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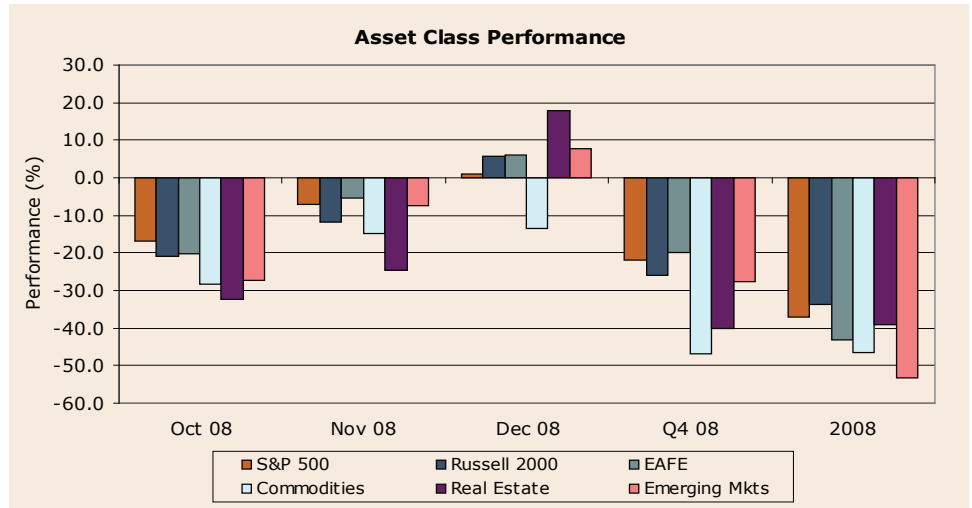
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2008 was a remarkable and challenging year for our industry to say the least, and it was especially challenging for the people of our firm. ▶ Page 7

2008: A Year to Forget... or to Remember

The fourth quarter of 2008 witnessed the most dramatic loss in equity investment values in any quarter in history. While much lower volatility and a respectable price recovery seems to have begun in December, October and November returns were so weak that, combined with September's significant losses, the year as a whole produced the worst annual performance in the many decades since the era of the Great Depression in the early 1930s.



For what consolation it may offer, to have suffered through this current era of dramatic loss will very likely mark a "once in a long life-time event." And, to have survived will likely steel one's endurance for lesser future threats...or permanently re-adjust one's actual tolerance for risk. In any event, it seems unlikely to us that you, or even your children, or, perhaps, even your living grandchildren will ever have to face a greater threat to investment values than what you've just experienced.

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Monetary and Fiscal Stimulus

While the Treasury Department's spending on relief to financial institutions has so far had disappointing results and the Federal Reserve has virtually exhausted its conventional interest rate stimulus tools, recent performance from the late November market troughs seems to us a harbinger of a convincing investment market recovery ahead. As Jason Thomas explores in an article below, investment markets tend to recover in advance of a rebound in the underlying economy. The new administration's expected efforts to enact a substantial fiscal stimulus (tax cuts and spending increases) package may add an effective catalyst to the very low interest rate and high liquidity environment already in place. So, while current employment statistics and corporate earnings reports are likely to get worse before they get better, we do expect that they *will* get better before this year comes to an end and that a solid recovery in investment values will by then already be underway.

A Time for Action

For many of our clients, the appropriate portfolio stance at this point will be to persevere in their willingness to accept investment risk and even welcome opportunities to profit from the current environment to accelerate the eventual recovery from the severe losses in value during 2008. We will be discussing modest changes to our capital markets expectations over the coming months and some clients will want to use this juncture to re-evaluate their appetite for portfolio returns and tolerance for risk. We look forward to assisting those clients formulate new strategies that move in either direction on the risk/return spectrum, but still fulfill the achievement of their goals.

But, separate from those enduring portfolio strategy decisions, there is now a unique opportunity for clients with substantial family gift objectives to make the most of the current situation. As Clay Stevens points out in the article to follow, very low interest rates, depressed market values, and threatened tax legislation combine to make this an especially opportune time to engage in family wealth transfers. We stand ready to promptly help you evaluate this opportunity for your circumstances and to facilitate creating and funding the appropriate structures while the timing is still opportune.

With our best wishes for a very happy, healthy, and prosperous new year,

*Tim Kochis, CEO
Editor*

A Very Busy Year: A Merger, A Deep Bear Market...Oh, and Everything Else

Given the market's performance – and its volatility – during 2008, our clients might assume that most of the cumulative energy of the Aspiriant team had been devoted to responding to this past year's extraordinary investment challenges or to issues connected to our merger. We did in fact have quite a few opportunities this past year to communicate with all clients about the turbulent investment times and about our merger progress:

- Quarterly INSIGHT newsletters highlighting current investment issues
- "Market Perspective from Kochis Fitz/Quintile", January 22nd
- "Persevering Through Market Turmoil", September 8th
- Client seminar featuring Greg Valliere on "A View from Washington as the 2008 Elections Approach", September 18th
- "A Week for the History Books", September 19th
- "A Change to Recommended Money Market Investments", September 24th
- Aspiriant Annual Report: 2008, September 26th
- Conference call with Q&A, October 24th
- Conference call with Q&A, December 2nd
- "Sheltered from the Madoff Storm", December 16th
- "A Change to Recommended Money Market Investments", December 30th

We were, of course, also engaged in numerous other activities that impact our entire client base...and a very large number that were specific to individual clients' situations. We thought it would be useful to compile some of these other client activities that occurred "behind the scenes".

While not exhaustive, we hope this list demonstrates the breadth and depth of the capabilities of our wealth management team. We expect to expand on that capacity in our second year as Aspiriant! Much more about progress to date on our merger in the final article in this issue.

