



TO: U.S. Private Clients of Oliver Capital Management, Inc.
FROM: Mark K. Oliver, President - Senior Investment Advisor
DATE: July 22nd, 2008
RE: **Q2 - 2008 Quarterly Report**, including the model Strategically Engineered Portfolio Program (SEPP) Performance Report and related materials

The enclosed report contains three sections:

1. The Economy, the Markets, and Business in general
2. The model Strategically Engineered Portfolio Program (SEPP)
3. Oliver Capital Management and you

THE ECONOMY, THE MARKETS, AND BUSINESS IN GENERAL

While the markets and economy have shown some signs of recovery since the end of the second quarter, both Domestic and Global market returns during the second quarter extended their downward trend. Concerns over slowing economic growth and rising inflation (i.e., stagflation) took root in June after a fairly solid market during the first two months of the quarter (April and May). June's decline erased the market's previous gains on the quarter, for a net negative result of -2.67% during the second quarter.

In summary, during the second quarter of 2008:

- Record oil and food prices stoked global inflation concerns
- The Federal Reserve ended its interest rate easing streak
- U.S. economic growth was hampered by a deteriorating housing market, the ongoing credit crunch, and rising unemployment
- Every U.S. major market sector declined, weighed down by one of the worst Junes on record
- Growth stocks outperformed Value stocks
- Mid-cap stocks significantly outperformed Large-cap and Small-cap stocks
- Consumer confidence continued to drop

In late 2002, “bear market” headlines and ownership of money-market mutual funds hit record peaks – just prior to a bull-market rally in equities/stocks. During the first half of 2008 a similar pattern has begun to emerge, with a proliferation of Bear Market headlines and money market mutual fund assets rising sharply as stocks have declined. While I do not want to be overly presumptuous and call a market bottom, nor conclude that we've turned the corner and are home free, I do believe that such lessons from history can serve as a reminder that following the “herd” of investors moving in one direction can often lead to disappointing results.

Because the risks of chasing a popular, and often more comfortable, investment trend generally increase as a herd movement matures, investors should consider whether withdrawing from an asset class is worth the higher risks typically accorded with such a move.



Being conscious of the long-term benefits of owning a mix of non-correlated assets may prevent destructive investment behavior and keep a carefully constructed portfolio (i.e., our SEPP) on track.

Maintaining a well-diversified exposure to multiple asset classes throughout market cycles over time is a strategy that has provided investors with less-volatility, and returns which are more consistent with their expectations.

THE MODEL STRATEGICALLY ENGINEERED PORTFOLIO PROGRAM (SEPP)

“**The Silver Lining**”: Year to Date, the model Strategically Engineered Portfolio Program, while still negative, has outperformed the average of the four major market indexes (consisting of the S & P 500, the Dow Jones Industrial Average, NASDAQ, and the Russell 3000). As of the end of the second quarter, the model SEPP is off 11.50% year-to-date, while the overall market is down 12.48%. During Q2-2008, the model SEPP dropped 3.89%, while the major market index average lost 2.67%. Please take a moment to review the attached model SEPP Performance Spreadsheet for more detailed performance information.

It is noteworthy that both the model SEPP’s mid-cap and small-cap positions were positive during the second quarter, given the overall downtrend of the market as a whole. The positive inverse movement of these two positions was offset by the dismal performance of the SEPP’s financial sector position which experienced a significant pull-back during Q2-2008. The financial sector weakness during Q2-2008 was precipitated by the continued write-down of securities related to the struggling residential housing market which led many companies to report large quarterly profit losses, and in general, weighed on sentiment throughout the entire financial sector.

I have also enclosed a listing of the TOP 20 HOLDINGS in each of the seven Market Indexes that make up our model SEPP, as of the end of Q2-2008.

OLIVER CAPITAL MANAGEMENT AND YOU

Please take a minute to read the enclosed recent article wherein **John Bogle, the highly respected founder of Vanguard**, urges investors to “**Set it, and forget it.**” In other words, implement a **simple, well diversified, time-tested investment strategy (such as our model SEPP)**, and **try not to let the short term market gyrations cause you to make emotional, unnecessary, and perhaps ill-timed changes to our well thought out and deliberately chosen course of action / investment allocation.**

As always, please do not hesitate to call or e-mail me if you have any thoughts or questions about this Quarterly Report, or if you would like to receive an updated copy of our Form ADV.

