

FREEDOMFOCUS

NEWS FROM ASSET MANAGEMENT SERVICES

Opportunity Found.

Many investors are once again seeking to incorporate dividends in their portfolios to help with overall portfolio performance, instead of relying on interest payments and capital gains.

It's no secret that the need for generating income has emerged as a top priority now more than ever. In a 2010 survey by Allianz Global Investors¹, income generation in retirement was cited as more important than any other financial goal by nearly 80% of investors surveyed. For those tran-

sitioning from the accumulation to distribution phase, it's challenging to create an income stream that keeps pace with inflation over decades of retirement - often more than 30 years.

Although income generation can be acquired through fixed income investments or dividends from equity securities, there are significant differences in the expected returns and risks from bonds as compared to stocks. Additionally, most bonds may never increase their interest payments and, with bond yields at historical lows, AMS believes it is unlikely they will yield the rate of return that's been seen over the last 30 years.

According to S&P, dividends have contributed one-third of the monthly

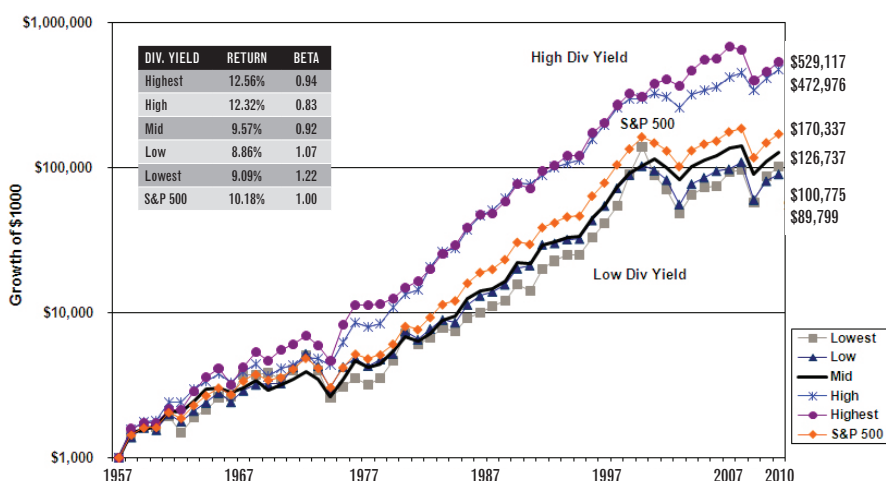
total return on the broad S&P index from 1926 through 2010. The chart on page two illustrates that 43% of the S&P 500 cumulative returns from 6/30/91 - 6/30/11 can be attributed to dividends. Capital appreciation accounted for the rest, making a case that both sustainable dividend income and growth potential are essential to total returns. Dividend-paying stocks have the potential to combine the income generation of fixed income with the capital appreciation potential of stocks. However, dividends are not guaranteed and stock market risk still exists.

Corporate earnings drive dividends which, in theory, should help drive the equity markets. However, recent market

Material prepared by Raymond James for use by its financial advisors.

Dividend Yield and Relative Performance, 1957 – 2010

Consistent with the higher profile of dividends in past periods, dividend paying and dividend increasing stocks have outperformed over time.



Source: Siegel, Jeremy, Future for Investors.

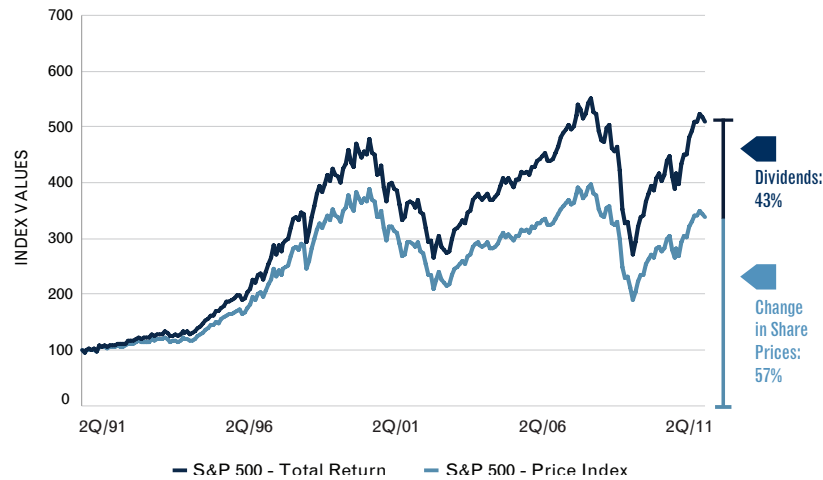
Each stock in S&P 500 is ranked from highest to lowest by dividend yield on December 31 of every year and placed into "quintiles," baskets of 100 stocks in each. The stocks in the quintiles are weighted by their market capitalization. The dividend yield is defined as each stock's annual dividends per share divided by its stock price as of December 31 of that year. Beta is a measurement of an index's trailing 36-month returns in relation to the appropriate market index.

