I hope that you are well.

An extended trip to the UK means that we have a late update this month. Things will be back to normal with a far more in depth analysis in early October.

In August, markets were mixed. Sub prime volatility continued, but without the venom of the previous two months. The LWM portfolio was down -1.93% for the month. The FTSE lost -0.89%, the Nikkei -3.94% and the CAC -1.54%. The DAX gained 0.71% and the US did well, with gains of 1.29% for the S&P500 and 1.10% for the Dow. The LWM portfolio has now returned 56.92% since launch in October 2005.

We continue to hold a contrarian position in a number of stocks hit by the sub prime issue which has led to worse than average losses and increased volatility over the last three months. Our worst performers were Fremont General and property market insurer MGIC, which lost 22.01% and 21.99% respectively. To put things in context, whilst retaining our positions in these stocks is likely to cause us continued short-term volatility, we hold the stocks in anticipation that they could increase their value by several hundred percent over the medium – long term.

Liberty International was our best performer with a 15.51% return. Posco of Korea continued to outperform with a gain of 7.62%. Bank of America was up by 6.87% and E.ON by 6.35%.

At LWM we operate according to a strict value-based investment methodology. We focus on undervalued tangible assets, established companies and strong dividends. By purchasing companies at a substantial discount to their intrinsic value, we seek to reduce risk whilst increasing the likelihood of generating superior returns.

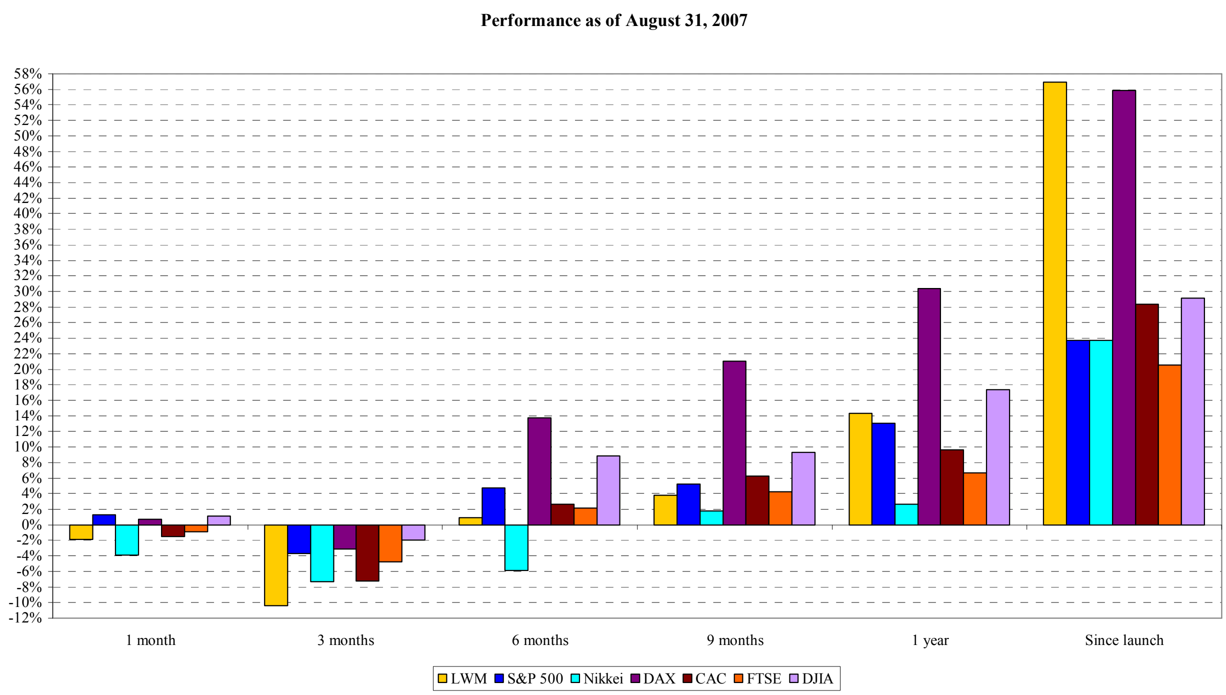
Please forward this to any friends or colleagues for whom you feel this may be of interest. If this has been forwarded to you and you would like to receive monthly performance updates, please let me know.

Kind regards,

Justin

www.loweswealth.com

Lowes Wealth Management – August Performance Report



	LWM	S&P 500	Nikkei	DAX	CAC	FTSE	DJIA
1 month	-1.93%	1.29%	-3.94%	0.71%	-1.54%	-0.89%	1.10%
3 months	-10.44%	-3.70%	-7.31%	-3.11%	-7.23%	-4.80%	-1.98%
6 months	0.93%	4.77%	-5.88%	13.74%	2.65%	2.14%	8.88%
9 months	3.84%	5.24%	1.81%	21.06%	6.29%	4.21%	9.29%
1 year	14.35%	13.05%	2.65%	30.35%	9.64%	6.73%	17.37%
Since launch	56.92%	23.72%	23.70%	55.86%	28.33%	20.57%	29.12%

Key

LWM – Lowes Wealth Management
MSCIW – Morgan Stanley Global Index
S&P 500 – US Standard and Poor's Index
FTSE – UK Index
DAX – German Index
CAC – French Index
N225 – Japanese Nikkei Index

*** An explanation of how we derive our performance figures.**

The performance figure that we quote is the total return on our entire equity portfolio. Thus, it measures the performance of all stocks that we actually own on behalf of our clients. This is a gross return (no charges are calculated) and is expressed in US Dollars. (Which is the currency most commonly invested by our clients.). We measure only the performance of the equity that we hold – we do not factor in any cash that is held. (Which will tend to dilute performance when our stocks rise in value, but dilute losses when our stocks fall.).

Whilst this is, therefore, an accurate indication of the performance of the stocks that we hold on behalf of all our clients, each individual clients' returns will be different due to charges, the cash that we hold on their behalf, depending upon when they invested and in which currency.

Please note: As always, I've tried to ensure that this will go out only to those who will be interested in this information. If you don't want to receive this in future please let me know and I'll take you off the list immediately.

Disclaimer

Stated performance reflects equity gains, exclusive of any fees.

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