

# WEALTH TRUST

Spring 2011 Edition

## ARIZONA QUARTERLY

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### NAVIGATING THROUGH THE ECONOMY:

Learn About Our 2011 Financial & Estate Planning Strategy

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#### SURVEY SAYS?

We have made improvements  
because of your feedback

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+ Why “**higher fiduciary standard**” is important to  
how we manage your money

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+ Spend some time with  
**BRENT McQUISTON**

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# WEALTHTRUST-ARIZONA SELECTED BY NABCAP AS ONE OF ARIZONA'S TOP WEALTH MANAGERS



## Honored for WealthTrust-Arizona's

- Excellent Client Service
- Commitment to Transparency
- Accountability
- Our Team's Compliance & Certification Records

We believe our legacy is built on WealthTrust-Arizona's reputation amongst our clients and the financial services industry. We are proud of our distinction as being named one of Arizona's Top Wealth Managers by the National Association of Board Certified Advisory Practices (NABCAP), a nonprofit created to help reform the investing public's perception of the financial services industry and financial planners. It is an honor to be named to join an elite group of financial advisors hand-picked by the organization. To learn more about NABCAP and its ranking system visit [www.nabcap.org](http://www.nabcap.org).

# LETTER FROM WEALTHTRUST-ARIZONA'S CEO

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Dear Clients and Friends of WealthTrust-Arizona,

We have much to share with you in this edition of our quarterly newsletter, starting with some results from our recent Client Satisfaction Survey. As a reminder, we commissioned this study because we wanted to ensure that we are doing all we can for our clients by constantly staying current with your interests and the demands of the industry.

When I last wrote to you, we were in the process of completing the client survey and beginning to address your feedback. The response level was quite high and provided us with some meaningful insights from all of you. We took your input as a sign of your desire to help us always improve and as a way of telling us what is significant to you.

I offer a sincere “thank you” to the many WealthTrust-Arizona (WTAZ) clients who took time out of their hectic schedules to complete this survey. We will share detailed results in this newsletter, but I would like to discuss a few survey results now and the actions we are taking to address them.

When asked about your confidence in our ability to help get through tough economic times and to continue your financial success, an overwhelming majority (95 percent) responded you were confident in WTAZ, and another strong majority (84 percent) said you were satisfied with WealthTrust-Arizona's services. This is gratifying and sets a clear tone for other results. We will continue to actively manage your portfolios and using our “investment team” concept to look for new or better ways to drive positive results. Our investment efforts are led by seasoned professionals and their efforts are always intended to provide our clients with fundamental, solid advice and solutions for our clients.

Although we received relatively high marks from you, we will not rest on our laurels. As all of you know, the marketplace is constantly changing and our challenge is to stay ahead of the curve when it comes to your financial plan.

You were also clear that we could and should increase communication with you about WTAZ, and the services we offer. Many of you also asked us to increase the level of interaction with the entire WTAZ team and not just your financial planner. We are increasing the level of outreach from every member of our team of professionals. As part of that we will be highlighting one of our advisors in every quarterly newsletter. The head of our Equity Committee, Brent McQuiston, is our featured planner this quarter.



Finally, we just completed a busy first quarter where we held several educational workshops on the topic of the “Core Services of WealthTrust-Arizona” and what we are doing in 2011 to take advantage of investment opportunities that may present themselves as a result of a resurgent U.S. economy. Several members of our team participated in those presentations so that you may get a better understanding as to how our firm operates, who sits on our various portfolio committees and how investment decisions are made. Thank you to all of you who joined us.

Everyone at WealthTrust-Arizona takes pride in our series of ongoing educational workshops, where we inform and educate clients on topics such as how the mid-term election may impact the economy and your portfolio, how proposed tax law changes will affect your tax planning, how to prepare for the death of a loved one and what we are doing as a firm in 2011 from an investment perspective to take advantage of the various opportunities we see. Our commitment to you is to keep them consistent, informative and timely.

We strongly encourage clients to attend the workshops (and to bring a friend). We were heartened to learn 69 percent of survey respondents had attended at least

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## LETTER FROM WEALTH-TRUST-ARIZONA'S CEO

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one of our workshops and that 64 percent of those were "extremely satisfied" with their experience. We have conducted 30 various educational workshops just since September.

A majority of those who did not attend a workshop said they lived too far away, even out of state. We need to do better to address this client feedback, and we have. As of March 1, 2011, our workshops and special events will be recorded and available on our website at [www.wealthtrust-arizona.com](http://www.wealthtrust-arizona.com). Although

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We are working diligently to make WealthTrust-Arizona an even better, more responsive firm.

