

Item 1

Westport Resources Management

315 Post Road West, Westport, CT

203-226-0222

www.westportresources.com

March 31, 2012

This Brochure provides information about the qualifications and business practices of Westport Resources Management [“WRM”]. If you have any questions about the contents of this Brochure, please contact us at (203) 226-0222. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

WRM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about WRM also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 31, 2012 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jeffrey Sargent, Chief Compliance Officer at (203) 226-0222 or jsargent@westportresources.com. Our Brochure is also available on our web site www.westportresources.com, also free of charge.

Additional information about WRM is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with WRM who are registered, or are required to be registered, as investment adviser representatives of WRM.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 - Table of Contents	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	3
Item 6 – Performance-Based Fees and Side-By-Side Management.....	4
Item 7 – Types of Clients	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 – Disciplinary Information	19
Item 10 – Other Financial Industry Activities and Affiliations.....	19
Item 11 – Code of Ethics.....	21
Item 12 – Brokerage Practices	22
Item 13 – Review of Accounts	23
Item 14 – Client Referrals and Other Compensation	23
Item 15 – Custody	23
Item 16 – Investment Discretion	24
Item 17 – Voting Client Securities	25
Item 18 – Financial Information.....	25

Item 4 – Advisory Business

- A. Westport Resources Management, Inc. (“WRM”), an SEC registered investment advisor, headquartered in Westport, CT, was formed in October 1986 as an S Corporation with three principals, including current CEO and majority shareholder, John Adams Vaccaro (“Vaccaro”). In May 1990, Vaccaro beneficially acquired all shares and became sole owner. The company is affiliated, through Vaccaro’s common ownership, with Westport Resources Investment Services, Inc. (“WRIS”), a FINRA registered broker/dealer that was formed as a C Corporation in 1989.
- B. As of 12/31/2010, the Registrant had \$ 369,946,826.87 in assets under management on a discretionary basis and \$19,347,301.00 in assets under management on a non-discretionary basis.
- C. As discussed below, WRM offers to its clients:
 - 1. Gathering of client information.
 - 2. Consultation with the client to determine goals and objectives.
 - 3. Generation of a Financial Planning document which details the client's financial profile and makes recommendations of the future course of action and may recommend additional specific professional advice from either affiliated or unaffiliated professionals re: legal, tax or other planning issues requiring specialized expertise.
 - 4. Services may involve subsequent consultation at an hourly rate (not to exceed \$375 per hour) when required.
 - 5. Fees for financial planning services without asset management will not exceed \$375 per hour.
- D. As a client of WRM you may choose a member of the **Private Client Group** or one of the **Professional Affiliates** of WRM as an investment advisor for your specific accounts or portfolios. WRM’s Private Client Group and its Professional Affiliates will supervise accounts on a discretionary basis. Advice is given accordingly. WRM will not use other investment advisers to assist in the management of any of your accounts without your prior agreement.

Under the **Private Client Group**, WRM utilizes nine different fee schedules based on the style of management:

- 1. Customized Portfolio fees utilizing individual securities are 1.25% maximum per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000, depending on services rendered.
- 2. Fixed Income Portfolio fees are 0.5% maximum per annum.
- 3. Global Tactical Asset Allocation fees are 2% per annum for the first \$2,000,000 of assets under management and 1% of all amounts greater than \$2,000,000.
- 4. Individual Global Balanced Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000.

5. Institutional Global Balanced Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000.
6. Special Income Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000.
7. International Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000.
8. Exchanged Traded Fund ("ETF") Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000.
9. Absolute Total Return fees are 2.00% per annum for the first \$2,000,000.00 of assets under management and 1.00% of all amounts greater than \$2,000,000.00

Footnotes:

1. If your account is greater than \$2,500,000 or you are the principal of a charitable organization you may negotiate all of the fees described above. WRM typically consolidates related accounts for billing purposes.
2. A "performance based" fee structure is available to qualifying clients. A client who desires such a fee structure must qualify as compliant with Rule 205-3 promulgated under the authority of the Investment Advisors Act of 1940 (the "Advisors Act").
3. WRM also offers a "wrap" account to clients maintaining accounts with qualifying broker/dealers including WRIS, an affiliated firm. Firm details are provided in a document ("WRM Wrap Brochure") in compliance with Schedule H of Form ADV.
4. A client invested in a mutual fund pays a management fee to WRM and a management fee and expenses to the mutual fund.
5. Solicitors adhere to the same fee schedules as above.

Clients of the **Professional Affiliates** of WRM may select one of the following Investment Adviser Representatives

1. Felix Serrano, CFP®, JD
2. Paul H. Daimler
3. Dwight Pike, CFA
4. Theodore Strathdee
5. Susan Roth
6. Joseph Tatusko, CFP®, CFA
7. Lee Weiner
8. William Webster, CFP®
9. Christopher DeLaura, CFP®
10. Rami (Ray) Hofshi
11. Bill Matthes
12. Terry Schnare
13. Herbert C. Rosenthal, CLU, ChFC
14. Frank Sterneck
15. John Adams Vaccaro, CFP®, CLU
16. Steven Ortega
17. Tom Forester – Forester Capital Management
18. Shawn Blau

These Investment Adviser Agents operate under a fee schedule that ranges from 0.50% to a maximum of 3.0 % per annum of assets under management, depending upon the style of money management that they employ. They may also be compensated on a commission only basis, if they are registered broker-dealer agents of WRIS. A commission schedule is disclosed in the Investment Advisory Agreement.

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Item 5 – Fees and Compensation

As a WRM client, your written agreement with WRM establishes the specific manner in which fees will be charged by WRM. Generally, WRM bills its clients on a quarterly basis. Clients will be billed in arrears each calendar quarter. You may elect to be billed directly for fees or to authorize WRM to directly debit fees from your accounts. If you do not select a specific way to be billed, WRM will debit fees directly from your account. WRM will prorate fees for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded to you, and any earned, unpaid fees will be due and payable.

WRM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by regulatory bodies, custodians, brokers, third party outside portfolio managers and other third parties such as investment management fees charged by outside portfolio managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Those charges, fees and commissions are exclusive of and in addition to WRM's fee. WRM will not receive any portion of these commissions, fees, and costs.

1. Customized Portfolio fees utilizing individual securities are 1.25% maximum per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000, depending on services rendered.

