



In This Addition:

- “Smell the sea and feel the sky.”
- Market Commentary
- Events and In the News
 - Starboard’s Summer Interns
 - Coming Up!
- 2Q2021 Portfolio Appraisal & Performance Reports

Smell the sea and feel the sky. Let your soul and spirit fly.

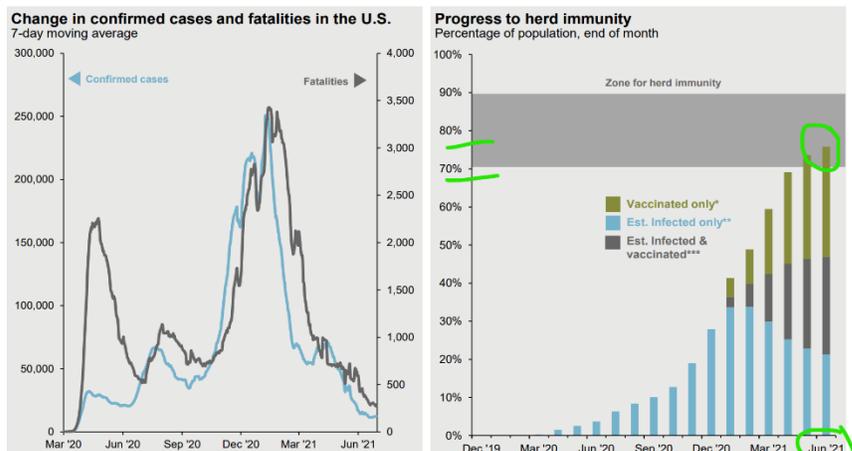
-Van Morrison

With a tip of the hat to Sir Van Morrison, I think I speak for most people saying that it’s sure great to have summer, friends and family back again. As we enter into the doldrums of summer, we hope you and your family are enjoying the season.

Although new data and new strains of COVID have appeared creating uncertainty the overwhelming trendline in the U.S. is towards herd immunity as noted below. There will certainly continue to be bumps in the road and

the fall will undoubtedly have some challenges. However, there has been clear data in the progress of saving lives, de-risking the public health environment and significantly freeing up economic activity. In short, the consumer is back and booming.

COVID-19: Cases, fatalities and immunity GTM - U.S. | 21



Source: Centers for Disease Control and Prevention, Johns Hopkins CSSE, Our World in Data, J.P. Morgan Asset Management.
 *Share of the total population that has received at least one vaccine dose. **Est. Infected represents the number of people who may have been infected by COVID-19 by using the CDC's estimate that 1 in 4-8 COVID-19 infections were reported. ***Est. Infected & vaccinated assumes those infected equally likely to be vaccinated as those not infected. On 5/6/21, we moved up our threshold for herd immunity from 60-80% to 70-90% based on the comments by Dr. Anthony Fauci that the prevalence of more contagious variants have pushed up the target herd immunity threshold for the U.S.
 Guide to the Markets – U.S. Data as of June 30, 2021.



The \$2 Trillion Question

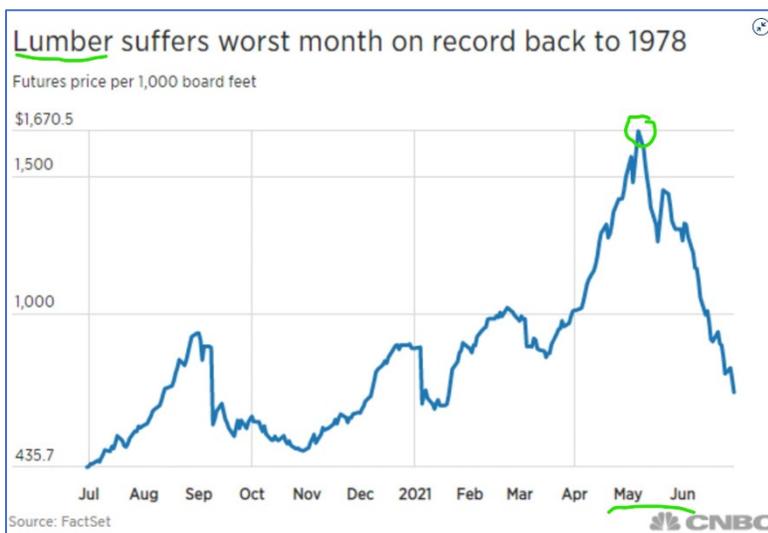
Behind the current expansion is the massive \$2 Trillion of stimulus in various shapes and forms. There is no doubt it bridged the financial gap for many individuals and families



during the COVID crisis, but the long-term impact will be debated for years to come. The GDP has and will spike in the coming months with unprecedented year over year comps, BUT we believe it will normalize to a 2% rate in the coming years. More importantly, investors must

realize there will be consequences for the current amount of American Government debt. Specifically, the debt to GDP ratio is now higher than post WW2 levels (JPM Guide to the Markets, 6/30/2021) and like any type of debt it will accelerate booms and busts. Making sure you have adequate assets in contingency funds that will be spared from any stock market sell off is a central point in our planning for the long haul with families.

