

GLOBAL INSIGHTS

International Assets Advisory, LLC ("IAA")

The Long Run

"In this age, which believes that there is a short-cut to everything, the greatest lesson to be learned is that the most difficult way, in the long run, is the easiest"

Henry Miller

Do not let the current turmoil in the markets divert you from continuing to follow a well thought out plan designed to help you meet your financial goals. Although this may well turn out to be the worst performing January in the history of the U.S. financial markets, abandoning a long term diversified strategy would be the real catastrophe. While we never bought into the hubris and hype in the markets of a year ago, we don't buy into the panic of today.

If the Fed and the US Government fulfill their rolls correctly (I.E., as little intervention as possible), at worst we will have a mild recession. We believe that the greatest long term threat to our economy is inflation.

Usually we don't use this forum for any specific type of investments. However, given the possibility of a recession and the real presence of 4% annual inflation, we would like to point out a few ideas that you may wish to discuss with you IAA Financial Consultant:

- Inflation Idea - AAA Rated Foreign Bonds – With 2 year US Treasuries yielding less than 2% and 5 years under 3% it doesn't make sense to us to invest in US debt and loose money to inflation annually. Instead we suggest that you look at AAA rated foreign bonds that can get you yields in excess of 12% annually. Of course there is currency risk associated with these bonds however you will be receiving 10% or more annually than with 2 year US T's.

- Recession Idea – Low cost retailers and low cost alcohol – In recessionary times, many of the middle and high end retailers businesses suffer as does the business of luxury goods companies. We believe that investing in well run low end retailers and low cost alcohol providers can be worthwhile during and prior to recessions. Thus we suggest you look at:

1. in the US, Wal-Mart – Est. PE=15.66
2. in Mexico, Wal-Mart de Mexico – Est. PE=22.09
3. in France, Carrefour – Est. PE=18.35
4. in the UK, Tesco – Est. PE=16.80
5. in the US & UK, SABMILLER – Est. PE-16.98

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Investors should consider carefully information contained in the prospectus, including investment objectives, risks, charges and expenses. You can request a prospectus by calling 800-432-0000. Please read the prospectus carefully before investing.