2. Fixed Income Portfolio fees are 0.5% maximum per annum.
3. Global Tactical Asset Allocation fees are 2% per annum for the first \$2,000,000 of assets under management and 1% of all amounts greater than \$2,000,000.
4. Individual Global Balanced Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000.
5. Institutional Global Balanced Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000
6. Special Income Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000
7. International Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000.
8. Exchanged Traded Fund (ETF) Portfolio fees are 1.25% per annum for the first \$500,000 of assets under management and 1% of all amounts greater than \$500,000.
9. Absolute Total Return fees are 2.00% per annum for the first \$2,000,000.00 of assets under management and 1.00% of all amounts greater than \$2,000,000.00

Notes:

1. If your account is greater than \$2,500,000 or you are the principal of a charitable organization you may negotiate all of the fees described above. WRM typically consolidates related accounts for billing purposes.
2. WRM also offers a "wrap" account to clients maintaining accounts with qualifying broker/dealers including WRIS, an affiliated firm. Firm details are provided in the WRM Wrap Brochure in compliance with Schedule H of Form ADV.
3. Solicitors adhere to the same fee schedules as above.

Item 6 – Performance-Based Fees and Side-By-Side Management

In some cases, WRM has entered into or may enter into performance fee arrangements with qualified clients: each individual client may negotiate a performance –based fee if the client is qualified. WRM will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisors Act and adhere to the exemptions available in that section the Advisors Act, including the exemption in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, WRM will include realized and unrealized capital gains and losses.

Performance based fee arrangements may create an incentive for WRM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. WRM has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

WRM provides portfolio management services to individuals, high net worth individuals, Individual Retirement Accounts, business entities, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trusts, estates and other U.S. institutions.

WRM generally requires an account minimum asset level of \$500,000. Certain strategies, such as the Mutual Fund and ETF strategy have an account minimum of \$250,000.00. WRM, in its sole discretion, may reduce or waive its minimum asset requirement based upon the following criteria:

- a. anticipated future earning capacity;
- b. anticipated future additional assets;
- c. dollar amount of assets to be managed;
- d. related accounts;
- e. account composition; and
- f. negotiations with a client.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

WRM may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

WRM may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Trading (securities sold within 30 days)

- Option writing, including covered options, uncovered options or spreading strategies
- Margin Transactions

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments investment strategies recommended or undertaken by WRM) will be profitable or equal any specific performance level(s). Each client should be prepared to bear the risk of loss which might occur when investing in securities.

WRM has a number of different Investment Strategies available to clients. After a detailed conversation with your Investment Adviser, a suitable strategy or strategies will be presented to you. This may include the recommendation to invest funds with certain third party asset managers with whom WRM has a business relationship.

ETF

Investment Philosophy

Utilizing low expense, tax efficient ETFs, a portfolio may be created to gain well diversified exposure across industry sectors, individual countries and regions. Sectors and regions may be over- or underweighted based on future expectations for relative value and growth.

Investment Decision-Making Process

Portfolios generally seek balance across sectors and geographies relying primarily on analysis of macroeconomic themes affecting individual sectors and countries. Setting investment objectives and overall portfolio composition is a collaborative process between you, the client, and WRM. ETFs themselves are passively managed. Choosing and combining ETFs to determine an integrated portfolio that best meets your objectives and risk tolerance provides significant added value. After you and WRM determine the initial asset allocation, the portfolio manager is responsible, within the parameters of the investment plan, for selecting which individual ETFs are most appropriate at the current time. Purchases and sales are made at the discretion of the portfolio manager(s).

Throughout, tax considerations (where applicable) are an integral part of the decision-making process. Each portfolio manager constantly monitors and reviews your portfolio. The portfolio manager performs a formal rebalancing at least once a quarter, in conjunction with periodic reviews of investment results, portfolio mix and strategy suitability with you. Annual turnover is quite low, generally less than 15%.

Primary Components of the Strategy

We seek to provide a number of distinct benefits through the use of ETFs. ETFs are similar to mutual funds, but differ in several key respects.

- **ETFs Enable Investors to Trade the Market** – Unlike mutual funds, ETFs trade like any individual security on a stock exchange, offering the advantages of intraday pricing, broad liquidity and the ability to be traded anytime during exchange hours.
- **ETFs Replicate Recognized Market Indices** – ETFs are baskets of stocks or bonds structured to replicate a wide spectrum of recognized market indices. These indices include broad market indices, such as the S&P 500 Index; non-U.S. markets, like the Financial Times Stock Exchange 100 stock index; and specific industry sectors, such as U.S. consumer staples. This type of investment

provides the benefit of either broad diversification or the ability to focus on a particular investment theme with relatively few transactions, which reduces investment costs.

- **ETFs Offer Tax Efficiency** – ETFs typically are more tax efficient than most mutual funds because they are passively managed, which leads to lower turnover and, in turn, lower costs.

Fixed Income

Investment Philosophy

To create, through the use of bonds, a portfolio that provides current income and long-term returns equal to, or above, that of the Barclay's Capital U.S. Aggregate Bond Index. The objective of our Fixed Income Strategy is to provide a relatively stable and predictable return.

Investment Decision-Making Process

Setting investment objectives and overall portfolio composition is a collaborative process between you, the client, and WRM. Based on WRM's assessment of your objectives and risk tolerance, we set parameters for bond quality, diversification and duration. We seek to maximize overall returns through our analysis of changes in interest rates, yield curve and credit spreads. After the initial asset allocation has been determined in collaboration with the client, the portfolio manager(s) are responsible, within the parameters of the investment plan, for selecting which individual securities are most appropriate at the current time. The portfolio manager directs purchases and sales of securities. Throughout this analysis, tax considerations (where applicable) are an integral part of the decision-making process. The portfolio manager constantly monitors and reviews the portfolio. The portfolio manager performs a formal rebalancing at least once a quarter, in conjunction with periodic reviews of investment results, portfolio mix and strategy suitability with you, the client.

Primary Components of the Strategy

We seek to build a portfolio comprised of bonds that may be selected from a broad spectrum of fixed income sectors, including U.S. investment grade and high yield corporate bonds, municipal bonds, mortgage-backed securities(including collateralized mortgage obligations, mortgage pass-throughs and adjustable-rate mortgages), asset-backed securities, convertible bonds, TIPS (Treasury Inflation-Protected Securities), foreign bonds, agency securities and U.S. Treasury securities. Portfolios may also hold cash and cash equivalents.

Global Balanced

Investment Philosophy

To create a portfolio that varies its allocation among fixed income and equities and among various investment styles depending on how WRM views the overall market and corresponding relationships among different asset classes. Portfolios are generally evaluated by using individually constructed benchmarks based on widely followed indices, weighted to reflect the portfolio's targeted asset allocation.

Investment Decision-Making Process

We base investment decisions on the client's investment policy, as defined by either an existing policy document or established in conjunction with WRM. We then use our assessment of market conditions to construct a portfolio consistent with both the quantitative and qualitative investment parameters spelled out in the investment policy statement. After we have determined the initial asset allocation in collaboration with you, the portfolio manager is responsible, within the parameters of the investment plan, for selecting which individual securities, countries, industries, investment styles, capitalization values, and other factors are most appropriate at that time. The portfolio manager directs purchases and sales of securities. Throughout, tax considerations (where applicable) are an integral part of the decision-making process. The portfolio manager constantly

monitors and reviews each portfolio. At least once a quarter the portfolio manager performs a portfolio rebalancing, in conjunction with periodic reviews of investment results, portfolio mix and strategy suitability with you, the client. Changes in asset allocation are occasioned by both changes in market conditions and in your objectives.