Estate planning

- Refinanced existing intra-family loans to reduce debt service obligations and increase wealth transfers
- Updated estate plans to better insulate clients' heirs from creditors, divorcing spouses, and future estate tax

(continued on page 4)

The Perfect Opportunity Before the Perfect Storm: Tax Law Changes and Low Interest Rates Demand Current Estate Planning Attention

For more than eight years, certain congressional Republicans have pushed unsuccessfully for complete repeal of the estate tax. While current law provides that the unified credit equivalent (the amount each person can transfer estate tax-free) increases to \$3,500,000 in 2009 and is unlimited in 2010, in 2011 the credit returns to 2001 levels, or \$1,000,000. The estate tax rate for amounts over the credit, which is currently 45% (and effectively zero in 2010), also reverts to 55% in 2011. President-elect Obama has proposed fixing the credit at \$3,500,000 and the tax rate at 45%. Although any future legislation is speculative, it is widely expected that changes will occur in 2009 and that Congress won't allow the one-year unlimited credit in 2010 to occur. Therefore, we can and should expect estate tax law changes in 2009 and possibly in the first few months of the Obama administration.

Since the current law effectively reverts back to 2001 levels after 2010, President-elect Obama's proposed plan is *not* revenue neutral. Whether the new legislation will include other estate tax provisions to offset the future revenue decrease, and what these provisions might be, is uncertain. However, since 1998, the legislative agenda of the IRS has included elimination of fractional interest discounts on family controlled entities. An increasing number of members of Congress also appear to favor legislation that would eliminate such discounts, so this area is a candidate to be included in the expected legislation.

Discounts of taxable values are often combined with estate planning transactions, such as Grantor Retained Annuity Trusts, sales to Defective Grantor Trusts, or outright gifts of Family Limited Partnership interests to achieve wealth transfer objectives. These techniques will still be effective even without such discounts, but discounts do increase the likelihood of their accomplishing their goals of tax-advantaged transfers by increasing the size of the tax-advantaged gift.

Some commentators have suggested that Congress may go even further and change or eliminate some of these techniques themselves. Although it is possible that any such changes may be made retroactive to January 1, 2009, it is more likely that they would be effective only after enactment. Therefore, the

opportunity to use any of these techniques, especially if they are combined with family controlled entities, may be closing.

In any event, even if the law doesn't change, the time to act is especially opportune now. The potential benefits of entering into such planning increased significantly during the past few months. Aside from any discounting on family controlled entities discussed above, the two main factors that determine the effectiveness of these techniques are interest rates and valuation. The lower the interest rate required on any annuity or promissory note received in exchange for a transfer of property, the greater the wealth transfer benefits are for the family. As a simple example, if \$5,000,000 in property is transferred to a trust in exchange for a note bearing interest at 2% and the property appreciates at 8%, more than \$300,000 passes gift tax-free per year. The IRS publishes the minimum rates monthly and the rates in January of 2009 are the lowest ever by almost one-half percent and almost two percent lower than just a year ago. In addition, with the recent market downturn, these estate planning techniques provide a great opportunity to "freeze" the value of the property at the current depressed value and to pass the upside to one's beneficiaries. Therefore, aside from any potential estate tax law changes themselves, the current economic environment provides excellent opportunities for estate tax planning.

The downside to any family wealth transfer is the loss of access to the funds, especially given the recent uncertainty in the market and the global economy. However, much of this form of planning simply freezes the value of the estate and can still provide the transferor with access to all the original assets. Additionally, flexibility can be built into the plan to discontinue future transfers if the desired wealth transfer has been achieved or the transferor would like to preserve more assets for himself or herself. Therefore, despite the market uncertainty, the likelihood of estate tax law changes along with the extremely favorable current wealth transfer environment makes this the ideal time for us to help you consider your choices here. Clients facing a permanent exposure to estate tax of 45% on any amount eventually over \$3,500,000 (or \$7,000,000 for a husband and wife) – assuming that's the final legislated amount – will probably never see a more appropriate opportunity than right now.

Clay Stevens

A Very Busy Year (continued from p. 2)

- Worked to transfer family vacation homes into trusts benefiting multiple future generations with minimal gift tax cost
- Facilitated intra-family loans to help clients' children purchase first homes, while avoiding gift tax impacts
- Coordinated overall estate plan strategy; updated beneficiary designations for consistency with the plans
- Advised on disclaiming an inheritance in favor of the next generation
- Advised on strategy to give shares of privately held company stock to children to reduce estate taxes
- With historically low interest rates, implemented wealth transfer plans to reduce future estate taxes

General Wealth Planning

- Developed analyses to facilitate clients' decisions on financial independence
- Coordinated the placement of health, life, disability and long-term care insurance
- Coordinated property risk management reviews, resulting in improved coverage and/or lower premiums
- Coordinated home mortgage financing/refinancing
- Established Uni(K) retirement plans for clients with self-employment earnings
- Coordinated establishment of HSA accounts for qualifying clients
- Assisted with deferred compensation elections, often coordinating with stock option exercises or stock sales
- Updated stock sales plan under SEC Rule 10b5-1
- Evaluated life insurance policies and made recommendations for coverage repositioning and optimization
- Assisted clients with budget development/feasibility of new and second home purchases
- Evaluated job offers and advised on negotiating strategies for employment/BOD opportunities
- Assisted clients with decisions related to early retirement

opportunities

- Established Section 529 plans savings accounts for children and grandchildren to fund post-high school education
- Coordinated gifts from clients' donor-advised funds
- Developed stock option exercise strategies
- Facilitated giving IRA distributions directly to charity
- Analyzed and made recommendations to switch from traditional IRAs to Roths
- Processed IRA required minimum distributions for affected clients
- Advised clients on tax strategies and incorporation alternatives for their new businesses
- Sent estimated year-end tax reports and final year-end tax reports to clients' external tax preparers
- Optimized charitable gifts by establishing donor-advised accounts and funding them with highly-appreciated assets

Investment Management

- Responded to market conditions by reviewing asset allocations and making changes where appropriate
- Made diversified private equity and global fixed income allocations available to "Qualified Purchaser" clients
- Captured capital losses to offset capital gain taxes in future years
- Implemented strategies to diversify concentrated stock positions (writing covered calls, hedging, and other strategies)
- Tracked cost basis records for investment assets in all managed accounts
- Where appropriate, executed monthly rebalancing trades so portfolios would track clients' investment mixes
- Handled cash needs for clients through wire transfers and moneylinks to outside accounts
- Protected clients' cash investments by moving to Treasury-only money market funds and then, months later, returning to higher yielding assets

Roadmap to the Future

Last September, we began an in-depth study into the history of financial crises and bear markets. The context then was not yet dire (Lehman had yet to fall), and we reminded ourselves, and our clients, that market timing is only reliable when viewed after the fact.