Very truly yours,

Mark K. Oliver
President - Senior Investment Advisor



STRATEGICALLY ENGINEERED PORTFOLIO PROGRAM (SEPP)

Second Quarter Performance Report as of June 30, 2008

Model SEPP Portfolio Component	Weight	Second Quarter Total Return as of 6/30/2008	Year to Date Return as of 6/30/2008	One Year Total Return as of 6/30/2008	Three Year Average Annual Return as of 6/30/2008	Five Year Average Annual Return as of 6/30/2008	Ten Year Average Annual Return as of 6/30/2008
Large Cap Portfolio	10.00%	-2.74%	-11.91%	-13.13%	4.33%	7.50%	2.79%
Mid-Cap Portfolio	20.00%	5.40%	-3.93%	-7.39%	7.29%	12.45%	9.64%
Small-Cap Portfolio	20.00%	0.42%	-7.05%	-14.65%	3.98%	11.46%	7.39%
International Portfolio	10.00%	-2.28%	-10.90%	-10.77%	12.70%	16.44%	5.53%
Aggregate Bond Portfolio	10.00%	-1.06%	1.24%	7.09%	3.89%	3.62%	5.44%
Select Dividend Portfolio	20.00%	-13.99%	-22.11%	-28.62%	-3.90%	4.98%	5.48%
Strategically Selected Portfolio (Financials)*	10.00%	-16.47%	-27.20%	-28.63%	-0.18%	4.07%	5.01%
Oliver Capital Management Model SEPP Portfolio		-3.89%	-11.50%	-14.68%	3.55%	8.94%	6.38%
Index / Benchmark	Weight						
S&P 500	100.00%	-2.74%	-11.91%	-13.13%	4.33%	7.50%	2.79%
Dow Jones Industrial Average	100.00%	-6.92%	-13.52%	-13.55%	5.56%	6.93%	4.23%
NASDAQ	100.00%	0.75%	-13.31%	-11.47%	4.25%	7.65%	2.18%
Russell 3000	100.00%	-1.76%	-11.19%	-12.97%	4.46%	8.10%	3.24%
Average of all Four (4) Major Market Indexes		-2.67%	-12.48%	-12.78%	4.65%	7.54%	3.11%

* In 2002 through 2007, the Strategically Selected Sector Portfolios were technology, technology, telecommunications, technology, telecommunications, and healthcare respectively. In 2008, the Strategically Selected Sector Portfolio is the financial sector index.

ALL DATA IS BASED ON INDEX VALUES. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Unless otherwise stated, all performance data above reflects the reinvestment of all dividends and interest, and do not represent the returns one would receive if shares were traded at other times than that of the Model SEPP. Performance numbers above have not been reduced by Oliver Capital Management fees. The Model SEPP is intended for investors seeking long-term growth of capital. Comparisons to broad stock market indexes, such as the unmanaged indexes listed above, may not be appropriate. Client accounts may be invested in securities that are not included in these indexes, and one cannot invest directly in an index. The model SEPP involves investment risk, including possible loss of principal.

The results and conclusions made herein do not necessarily reflect that of any OCM client portfolio and are not intended to recommend any specific investment or type of investment. Fund and Indexes, minus applicable iShare expense ratios, were used when actual iShare funds did not exist. Before making any investment, all aspects associated with it, including, but not limited to, applicable fees, charges, expenses and tax implications, should be considered. The information and results contained herein are based upon data obtained from sources we believe to be reliable (including, but not limited to, Ibbotson Associates, Barclays Global Investors, SEI); however, Oliver Capital Management, Inc., and/or its affiliates, do not guarantee the completeness or accuracy thereof.



