Vista's Philosophy *Revisited*: A Strong Foundation for Your Future

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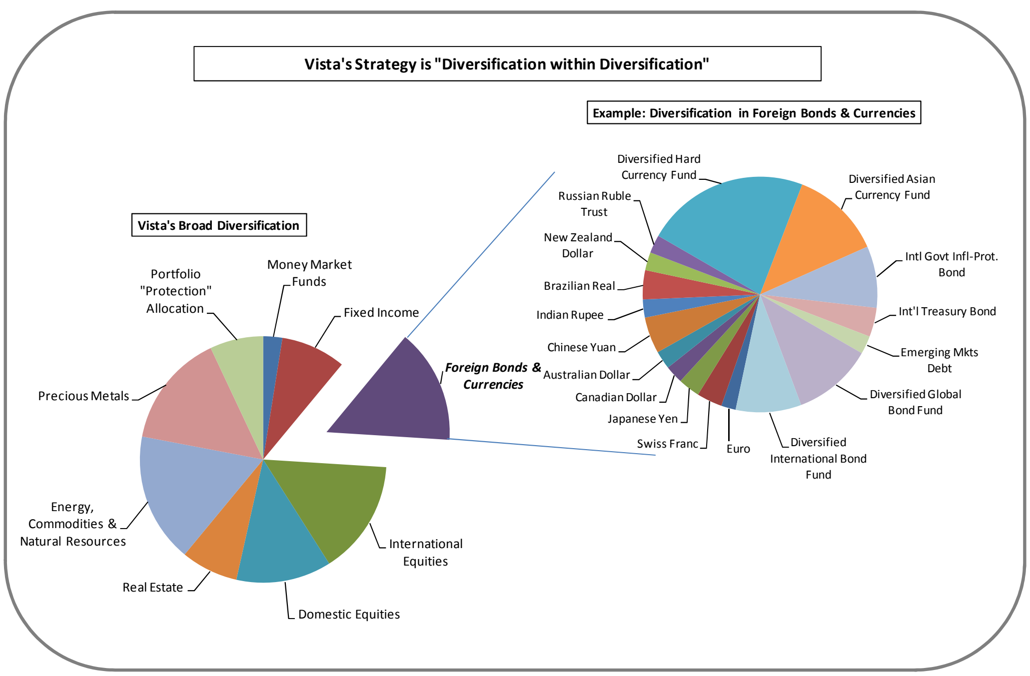
It is never wise to panic in a crisis – it is wise, however, to pause and take a serious look at your overall strategy!

As Winston Churchill once said, "However beautiful the strategy, you should occasionally look at the results."

When news of a credit rating decrease was suspected, and increases in the U.S. debt ceiling were eminent, U.S. and International markets started to crumble. Last week we saw the Dow plummet over 500 points - - the lowest drop since the economic crisis began in 2008 - - then days later, the S&P sovereign ratings committee downgraded the U.S. credit rating from a AAA rating to AA+ - - the first decrease since 1917. It is quite clear that our economic outlook is not a positive one. None of us definitively knows where these government and related agencies actions are ultimately going to take us - - nor do we know how long these negative impacts to the U.S. and world markets will continue. We do, however, know the answer to a very important and pressing personal related question – that being, "What investment strategy will protect our net worth?"

Although many are anxious and even scared, there is one absolute certainty you can believe and trust in to protect your net worth during these uncertain times. While brokerage firms continue to prove they do not know what will happen tomorrow in the U.S. or world economy, there is a strategy that will not fail regardless of the scenario we face be it inflation, deflation, stagflation or even hyperinflation.

Vista's investment strategy is built on the firm foundation of very broad diversification - - not "conventional stock & bond diversification" - - rather we are a strategy built on "True Diversification" based on a scientific approach that analyzes catalysts. To understand this approach, it helps to define what "catalysts" are. According to Webster's Dictionary, "a catalyst is an agent that provokes or speeds significant change or action." According to Vista, "Catalyst Groups" are distinct categories of investments that are impacted by separate catalysts. These separate categories are often referred to as non-correlated asset classes. The pie charts above are examples of Vista's "Catalyst Groups" which comprise a portfolio of "True Diversification."