Our primary goal was to understand the sign posts along the road to recovery and how, if at all, we should position client portfolios differently. We use the term "sign post" to make the important, but subtle, distinction between a futile goal of predicting the future (especially the timing of the market bottom) and the realistic goal of understanding what the future will look like as it is unfolding. Stringing together those sign posts creates a roadmap, which can give us comfort that

things are proceeding in the way (though not necessarily at the time) we expect. Or, if not, in what corrective action may be required.

This piece summarizes four key points that will be elaborated on in a longer whitepaper on this topic which we expect to release later this month.

1. Positive Equity market returns are often not "permanent"

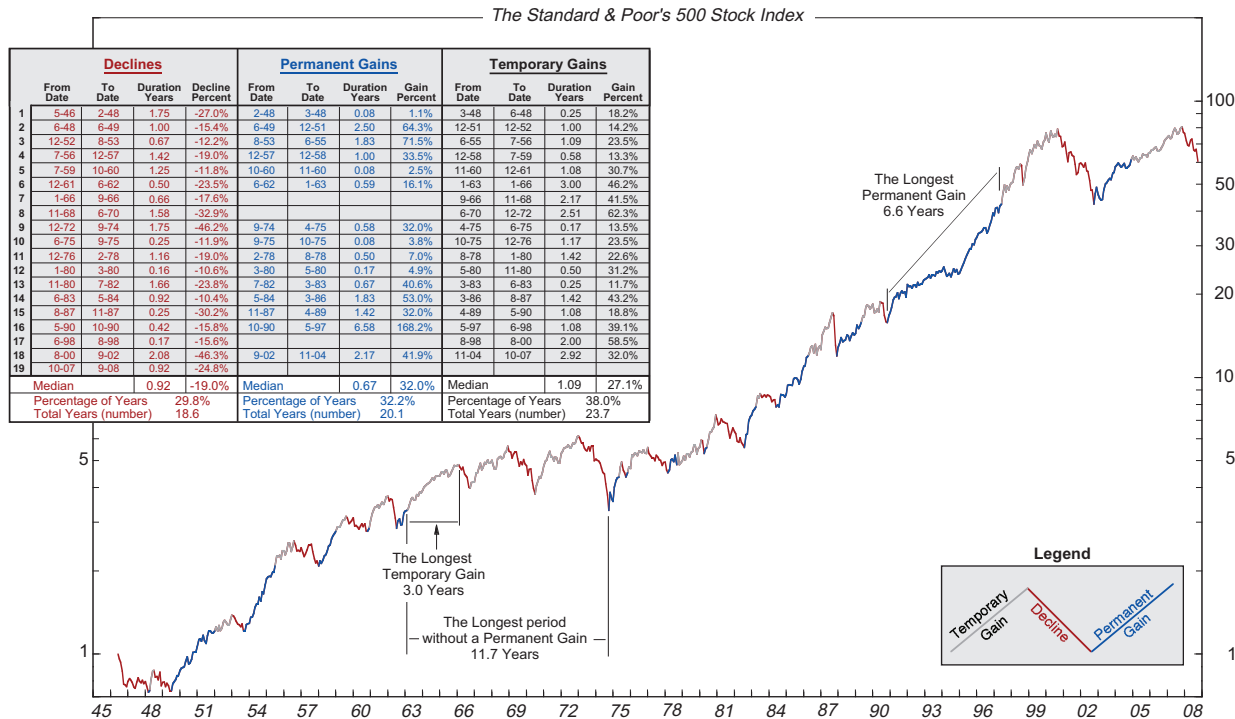
The equity markets reflect participation in economic activity, but the markets and the economy do not move in lock step. There is always so much uncertainty about the prospects for companies (information about even their current performance is delayed), and about prospective monetary and fiscal policy, to say nothing of the fear and enthusiasm of market participants, that the market frequently surges only to fall back. This "two steps forward, one step back" pattern means that much of

the time an increase in market value is temporary – values will fall to a lower level at some point in the future. The graph below demonstrates the periods of temporary growth (entire gain is lost in an ensuing decline), decline, and permanent gains. But, even "permanent" gains can only be judged over potentially very long periods of rear-view perspective.

2. Be cautious about investing based on reported economic performance

Because investors, as a group, are forward-looking, equity market returns change direction well in advance of a change in economic conditions. The graph on the next page charts the level of the S&P 500 against growth in the economy. The equity market has peaked (P), on average, three quarters earlier than a recession in the general economy (the beginnings of the shaded areas) and has bottomed (T), on average, 2 quarters earlier than the end of the recession.

Equity Investment Perspective
Investment Potential - Long & Short Term



\$1.00 Invested 5/31/1946 • Ending Value: \$60.73 (September 30, 2008) • Compound Annual Rate: 6.8%

Data is based on capital appreciation, month end data, and declines of 10% or greater.