SEATTLE POST-INTELLIGENCER

May 24, 2008

Of Mutual Interest: Set your strategy and stick with it, says Vanguard founder *(excerpts)*

By **TIM PARADIS**
THE ASSOCIATED PRESS

JOHN BOGLE, FOUNDER of the nation's second-largest mutual fund company, dismisses many of the products hawked these days by financial companies as largely self-serving. His advice for investors seems to square with one popular marketing pitch: **Set it and forget it.**

The phrase serves as a delightfully short to-do list for those who don't want to juggle many investment decisions. **And the idea of making an investment decision and sticking with it has helped the retired chief executive of The Vanguard Group and creator of the index mutual fund accumulate a healthy savings account of his own and to look past many of Wall Street's gyrations.**

Bogle said in an interview that investors too often chase returns rather than adopt a long-term investment strategy that prizes broad diversity and low fees.

His actions, or lack of them, reveal his devotion to long-term investing -- for example, how much of his portfolio has been in bonds. In the mid-1990s, Bogle said, he had about 20 percent of his holdings in bonds. **He said he was probably invested too conservatively for much of his career.**

Bogle said many investors have little reason to look beyond a simple investment plan -- despite the litany of advice, pitches and come-ons that people receive. **He sees many of the funds that promise to carry investors to every corner of the investable universe as unnecessary.**

But some newer products have merit, he contends. By keeping investors out of the cockpit and away from the controls, investments such as target-date funds can help those saving for retirement or other far-off goals from fiddling with their holdings. The funds offer a different route to saving than Bogle has taken but, if done right, they can help investors sidestep many distractions and avoid being driven by emotion.

Bogle said he has proven that simplicity in investing can be a powerful weapon. He contended -- as he has throughout his career -- that staying away from actively managed



funds, as opposed to index funds, helps hold down costs, leaving more in investors' pockets.

"The focus is always on simplicity," he said of his approach to investing and to the operations at Vanguard, which he no longer oversees. "I don't like managers to do very much. In an index fund you do essentially nothing."

He said he's done the same with his own investments, dutifully setting aside money in a retirement account.

"I was making \$3,000 a year and so in July 1951, I put 15 percent of my first monthly check of \$250 in -- \$37.50 -- and I've been doing it ever since," he said, noting that as a retirement account it was sheltered from taxes and that he transferred his holdings to Vanguard after he founded the company in 1974.

He said the power of compounding interest, low-cost investments and the shield from taxes have left him with an enviable chunk of money.

"It's worth a bloody fortune. I mean it's a lot of money and I didn't really do anything except save all the time."

But far from bragging, he sees his brand of regular savings and conservative investments as an ideal way for investors saving for retirement to avoid getting sidetracked by funds that are trying to expand their own asset base and earnings rather than solely boost shareholders' returns.



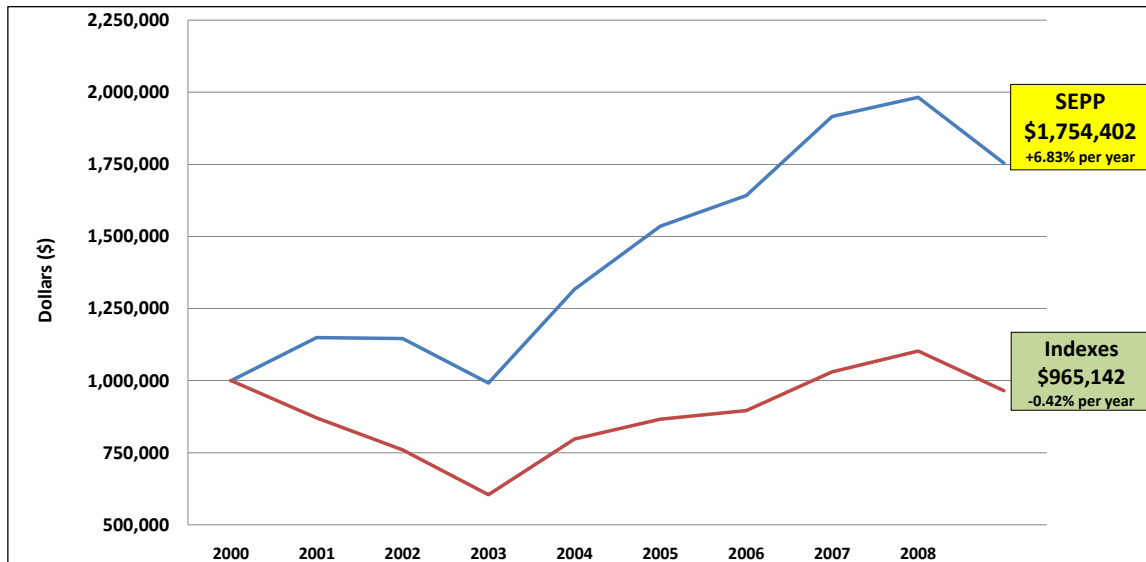
STRATEGICALLY ENGINEERED PORTFOLIO PROGRAM (SEPP)

