

Investment Policy Statement

Investment Policy Statement

John Smith

Optimal (Testing)

The following report and preliminary evaluation of your current portfolio and recommendations is intended to provide some guidance in your decision regarding the allocation of capital in your investment portfolio. These recommendations were structured to be statistically consistent with the policies and goals as outlined by you in our discussions and as represented in the enclosed personal Statement of Policies and Objectives. The approach used in making the attached portfolio recommendations was based on these perspectives and assumptions: (i) an evaluation of your risk preference and rate of return objectives; (ii) asset selections, liquidity, and cost constraints required in the development of the long-term portfolio strategy and; (iii) an attempt to match established policies and objectives with your risk and return preferences. This method of formalizing policies and objectives, establishing risk/reward parameters, selecting asset classes, defining allocation constraints, and setting guidelines for performance evaluation is of paramount importance in maintaining your long-term investment strategy and portfolio growth. This report has been prepared using historical performance data for the investments included therewith. The data was obtained from outside sources and is believed to be reliable, but there can be no guarantees as to its accuracy or reliability. Estimates presented herein are based upon historical performance data and there is no stated or implied guarantee that a rate of return will be realized or that the investments presented will perform as indicated in future years. The performance displayed herein is hypothetical and was compiled after the end of the time period (Time Horizon) advertised. Such results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on the advisor's decision making if the advisor were actually managing your money. This analysis has been prepared strictly for the purposes of recommending a portfolio which is believed will meet the investment objectives indicated in the Investment Policy Statement. Actual portfolio returns will depend on the performance of the actual portfolio investments. Differences between portfolio returns and volatility presented herein and actual results could arise and these differences may be material resulting in a portfolio value which may be more or less than original cost. Indexes are not available for investment and they are not indicative of any particular investment. Additional considerations which should be taken into account with regard to investment alternatives considered therein may include, among other items, guarantees of principal or income, fluctuation of income and/or principal, insurance characteristics, tax features, tax consequences (if any) of proposed transactions, sales fees, management fees and expenses, and other investment strategies (such as hedging techniques). The use of these methods and historical performance information is no guarantee of future performance.

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Information and Assumptions:

This report is based on assumptions and information you have provided, which is assumed to be accurate and complete. The information displayed below is for illustrative purposes solely.

Current Age:	50	Retirement Age:	60
Management Fee:	0.00%	Apply Management Fee:	No
Income Tax Rate:	32.00%	Apply Taxes:	No
Capital Gains Tax Rate:	15.00%		
Inflation:	0.00%	Apply Inflation:	No
Probability Range:	90%	Portfolio Value:	\$500,000.01

Investment objective:

The investment objective for your portfolio has been developed in conjunction with a review of your financial resources and goals, an evaluation of your risk preference and rate of return objectives, asset selections, liquidity, and cost constraints required in the development of the long-term portfolio strategy.

Objective: Growth

Growth of capital. Portfolio will exhibit increased volatility while expecting to outperform equity indices over a market cycle. Risk tolerance range of -7% ... -10.5% (default of -8.5%). Default downside ROR is -8.50%.

Risk Tolerance:

Your ability to tolerate the uncertainties, complexities and volatility inherent in the investment markets has been considered in the development of your investment program. Some of the factors considered include: (1) your age; (2) your financial condition; (3) your future financial goals; (4) your ability to accept any real or nominal loss of capital in any 12 month period; and several other factors. Based on these considerations, your risk tolerance range is **Growth**.

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Summary of Financial Plan Analysis

Portfolio Value	\$500,000.01	Portfolio ROR (See Portfolio Overview for details on this figure)	12.37%
Current Age	50	Date to Begin Analysis	1/2008
Inflation	0.00%	Income Tax	32.00%
Capital Gain Tax	15.00%	Turnover Ratio	0.00%
Apply Inflation to Portfolio Performance:	No	Apply Mgmt Fees	No
Apply Taxes	No	Reinvest Cap Gains	Yes
Reinvest Dividends	Yes		
Rebalance Portfolio	Yes	Rebalance Rate	Annually

Cash Flow Goals

In developing your investment program you have indicated that the following contributions to and withdrawals from your investment portfolio may occur:

Goal	Type	Amount	of	Inf Rate	Begin Date	End Date	# Times
Income At Objective	With	\$60,000.00	Current \$	3.00%	1/2018	1/2042	25
Monthly Funding	Cont	\$500.00	Current \$	0.00%	1/2008	1/2018	121

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Investment Constraints

Your portfolio was developed subject to certain investment limitations you have expressed regarding the minimum or maximum percentage investment permitted for each asset class.

Asset Name	Max	Min	Income Tax	CapGain Tax	Taxable	Turnover Rate	Yield
International Equities	100.00%	0.00%					
Intl EAFE	100.00%	0.00%	<i>By security*</i>				
AIM International Growth A	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	0.13%
American Beacon Intl Eq Inst	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	2.45%
Emerging Markets Free	100.00%	0.00%	<i>By security*</i>				
MFS Emerging Mkt Equity Fund A	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	0.75%
Domestic Bonds	100.00%	0.00%					
Salomon High Yield Bonds	100.00%	0.00%	<i>By security*</i>				
American Century High-Yield Inv	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	7.32%
Salomon Broad Bond Index	100.00%	0.00%	<i>By security*</i>				
Oppenheimer Core Bond A	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	3.18%
Domestic Equities: Indices.	100.00%	0.00%					
Wilshire Large Co Growth	100.00%	0.00%	<i>By security*</i>				
American Funds Gr Fnd of Amer A	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	0.02%
Wilshire Small Co Value	100.00%	0.00%	<i>By security*</i>				
DFA U.S Small Cap Value I	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	1.54%
Wilshire Large Co Value	100.00%	0.00%	<i>By security*</i>				
Lord Abbett All Value A	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	0.09%
Cash Equivalents	100.00%	0.00%					
Donoghue Money Mkt.	100.00%	0.00%	32.00%	15.00%	Yes	100.00%	0.00%

*

The 1, 3, and 5 year mean returns represent the "average" return for all of those rolling time periods (January to January, February to February and so on) in the time horizon specified. For example, during a 10-year time horizon there are 108 one-year holding periods and calculations. Blended portfolio rates of returns are composed from the data listed under Asset/Security Statistics.

Maximum and Minimum values represent the average upper and lower boundaries of those values for the time period specified. Minimum Rate of Return refers to the average statistical minimum rate of return given the statistical data and assumptions incorporated in this report. It does not represent a guaranteed minimum return on investment.

* Historical Rates of Return and Standard Deviations are based on the past performance of either the Asset Classes or the Securities themselves. "By asset class" refers to performance based on the asset class rather than the actual security while "By security" refers to historical performance of the security itself.

Asset class returns may be substituted for security returns where historical data for the security is deemed insufficient to provide statistically accurate results or as a broad representation of security performance. These benchmark rates of returns should not be considered as exact replications of the security returns, but rather as an approximation for illustrative purposes.

