WIPFLi HEWINS
Investment Advisors LLC

Client Update

October 3, 2008

Well, the third quarter ended with a bang. The transformation of the financial landscape continues unabated. The S&P 500 fell 9%, and the credit crisis continues as the U.S. House of Representatives wavered for the week until finally passing the "Wall Street Bailout Bill" today. Perhaps if someone in Washington understood a little bit about marketing, they would have picked a better name for the bill! And could they have paused in their name calling and finger pointing for 10 minutes to get the job done? Sorry, there I go again…

Good news, I think. Warren Buffett has finally decided the market is low enough for him to step in and take some very large positions (e.g., Goldman). Perhaps even more telling, Wells Fargo is stepping in front of Citi, and without the government support Citi had asked for, to acquire all of Wachovia. These relatively conservative investors/businesses are expressing confidence, and are acting on a belief that the values on display are very low. Meaning that they believe the future will be good, to put it in simple terms, even if the road ahead is rocky for a while.

Please take a look at the attached slide, showing how quickly and decisively markets have recovered in the past from major negative events. We have all just come through a three year bear market, climaxing in 2002. Back then we observed many (not our clients!) "capitulating" at the bottom, selling out just before the recovery.

Are you observing bankers, brokers and retail investors going to cash in a panic? Yes. Is that a good idea? No. These people get killed every time -- don't join them! That selling behavior is the flip side of the buying behavior we see when markets have been climbing for a long time. People routinely give in to fear and greed, and they pay a heavy price.

I hope this is helpful and that in a few years we will be looking at a nice recovery together. You will be glad you did not make a mistake when the pressure was on. We are here to support you; let's talk soon.

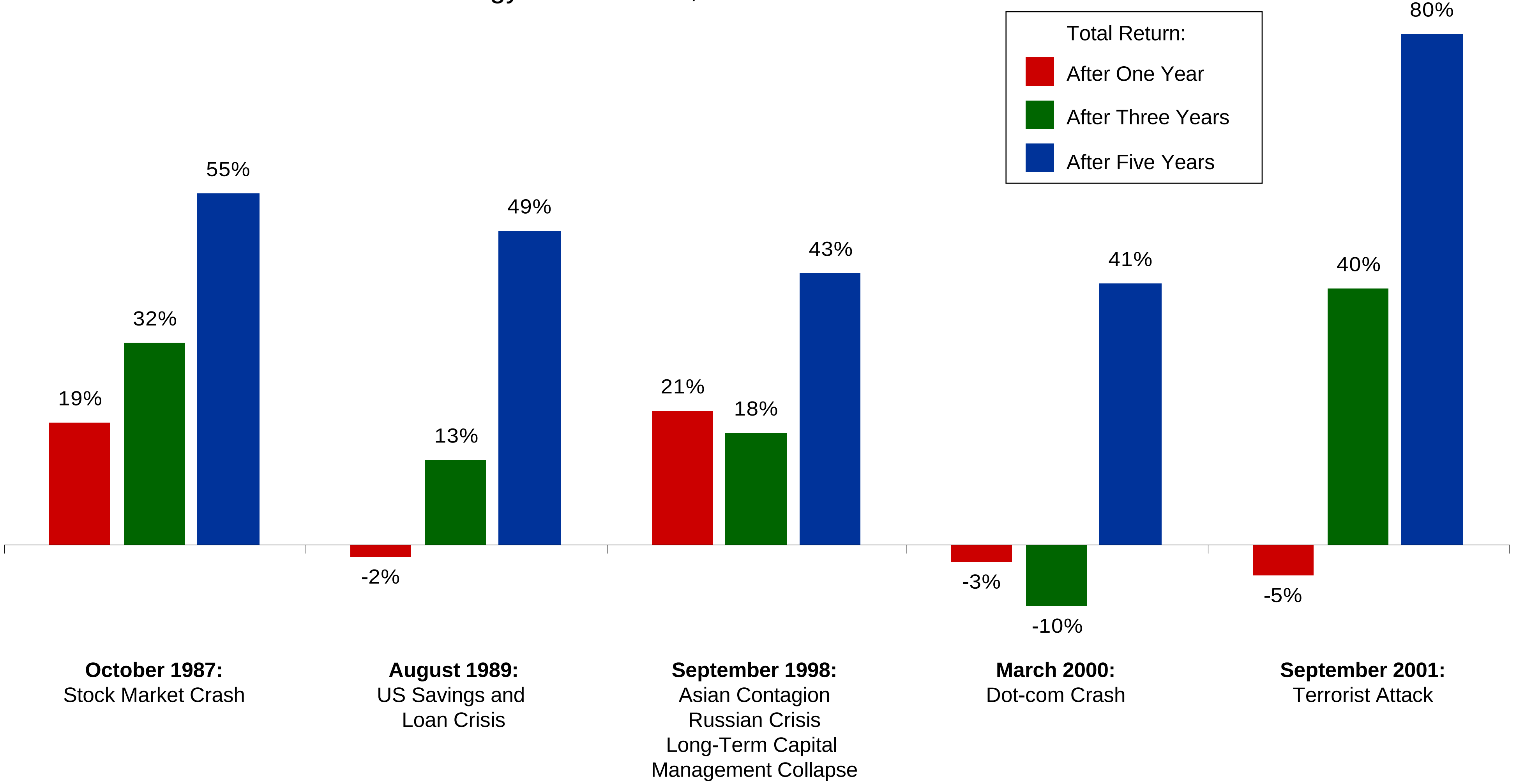
Roger C Hewins III

From here you can see everything.

www.wipflihewins.com

The Market's Response to Financial Crisis

Performance of a Balanced Strategy: 60% Stocks, 40% Bonds



Balanced Strategy: 7.5% each S&P 500 Index, CRSP 6-10 Index, US Small Value Index, US Large Value Index; 15% each International Value Index, International Small Index; 40% Merrill Lynch One-Year Treasury Note Index.

The S&P data are provided by Standard & Poor's Index Services Group. The Merrill Lynch Indices are used with permission; CRSP 6-10 Index data provided by the Center for Research in Security Prices, University of Chicago. US Small Value Index and US Large Value Index provided by Fama/French. International Value Index provided by Fama/French. International Small Cap Index: Compiled by Dimensional from StyleResearch securities data; includes securities of MSCI EAFE countries, market-capitalization weighted, each country capped at 50%; rebalanced semiannually.

Indexes are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

Past performance is not a guarantee of future results. Not to be construed as investment advice. Returns of model portfolios are based on back-tested model allocation mixes designed with the benefit of hindsight and do not represent actual investment performance.

Date of First Use: October 1, 2008