Inflation?



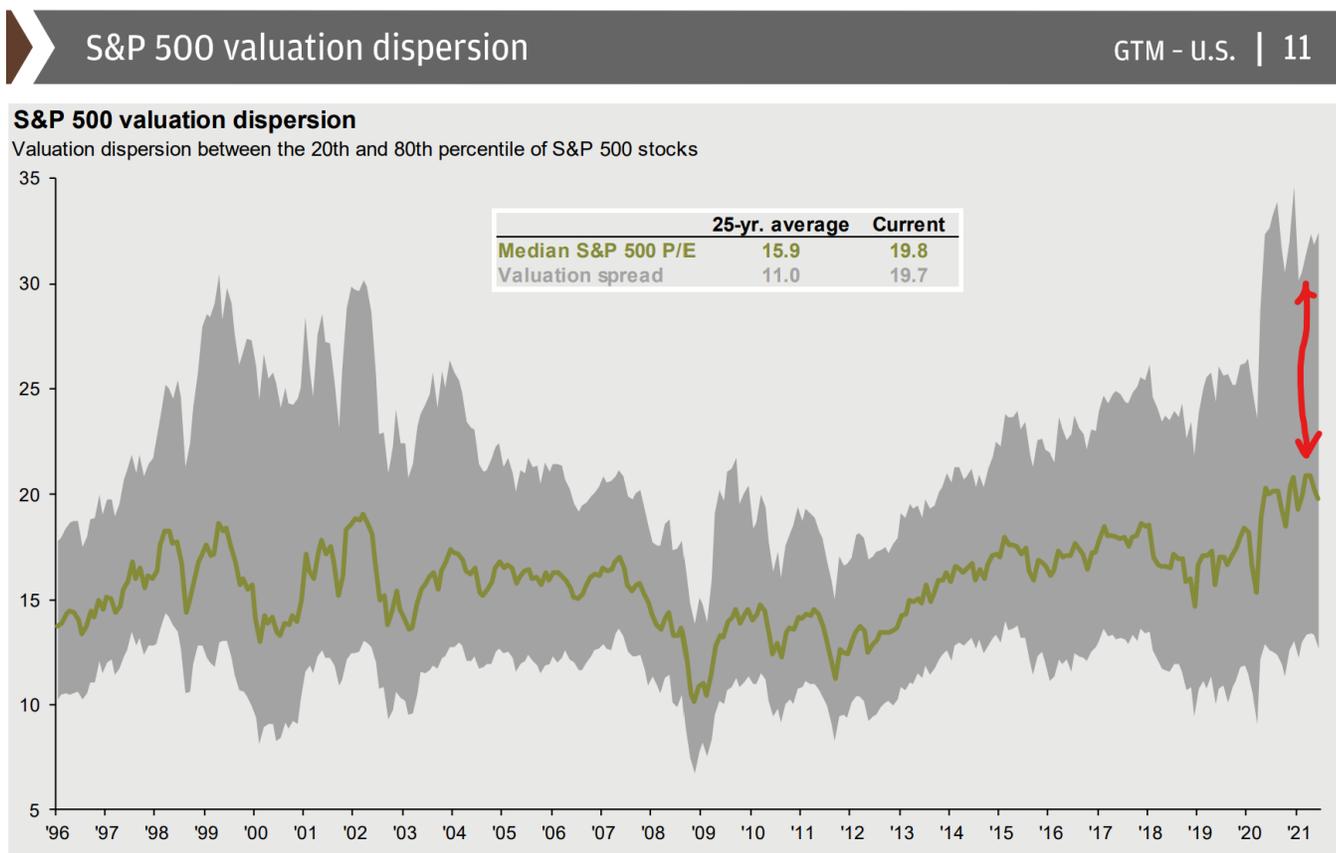
As many clients have noted, prices are up, period. To what extent, level and duration are the key questions to be answered. At Starboard we believe most (but not all) prices will move back to a gradual inflation trendline of about +2% a year. The roller coaster of lumber prices and the potential

lasting impact of inflated real estate prices (presumably from a generational demographic shift in an infinitely small period of time) are current examples. Lumber, the early 2021 commodity darling is back to pre-pandemic prices while housing prices remain high and

inventory at historical lows. We continue to think that in general, the supply chain will “smooth out” and as the last of the stimulus checks are cashed labor economics will normalize easing many current inflationary pressures.

