

MARKET COMMENTARY

The equity markets enjoyed another strong performance in the fourth quarter extending the gains of the third quarter, perpetuated by the beneficial effects of the Federal Reserve Bank interest rate pause in August. During the fourth quarter, the DJIA and the S & P 500 reached all time, new high levels even though the US economy growth rate slowed throughout 2006. This slowing was mostly evident in the residential housing sector and consequently, some economists are forecasting a recession in 2007 as the effect of lower home sales slows the construction industry and depressed home selling prices. We think there are numerous positive trends, which have and will counter the effect of the sharp decline in residential construction. GDP may have reached its slowest growth rate in the fourth quarter, and for most forecasters, it is expected to show moderately higher sequential quarterly growth rates in 2007. For all of 2007, GDP real growth is forecast at 2.5 – 3.0%,

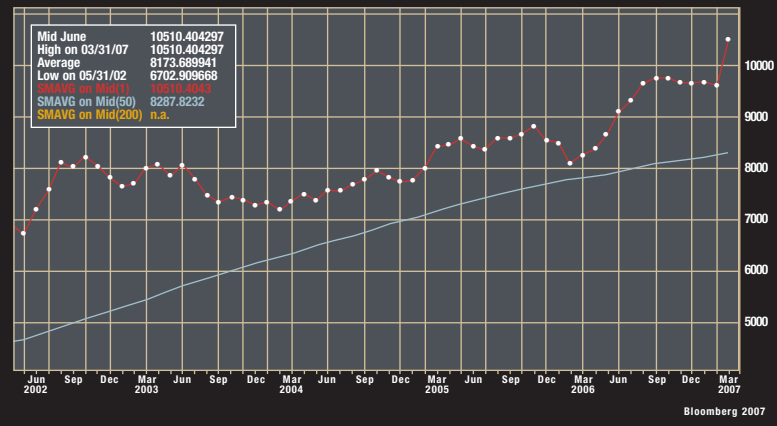
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INVESTMENT STRATEGY

Our investment strategy at this juncture is to continue to be fully invested in equities and hold bond positions with relatively short maturities. Low, stable interest rates, a moderately growing economy as well as reasonable stock valuations, are favorable ingredients for a rising stock market. Corporate profits continue to increase at historically high rates to record levels. This trend is also occurring in most of the developed and emerging countries worldwide, providing expanding markets for all participants. This is also fueled by significant corporate liquidity.

NYSINYSE Index GPO



SECTOR ALLOCATION

Position	Sectors	S & P 500
0	Consumer Discretionary	11%
-	Consumer Staples	10%
+	Energy	10%
+	Financials	22%
0	Health Care	14%
+	Industrial	9%
+	Information Technology	16%
+	Materials	2%
0	Telecom services	4%
0	Utilities	3%

IN THE NEWS

Chris “Biff” Baker received two awards at the CFA Society of Cleveland’s Annual Forecast Dinner. Each year the CFA Society of Cleveland presents six individual awards. For 2006, Biff claimed the Forecast Champion award for the S&P 500 Index (+14.9% forecast vs. +15.8% actual) and the Forecast Champion award for the Best Stock Idea (Century Aluminum +71%). GDP may have reached its slowest growth rate in the fourth quarter, and for most forecasters, it is expected to show moderately higher sequential quarterly growth rates in 2007. For all of 2007, GDP real growth is forecast at 2.5 – 3.0%,

MARKET PERFORMANCE

	1Q2007	Year
S & P 500	6.7%	15.8%
DJIA	7.3%	19.0%
NASDAQ	7.0%	9.5%
MSCI EAFE	9.3%	25.86%
Lehman Agg	0.0%	4.33%

INDIVIDUAL INVESTOR

IRA Charitable Rollover

The federal IRA charitable rollover included in the Pension Protection Act of 2006 provides a new federal exclusion from income for distributions from individual retirement accounts to qualified charities. The Ohio General Assembly has passed legislation that conforms to the federal law, saving donors from paying Ohio tax on IRA charitable rollovers.

NEW ADVISOR

We are very pleased to welcome Sam Thomas, PhD as an advisor to Winfield’s Investment Committee. Sam is a Senior Lecturer of Banking and Finance at Case Western Reserve University’s Weatherhead School of Management in Cleveland. Sam received a PhD from the Wharton School of Management at the University of Pennsylvania in 1993, an MBA from the College of William and Mary in 1984 and an MA in Economics from the Birla Institute of Technology and Science (India) in 1981.

2007 PENSION PLAN LIMITS

Pension plan benefit and contribution limits are reviewed every year and adjusted as necessary to account for increases in the cost of living. Here are the figures for the 2007 tax year.

The maximum amount that may be added to a participant’s 401(k), profit sharing, or other defined contribution plan account is \$45,000 (up from \$44,000).

The dollar limit on elective salary deferrals to a 401 (k) or 403 (b) plan is \$15,500 (up from \$15,000). The limit is \$10,500 (up from \$10,000) for SIMPLE plan deferrals.

The limit on catch-up contributions (for those age 50 or older) remains unchanged –\$5,000 for 401(k) and 403(b) plans and \$2,500 for SIMPLE plans.

When computing benefits or contributions, the maximum amount of salary that may be considered is \$225,000 (up from \$220,000).