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we think this enhancement will allow more of our clients to "participate," please do not stop coming to the actual workshops. It is a time to reconnect and have a dialogue with you.

Over the coming months we will continue to improve the company and you can expect more interaction from WTAZ. We will highlight special topics that are part of our areas of expertise, which our professionals will share with you.

We are working diligently to make WealthTrust-Arizona an even better, more responsive firm. In the next few months, you can expect more interaction from the entire team here at WTAZ, and a renewed vigor to meet all your money management needs.

Many thanks for your business.

Best,

**HOLLY D. DEEM**  
Chief Executive Officer  
WealthTrust-Arizona

## WHO PAYS TAXES? ARE YOU PAYING YOUR FAIR SHARE?

As the old adage goes, "There are only two things in life which are certain: death and taxes." To that list, we propose adding a third item: "Politicians arguing about how big those taxes should be, and who should pay them."

As we saw late last year as they argued over extending Bush-era tax cuts, politicians seem to be perpetually involved in a game of ideological class warfare, with one side arguing "rich" people are not paying their "fair share" of the nation's tax burden, while the other side contends that not only are the better-off paying their share, but they pay more than their share.

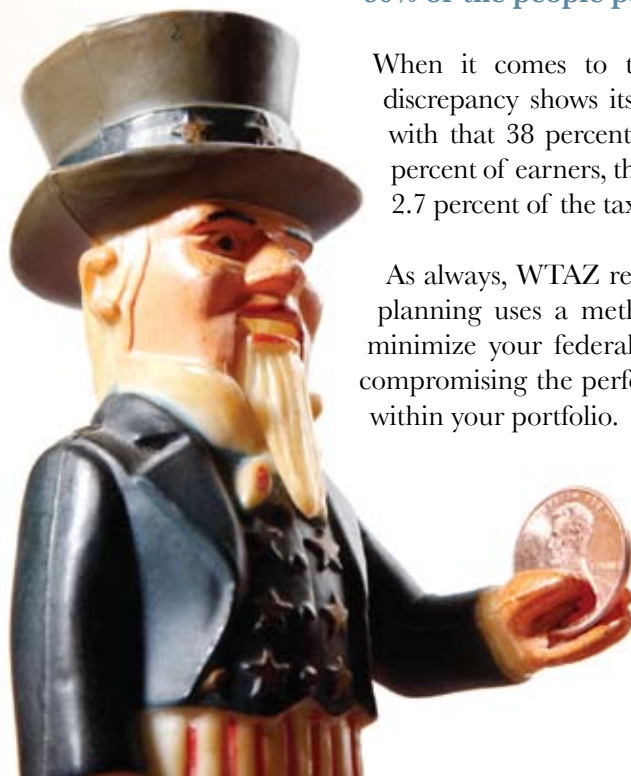
Writing on *Kiplinger.com*, Kevin McCormally compiled statistics which show just how the tax burden is distributed in the United States. American's top wage earners are responsible for shouldering a large portion of our tax burden, with the top one percent paying 38 percent of taxes.

McCormally breaks things down in narrative form:

- **1% of the people pay 38% of the taxes**
- **5% of the people pay 50% of the taxes**
- **10% of the people pay 70% of the taxes**
- **25% of the people pay 86% of the taxes**
- **50% of the people pay 97% of the taxes**

When it comes to taxes paid, an even wider discrepancy shows itself – in reverse. Compared with that 38 percent of taxes paid by the top 1 percent of earners, the bottom 50 percent pay just 2.7 percent of the taxes collected.

As always, WTAZ reminds you that effective tax planning uses a methodical approach to legally minimize your federal and state taxes, while not compromising the performance and diversification within your portfolio. **WTAZ**





## WEALTHTRUST MEETS A HIGHER STANDARD THAN OUR COMPETITORS

**A**s we continue to recover from the worst financial meltdown since the 1930s, talk continues in Washington, D.C. to increase regulation of the financial services industry, to protect consumers from a future financial catastrophe.

Now, the U.S. Securities and Exchange Commission (SEC) is recommending a common fiduciary standard for brokers and registered investment advisers who provide clients with personalized investment advice. The SEC says there is a need to have a uniform fiduciary standard which is “no less stringent than currently applied to investment advisers,” and argues that a uniform fiduciary standard will reduce confusion among investors about the role of various types of financial advisors.

