



WEALTH ADVISORS
of
RAYMOND JAMES®
& ASSOCIATES, INC.
Member New York Stock Exchange/SIPC

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Third Quarter Review

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Dear Client,

As well documented in the financial press, the broad stock market had an impressive rebound this past quarter as did several other investment categories such as corporate bonds. Obviously much of this rebound is in anticipation of somewhat better business conditions ahead and much of it is a technical rebound from the incredible pounding that financial markets have absorbed since the fall of 2007 peak. As a result most of our client's portfolios have recovered nicely from the low point of March 2009 but we want to focus on the forward outlook rather than history.

It is our belief that the world has changed in some significant ways and that a vast global rebalancing is underway. Our long held belief that investors have needed to have a global focus has only been strengthened by recent economic and market events. We are in the camp that believes the American consumer badly needs to rebalance with more emphasis on saving and investing and less on current consumption. At the same time we believe that emerging middle classes in the developing world can and should take up the resulting slump in consumption that would accompany a US adjustment. This global shift in patterns can provide opportunities and well as increased risks and is not a one way street. We are obviously not alone in these views as evidenced by the very sharp increase in value witnessed by many of the global equity and bond funds that you and other clients already own. As we review individual portfolios, we are intent on measuring whether or not your global exposure is in line with our long term strategic targets. In the process we are in many cases increasing global bond exposure to higher levels where appropriate.

Our forward focus is now on judging the vigor of what we believe should be improved profit reports for both the 3rd and 4th quarters, when the financial market stimulus will begin to be withdrawn and how much weakness the U.S. dollar might be exposed to as the world economies re align with new realities. These big picture views drive our asset allocation tactics and recommendations.

We all realize that you and we are living through a tumultuous time and that the process is still ongoing. Rest assured of our best efforts on your behalf as we employ all of our resources in our effort to have you in the right risk adjusted vehicles with the appropriate strategy behind each decision. We are deeply appreciative of the opportunity to work for you in our joint efforts to prosper.

Sincerely,

H. Michael Finkle
Senior Vice President, Investments

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Associate Vice President, Investments

The ideas and opinions expressed herein are strictly those of FLK and are not meant as specific investment advice or individual clients. Past results do not guarantee future results and should therefore not be used to project the future value of specific investments. Investing involves risks and investors may incur a profit or loss. International investing involves greater risks including currency fluctuations, differing financial accounting standards and possible political and economic instability.