HENRY WEALTH MANAGEMENT, LLC

July 2008 Special Market Update

As political and economic uncertainty builds, we are seeing further downward pressure on stocks and stock funds. Although declines have been significant, I am generally pleased with how our diversified portfolios have held, relative to benchmarks that we measure against.

In keeping with our goal of helping you focus on the long-term telescope as opposed to the short-term microscope, and to assist in avoiding the emotional pitfalls that can quickly turn temporary losses into permanent ones, I have attached an informational piece, courtesy of Legg Mason, that may help keep this present "roller coaster" market in perspective.

Please note two key points:

1- Average returns for long-term holding periods are anything but average for short-term (one-year) holding periods.

2- Missing the best days in the market, which typically occur when the market emerges from a bearish period, can significantly impact performance.

Regardless, we "preach" the following, in all market cycles:

1- Asset Allocation (based on goals, time frames and overall propensity towards risk)
2- Diversification (globally, across all types of stocks and bonds)
3- Rebalancing (on an annual basis, to ensure proper asset allocation)
4- Patience (keep emotions in check- only change allocations based on changes in goals)

As always, your tax advisor should be consulted regarding any tax consequences (which are usually minor) regarding "re-balancing" a taxable (non-IRA) account.

In closing, I know that the period starting with the 4th quarter of 2007 through the 2nd quarter or 2008 has been mostly difficult and uncomfortable. These segments of time are not unprecedented, as the Legg Mason attachment bears out, and are necessary to place you in the position of providing above-inflation and above C.D. returns that most of our clients need in order to enhance the likelihood of meeting their long-term financial independence (retirement) objectives.

Please feel free to contact our administrative assistant, Amy Rhoads, to schedule an office meeting or a telephone appointment with Dan or me.

Sincerely,

Philip C Henry

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President

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Diversification does not guarantee against loss. It is a method used to help manage investment risk

HENRY
WEALTH MANAGEMENT, LLC

THE ESSENTIALS

The Rewards of Long-Term Investing...

A look back to the 1920s

The S&P 500 Index has been used as a broad-based benchmark of U.S. stocks since 1926. On average, annual returns over this period were about 10% a year. But, in most years, they were anything but "average" — as returns in only five of these years fell within the mid-range of 8-12%.

Total returns for the S&P 500 Index — 1926-2006: One-Year Periods

Negative total returns				Positive total returns			
-20% or less	-20% to -12%	-12% to -8%	-8% to 0%	0% to 8%	8% to 12%	12% to 20%	20% or greater
12/31/02 -22.10%	12/31/73 -14.70%	12/31/01 -11.90%	12/31/90 -3.20%	12/31/05 4.91%	12/31/04 10.90%	12/31/06 15.79%	12/31/03 28.70%
12/31/74 -26.50%		12/31/00 -9.10%	12/31/81 -4.90%	12/31/94 1.30%	12/31/93 10.10%	12/31/88 16.80%	12/31/99 21.00%
12/31/37 -35.00%		12/31/69 -8.50%	12/31/77 -7.20%	12/31/92 7.80%	12/31/68 11.10%	12/31/86 18.50%	12/31/98 28.60%
12/31/31 -43.30%		12/31/66 -10.10%	12/31/53 -1.00%	12/31/87 5.20%	12/31/59 12.00%	12/31/79 18.40%	12/31/97 33.40%
12/31/30 -24.90%		12/31/62 -8.70%	12/31/39 -0.40%	12/31/84 6.30%	12/31/26 11.60%	12/31/72 19.00%	12/31/96 23.00%
		12/31/57 -10.80%	12/31/34 -1.40%	12/31/78 6.60%		12/31/71 14.30%	12/31/95 37.60%
		12/31/46 -8.10%		12/31/70 4.00%		12/31/65 12.50%	12/31/91 30.60%
		12/31/41 -11.60%		12/31/60 0.50%		12/31/64 16.50%	12/31/89 31.50%
		12/31/40 -9.80%		12/31/56 6.60%		12/31/59 12.00%	12/31/85 32.20%
		12/31/32 -8.20%		12/31/48 5.50%		12/31/52 18.40%	12/31/83 22.50%
		12/31/29 -8.40%		12/31/47 5.70%		12/31/49 18.80%	12/31/82 21.40%
						12/31/44 19.80%	12/31/80 32.40%
							12/31/76 23.80%
							12/31/75 37.20%
							12/31/67 24.00%
							12/31/63 22.80%
							12/31/61 26.90%
							12/31/58 43.40%
							12/31/55 31.60%
							12/31/54 52.60%
							12/31/51 24.00%
							12/31/50 31.70%
							12/31/45 36.40%
							12/31/43 25.90%
							12/31/42 20.30%
							12/31/38 31.10%
							12/31/36 33.90%
							12/31/35 47.70%
							12/31/33 54.00%
							12/31/28 43.60%
							12/31/27 37.50%
5 Years	1 Year	11 Years	6 Years	11 Years	5 Years	12 Years	31 Years

Average: 10.43%

Source: Weisenberger

Past performance is no guarantee of future results.