\$1,000,000 Invested in the Model SEPP

VS.

Major Market Indexes

January 1, 2000 through June 30, 2008



	Model SEPP Portfolio	
	SEPP Return (%)	\$1,000,000 Invested in the SEPP on January 1, 2000
Year 2000	14.92%	\$ 1,149,200
Year 2001	-0.24%	\$ 1,146,442
Year 2002	-13.49%	\$ 991,787
Year 2003	32.82%	\$ 1,317,291
Year 2004	16.55%	\$ 1,535,303
Year 2005	6.91%	\$ 1,641,393
Year 2006	16.72%	\$ 1,915,801
Year 2007	3.48%	\$ 1,982,375
YTD 2008*	-11.50%	\$ 1,754,402

	Indexes	
	Index Return (%)	\$1,000,000 invested in Indexes on January 1, 2000
Year 2000	-12.97%	\$ 870,263
Year 2001	-12.67%	\$ 759,989
Year 2002	-22.76%	\$ 604,747
Year 2003	34.28%	\$ 797,095
Year 2004	8.95%	\$ 866,529
Year 2005	3.32%	\$ 896,480
Year 2006	14.28%	\$ 1,029,786
Year 2007	7.36%	\$ 1,102,305
YTD 2008*	-12.48%	\$ 965,142

* Through 06/30/2008

Compound Annual Growth Rate	
Model SEPP Portfolio	6.86% per year
Indexes	-0.42% per year
From January 1, 2000 through June 30, 2008	

ALL DATA IS BASED ON PRICE RETURN. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Unless otherwise stated, all performance data above reflects the reinvestment of all dividends and interest and have been reduced by applicable iShare expense ratios, and do not represent the returns one would receive if shares were traded at other times than that of the Model SEPP. Performance numbers above have not been reduced by Oliver Capital Management fees. The Model SEPP is intended for investors seeking long-term growth of capital. Comparisons to broad stock market indexes, such as the unmanaged indexes listed above, may not be appropriate. Client accounts may be invested in securities that are not included in these indexes, and one cannot invest directly in an index. The model SEPP involves investment risk, including possible loss of principal. The Major Market Indexes used in the analysis above is the average of the S&P 500, Dow Jones Industrial Average, NASDAQ, and the Russell 3000 for the same period.

The results and conclusions made herein do not necessarily reflect that of any OCM client portfolio and are not intended to recommend any specific investment or type of investment. Fund Indexes, minus applicable iShare expense ratios, were used when actual iShare funds did not exist. Before making any investment, all aspects associated with it, including, but not limited to, applicable fees, charges, expenses and tax implications, should be considered. The information and results contained herein are based upon data obtained from sources we believe to be reliable (including, but not limited to, Ibbotson Associates, Barclays Global Investors, SEI); however, Oliver Capital Management, Inc., and/or its affiliates, do not guarantee the completeness or accuracy thereof.