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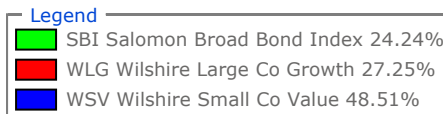
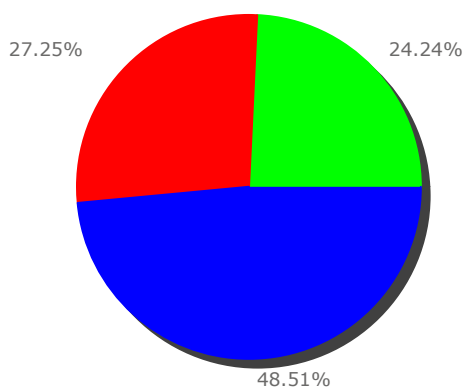
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Portfolio Recommendation by Asset Class

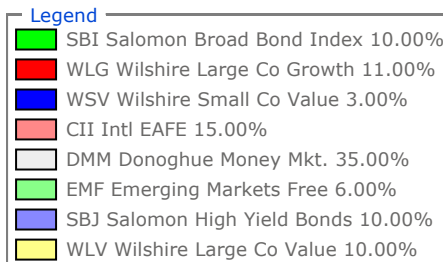
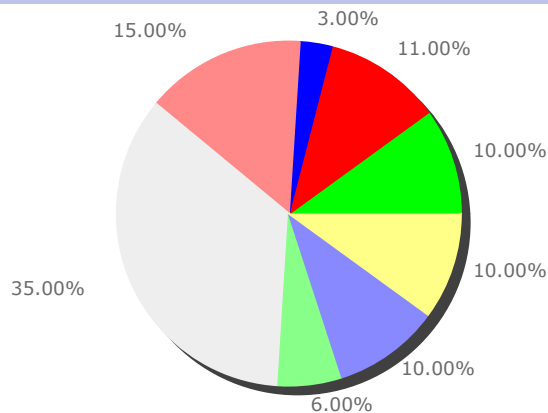
The proposed investment strategy aims to reduce investment risk, while maintaining an acceptable rate of return by spreading an individual's investments over a range of asset types. By choosing a mix of different investments you may not get the full impact of rising markets, but you will cushion your risk if the markets decline.

Based on your financial goals and finances, tax status, asset constraints, risk tolerance and investment objective a recommended portfolio has been developed. The portfolio balances risk and reward and attempts to achieve the stated objectives of the investment program. Your current asset mix and the recommended portfolio are displayed below:

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Current (Current)



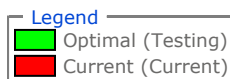
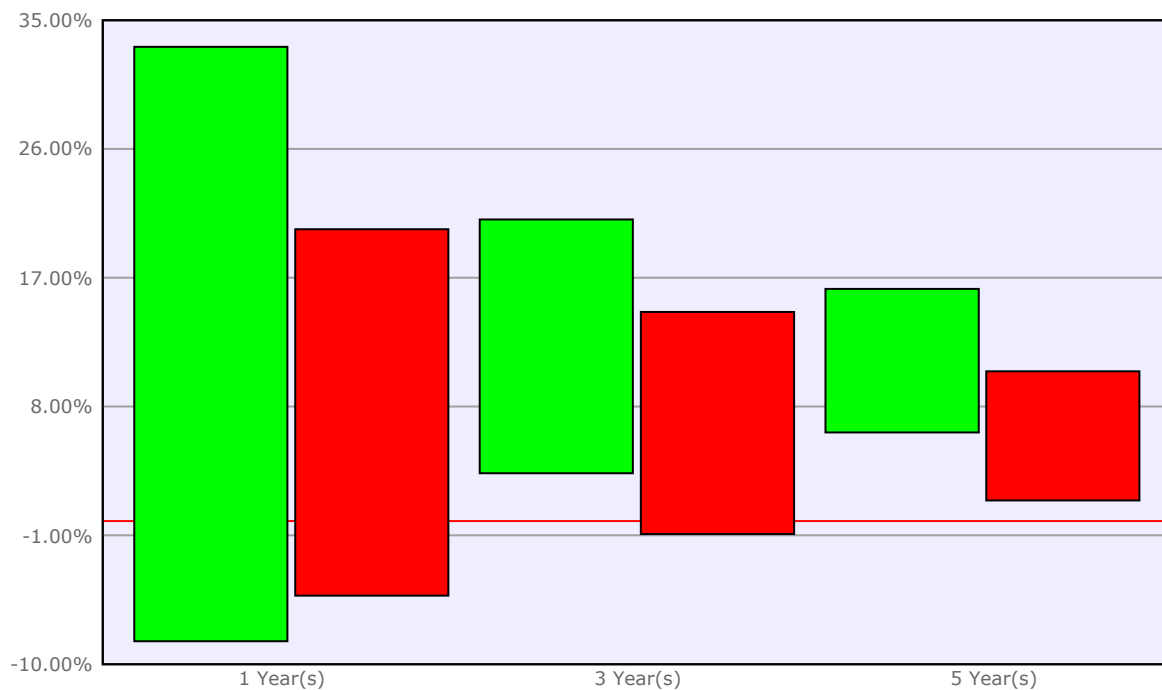
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Rolling Period Performance

The graphic below exhibits the historical range of returns associated with your recommended and current portfolios. The 1,3 and 5 year mean returns represent the average return for all of those rolling time periods (January to January, February to February and so on) in the time horizon specified. For example, during a 10-year time horizon there are 108 one-year holding periods and calculations. The Maximum and Minimum Rates of Return represent the upper and lower boundaries of those returns.



Time Horizon: 9/1997 - 11/2007

		1 Year	3 Years	5 Years
	Portfolio Rate of Return	12.37%	12.20%	11.21%
	Standard Deviation	12.63%	5.39%	3.05%
90% Probability Range				
	Maximum	33.13%	21.07%	16.23%
	Minimum	-8.40%	3.34%	6.19%
95% Probability Range				
	Maximum	37.11%	22.77%	17.19%
	Minimum	-12.38%	1.64%	5.23%
99% Probability Range				
	Maximum	44.88%	26.08%	19.06%
	Minimum	-20.14%	-1.67%	3.36%

MEAN RATE OF RETURN

The mean rate of return is equal to the sum of all period rates of return in the data population divided by the number of such observations. The ICE application uses rolling 12 month, 3 and 5 year periods.

STANDARD DEVIATION

A statistical measurement of dispersion about an average depicting how widely the returns varied over a certain period of time.

The standard deviation is a measure of dispersion of observations expressed in the same units as the measurements (percent rate of return). Mathematically it is expressed as the positive square root of the mean of the squared deviations or squares of the values of measurement from their mean. One standard deviation will include 68.4% of all observations within a population dispersion. The wider the spread of measurements within one standard deviation, the greater the variability of the population (asset). Therefore, the greater the variability from the mean rate of return, the greater the risk inherent in the asset. The validity of correlating standard deviations among several asset classes will depend upon using the same time period of measurement. In general, assuming the same time period and unit of measurement is used, the greater the standard deviation of one asset in relation to another, the riskier the asset is in relation to the other.

MAXIMUM and MINIMUM RETURN

The portfolio's range of returns is calculated using a common statistical procedure applied to the portfolio's historical mean rate of return and standard deviation. It is important to bear in mind that the Minimum and Maximum rates of return referred to in this report are relative figures based on a range established by the selected Probability Range. As such, they are figures derived from common statistical calculations applied to the historical performance of indexes which are not available for investment, are not indicative of any particular investment and, most likely, have not actually been experienced in reality. It should also be understood that higher and lower returns might have actually been experienced outside of the frequency range selected for this study.