Valuations & Earnings: Looking Beyond and Through the Big Numbers

Corporate earnings continue to be spectacular, particularly in comparison to year over year numbers. Specifically, as of 6/30/2021 the S&P 500 operating earnings have recovered +56% from a year ago (source: J.P. Morgan *Guide to the Markets*). This earnings “catch up” bodes well for valuations however, as we roll into 2022 slower growth, higher interest rates and operating costs along with potentially higher taxes could stunt corporate profits. The market will begin to price in future anticipated growth by this fall if not sooner.



There is only IBM, and ITT, and AT&T, and DuPont, Dow, Union Carbide, and Exxon. Those are the nations of the world today. – The late Ned Beatty playing ultra-capitalist Arthur Jensen in the 1976 film “Network”.

Mr. Beatty’s character had a point, some would argue, hinting to the “nifty fifty” bubble stocks of the early 1970s. Today, you could easily replace the above names with Apple, Google, Amazon, Tesla, Disney and others. Although I do not think we are at the “spread in valuations” between a few select stocks vs. the majority like we saw in 1973 and resulting crash thereafter - investors need to be mindful of extended stock prices. We believe this spread will most likely be an opportunity for active stock managers to “trim winners” and redeploy profits into more fairly valued companies.

From our family at Starboard to yours, we hope you enjoy the rest of summer and are looking forward to seeing everyone in person soon. Please read on to see latest about Starboard and our upcoming plans.

My very best regards,

Bart

Barton W. Weisenfluh, CFP®
Founder & President

ON TO THE MARKETS

We are pleased to be partnering with the Kelleher Family Office and their holding company Wall Street Access Corp and [Kelleher Financial Advisors](#). Together and in collaboration with our [Investment Committee](#) we will be providing quarterly (and as needed) commentary on the capital markets. [Thomas Burnett, CFA, Vice Chairman and Director of Research at Kelleher Financial Advisors](#), will be helping lead the charge for this portion of our client communications.

<u>INDEX</u>	<u>% Change YTD as of 06/30/2021</u>
Dow Jones Industrial AVG. (TR)	13.1%
S/P 500 Index (TR)	14.8%
Nasdaq Composite	12.5%
Nikkei Tokyo	4.9%
China (Shanghai)	3.4%
DAX Germany	13.2%
CAC 40 France	17.2%
FTSE UK	8.9%
Gold \$ per oz.	-6.5%
Crude Oil per bbl	54.4%
RATE on Ten-Year T Bond	1.44%
VIX Volatility Index Change	-31.5%

Source: WSJ, Dow Jones News Service

The S/P Small Cap 600 Index is up 22.9% so far. The 600 Index has risen 130% off the March 2020 bottom, beating the 81% rise in the 500 Index over the same time period. Investor confidence has grown in line with the strong equity market performance as the VIX “fear” index has declined by 31% in the first half of 2021. At just 15.8, the VIX Index suggests that investors have completely forgotten the fears generated by the March-April 2020 collapse.

The worst performing market sector was the long-dated bond market as interest rates rose this year from the 2020 low levels. The Index of 20+year Treasury bonds is down 8.5% in 2021. Rising inflation fears have hurt the long-term bond market, but despite growing inflation numbers in 2021, the yield on the 10-year Treasury bond actually fell from 1.75% at the end of March to 1.44% at the end of June. Falling rates helped the stock market’s performance, but many observers now expect the Federal Reserve to begin

As the Table clearly indicates, the stunning stock market rally off the March 2020, Covid-19 induced bottom continued into the end of the June 2021 quarter. The S/P 500 Index set more than 30 record high closing prices during the first half of the year and ended the quarter at a record high. Small stocks are doing even better this year.

reducing its monthly bond purchasing activity which could lead to rising rates in the near future.

Commodities offered a mixed picture, as crude oil rallied sharply this year and gold prices fell. The recovery in oil prices off the April 2020 lows has been remarkable. After trading near zero in April 2020, crude oil futures prices have risen to \$73 per barrel at the end of June 2021. The XLE Energy Stock Index was down 32.6% last year. This year, it has risen 39.3% to June 30, 2021.

Equity valuations have now reached ‘stretched’ levels with the price-earnings ratio on the 500 Index now at 22x expected 2021 earnings. Low interest rates appear to be supporting this high earnings multiple, but investors must watch closely for any marked changes in Federal Reserve policies that would impact rates and move them sharply higher.

EVENTS AND IN THE NEWS

Starboard’s Summer Interns



Enjoying a bit of Maine!
Left to right: Jack Kelleher (Syracuse University)
and Jesse Duval (Lehigh University)

Starboard hosted Jack Kelleher and Jesse Duval for a three-week internship. Under Bart’s guidance, Jack’s and Jesse’s projects included:

- Development of cloud-based library for internal research on our investment manager universe.
- Financial planning case study analysis and presentation.
- 12+ informational interviews with East Coast professionals, follow up, and summary analysis of meetings.

