



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

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Hi Friends,

A few of you emailed with follow up questions regarding how your investments are positioned or what I was suggesting by writing that this is a good opportunity to add to your investments. Let me address them separately.

This is not 2007-2008. It is not the breakdown of the financial sector, nor will it induce a recession. The response to BREXIT, as much as it surprised the financial markets and political world, has been muted in the U.S. and acute in Europe, especially Britain.

One of the principles that we follow in creating a portfolio for you is that the result be positioned to endure through market cycles, not react to market cycles. Well-constructed, global portfolios are best suited to this task. Different markets and different kinds of investments (asset classes) tend to vary in their way of adjusting to good and not so good news. This news can be economic or political. These are often connected, as is the case now.

The U.K. decision to leave the EU is a political decision with large economic consequences, both good and bad. We also have, at this time and for some months to come, the political decision of the coming U.S. elections. Whatever the result of the elections (presidential, congressional, state offices), economic policy decisions will reflect the decisions of the voters and find their way into the markets.

Whatever the geneses, most of the current influences have emerged in the political sphere and are partially/mostly expressed in the economic sphere. The economic sphere by itself is weighted toward the positive, more in some areas and countries than others, but positive in general. The positive economic imperative permeates the entire spectrum of the political. Ultimately, the economic leads the political. Currently there is greater uncertainty within the political and geopolitical spheres.

So, during this period of change, I think there is more immediate opportunity in the U.S. markets, less in the European markets and even less right now in the British markets. But remember, today's difficulties become tomorrow's opportunities.

For right now I would suggest additional investment in the U.S. Leave international investments as is, but be prepared to add to them during the next months. The longer term future is with the faster growing newly emerged or emerging economies. The greatest growth will occur in these countries and be reflected in their markets. For right now stay in the U.S. with any new commitments.

This dynamic will change as the BREXIT issue unfolds. The decision was an event, but this will be a long, maybe multi-year process and many as yet unknowns, both positive and negative, will emerge. There is no need to react today, but to be open to the opportunities of the coming days and weeks.

Jerry!

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