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Portfolio Implementation

The table below displays the recommended portfolio allocation by asset class, dollar amount and percent. The securities used to implement the portfolio are also displayed. The advisor will review this portfolio periodically to determine the appropriate allocation to various securities, and these determinations may result in allocations being different from those stated below. Investment products will be monitored for adherence to your investment policy guidelines, major changes in the product, and comparative performance with similar investment products. Investors should consider the investment objectives, risks and charges and expenses of any investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain a prospectus from your financial representative. Read the prospectus carefully before investing. Please review carefully the information and/or prospectus(s) accompanying this Investment Policy Statement.

Asset ID	Asset/Security Title	Asset Pct.	Asset Amt.	Security Pct.	Security Amt.
CII	Intl EAFE	0.00%	\$0.00		
AIIEX	AIM International Growth A			0.00%	\$0.00
AAIEX	American Beacon Intl Eq Inst			0.00%	\$0.00
EMF	Emerging Markets Free	0.00%	\$0.00		
MEMAX	MFS Emerging Mkt Equity Fund A			0.00%	\$0.00
SBJ	Salomon High Yield Bonds	0.00%	\$0.00		
ABHIX	American Century High-Yield Inv			0.00%	\$0.00
SBI	Salomon Broad Bond Index	24.24%	\$121,223.76		
OPIGX	Oppenheimer Core Bond A			24.24%	\$121,223.76
WLG	Wilshire Large Co Growth	27.25%	\$136,236.69		
AGTHX	American Funds Gr Fnd of Amer A			27.25%	\$136,236.69
WSV	Wilshire Small Co Value	48.51%	\$242,539.55		
DFSVX	DFA U.S Small Cap Value I			48.51%	\$242,539.55
WLV	Wilshire Large Co Value	0.00%	\$0.00		
LDFVX	Lord Abbett All Value A			0.00%	\$0.00
DMM	Donoghue Money Mkt.	0.00%	\$0.00		
Total Portfolio Amount: \$500,000.01					

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Monitoring and Review

Investment performance will be monitored and reported to you on a quarterly basis. The investment performance of your portfolio shall be compared against the appropriate benchmarks. The investment program will be reviewed at least annually to assure that it continues to achieve your stated investment objectives and is within your tolerance for risk. Since this investment program is long-term in nature, we will continually review changes in your financial circumstances and investment profile to maintain equilibrium with your investment objectives.

Rebalancing

The percentage weighting assigned to each asset class within your portfolio can and will vary. The percentage weighting for each asset class will be allowed to vary within reasonable ranges depending upon market conditions. If rebalancing or reoptimization is required, investment yield and net cash flows will be used to meet the strategic asset allocation targets. If cash flow is insufficient to meet the target allocation for any asset class, we will review the situation in consultation with you and decide whether to effect transactions in order to rebalance the asset allocation.

This quantitative and qualitative approach to designing your portfolio will, we believe, improve your portfolio performance over time. However, the use of these methods and historical performance information is no guarantee of future performance. We hope you find this evaluation and the enclosed recommendations helpful and look forward to serving you.

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Acceptance and Adoption

I (we) have reviewed and adopted this Investment Policy Statement for the investment program prepared with the assistance of Edward Fahlstrom of Wilson.

Investor's Signature

Date

Investor's Signature

Date

Advisor's Signature

Date

This asset allocation report is provided to assist you in determining the most appropriate asset allocation strategy for your investment portfolio. It is a statistical analysis that has been prepared from the information you have provided about your investment goals, current investment assets, anticipated cash flow patterns, tax brackets, investment time horizon, and tolerance for investment risk. The investment return and principal of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Programs of regular investment cannot assure profit nor protect against loss in declining markets. Any references to recent or historical risk or rates of return are for illustration purposes only and is not intended to be either an expressed or implied guarantee of actual or future performances. This report is not intended to supply tax or legal advice, but for information purposes only. The report uses information which is deemed to be reliable.

Disclosure Statement

IMPORTANT: The projections or other information generated by ICE regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary over time.

This report compares your current investments to a portfolio recommended by the advisor. This is done by reviewing historical performance in terms of Total Returns and Volatility as measured by the Standard Deviation of Returns. This process is known as Asset Allocation, i.e. the selection of a mix of appropriate asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk.

The performance displayed therein is hypothetical and was compiled after the end of the time period (Time Horizon) advertised. Such results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on the advisor's decision making if the advisor were actually managing your money. No attempt has been made to predict how these investments will perform in the future. Rather, this study attempts to compare the historical relationship between specific investments and/or general investment categories, with the hope of improving your overall portfolio balance and diversification. As such, there is no specific claim or warranty being implied regarding future performance. Thus, past performance cannot guarantee future results.

SPECIAL RISKS

International Investments: There may be specific risks associated with investing internationally such as changes in currency rates, foreign taxation, differences in auditing and financial standards, and other risks which may be associated with specific country investments.

High-Yield Bonds: There may be specific risks associated with investing in high-yield bonds related to credit worthiness, limitation on marketability of the bonds, and the ability of the borrower to repay the debt.

Concentration of Investments: There may be increased risk and volatility in concentrating investments in one economic sector or geographical region.

INDEXES

Indexes are not available for investment and they are not indicative of any particular investment.

Certain terms were used in this study, the definitions for which follow:

1,3 and 5 YEAR RETURNS

The 1,3 and 5 year mean returns represent the average return for all of those rolling time periods (January to January, February to February and so on) in the time horizon specified. For example, during a 10-year time horizon there are 108 one-year holding periods and calculations.

MEAN RATE OF RETURN

The mean rate of return is equal to the sum of all period rates of return in the data population divided by the number of such observations. The ICE application uses rolling 12 month, 3 and 5 year periods.

ROR

Rate of Return.

STANDARD DEVIATION

A statistical measurement of dispersion about an average depicting how widely the returns varied over a certain period of time.

The standard deviation is a measure of dispersion of observations expressed in the same units as the measurements (percent rate of return). Mathematically it is expressed as the positive square root of the mean of the squared deviations or squares of the values of measurement from their mean. One standard deviation will include 68.4% of all observations within a population dispersion. The wider the spread of measurements within one standard deviation, the greater the variability of the population (asset). Therefore, the greater the variability from the mean rate of return, the greater the risk inherent in the asset. The validity of correlating standard deviations among several asset classes will depend upon using the same time period of measurement. In general, assuming the same time period and unit of measurement is used, the greater the standard deviation of one asset in relation to another, the riskier the asset is in relation to the other.

STD

Standard Deviation.

MAXIMUM RETURN

The portfolio's maximum return is calculated using the portfolio's historic mean rate of return, standard deviation and a statistical probability multiplier. The maximum return represents the upper boundary of a specified range of returns. It is important to understand that the Minimum and Maximum rates of return referred to in this report are relative figures based on a range established by the selected Probability Range. As such, they are figures derived from statistical calculations and, most likely, have not actually been

experienced in reality. It should also be understood that higher and lower returns might have actually been experienced outside of the frequency range selected for this study. No guarantees can be given about future performance and this value shall not be construed as offering such a guarantee. It should be recognized that the portfolio may invest in both passive and actively managed accounts and securities, that the actual weightings of these investments can and will vary and, as a result, actual returns and volatility characteristics can be higher or lower than those presented in this report.

