



October 9, 2008

Dear Valued Client,

These are certainly times that try the most confident of mere mortals. The corporate landscape is in flux with new names appearing on headquarter buildings as routinely as the autumn foliage changes the colors of our beloved New England. The Federal government has forced several mergers and acquisitions of troubled financial institutions. Congress has passed legislation to both protect our investments in money markets and CDs as well as provide the priming to restart the massive credit pump.

Yet, as the seasons must change to give our environment life and rebirth, so too the cycles of the business economy fluctuate. As the financial giants of the world start on a strict diet to reduce their borrowings, they will feel those nasty hunger pangs for a little while until they shrink their collective stomachs. Some of this pain is realized in our personal world as we see neighbors lose their jobs or maybe even their homes to foreclosure. As in past cycles, this diet will be successful for those businesses and individuals who have been disciplined and remain committed to control their debt eating habits. They remain healthier and more attractive in the process. Naturally, some will backslide, grow fat with debt and the cycle will start again. The bottom line however, is that what we are going through now is, while not routine, also not without precedence.

So what are we at Westport Resources doing to protect your portfolios? First, we are not panicking. We are not throwing our babies down the drain with the bathwater, but maintaining our core strategic views. Secondly, for some we are ratcheting back the risk by increasing the percentage of cash and investment grade fixed income in your portfolios. The new positions you see are in company names where we believe their financial diet is working and healthy growth will resume. Better yet, we are adding names of healthy companies which we have identified as not needing any diet at all. We believe there is value amongst this volatile smorgasbord and hope to profit through our fundamental analysis and patience. The bottom line is that if we do our job right, your portfolios should look and feel much better a year from now. While we don't have a magic cure-all, we thank you for letting us continue to do our job for you.

Some of you have been asking about the safety of National Financial Services, LLC (NFS), the Fidelity Investments Company that holds your assets. Fidelity is being proactive and transparent in their communications with us regarding their very strong financial health. We have posted correspondence on our website under "News and Market Commentary". Please refer to this reassuring commentary.

At the beginning of the quarter, Westport Resources received the very good news that through June 30th, we held five “Best of the Best” rankings with Informa. We were also in the top quartile for each and every one of the six investment programs that we report to Morningstar.

We are continuing to serve new clients thanks to your referrals and we take pride in the fact that there is continued confidence in our management. Bridget McLoughlin has hired an additional staff member to help us keep ahead of the workload. When you stop in or call, say hello to Marykate Shine. Marykate is a recent graduate of Fairfield University, full of energy and intelligence with a very winning smile.

During this volatile market period, we are seeing more of you lately which is a very good thing. We encourage you to take the opportunity to meet with us in person and to undergo your own “portfolio checkup,” communicate your concerns and remain educated and informed. We are committed to doing our best on your behalf and earning the trust you place in our team.

Sincerely,

John Adams Vaccaro, CFP®, CLU  
Chief Executive Officer

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