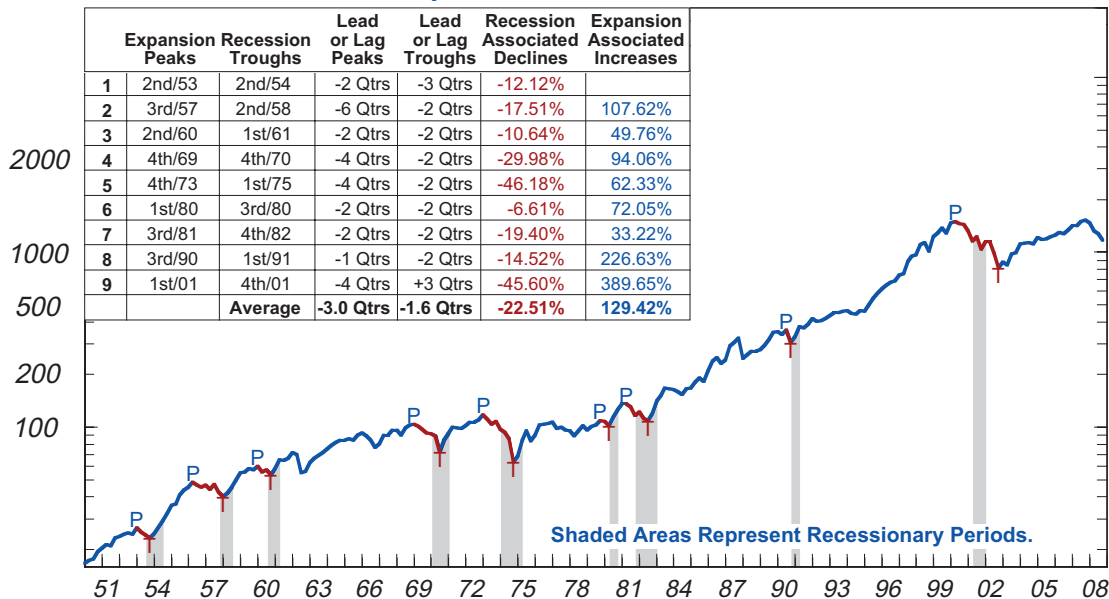
Permanent Gain - The entire gain is preserved through all ensuing declines. • Temporary Gain - The entire gain is lost in an ensuing decline.

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Expansions and Recessions



Last Observations 3rd Quarter 2008 • Bear Markets are measured by The Standard and Poor's 500 Stock Index • Recessions are as defined by The National Bureau of Economic Research. Periods of Falling Earnings are measured by The Standard and Poor's 500 Stock Index-Reported Earnings • Periods of Rising Interest Rates are measured by Treasury Bills. Sources: Standard & Poor's Corporation; Federal Reserve Board; Bureau of Economic Analysis; National Bureau of Economic Research; Copyright © 2008 Crandall, Pierce & Company • All rights reserved. This copyright protected illustration is for internal use only. Under no circumstances may this illustration be copied, reproduced or redistributed in whole or in part including the data contained herein, without prior written permission from Crandall, Pierce & Company. The information presented herein was compiled from sources believed to be reliable. It is intended for illustrative purposes only, and is furnished without responsibility for completeness or accuracy. Past performance does not guarantee future results. Copyright © 2008 CRANDALL, PIERCE & COMPANY • All rights reserved • 14047 West Petronella Drive • Libertyville, Illinois 60048 • 1-847-549-6015 • Internet: www.crandallpierco.com

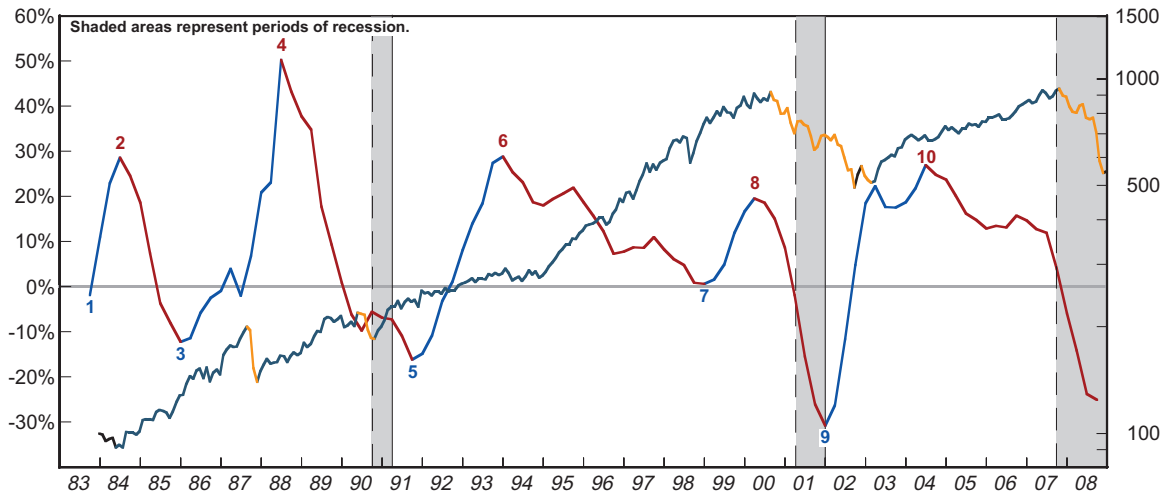
Economic data is reported with a delay. Consequently, current economic “news” (about economic conditions in the recent past) provide very little information about the *future* returns of the equity market. For example, the end of the most recent recession (which began in March 2000) occurred in November 2001. The National Bureau of Economic Research (NBER) made the announcement on July 17, 2003 – 20 months after the recession officially ended. That period was unusual in that the equity markets continued to get worse for over a year after the economic trough (identified in retrospect), and there was some question about whether the economy had entered another recessionary period. The S&P 500 trough was October 4, 2002 and had returned 24.40% by the time of the announcement.

The end of the previous recession (the March 1991 trough which ended the eight month recession starting July 1990) was announced on December 22, 1992. The S&P 500 trough was five months earlier on October 11, 1990 and the index had returned 59.85% by the time of the announcement.

3. Corporate earnings are a lagging indicator of market returns

Over the last 25 years, there have been five periods (the five red lines below) of declining earnings growth (not necessarily negative earnings, just slowing growth) for the companies in the S&P 500 during those periods. This includes the current period of declining earnings which started June 2004. Four of those periods resulted in falling earnings (negative growth) and only three resulted in recessions (indicated by the dashed lines in 1991, 2001, and the current). The most recent earnings trough in 2001 (point 9) coincided with the end of the recession and was unusual because earnings rebounded well in advance of the S&P 500. The August 1998 trough in the S&P 500 occurred 4 months prior to the earnings trough of December 1998 (point 7). The September 1991 trough in earnings growth (point 5) happened six months after the end of the 1991 recession in March, which itself followed the October 1990 S&P 500 trough by 5 months.

