



Fourth Quarter

2006 was an exciting year. The equity markets performed exceptionally well, the fourth positive year in a row. All of your portfolios participated in the market upswing. On a personal note, I founded Walden Capital Advisors and was excited that you joined me on the ground floor. I want to thank each and every one of you for your patience and support over the past few months as we have completed the necessary paperwork and transferred your assets. I am happy to report that Walden Capital, an SEC registered investment advisory firm, now has a diverse client base and approximately \$60 million committed assets under management.

Walden Capital is growing! I am pleased to announce that I have hired a full time Client Service Associate, Mary Ayasgil. Mary brings to Walden Capital many years of administrative and operational experience in the financial services and health care fields. Most recently, she worked for another investment advisory firm for six years. I encourage you to introduce yourself to Mary when you call and to use her as a resource for administrative and operational issues relating to your accounts. As always, I am available for all of your questions relating to planning and investments.

I am enclosing your investment report for December 31, 2006. You will find two reports: 1) Consolidated Portfolio Summary and 2) Asset Allocation. Beginning next quarter, you will also receive a performance report. Additionally, I have included the first edition of the Walden Capital Newsletter which provides you with a market review as well as some news and items to think about as we begin the new year.

A quick note on the reports – we now have the ability to report and manage the accounts on an individual account level or on a household level. For most clients, I am currently managing the assets on an account level and reporting on a total household level. Please note that on any report that combines multiple accounts, there is a listing at the bottom showing all of the included accounts. Over time, as I meet with each client, we can discuss this approach and determine what works best for helping you meet your financial goals. For now, if you prefer to see things in a different way, please let me know.

By now you should have received, in two separate mailings, your user ID and temporary password to access your accounts online through the Walden Capital website, [www.waldencapitaladvisors.com](http://www.waldencapitaladvisors.com). I encourage you to explore the Fidelity link as there is a great deal of information that is now available to you. If you have not received your access information, please let Mary know.

Please review the "News" section of the attached newsletter for information about DFA funds, billing, custodial account taxation, 2006 capital gains reports, 2006 performance calculations and cost basis. Former PMA clients should pay special attention to these last three items.

I want to thank all of you once again for the confidence and trust you have placed in me.

Best wishes for a joyous, peaceful, healthy and prosperous 2007!

A handwritten signature in black ink, appearing to read 'jill', is located in the bottom right corner of the page.