Primary Components of the Strategy

Where allowed, both international and domestic securities are used to build a portfolio.

- **Equities**, if applicable, may be chosen from various sectors within the manufacturing, service and information segments of the economy and from across both developed and emerging countries within the regions of greater Asia, greater Europe, Africa, North America and Latin America.
- **Fixed income securities** may be selected, as appropriate, from a broad spectrum of sectors, including U.S. investment grade and high yield corporate bonds, municipal bonds, mortgage-backed securities (including collateralized mortgage obligations, mortgage pass-throughs and adjustable-rate mortgages), asset-backed securities, convertible bonds, TIPS (Treasury Inflation-Protected Securities), foreign bonds, agency securities and U.S. Treasury securities.
- **Cash and cash equivalents** may also be held in the portfolios.

Global Tactical Asset Allocation

Investment Philosophy

Through a mix of no-load mutual funds, a portfolio may be created that achieves returns superior to that of the overall equity market. Technical analysis, money flow and momentum drive the strategy.

Investment Decision-Making Process

Setting investment objectives and overall portfolio composition is a collaborative process between you and WRM. Once we have assessed your objectives and risk tolerance and once we have agreed on asset allocation, we select those no-load mutual funds believed to be most likely to outperform all other funds in a certain category over the next 6 to 12 months, considering current global economic and political conditions, the direction of domestic and international interest rates, and the business cycles of the major industrialized nations. The portfolio manager then undertakes further analysis with respect to the individual securities held by each mutual fund, the investment styles of the mutual fund managers, how each fund has historically performed in down markets, each fund's size and how much cash it is holding in reserve.

The portfolio manager directs purchases and sales of mutual funds. Each portfolio is evaluated daily, utilizing sophisticated software to identify those funds and fund managers expected to outperform their asset classes. Since you incur no sales charges to buy, sell or switch between no-load mutual funds, if a certain fund is not performing well, it can easily be changed. We conduct periodic reviews of investment results, portfolio mix and strategy suitability you, the client.

Primary Components of the Strategy

U.S. and international equity and fixed income no-load mutual funds that span asset class segments, economic sectors and geographic regions may be used to build a portfolio. In times of market stress, the strategy may employ hedging strategies to achieve market neutral positioning. Cash is also considered a viable asset class.

In seeking to minimize risk and produce superior long-term returns, portfolios are well diversified, slightly overweighted in asset classes viewed as most likely to appreciate over the near term, and positioned in the best performing no-load mutual funds to capitalize on current market opportunities. Diversification is achieved in three ways.

- Numerous no-load mutual funds, each composed of a broad variety of assets, are used, rather than individual securities.

- We establish positions in multiple asset classes and market segments, such as growth stocks, growth & income securities, international stocks, etc.
- We utilize several mutual funds for each asset class to spread risk and reward among the best mutual fund managers.

The firm maintains an extensive database of mutual funds, and the portfolio manager is regularly in contact with many mutual fund managers. Investments that under perform are reevaluated to determine the reason and if a change should be made.

Special Income

Investment Philosophy

Through the use of five primary components, a portfolio may be created that provides income equal to, or greater than, that of investment grade bonds plus modest long-term growth. We expect that the strategy will produce a greater total return than a portfolio of investment grade bonds and a better combination of risk and return than a portfolio of high yield bonds.

Investment Decision-Making Process

We utilize a top-down/bottom-up approach. Top-down, we analyze macro factors influencing the United States and global economies as well as the capital markets. Our assessment of the macro environment drives the asset allocation decision and determines how much exposure to target for each investment sector. Bottom-up, we rely on a strong internal research capability to determine which issuers and securities are best suited when executing the target asset allocation. Underlying all investment decisions is fundamental analysis that considers relative value, quality and consistency of earnings and cash flow, managements' ability to execute strategies, leverage, and the issuers' ability to service debt and maintain or increase dividend payouts. We monitor portfolios daily and review them in depth at regular intervals to determine if rebalancing is required. Our team regularly meets to discuss the changing investment environment, identifying structural changes and unique opportunities that may surface at any particular time. If there is one question we strive to answer, it is "Are we getting paid for the risk?"

Primary Components of the Strategy

We seek to establish a dynamic target consisting of five components.

- 1. U.S. Equities:** High dividend yield diversified across industry groups
- 2. International Equities:** High dividend yield diversified across industry groups
- 3. Exchange-Traded Master Limited Partnerships (MLPs):**
 - 5 and 10 year total returns exceed S&P 500 by wide margins; historically, 1/3 less price volatility than U.S. equities (exception: second half 2008)
 - Low correlation to equities provides clear diversification benefits (same exception above)
 - Fixed income alternative: distribution yields between 7% and 10%
 - 90% of annual distributions are tax-deferred and are taxed only when units are sold, preferably as long-term capital gains
 - Continued distribution growth portends capital appreciation opportunities
 - Exchange traded and subject to all SEC reporting requirements
- 4. Fixed Income:** Investment grade corporate and high yield bonds, agency securities and TIPS (Treasury Inflation Protected Securities)
- 5. REITs (Real Estate Investment Trusts)**

Absolute Total Return

Investment Philosophy

The Absolute Total Return Strategy utilizes a focus on high-dividend equities, funds, partnerships, and equity-related instruments to maximize after-tax total returns, through a combination of sustainable dividends and long-term capital appreciation. The strategy achieves diversification through positions in multiple asset classes, including: stocks, bonds, real estate investment trusts, master limited partnerships, closed-end funds, business development companies, royalty trusts, exchange-traded funds, preferred stocks, options and other securities.

Investment Decision-Making Process

After investment objectives have been specified in collaboration with the client, the portfolio manager identifies high-dividend equity-related instruments which generate high current return on a risk adjusted basis, plus reasonable projections of shareholder distribution growth over the next two years.

The portfolio manager then analyzes the following characteristics for each of the instruments that have been identified:

- 1) current yield;
- 2) sustainability of distributions;
- 3) projected growth of distributions;
- 4) level of risk; and
- 5) tax treatment.

After comparing these characteristics for each asset category, the manager then allocates assets to maximize projected after-tax total return. Whenever total return projections for a particular asset category fail to meet acceptable requirements for the corresponding level of risk, the strategy commits to going to cash, in an effort to alleviate potential adverse effects on total return.

