



JFS INSIGHTS

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JFS NEWS



Congratulations:

Anthony Burt, CFP®, CIMA®, has been awarded the Accredited Investment Fiduciary Analyst™

designation from the Center for Fiduciary Studies (an f360 company), an organization offering training, tools and resources to promote a culture of fiduciary responsibility and improve the decision making processes of fiduciaries. The AIFA® designation signifies the ability to perform fiduciary assessments measuring how well investment fiduciaries are fulfilling their duties to a defined standard of care. The designation is the culmination of a three-day course and examination.

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Thank you to all of our clients for allowing JFS Wealth Advisors to serve your financial needs. We appreciate the opportunity.



JFSWA.COM Gets a New Look

If you have accessed the JFS website at www.jfswa.com recently, you would have noticed that it has a completely new look and feel. Over the past several months, we have worked with a boutique design firm to develop a website that is more user-friendly and that delivers the information our clients and prospective clients need most. Overall, our goal was to create a website that reflects who we are as a firm and adds value to our clients.

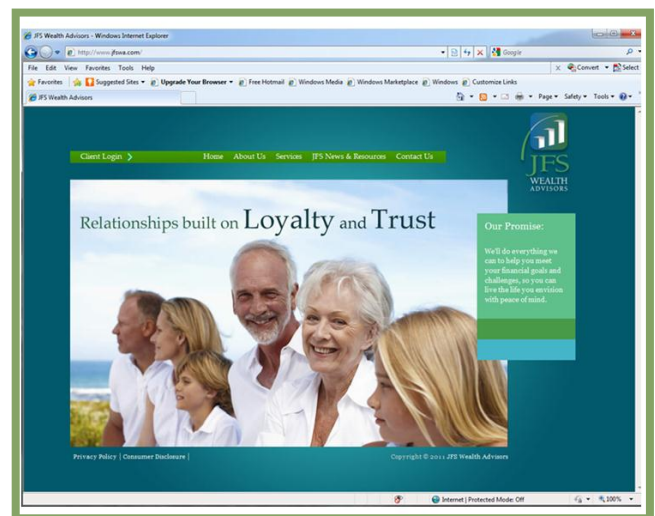
The areas of the website that you may find most useful are our Events page, which lists upcoming JFS sponsored events and seminars, and the JFS News page, which contains articles related to current events in the financial industry as well as the JFS newsletter. Both are located under the JFS News & Resources tab.

Directions to the JFS offices are located under the Contact

Us tab. Members of the JFS team can be easily located under this tab as well.

functionality.

We hope you are as pleased with the new website as we are



You can still access your accounts directly through our website using the Client Login tab. The login for your My JFS Vault is also located under this tab, and there has been no interruption to your vault's

and find it to be a useful and intuitive tool. We welcome your feedback and suggestions as we continuously strive to improve our service and resources.

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Market Comments

September 30, 2011, concluded a grueling third quarter. Indexes we compare our portfolios to show the most recent quarter and year to date returns as follows: S&P500, (13.86%) and (8.68%); Russell 2000, (21.87%) and (17.02%); and MSCI-EAFE, (18.96%) and (14.63%). The Barclays Capital Aggregate Bond index was up 3.82% for the quarter and 6.65% year to date.

Factors influencing the seemingly relentless downturn

included the contentious bickering over the U.S. debt ceiling and it's less than satisfying resolution; the historic downgrade of U.S. debt by the Standard and Poor's rating agency; the continuing struggle in Europe to find a resolution to the Greek debt crisis and to manage the debt problems of multiple other EU members without severely hampering the economic activity of strong members; and a strong drop in consumer confidence. These ongoing events have disheart-

ened investors and led to downward revisions in projected 2011 economic growth as well as revised earnings estimates for many companies. Overall, fears of a second global recession as a result of the current environment are palpable.

As always, despite the overwhelming gloom there are positives to be reviewed and considered. The downward trend in commodity prices,

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"You can't connect the dots looking forward; you can only connect them looking backwards. So, you have to trust that the dots will somehow connect in your future."

- Steve Jobs

Marcellus Shale Gas Drilling

Residents of the western Pennsylvania and eastern Ohio region can hardly help but have heard of recent developments in Marcellus and Utica shale. This region is being specifically targeted for natural gas and oil exploration due to the vast deposits that have been discovered. Based on conversations with our clients and friends, we recognize that there are many unanswered questions about Marcellus and Utica shale and the impact they will have on our area.

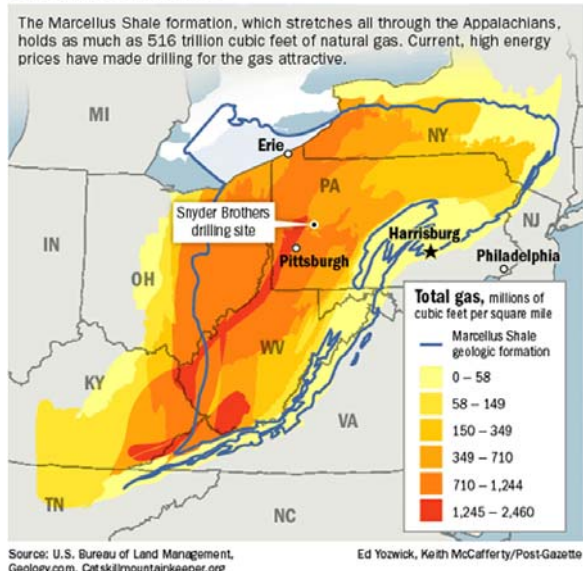
What is it? Marcellus and Utica shale ("Shale") are geological formations created by the accumulation of sediment into the sea that, over time, produced organic-rich shale. The shale has been identified as potentially rich in fossil fuels and a likely key supplier for domestic natural gas.

