

### News & Events:

- Karen Clerici was featured on WLOS-News 13 on August 5th. She did two 3 minute segments where she took questions from Facebook viewers, telephone calls and videotaped questions from people on the streets of Asheville.
- A client conference call was held on August 17th to address questions and concerns about volatility in the markets.
- Karen Clerici will be attending a conference in Charlotte on October 13th. The conference will cover equity strategies, alternative investments, and income strategies.
- Laura Webb will be attending a Practice Intelligence Meeting in Charleston from October 26-28 and an Asset Management Services Conference in New Orleans from November 2-4 to hear from top money managers and economists discussing market strategies and opportunities.

## The Mired Market

To say the markets continue to be volatile is an understatement but through the morass there are a few opportunities. Huge cash holdings constitute the most impressive aspect of corporate financial strength. As of spring 2011 (the most recent period for which complete data is available), cash on non-financial corporate balance sheets had risen to more than \$1.6 trillion - a jump of more than 10% a year from the dark days of 2008. Cash and cash alternatives have risen too, so that today they constitute fully 11% of all corporate financial assets, up from 9.4% in 2008.

Never in recent history has the search for income for individuals been so elusive. With yields on traditional fixed income at historic lows, investors are finding it increasingly difficult to find core investments that generate meaningful yield. Today, a high-quality, global equity portfolio can offer investors seeking income a compelling opportunity. Focusing on high-dividend paying companies as part of an overall strategy can make sense for many investors. Equity Income programs offers clients the opportunity not only to take advantage of the security of steady income but also the opportunity to participate in the market's long-term growth potential. Over 90% of equity returns have historically been derived from dividends and dividend growth. When focusing on dividend paying stocks it is important to look for three key factors: strong financial positions that show sufficient earnings, sustainable business models that demonstrate management

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## Cost Basis Changes Coming Soon:

Raymond James has been tracking activity and capturing cost basis information since January 1 to comply with new IRS reporting requirements. In the coming months you will begin to see system and report enhancements which will display more detailed cost basis information. In addition, cost basis gain/loss calculations will be adjusted to account for wash sales, which may cause variances in clients' cost basis and gain/loss figures. Raymond James default cost basis accounting for all security types is first-in, first out (FIFO). Beginning in November, clients will be able to elect an account-level default cost basis account method other than FIFO including LIFO (last in, first out), HIFO (highest in, first out), minimum tax and average cost.



### Did You Know...

that in addition to advanced financial planning and investment management, Webb Investment Services can also offer through some of our strategic partners:

- Trust Services through Raymond James Trust.
- Banking services and interest-only mortgages through Raymond James Bank.
- Insurance products which are often a tool
- in estate planning and tax planning.

### Annual ADV Offering:

Webb Investment Services, Inc. is required under the North Carolina Investment Adviser Act to offer you our disclosure document annually. Copies of our brochure (ADV Part 2) are available upon request. Call if you would like a copy.

### Holiday Office Hours:

Our offices will be closed:

- November 24-25 for Thanksgiving
- December 26th for Christmas

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is confident enough about future cash flows and business success to share current prosperity with shareholders, and disciplined dividend policies which can be a critical element to a stock's future total return.

With all that said, when faced with wildly fluctuating stock prices, going back to what you own and why you own it can be a useful scenario. Owning high quality, dividend paying stocks is one of the themes we continue to focus on while still utilizing an overall balanced approach to investing in this highly volatile times.

Unfortunately, we expect the volatility to continue with consumer sentiment almost as low as it was back in November of 2008, deadlines looming in Congress and the continued problems in Europe, but market lifts happen when we least expect it or when we are at our most weary point. It feels like one step forward and 2 or 3 back which reinforces our viewpoint to have a well diversified portfolio that reflects your time horizon.

### Year-end Planning Tips:

- Optimize your retirement plan contributions, 2011 401K contribution limits are \$16,500. For those of us over 50 years old, the additional "catch-up" contribution amount is \$5,500.
- Make Lemonade out of Lemons by harvesting realized losses in taxable accounts to offset gains, offset up to \$3,000 of ordinary income or to carry forward excess to offset gains in the future.
- This is also a good time to revisit your asset allocation and see if your portfolio needs to be rebalanced or reallocated.
- Consider accelerating deductions, or delaying income if your expected income is significantly higher in current year than the upcoming year.
- Make your charitable contributions before 12/31 if you want them to count for 2011. You may want to consider a donor advised fund in order to take the deduction in this year but defer your gift recommendations until a later time.

It is never too early to begin planning. Please contact us if you have an interest in exploring these opportunities.

- Reminder 2011 Year-end Gifting Deadlines:
  1. Letters of Authorization to gift appreciated stocks are due by 12-16-11.
  2. Letters of Authorizations to gift mutual fund shares are due by 12-9-11.

Any opinions are those of Laura A. Webb, CFP® and Karen M. Clerici, FA, and not necessarily those of Raymond James. Past performance doesn't guarantee future results. Dividends are not guaranteed and must be authorized by the company's board of directors.

The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate and complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation.