	48.0%
			<i>Annualized</i>	N/A	-1.8%	4.9%	8.2%
	Balanced Growth	65% / 35%	<i>Cumulative</i>	-6.7%	-3.1%	17.0%	59.8%
			<i>Annualized</i>	N/A	-3.1%	5.4%	9.8%
	Growth	80% / 20%	<i>Cumulative</i>	-8.1%	-4.8%	18.6%	73.8%
			<i>Annualized</i>	N/A	-4.8%	5.8%	11.7%
	Aggressive Growth	95% / 5%	<i>Cumulative</i>	-9.0%	-6.3%	19.2%	83.3%
			<i>Annualized</i>	N/A	-6.3%	6.0%	12.9%

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 March 31, 2008



BOND FUNDS - TAXABLE	STYLE	1ST QTR	12 MTHS	3 YEARS	5 YEARS
<i>Taxable Intermediate Bond Average</i>					
Wells Fargo Ultra Short	AS	-0.4%	3.7%	3.9%	3.8%
Vanguard Short Federal	HS	3.0%	8.9%	5.6%	3.8%
PIMCO Low Duration	HS	1.4%	7.6%	5.0%	3.7%
Vanguard Short-Term Investment Grade	HS	1.2%	5.5%	4.9%	3.8%
American Century GNMA Income	HI	2.2%	7.4%	5.2%	4.0%
Wells Fargo Government Securities	HI	3.1%	8.7%	5.3%	4.1%
PIMCO Real Return	HI	5.5%	14.9%	6.7%	7.1%
PIMCO Total Return	HI	3.3%	10.8%	6.5%	5.6%
PIMCO Diversified Income	AI	0.1%	2.5%	6.3%	N/A
Diamond Hill Strategic Income	AI	-0.2%	-7.6%	2.3%	5.9%
Neuberger & Berman Lehman Bros High Income	LI	-1.6%	-2.7%	3.7%	5.4%
Victory Convertible Securities	LI	-4.1%	0.4%	5.9%	7.4%
BOND FUNDS - TAX EXEMPT					
<i>Tax-Free Intermediate Bond Average</i>					
Vanguard Muni Limited Term	HS	1.3%	4.8%	3.6%	2.7%
T. Rowe Price Tax Free S/I	HS	1.6%	4.8%	3.5%	2.7%
Vanguard Muni Intermediate Term	HI	0.0%	2.7%	3.6%	3.4%
Vanguard Ohio Long-Term	HL	-0.6%	2.0%	3.6%	3.7%
STOCK FUNDS - DOMESTIC					
<i>S&P 500 Index</i>					
		-9.5%	-5.1%	5.9%	11.3%
<i>Equity Fund Average</i>					
		-10.3%	-8.8%	5.3%	13.1%
Janus Advisor Risk Managed Growth	LG	-12.9%	-5.2%	3.9%	9.8%
Marsico 21st Century	LG	-14.1%	1.4%	12.1%	19.2%
Vanguard Index 500	LB	-9.5%	-5.2%	5.7%	11.2%
TCW Galileo Dividend Focus	LV	-9.9%	-9.8%	4.0%	12.8%
Diamond Hill Long/Short	LV	-0.5%	3.8%	10.9%	17.7%
Munder Mid-Cap Growth	MG	-11.4%	1.7%	10.6%	17.7%
Columbia Mid-Cap Value	MV	-11.3%	-9.9%	7.7%	17.4%
Muhlenkamp	MV	-10.3%	-15.7%	-2.2%	12.0%
Weitz Value	MV	-12.5%	-21.2%	-1.0%	7.6%
Century Small-Cap Select (Closed)	SG	-10.7%	-10.9%	1.2%	11.4%
William Blair Small-Cap Growth (Closed)	SG	-14.7%	-18.2%	0.5%	15.6%
Neuberger & Berman Genesis (Closed)	SB	-4.1%	11.4%	12.4%	18.8%
Diamond Hill Small-Cap	SV	-1.8%	-5.0%	5.2%	19.5%
James Small-Cap	SV	-8.5%	-14.5%	2.5%	15.2%
Wells Fargo Small-Cap Value (Closed)	SV	-6.3%	0.0%	10.4%	20.8%
STOCK FUNDS - INTERNATIONAL					
<i>Morgan Stanley EAFE Index (Foreign)</i>					
		-8.9%	-2.7%	13.3%	21.4%
American Century International Discovery	MG	-10.5%	4.1%	24.6%	28.4%
Harbor International	LV	-6.9%	10.0%	21.8%	27.2%
Oakmark International (Closed)	LV	-11.0%	-15.6%	8.9%	19.7%
Tweedy Brown Global Value	LV	-9.0%	-6.4%	9.3%	17.4%
William Blair International Growth	LG	-10.2%	2.2%	16.8%	23.2%
STOCK FUNDS - SPECIALTY					
PIMCO Commodity Real Return	LB	14.4%	34.1%	14.2%	19.2%
Vanguard Special Health Care	LG	-10.1%	-8.4%	6.4%	11.3%
JP Morgan US Real Estate	MV	4.6%	-15.0%	13.3%	19.9%
Columbia Technology Z	MG	-19.8%	-3.3%	12.3%	23.9%

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

This list of mutual funds is not a recommendation of these funds. Past performance is no guarantee of future results.