Where is it? The Marcellus shale deposits start at the base of the Catskills in upstate New York and stretch southwest to West Virginia, Kentucky, and Ohio. The Utica shale deposits in our region have been found in eastern Ohio and western Pennsylvania and are located below the Marcellus shale formations.

Why now? Similar types of shale have been successfully extracted in Texas, Arkansas, and Louisiana allowing drilling companies to refine extraction technology. In addition, Marcellus and Utica shale deposits have been found near population centers in the northeastern United States. This proximity to concentrated populations keeps energy transportation costs low and meets the high demand for natural gas.

What next? Exploration in the region is still in its initial stages with most companies currently concerned with signing drilling leases with property owners. Many land owners have even joined together to take advantage of these opportunities. Typically, land owners receive an upfront payment for lease rights with ongoing royalties being paid should drilling and extraction

Untapped riches



occur. This will ultimately result in significant wealth creation in this part of the country.

How can JFS help? JFS has been assisting clients through life changing events, such as sudden wealth creation, for 25 years. We specialize in helping clients set and prioritize financial goals. JFS also works with clients' other professionals such as attorneys and accountants to ensure a comprehensive plan is created and followed.

If you are dealing with deci-

sions regarding an oil and gas exploration lease or similar wealth event, please contact your lead advisor. Similarly, if you know someone who could benefit from a qualified and independent financial advisor, please have him/her contact us for a no-obligation meeting.

For more information regarding Marcellus and Utica shale, refer to the following resources: www.msetc.org, www.marcellus.psu.edu, www.dcnr.state.pa.us/topogeo/oilandgas/marcellus_shale.aspx. §

Banking Fees on the Rise

Bank of America will roll out a \$5 monthly debit card fee beginning in January.

The fee will apply to basic accounts and will be in addition to any existing monthly service fees. Consumers are charged if they use their debit cards in a given month to make a retail purchase. They are not charged for ATM use.

Wells Fargo and Chase are testing a \$3 monthly debit fee in select markets, but neither bank has announced when it will make a final decision.

Instead of a debit card fee, Citibank will begin charging \$20 a month for its mid-level Citibank Account, if the minimum balance drops below \$15,000 in combined accounts. The minimum balance was raised from \$6,000.

These new fees come on the heels of a regulation that caps fees that banks can collect from merchants whenever customers swipe their debit cards. According to the Nilson Report, those fees generated \$19 billion in revenue for banks in 2009. The cap is 24

Market Comments, continued

especially oil, is positive for future growth. Economists estimate a .2 to .3 percentage point increase in growth for each \$10 decline in oil prices. The fall in commodity prices lowers inflationary expectations leaving central banks with one less demon to fight. On other fronts, consumer spending remains positive, booking its best advance in 12 months in July; in turn retail sales have continued to improve. Factory orders rose 2.4% in July due to a boost in aircraft orders and the largest one month demand for autos in 8 years. The Chicago Purchasing Manager Index at the end of September registered at 60.4 with much better than expected durable goods and jobless claims numbers. In the U.S. housing market, there was a pleasant surprise in August when existing home sales were up 7.7% and housing starts up 3.2%. The National Association of Realtors reports an 18.6% year over year improvement in residential sales.

Analysts we respect at JP Morgan believe the risk of recession is 25% over the next year but point out that cyclical sectors are

at all-time lows and unlikely to go lower; housing has not collapsed, unemployment claims are a bit lower, and household debt is the lowest it has been since 1994. Housing should come back over the next few years as it is now more expensive to rent the typical abode than to own. In

As we discussed last quarter, market valuations remain at very low levels even after considering recent earnings revisions. The forward price earnings ratio on the S&P 500 is at 10.6 compared to the average of 16.3 while the non-U.S. developed countries, as measured by the EAFE Index,

Index returns for periods ending September 30, 2011

		3 Months	1 Year	3 Years	5 Years
100% Stocks		-17.4%	-3.1%	0.5%	-1.7%
100% Bonds		3.8%	5.3%	8.0%	6.5%
Stocks	Bonds				
75%	25%	-12.1%	-1.0%	2.4%	0.4%
60%	40%	-8.9%	0.2%	3.5%	1.6%
50%	50%	-6.8%	1.1%	4.2%	2.4%
40%	60%	-4.7%	1.9%	5.0%	3.3%
25%	75%	-1.5%	3.2%	6.1%	4.5%

