



I took the opportunity to sit down with Bob Jackson to capture and summarize his thoughts for the March Monthly Update... Here are those thoughts (as summarized by Diana Folino)

My objective was to gain further insight on his thoughts on the current economy and recent developments as well as what he perceives to be weighing on the minds of investors. So what is it that he is seeing most recently?

*"In spite of the recent transitions in governments of several countries and the major disasters in Japan, there appears to be an inconsistency in the investment attitudes of most investors. Increasing %'s of investors are in a mode of believing everything is fine as they see the market going up and more are seeking opportunities for growth... Put simply, greed is coming back. This thought process inevitably leads more and more people down a path toward destruction. Investors have the desire to abandon the foundational principles of diversification that protected their net worth's in 2008 & 2009 to seek higher returns, add more risk to their portfolios and hopefully make more money. This places Vista at a true disadvantage."*

*"We are like wellness doctors trying to keep people healthy [financially through net worth protection] and that requires certain uncomfortable, demanding and unpleasant regular activities like exercise and healthy food, etc. We know our prescription is the best medicine but should face the fact that healthy behavior is least popular when it is most important!" (Bob Jackson)*

This brought up an additional thought... Bob asked if I recalled the infamous Y2K. *"This is a mostly forgotten and inaccurately recollected event in history,"* he said. It is worthwhile to remember that prior to midnight of 1999, there were valid concerns from recognized and respected experts on both sides of the Y2K projections - some said they had major concerns about functioning of the internet, the power grid and even commerce in general while others said the effects would be negligible to nil. The SEC even conducted audits of investment firms and investment advisors to review their *"Y2K Preparedness Plans"* and actions because of concerns as to possible impacts on orderly markets.

Why is this important now? A couple of significant reasons:

- Like Y2K, there are definitely recognized and respected experts on both sides of the economic prediction spectrum... *"Reputable economists and analysts span the full range of expectations from Deflation to Inflation and some even to possible hyperinflation."*
- We must realize and face the reality that the current macro-economic crisis is NOT like Y2K in one key characteristic – namely, unlike the specific date issue of Y2K (1/1/00), there will **NOT** be a certain date in time in the near future when we know definitively whether we are going to witness a continued recovery *or* witness a recurrence of deflation *or* a spiraling period of inflation, etc.

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***“We will live in a protracted period of economic uncertainty for many years to come.”***

- Since we will never know the future at any time in the future, the solution from an investment standpoint is very straightforward. You must have a diversification strategy in place in your portfolio that will serve you well in any of the possible macro-economic scenarios we ultimately realize in the coming years. *“Since many of the experts are predicting opposite scenarios, betting heavily on any one opinion will fully expose you to that opinion being wrong.”*

*“Issues that threaten developed countries are extensive and pervasive - they will not be erased or solved for many years to come. Debt throughout the developed world has reached levels which eliminate the potential for that debt to be conventionally amortized through expanding or growing economic activity - debt issues will only be addressed by extending the debt or inflating it away.” (Bob Jackson)*

The only way to have peace of mind in a period of uncertainty is to be fully diversified. Vista provides that peace and comfort. As Bob said, we know the prescription; we just have to remember why we're taking it!

Thank you for your continued trust in Vista Financial Advisors. If you have any questions or wish to discuss Vista's 2011 Portfolio Allocation, please feel free to call (904) 880-8010.

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