



Third Quarter 2007

The Dow Jones Industrial Average rose 4% and the S & P 500 rose 2% this past quarter. Seems like a relatively normal quarterly rise, right? Wrong. This quarter was anything but normal. Along the way, the Dow hit its all time high of 14,000 on July 19, only to fall 8% to 12,846 by August 16. The Dow then rose back up 8% to end the quarter at 13,896.

The bumpy ride this summer was caused by a number of factors including the subprime mortgage crisis, tightened credit markets, a housing market that continues to decline and a fear of recession. Investor sentiment improved though as the Federal Reserve stepped in mid-September to lower its short-term lending rate by one-half of a percent. During this cycle, we saw market volatility double and then drop back to normal levels.

Over the past twelve months, we have witnessed a shift in market leadership from recent years as large cap stocks have outperformed small cap stocks and growth stocks have outperformed value stocks. International stocks have continued to perform better than domestic stocks. Your portfolios have performed according to our expectations during this turbulent time, capturing a good percentage of the upside while not declining as much as the overall market during the downturn.

It is hard to believe that the end of the year is approaching. Walden Capital Advisors is celebrating its first anniversary! I want to thank all of you again for the confidence and trust you have placed in me. If there is anything we can do to improve our services, please let Mary or me know.

I have enclosed your September 30, 2007 report. Please contact us as soon as possible if there is anything you need us to do for you before year-end. Please remember to make your 401(k) and charitable contributions before December 31. If you have retirement accounts with us, we will contact you if you still need to take a required minimum distribution. We will also review any trust accounts with income distribution requirements.

Enclosed is a copy of the Walden Capital Advisors Privacy Policy which we are required to provide you annually. If you would like to receive a copy of our current SEC filings, Form ADV and Schedule F, please let us know.

Enjoy the cool air and beautiful leaves of the fall season!

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