Primary Components of the Strategy

The strategy seeks maximum efficiency by taking advantage of opportunities in the following areas:

- 1) tax-efficiency, by optimizing total returns on an after-tax basis and balancing long-term capital appreciation with tax-efficient shareholder distributions;
- 2) use of inexpensive leverage on a temporary basis, where available, when the cost and risk are justified by market benefits; and
- 3) minimization of trading costs, to limit expenses.

THIRD PARTY ASSET MANAGER

LOCKWOOD INVESTMENT STRATEGIES

LOCKWOOD ASSET ALLOCATION PORTFOLIOS

PROGRAM SERVICES

WRM has an arrangement with Lockwood Capital Management ("LCM"), whereby WRM makes available to Clients two investment programs offered by LCM, Lockwood Investment Strategies ("LIS") and Lockwood Asset Allocation Portfolios ("LAAP"). LCM is a U.S. Securities and Exchange Commission (the "SEC") registered investment adviser, which provides a variety of investment advisory services. LCM is an affiliate of Lockwood Advisors, Inc. ("Lockwood"), a leading provider of managed account products and services. LCM and Lockwood are also affiliated with Pershing LLC ("Pershing") and Pershing Advisor Solutions LLC ("PAS"). LCM, Lockwood, Pershing and PAS are wholly owned subsidiaries of The Bank of New York Mellon Corporation ("BNY").

WRM has contracted with LCM to offer its products to their Clients through their Professional Affiliates or a member of the Private Client Group. WRM may utilize software and marketing and sales material and other documentation provided by Lockwood to assist the Client in selecting first the product and second the investment style or model, which is suitable for the Client, both initially and on an on-going basis. WRM: 1) collects financial and personal information from the Client; 2) transmits such information to Lockwood and LCM; and 3) assists the Client in establishing investment objectives.

WRM provides the Client with account opening paperwork, brokerage agreement(s), along with a copy of Lockwood's (or the Sponsor's in Managed Account Command) and LCM's respective ADV Part II, Brochure. WRM submits the financial information, investment objectives and account forms to Lockwood, Pershing and any other broker-dealer, as needed. Lockwood reviews the information provided by the Client and once approved, opens an account for the Client's managed account assets. Assets are custodied at Pershing, an affiliate of Lockwood and LCM. LCM also reviews the account opening paperwork to determine whether the selected strategy is suitable for the Client. At any time, LCM may request additional information to verify the information provided by the Client. After LCM reviews and approves the account for trading, LCM is granted investment discretion by the Client and exercises such discretion in the day-to-day management of the account. LCM may, in its sole discretion, change Sub-Advisers or investment vehicles, revise asset allocations within strategies and discontinue certain strategies, and accept certain of the Sub-Advisers' suggested securities. Each Client is requested to inform WRM and LCM, at least annually, of any changes in their financial condition or of any changes to investment restrictions which the Client wishes to impose. While there are no restrictions on the ability of the Client to contact and consult LCM personnel, it is generally preferred that the Client do so through, or together with, WRM.

LCM'S PRODUCTS

LOCKWOOD INVESTMENT STRATEGIES ("LIS")

LIS is a discretionary, multi-discipline managed account product housed in a single portfolio with five core models. The five (5) core models span the risk/return spectrum from current income model to growth model within the context of a diversified portfolio. A Client may also choose from four (4) additional models which include exposure to non-traditional asset classes, as described more fully below. LCM, serving as the Portfolio Manager, determines asset allocation and selects both Sub-Advisers and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as its macroeconomic outlook and investment discipline. LCM selects Sub-Adviser and/or investment vehicle(s), such as an exchange-traded fund ("ETF") or mutual fund, for each investment style. When selected for inclusion within the program, each Sub-Adviser electronically provides its model portfolio (buy-list) to LCM on a daily basis. An Overlay Manager combines each of the model portfolios into one Investment Strategies portfolio designed to perform and act similar to the target benchmark for the portfolio. The Overlay Manager gathers each of the portfolios and runs an optimization program that seeks to, minimize tax implications, and create better tracking to the target benchmark.

Until April 30, 2006, Parametric Portfolios Associates served as the Overlay Manager for LIS. Effective May 1, 2006, LCM assumed the role of the Overlay Manager for all LIS portfolios. As the Overlay Manager, Parametric Portfolios Associates made quarterly 13f filing with the Securities and Exchange Commission through the first quarter of 2006. LCM made its initial 13f filing with the

SEC in January 2006, and continues to make such quarterly filings.

When LCM selects investment vehicles for each investment style component of each of the portfolios, a number of factors are evaluated. Not only must the vehicle stand on its own investment merits, but it also must fit within the overall strategy. The amount allocated to an investment style component may determine which instrument may be used to manage that portion of the portfolio. An instrument such as a mutual fund or ETF may be utilized to allow broad market exposure to be achieved for lower dollar values. A basket of individual securities supplied by a Sub-Adviser may be used for allocations where LCM seeks active securities selection. LCM reviews Sub-Adviser and investment vehicle combinations to determine the most effective combination of investments to satisfy the goals of the portfolio. LCM also pays considerable attention to fees, liquidity, investment minimums, and operational issues as they pertain to the implementation and inclusion of investment vehicles and Sub-Advisers in the portfolios.

LCM offers a series of strategies limited to traditional asset classes only (Traditional) and a series of Strategies that include traditional and non-traditional investment asset classes (Alternative) for implementation.

Traditional Strategies:

LCM offers five (5) diversified, discretionary, investment portfolios that include allocations to traditional asset classes including, but not limited to U.S. Fixed Income, U.S. Large-Cap Equity, U.S. Small-Cap Equity, U.S. Mid-Cap Equity, Non-U.S. Equity and REITs.

The asset classes represented within the investment portfolios are comprised of:

- *Fixed Income:* LCM employs a broad-based, passive approach for its fixed income allocation, represented by the Lehman Aggregate Bond Index, which has exposure to a diversified mix of corporate and government bonds. As market opportunities warrant, LCM may combine a core allocation to the Lehman Aggregate Bond Index with satellite allocations to various segments of the global fixed income market.
- *U.S. Large-Cap Equity:* Due to market efficiencies, LCM takes a passive approach to the large-cap equity market, focusing on low-cost, broad-based investment vehicles, represented by the S&P 500 Index and the Russell 1000® Index. As market conditions warrant, LCM may overweight the large cap allocation to the growth or value style.
- *U.S. Small-Cap and Mid-Cap Equity:* LCM generally employs an active approach in its allocation to small-cap and mid-cap stocks. This segment of the market, represented by the Russell 2000® Index and the Russell 2500® Index, is inherently more volatile than its large-cap counterpart and, therefore, often carries a lesser weight than the large-cap portion.
- *Non-U.S. Equity:* LCM generally employs an active approach in its allocation to non-U.S. equity. The MSCI EAFE Index represents this asset class. The international allocation is incorporated for both diversification and capital appreciation potential. The asset class as a whole has a relatively low correlation to domestic equity over time and, therefore, may help diversify the portfolio while providing potential for growth. As market opportunity warrants, LCM may include allocations to other international sub-asset classes, such as Emerging Markets and International Small-Cap Equity.
- *REITs:* LCM generally employs a passive approach in its allocation to Real Estate

Investment Trusts (REITs). The asset class is represented by the NAREIT-Equity Index, which has had a low correlation to the stock and bond markets. The allocation is intended to lessen overall portfolio volatility and provide income via its dividend yield.