Maximum Return 18.0%
 Mean Return 10.0% Range of returns
 Minimum Return 2.0%
 Mean return + (std.)(probability multiplier)

MINIMUM RETURN

The portfolio's minimum return is calculated using the portfolio's mean rate of return, standard deviation and a statistical probability multiplier. The minimum return represents the lower boundary of a specified frequency range of returns. It is important to bear in mind that the Minimum and Maximum rates of return referred to in this report are relative figures based on a range established by the selected Probability Range. As such, they are figures derived from statistical calculations and, most likely, have not actually been experienced in reality. It should also be understood that higher and lower returns might have actually been experienced outside of the probability range selected for this study. No guarantees can be given about future performance and this value shall not be construed as offering such a guarantee. It should be recognized that the portfolio may invest in both passive and actively managed accounts and securities, that the actual weightings of these investments can and will vary and, as a result, actual returns and volatility characteristics can be higher or lower than those presented in this report.

Maximum Return 18.0%
 Mean Return 10.0% Range of returns
 Minimum Return 2.0%
 Mean return + (std.)(probability multiplier)

PROBABILITY RANGE

The Probability Range expresses how often a certain range of returns occurred during a given historical time period. It is bounded by a minimum and maximum rate of return for that period. In any statistical sample 68.4% of all observations will be included in one standard deviation from the mean; 95.4% within two standard deviations; and 99.7% within three standard deviations. Therefore, at the 90% probability range 90% of all prior observations fell within the minimum and maximum rates of return displayed for the designated holding period during the selected time horizon. Conversely, 5% of the returns fell below and 5% fell above the minimum and maximum returns respectively. Therefore, it is important to bear in mind that the maximum and minimum rates referred to within this study are not absolute and that they only describe the relative high and low range for the given probability range and holding period selected. Probability Ranges expressed in the system represent the percentage of times the portfolio return fell within a range of historic rates of return over the past period being examined. This does not, in any way, guarantee that any of the displayed returns or standard deviations will actually be realized.

Probability Range = Mean return + (std.)(probability * multiplier) Multipliers may be found in a standard statistical t table, the numbers for which are as follows for each probability level displayed in the reports.

Probability Level	Multiplier
90%	1.645
95%	1.960
99%	2.575

PROSPECTUS DISCLOSURE

Investors should consider the investment objectives, risks and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain a prospectus from your financial representative. Read the prospectus carefully before investing.

MUTUAL FUND, STOCK, VARIABLE ANNUITY, ETF AND/OR SEPARATE ACCOUNT INFORMATION

For more complete information, including all fees and charges on any mutual fund, stock, variable annuity, ETF or separate account mentioned in this proposal, including 1, 3, 5 and 10 year average annual returns, please refer to an AdvisoryWorld ICE overview report or other pertinent reports including a prospectus attached hereto.

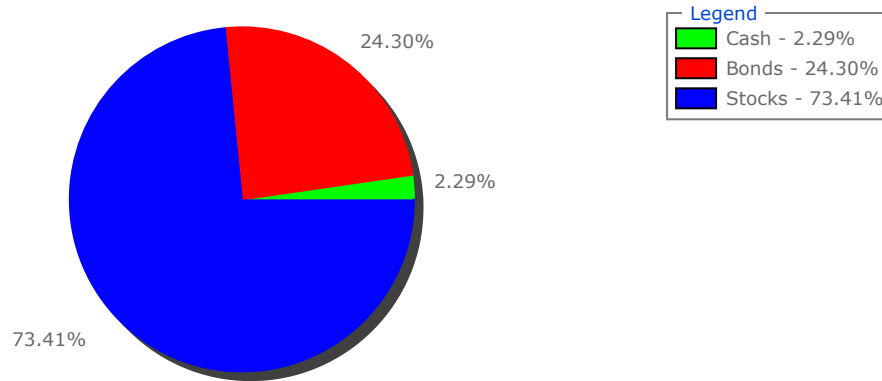
Please review the Portfolio Overview report for important assumptions regarding this portfolio including information on how its blended rate of return is calculated.

Asset class data provided by various sources including Standard & Poors, Salomon Brothers, Wilshire Associates and Russell. Mutual Fund, Variable Annuity and Closed End Fund data provided by Thomson Financial. Separate Account data provided by Morningstar, Inc. All data and the afore mentioned business names are copyrights of their respective corporations, all rights reserved. Investors should consider the investment objectives, risks and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain a prospectus from your financial representative. Read the prospectus carefully before investing.

Overlap Report

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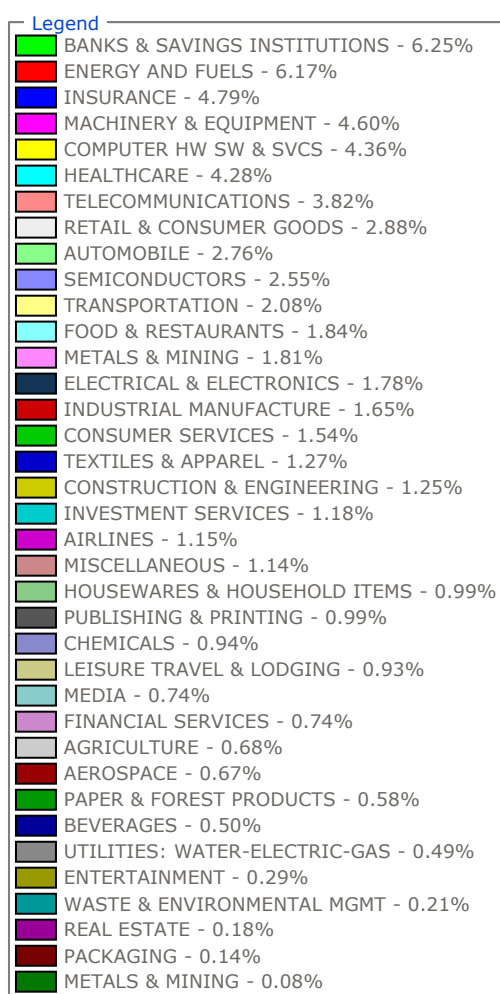
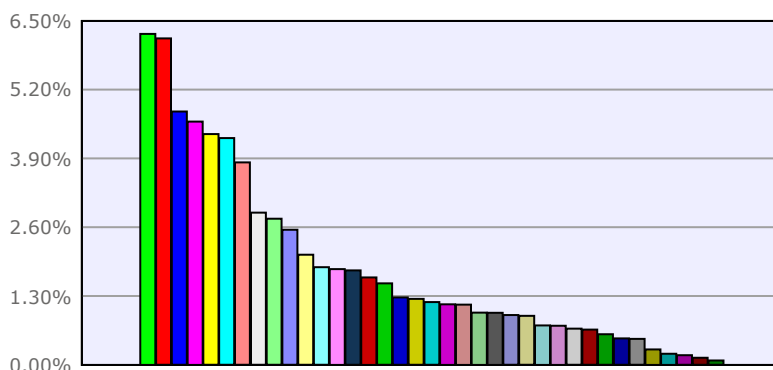
Investment Instrument Mix



This report displays the underlying cash, equity and bond holdings of the mutual funds and equities in your portfolio. It analyzes the overall weighting of cash, equity and bonds in the portfolio to determine if a shift in investment weighting may be desirable.

