

July 9, 2007

Dear Client,

Each year we attend conferences throughout the country for investment advisors. At these events we have the opportunity to hear from some of the best and brightest minds in the financial and investment world. Rob recently attended a conference for financial advisors in Las Vegas and we found the following topics interesting:

- **Helping Retirement Savings Last a Lifetime** - This session focused on helping investors have enough money to last throughout life expectancy. Included in this discussion were the topics of Social Security and other income sources, and how they may integrate with sustainable withdrawal rates from investment portfolios. More exposure to equities versus bonds could be appropriate as people are living longer and could be impacted by health care costs and taxation.
- **Explosion of Exchange Traded Funds (ETFs)** - One discussion focused on the options currently available in the world of ETFs. You can now buy investments that focus on water resources, private equity, currencies and more. At this time there are over 450 ETFs available, yet there are this many and more currently in the registration process and should be available in the coming year!
- **Alternative Investments Go Mainstream** – Opportunities historically limited to ultra high net worth individuals are now available to the general public through mutual funds. Hedge funds have developed a reputation for being high risk, access to them can be very expensive, and their track record remains sketchy at best. Nonetheless, you may be hearing more in the press about these speculative “investments” down the road.
- **Dr. Ed Yardeni, Economist** – Dr. Yardeni’s keynote speech was about global growth. The expansion of capitalistic markets in Eastern Europe, India, China, and even in the Middle East has brought prosperity to consumers all over the world. This has caused many companies, international and domestic, to thrive all over the world as global consumers buy goods and services. According to Dr. Yardeni, our markets have benefited and should continue to benefit from this global expansion.

We will continue to attend these conferences so we can add value to your investment experience. We have confidence in our processes and investment strategy, but are always on the lookout for ways to improve. If you would like to discuss any of these sessions and how they may relate to your personal financial goals or if you would like to discuss your portfolio, please do not hesitate to call.

Sincerely,

Arcadia Investment Advisors, LLC