LCM may use both active and passive vehicles in any of its asset classes as market conditions or the availability of investment vehicles warrant.

The Traditional Strategies models, representing various levels of expected risk and return, offered within LIS are:

- Model I: Current Income
- Model II: Growth & Income
- Model III: Conservative Growth
- Model IV: Moderate Growth
- Model V: Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with 100% of the model allocated to equities.

Using a long-term, strategic approach to its asset allocation methodology, LCM shifts its models from time to time based on macroeconomic models and changing investment fundamentals. Additionally, LCM tends to make relatively small adjustments within its allocation models, rather than making significant shifts between asset classes, which may further reduce the volatility of the portfolios. The decision to increase or reduce exposure to an asset class is driven by secular changes to key economic and market-related factors, which may include shifts in absolute and relative valuations, expected earnings growth, or the impact of changing interest rates.

Alternative Strategies:

LCM also offers four (4) diversified, discretionary, investment portfolios that include allocations to the non-traditional investment asset class, with the expectation of offering comparable to slightly reduced returns with less volatility than the Traditional Strategies. Based on proprietary research, LCM has defined the non-traditional investment class to include the following asset classes: convertible arbitrage, distressed securities, equity hedge, equity market neutral, event-driven, fund of-funds, merger arbitrage, macro strategies and commodities.

LCM employs a fundamental valuation approach and employs a proprietary five-factor model to generate expected returns, risk and correlation for the traditional asset classes it includes in its investment strategies. A similar approach is employed to determine risks and correlations, and set return requirements for including the alternative asset class in the asset allocation decision. The following issues are among those considered for non-traditional assets: 1.) expected compensation for potential illiquidity, 2.) transparency and pricing of underlying securities, 3.) implementation costs/fees, and 4.) the use of leverage.

The core asset allocation models offered within the LIS Alternative Strategies are:

- Alternative Model II: Growth & Income
- Alternative Model III: Conservative Growth
- Alternative Model IV: Moderate Growth
- Alternative Model V: Growth

B. LOCKWOOD ASSET ALLOCATION PORTFOLIOS (“LAAP”)

LAAP is a discretionary, multi-discipline managed account product housed in a single portfolio. LCM, serving as the Portfolio Manager, determines asset allocation strategy and selects investment vehicles for each investment style component of the portfolios, based upon proprietary modeling strategies, macroeconomic outlook and investment research discipline.

The five (5) LAAP models are:

- Model I: Current Income
- Model II: Growth & Income
- Model III: Conservative Growth
- Model IV: Moderate Growth
- Model V: Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with 100% of the model allocated to equities. These portfolios may consist of open and closed-end mutual funds, exchange traded funds and other types of securities, as determined by LCM, in its sole discretion. The securities currently employed in the LAAP portfolios are described in Exhibit B, hereto and are subject to change at LCM’s sole discretion.

C. SPECIFIC DISCLOSURES

Investment vehicles used in LIS with Alternative Investments may use derivatives which are often more volatile than other investments and may magnify the vehicle’s gains and losses. An investment vehicle that uses derivatives could be negatively affected if the change in market value of its securities fails to correlate adequately with the values of the derivatives it purchased or sold. Investors considering these types of investments should have a long-term horizon.

Alternative investment products are not for everyone and entail risks that are different from more traditional investments. Alternative investment strategies are intended for sophisticated investors and involve a high degree of risk, including, among other things, the risks inherent in investing in securities and derivatives, using leverage, and engaging in short sales. An investment in an alternative investment product or strategy is speculative and should not constitute a complete investment program. Diversification and strategic asset allocation do not assure a profit or protect against loss in declining markets.

The potential for a commodity investment vehicle to use derivative instruments, such as futures, options, and swap agreements, to achieve its investment objective may create additional risks that would not be present in the underlying securities themselves, thus raising the potential for greater investment loss.

Investment vehicles used in LIS portfolios with Alternative Investments may employ the use of long and short positions, which may involve risks different from those normally associated with other types of investment vehicles, such as mutual funds. It is possible that the fund’s long positions will decline in value at the same time that the value of the securities sold short increases, thus raising the potential for greater investment loss. Market neutral investing, in using long and short

positions, provides no guarantee that it will be successful in limiting the fund's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Investment in a strategy involved in long and short selling may have higher portfolio turnover rates, which may result in additional tax consequences. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

Investments in REITs are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.

Investment vehicles used in LIS and/or LAAP may invest in inflation-indexed bonds and other fixed income securities. Bonds are subject to a variety of risks including interest rate, credit, and inflation risk.

Investment vehicles used in LIS and/or LAAP may include ETF's. The Program Fees for LIS, LAAP and LIS2 do not include fees or expenses that may be associated with individual ETFs, including, but not limited to, the ETF sponsor fee, the trustee fee, ETF custodian's fee, stock exchange listing fees, SEC registration fees, printing and mailing costs, audit fees, legal fees, licensing fees, marketing expenses and other operating expenses. For more information on these expenses refer to the ETF's prospectus. There are special risks associated with ETF's, such as:

- (1) ETF shares are not individually redeemable.
- (2) The market price of ETF shares may differ from the net asset value.
- (3) An active trading market for ETF shares may not exist and if it does exist, it may not be maintained over time.
- (4) Trading of ETF shares may be halted by regulators under certain circumstances.

Investment vehicles used in LIS may include Exchange-Traded Notes ("ETNs"). ETNs are a type of senior, unsecured, unsubordinated debt security of the issuing company. This type of debt security differs from other types of bonds and notes because ETN returns are based upon the performance of a market index minus applicable fees, no periodic coupon payments are distributed and no principal protection exists. Similar to ETFs, ETNs are generally traded on a securities exchange. Investors can also hold the debt security until maturity. At that time the issuer is obligated to give the investor a cash amount that would be equal to the principal amount times the applicable index factor less investor fees. The index factor on any given day is a mathematical equation equal to the closing value of the underlying index on that day divided by the initial index level. The initial index level is the closing value of the underlying index on the creation/inception date of the note.

One significant risk factor that affects an ETN's value is the credit of the issuer. ETNs are synthetic investment products that do not represent ownership of the securities of the indices they track, and are backed only by the issuer's credit. The value of the ETN may drop despite no change in the underlying index due to the adverse change in issuer's creditworthiness or in perceptions of the issuer's creditworthiness.

