THE 5 KEYS TO WEALTH MANAGEMENT

A GUIDE TO MAXIMIZING THE EFFICIENCY OF YOUR WEALTH

VIRTUS
WEALTH MANAGEMENT

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"OUR BEST CLIENTS ARE REFERRED BY OUR BEST CLIENTS."
-BRIAN C. TILLOTSON, CPWA®

PREFACE

Thank you for requesting this free Guide about the 5 biggest secrets to managing your finances in order to maximize the efficiency of your wealth!

We put this Guide together because we love to educate, empower, and get people involved in the planning of their financial futures. If you are not confident in your current plan for your financial future, then we would love to help you coordinate and unify the various aspects of your finances into a unique, stress-tested plan. This enables us to work toward the goals and milestones you have been dreaming of.

As an added value, we would like to offer you a complimentary consultation with our advisors. This hour-long consult is your meeting. You let us know what it is you want to get out of the meeting. We will offer ideas and possible solutions to your questions or concerns. And while we strive to earn your trust and business, it is not necessary in order for you to implement our proposed solutions. It is your information to do with as you please.

Together, we can create a wealth management plan for pursuing the milestones and goals you have always dreamed of. This guide will equip you with the knowledge to ask the right questions and the empowerment to take control of your own financial future.

Sincerely,

Brian C. Tillotson, CPWA®
Founding Partner,
Certified Private Wealth Advisor℠

Charles R. Elhoff, Jr. CFP®, ChFC, CLU
Founding Partner,
Life and Health Insurance Counselor

Karen Spence, CRPC®
Wealth Advisor

INTRODUCTION

It is very important to take a macro look at your finances rather than a micro approach. Don't worry, this Guide isn't going to be a flashback to your old economy class days. We just need to take a step back and make sure we are all on the same page in regards to what wealth management actually is. Then we will dive into the good stuff.

Wealth management is a macro, or holistic, approach that allows you to look at your finances in the big picture so you can assess all the factors that affect your unique situation. You benefit by coordinating and unifying the decisions in your financial life, so that those decisions complement each other and work to produce enhanced results. This is what we refer to as **maximizing the efficiency of your wealth**.

Money inefficiencies can occur in all areas of your finances. They erode wealth and can limit us from building sustainable long-term wealth. These wealth eroding factors include taxes, inflation, market risk, accidents, disability, death, and lawsuits. A common example of money inefficiency that we often see with our clients has to do with an overlap in coverage between homeowners' insurance and umbrella insurance. Many people can lower their monthly premium payments by making sure you are not paying twice for the same coverage.

Different types of micro-managers in regards to your finances include your Banker, Real Estate Agent, Attorney, Accountant, Money or Investment Manager, Property and Casualty Agent, and Life Insurance Agent. Each of these professionals typically focus on their small part of your wealth management plan, but *how do you know that an action or recommendation from one manager works efficiently with the actions of another?* A fragmented approach like this enables important key components to be missed that could affect not only the right approach to take regarding your finances but also the outcome. This is inefficient, inconvenient, and expensive for you, especially in the long run. It also lacks accountability and consistency.

This is where a holistic approach is important. You can choose to do it yourself. Or if you don't have the expertise, you can benefit by bringing everything together under the oversight of one professional: a wealth manager. This professional assistance can provide you a more streamlined, efficient, consistent, and convenient process.

Here at Virtus Wealth Management, we have a tried-and-tested process in place that seeks to remove inefficiencies and make sure your wealth management plan is organized and coordinated to help you pursue your goals. But more on us later.

The essential components of a holistic approach to financial advising include, but are not limited to, tax reduction strategies, milestone planning (whether your milestones are retirement, travel, buying your first home, etc.), risk reduction and wealth preservation, as well as estate planning and legacy goals.

First, we need to address the building blocks and the first steps to maximizing the efficiency of your wealth: your wealth management plan. Bringing all the various pieces that affect your financial situation together to create a big-picture plan that is stress-tested and unique to you, ensures you are confident in where you are today, what actions you are taking, and where you want to be in your financial future.

