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I would like begin by sharing some exciting news a few new features that we're adding to our service.

First, we have completely redesigned our portfolio appraisal and performance documents, we hope you find these helpful. The service bureau that provides our performance calculations has upgraded all our report documents to allow us to include numerous reports that will benefit you. We're subject to their timeframe so we're not in receipt of these reports until somewhere between the 12th and the 15th of each month.

Additionally, I'm excited to announce a new service that we would like to offer you called an E-vault System. We would like you to entrust us with the safekeeping of some of your more important legal and financial documents. We've been quietly offering this service for a number of clients over the past 6 months with great reviews. Our intentions were to provide it to all our clients' mid-2009. Here's how it works. You provide us with your tax returns, wills and estate planning documents, and any insurance related documents to name a few. Our staff scans and digitizes these documents and uploads them on an offsite secured server. The originals are then sent back to you. This service will enable you to log onto our homepage enter a password that will allow you and anyone else you delegate the ability to review these documents online and therefore forever preserving these valuable documents for your use anytime. Please contact April Reed by either calling our office 760-602-3470 or e-mail at: april@anchorbaycapital.com for further details on getting the documents to us.

Finally, I'm excited about the release of a brand new newsletter forthcoming at the end of the 3rd quarter. It will be coordinated with a remake of our website scheduled to be completed at the same time. This newsletter will offer my commentary as well as other analysis from respected economists and additional words of wisdom concerning retirement.

Commentary

The most significant trend in the spring of 2009 was that the pace of decline has moderated for a handful of leading indicators that were severely negative in late 2008 and early 2009. This trend has provided hope that the worst part of the economic recession may be in the past, and that the economy may stabilize earlier than expected.

The fireworks that erupted in the equity markets in the second quarter began to fade over the last several weeks. The S&P 500 Index[®] rose the first two weeks of June, but declined in the last two weeks to end about where it began, registering a total return of 0.20% for the month. The S&P 500, however, had an impressive last three months, rising 15.93% in the second quarter—the best quarterly percentage gain for the index since 1998.

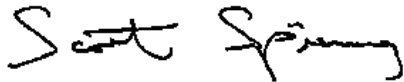
“Are we there yet?” Though there is much discussion of having reached the bottom in the stock market, we are not confident of that yet, but we know that, like summer, it will come. And we have confidence in the steps we are taking together to prepare for the next leg up in the market.

Despite the negative returns, many of you have expressed pleasant surprise at how well your investments have performed relative to the overall market. Our added value in managing portfolios has many aspects, but in pure economic terms we seek to make rational decisions that improve returns over time as well as to prevent errors and minimize losses. Strategically deploying your assets and consistently reviewing your portfolio to make adjustments help us do this. Even as we wait for optimism to arrive in the stock markets, we look forward to discussing your individual situation and the global strategies we have in place.

You have consistently honored and blessed us with your trust. Understanding the discipline and fiduciary principles we use in context with your situation will likely buttress that trust, but also give you more confidence in the security of your assets. We hope to continue providing you with understanding so that the risk in the market is embraced for it provides the growth needed for your investments.

As always, please call us with any questions or concerns.

Thank you,

A handwritten signature in black ink that reads "Scott Spiering". The signature is written in a cursive style with a large, sweeping "S" at the beginning and a long, horizontal flourish at the end.

Scott Spiering
President