



**ARISTA INVESTMENT ADVISORS, LTD**  
*Values-Centered Financial Planning*  
Registered Investment Adviser

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Dear Friends,

The Market drama that will unfold for the short period of a few weeks or months will offer the next great opportunity to invest in the great companies of America and the world at very attractive prices. The "Wall Streets" of the world have gone on sale for a relatively brief moment. We can say "thanks" to the short term traders and speculators, the financial press and the political climate which will exploit this for their own reasons.

Investors will see this as the opportunity it is. As always, perspective is important or you will be reduced to only seeing the moment before you, as it is characterized by others, according to their self-interest. The major U.S. equity averages have been considerably lower twice in the past 12 months than will likely be the case from this event. The Dow Jones Industrial Average, which closed at 18,011 yesterday, has been as low as 15,600's last August and this past February. The S&P 500, which closed yesterday at 2,113, has been 1,867 last August and 1,829 this February. The Nasdaq average, which closed at 4,910 yesterday, has been as low as 4,267 this February.

Some significant readjustment to the European "Union" has been inevitable since it was formed. It was a valiant, but flawed attempt that never addressed the issues of fiscal/tax policy and thorough monetary policy across many nations and cultures. Without those elements, the kinds of internal adjustment that we Americans take for granted during stressful economic periods, such as 2007-2009 are difficult, if not impossible for them. Our tax and Federal Reserve system can handle these stresses much more effectively, as has actually been the case.

The EU has accomplished at least two remarkable advances for Europe and perhaps a third advance, all necessary for them to be a competitive economic force, as a whole, comparable to Asia and the U.S. The creation of standardized measures and manufacturing standards allowed them to have internal consistency and present consistent products and services for the world, was a great economic competitive advance. A common currency allowed for the same "financial language" to be spoken to each other and trading partners around the world. A third element was and is needed, but global events have now caused this one to be questioned: open borders.

The free flow of people, goods and services, so naturally part of America, had never existed before the EU experiment. The recent mass immigration issue has tested the willingness and tolerance to accept any and all by some countries, especially when local economic conditions are already strained. This burden has now called other flaws in the Union to be severely questioned. The decision by England today will induce much self-reflection in all the countries of Europe. Perhaps it will lead to a better set of decisions in the future. The fate of Europe's economic position in the Global economy is at risk. The threat of negative economic consequences has a tendency to concentrate the minds of the politicians and governments.

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In the interim, very little will change for the next year or two. It will take considerable time for England to extricate itself. This is not an overnight process. Markets have a way of assimilating news, good and bad, and moving on. We have all been through it many times. Markets are self-interested organisms which are internally focused on survival and growth. In this sense, today's event will be passing, but is an opportunity to invest in the future for those with vision and confidence.

As always, here's to you Good Wealth.

Jerry!