



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

June 1, 2010

Market Data through Friday, May 28th, 2010

During May market volatility increased in reaction to the “Flash-Crash” on Thursday, May 6th and the European crisis. The Dow Jones Industrial Average marked its worst May performance since 1940.

Total Returns:	Month of May	Year-to-date
❖ Dow Jones	-7.56%	-1.63%
❖ S&P 500	-7.99%	-1.50%
❖ Russell 2000	-7.59%	+6.29%
❖ MSCI EAFE Index	-11.51%	-12.36%
❖ Barclays Bond Aggregate	+84%	+3.71%

May Investment Activity – What We are Doing and Why:

- Reduced overall equity exposure in order to help protect principal, lower our stock market exposure and raise cash.
- Sold/Eliminated our exposure to Brazil in order to reduce volatility and raise cash. The Brazilian stock market was hurt in May by the move from perceived riskier assets into more defensive areas. The Brazilian stock market also has heavy exposure to energy, which suffered with the recent pullback in oil prices.
- Sold/Eliminated our exposure to Australia due to a proposed 40% resource tax impacting mining companies which are important contributors to the Australian economy. In addition to the proposed 40% resource tax, Australia’s stock market was also hurt by the move out of riskier assets and into more defensive markets.
- In some accounts based on individual circumstances we sold/eliminated our exposure to the Emerging Markets to reduce risk and raise cash.
- Moved to an “overweight” position in cash to help reduce volatility and to take advantage of opportunities as we have more clarity.

Areas We Are Considering:

- We are currently researching several individual names within the consumer staples, healthcare, and technology/telecom sectors, which have very sound fundamentals, attractive valuations and above average dividend yields.
- For our overweight cash position, we will look to use high quality ultra-short term bonds to generate income while we wait for more clarity.
- We expect to continue to maintain a more defensive approach during these volatile times.

Sincerely,
Tony Anderson