STEP ONE: ESTABLISH (OR UPDATE!) YOUR WEALTH MANAGEMENT PLAN

Why is having an established, written plan so important? Well, we will tell you. Consider your finances and your financial future to be like a business. A business is twice as likely to be successful if it has a written plan; studies like the one Palo Alto Software conducted in 2016 have proven this. If your financial future is like a business, and not to be too cheesy this early in our Guide but, that makes you the CEO. *If you hypothetically had an idea or business that you sincerely believed in, would you just leave it to luck and assume the finances would figure themselves out later?* This would not be the most effective option. Instead, establish a written plan to pursue your financial goals.

STEP TWO: ENSURE THERE IS CLARITY IN REGARDS TO YOUR PLAN

Clarity is perhaps the most important concept to personal financial planning. Saying you want to retire at X age with X amount saved is not a sufficient plan. Knowing where you are now, what goals or milestones you want to achieve, and where you hope to be, is essential to building a successful financial plan. If you have ever Googled or asked around for the best tips for putting your money away into savings, you probably came across the most common tip which is to have something specific you are saving for. If you know exactly how much money you want to save, what that money is going toward, and exactly how long it is going to take you to save that amount if you continue saving as much as you do today, that typically provides the motivation and organization needed to reach your goal. The same is true for your wealth management plan.

The more specific and more organized your plan is, the better. Your wealth management plan should be something you reference for years to come. We have clients who tell us all the time how their wealth management plan gave them the confidence they needed to enjoy their dream vacation or remodel their dream kitchen. Because when you know exactly how much you need to save, you can be confident in knowing when you can splurge.

If there is one thing that is constant in life, it is change. There are “seasons” of life just like seasons of the year. However, the “seasons” of life are different in that there is no predetermined date or age that someone automatically shifts “season”, or life stage.

Unfortunately, there are no absolute truths when it comes to investing and your finances; no rule book of set instructions that would financially benefit every person at every stage of his or her life. This is where your wealth management plan can help.

STEP THREE: REFERENCE AND UPDATE YOUR WEALTH MANAGEMENT PLAN AS YOUR LIFE AND GOALS CHANGE

Wealth managers and your wealth management plan help people, just like you, strive to achieve the milestones in life that they have been dreaming of and working toward. Are you saving to buy your first home or first car? Are you saving for your children's college education and/or still making payments on your own student loans? Have you recently changed jobs and received new employee benefits you want to maximize? Maybe your focus is planning your estate, saving for retirement, and laying the ground work for your legacy? Or you have already retired? Not everyone is working to achieve the same milestones and this list is by no means all-inclusive.