The table summarizes returns from stocks and bonds by various asset allocations. Stocks include 1/4 allocated each to large growth and value; 1/12 allocated to each small growth and value; and 1/3 allocated to foreign. Returns for 3 and 5 years are annualized. Past performance is not indicative of future results.

addition, the 30 year fixed mortgage rates dropped to 3.94% this past week, an all-time low. Their view is that sentiment going from gloomy to gloomier does not guarantee a recession!

have a current forward P/E ratio of 9.4 compared to the 10 year average of 13.6. In the emerging markets, the numbers are also compelling with a forward P/E of 8.8 compared to the 10 year average of 11. This translates to the U.S. markets being undervalued by 35%, developed international countries by 31%, and emerging markets countries by 20%. Conversely, the 10 year treasury yield is now slightly negative after adjusting for inflation. While bearing risk in volatile markets is never pleasant, we continue to believe it is in our best long-term interest to continue investing in world equity markets for future growth. We also understand the desire to be out of the market while it is grinding down but remind you that markets turn quickly, and the largest gains are in the several weeks after the turnaround

cents per debit transaction. Consumers make 40 billion debit transactions a year; that's still a nice profit.

Banks are also losing out on overdraft fees with the new regulations that require consumers to opt-in for overdraft protection (be charged a fee if your account is overdrawn). If a consumer opts out and the account is overdrawn, the card is refused instead of extending credit then being charged a fee.

Bank fees are driving consumers back to community banks or local credit unions. Originally

most credit unions were associated with labor or workshop affiliations, but today, many are open to all. Consumers can search for a local credit union at www.culookup.com.

As banks continue to change their fee structures and account offerings, consumers should read the fine print to know exactly what is included with their accounts, what will be charged a fee, and whether there are fee waivers when certain financial obligations are met. §

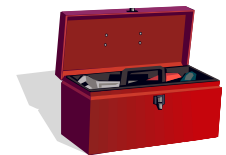
9%

People over the age of 60 who are aware that the annual open enrollment for Medicare has changed to run this year from October 15 through December 7.

Source: National Council on Aging

We strive to provide exceptional service. If you are pleased with the services you receive, the highest compliment you can give is a referral to your friends and family members.

Please contact our office directly if there is any change in your financial condition or investment objectives.



TOOLBOX

What is a Dull Market?

A market where there is little activity. It consists of low trading volumes and tight daily trading ranges. There is very little change during a dull market. Some believe that the market is storing energy during dull markets and that the market is preparing for a rally. Any moves after a dull market tend to be large moves due to the lack of activity. The globalization of the financial industry has reduced the time a market remains dull.

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Relationships Built on
Loyalty and Trust.



Use your smartphone to scan our QR code to take you directly to our website to learn more.



A copy of the JFS Wealth Advisors' privacy disclosure and Form ADV Part 2 are available upon request.

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For additional information about JFS, including fees and services, send for our disclosure statement as set forth on Form ADV from JFS using the contact information herein. Please read the disclosure statement carefully before you invest or send money.

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The mission of JFS Wealth Advisors is to foster lifetime relationships with individuals, families, and organizations, assisting them with meeting life's challenges and financial goals.

JFS Small Group Seminars

November - Long-term Care Planning

On November 10 at 6 p.m. in the Avalon Golf & Country Club at Buhl Park, Tom Lilly, president of Futurecare Associates, will present material to help you understand long-term care insurance and how it fits within your overall Financial Goal Plan. You will learn tips and general features for various long-term care insurance solutions as well as how to determine if coverage is appropriate for your needs and objectives. Futurecare is an independent insurance brokerage firm with expertise in long-term care planning.

We are beginning our planning for our 2012 seminar events. We hope to have some exciting topics for you. Watch for information in upcoming newsletters, on our website, and on our Facebook page.

Advisors will extend invitations to clients that they feel will benefit most from the topic. If you have a specific interest in a topic, please let your advisor know so that we are sure to include you. In addition, you are welcome to bring a guest who would find the information helpful. We also welcome suggestions for future topics, so we can continue to provide meaningful seminars.



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JFS News, continued

Tony has worked at JFS since 2006 and is a support advisor providing advanced assistance to lead advisors by participating in meetings and with the preparation of financial plans and financial planning updates. He is a member of the firm's investment committee. He also holds the Certified Investment Management AnalystSM designation, which he earned in 2009, and a CFP certification, which he earned in 2008.

New Hire: Welcome to Antonette Rossi who joined JFS on October 3 as a tax advisor. She will be responsible for preparation and review of financial statements and tax returns and assists with client tax planning.

Toni brings a strong background in accounting and tax. She previously was the controller for Industrial Machining & Design Services, Youngstown, OH.

She earned a bachelor's degree in business administration with a major in accounting from Youngstown (OH) State University. She serves on the Women's Leadership Council for the United Way of Youngstown & the Mahoning Valley and lives in Neshannock.

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Market Comments, continued

begins. Your decision to stay in the market now may be one of the most important decisions you make for your future wealth accumulation.

As always, we encourage you to continue in your recommended asset allocation unless something significant has changed in your life. Please don't hesitate to call us with your concerns and to continue planning for your future. You continue to be our number one priority, and we remain committed to helping you meet your goals.

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