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First Quarter 2010

ARS Insights

Anderson, Riley, & Spoor, P.A.

Registered Investment Advisor

Index Returns

Fourth Quarter 2009

- S&P 500 6.0%
- Dow Jones Industrial 7.4%
- Russell 2000 3.5%
- EAFE (Int'l Index) 1.8%
- Barclays Cap Agg. Bond 0.2%
- DJ-UBS Commodity Index 9.0%
- DJ-Wilshire REIT Index 7.9%

"Politicians and diapers should be changed often, and for the same reason."

Mark Twain

Time to Reflect & Prepare - Tony Anderson, President

Even though it is just another month on the calendar, January always seems to be the time when we reflect back on what's happened and look forward to what's ahead. Looking back, 2009 marked the beginning of the healing process for many of us, coming out of the 2nd worst year in history (2008) for the stock market. The roller coaster ride we've been through over the past two to three years has caused many of us to go back and revisit our beliefs and expectations. Over the past 12 months, many individual investors have had to reevaluate their own investment goals, objectives and tolerance for risk, in light of the extreme volatility experienced in the market. In many cases, this evaluation resulted in investors determining that their tolerance for risk and return expectations had decreased.

For us at ARS, much of 2009 was spent working closely with clients helping them to reevaluate how they are invested in light of the events of 2008. To me, the most important part of our job is meeting with our clients and gathering the information necessary to gain a personal understanding of exactly who they are as investors. This understanding of each client's unique circumstances and needs is necessary in order to determine how best to structure the portfolio. As 2010 begins our emphasis will again be on the relationship aspect of our business and making sure we have an accurate understanding of each client's expectations. In addition to proactively reaching out and meeting with each of our clients, we will also continue to closely monitor the markets.

You may have noticed increased account activity during 2009 as we worked to reposition portfolios. This increased activity will probably continue into 2010 as we seek to stay nimble and capitalize on opportunities in the market. If at any time you have questions about the activity in your account, please feel free to contact either Kurt, Drew or I and we'd be happy to explain the reason for any changes. Rest assured

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What to expect in 2010? - Kurt Ulrich, CFA, Chief Investment Officer

Back in the middle of 2007 we felt strongly a stock-market correction was looming…or at least a period of underperformance. The reasons were simple: it was the longest running stretch in the stock market without at least a 10% correction; the risk premium on higher risk assets was at an all-time low; and, the real estate market had begun to turn down. It was a fairly easy prediction to make although we had no idea a full-blown credit crisis was about to unfold.

Fast forward to today. An 18 month bear market which began in October 2007 dropping stock prices by over 50% finally bottomed on March 9th, 2009. This was one of the worst bear markets in our lifetimes. In addition to equities falling, nearly all other assets did as well due to a liquidity panic exacerbated by an unwinding of leverage. The "bad" and the "good" all fell in 2008 and into 2009. Bonds and commodities bottomed before equities. Since this bottoming, nearly all asset classes have experienced substantial price increases. Many prices for fixed income investments have rallied back to their "pre-panic" prices. The stock-market rallied over 60% from the March 9th lows. Short-term interest rates were reduced to near 0% to spur economic growth and increase liquidity in the financial system. Commodity prices also rose strongly and the dollar fell. Wow, what a year.

Now the big question is "What to expect in 2010?". Unlike 2007 when many statistics indicated a turn of events 2010 is a different story. We now find ourselves wondering if this recovery is really taking hold or will we slip back into a double dip recession. Unemployment is still going up but not as quickly as a few months ago. Banks seem to be healthier and are making lots of easy money by borrowing from the Fed at 0% interest and investing those funds at 2-3%. The housing market may or may not be bottoming. Companies are lean and profitable after large cost cuts and need to rebuild inventories which should boost the economy. On the other hand, consumers are still in a long-term deleveraging process, struggling to find any "extra" at the end of the month. Finally, with rates so low and expected to rise the outlook for government bonds is negative and bonds in general neutral. It is for this reason that stocks may out perform bonds. As you

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Anderson, Riley & Spoor, P.A. 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 30 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 Anderson, Riley & Spoor, P.A., please contact us at (727) 322-7681.

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

Time to Reflect & Prepare *(cont'd. from pg. 1)*

that changes to the portfolios will only be made when we believe that we can either reduce the overall risk or enhance the return.

For holders of Williams Partners Pipeline LP (WMZ), please make sure to read the enclosed note for important tax information. Because of its structure, Williams will issue a form K-1, which you will need to prepare your taxes. On a positive note, Williams was up 77.2% during 2009 and was one of our top performers.

As 2010 begins, I am very grateful for each of our clients and the enormous trust that you have placed in our firm. As a firm we promise to never take your relationship nor that trust for granted. I'm also grateful for the tremendous team of professionals I have the honor of working with each day. Proverbs 27:17 says, "As iron sharpens iron, so one man sharpens another." We have the opportunity to live this verse out each day, as Kurt, Drew, James, Lois and I strive to serve our clients. It's truly an honor and blessing.

Take Care & God Bless,

Tony Anderson
President

What to expect in 2010? *(cont'd. from pg. 1)*

can see, clarity on the direction for 2010 is a much tougher call than 2007.

For these reasons we will continue to remain nimble and well diversified. In the fixed income asset class we favor short to intermediate corporate bonds with their higher yields over government bonds. We still like international debt and continue to see opportunities in that space. There is a high probability that dividends will play a much larger role in the total returns for equities in 2010 so this will also be an area of focus. Sectors that offer prospects for growth and sectors that offer downside protection will be emphasized along with investments in resource-based economies such as Canada which should experience stronger growth than the US.

As has been said many times in the past we will continue to do our best to protect your wealth and seek above average inflation-adjusted returns. This year should continue to allow us to achieve this objective.

Wishing you a blessed 2010.

Kurt

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.