Another significant risk factor affecting ETNs is liquidity. Upon issuance, the ETNs may not have an established trading market. There is no assurance that a trading market for the notes will develop or, if one develops, that it will be maintained. Although the issuers of the notes may apply to list certain issuances of notes on a national securities exchange, the notes may not meet the

requirements. Even if there is a secondary market, it may not provide liquidity. While the issuers of the notes may make a market for the notes, they are not required to do so. If the notes are not listed on any securities exchange and the issuers of the notes were to cease acting as a market maker in the notes, it is likely that there would be no secondary market for the notes. All of these factors impact the overall liquidity of the notes and may impact the price received upon disposition of the notes.

Additional risks of investing in ETNs include limited portfolio diversification, price fluctuations, issuer default, uncertain principal repayment, and uncertain federal income tax treatment. Clients should consult their tax advisor regarding tax treatment. Investing in ETNs is not equivalent to a direct investment in an index or index components. The performance of the ETNs may vary from the actual performance of the underlying index and the performance of the underlying index components. By investing in ETNs, the owner does not have certain rights that investors in the underlying index or the underlying index components may have, such as stock voting rights. Upon sale or redemption of the ETN shares, the owner will be paid cash, and will have no right to receive delivery of any of the underlying index components or commodities or other assets underlying the index components. Similar to ETFs, ETNs have operating fees that will reduce the amount of return at maturity or on redemption, and as a result the owner may receive less than the principal amount of its investment upon sale or redemption of an ETN, even if the value of the relevant index has increased.

Investment vehicles used in LIS and/or LAAP may include mutual funds. The Program Fees for LIS and LAAP respectively do not include fees or expenses which may be associated with individual mutual funds, including, but not limited to, redemption fees, 12b-1 fees, expense ratios or other applicable regulatory fees. LCM's affiliates, Pershing and PAS, may receive fees from certain mutual fund families whose funds are employed in LIS and/or LAAP.

LCM conducts due diligence on all investment vehicles employed in LIS and LAAP prior to including these vehicles in any portfolio.

It is important to remember that there are risks inherent in any investment, including the loss of principal, and there is no assurance that any asset class or index will provide positive performance over time. Asset classes and/or other investment strategies not included in LIS may exhibit similar or superior characteristics and performance than those that are included.

Clients must be United States residents to be accepted in the LAAP.

Clients must be residents of the United States or Ontario, Canada to be accepted in the LIS program. Residents of Ontario, Canada must be "permitted clients" as defined in Ontario Securities Commission Rule 35-502 to be accepted in the LIS program.

LCM is a discretionary manager for the LIS and LAAP programs portfolio and, in that capacity, may change the asset, style, and investment vehicle allocations within the LIS and LAAP portfolios at its discretion at any time.

These products may cost the client more or less than purchasing similar services separately, assuming the services could be purchased directly from the various providers thereof. LCM fees may be negotiable at the discretion of, and within the means of, LCM.

D. FEES AND COMPENSATION

A. LIS

The minimum initial investment to establish a LIS account is \$250,000.00. Depending upon the model or strategy chosen by the Client, a portfolio may typically hold between 5 and 300 securities. LCM reserves the right to waive the minimum initial investment requirement, in its sole discretion. Lockwood Investment Strategies are billed a Fee, payable quarterly in advance, subject to the following schedule:

Account Size	WRM Advisory Fee	Program Fee	Total Fee
First \$500,000	125	75	200
Next \$500,000	110	55	165
Next \$4,000,000	105	40	145
Next \$5,000,000	100	35	135
Over \$10,000,000	90	30	120

This fee is comprised of an advisory fee charged by WRM for its advisory services, subject to the applicable written agreement between the Company and the Client and a program fee charged by LCM. The Program Fee includes the LCM advisory and overlay manager fee, the Sub-Adviser fee, a sponsor fee, the administrative fee, and the clearing and custody fee. The Program Fee does not include fees or expenses which may be associated with the underlying investment vehicles (such as, redemption fees, 12b-1 fees or expense ratios) or other regulatory fees.

In certain instances, LCM may share a portion of its fee with WRM to cover administrative services associated with sponsor activities, subject to the following schedule:

Account Size	Basis Points to Sponsor
First \$500,000	8
Next \$500,000	6
Next \$4,000,000	5
Next \$5,000,000	4
Over \$10,000,000	2

Accounts within the LIS program may be householded for billing purposes in Lockwood's Managed Account Link and Managed Account Advisor programs, only. LIS Accounts are billed quarterly in advance by Lockwood/LCM. Pershing shall provide monthly custodial statements for each Client Account.

B. LAAP

The minimum initial investment is \$50,000.00, with minimum subsequent investments of \$1,000.00 each. LCM reserves the right to waive the minimum initial investment requirement, in its sole discretion. Accounts must be funded in cash. Each Client Account will be billed quarterly in advance. Pershing provides monthly custodial statements for each Client account.

LAAP Accounts are billed a fee, quarterly in advance, subject to the following schedule:

Account Size	WRM Advisory Fee	Program Fee	Total Fee
First \$500,000	125	40	165
Next \$500,000	110	35	145

Next \$4,000,000	105	30	135
Next \$5,000,000	100	25	125
Over \$10,000,000	90	20	110

This fee is comprised of an advisory fee charged by WRM for its advisory services, subject to the applicable written agreement between the Company and the Client and a program fee charged by LCM. The Program Fee includes the LCM advisory fee, a sponsor fee, the administrative fee and the clearing and custody fee. The Program Fee does not include fees or expenses which may be associated with the underlying investment vehicles (such as, redemption fees, 12b-1 fees or expense ratios) or other regulatory fees.

In certain instances, LCM may share a portion of its fee with the WRM to cover administrative services associated with sponsor activities, subject to the following schedule:

Account Size	Basis Points to Sponsor
First \$500,000	3
Next \$500,000	2
Next \$4,000,000	1
Next \$5,000,000	1
Over \$10,000,000	1

THIRD PARTY ASSET MANAGER LOCKWOOD ADVISOR Flex PORTFOLIOS

PROGRAM SERVICES

WRM has an arrangement with Lockwood Capital Management ("LCM"), whereby WRM makes available to Clients an investment program offered by LCM, the Lockwood Advisor Flex Portfolios (AFP). Lockwood acts as a money manager in offering AFP which is a managed account product. Lockwood is both the sponsor of the MAA program and the money manager of the AFP product. The AFP product includes three, objectives-based strategies (Appreciation, Income and Preservation), with multiple Models within each strategy, as described below. The sixteen Models are described in detail in Lockwood Advisor's Wrap ADV and are, as follows:

Appreciation Model I
Appreciation Model II
Appreciation Model III
Appreciation Model IV
Appreciation Model V
Appreciation Model VI
Income Model I
Income Model II
Income Model III
Income Model IV
Income Model V
Preservation Model I
Preservation Model II
Preservation Model III
Preservation Model IV
Preservation Model V

These Models are intended to align with the different phases of the investor life cycle, from wealth accumulation, to transition into retirement and ultimately, the management and distribution of income. Each of the Models contains specific investment selections. The Client and WRM are responsible for selecting the appropriate Model for the Client. At any time, a Client or WRM may determine to move up or down one Model level from the originally selected Model, at their sole discretion.

