



September 7, 2011

Market Data through August 31, 2011

Total Returns:	Month of August	YTD (thru 08/31/11)
❖ S&P 500	-5.4%	-1.8%
❖ Russell 2000	-8.7%	-6.5%
❖ MSCI EAFE Index	-9.0%	-6.0%
❖ Emerging Market Index	-8.9%	-8.6%
❖ Barclays Bond Aggregate	1.5%	5.9%

August Investment Activity

- Reduced exposure to lower quality fixed income investments
- Continued to sell securities with broad market exposure and purchase defensive companies with above average dividends, strong balance sheets and decent growth forecasts.
- Increased exposure to higher quality fixed income investments.

Things to Consider:

This is a time of heightened sensitivity to global risk causing capital to seek safe havens like cash, treasuries, and precious metals. Europe is in a difficult period of transition as governments deal with potential sovereign debt defaults. Germany holds the keys to Europe's financial future and the existence of the Euro. The US economic environment continues to point toward weakness. The odds of a recession have increased but economic indicators still suggest growth will remain in positive territory, albeit well below average.

This is a time to be attentive to risk management. Much of the market's volatility is emanating from issues inside governments around the globe (including the US). Debt has become the Achilles heel behind Europe's challenges. During times like these high quality companies go on sale. We are carefully and deliberately adding high quality, strong multi-national, brand-name businesses. Examples include companies that pay good dividends with strong balance sheets generating lots of cash along with companies that have an intrinsic value significantly greater than their current share price. These companies should prosper and experience relative outperformance in a slowly growing global economy.

Please remember we are accessible and always available to discuss your portfolio. Also, if anything in your situation has changed please don't hesitate to call us at (727) 322-7681. We continue to be vigilant in our approach to managing risk on your behalf and are doing our very best to navigate this environment and deliver quality investment advice that has been our hallmark since 1996.

Sincerely,
Your ARS Team