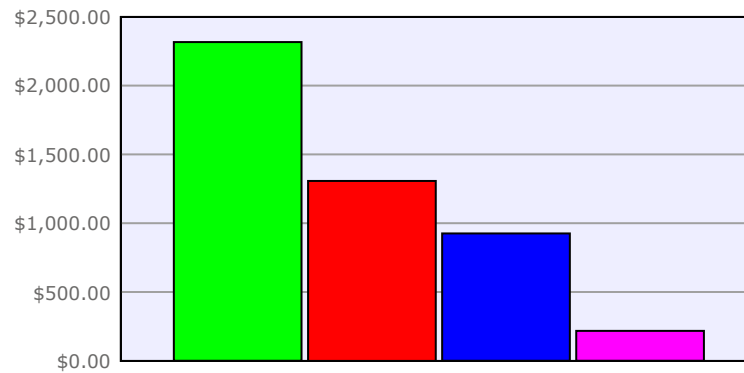
Ticker	Name	Data as of	Cash %	Bond %	Stock %	Cash \$ Amount	Bond \$ Amount	Stock \$ Amount
AIIEX	AIM International Growth A	11/30/2007	7.80%	0.00%	88.90%	\$0.00	\$0.00	\$0.00
AAIEX	American Beacon Intl Eq Inst	11/30/2007	3.00%	0.00%	97.00%	\$0.00	\$0.00	\$0.00
MEMAX	MFS Emerging Mkt Equity Fund A	11/30/2007	0.60%	0.00%	99.40%	\$0.00	\$0.00	\$0.00
ABHIX	American Century High-Yield Inv	11/30/2007	3.60%	96.40%	0.00%	\$0.00	\$0.00	\$0.00
OPIGX	Oppenheimer Core Bond A	11/30/2007	0.00%	100.00%	0.00%	\$0.00	\$121,223.76	\$0.00
AGTHX	American Funds Gr Fnd of Amer A	11/30/2007	8.40%	0.20%	91.40%	\$11,443.88	\$272.47	\$124,520.34
DFSVX	DFA U.S Small Cap Value I	11/30/2007	0.00%	0.00%	100.00%	\$0.00	\$0.00	\$242,539.55
LDFVX	Lord Abbett All Value A	11/30/2007	4.30%	0.00%	95.70%	\$0.00	\$0.00	\$0.00
DMM	Donoghue Money Mkt.	11/30/2007	100.00%	0.00%	0.00%	\$0.00	\$0.00	\$0.00
Total:						\$11,443.88	\$121,496.24	\$367,059.88

Industry Analysis



Different types of securities react in distinct ways to changes in the economy. It is important to be diversified among industry sectors. Duplication of securities happens when there is a lack of coordination between investment vehicles such as stocks, mutual funds and/or exchange traded funds. This duplication can increase your exposure to risk and lessen your return potential.

Top 10 Issue Weightings and Overlap



Legend

■	CNQ CDN NTRL RSRCs - \$2,316.02
	AGTHX - \$1,158.01 06/30/2007
	AGTHX - \$1,158.01 06/30/2007
■	SU SUNCOR ENERGY - \$1,307.87
	AGTHX - \$1,307.87 06/30/2007
■	LUKOY LUKOIL HLDG-ADR - \$926.41
	AGTHX - \$463.20 06/30/2007
	AGTHX - \$463.20 06/30/2007
■	TEVA TEVA PHARM ADR - \$217.98
	AGTHX - \$217.98 06/30/2007

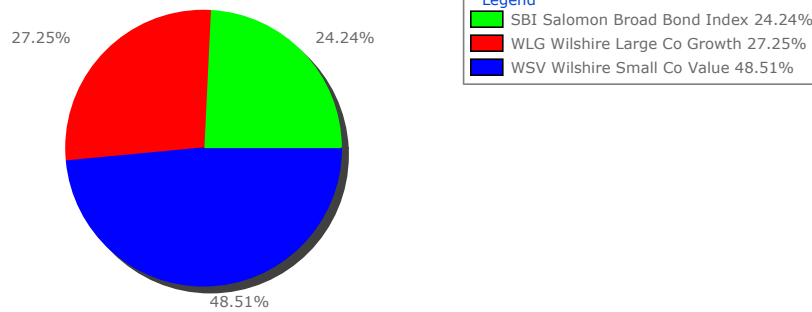
Asset class data provided by various sources including Standard & Poors, Salomon Brothers, Wilshire Associates and Russell. Mutual Fund, Variable Annuity and Closed End Fund data provided by Thomson Financial. Separate Account data provided by Morningstar, Inc. All data and the afore mentioned business names are copyrights of their respective corporations, all rights reserved. Investors should consider the investment objectives, risks and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain a prospectus from your financial representative. Read the prospectus carefully before investing.

Portfolio Recommendation

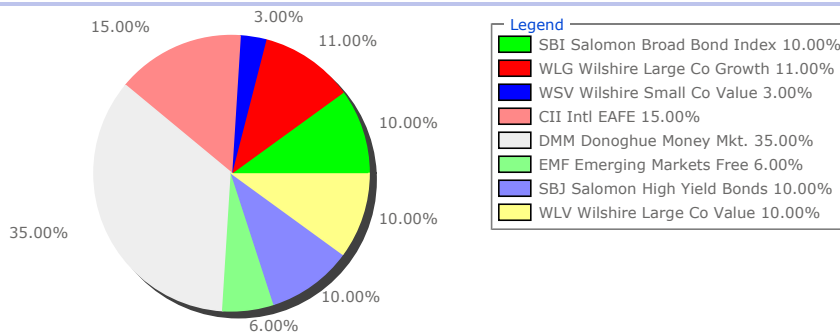
Optimal (Testing)

Asset Class Mix

Optimal (Testing)



Current (Current)



RoR/STD Comparison

Portfolio	RoR	STD	Min RoR (90% conf level)	Min RoR (95% conf level)	Min RoR (99% conf level)
Optimal (Testing)	12.37%	12.63%	-8.40%	-12.38%	-20.14%
Current (Current)	7.59%	7.78%	-5.22%	-7.67%	-12.46%

Asset Class Hold/Amount Comparison

Asset Class Name	Current (Current)		Optimal (Testing)		Adjustment
	Percent	Amount	Percent	Amount	
Intl EAFE	15.00%	\$75,000.00	0.00%	\$0.00	\$75,000.00
Emerging Markets Free	6.00%	\$30,000.00	0.00%	\$0.00	\$30,000.00
Salomon High Yield Bonds	10.00%	\$50,000.00	0.00%	\$0.00	\$50,000.00
Salomon Broad Bond Index	10.00%	\$50,000.00	24.24%	\$121,223.76	\$71,223.76
Wilshire Large Co Growth	11.00%	\$55,000.00	27.25%	\$136,236.69	\$81,236.69
Wilshire Small Co Value	3.00%	\$15,000.00	48.51%	\$242,539.55	\$227,539.55
Wilshire Large Co Value	10.00%	\$50,000.00	0.00%	\$0.00	\$50,000.00
Donoghue Money Mkt.	35.00%	\$175,000.00	0.00%	\$0.00	\$175,000.00

Security Hold/Amount Comparison

Asset Class Name	Current (Current)		Optimal (Testing)		Adjustment
	Percent	Amount	Percent	Amount	
AIM International Growth A	9.00%	\$45,000.00	0.00%	\$0.00	\$45,000.00
American Beacon Intl Eq Inst	6.00%	\$30,000.00	0.00%	\$0.00	\$30,000.00
MFS Emerging Mkt Equity Fund A	6.00%	\$30,000.00	0.00%	\$0.00	\$30,000.00
American Century High-Yield Inv	10.00%	\$50,000.00	0.00%	\$0.00	\$50,000.00
Oppenheimer Core Bond A	10.00%	\$50,000.00	24.24%	\$121,223.76	\$71,223.76
American Funds Gr Fnd of Amer A	11.00%	\$55,000.00	27.25%	\$136,236.69	\$81,236.69
DFA U.S Small Cap Value I	3.00%	\$15,000.00	48.51%	\$242,539.55	\$227,539.55
Lord Abbett All Value A	10.00%	\$50,000.00	0.00%	\$0.00	\$50,000.00