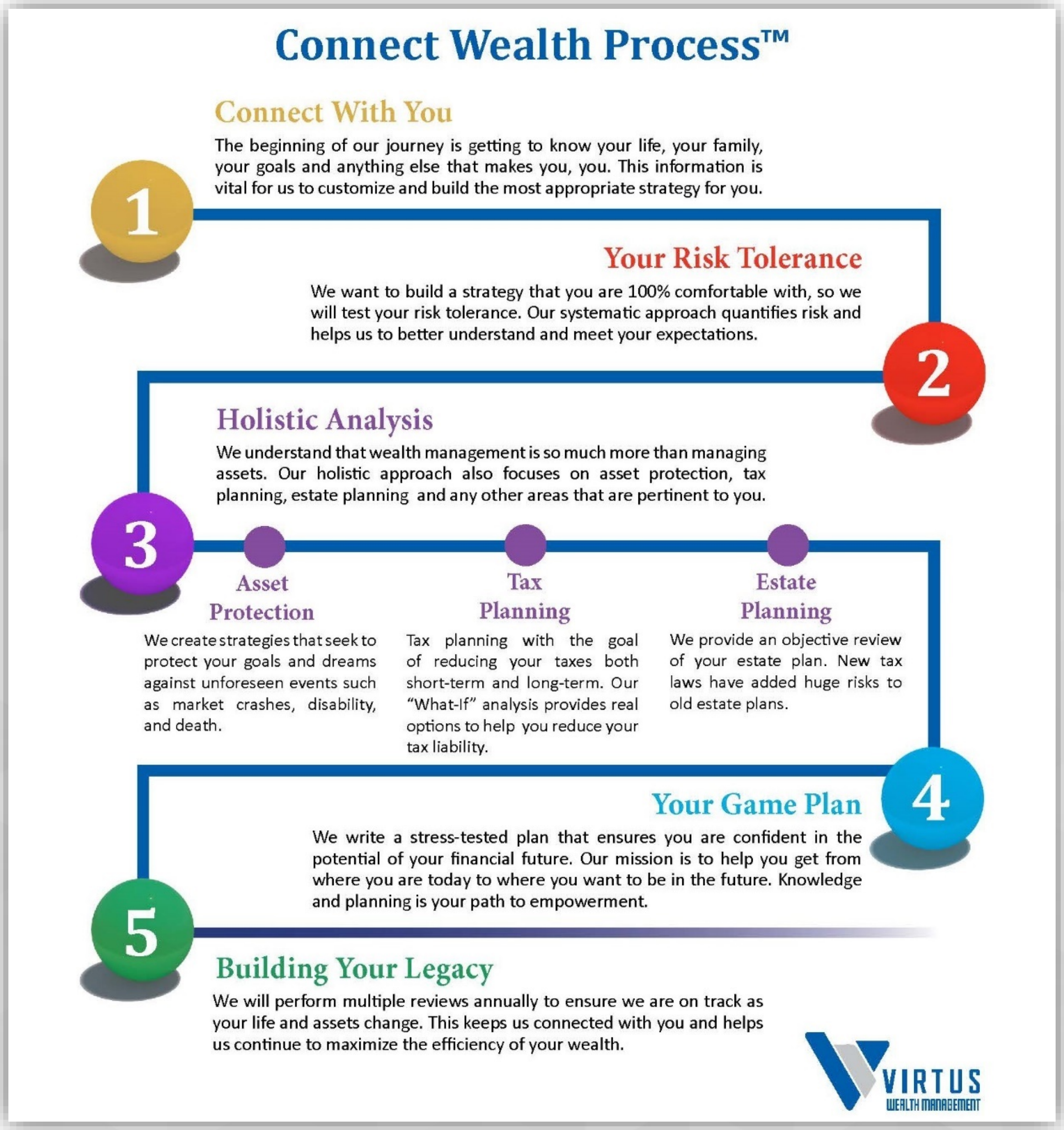
It does not matter what age you are, what life stage you are in, or how much money you are working with. You can benefit from having a written wealth management plan.

Once you have established your wealth management plan to pursue the milestones you are reaching for, update that plan as your life and goals change in order to ultimately maximize the efficiency of your wealth.

Your plan and goals should be reviewed annually at a minimum. This is why our advisors perform multiple reviews annually with our clients. These meetings help to keep you, your goals and your team of professionals connected and on-track. If you are not reviewing your plan or meeting with your financial advisor regularly, call to schedule a meeting with our team today.

Do not forget! We offer complimentary consultations if you are interested in partnering with one of our advisors. To schedule your consultation, fill out the form on our website here or call us at (817)717-3812.

Our firms Founding Partners have over 75 years of combined wealth management experience. It has taken decades to perfect our process, techniques, and strategies. And it is our trademarked Connect Wealth Process™ that is the basis of everything in this Guide.



WHAT TO EXPECT OUT OF THIS GUIDE?

While this Guide is about 5 Keys to Wealth Management, we have filled these pages with the best tips, strategies, and advice that our advisors have learned over the years.