The catalyst groups that comprise Vista's investment strategy include: *Cash; U.S. Fixed Income; Foreign Bonds and Currencies; International Equities; U.S. Equities; U.S., Global and International Real Estate; Energy and Commodities; and Precious Metals*. Because these categories operate independently of one another, all Vista clients attain the benefits of "True Diversification" versus "multiplication." For example, owning 10, 20 or even 500 stocks that all tend to go up or down at the same time is not true diversification at all. Below is a table briefly describing each "Catalyst Group" and their specific role within Vista's investment strategy:

Catalyst Category	**Brief Description & Purpose**
Fixed Income	Primarily made up of short-term, intermediate and long-term bonds and CDs, these fixed income investments are typical for investors seeking income and safety. The primary catalysts for these investments are the movements in interest rates and credit quality concerns including defaults. The real concern with a bond is inflation. With prolonged periods of inflation, the value of your funds at maturity will buy far less than when you purchased the bond and the income earned from the interest checks will also purchase less each year.
Foreign Bonds and Currencies	Foreign bonds and currencies often move up in value relative to the U.S. dollar during negative periods for the U.S. economy and U.S. markets primarily because investment funds tend to flow out of the U.S. into investments in foreign countries. With current historic levels of foreign debt and trade deficits, it is also wise to diversify your portfolio into multiple currencies. Diversifying in foreign bonds and currencies tends to reduce volatility during panic periods.
International Equities	Often foreign markets react differently than U.S. markets to the same news. There are also tremendous growth opportunities in many foreign countries due to the relocation of many U.S. industries to countries like India and China. Although negative to the U.S. economy, this can produce attractive investment opportunities in international equities. Diversifying into international equities can also provide the opportunity to make additional profits in periods when the U.S. dollar is declining against foreign currencies.
Domestic Equities	The U.S. stock market reacts to many forces in our overall economy from earnings reports, scandals, mergers and investor sentiment. During periods when investors are optimistic, it often seems they turn a deaf ear to bad news. During pessimistic periods, the opposite seems to happen. For purposes of growth during positive periods, Vista invests part of its strategy in large-cap, mid-cap and small-cap investments. For negative U.S. market periods, a small portion is allocated to bear market funds designed to make money when the U.S. stock market goes down.
Real Estate	A portion of Vista's portfolio allocation consists of real estate investments in the form of domestic, international and global real estate funds. Unlike owning a property directly, whenever you decide to sell, these positions are all liquid and can be sold immediately. Individually owned real estate can become very illiquid in a "down market." Because real estate is a real asset, real estate prices will tend to move downward during periods of deflation and upward during periods of inflation. A small portion of Vista's real estate allocation is invested in funds designed to perform well in down markets.
Energy, Commodities & Natural Resources	Energy, Commodities & Natural Resources, are those "things" that we buy and use on a daily basis -- things like oil, natural gas, grains, coffee, sugar, metals, timber and water. If all of these items increase in price, so would your cost-of-living. Allocating a portion of Vista's strategy to these investments helps establish a hedge against inflation or rising cost of living. As energy & commodity prices rise and your cost-of-living increases, the value of this portion of your portfolio and its dividends also increase offsetting the rise in your cost of living.
Precious Metals	Increasing debt levels, additional defaults by major corporations, potential effects of long-term declines in real estate, and possible new wars, etc. while negatively impacting our economy, all tend to be the very catalysts that often drive the price of gold and other precious metals upward - often quickly and severely. These are the assets people historically flock to when they panic. Owning precious metals during these "panic periods" will possibly offset a sudden decline in value of U.S. stocks. Vista also recommends a small amount of precious metals held physically (in your own posession).
Money Market Funds	Primarily used as a "parking place" for immediate liquidity and cash needs without disturbing the overall balance in the diversification strategy. The important point to make is that traditional money market funds and CD's are not insured. For this reason, Vista maintains a small percentage of the portfolio in money market funds and invests that amount in "U.S. Treasury Money Market Funds." Note: U.S. Treasury Notes, Bills and Bonds are backed by the full faith and credit of the United States Treasury.

Excerpts taken from the book written in 2006, published in 2007, "Handbook of Consequence Investing" by Robert Jackson.

As indicated in the table, each catalyst category plays a distinct and important role in generating portfolio growth while combating the negative effects against the U.S. and world economies. They must work together in unison to create a solid foundation; one that will protect our client's net worth during any economic scenario.

There is no doubt that we are, in fact, experiencing an economic crisis. Wise investors must acknowledge that no economists or brokerage firms can predict the next steps in this economic crisis or specifically how long it will last. Vista firmly believes, based on years of Long-Term Generational Cycle research, that we have recently entered into the fourth phase or "Winter" season of the current cycle. That means we should expect the next 10 to 15 years to be a very challenging economic period. And, as is always the case with crisis events, once they begin, it is too late to prepare. Vista's client portfolios *are* prepared for what is yet to come. Vista's strategy is truly a "Strategy for All Seasons." For those that are not yet prepared, there are very definitive steps that can be taken to protect their net worth - - although those steps must be taken before it is too late.

If you have any questions, or know of anyone that would like to learn more about diversifying their wealth and protecting their net worth by creating their own "Strategy for All Seasons," please feel free to call (904) 880-8010 to discuss the necessary steps.

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