

The Trend is your Friend but Patience is a Virtue

By Brian C. Tillotson

I have had several of my valued clients call and ask me if THIS is a good time to buy. It is a hard question to answer without knowing the details of the investor's goals and objectives. Are they buy for long-term investing, or buying for a gain regardless of the length of time. Let me take this chance to once again repeat, there are no tract homes to Wealth Management. So the following are my opinions on the age old question of when to buy and when to sell. This may or may not fit your particular objective on any given stock investment.

With that being said, the following graph is a 1 year look at the S&P 500.



I have read many people say now is the time to buy because the consumer confidence is at a low, the market bottoms six months after a recession starts, there is cash on the sidelines, or there is a full moon on the X day of the month. All I know is in my 20 years closely following stocks; the market likes to make an exception of all of these nice rules. Remember when these same people were saying the market has never been down 3 years straight in 2001. What did the market do? Went down a third year and not only

(Continued on page 2)

Inside this issue:

The Unfinished Analysis of Social Security Payments	1 & 2
Marketing Matters	2
Key Dates	2
Insurance Information	3
Personal Note	3
Service Station	4

Contact Information:

Brian C. Tillotson

Address:

2435 East Southlake Blvd.
 Suite 120
 Southlake, TX 76092

Phone Numbers:

817-717-3812
 866-407-4320

Fax:

817-416-6585

E-Mail:

btillotson@virtuswealth.com

Mark Your Calendar for our Spring Garden Show!!!

By Amy Tillotson

We are so lucky that Mr. Neil Sperry has agreed to come and present a Spring Garden Show for our valued clients and their friends on Saturday, May 31st at Timmaron Country Club. As many of you already know Mr. Sperry is a staple in the gardening industry. He has broadcast over KRLD 1080 AM radio since May of 1980 and also publishes Neil Sperry's Gardening Magazine along with his Texas Gardening Calendar and his book Neil Sperry's Complete Guide to Texas Gardening, the 4th best-selling gardening hardback in American history. We are hoping that some of his knowledge and his green thumb will rub off on all of us!

We would be so honored if you would invite a friend to attend this Client Appreciation Event with you. We look forward to seeing you on May 31st; please call Amy at 817-717-3812 to reserve your seat along with your friends.

Cover Story Continued

Key Dates

that but was down over 25%. I am a fundamental investor BUT I do believe a trend is your friend. My motto, first find good companies and then find the right time to buy and sell.

We must show patience and trust the trend. Trying to buy at a low tends to remind you that a stock can definitely go lower. So when should we buy or sell? Obviously there are no bullet proof methods, but there are tested tools to use. So let's look at the trend the past year.



We can see two definitive trends. The blue “channel” is the bull market and the red “channel” is the current bear market that started in October in 2007. The first red flag was the double top we see around 1,550. The second red flag was the breaking of the trend on the downside (below the blue line) in late November. Notice that in a bull market we have higher highs and higher lows. In the bear market we have lower highs and lower lows.

It is interesting to listen to many claim we hit a low in March. Maybe we did and maybe we didn't. All I know is that it was a lower low. In most, not all, corrections or bear markets we see a double bottom; meaning that the market test its past low before we re-enter a new bull market.

What I do know is that we need to break the 1410 to 1420 level with good volume before I believe we are in a new up trend. If not we are headed lower. How much lower? Probably at least to 1325. If that holds, we should feel better about adding some (not 100%) more stocks. If it doesn't hold, the probability is that we test the low again at 1275. One thing to note that this works out to be a self fulfilling prophecy in many cases. Many investors follow the trend. So when the stock or index hits the bottom line in a bull market many will invest then expecting a bounce and vice versa when the stock or index hits the upper line in a bear market.

So the moral of the story? Wait until the trend tells you when it is a good time to buy, not a hunch or a guess.

And for my friends out there that do not believe in technical analysis, the great Warren Buffet just announced “stocks aren't cheap” even after a 10% decline from their 2007 highs. Patience is truly a virtue.