The Growth of \$1,000 chart depicts the cumulative return of the S&P strategy from inception and assumes that all dividends and capital gains distributions were reinvested. This illustration is based on past performance and should not be considered indicative of future results. An investment cannot be made directly in an index.

Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. Past performance is no guarantee of future results.

1. Allianz Global Investors' "Get Real" survey was conducted online by GfK Roper Public Affairs & Corporate Communications from August 4-9, 2010.

Opportunity Found. (continued from page 1)



Source: Factset. Past performance is not a guarantee of future results. Dividends are not guaranteed. The total return line depicts the S&P re-scaled to 100 from 6/30/11 and assumes that all dividends and capital gains distributions were reinvested.

action shouldn't veil the value in U.S. stocks which are currently valued at 14 times this year's earnings, as measured by the S&P 500 index as of 6/30/11. For comparison, the average price/earnings ratio for the last 30 years was 18 through 6/30/11 as reported by Bloomberg. And, as of 8/31/11, the yield of the S&P 500 was 2.27% , which is slightly higher than the 10-year treasury bond's 2.23% yield. Most believe that interest rates will remain at or near zero for next two years, making the dividend yields on well-known companies that have historically paid look attractive.

Equity income, as represented by the Dow Jones U.S. Select Dividend Index, has performed better in 2011 than traditional equities (as measured by the S&P 500). Through the end of August, the Dow Jones U.S. Select Dividend Index returned 4.56% year to date, whereas the S&P 500 was down 1.77%. Also, while past performance is not a

guarantee of future results, since 1990 when comparing equity income stock managers (Lipper Equity Income) to large-cap core managers (Lipper Large-Cap Core), results have shown that performance is similar or better for equity income and with less volatility. (Source: Callan; Lipper Equity Income returned 9.05% and Lipper Large Cap Core returned 8.58%).

The below section highlights some of the ways the professionals I work with at AMS review your portfolio allocations and, when needed, make changes to ensure they are in line with the outcome we have discussed you are looking for.

As always, I am available to discuss your current risk tolerance and which portfolios may provide opportunities to help with your income generation needs and wants.

HIGHLIGHTS OF DIVIDENDS

Sustainable dividend income can be an important component of total return and can help protect against depreciation of a stock's price. In this way, dividends may soften the impact of stock-price declines on the overall value of a portfolio.

DIVERSIFICATION Dividend payers can be found across many sectors and industries. Often, both can be found in value and growth portfolios, which include dividends.

YIELD Dividends provide income.

Dividends are not guaranteed. All investing involves risk.

By Definition

As a service to our Freedom clients, we define a trio of financial terms or concepts appearing in business headlines.

DIVIDENDS The amount of money, normally a portion of the profits, a corporation's board of directors decides to distribute to a class of shareholders.

EQUITY INCOME Can be defined as dividends shareholders earn over the time they own a stock, or as a mutual fund investing in stocks known for capital appreciation and paying moderate dividends.

PRICE/EARNINGS RATIO A measure of the value of a common stock determined as the ratio of its market price to its annual earnings per share and usually expressed as a simple numeral.

Further information on the funds selected for the portfolios discussed is available by prospectus, which can be obtained through your financial advisor. Investors should carefully consider the investment objectives, risks, charges and expenses of the portfolios discussed before investing. The prospectus contains this and other information about the funds and should be read carefully before investing. Investing involves risk and investors may incur a profit or a loss. This information should not be construed as a recommendation of any investment strategy or product. It is important to take investment objectives, risk tolerance, time horizon, investment experience, taxes, income or net worth into consideration prior to investing. There is no guarantee that any of the strategies listed will be successful. All investing involves risk and you may incur a profit or a loss.

Three Unified Managed Account Portfolios

Flexible Equity UMA



■ All Cap	66.67%
■ Global Equity Income	33.33%

- Combines three separately managed account managers with an established track record in one portfolio: Global equity income, U.S. growth, and U.S. value.
- Gives managers latitude without restricting them to a certain market segment, providing an opportunity to find value for you.
- Total return strategies seeking equity exposure and striving to take advantage of different types of market environments.
- Can also be used with the Raymond James Alternative Managed Completion Portfolio, including 20% in non-traditional asset classes, which has the added benefit of being designed to help reduce overall volatility and provide additional protection in down markets.

Account minimum \$300,000. Equity Income and Flexible Equity portfolios are available in mutual fund models with a \$50,000 minimum investment.

