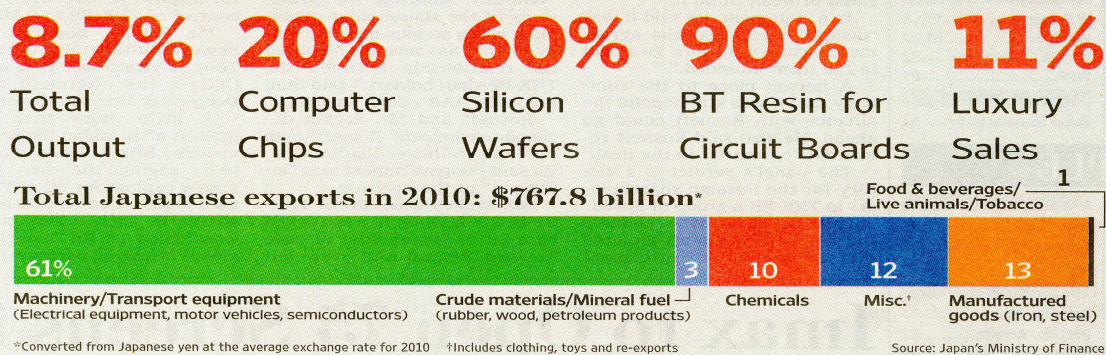




World Freedom Select™

Investing in Economic Freedom

1st Quarter - 2011



Another positive World Freedom Select quarterly return after fees of 2.36% versus our MSCI World ex-USA benchmark return of 1.61% brought our twelve month return to 17.18% versus 11.55% for the benchmark and 15.29% for the S&P 500. We believe this is very strong performance and we continue to work hard to find where trends of economic freedom are expanding.

Economy

Although Japan has not been represented in our portfolio for several years, the triple blow to the world's 3rd largest economy will undoubtedly slow economic activity around the world for some time. The downside to globalization is already in evidence as shortages of many Japanese products impact manufacturing of many products around the world including automobiles, airplanes, iPads, LCD televisions and many other products utilizing Japanese electronic components. As of this writing, the extent of the radio active nuclear fall-out is still an extremely dangerous unknown. It is assumed that Japan will rebuild quickly as has been the case in past disasters. Already roads that were completely buckled and displaced have been rebuilt in only nine days. Amazing! Other countries such as Taiwan and Korea may benefit as they pick up

the slack in electronic components. Providers of oil, LNG, steel, lumber, solar and wind power will benefit as Japan replaces destroyed nuclear power generation and rebuilds infrastructure. As providers of natural resources, portfolio holdings in Canada, Australia, Peru and Chile should benefit from increased exports to Japan.

With Europe dragged down by the basket cases of Portugal, Greece and Ireland, growth in 2011 will be sustained by strength in emerging markets, the US and a few strong economies in Europe including Germany, Poland and Sweden. The one size fits all Euro is preventing the weaker members from pursuing stimulative monetary policy when desperately needed. With their own currencies, Poland, Sweden and the UK are not suffering from such restraints and, therefore, have more control over their economies.

Country Spotlight: Sweden



The election last September of the new center-right government of Prime Minister Frederik Reinfeldt means another step in enhancing economic freedom is at hand. The state plans to put many of the 54 companies owned by the government up for sale including the venerable Absolute Vodka

brand. Already nine banks are advising it on divestment including Deutsche Bank, Morgan Stanley and Goldman Sachs. Mats Odell, minister in charge of sale says "These companies would do much better with other owners than the state." We agree! In contrast to slow growth for most of Europe, Sweden's 4th quarter GDP growth came in at 7.3% vs. the previous year's 4th quarter. Sweden doesn't face many of the same problems as other economies. Sweden faces no sovereign debt crisis so prevalent in Europe, no deflationary fears like Japan, no unemployment or budget problems like the US nor fear an overly strong currency such as in Switzerland. Sweden's Finance Minister recently raised growth estimates for 2011 from 3.7% to 4.8%. We continue to favor Sweden as in important investment in World Freedom Select.

Country Spotlight: Canada



In addition to our long standing holding of the Canadian exchange traded fund, we recently initiated a position in Calgary based GasFrac Energy Services Inc. (GSFV). GasFrac offers an innovative new fracturing technique for extracting oil and gas from non-traditional geologic structures such as shale. Using LPG (liquified petroleum gas) and sand and chemicals pumped at high pressure into the structure instead of millions of gallons of water per well, GasFrac eliminates the environmental hazard risk of disposing of toxic non-potable water. It also eliminates the need for biosides (insecticides) required in traditional fracturing. Growing fast, sales tripled in 2010 to \$96 million from \$30.4 million in 2009, and are expected to more than double this year as new capacity is added to its fleet. Important operations are about to begin in the Eagle Ford shale formation in Texas. Profitable for the first time in 2010 at \$0.14 per share, earnings are estimated at \$0.45-\$0.50 this year and over \$1.00 per share in 2012. Possessing a strong balance sheet, little debt, strong

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The **World Freedom Select™** investment strategy is the first of its kind. **It offers the unique opportunity to promote countries that support economic freedom while simultaneously capturing the potential for superior investment returns.** Institutions and individuals who are concerned advocates for freedom are invited to participate in **World Freedom Select™**.

cash flow and industry experienced management, we believe that GasFrac offers outstanding potential with its patented game-changing and environmentally friendly technology.

Country Spotlight: Poland



Poland is one of the top performing markets among the emerging markets in Europe. Poland has benefited from its accession to the European Union and globalization more than almost any other country. Even when the rest of Europe was suffering through a recession in 2009, Poland's economy grew by 1.7%. Poland has a highly-skilled and educated workforce and the country is host to some of the major German and other European manufacturing firms. Poland has a competitive edge in the service sector as well. Proximity to the EU, a strong domestic consumer market and cheap labor are some of the major attractions for foreign firms investing in the country. The Polish economy is projected to grow twice as fast as the over-all Eurozone this year. Since joining the Eurozone in 2004, unemployment dropped from 20% to about 8% currently.

Conclusion

Thanks to America's loose monetary policy, wide trade deficits and ballooning fiscal deficit, the dollar has fallen nearly a third against other world currencies over the past ten years. With no quick fix in sight domestically, we believe prudence dictates inclusion of significant international equity exposure for US investors.

As usual, I invite your questions or comments. Ph. 607 257 0858 or e-mail@ jsanderson@jwburns.com.

Let freedom reign!

Jim Sanderson

To be controlled in our economic pursuits means to be controlled in everything.

~ F. A. Hayek

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