It does not matter if you have had a plan and an advisor for years, or if you are just starting out on your wealth management journey, this Guide is full of practical nuggets of wisdom. We will break down 5 of the different facets of wealth management and provide you key takeaways for each: planning, investing, risk management, insurance, and retirement.

Whether you plan on partnering with a professional or embarking on your financial planning journey alone, we are quite certain you will be glad you read this Guide all the way through!

Now let's dive in to the first facet, planning!

CHAPTER 1

THE KEY TO PLANNING: BROADENING YOUR FOCUS

Your financial plan should extend beyond your current investment portfolio to address different aspects of your financial life such as estate planning, retirement planning, and tax planning, among others. While it is important to keep your financial plan as precise and focused as possible, we actually recommend the opposite when it comes to the process of planning.

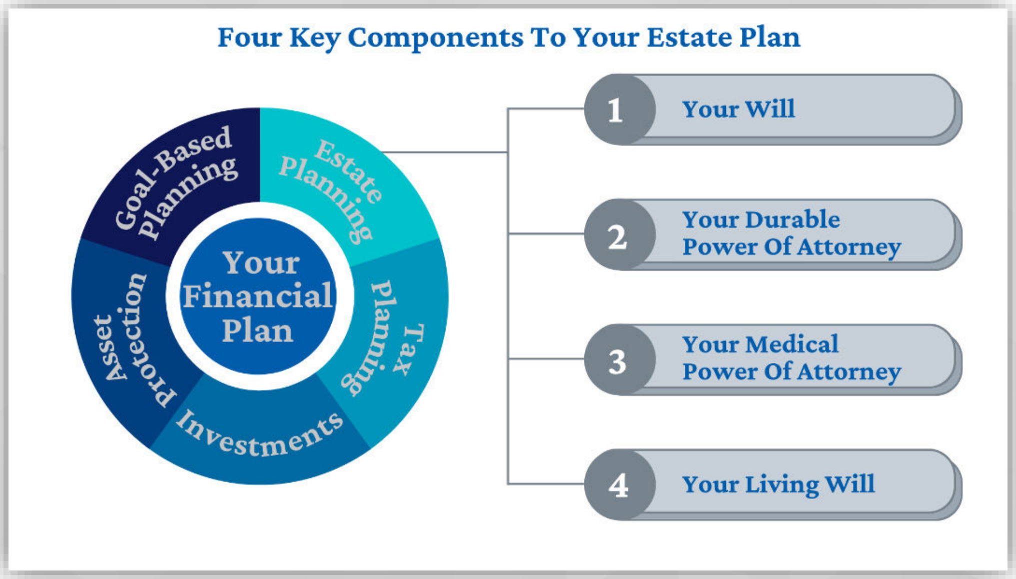
We encourage you to broaden your focus when it comes to certain aspects of wealth management. How is this applicable to you? This term takes on slightly different meanings when used in reference to the different facets of planning, so let's take it one facet at a time.

ESTATE PLANNING

Our Founding Partner and Wealth Manager, Chuck Elhoff, jokes about the first time someone asked him about his estate plan – he was married with a baby and living in a rental house. He thought, “what estate?.” If you are thinking the same, do not skip this section. You do not need a castle on lots of acreage to need an estate plan. Estate planning is for everyone. And if you already have an estate plan, this is for you too.

Estate planning is unfortunately one area of wealth management that people tend to ignore most. The young do not think they need it and those that have it often do not keep it updated. We all know we should have a will or trust in place, but it can be seen as a pain or nuisance. However, not having this plan in place can be one of the most expensive mistakes you can make in regards to your wealth.

Did you know that there are four key components to an estate plan? Sure, if you are young your chances of dying are probably slim. What happens if you are involved in an accident and can't make medical decisions for yourself? No matter your age or net worth, all adults need the following: the will, the durable power of attorney, the medical power of attorney, and the living will.



Now, do not let this stress or overwhelm you. Because the key to estate planning is KISS (or keep it super simple).