Corporate Earnings and The S&P 500 25 Years Ending September 2008



Data (left axis): Annualized growth • Black line segments indicate periods not meeting the trend criteria.
 Data (right axis): month end capital appreciation ending 12/31/08, December 1983=100 • Black line segments indicate periods not meeting the trend criteria.
 Vertical Lines: Recessions - Beginning (dashed line), End (solid line) - as defined by the National Bureau of Economic Research
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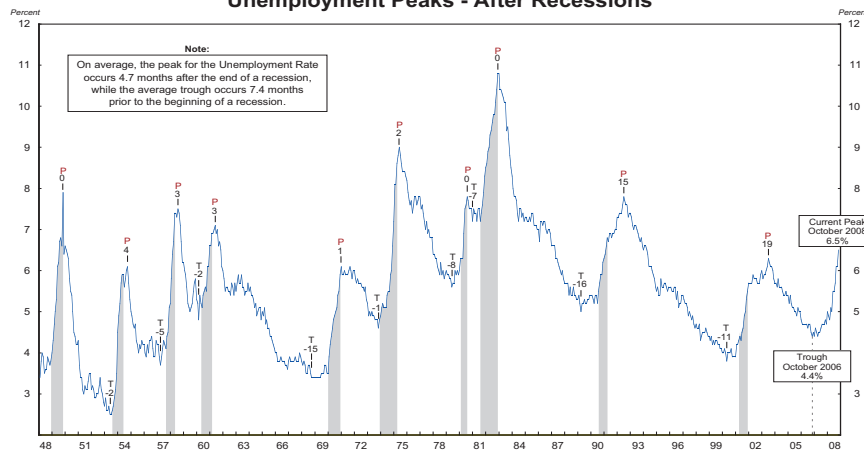
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4. Unemployment is a lagging indicator

Because consumption is such a large part of the US economy, many investors are focused on measures of the financial health of consumers, including consumer confidence, income, and employment. While headlines about mass layoffs can strike fear into the hearts of investors, employment has become an unreliable indicator of economic growth, much less of market returns. Since 1948, unemployment cycles have tended to

span (rather than precede or follow) the 10 recessions – on average, the trough for the unemployment rate (i.e. peak employment) occurred 7.4 months prior to the beginning of the recession and the peak unemployment rate occurred 4.7 months after the end of a recession. The most recent peak came 19 months after the “jobless” recovery from the 2001 recession while the prior peak came 15 months after the 1991 recession.

Unemployment Peaks - After Recessions



Last Observation October 2008
 The shaded areas represent recessionary periods as defined by the National Bureau of Economic Research. T or P signifies the actual peak or trough for the series.
 Negative numbers signify months prior to the NBER recession peak. Positive numbers signify months after the NBER recession trough.
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Gift, Estate, and Retirement Plan Tax Law Changes

Required Minimum Distribution Suspension – President Bush recently signed legislation placing a one year moratorium on required minimum distributions from individual retirement accounts (IRAs) and defined contribution plans, such as 401(k) plans for 2009. We would have preferred a one year moratorium for 2008...with values currently depressed...but Congress and IRS apparently decided the logistical difficulties – and the revenue loss – of implementing a 2008 moratorium were too great.

This relief also applies to clients first turning age 70 1/2 in 2009. Under the new provision, no distribution is required for 2009 and, thus, no *minimum* distribution is required, for anyone, until calendar year 2010. Persons who reached 70½ in 2008 must still distribute their minimum in 2009 if they haven't already done so in 2008.

Meanwhile, due to inflation and the passage of time there are also some changes to the estate tax laws in 2009.

Annual Exclusion Gifts – Because of inflation-adjustment, the annual exclusion amount will increase to **\$13,000** in 2009 from \$12,000 in 2008. Consequently, clients can now make present interest gifts of \$13,000 per recipient, each year, without paying any gift tax. A married couple can give up to \$26,000 per recipient in 2009.

As we noted in our last INSIGHT, it may make sense to give appreciated investments rather than cash to a recipient in a very low income tax bracket because, where the "Kiddie Tax" rules don't apply, the recipient can sell the investment and may only pay 5% (or even zero) capital gain tax. However, a cash gift is still usually best if you want to maximize the

benefits to the recipient.

Clients with young children or grandchildren may be able to give up to \$130,000 (for a married couple) in 2009 to fund §529 College Savings Plans. These gifts use the same \$13,000 per person, per recipient annual gift tax exclusion but permit a 5-year "bunching" to get to a much greater initial amount.

Lifetime Estate Tax Exclusion (Unified Credit Equivalent)

Amount – Under the 2001 Tax Act, the exclusion amount for estate transfers will increase in 2009 to **\$3,500,000** from \$2,000,000 in 2008 (tax-free lifetime gifts are still limited to \$1 million of the \$3.5 million exclusion). The table below summarizes the remaining implementation of the 2001 Tax Act:

	2007 and 2008	2009	2010	2011 and Beyond
Lifetime estate tax exclusion	\$2M	\$3.5M	Repeal	\$1M
Maximum estate tax rate	45%	45%	0%	55%
Cost basis step-up at death?	Yes	Yes	Limited	Yes
Lifetime gift tax exemption	\$1M	\$1M	\$1M	\$1M

As we've remarked in the past, no one really ever expected the 2010 or 2011 situations to actually occur; now, with a new administration and Congress, we believe it very likely that new estate tax legislation later this year will replace those provisions with new arrangements that will be expected to be permanent.

We will, of course, continue to comment on the planning opportunities that may be presented as that legislation takes shape. See Clay Stevens' article on some of the *immediately* relevant considerations.

Despite the apparent connection between employment and consumer spending, the equity market has shown an ability to rise without positive headlines about employment. The most recent bull market coincided with a period of unusually slow payroll growth of 0.6% from 11/01-10/08, much less than half the rate of 1.7% from 3/91 to 2/01, which itself was much slower than the 2.8% from 11/82 – 7/90. There has been a lot of speculation about the impact of technology and other productivity enhancements as well as the difference between the Bureau of Labor Statistics payroll number and the other surveys. But we believe these data tell us that the

market can rise without a significant increase in hiring.

Implications

As it turns out, much of our work was drawn to debunking intuitive understandings of market returns. Equity markets typically turn during (not after) recessions, with the trough in earnings lagging by one or two quarters and the peak in unemployment coming after that. So an end to poor economic reports is not a prerequisite to stopping market declines. Further, conditions tend to reverse rapidly, making it appear darkest before the dawn.

