Wealth Advisor Group LLC
A Dixon Hughes Company

JANUARY 18, 2008

In order to better acquaint you with Wealth Advisor Group LLC, we are sending you our quarterly client newsletter which accompanies our clients' quarterly performance reports. We hope this gives you some insight into our firm. If you have any questions about our services, please call.

FOURTH QUARTER 2007 INVESTMENT REPORT

Rock, Paper, Scissors?

How do most investors decide what mutual funds to buy? Many buy what their brokers or bankers sell them. Others prefer to do it on their own, and rely upon "expert" ratings services in their decision-making. The chart below shows how five different and eminently reputable mutual fund ratings services rate four actual mutual funds (names withheld to protect the foolish). *DFA, Inc.

How to Rate the Ratings?

	Fund A	Fund B	Fund C	Fund D
Morningstar (Dec 2000)	★★★★★	★★	★★★	★★★★
Forbes (Dec 2000)	C	A	A+	D
U S News & World Report (Dec 2000)	34	50	10	93
Wall Street Journal (Jan 2001)	E	C	A	B
BusinessWeek (Jan 2001)	A	No Rating	B+	C

Funds A, B, C, and D are actual funds. They are not identified because the purpose of this illustration is to emphasize that ratings, by themselves, do not provide enough information to make a sound investment decision.

Morningstar: Five stars is highest rating; one star is lowest rating.
US News & World Report: 100 is highest rating; 1 is lowest rating.

Clearly, there seems to be some meaningful disagreement among these financial powerhouses' analysis regarding the worth of these funds. If these titans can't even agree, how is a "do-it-yourselfer" supposed to make a decision? First, the investor must fully understand the strategic investment methodology they desire to use. Then, they must examine how a particular fund fits (or doesn't) into that particular strategy. Then, if they are using actively managed funds, they must constantly monitor relative performance, style drift, management changes, internal expenses and turnover…and a host of other mind numbing issues that may either confuse or bore them. And finally, even if they were able to accomplish all of the above, academic research shows that they would still have an extremely high probability of meaningfully underperforming market returns.

The correct answer, of course, is to hire a trusted advisor who uses a Nobel Prize winning asset class strategy, finds unique institutional fund vehicles that are both very low cost and high performing, choose a risk/reward level that fits their objectives, and then follow a long-term plan that allows the capital markets to efficiently grow their capital while continuously monitoring and rebalancing their investment. That has been Wealth Advisor Group's formula for success all these years.

A Really Expensive Free Lunch

You may have noticed "free" lunch or dinner investment or retirement seminars advertised in your local paper. They are commonplace, seemingly innocuous events. However, the Securities Exchange Commission doesn't see it that way. In late 2007, they released a report outlining the research they had done on these types of gatherings.
Regulatory Register 10/07

The regulators reviewed 110 financial firms and branch offices that sponsored these "free" lunch seminars. Their findings didn't surprise us here at Wealth Advisor Group, but they may be eye-opening to you. The results found that:

- 100% of the "seminars" were instead sales presentations, aimed at ultimately opening accounts and selling product.
- 59% were found to have had weak supervisory practices, including the failure of proper review of materials by compliance departments.
- 50% featured misleading or exaggerated claims.
- 23% contained potentially unsuitable recommendations.
- 13% were outright fraudulent and illegal

SEC Chairman Christopher Cox stated:

"These findings are a wake-up call for securities regulators, the financial services industry and especially older investors. Not only were virtually all the 'free lunch' seminars sales jobs in disguise, but half made misleading or exaggerated claims, and more than a third had unsuitable recommendations or outright fraud."

These events seem to combine two well know proverbs: "There's no such thing as a free lunch" and "There's a sucker born every minute."

This is one more example of why it is so important that investors use advisors who have no hidden agenda. Wealth Advisor Group is a **fee-only** Registered Investment Advisor precisely because we want our clients to know they never have to worry about these types of issues. There is no need for any trickery if your advisor has no investment product to sell and receives compensation solely and directly from their clients. If you hear of any unusual claims or investments that sound too good to be true, please give us a call and we'll help figure out what is really doing on. You may not get that free plate of food, but you may just prevent someone from taking a big bite out of your finances.

