



Dear Valued Client:

Nine years ago, I believe the death of Bin Laden would have rallied the US equity markets. Now, although this was “big” news for a day or two, the markets really did not react in any meaningful way. In fact, the S&P average declined over the next six weeks from May 1<sup>st</sup> when it stood at 1363 down to 1262 on June 15<sup>th</sup>. After all, we had absorbed the fact of his existence, of world terror as part of our lives and “discounted” the effects in our store of knowledge. “New news” of the day such as the Greek debt crisis grabbed our attention. Eventually this too will get discounted into our psyches. We will then go on to the next “new” issue.

Perhaps there is a lesson in the above. Our nature as human beings is to either focus only on the fresh issues of the day or to focus on the “big picture” from our personality bias (usually either a world that is poised to soar or poised to self destruct). In the half full or empty scenario, we human beings tend to select the data that fits our predisposition. As investment advisors, this is a dilemma. How do we frame the “real” expected investment outcome for you? If you are in a half empty mode, how do we communicate that there probably is a valid half full point of view as well? We devote much of our energy trying to balance the investment risks and the rewards for you, our clients, and help set a strategy that encompasses both the good news as well as protect against the risks that are ever-present. Let me know if we are not presenting a balanced picture to you.

Enclosed find 2<sup>nd</sup> quarter ending commentaries from a number of our portfolio managers. Each is attempting to balance his thinking about the investment climate of today. Each is attempting to place into context both the 5% rally of the past week – and the fact that equity markets, over the past quarter, have been somewhat muted. For example, according to Morningstar, the average equity fund declined .25% over the 2<sup>nd</sup> quarter. Each manager has a unique set of data points and opinions which make for a very interesting read. I recommend all of them to you.

Also enclosed is a letter from Rudy Polanski, Senior Portfolio manager. Rudy has been a fixture here since late 1993. He is retiring. As of July 1<sup>st</sup>, Ted Strathdee takes the reins of our Global Tactical Asset Allocation Program. Rudy developed this very successful investment model while here at Westport Resources. That model has worked well and produced strong relative returns for most years. We now put the capabilities of that model in the hands of an experienced manager (Smith Barney for 22 years) who worked side by side with Rudy for the past 7 months. Rudy will remain in our offices until September 30<sup>th</sup> and then continue advising Ted and our firm for another two years. I first met Rudy in late 1986 and have enjoyed a mutual respect and friendship with him over the past 25 years. I trust his formal transition out of the investment business does not also mean a transition out of our minds and sights.

Finally, enclosed find a new summary of recent awards and recognitions for Westport Resources. I am proud of our accomplishments for you and hope to continue serving your planning and investment needs for many years to come.

Sincerely,

A handwritten signature in blue ink, appearing to read 'John Adams Vaccaro', with a stylized flourish at the end.

John Adams Vaccaro, CFP®



*“These third party recognitions continue to differentiate Westport Resources from many of our peer investment management firms. I believe they affirm the caliber of our investment team and the superior wealth management capabilities we deliver to our clients. As we begin to celebrate our 25th Anniversary in Fall 2011, these public acknowledgments provide a solid springboard for accelerating our growth. They are a testament of our ability to consistently deliver attractive returns throughout all market phases and to preserve capital by adhering to strict risk management and rigorous Investment management policies.”*

- John Adams Vaccaro, Founder and CEO

### **Recent Awards and Rankings**

**Barron’s Top 100 Independent Financial Advisors 2009 and 2010**

**Barron’s Top 1,000 Advisors in America 2010 and 2011**

**“Best of the Best Top Guns” 4 Years in a Row (PSN Monitor)**

*Special Income*

*Global Tactical Asset Allocation*

**Morningstar® Five and Four Star Ranked Strategies**

*Special Income*

*Global Tactical Asset Allocation*

*Exchange Traded Fund*

*Fixed Income*

**Thomson Reuters “Nelson’s World’s Best Money Managers” 2010**

*Global Tactical Asset Allocation*

*Global Balanced Strategy*

**Top Wealth Manager 5 Years in a Row**

*Wealth Manager Magazine*

Headquartered in Westport, CT, Westport Resources Management, Inc. was founded in 1986 by Chief Executive Officer John Adams Vaccaro. Maintaining stable growth over its 25-year history, Westport Resources provides wealth management services to individuals, families, institutions and municipalities. Westport Resources empowers clients to realize their visions, optimize their resources, and proactively manage risk through its customized innovative solutions, independent research, dynamic planning, meaningful reporting, and passionate client service. More information is available at [www.westportresources.com](http://www.westportresources.com).