Because of the credit crunch aspect to this downturn, government intervention will feature prominently in the recovery. With riskless short-term interest rates now very close to zero, conventional monetary policy is becoming ineffective. There are other measures available, including an aggressive fiscal stimulus package, more support for the mortgage market by Fannie Mae and Freddie Mac, a commitment by the Fed to an extended period of low rates, and outright purchases of agency or mortgage securities by the Fed.

While a consensus that the end has been reached could still be a long way off, we see a number of signposts of progress toward the end to this current period of market and economic distress:

- Government intervention to stop the panic about financial institutions and to lower interest rates, encouraging economic growth
- Initial rebound in equity indexes as speculators/investors begin to look ahead
- Extremely poor economic reports as companies hunker down and make painful cuts
- Extremely poor corporate earnings reports as companies restructure and layoff significant staff
- After their initial rebound, equity indexes lose steam and enter a trading range as investors try to sort through winners and losers in the expected recovery
- Economic conditions improve as government intervention takes hold
- Corporate earnings reports become positive due to dramatically lower costs and easy year over year comparables
- Consensus that a new period of growth has begun and the NBER eventually dates the end of the recession in 4Q08 or 1Q09 or 2Q09, albeit with an announcement of that fact possibly much later.

Our Tactics

While these lessons from history offer at least a cloudy picture of what to expect, it's disappointing that we have not uncovered any reliable predictive measures. But it's hardly surprising. If there were actually any reliable clues, they would have been discovered long ago. As much as we would like to time the markets, there is no evidence that it can be done reliably and consistently. Each recession/market downturn has its own unique set of factors.

So what can be done?

We are actively evaluating investment strategies which respond to the very attractive current opportunities in areas such as real estate and fixed income. Our research has caused us to make some changes to asset allocations, which we look forward to sharing in meetings with clients over the coming months.

Aside from the strategic decision about the overall allocation of assets, two primary *tactics* respond to the cyclical nature of market returns and the lack of reliable timing between the equity markets and the indicators most investors use:

Tilts toward value – Judging from market dynamics, investors tend to be overly optimistic about investments which have done well recently and overly pessimistic about investments which have done poorly. Valuations reflect these judgments at both the asset class level (bonds v. stocks, US v. international, etc.) and at the security level. We have hired Dimensional Fund Advisors (DFA) (through their mutual funds and separately managed accounts) to comb through the very broad spectrum of global public equity portfolios looking for companies which appear to have become overvalued relative to others. If the overvaluation is large enough to justify the tax and transactions costs, through DFA, we sell the overvalued and buy the undervalued assets.

Portfolio Rebalancing – “Buy low, sell high.” Rebalancing is inherently contrarian, selling the winners (after allowing them to outperform for awhile) and buying the out-of-favor. It takes courage to take a position against the momentum in the market, so we set specific boundaries so the natural desire to be part of the crowd doesn't undermine the opportunity.

In addition to these, we are considering the costs, benefits, and real effectiveness of possible portfolio *hedging* strategies to soften some of the worst case potentials for future portfolio performance.

Summary

We look forward to presenting our full findings, along with modest changes to recommended portfolio allocations, in the very near future.

Jason Thomas, PhD, Chief Investment Officer

Investing in Our Future: Our Clients and Our People

2008 was a remarkable and challenging year for our industry to say the least, and it was especially challenging for the people of our firm. In addition to proactively addressing the client service issues and opportunities that were created by the worst stock market decline since the Great Depression, we were also in the middle of making a significant investment of human and financial capital in our collective future. We took a fresh look toward improving virtually every aspect of our business so we can continue to provide highest quality client service for the very long term future.

When we started 2008, we were known as Kochis Fitz/ Quintile, two newly merged firms who had a strong sense of the benefits our merger would produce:

- Breadth of human capital and client service capabilities well beyond other independent firms in our industry
- Unsurpassed career opportunities for our people
- Scale to enable indefinite independence; and
- The leadership and experience to optimize the collective talents of our organization

As we end 2008 and begin 2009, we are now **Aspiriant**, a firm that is frequently acknowledged as one of, if not the leading independent wealth management firm and the standard bearer for the successful wealth management business model. This amidst the wreckage of other financial services business models whose flaws have been exposed in this exceptional environment. We have accomplished a lot this past year and we are proud of our efforts.

As we celebrate our one year anniversary, we thought it appropriate to look back on our first year together and share with our clients and friends the progress we have made and give some insight into where we are going in 2009.

Over the past year, we have focused on improving several key areas of our business:

- Client Service Offering
- Investment Platform
- Governance
- Management and Administration

Initially, we used a series of committees that were co-led by senior people from each predecessor firm. These committees were empowered to create solutions for the organization that were then further vetted and approved by a joint thirteen person Managing Committee (MC). This MC was deliberately larger than what we know would be effective for the long-term, but we believed it made sense in the early stages of our development, and the broad participation did help to improve the integration process.

Firm Strategy

During the first few months of our merger, Aspiriant's senior management established the firm's long range business strategy:

"To be perceived internally and externally as *the* leading independent wealth management firm on dimensions of business performance, client service, providing integrated solutions, innovation, investment platform, professional and financial opportunity for personnel, and human resources management."

We also committed to grow our net earnings by a substantial annual measure while maintaining significant net margins. We believe that this commitment to success as a business enterprise represents a fair balance for the beneficiaries of our organization: clients (fair fees for highest quality services), people (enabling us to recruit and retain the very best people in the industry), and our owners (maintaining enterprise value and cash flow to transition ownership throughout the generations of owner-operators and thus remain permanently independent).

Core Values

Tom Tracy and Song Park led a committee to identify our shared values, one of the most important early joint efforts of our integration process: documenting those values that Aspiriant authentically exhibits and weaves into the fabric of its client service and business decision-making.

Distinguishing us from almost every other firm in our industry, we place a very high value on our independence, commitment to innovation, intellectual honesty, career opportunity for our people, leadership in our professional community, and our

belief and our practice that every client is a client of the whole firm and not of any individual member of the staff.