Lockwood is registered with the SEC as an investment advisor. An affiliate of Lockwood, Pershing, is registered with FINRA and the New York Stock Exchange as a securities broker-dealer and provides the customary services that a full service broker-dealer provides, such as, clearing and custody services. Lockwood and Pershing are affiliated companies, each of which is owned by The Bank of New York Mellon Corporation.

CLIENT INVESTMENT PROCESS

WRM has contracted with LCM to offer its products to their Clients through their Professional Affiliates or a member of the Private Client Group. WRM will utilize software and documentation provided by Lockwood to assist the Client in selecting the objective based strategy appropriate for the Client both initially and on an on-going basis. WRM will assist the Client in selecting an appropriate model within the selected objective based strategy.

The Client shall have entered into a written agreement with WRM, relating to the WRM's fee. WRM will collect financial and personal information from the Client, assist the Client in establishing investment objectives and strategies, and evaluate the suitability of the product(s) for the Client.

WRM will provide the Client with Lockwood account opening paperwork, a Firm brokerage agreement(s), along with a copy of Lockwood's ADV Part II, Schedule H. WRM will then submit the financial information, investment objectives and account forms to Lockwood. Lockwood will review the information provided by the Client and once approved, a brokerage account will be opened by WRM for the Client's managed account assets.

The Client is requested to inform WRM and Lockwood, at least annually, of any changes in their financial condition or of any additional investment restrictions and/or modifications to existing investment restrictions the Client wishes to impose. Lockwood will immediately forward to the Manager(s) any responses from the Client, which would impact the daily management of the Client's portfolio. While there are no restrictions on the ability of Client to contact and consult with Lockwood, it is generally preferred that the Client do so through WRM. Lockwood reviews suitability for each Client account, based on Client assets held at Lockwood.

The minimum size for AFP accounts is \$100,000.00, with minimum, subsequent contributions of \$1,000.00. Lockwood, in its sole discretion, may waive the minimum account size. Accounts may be funded with cash equivalents or shares of investment selections included within a given Model.

Lockwood Advisor Flex Portfolios are billed a Fee, quarterly in advance, subject to the following schedule:

Account Size	WRM Advisory Fee	Program Fee	Total Fee
First \$500,000	125	40	165
Next \$500,000	110	35	145
Over \$1,000,000	105	25	130

This fee is comprised of an advisory fee charged by WRM for its advisory services, subject to the applicable written agreement between the Company and the Client and a program fee charged by LCM. The Program Fee includes the Lockwood advisory fee, sponsor fee and a clearing, custody and execution fee paid to Lockwood's affiliate, Pershing LLC. Additional expenses associated with the specific underlying investment vehicles (such as, 12b-1 fees, redemption fee and internal expense fees) may apply. Mutual funds used in AFP accounts may charge a redemption fee if shares are redeemed within a specified period of time. Clients may incur redemption fees in the event that a Model Update is implemented. Redemption fees vary by fund and are described in each fund's prospectus. The mutual funds used in AFP are provided through Pershing LLC; as a result Pershing may be paid certain fees relating to these funds, a portion of which may be paid to WRM.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of WRM or the integrity of WRM's management. WRM has no disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

The directors of WRM consider that providing investment advice is their principal business. John Adams Vaccaro is also the CEO of WRIS, an affiliated company which is registered as a broker-dealer with the United States Securities and Exchange Commission, the Financial Industry Regulatory Authority, and the various states. . Vaccaro is actively engaged in the business of WRIS. As a result of his active involvement, he may receive compensation which is indirectly related to commission revenue earned by the broker-dealer.

The following Investment Advisor Representatives of WRM are also Registered Representatives of WRIS:

1. Felix Serrano, CFP®, JD
2. Paul H. Daimler
3. Dwight Pike, CFA
4. Theodore Strathdee
5. Susan Roth
6. Joseph Tatusko, CFP®, CFA
7. Lee Weiner
8. William Webster, CFP®
9. Christopher DeLaura, CFP®

10. Rami (Ray) Hofshi
11. Bill Matthes
12. Steven Ortega
13. Herbert C. Rosenthal, CLU, ChFC
14. Frank Sterneck
15. John Adams Vaccaro, CFP®, CLU
16. Jeffrey Sargent
17. Terry Schnare

WRM has business relationships with Jay Cruice of Westport, Connecticut, who is the President of Cruice Investment Advisors, Ltd (an SEC Registered Investment Adviser), Rami Hofshi of Stamford, CT who is the President of Capital Dynamics (an SEC Registered Investment Adviser), Bill Matthes of Guilford, CT who is sole owner of Compass Asset Management, LLC (an SEC Registered Investment Adviser) Frank M. Sterneck of Kansas City, MO who is the Managing Partner of Sterneck Capital Management LP (an SEC Registered Investment Adviser) and Tom Forester of Libertyville, IL, who is President of Forester Capital Management (an SEC Registered Investment Adviser). WRM's relationship may be with the firm if it is a Registered Investment Advisor. With your prior written approval, any of these individuals or registered investment advisers may assist WRM in the management of your accounts. Should any of these individuals or entities be designated to perform services for your account that fact will be disclosed to you and made a part of your investment advisory agreement with WRM.

Some aspects of comprehensive financial planning may be prepared with the assistance of Richard M. Kesselman, CPA, Raymond L. Abramson, CPA, or Don Gordon, Enrolled Agent, who are all affiliated with WRM, or to other tax professionals. They may provide additional tax and accounting assistance if you request it. WRM does not receive compensation for this additional tax and accounting assistance.

Some aspects of comprehensive financial planning relevant to estate planning may be prepared with the assistance of outside legal experts. WRM may pay a fee for these services. These outside legal experts may also provide legal assistance in this area if you request it. WRM does not receive compensation for this legal assistance.

Agents of WRM may refer clients with insurance needs to an insurance agent/broker. Properly licensed agents of WRM may receive compensation for these services.

WRM may consult with the pension consultants of TR Paul Investment Services LLC, if required. WRM does not receive compensation for this service. We also consult with other pension consultants and Third Party Administrators for no compensation.

WRM may also compensate TR Paul Investment Services LLC for accounts in which both WRM and TR Paul Investment Service LLC have provided investment advisory services.