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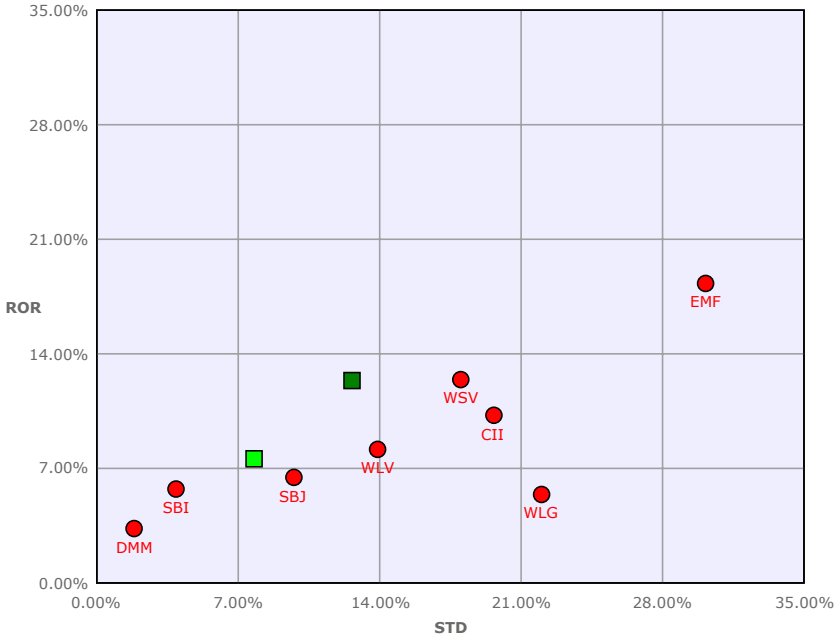
Please review the Portfolio Overview report for important assumptions regarding this portfolio including information on how its blended rate of return is calculated.

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Matrix of Portfolio Asset Returns and Standard Deviations

Optimal (Testing)

Risk vs Return Matrix



Legend

- Optimal (Testing)
- Asset Classes
- Current (Current)

	Time Horizon:	Probability Range:	Hold Period:
Optimal (Testing) :	9/1997 - 11/2007	90%	1 year(s)
Current (Current) :	9/1997 - 11/2007	90%	1 year(s)

Portfolio	Year	Rate of Return	Standard Deviation	Sharpe Ratio	Minimum Rate of Return	Maximum Rate of Return
Optimal (Testing)	1	12.37%	12.63%	0.58	-8.40%	33.13%
Current (Current)	1	7.59%	7.78%	0.33	-5.22%	20.40%
Optimal (Testing)	3	12.20%	5.39%	1.33	3.34%	21.07%
Current (Current)	3	6.85%	4.72%	0.38	-0.91%	14.61%
Optimal (Testing)	5	11.21%	3.05%	2.02	6.19%	16.23%
Current (Current)	5	5.95%	2.74%	0.33	1.44%	10.47%
Asset Classes						
CII Intl EAFE	1	10.25%	19.65%	0.27	-22.07%	42.57%
EMF Emerging Markets Free	1	18.30%	30.13%	0.44	-31.26%	67.86%
SBJ Salomon High Yield Bonds	1	6.45%	9.75%	0.14	-9.59%	22.49%
SBI Salomon Broad Bond Index	1	5.74%	3.92%	0.18	-0.71%	12.19%
WLG Wilshire Large Co Growth	1	5.41%	22.01%	0.02	-30.80%	41.62%
WSV Wilshire Small Co Value	1	12.43%	18.01%	0.41	-17.20%	42.06%
WLV Wilshire Large Co Value	1	8.16%	13.90%	0.22	-14.71%	31.03%
DMM Donoghue Money Mkt.	1	3.33%	1.84%	-0.93	0.29%	6.36%

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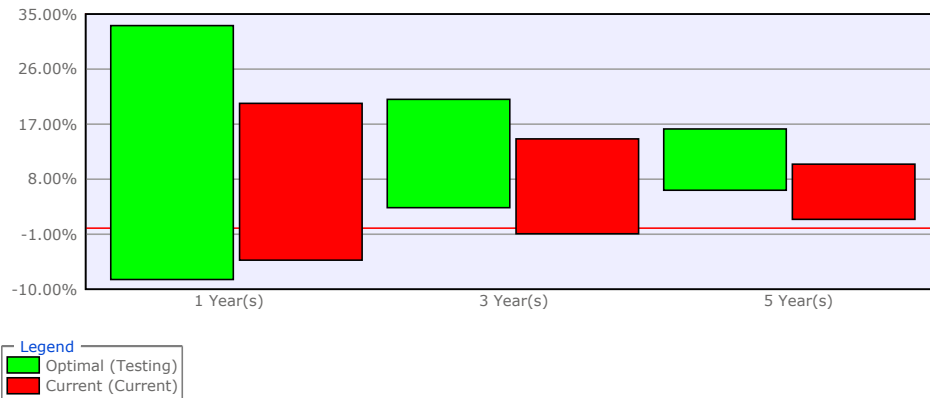
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Please review the Portfolio Overview report for important assumptions regarding this portfolio including information on how its blended rate of return is calculated.

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Hypothetical Range of Returns for Historical Rolling Periods

Optimal (Testing)



	Time Horizon:	Probability Range:	Hold Period:
Optimal (Testing) :	9/1997 - 11/2007	90%	1 year(s)
Current (Current) :	9/1997 - 11/2007	90%	1 year(s)

Portfolio	Year	Rate of Return	Standard Deviation	Sharpe Ratio	Minimum Rate of Return	Maximum Rate of Return
Optimal (Testing)	1	12.37%	12.63%	0.58	-8.40%	33.13%
Current (Current)	1	7.59%	7.78%	0.33	-5.22%	20.40%
Optimal (Testing)	3	12.20%	5.39%	1.33	3.34%	21.07%
Current (Current)	3	6.85%	4.72%	0.38	-0.91%	14.61%
Optimal (Testing)	5	11.21%	3.05%	2.02	6.19%	16.23%
Current (Current)	5	5.95%	2.74%	0.33	1.44%	10.47%

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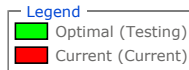
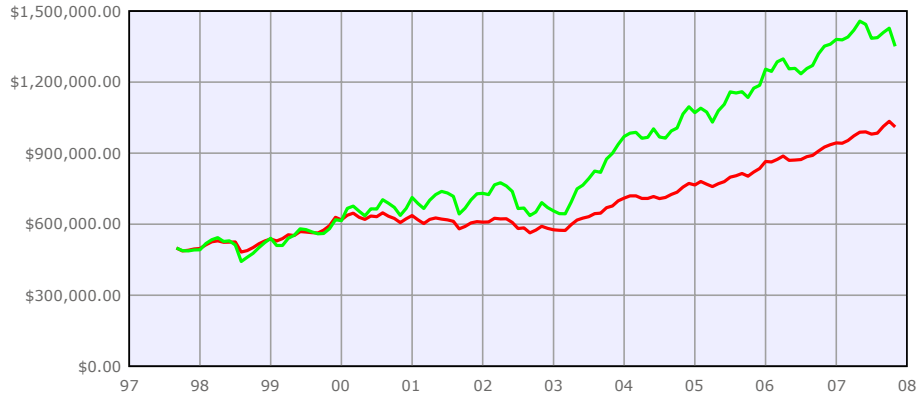
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Hypothetical Historical Performance