**2008 Strategically Engineered Portfolio Program (SEPP)
 Top Twenty Holdings Report As of 06/30/2008**

**LARGE CAP PORTFOLIO (IVV)
 TOP 20 HOLDINGS AS OF 6/30/2008**

	<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1	Exxon Mobil Corp	XOM	NYSE
2	General Electric Co	GE	NYSE
3	Microsoft Corp	MSFT	NASDAQ
4	Chevron Corp	CVX	NYSE
5	AT&T Inc	T	NYSE
6	Procter & Gamble	PG	NYSE
7	Johnson & Johnson	JNJ	NYSE
8	Intl Business Machines	IBM	NYSE
9	Apple Inc	AAPL	NASDAQ
10	ConocoPhillips	COP	NYSE
11	Cisco Systems Inc	CSCO	NASDAQ
12	Wal-Mart Stores Inc	WMT	NYSE
13	Schlumberger Ltd	SLB	NYSE
14	Intel Corp	INTC	NASDAQ
15	Google Inc	GOOG	NASDAQ
16	JPMorgan Chase & Co	JPM	NYSE
17	Pfizer Inc	PFE	NYSE
18	Hewlett-Packard Co	HPQ	NYSE
19	Bank Of America Corp	BAC	NYSE
20	Philip Morris	PM	NYSE

**MID CAP PORTFOLIO (IJH)
 TOP 20 HOLDINGS AS OF 6/30/2008**

	<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1	Arch Coal Inc	ACI	NYSE
2	Cleveland-Cliffs Inc	CLF	NYSE
3	Activision Inc	ATVI	NASDAQ
4	FMC Technologies Inc	FTI	NYSE
5	Pioneer Natural Resources	PXD	NYSE
6	Denbury Resources Inc	DNR	NYSE
7	Equitable Resources Inc	EQT	NYSE
8	Newfield Exploration Co	NFX	NYSE
9	Joy Global Inc	JOYG	NASDAQ
10	Pride International Inc	PDE	NYSE
11	Flowserve Corp	FLS	NYSE
12	Amphenol Corp	APH	NYSE
13	Plains Exploration	PXP	NYSE
14	Western Digital	WDC	NYSE
15	Helmerich & Payne	HP	NYSE
16	CF Industries Holdings	CF	NYSE
17	Steel Dynamics Inc	STLD	NASDAQ
18	SPX Corp	SPW	NYSE
19	Harris Corp	HRS	NYSE
20	Forest Oil Corp	FST	NYSE

**S&P SMALL CAP PORTFOLIO (IJR)
 TOP 20 HOLDINGS AS OF 6/30/2008**

	<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1	Oceaneering Intl Inc	OII	NYSE
2	Patriot Coal Corp	PCX	NYSE
3	St Mary Land & Exp.	SM	NYSE
4	Unit Corp	UNT	NYSE
5	Helix Energy Solutions	HLX	NYSE
6	Ansys Inc	ANSS	NASDAQ
7	Atwood Oceanics Inc	ATW	NYSE
8	Itron Inc	ITRI	NASDAQ
9	Southern Union Co	SUG	NYSE
10	Penn Virginia Corp	PVA	NYSE
11	UGI Corp	UGI	NYSE
12	Gardner Denver Inc	GDI	NYSE
13	W-H Energy Services Inc	WHQ	NYSE
14	Idexx Laboratories Inc	IDXX	NASDAQ
15	Landstar System Inc	LSTR	NASDAQ
16	Essex Property Trust Inc	ESS	NYSE
17	Kirby Corp	KEX	NYSE
18	Varian Semiconductor Equip	VSEA	NASDAQ
19	Micros Systems Inc	MCRS	NASDAQ
20	Atmos Energy Corp	ATO	NYSE

**INTERNATIONAL PORTFOLIO (EFA)
 TOP 20 HOLDINGS AS OF 6/30/2008**

	<u>Name</u>	<u>Ticker</u>
1	BP Plc	BP
2	Total SA	FP
3	HSBC Holdings Plc	HSBA
4	Nestle SA	NESN
5	Vodafone Group Plc	VOD
6	Royal Dutch Shell	RDSA
7	BHP Billiton Ltd	BHP
8	E. On Ag	EOA
9	Toyota Motor Corp	TM
10	Roche Holding Ag	ROG
11	Novartis Ag	NOVN
12	GlaxoSmithKline Plc	GSK
13	Rio Tinto Plc	RIO
14	Banco Santander Sa	SAN
15	Telefonica Sa	TEF
16	Royal Dutch Shell	RDSB
17	Eni Spa	ENI
18	Siemens Ag	SIE
19	Nokia	NOK
20	Anglo American Plc	AAL