About Jesse Duval

Jesse Duval currently resides in Staten Island, NY, with his two parents and younger brother. Jesse is transitioning into his junior year at Lehigh University where he is majoring in Management (with an emphasis on Consulting) and minoring in Real

Estate. At Lehigh, Jesse is a member of the Men’s Rowing team as well as the Alpha Tau Omega fraternity. Jesse’s favorite things to do include outdoor activities such as skiing, fishing, and mountain biking.

About Jack Kelleher

Jack Kelleher currently resides in Staten Island, NY with his two parents, younger brother, and older sister. Jack is entering his Junior year at Syracuse University with a Major in Entrepreneurship and minor in Marketing. At Syracuse, Jack is a member of various clubs including the Investment Club, Entrepreneurs Club, and is a member of Theta Chi Fraternity. Jack’s favorite things to do in his free time are to play golf, go fishing, and ski.

Coming up!



We are looking forward to hosting various events and webinars this Fall and Winter and are diligently keeping an eye on Covid trends to plan our events accordingly. Even if in limited capacity, we are hoping to have an in-person Portland Business Brews networking event and a client-focused workshop on Family Office Services. Additionally, we are planning a webinar that anyone can enjoy from the comforts of their own home. Stay tuned for more communications about these events!

2Q2021 PORTFOLIO APPRAISAL & PERFORMANCE REPORTS

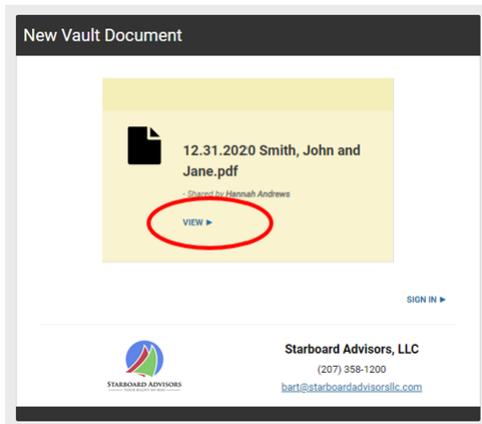
2Q2021 Portfolio Appraisal & Performance Reports are now available. We will be uploading your reports to your online vault in Starboard’s eMoney. Once your report is in your vault, you will get an email notification from “notification@emoneyadvisor.com” with the subject “New Vault Document”.

STARBOARD ADVISORS
YOUR RIGHT OF WAY
A DIVISION OF KELLEHER FINANCIAL ADVISORS, LLC



PORTFOLIO APPRAISAL &
PERFORMANCE REPORT

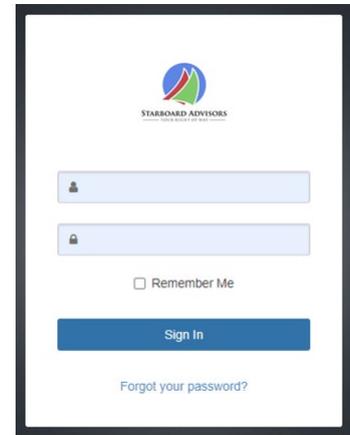
As of June 30, 2020



From the email, click “View” and you’ll be taken to the login in screen, (which can also be accessed by [clicking here](#)).

If you log in through the email notification link, you’ll be taken directly to your vault. From there, you can click on the name of

the report you want to view. If you want to log in another time and view the report, you’ll need to go to your vault first, by clicking “Vault” and then click through to “Reports”->”Portfolio Appraisal and Performance Reports” and then the report you wish to view.



Please contact [Hannah](#) or [Rita](#) if you have any questions or need assistance in accessing your report.

ABOUT US

Definition of Starboard: *Starboard is the traditional nautical term for the "right" side of a ship's hull and represented by the color green for navigational purposes. In addition, sailing vessels must give the "right of way" to sailboats on starboard tack (where the wind is coming over the right side of the vessel) and be provided clearance for safe passage.*

Starboard Advisors was founded by Barton Weisenfluh and partners with the Kelleher Family Office and their RIA, Kelleher Financial Advisors, LLC. The firm provides a dedicated platform exclusively serving families as a single point of accountability for the stewardship of their financial lives.

The Kelleher Family business interests were founded by Denis Kelleher and have grown into a diversified financial service firm with a reputation as one of the best managed and best capitalized independent firms in the industry. Today the entrepreneurial spirit is alive and well where the second generation, led by Sean Kelleher, continues to press on with secure and sustained growth with likeminded professionals.

Starboard Advisors, LLC a division of Kelleher Financial Advisors, LLC. Kelleher Financial Advisors is an SEC registered Investment Advisor and is an affiliate of Wall Street Access, Member NYSE, FINRA and Member SIPC. Although the information upon which this material is based has been obtained from sources which we believe to be reliable, we do not warrant its completeness or accuracy. This presentation is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of any security or investment.