Optimal (Testing)



	Time Horizon:	Probability Range:	Hold Period:
Optimal (Testing) :	9/1997 - 11/2007	90%	1 year(s)
Current (Current) :	9/1997 - 11/2007	90%	1 year(s)

Name	Cumulative Rate Of Return	Annualized Rate Of Return	High Period Growth Rate	Low Period Growth Rate	Number Positive Periods	Number Negative Periods
Optimal (Testing)	170.39%	10.28%	53.31%	-15.92%	90	21
Current (Current)	102.20%	7.17%	25.50%	-8.42%	84	27

The above graph displays the hypothetical historical performance of the selected portfolio(s) for the indicated time horizon. The information displayed above is for illustrative purposes solely. No guarantees can be given about future performance and this illustration shall not be construed as offering such a guarantee. It should be recognized that the portfolio may invest in both passive and actively managed accounts and securities, that the actual weightings of these investments can and will vary and, as a result, actual returns and volatility characteristics can be higher or lower than those presented above. Indexes are not available for investment and they are not indicative of any particular investment.

Definitions:

- Cumulative Rate of Return displays the holding period return for the time horizon specified.
- Annualized Rate of Return displays the annualized rate of return for the number of 12 month periods within the time horizon specified.
- High Growth Rate displays the highest historical 12 month rate of return experienced during the time horizon specified.
- Low Growth Rate displays the lowest historical 12 month rate of return experienced during the time horizon specified.
- Number of Positive Periods indicates how many historical rolling 12 months periods experienced positive growth.
- Number of Negative Periods indicates how many historical rolling 12 months periods experienced negative growth.

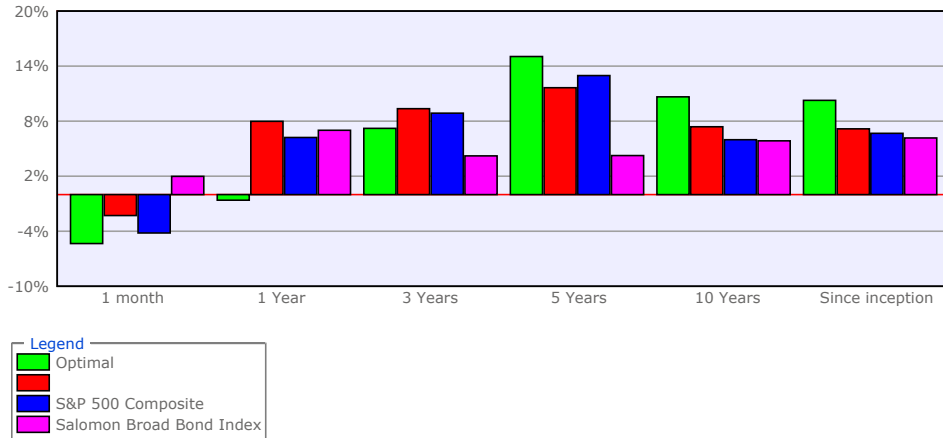
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Annualized Returns

Optimal (Testing)



	Time Horizon:	Probability Range:	Hold Period:
Optimal (Testing) :	9/1997 - 11/2007	90%	1 year(s)
Current (Current) :	9/1997 - 11/2007	90%	1 year(s)

Name	1 Month	1 year	3 years	5 years	10 years	Since Inception 9/1997
Optimal	-5.34%	-0.61%	7.23%	15.06%	10.65%	10.28%
	-2.29%	7.99%	9.37%	11.65%	7.39%	7.17%
S&P 500 Composite	-4.18%	6.23%	8.87%	12.99%	5.98%	6.68%
Salomon Broad Bond Index	1.98%	7.00%	4.21%	4.26%	5.86%	6.16%

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Mutual Fund Overview

Date Prepared: January 8, 2008
Data as of: November 30, 2007

American Funds Gr Fnd of Amer A

Ticker	AGTHX	Objective	Wilshire Large Co Growth
CUSIP	399874106	Manager	Team Managed

General

Inception Date	12/01/1973
Max. Front End Load	1.00%
Max. 12b-1	0.25%
Minimum Initial Investment	\$250.00
Subsequent Investments	\$50.00
Reinvest @ NAV or Other	No
Check writing	Yes
Payroll Deductions	Yes
Automatic Phone Transactions	Yes
Exchange By Phone	Yes
401K Plan	Yes
403B Plan	Yes
457 Plan	Yes
Keogh Plan	Yes
IRA Plan	Yes
Systematic Withdrawal Plan	Yes
Avg. PE of Equity Holdings	27.38
Avg. Yield of Equity Holdings	0.00%
Annualized Expense Ratio	0.64%
Management Fee	0.29%

Address Information

Family Name	American Funds
Address	333 South Hope Street
City	Los Angeles
State	CA
ZIP	90071
Phone (local)	(213) 486-9200
Phone (Toll Free)	(800) 421-4120

Month-end Information

NAV	\$36.62
POP	\$36.99
Capital Gain	\$0.00
Income (dividend)	\$0.00
1 year yield	0.69%
Assets Under Management	\$9,219,660,000
Data as of	11/30/2007

Important Disclosures

Standardized Average Annual Returns for the Period Ended 11/30/2007. Returns for periods of less than one year are not annualized

Security Name	Inception Date	Maximum Sales Charge	1 Month	1 Year	5 Years	10 Years	Since Inception
AGTHX American Funds Gr Fnd of Amer A	12/01/1973	1.00% Front 1.00% CDSC	-4.59%	14.44%	16.73%	10.96%	15.31%

This historical information represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares when redeemed may be worth more or less than the original amount.

The Standardized Average Annual Total Return figures shown above are calculated using the formula in form N-1A as mandated by the Securities and Exchange Commission. The calculations take into account the maximum sales and/or redemption charges currently in effect, and any annual expenses assessed. The figures assume a one-time lump sum investment and do not include the effect of taxation. Standardized returns may be different than all other calculations in this report which use actual historical performance numbers, use the criteria specified herein and may not reflect fund expenses or taxation.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. While the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money while investing in the fund.

This illustration, including any accompanying reports and graphs, must be preceded or accompanied by a current prospectus. The prospectus contains full details on fees and expenses and should be read carefully before investing or sending money.

MPT Statistics - Risk Analysis

Years	Mean ROR	Standard Deviation	Beta	Sharpe Ratio
1 month	-4.59%	N/A	N/A	N/A
1	17.34%	18.28%	0.91	0.67
3	17.32%	9.77%	0.72	1.26
5	17.27%	7.23%	0.67	1.69

Holding Period: 12/1973 - 11/2007

1 Yr. Overall Rank	48
3 Yr. Overall Rank	67
5 Yr. Overall Rank	21
10 Yr. Overall Rank	3

Overall Rank represents a return based percentile ranking of this mutual fund versus all mutual funds within Thomson Financial's Mutual Fund Database. 100 is rated higher than a rating of 1 over the given time period.

Style

	Large	Mid	Small
Growth	19.59%	18.80%	24.07%
Value	28.31%	9.23%	0.00%

The fund's style above reflects its performance for the past 36 months compared to Six Wilshire Associates' indices.

Mean ROR represents the annualized geometric rate of return over the stated holding period.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

The **Sharpe ratio** uses standard deviation and excess return to determine reward per unit of risk.

