



## Newsletter

July 24, 2012

Dear Clients,

After a strong start during the first quarter of this year, the second quarter performance was negatively impacted by profit taking, weak economic indicators and uncertainty surrounding the Supreme Court ruling on our health care bill. The court has spoken and lifted that uncertainty, if only

Quarter Ending June 30, 2012				
Year to Date Performance	Last Full Quarter	YTD	Index Close	
Dow Jones Industrial Averages	(1.85%)	6.62%	12,880	
NASDAQ Composite Price	(5.07%)	5.81%	2,935	
Standard & Poor's Averages	(2.75%)	5.45%	1,362	
Barclay's Capital Bond Index	2.57%	8.78%		
EAFE-Global Markets	(6.85%)	(13.39%)		

temporarily. The political battles to define the future of health care, taxes, spending and our future leadership will consume the press for at least the next two quarters. I am hard pressed to see how our markets can move much higher given all the uncertainty. I wish I could see the light at the end of the tunnel, but it has been turned off given the budget constraints!

There are still many issues that the PIIGS, BRICKS and politicians need to resolve. The global economic environment will be negatively impacted for a while by budget cuts and lack of stimulus programs. This crisis, more chronic than imminent, will be painfully slow to heal. I can't help but think that consumers and corporations are just sitting on their hands awaiting more clarity from our politicians. This too negatively impacts economic results.

There are few attractive investment opportunities today. However, as Shakespeare put it in *As You Like It*, "Sweet are the uses of adversity." Patience and good sense combined with fortitude and endurance make us stronger and better prepared to deal with adversity.

As always, we will try and capitalize on these trying times and look for great investment opportunities.

Sincerely,

Jeffrey L. Farni Sr.

*\*As required by Advisors Act Rule 204-3 advisory disclosure documents (ADV Part 2A) are available upon request.*