Let's address your will for example. A will is an inventory of your property and a legal set of instructions for the distribution of your assets upon your passing. A will can also designate appointed guardians for your children or other loved ones. You do not necessarily need a lawyer to draft this document as there are sites online or software you can purchase to assist in doing it yourself. It is more important to have one even if it is simple, than not have anything at all. Simple is good. We have seen trusts so complicated that they do more harm than good. The people making the most money in those cases are the lawyers, not your beneficiaries.

Speaking of beneficiaries, it is important to coordinate the beneficiaries you designate on your will with those included on specific accounts such as your 401(k), IRA, insurance, or annuities. Here is another example of where you do not want to try to overcomplicate things. Many people do not know that those qualified accounts and insurance policies are going to pay to the beneficiary listed on the account regardless of what might be specified in the will.

Another thing to consider is that appointing minor children as beneficiaries can lead to unexpected consequences. Minors cannot open bank accounts or enter into contracts. Most life insurance policies and IRA accounts do not allow you to leave money outright to beneficiaries who are minors. If you name your children as beneficiaries and they inherit these accounts or policies as minors, they will have to settle the matter in probate court. An adult will be delegated by the state to manage the funds until your children come of age. This can become a lengthy and costly process.

The same thing will happen if you do not identify a guardian in your will, or you do not have one. If you do not identify a guardian in your will, or you do not have a will, the state will name a guardian for you. This is where you risk a guardian mismanaging funds, whether that be intentional or not. The key here is to plan ahead. Do not leave these important decisions up to your state court system.

Choosing a guardian in many cases can be the most difficult part of preparing an estate plan. Keep it simple and base your decision on what matters most to you as parents. The ability of the guardian to manage money for the children does not need to weigh heavy into your decision. If you plan ahead, you can find and appoint a trustworthy corporate trustee to ensure proper money management.

Trusts can be an effective estate planning tool when implemented for the right reasons. Occasionally, we see lawyers trying to sell clients on a trust to avoid probate. In certain states this might be prudent, but Texas has very low probate costs. Because a trust should be reviewed and updated every three years (like your estate plan), which involves lawyer fees, you cannot compare the upfront cost of establishing a trust to the costs quoted to probate an estate in Texas. If a lawyer is trying to sell you on a complicated trust or establishing a trust primarily to avoid probate, we recommend you seek a second opinion.

As in most cases involving your estate plan, if something seems overly complicated, a second opinion is wise. Typically, estate planning does involve consulting with a few professionals including a lawyer and financial advisor, among others. While your financial advisor may not be trained in estate law, we have years of experience reviewing and implementing estate plans. Thus, we can provide you with guidance on when you might need to seek the opinion of a second lawyer or when you might need to simplify your plan in general. If you have questions regarding your estate plan or where specifically you should start, give our office a call to schedule a complimentary consultation with one of our advisors today.

RETIREMENT PLANNING

Retirement planning involves more than setting aside savings. Too often, people only focus on reaching a certain dollar-amount in order to retire. Or another common misconception is that you can just max out 401(k) contributions and be ready for retirement. However, this narrow focus can prevent you from maximizing the efficiency of your wealth.

We like to compare retirement to climbing a mountain, because it’s a big feat and one you should be proud of. Also, there’s a lot of planning involved in both. Any mountain climbers out there can tell you that there are two big things to plan for: your climb up the mountain and then your climb back down. The climb back down part is what people often overlook when retirement planning.

Your climb up the retirement planning mountain represents the years you put your money into savings. Your climb down the mountain is how you're going to get that money out of savings and what that income will look like when you're living off of it. Again, we're going beyond dollar-amounts. We are talking about where you're going to draw down your money from and how different sources may impact your situation differently.

401(k)s provide an immediate tax savings and prolonged tax deferral, both good things, but as it's said: too much of a good thing is not always best. Rather than stuffing our face with cake and cookies, we all know it would be better to eat a more balanced diet. The same thing applies with financial planning – rather than loading up on one type of savings, it may be better to have a more balanced approach.