Item 11 – Code of Ethics

Many of the Investment Adviser Agents of WRM are also Registered Representatives of WRIS. To the extent that some of those agents may receive a portion of the Investment Advisory fee and a

commission on the transactions, a conflict between the duties owed to you as the client and increased compensation may exist. Under no circumstances may WRM or its agents act in any way other than in your best interest regardless of the compensation which might be paid to us. WRM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other items. All supervised persons at WRM must annually acknowledge that they have read, have understood, and that they are complying with the terms of the Code of Ethics, as amended.,

WRM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which WRM has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which WRM affiliates and/or clients, directly or indirectly, have a position of interest. WRM's employees and persons associated with WRM are required to follow WRM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of WRM and its affiliates may trade for their own accounts in securities which are recommended to or purchased for WRM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of WRM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing those decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt securities, based upon a determination that transactions in these securities would not materially interfere with your best interest. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. WRM personnel continually monitor employee trading in order to reasonably prevent conflicts of interest between WRM and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with WRM's obligation of best execution. In those circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. WRM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

You, as a WRM client or prospective WRM client may request a copy of the firm's Code of Ethics by contacting Jeffrey S Sargent, Chief Compliance Officer @ jsargent@westportresources.com.

It is WRM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. WRM will also not effect cross trades between client accounts. However, under

certain rare circumstances, WRM will sell a security from one client to another if the transaction is believed to be mutually beneficial. Full disclosure is provided to both clients and the transaction is effected at a mutually agreed upon price and with the prior written authorization of both clients. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

You may choose your broker-dealer. Unless instructed by you to use another broker-dealer, WRM executes all of its trades through WRIS. WRM has fully disclosed that commissions earned are an important component of its total remuneration. Commissions are earned by the broker on the account, while management fees are earned by the manager. An agent of WRM, if also registered as a broker-dealer agent of WRIS, may receive normal and customary periodic 12B-1 fee payments from mutual fund investments. WRM also offers a Wrap Fee Account which may compensate both WRM and WRIS.

For the **Private Client Group**, portfolio turnover is estimated at 25% per year for accounts managed using individual securities in most Individual or Institutional Global Balanced programs. Portfolio turnover for accounts managed using individual securities in the Customized Portfolio program will vary upon the strategy which the client and WRM adopt. Commissions for individual securities transactions are charged based on a schedule which attempts to be competitive with full service brokerage firms. Accounts managed using the Global Tactical Asset Allocation program have a significantly greater number of transactions and turnover, however, the transactions involve “no load” mutual funds, and, in most cases, are not subject to sales charges or commissions. The “no load” funds may be subject to a short term redemption fee if not held for a period greater than three (3) calendar months.

For the **Professional Affiliates**, portfolio turnover for accounts using individual securities will vary according to the individual style of the Investment Adviser Agent chosen to manage the account. These accounts may also be subject to a non-commission processing fee. WRM is an affiliate of WRIS. WRIS is a registered broker-dealer through which securities transactions in WRM managed accounts may be executed. While WRM undertakes to provide competitive rates and the best execution of trades for its clients, there is a possibility that the rates charged on some transactions may be higher than the rates of some of WRIS's competitors. The fact that WRM and WRIS are affiliates gives the appearance of a conflict of interest. Despite this appearance, WRM attempts to ensure that its clients will benefit from rates which would be the equivalent of rates available from similar unaffiliated broker-dealers.

Factors considered in executing client trades through WRIS are as follows:

- An increased loyalty and diligence within WRIS, based on the affiliated relationship with WRM.

- All assets domiciled with Pershing, LLC, are fully protected (\$500,000 SIPC, of which \$250,000 can be for claims for cash awaiting investment. In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits from certain underwriters at Lloyds, in conjunction with another commercial insurance company. The excess of SIPC insurance program is valid through December 10, 2012. Neither SIPC protection, nor the additional excess of SIPC insurance policy protects against loss due to market fluctuation of investments.)
- Access to a fully encrypted web site so client can view all account information.
- Direct access to a state of the art trading desk for block trades and special situation trades by utilizing Pershing, LLC.
- Direct access to floor brokers through Pershing.
- Complete computerized tracking of all securities transactions.
- On-line research
- State of the Art compliance and oversight of all client account activity.

Item 13 – Review of Accounts

WRM reviews each client account on a, at minimum, quarterly basis. An officer of WRM and the investment advisor representative both perform these reviews. Review of client accounts is performed by an officer of the corporation on a regular basis and the investment advisor on an ongoing basis. Trade blotters of all transactions are also reviewed by an officer of the corporation. WRM performs more frequent reviews when accounts warrant increased scrutiny. All accounts are reviewed without priority.

Clients receive a quarterly report (more frequently if requested by the client) showing their financial profile. Comments are provided as to progress in achieving goals and consideration of resetting goals. In addition, clients receive either monthly or quarterly brokerage statements based on activity as well as trade confirmations whenever a trade is executed.

Item 14 – Client Referrals and Other Compensation

WRM directly compensates unaffiliated and affiliated solicitors for client referrals. WRM and the unaffiliated solicitor will complete WRM's Solicitor Agreement Form which will describe the solicitor's activities and compensation for those activities, and contain the solicitor's representation that the solicitor will perform those duties under the agreement consistent with the Registered Investment Adviser's instructions and the Advisers Act and its rules. Any unaffiliated solicitor is also required, at the time of any solicitation, to provide the client with a copy of WRM's disclosure document (Form ADV Part II) and a separate written disclosure document from the solicitor to the client. WRM may also be required to provide notice to state securities administrators of the existence of unaffiliated solicitors as well as affiliated solicitors. The current listing of WRM solicitors includes: Ray Abramson, Don Gordon, Richard Kesselman and TR Paul Investment Services LLC.

Item 15 – Custody

WRM maintains custody of your funds or securities through Pershing, LLC. Pershing sends each client a monthly or quarterly account statement directly to you as a client of WRM.

You will also receive a quarterly report from WRM in connection with the funds and securities. You should review each of the reports you receive.

WRM has the ability to debit its advisory fee from each client on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. WRM may also provide a written periodic report summarizing account activity and performance.

WRM urges you to carefully review such statements and/or reports.

Item 16 – Investment Discretion

You provide WRM with discretionary authority at the outset of the advisory relationship to select the identity and amount of securities to be bought and sold. In all cases, however, that discretion is to be exercised in a manner consistent with the stated investment objectives for your particular client account.

When selecting securities and determining amounts, WRM observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, WRM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to WRM in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, WRM does not have any authority to and does not vote proxies on behalf of advisory clients. WRM may provide advice to clients regarding the clients' voting of proxies, but the Client always retains the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. WRM's policy regarding proxy voting is disclosed to clients in its Investment Advisory Agreement. Clients will receive proxy material directly from the custodian of the account.

Item 18 – Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about WRM's financial condition. WRM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.