



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

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Dear Friends,

I think you already basically know what I am going to say. And you are correct. My reassurances about the current financial market dynamics are not given simply to ease any media induced anxieties you might have, but to remind us of some basic realities of the nature of markets, how we experience these realities and how important it is to place these into the context of fundamental economics, time/history and assess them against the background of human aspirations for the future.

A note about today (8-24-15): the US market (Dow Jones Industrial Average) opened down over 1,000 points. At 1:10 PM EST, it is down about 111 points. Who did all that BUYING to raise the overall market UP 900+ points? Someone. And I am pretty confident that they have and will experience a lot of profit from the decisions made to keep, own, or own more of the great companies of the US and the world that others were selling in a panic. We may still see more declines, but remember that someone is buying EVERY share that someone else is selling. The financial press usually only highlights the selling, not the buying.

As I mention each time we go through these kind of market dynamics, when I began in 1977, the Dow Jones average was 748. It is, as I write, at 16,347. At some point during the past 52 weeks, it has been as low as 15,370. Do you even remember that it did? I don't. It may and probably will go down a little more before this day is over, and in the next few days, but it will go higher, much higher again in the future. Think about all that has happened in the world since 1977. The panorama of history has presented every kind of human drama and tragedy, multiple times. Over your lifetime, who made the better decisions: the sellers or the buyers? To quote long-time market professional, Nick Murray, "Declines are temporary, advances are permanent."

Fear is not rational and not easily subject to reason. One has to have a set of principles and convictions ahead of this kind of thing. We have been "here" before. It is a matter of remembering how it has all worked out in the past, why it has worked out as it has, and is likely to work out this time. Many have become conditioned to living in anxiety, particularly economic anxiety. Huge forces of communications, technology and speculation are committed to either inducing this fear or benefitting from it. Exempt yourself from this.

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We are not even close to the conditions that we faced in 2007-2008, domestically or globally. This selling period is a normal and natural condition of future advances. The economics of the US, Europe and, yes, China, do not add up to this. This is a market dynamic. China is growing at "only" 4-6% and will not create a condition of recession there or here. Energy at multi-year lows, official inflation and interest rates at mind bending lows, US unemployment at very low levels, are not the conditions of recession.

Wealth is created and sustained by investing in, not speculating with, the great human enterprises of the US and the world, called business. It is the circulatory system of what vitalizes the material forms we live in and with. And all the good things we support and want to happen in the world also depend on and are made possible by the circulation of this vital energy. Businesses, for profit and not for profit, are the energy factories, the mitochondria if you will, of the material world.

Billions of people want to live the kinds of material lives we lead. And billions of people are working every day to achieve it. All along the way we will have to solve the problems this creates. We will. This is the essence.

As ever, here's to Y(our) Good Wealth!

Jerry!