Governance

Broadly distributed ownership was one of the most important objectives of our merger and is a strategy that supports three of our core values: remaining independent indefinitely, providing career opportunities for our people, and demonstrating leadership in our professional community. In order to sustain a large and diverse group of principals, capable of circulating ownership from one generation of professionals to the next, we needed to establish an effective governance structure; one that clearly defines the rights, obligations and privileges of share ownership.

During 2008, the Board, chaired by Mike Fitzhugh and including the other elected members, Ken Anderson, Karen Blodgett, Greg Schick and myself, worked with our CEO, Tim Kochis, to help clarify the respective roles of the Board and of management, and clarify what it means to be a shareholder in an environment where we attempt to clearly distinguish ownership rights from management authority.

Management

The respective firms' management structures were very different before the merger and required a transition period that ran throughout 2008 before it could be fully integrated. During 2008, Tim and I worked closely together to harmonize and streamline our management structure in two stages.

The first was completed in July, after we had clarified our firm strategy, and made some important high-level decisions about the client service offering and investment platform. In this first step, we reorganized the client-facing professionals to better align people's roles and responsibilities with the firm's long range objectives and harmonized job titles across the firm.

The second was completed in December and these changes were aimed at making our decision-making structure more effective, by trimming our MC from thirteen to eight and empowering a larger number of functionally focused decision-making bodies. In this reorganization, we also named our successor COO, Tom Tracy, and created two new positions for the organization, Chief Planning Officer ("CPO"), Kacy Gott, focused on maintaining and enhancing our client service offering, and Chief Strategy Officer ("CSO"), Bob Wagman,

focused on helping the organization identify strategic opportunities that support our long term growth objectives.

Client Service Offering

The most important objective of our merger was to enhance our overall client service offering by bringing together diverse talents, expertise, and experience. By combining our resources under one roof we are now able to provide a broader array of services and better tailor our service offering to fit each client's needs, ranging from comprehensive wealth planning services (retirement, tax, estate, philanthropy, etc.) to providing fully integrated, in-house family office solutions. We are not aware of any other firm in our industry that has the breadth of client service capabilities, delivered at highest quality levels, as Aspiriant.

Kacy Gott and Nikki Michelini have coordinated Aspiriant's newly integrated client service offering. Rather than merely cobble together "best current practices" from each former firm, we have reexamined virtually every aspect of the client experience, from process and philosophy to reporting and deliverables. We anticipate that this effort will be completed by early 2009 and we look forward to sharing more about this in the coming months.

Investment Platform & Philosophy

Another primary benefit of our merger was the ability to combine our resources and give us depth and breadth of personnel dedicated to investment research and strategy development.

Led by Bob Wagman and Jason Thomas, Chief Investment Officer, we have integrated our firm's core investment philosophy and have made great progress in unifying our investment operations and reporting under Young Kim, Director of Investment Operations. We have also added two new positions to our dedicated investment team.

We have rounded out an array of access funds for qualified investors in the areas of real estate, private equity, and fixed income. We have also taken a fresh look at the capital market expectations that underlie our portfolio design work for clients. This will permit us to intelligently reconfirm...or modify, as necessary...clients' optimal long range portfolio strategies during 2009.

Corporate

Our commitment to being *the* leading independent wealth management firm extends to all aspects of our organization, including those that clients seldom see: finance, legal, administration, human resources, information technology, and regulatory compliance. Michael Kossman, CFO and Chief Compliance Officer, Sherri Dorton, Director of Human Resources, Eric Montgomery, Director of Finance & Administration, Marc Primiani, General Counsel, and Jay Owens, Manager of IT, have us operating, now, as one firm.

Brand Identity

Our re-branding effort was led by Cammie Doder, Director of Business Development, and Jennifer Kenning. The name "Aspiriant" embodies our goal to help our clients attain the clarity to achieve their aspirations. To communicate to the outside world the characteristics of the firm that our clients know from direct experience, we plan to launch our new website, www.aspiriant.com, in the next month.

Looking Ahead to 2009 and Beyond

Our efforts at integration in 2008 have given us a strong foundation on which we will continue to build in 2009.

In 2008 we added significant staff to build our infrastructure and better support our client service capabilities, and while many of our competitors are laying off staff in this difficult economic

environment, we have instead reduced base compensation for principals and frozen staff salaries, but still plan to continue hiring two additional people during 2009.

We believe that these short-term compensation sacrifices in order to make continuing investments in human capital are precisely the right thing, at precisely the right time, to position us for long-term success in serving our clients. Our ability to think, and act, for the long-term is one of the benefits of being and planning to remain independent, so Aspiriant can help its clients make wise financial choices for many generations to come. To make sure that we're hearing our clients' views on how well we're achieving that goal, we plan to conduct again a client satisfaction survey later this year.

We know that there is more work to be done in 2009 and beyond; but we are passionate about our vision, enthusiastic about our progress, and confident in our ability to achieve.

We want to take this opportunity to thank our clients, our people, and our friends for their continued support during this very challenging, but exciting time for us.

