



Anderson, Riley, & Spoor, P.A.
Registered Investment Advisor

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January 2010 Market Data:

Most equity markets trended down during the month of January. The US Dollar rallied to a 6 month high. Interest rates moved up a bit with the US Treasury 10 year note yielding 3.65%. GDP figures were strong mostly due to inventory re-builds. Gold corrected falling under \$1,100/oz. China announced a credit tightening to slow loan growth. Most commodity prices trended down on the China news. The healthcare plan was jeopardized with the upset by Senator Brown in the Massachusetts Senate race sending a strong message to Washington incumbents. We expect tepid economic growth and choppy markets thus yield will matter in 2010.

- ❖ The Dow Jones Industrial Average was down -3.35% for the month.
- ❖ The S&P 500 was down -3.65%.

January Investment Activity – What We are Doing and Why:

- ❖ Improved the quality of portfolios by selling American Funds Capital World Bond Fund (BFWFX/WBFFX) replacing it with Templeton Global Bond Fund (TGBAX/TPINX), a better fund based on our research.
- ❖ Took some profits by selling a portion of Williams Pipeline Partners (WMZ) after their merger announcement. The position was up over 100% since our purchase in the Fall of '08.
- ❖ Sold Exxon (XOM) replacing it with Williams Companies (WMB), a natural gas company. Williams is trading at a significant discount to its intrinsic value. Management is taking steps to unlock this value.

CURRENT OPPORTUNITIES – Areas for Consideration:

If interest rates remain low and the markets choppy dividends and yields will have a larger impact on total return for 2010. As portfolios are rebalanced, investments with more attractive risk/reward characteristics and increased yields will be emphasized improving the quality of returns.

There continues to be a lack of clarity on the health of the economy. As a result we will continue to be vigilant in the management of risk in this environment.

Sincerely,

Kurt Ulrich, CFA

NOTE FOR IRA ACCOUNTS: WE HAVE CALCULATED YOUR 2010 REQUIRED MINIMUM DISTRIBUTION. FOR MORE INFORMATION CALL LOIS CONGER AT (727) 322-7681.