A more balanced approach to retirement savings might mean having accounts that are tax-deferred and tax-free. Tax-deferred accounts, like your 401(k)s and IRAs, allow your contributions to grow and compound over time, so Uncle Sam doesn't begin taking his share until you start taking the money out. This is where the problems with these accounts sometimes occur. Every dollar that you withdrawal is included in your taxable income. Also, you are required by law to start withdrawing portions of that savings at age 72 and every year thereafter, whether you need the income or not (that way Uncle Sam is guaranteed to get his cut). These are called required minimum distributions (RMDs). If this is your only source of income in retirement, you could be burdened with an unnecessarily high income and tax bill.

Tax-free accounts on the other hand, like Roth IRAs and cash value life insurance, allow you to pay taxes on your contributions at the time of contribution. In that case, your money grows tax free and withdrawals are tax free. You are not required to take distributions at any point in time (because the government already got their money) so your money can compound longer than tax-deferred accounts. The problem with Roth IRAs is there are income limits that may prevent you from being eligible or limit contribution amounts you can make.

Having a balanced savings plan gives you some flexibility and more options in your later years. Balance promotes longevity and performance of your savings just like a balanced diet can do for your health. And broadening your focus to plan for the hike down the mountain along with the hike up can enable you to succeed and thrive in retirement as you did in your working years. Our advisors are here to help you find the proper balance and planning for your unique situation.

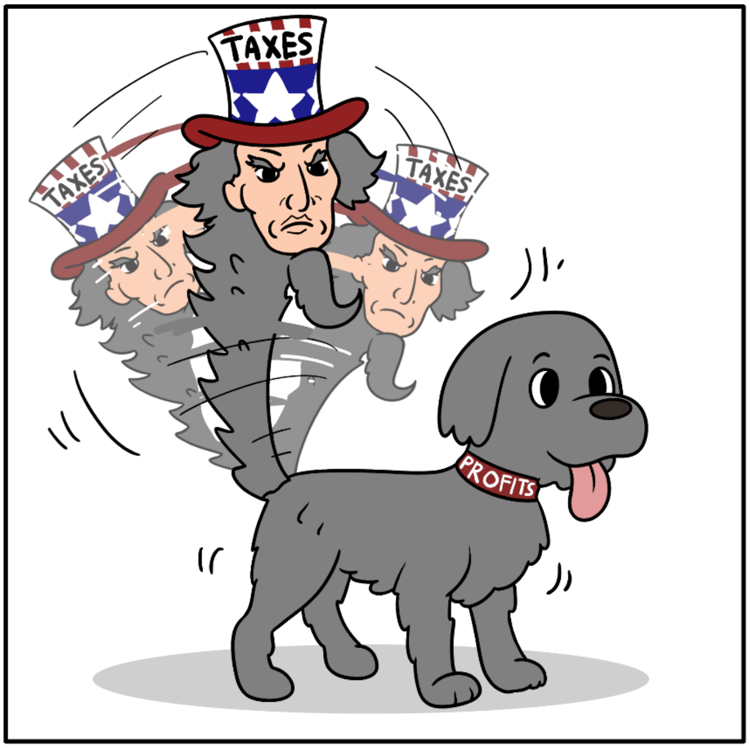
TAX PLANNING

The last facet of wealth management we are going to discuss here in regards to broadening your focus is tax planning. Our advisors often discuss many different strategies and options intended to reduce your tax liability now or later in life. Occasionally though we have seen clients focus more than necessary on certain tax consequences, without considering the other advantages such strategies might offer that might outweigh the tax costs.

Typically, paying a 20% long-term capital gain tax on the sale of a stock is better than losing 30% due to not selling and the stock dropping in price because it was over-valued.

This is why the key to tax planning is not to let the tax tail wag the dog. We don't want tax-savings to become your primary focus to the point that it interferes with your overall financial plan. A common example is refusing to sell an investment that has become risky, simply to avoid incurring a tax on the sale. This can conflict with your risk tolerance, interfere with your longer-term investment goals, and potentially cost you more money in the end.