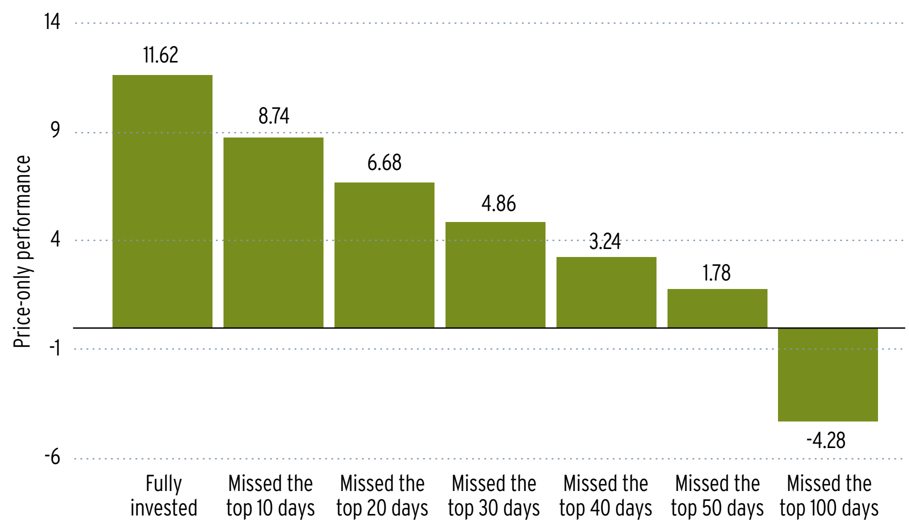
LEGG MASON

It’s Time in the Market — Not Timing

Even missing a few months in the market may cause you to lose out on the biggest gains, which are often concentrated within just a few trading months.

As you can see below, an investment in the S&P 500 from the end of 1986 through the end of 2006 would have returned 11.62% — excluding the effects of dividends. But missing just the best 10 days in this 20-year period would have reduced that average annual return to 8.74%. If you had missed the top 100 days in this period, your return would have been negative, at -4.28%.

Market returns: S&P 500 Index from 12/31/86-12/31/06



This chart is for illustrative purposes only and does not represent an actual investment or the performance of any specific investment. Source: FactSet and Standard & Poor’s as of 12/31/06.

Past performance is no guarantee of future results. The chart provided is for illustrative purposes only and represents an unmanaged index in which investors cannot directly invest. Performance shown does not represent the past or future performance of any investment product. The S&P 500 Index is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S.

Timing the market may seem rewarding in the short term, but if you missed the top trading days between the end of 1986 and the end of 2006, you would have dramatically decreased your returns.

> What to Do Now?

If we can learn from the lessons of history, it’s important not to let short-term fluctuations in financial markets interfere with your long-term investing goals. Start by developing a disciplined, long-term investing plan with your financial professional, based on your individual financial goals, time horizon and tolerance for risk.

Mutual funds and variable annuities are sold by prospectus only. You should consider the fund’s and/or the insurance contract and underlying portfolios’ investment objectives, risks, charges and expenses carefully before investing, as appropriate. The prospectuses contain this and other important information about the fund, the insurance contract and the underlying portfolios. To obtain a free prospectus, please call your financial professional. You should read the prospectuses carefully before investing.

Certain portfolios are available as an investment option under a variable annuity or variable life. Shares of these portfolios are offered only to insurance company separate accounts that fund certain variable annuity or life contracts. These portfolios may not be available in all states and may only be offered in certain variable products. Please refer to the prospectuses. Variable annuities are long-term, tax-deferred investment vehicles designed for retirement purposes. Withdrawals made prior to age $59\frac{1}{2}$ are subject to a 10% IRS penalty charge and/or surrender charges. Investments in a variable annuity are subject to market risks, including possible loss of principal. Guarantees are based on the claims-paying ability of the insurer. Past performance is no guarantee of future results.

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All investments involve risk, including possible loss of principal.