Volume 8, Issue 3

Third Quarter 2012

ARS WEALTH ADVISORS

Registered Investment Advisor

Index Returns

Second Quarter 2012

- S&P 500 -2.75%
- Dow Jones Industrial -3.14%
- Russell 2000 -3.47%
- EAFE (Int'l Index) -7.13%
- Barclays Cap Agg. Bond 2.06%
- DJ-UBS Commodity Index –4.5%
- DJ Select REIT Index 3.49%

"The main vice of capitalism is the uneven distribution of prosperity. The main vice of socialism is the even distribution of misery." --Sir Winston Churchill

Third Quarter Update—Tony Anderson

The past twelve months have been an interesting time to be an investor. It's hard to imagine a time when investors have been forced to focus on so many significant issues, all within a short period. All the issues, information, and potential consequences that need to be considered before putting capital to work can lead to a "paralysis of analysis" as investors wait for greater clarity and direction. This challenging investing environment can help explain why the stock market's performance has been relatively flat over the past year. In response to the heightened level of market risk and uncertainty, ARS has been actively positioning portfolios into securities and sectors that we believe will provide the best opportunity to both generate income and grow. In order to provide protection and peace-of-mind, we continue to focus our investments on the highest quality companies and management teams.

As you review your quarterly reports, you will notice that we have changed the format. My hope is that you find the new report format useful and easy to read. The section titled "Asset Allocation" will graphically show how your account is allocated between Cash, Bonds, Stocks, and Preferred Stocks. The section titled "Portfolio Holdings" will show what you own, what it's currently worth, what you paid for it, and how much income (dividends & interest) the security pays annually. The next section titled "Portfolio Value Vs. Client's Net Investment" is a graph that compares the amount you have contributed (deposits less withdraws) to the market value of the portfolio. The final section titled "Performance Summary" is a detailed breakdown of the account's performance over various time periods. In this section you will see how much you have received in dividends, interest, realized gains, and unrealized gains over various time periods. You will also see your investment gain in both dollar and percentage terms. The back of the report titled "How to read your Statement" provides a general glossary and description of the terms and sections in the report.

In order to help our clients have a better understanding of what they own and why, we put together a brief summary of our most widely held securities. Please keep in mind this is a comprehensive list of securities and in most cases you may not own every security on the list. For all of our holdings we strive to buy companies with the following characteristics: leaders within their industry, trading at attractive valuations, strong balance sheets and cash flow, consistent management, a record of returning value to shareholders in the form of dividends and share buybacks, positive catalyst on the horizon. Each security summary explains what the company does, why we currently think

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ARS Wealth Advisors has made a strong commitment in talent, resources, and technology to address the financial needs of affluent individuals and their families. ARS is committed to finding solutions for building and preserving wealth for our clients. ARS offers objective, independent fee-only investment advice to our clients. We are able to offer choices and flexibility that many other investment managers can't even consider. ARS has been managing assets for our clients since 1997. Our affiliation with Spoor & Associates, P.A., a CPA firm with over 35 years experience, means we have the knowledge and expertise to handle our clients' unique financial needs.

If you would like additional information about the services offered by ARS Wealth Advisors, please contact us at (727) 322-7681.

We're on the Web! www.arswealth.com

(cont'd. from pg. 1)

it is a good investment, as well as details about shareholder friendly activities (dividends & share buybacks). For holdings that represent a basket of securities, such as ETFs and ETNs, we explain the types of underlying securities that are held. I hope you find this report informative and helpful.

In closing, please know that the entire team at ARS Wealth Advisors strives to provide you with the highest level of customer service. We all recognize as a firm our only focus is on providing our clients with the best possible advice. As always, we welcome any input you may have for ways to improve your client experience. We appreciate the many client referrals we've received over the past few months and will continue to work diligently to earn and keep your trust. Please don't hesitate to contact our office if you would like to schedule a meeting to review your investment strategy and portfolio. In addition, if you have feedback or ideas on ways we can improve, please contact me directly (727) 322-7681 or tony.anderson@arswealth.com. Thanks again for your continued trust.

Sincerely,

Tony Anderson

Tony Anderson
President & CEO

If you would like a copy of the most recent version of our Form ADV Part II, one is always available to you upon written request.