



UNITED ASSET STRATEGIES, INC.

*"planning for a lifetime"*

October 2007

To our clients and friends,

***WHAT A DIFFERENCE A RATE CUT MAKES!***

The Federal Reserve's surprise 50 basis point rate cut served double duty by restoring liquidity to the beaten down credit markets and by giving a boost to a stock market that anticipates continued low inflation and low interest rates. Last weeks strong job creation was icing on the cake and the stock market kept improving.

The domestic stock market has been able to shrug off \$80 per barrel oil prices, rising food and health care costs, as well as a dollar that has fallen to near all-time lows against the Euro, Pound and even the Canadian dollar.

With the US stock market currently offering a more attractive valuation than many international markets and returns that are likely to out perform the bond market, a severe correction in US stock prices seems unlikely over the short term.

Although small cap stocks have staged recent rallies, the large cap multinational firms offer a more compelling growth outlook, tax-favored dividend treatment and a currency hedge that most small caps cannot offer. The material and energy sectors, although providing excellent long-term growth opportunities, seems poised for a pullback, or at least a pause, causing us to turn to consumer staples, multinational conglomerates and certain diversified financial institutions.

As we enter the last quarter of 2007, we anticipate early tax selling and a pause in the recent gains, awaiting a trend to develop in the upcoming corporate earnings announcements. United Asset continues to hedge our equity portfolios by selling calls, owning short funds, and strategically implementing our disciplined stop/sell strategy.

Included in our mailing, you will find our Privacy Notice. By calling our office you can request our firm's ADV Disclosure statement and our Proxy Voting record for the prior year.

Look for our future mailing, which will include year-to-date taxable gain/loss report for our taxable clients. For our newer clients, if you notice any missing cost basis information, now is the time to contact us so we may update the records before the 2007 tax season is upon us.

As always, if you have any wealth management or investment strategy questions, please contact us. Perhaps it is time to update and review your personal financial situation.

**The Professional Staff at United Asset Strategies, Inc**