May 26

Memorial Day

May 31

Client Event—Neil Sperry

July 4

Independence's Day

September 1

Labor Day

November 27

Thanksgiving Day

December 25

Christmas

We thank you for your patronage. Without you we would not exist. It has been very satisfying over the years to watch as you reach your financial goals and knowing that we had some small part.

Welcome Aboard!

Heidi Jesko joined Virtus Wealth Management in March 2008 and is the latest addition to our growing team. Mrs. Jesko has Human Resource, Sales, and Accounting experience, and we are looking forward to capitalizing on her expertise.

Heidi has been happily married to her husband, Drew, for 17 years and is devoted to her 8 year old son, Matthew. In Heidi's spare time she helps Matthew care for his many animals – “Lucky” the cat – three fish – 14 wild lizard eggs and an aquatic pool frog.

Insurance Information

Long Term Care (Part III) – Private Financing Options

By Karen E. Spence

It's difficult to predict if or how much care you will need, whether you will have family or friends who can provide some or all of your care, and how much care may cost you. However, it's reasonably easy to predict that if you need extensive long-term care services or need services over a long period of time, you will have to pay for some or all of it out of your personal finances. That's why an increasing number of people are using private financing options to help them pay for long-term care if and when they need it.

Private long-term care financing options include self-insure (save on your own), long-term care insurance, life insurance, and annuities. Which option is best for you depends on many factors including your financial situation, age, medical history, and your risk of needing long-term care.

- **Self Insure** – If you have the personal income and resources available, you can plan to pay all or a portion of your potential Long Term Care expenses using those resources. This option is better for a younger person, and the key to this approach is to understand what LTC services cost today and to plan for those costs to increase over time with inflation.
- **Long-term Care Insurance (LTCi)** - Long-term care insurance is designed to specifically to cover the costs of long-term care services, many of which are not covered by traditional health insurance or Medicare. These include services in your home such as assistance with Activities of Daily Living as well as care in a variety of facility and community settings.
- **Life Insurance with a Long Term Care Rider** – This combines Life Insurance with Long-term Care Insurance by allowing access to the face amount of the death benefit for LTC expenses if needed. The cost of this combination product is typically higher than stand alone Life Insurance and Long-term Care insurance, but the risk of purchasing LTCi that may not be used is mitigated by the death benefit on the Life Insurance.
- **Deferred Annuity with a Long Term Care Rider** – This combines a Deferred Annuity with Long-term Care Insurance by creating separate LTC and cash funds. The “LTC” fund can be accessed immediately if needed while access to the “cash” fund is deferred and more limited over time. Again the fees of this combination product are typically higher than stand alone Deferred Annuities and Long-term Care insurance, but the risk of purchasing LTCi that may not be used is mitigated because the unused portion of the LTC fund can be left to a beneficiary.

Virtus Wealth Management is here to help you assess your long-term care options and plan ahead as part of your overall financial strategy.

On A Personal Note

- Karen's middle son, Sam (7), recently earned his Tiger Cub badge and placed 1st in the Push Cart Derby. He is big, strong, and evidently a good driver ... just like his dad. We love Cub Scouts!
- Tiffanie and Austen have gotten all settled into their new apartment and loving it! Austen, after a little bit of a struggle, is on track at his new school and adjusted to the change very well. There are some mornings now he is even waking me up to get him ready. There is a first time for everything... I'm glad this one is because of school!
- I never thought I would be doing this again but we are in the middle of potty training :) Laney is 2 ½ years old and doing a wonderful job. Knock on wood I think she has it down pat, it has been 8 days since our last “accident”. Wish her luck!

BULLS and BEARS
May 2008 Newsletter

Virtus Wealth Management
2435 East Southlake Blvd.
Suite 120
Southlake, TX 76092



Service Station

Title

By Tiffanie Johnson

Text

Securities Advisory Services offered through VSR Financial Services, Inc. A Registered Investment Adviser and Member FINRA/SIPC, Virtus Wealth Management is Independent of VSR.