This SEC study came about after last year’s passage of the Dodd-Frank financial services reform law, a provision that addresses fiduciary standard. The SEC ordered a study, which was released in January. While study in no uncertain terms calls for adoption of a uniform fiduciary standard across all segments of the industry, it does not call for abandoning any existing business models or fee structures currently used in the industry - and Dodd-Frank does not, either.

The SEC did toss a key question back in Congress’ court: What is the best way to unify regulation of the industry? Currently, registered investment advisers are regulated by the SEC and Wall Street brokers are self-regulated by the Financial Industry Regulatory Authority (FINRA).

Paul Ahern, principal , senior vice president – planning of WealthTrust-Arizona applauds the SEC’s move. “We have always held ourselves to a higher fiduciary standard than some others in our field,” he said, adding, “I’m not always the biggest fan of government regulation, but in this case it is just a common sense way to protect consumers.”

“For decades, the SEC has stood by and allowed brokers to market themselves to investors as trusted advisers

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*I’m not always the biggest fan of government regulation, but in this case it is just a common sense way to protect consumers.*

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without requiring them to meet the most basic standard appropriate to that role – a fiduciary duty to act in their clients’ best interests,” says Barbara Roper, director of investor protection for the Consumer Federation of America, adding, “We are encouraged by reports that suggest the commission has taken the first essential step toward correcting this anti-investor policy.”

The final decision will be made by the SEC’s five commissioners, who will be making their decision at a later date. You can stay up-to-date on the SEC’s actions by visiting their website, [www.sec.gov](http://www.sec.gov). Of course, WealthTrust-Arizona will be monitoring developments in this story and we will let you know what is decided. **WTAZ**

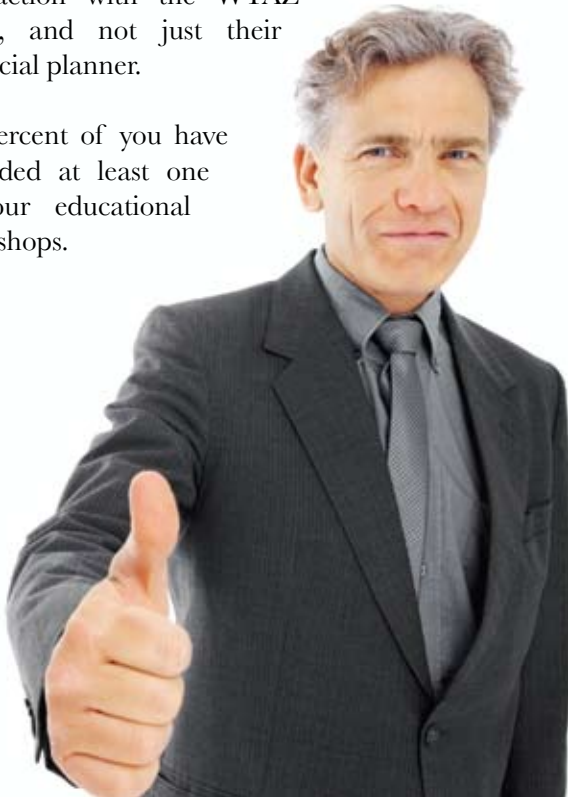
# OUR CLIENT SATISFACTION SURVEY: LEARN ABOUT THE IMPROVEMENTS WE HAVE MADE

**W**ealthTrust-Arizona thanks the large number of our clients who took the time to respond to our recent Client Satisfaction Survey. We have compiled the results and would like to share some of them with you.

While we are heartened to learn an overwhelming number of our clients are happy with the level of service we are providing them, we acknowledge there is still room for improvement. After all, our goal is to have 100 percent our clients respond that they are “extremely satisfied” with WealthTrust-Arizona and the services we provide.

## Here are some highlights of the survey:

- 95 percent of respondents are confident in WealthTrust-Arizona’s ability to help deal with tough economic times, and continue their financial success.
- 84 percent are satisfied with the services WTAZ offers.
- 97 percent feel their relationship with us is important to their financial future.
- 46 percent of respondents would like more interaction with the WTAZ team, and not just their financial planner.
- 69 percent of you have attended at least one of our educational workshops.



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So, based on the results of our Client Satisfaction Survey, what is WealthTrust-Arizona doing to improve our already high satisfaction numbers?