Equity Income UMA



■ Equity Income	60.00%
■ Domestic Fixed Income	19.00%
■ High Yield Fixed Income	15.00%
■ Emerging Market Debt	6.00%

- Invests in equity managers focused on securities that produce potentially above-average dividend yields coupled with an allocation to diversified fixed income investments.
- Focuses on growth and income through dividend-paying funds, seeking to generate higher rates of income than traditional stock investing.
- Geared toward those focused on capital appreciation with a secondary consideration on dividend and interest income.

This information should not be construed as a recommendation of any investment strategy or product. It is important to take investment objectives, risk tolerance, time horizon, investment experience, taxes, income or net worth into consideration prior to investing. There is no guarantee that any of the strategies listed will be successful. All investing involves risk and you may incur a profit or a loss.

Dynamic Growth UMA



■ Large Cap	21.84%
■ International Large	14.96%
■ Emerging Markets	14.80%
■ Mid Cap	13.28%
■ Small cap	7.04%
■ Micro Cap	6.56%
■ Cash	1.52%
■ Alts. Completion Portfolio	20.00%

- Four diversified strategies: Dynamic Growth, Dynamic Balanced with Growth, Dynamic Balanced, and Dynamic Equity Income.
- Utilizes established separately managed account managers with a more active management style.
- Incorporates RiverFront Investment Group models as the dynamic engine in various model portfolios.
- Seek to provide enhanced diversification and some strategies offer downside protection with alternative investments and fixed income through the Managed Completion Portfolios.
- Choose the appropriate risk management level for you.

Positioning Freedom Portfolios

MARCH

- Eliminated or reduced Treasury Inflation Protected Securities and added to other fixed income positions in the interest of managing fixed income risks.
- In some cases, we replaced the Real Estate Investment Trusts allocation with an allocation to Equity Income positions in an attempt to bring down volatility.
- Manager changes

MAY

- Manager changes

JUNE

- Split our large-cap core exposure into more specific risk areas as part of a broader effort to optimize the active risk profile of large core exposure and align holdings more closely with budgeted risk levels.

JULY

- Refined the fixed income allocation of Freedom's Equity Income Balanced UMA models by increasing high yield, adding emerging market debt, and reducing fixed income/eliminating international fixed income in an attempt to enhance the

diversity of income sources while seeking additional stability in the portfolio's volatility profile.

SEPTEMBER

- Mutual Fund changes
- Asset allocation enhancements in some of the Freedom models as follows:
 - Volatility stabilizing trades to help with downside risk.
 - Increased exposure or dedicated sleeve additions to emerging market equity.

The foregoing content reflects the opinions of Raymond James Asset Management Services and is subject to change at any time without notice. Content provided herein is for informational purposes only and should not be used or construed as investment advice or a recommendation regarding the purchase or sale of any security outside of a managed account. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct.

There is no assurance that any investment strategy will be successful or that any securities transaction, holdings, sectors or allocations discussed will be profitable. It should not be assumed that any investment recommendation or decisions made in the future will be profitable or will equal any investment performance discussed herein. Strategies discussed are subject to change at any time by Asset Management Services due to market conditions or opportunities.

Past performance is not indicative of future results. Asset allocation and diversification does not ensure a profit or protect against a loss.

Please note that all indices are unmanaged and investors cannot invest directly in an index. An investor who purchases an investment product which attempts to mimic the performance of an index will incur expenses that would reduce returns.

Dow Jones US Select Dividend: Is comprised of 100 of the highest dividend-paying companies in the United States. Stocks are screened by dividend-per-share growth rate, dividend payout ratio and average daily dollar trading volume and are selected based almost entirely on dividend yield and dividend quality.

Standard & Poor's 500 (S&P 500): Measures changes in stock market conditions based on the average performance of 500 widely held common stocks. It is a market-weighted index calculated on a total return basis with dividend reinvested. The S&P 500 represents approximately 75% of the investable US equity market.

Additional Risks:

Fixed income securities are subject to interest rate risk. Generally, when interest rates rise, bond prices fall, and vice versa.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments. Municipal bond interest is not subject to federal income tax but may be subject to AMT, state or local taxes. High-yield (below investment-grade) bonds are not suitable for all investors. When appropriate, these bonds should only comprise a modest portion of your portfolio.

Investing in small-cap and mid-cap stocks generally involves greater risks, and, therefore, may not be appropriate for every investor.

International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility.

Commodities trading is generally considered speculative because of the significant potential for investment loss. Commodities are volatile investments and should only form a small part of a diversified portfolio. Among the factors that could affect the value of the fund's investments in commodities are cyclical economic conditions, sudden political events, and adverse international monetary policies.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.

Alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. The investment strategies used by certain Funds require a substantial use of leverage. The investment strategies employed and associated risks are more fully disclosed in each Fund's prospectus, which is available from your financial advisor.