Rob Francois, Chief Operating Officer

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PERFORMANCE RESULTS

			4th Quarter 2008	12 Months to 12/31/08	3 Years Annualized to 12/31/08
Fixed Income	<i>Intermediate</i>	Benchmark Index: Barclays Capital US Aggregate Bond	4.6%	5.2%	5.5%
	<i>(Taxable)</i>	Benchmark Fund: iShares Barclays Aggregate Bond	5.2%	5.9%	5.5%
	*	PIMCO Total Return Institutional	5.0%	4.8%	5.9%
	<i>Intermediate</i>	Benchmark: Morningstar Muni CA Intermediate Category Avg.	-1.7%	-3.6%	0.8%
	<i>(Tax Free)</i>	Vanguard CA Insured Intermediate Tax-Exempt Adm	0.1%	-2.1%	1.7%
Real Estate	<i>Global</i>	Benchmark Index: Dow Wilshire Global RESI	-34.9%	-46.7%	-12.1%
		Benchmark Fund: 60% SPDR DJ Wilshire Intl RE/40% Vanguard REIT Index ETF	-32.6%	-45.4%	N/A
		DWS RREEF Global Real Estate Sec	-32.3%	-48.3%	N/A
	<i>US</i>	Benchmark Index: Dow Jones Wilshire US REIT Index	-40.0%	-39.2%	-12.0%
		Benchmark Fund: iShares US Real Estate	-38.3%	-40.0%	-12.7%
		DWS RREEF US Real Estate	-39.6%	-39.0%	-10.7%
	<i>Energy Infrastructure</i>	Benchmark Index: Citigroup MLP Index	-18.9%	-36.8%	-3.8%
	Kayne Anderson MLP	-27.3%	-37.7%	-5.5%	
Large Cap: Domestic	<i>Blend</i>	Benchmark Index: S&P 500	-21.9%	-37.0%	-8.4%
		Benchmark Fund: iShares S&P 500	-21.9%	-36.9%	-8.4%
		Schwab S&P 500 Institutional Select	-21.9%	-36.8%	-8.3%
		Schwab 1000 Select	-22.3%	-37.2%	-8.4%
	*	Tax Managed Index Separate Account (Aperio/Parametric)	<i>Return based on individual client's portfolio</i>		
	<i>Value Style</i>	Benchmark Index: Russell 1000 Value	-22.2%	-36.8%	-8.3%
		Benchmark Fund: iShares Russell 1000 Value	-22.2%	-36.8%	-8.4%
		Berkshire Hathaway B	-26.9%	-32.1%	3.1%
	*	DFA Large Cap Value	-27.9%	-40.8%	-11.6%
*	DFA Tax Managed Marketwide Value	-27.7%	-41.6%	-11.9%	
Large Cap: Developed Overseas	<i>Blend Style</i>	Benchmark Index: MSCI EAFE	-19.9%	-43.1%	-6.9%
		Benchmark Fund: Vanguard FTSE All World ex US ETF	-21.9%	-44.0%	N/A
		Vanguard Total International Stock Fund	-21.0%	-44.1%	-6.5%
	<i>Value Style</i>	Benchmark Index: MSCI EAFE Value	-19.7%	-43.7%	-7.7%
		Benchmark Fund: iShares MSCI EAFE Value	-19.8%	-43.9%	-8.3%
	*	DFA International Value	-24.4%	-46.3%	-7.4%
	*	DFA Tax Managed International Value	-22.7%	-44.4%	-6.3%

* Preferential Access Through Aspiriant

Returns are stated net of manager's fees, but before Aspiriant fees. All fund returns above are stated including the reinvestment of dividends and capital gains. Figures in bold reflect performance equal to or better than benchmark fund or, in cases where the benchmark fund's performance is not available, performance equal to or better than benchmark index.

PERFORMANCE RESULTS

			4th Quarter 2008	12 Months to 12/31/08	3 Years Annualized to 12/31/08
Small Cap: Domestic	<i>Blend Style</i>	Benchmark Index: Russell 2000	-26.1%	-33.8%	-8.3%
		Benchmark Fund: iShares Russell 2000	-26.0%	-33.6%	-8.2%
	*	DFA US Small Cap	-26.9%	-36.0%	-10.2%
	*	DFA Tax Managed US Small Cap	-28.0%	-38.4%	-11.2%
	*	DFA US Micro Cap	-27.0%	-36.7%	-11.4%
	<i>Value Style</i>	Benchmark Index: Russell 2000 Value	-24.9%	-28.9%	-7.5%
		Benchmark Fund: iShares Russell 2000 Value	-24.7%	-28.7%	-7.5%
	*	DFA US Small Cap Value	-28.7%	-36.8%	-11.8%
*	DFA Tax Managed US Targeted Value	-28.1%	-37.8%	-12.2%	
Small Cap: Developed Overseas		Benchmark Index: MSCI EAFE Small Cap	-22.1%	-46.8%	-13.5%
		Benchmark Fund: SPDR S&P International Small Cap ETF	-21.9%	-45.5%	N/A
	*	DFA International Small Company	-21.4%	-43.9%	-9.5%
	*	DFA International Small Cap Value	-19.4%	-41.7%	-8.3%
Emerging Markets		Benchmark Index: MSCI Emerging Markets	-27.6%	-53.2%	-4.6%
		Benchmark Fund: Vanguard Emerging Markets ETF	-27.8%	-52.8%	-5.3%
	*	DFA Emerging Markets Core Equity Portfolio (inception date 4/5/05)	-26.5%	-50.7%	-3.9%
		Oppenheimer Developing Markets	-28.1%	-48.0%	-4.5%
		SSgA Emerging Markets	-29.8%	-56.3%	-6.3%
		T Rowe Price Emerging Markets	-34.2%	-60.5%	-9.4%
Commodities		Benchmark Index: Goldman Sachs Commodity Index	-47.0%	-46.5%	-15.5%
		Benchmark Fund: iShares GSCI Commodity-Indexed Trust	-46.8%	-45.8%	N/A
		GSCI Enhanced Commodity Total Return Strategy Index ETN	-43.1%	-42.7%	N/A
		iPath GSCI Total Return Index ETN	-47.9%	-47.7%	N/A
		Oppenheimer Real Asset Y	-52.2%	-54.2%	-19.4%

* Preferential Access Through Aspiriant

Returns are stated net of manager's fees, but before Aspiriant fees. All fund returns above are stated including the reinvestment of dividends and capital gains. Figures in bold reflect performance equal to or better than benchmark fund or, in cases where the benchmark fund's performance is not available, performance equal to or better than benchmark index.

The indices and benchmark funds included herein have been selected to allow for comparison of an individual investor's performance to that of certain wellknown and widely recognized indices and funds. The inclusion of an index or benchmark fund should not be considered a representation by Aspiriant that it is an appropriate benchmark, in all client circumstances, for specific securities, or against overall portfolio performance, nor is it a guarantee of individual investor performance that is greater than the benchmark. The performance and volatility of an individual investor's portfolio may be materially different from those of the indices and benchmark funds. Further, an individual investor's holdings may differ significantly from the securities that comprise the indices and benchmark funds. An investor cannot invest directly in any of the above indices, but could potentially invest in the benchmark funds. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information (including performance statistics) available from public sources. This document is provided solely for informational purposes and is not intended to be an offer or solicitation, or the basis for any contract to purchase or sell any security or other instrument, or for Aspiriant to enter into or arrange any type of transaction as a consequence of any information contained herein.