2008 Strategically Engineered Portfolio Program (SEPP) Top Twenty Holdings Report As of 06/30/2008

AGGREGATE BOND PORTFOLIO (AGG) TOP 20 HOLDINGS AS OF 6/30/2008

<u>Name</u>	<u>Credit Rating (S&P)</u>
1 FGOLD 30yr Tba(Reg A)	Aaa / AAA
2 FNMA 30yr Tba(Reg A)	Aaa / AAA
3 Treasury Note	TSY / TSY
4 FGOLD 30yr Tba(Reg A)	Aaa / AAA
5 FNMA 30yr Tba(Reg A)	Aaa / AAA
6 Treasury Note	TSY / TSY
7 Treasury Note	TSY / TSY
8 Treasury Note	TSY / TSY
9 FNMA 30yr Tba(Reg A)	Aaa / AAA
10 Fannie Mae	TSY / TSY
11 Treasury Note	TSY / TSY
12 FGOLD 30yr Tba(Reg A)	Aaa / AAA
13 Treasury Bond	TSY / TSY
14 Freddie Mac	TSY / TSY
15 Treasury Note	TSY / TSY
16 FGOLD 15yr Tba(Reg B)	Aaa / AAA
17 FNMA 15yr Tba(Reg B)	Aaa / AAA
18 Treasury Bond	TSY / TSY
19 FGOLD 15yr Tba(Reg B)	Aaa / AAA
20 FNMA 15yr Tba(Reg B)	Aaa / AAA

SELECT DIVIDEND PORTFOLIO (DVY) TOP 20 HOLDINGS AS OF 6/30/2008

<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1 FirstEnergy Corp	FE	NYSE
2 PNC Financial Services	PNC	NYSE
3 DTE Energy Company	DTE	NYSE
4 Chevron Corp	CVX	NYSE
5 Pinnacle West Capital	PNW	NYSE
6 Nicor Inc	GAS	NYSE
7 Eastman Chemical Company	EMN	NYSE
8 PPG Industries Inc	PPG	NYSE
9 Genuine Parts Co	GPC	NYSE
10 Energy East Corporation	EAS	NYSE
11 Lincoln National Corp	LNC	NYSE
12 Comerica Inc	CMA	NYSE
13 AT & T Inc	T	NYSE
14 Unitrin Inc	UTR	NYSE
15 Nisource Inc	NI	NYSE
16 Bank Of America Corp	BAC	NYSE
17 Universal Corp	UVV	NYSE
18 Merck & Co. Inc.	MRK	NYSE
19 FirstMerit Corp	FMER	NASDAQ
20 New York Community Bancorp	NYB	NYSE

US FINANCIAL SECTOR PORTFOLIO (IYF) TOP 20 HOLDINGS AS OF 6/30/2008

<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1 Bank Of America	BAC	NYSE
2 JPMorgan Chase & Co	JPM	NYSE
3 Citigroup Inc	C	NYSE
4 American Intl Group	AIG	NYSE
5 Wells Fargo & Company	WFC	NYSE
6 Goldman Sachs Group	GS	NYSE
7 US Bancorp	USB	NYSE
8 Wachovia Corp	WB	NYSE
9 Bank Of New York Mellon	BK	NYSE
10 Morgan Stanley	MS	NYSE
11 American Express Co	AXP	NYSE
12 Merrill Lynch & Co	MER	NYSE
13 Prudential Financial Inc	PRU	NYSE
14 Aflac Inc	AFL	NYSE
15 State Street Corp	STT	NYSE
16 The Travelers Co	TRV	NYSE
17 Allstate Corp	ALL	NYSE
18 Metlife Inc	MET	NYSE
19 Fannie Mae	FNM	NYSE
20 CME Group Inc	CME	NYSE

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- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.

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