MPT Statistics refers to Modern Portfolio Theory Statistics which are measures of risk and return used by your advisor in designing your portfolio.

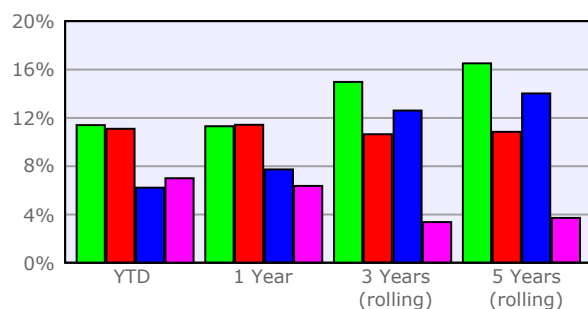
The data provided above illustrates composition as of the stated period, is subject to change, and may not be representative of the fund's current or future investments.

Top 20 Holdings

Name	%
Microsoft Corporation	2.40%
Schlumberger Limited	2.37%
Google Incorporated	2.29%
Roche Holdings AG	2.01%
Oracle Corporation	1.78%
Target Corporation	1.58%
General Electric Company	1.56%
Lowe's Companies Incorporated	1.54%
Federal Natl Mortgage Assn	1.50%
Federal Natl Mortgage Assn	1.50%
Cisco Systems Incorporated	1.46%
Sprint Nextel Corporation	1.41%
Medtronic Incorporated	1.34%
Altria Group Incorporated	1.13%
American Intl Group Inc	1.06%
Nokia Corporation	1.02%
Suncor Energy Incorporated	0.96%
Texas Instruments Incorporated	0.96%
Baker Hughes Incorporated	0.89%
Nokia OYJ	0.88%

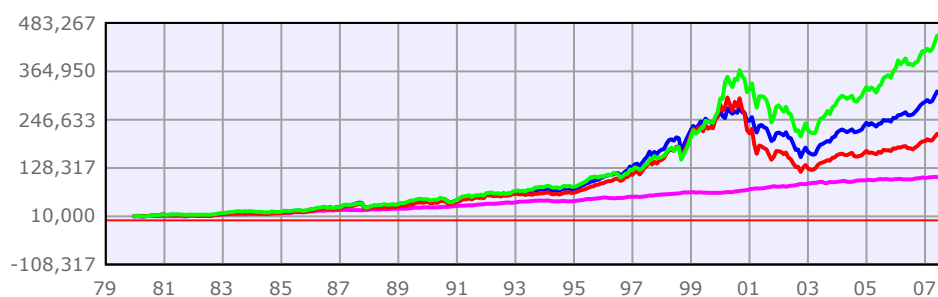
Performance

Time Horizon: 12/1979 - 11/2007



	Total Cumulative Return	Average Annual Return
1 Month	-4.59%	-
YTD	11.40%	-
1 Year	11.29%	-
3 Years	45.57%	13.33%
5 Years	93.96%	14.17%
10 Years	202.22%	11.69%
Inception	9,191.46%	14.29%
Recent Bull Market	126.40%	-
Recent Bear Market	-10.20%	-

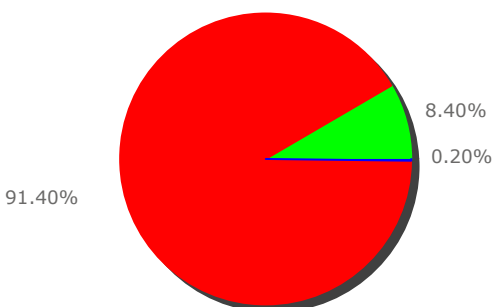
Historical Performance



The graphic above and the table below display historical performance for the time period common to the security and the indices to which it is being compared (12/1979 - 11/2007). All other calculations in this report use the security's time horizon only.

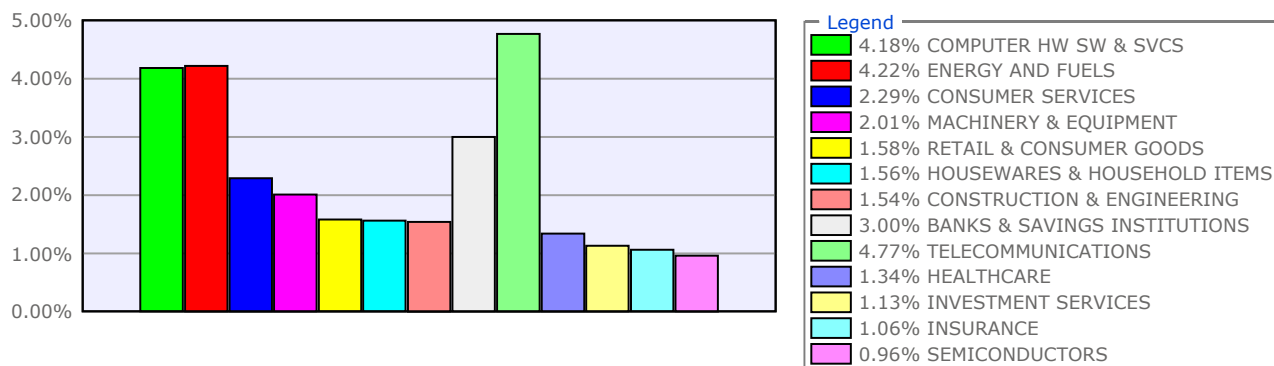
	Name	Cum. ROR	Ann. ROR	High Monthly Growth	Low Monthly Growth	(+) Mths	(-) Mths
■	AGTHX American Funds Gr Fnd of Amer A	4,510.97%	14.71%	13.69%	-20.95%	205	129
■	WLG Wilshire Large Co Growth	2,052.97%	11.62%	14.49%	-22.66%	205	129
■	SPC S&P 500 Composite	2,983.80%	13.07%	13.47%	-21.54%	216	119
■	SBI Salomon Broad Bond Index	1,018.30%	9.03%	11.23%	-5.88%	229	95

Asset Allocation



	Asset Class	Allocation
	Cash and Equivalents	8.40%
	Equities	91.40%
	Non-Convertible Bonds	0.20%
	Government Agency Bonds	0.00%
	Domestic Corporate Non-convertible Bonds	0.00%
	Domestic Municipal Bonds	0.00%
	Foreign and Other Non-convertible Bonds	0.00%
	Non-Convertible Preferred	0.00%
	Convertible Bonds and Preferred	0.00%

Industry Analysis



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This report is not authorized for distribution unless accompanied or preceded by a current prospectus of the fund. Call the fund company directly with the number listed at the top of this report for the most recent month-end performance results.

The Standard & Poor's (S&P) 500 includes a representative sample of exchange listed U.S. corporations weighted by capitalization and adjusted for reinvestment of dividends.

The Salomon Brothers Broad (Investment-Grade) Bond Index is an unmanaged index generally representative of the performance of the investment-grade corporate and U.S. government bonds. The WLG index is a Wilshire Associates Large Company Growth style invests in the top 750 companies of the Wilshire 2500 with a market capitalization down to approximately \$960 million. Selected target criteria includes sales growth, return on equity, and dividend payout.

The WLG index is a Wilshire Associates Large Company Growth style invests in the top 750 companies of the Wilshire 2500 with a market capitalization down to approximately \$960 million. Selected target criteria includes sales growth, return on e

Indexes are not managed funds, have no identifiable objectives and cannot be purchased. They do not provide an indication of how individual investments performed in the past or how they will perform in the future. Past performance of an index does not guarantee the future performance of any investment.

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