



Anderson, Riley, & Spoor, P.A.

Registered Investment Advisor

September 9, 2009

August was another strong month for equity prices following July's strong showing.

August 2009 Market Data (as of 8/31/09):

- ❖ The Dow Jones Industrial Average:
 - Up 3.5% for the month of July. Up 8.2% year-to-date.
- ❖ The S&P 500:
 - Up 3.6% for the month of July. Up 15.0% year-to-date.
- ❖ Financial stocks were strong contributors.
- ❖ Bond prices moved higher also, the Barclays Aggregate was up 0.9% in the month.

August Investment Activity – What We are Doing and Why:

- ❖ August was similar to July in terms of activity:
 - Adding Small Cap Value exposure via IWN.
 - Adding to WMZ, which continues to be a solid performer.
 - In some cases initiating positions in emerging markets via EEM.

CURRENT OPPORTUNITIES – Areas for Consideration:

- ❖ On September 2 we sold all of our positions in DJP, a broad based commodity ETN. Some of our clients may have recently seen it purchased for their account and may be wondering why we changed our mind so quickly? We still believe investing in commodities is a good way to hedge what we believe will be coming inflation. However, the vehicle we were using, DJP has become embroiled in political controversy. In an effort to mitigate commodity speculation (particularly oil), the US government is considering banning the purchase of commodity futures contracts by parties without a direct interest in the physical commodity. Since DJP's participation in the commodities markets is via futures contracts, there is a near term risk that investment vehicles similar to DJP (such as USO and UNG) will be unable to create more shares (thus turning into a quasi closed end fund) or be forced to liquidate. Either outcome is an obstacle to our goal of efficiently allocating capital to commodities. In place of DJP we will most likely build positions in EWC, an ETF comprised of Canadian stocks. Since Canada has a predominately raw materials driven economy, we feel this will be a good but not ideal substitute for DJP. EWC does have an advantage in that it further diversifies our investments in non US denominated currencies and pays a modest yield of approximately 2%.

As always, please don't hesitate to contact our office if you have any questions or items to discuss.

Sincerely,

Tony Anderson

FYI – In order to help reduce paper & postage, if you would like to receive future copies of our monthly updates and quarterly newsletters via email please contact Lois Conger at lac@arsinvestments.com.