- We are posting more information about WTAZ, and upcoming events and workshops, online, at [wealthtrust-arizona.com](http://wealthtrust-arizona.com). This makes it more convenient for clients with busy schedules or who reside out of state to have the opportunity to experience our workshops.
- We are actively working to make sure the entire WTAZ team – not just a client’s financial planner – interacts with each of you. That means you will be hearing more from WealthTrust-Arizona’s team and strategic partners in the form of e-mails, phone calls and mailed invitations/letters on everything from upcoming events to breaking news.
- Starting next quarter, we are dramatically enhancing the quarterly reports our clients receive on their own accounts. These reports are easier to read and access. We are excited to introduce a better and more efficient way of providing reports to clients. With the new program in place, all of our clients will be informed and your financial advisor will be contacting you to walk you through the new reports. We are pleased to respond to your requests and we hope you like them.
- As you can see, we are working diligently to continue to improve the look of the WTAZ quarterly newsletter, packing it full of information designed to inform and educate. We want each issue of this newsletter to be a vital “read.”

The WealthTrust-Arizona commitment to our clients is one we take seriously. We are proud you have chosen to entrust us with your money management and estate planning needs. **WTAZ**

# 2011 PORTFOLIO STRATEGIES

PLANNING AHEAD FOR ECONOMIC ISSUES

**O**ur economy is facing major issues from rising oil prices to a potential government shutdown and turmoil in the Middle East. WealthTrust-Arizona continuously monitors market trends to find investment strategies to help protect assets and help clients profit from changes in the market. **It is important for you to understand our approach to planning out investment strategies that balance risk with profit. Here is a snapshot of our 2011 Portfolio and Estate Planning strategies:**

**1. Fixed Income:** We are expecting interest rates to rise and as a result, we are actively reducing the average duration in our clients' bond portfolios so that they will be less sensitive to rising interest rates. In addition, we continue to use international bond funds as way to diversify outside of the U.S. and potentially hedge against a weak dollar.

**2. Equities:** We continue to analyze exchange traded funds (ETFs) to determine whether and to what extent they should be used in client portfolios. Our strategy of ETFs includes increasing the exposure of clients into international stocks, specifically emerging markets (e.g. Asia, Middle East or Emerging Europe). ETFs allow for potentially lower income taxes as a result of their passive style of investing.

**3. Alternative Investments:** We continue to discover investments that have a low correlation to traditional stock and bond markets. We feel the addition of these alternative investments help our clients potentially reduce their overall portfolio risk.

**4. Estate Planning:** We are closely watching what is happening in Congress and will inform you of any changes that may impact your estate planning.

**For a more comprehensive review of our 2011 investment approach, please contact your financial advisor or call 480.483.7300 for more information. [WTAZ](#)**

# A MINUTE WITH... BRENT MCQUISTON CFP, CMFC

VICE PRESIDENT - SENIOR FINANCIAL ADVISOR

**Q:** *Why did you become a financial planner?*

**A:** I always knew from my teenage years that I wanted to pursue a career in investments. It fascinated me that your money could make you more money - **great concept!**



**Q:** *If you could not be a financial planner, you would be a?*

**A:** Professionally, I would definitely be an architect or engineer. I like to understand how things work and how they are put together. That is probably why I have a passion around portfolio construction.

**Q:** *What is the first thing you do when you get to work?*

**A:** My work day starts at home catching up on current events, news and e-mail. Once I get to the office, I spend the first couple of hours reviewing accounts and making trades.

**Q:** *What is one thing a client should know about the WealthTrust team?*

**A:** The common thread is that we all care deeply about our clients and as a result are constantly striving for excellence.

**Q:** *When you are not at work, you can be found...?*

**A:** Either at a ball field with my kids, at the gym or somewhere in the mountains. [WTAZ](#)

# WEALTHTRUST-ARIZONA IS NOT AFRAID TO ADDRESS THE ELEPHANT IN THE ROOM.



## Is Your Wealth Manager:

- *Held to a Higher Fiduciary Standard*
- *Fee-Based*
- *Transparent*
- *Plan-based*
- *Integrating Your Financial and Estate Plans*

**At WealthTrust-Arizona** we work one-on-one with clients to create a written financial plan that outlines our step-by-step strategy designed to help you achieve your financial goals. By mapping out your future we set milestones to measure the progress of your plan, while anticipating and preparing for life's risks.

We work to achieve your financial goals by integrating financial, retirement and estate planning. To learn more about WealthTrust-Arizona visit [www.wealthtrust-arizona.com](http://www.wealthtrust-arizona.com) or call us today at 480.483.7300.

**WEALTHTRUST**   
ARIZONA

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