



February 6, 2012

Market Data through January 31, 2012

| Total Returns: | Month of January | 2011 Year |
|---------------------------|-------------------------|------------------|
| ❖ S&P 500 | 4.47% | 2.11% |
| ❖ S&P 500 Equal Weighted | 5.60% | -0.11% |
| ❖ Russell 2000 | 7.06% | -4.18% |
| ❖ MSCI EAFE Index | 5.32% | -12.14% |
| ❖ Emerging Market Index | 11.24% | -20.41% |
| ❖ Barclays Bond Aggregate | .88% | 7.84% |
| ❖ DJ UBS Commodity | 2.47% | -13.32% |

January Investment Activity

- Sold Johnson & Johnson - to be replaced by other opportunities. JNJ's performance continues to lag due to operational and execution issues.
- Did a lot of trading and repositioning into less defensive companies with strong operations, balance sheets and dividends to take advantage of the current economic environment.
- Began adding companies with exposure to the cyclical moves in the economy as these companies experience greater growth during times of economic improvement.

Things to Consider

- The S&P500 doubled last year's return in the month of January
- Corporate bonds outperformed treasuries
- Cyclical sectors outperformed the staples indicating investor's willingness to accept more risk
- Oil is still in the \$95 to \$100 per barrel range
- Natural gas is under \$3.00/mcf which equates to \$18/barrel of oil on a BTU basis. Wow.
- Election years typically experience strong stock markets

Please feel free to call if you'd like to discuss your individual portfolio in greater detail.

Sincerely,
Your ARS Team