Fourth Quarter 2007 Asset Class Return

	4th Qtr	'07 YTD		4th Qtr	'07 YTD
S & P 500	-3.36	5.39	Int'l Large Cap	-1.61	12.46
Large Cap Value	-5.39	-2.76	Int'l Large Cap Value	-3.69	10.24
Medium Cap	-3.47	6.02	Int'l Small Cap	-5.56	5.66
Small Cap	-5.03	1.16	Int'l Small Cap Value	-7.49	2.95
Small Cap Value	-8.80	-10.75	Int'l Emerging Mkts	2.94	38.9
Micro Cap	-5.22	-6.91	Int'l Emerging Mkts Value	2.71	45.64
Real Estate	-12.91	-16.46	Int'l Emerg. Mkts Small Cap	0.06	38.02
Intermediate Income	3.60	7.61	Pacific	-4.93	4.78
Long Term Income	4.02	6.59	European	-0.99	13.82
Vanguard Group and DFA, Inc.			Int'l. Real Estate	-11.21	---

With the exception of Emerging Markets, all equity assets classes had negative returns for the quarter. After seven straight years in its own bull market, Real Estate lead the way down, with a double digit quarterly drop and a negative mid-teen return for the full year. Bonds had the best quarterly returns. For the first time since 2000, Large Cap and Growth asset classes, both domestic and international, have outperformed Small and Value asset classes. In addition, for the first time in eight years, the S&P 500's return has exceeded the diversified equity asset class returns produced with Modern Portfolio Theory (MPT) models that WAG uses. Does that mean that something is broken and needs to be fixed? Absolutely not. There are no smoke and mirrors or black box modeling going on with MPT. It is based on academic and scientific fact, which includes these details:

- Over the long term, capital returns on Small Cap and Value asset classes consistently outperform those of Large and Growth. For that reason, our clients portfolios are built to include Small and Value (along with healthy portions of Large and Growth).
- Over shorter periods of time, however, Large Cap and Growth asset classes will have their day in the sun.
- Academic studies suggest few, if any, investors can market time these cycles. In addition, even if someone could do this, there are negative tax issues that would take place in taxable accounts that would eat away at returns due to the portfolio turnover that would result from the numerous capital transactions.

For the above reasons, Wealth Advisor Group does not try and chase whatever the most current Growth/Value or Large/Small cycle. We know that long term wealth accumulation will be most effectively experienced by owning a scientifically diversified portfolio with ample amounts of Value and Small to generate the best long term result given a finite amount of risk that matches your tolerance.

2007 was a year in which the superior performing, long term asset classes were not the top performers. It will not be the first nor last time this occurs. The Large and Growth asset classes may continue to be in favor for several more quarters, and the S&P 500 may look like a superior investment for a limited period of time. Don't be fooled. Simply understand the big picture and the reward that will result from using a disciplined, long term investment viewpoint.

New Year Housekeeping

Each year at this time we follow federal law and send you WAG's Privacy Statement. In addition, we offer you our Form ADV Part II – a Disclosure Document, which is updated at least annually and is filled with much excitement. Please call our Chief Compliance Officer, Kate Anderson, at 888-840-4715 if you would like us to send or email you a copy. Lastly, we would like to remind you to keep us informed of anything happening in your life that may have ramifications to the risk/reward parameters of your portfolio. We can only be of maximum value to you if we have full knowledge of your financial situation.

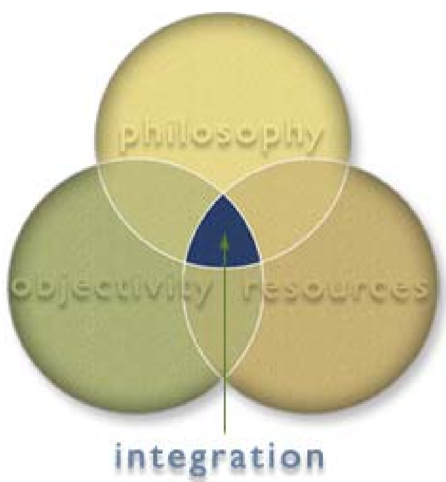
As always, your Quarterly Performance Report accompanies this letter. If we have managed your portfolio for less than three months, you will receive a partial report, and a complete one will follow next quarter.

2008 promises to be an exciting year in many ways. By the time it ends, we will know much more about our country's economic trends and political future. Stay warm and positive.

Sincerely,

Wealth Advisor Group

Wealth Advisor Group LLC
Selected as one of **Medical Economics'** ***150 Best Financial Advisers for Doctors for 2006***.



Our client centered portfolio management – something we call **The PROsperity Model (sm)**, is designed by combining:

- Our investment **Philosophy**, based in Modern Portfolio Theory,
- Our **Resources**, seen in human terms by our highly experienced, professional advisors; our affiliation with Dixon Hughes; and finally our unique ability to offer our clients institutional investment vehicles unavailable to most brokers, bankers or individual investors,
- Our **Objectivity**, which is anchored in our fee-only compensation structure, assuring no potential conflicts of interest of any kind.
- Our clients stand at the center of these principles, benefiting by the **Integration** of all three. We believe that a superior investment experience and performance can only be found when not one or two, but all three values occur simultaneously.