There is a time and a place for both tax planning and bigger-picture financial planning. Sure, we often discuss strategies that provide tax benefits, but those strategies are recommended because they also align with the rest of your plan. When making decisions that have significant tax consequences, try to remember to look at those consequences in comparison to the advantages and within the bigger picture of your financial plan. This can help bring clarity to sometimes difficult decisions.



Just like finding the right balance in your retirement savings accounts, it isn't always easy to find the right balance between sharply focused goals and a broader approach in the planning process. A wealth manager can help you keep the big picture in mind, even as your assets and planning become more complicated. Our job is to give you the tools you need to make the best decisions for your life and family. If you have any questions, give us a call to speak to one of our advisors today.

CHAPTER 2

THE KEY TO INVESTING: PERSPECTIVE

Before we dive into the cognitive biases, news media tactics, and common benchmarks that often influence and impact your investment plan, you must decide exactly what you want to achieve with your investments. We already discussed the importance of determining your goals and establishing a written plan for your financial future. Now we need to take it one step further and clarify what goals you have for the money you are investing.

Investing can sometimes be considered a box you check or a stage you reach in life; something you do because everyone else is doing it. You find a job, save some money, find a spouse, invest some money, buy a house, have a few children, grow old and happily retire. Sound familiar? However, investing is not something that should be done carelessly or aimlessly.

STEP ONE: CREATE A PLAN FOR INVESTING

Before we dive into details, we need to go back to the basics with your investment plan. While investing is an integral part of your larger financial plan, it needs a plan in itself. A plan within a larger plan. So, why are you investing? What is your investment plan?

Retiring early, buying your first home or a vacation home, saving and eventually paying for your child's continuing education; these are all great goals for your broader financial plan, but we need to get more specific. While the key to planning is to broaden your focus, the opposite is true when establishing your plan for investing. *Clarity is perhaps the most important concept regarding your investment plan.* So, what exactly does your investment plan need to address? Here are some questions your plan should answer:

What are you investing this money for? What is your end goal? Exactly how much money do you need to achieve that goal? How long do you have to invest before you need that money? Where are you now and how much are you starting with? How much risk do you need to take to achieve your goal in the timeframe you have?

Answering these questions and establishing a written, personalized plan for investing is necessary in order to track your progress, avoid common investing mistakes, and ultimately reaching your goals. Successful investing at its simplest is all about setting goals, tracking those goals, and being disciplined.

STEP TWO: STAY DISCIPLINED

Investing is not for the faint of heart and comes with many challenges. To quote the great entrepreneur Jim Rohn, "discipline is the bridge between goals and accomplishments." Staying consistent and sticking to your investing plan are essential in order to stay on track to meet your goals. However, doing so is not as easy as you might think. Here we will explore the common challenges that can often distract investors from their plan and interfere with their goals.

> "DISCIPLINE IS THE BRIDGE BETWEEN GOALS AND ACCOMPLISHMENTS."
>
> -JIM ROHN

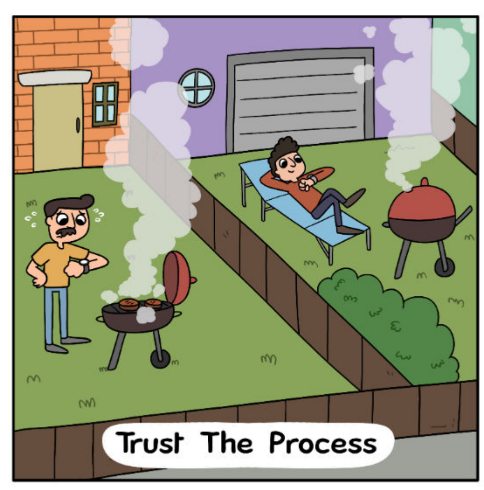
EMOTIONS AND COGNITIVE BIASES

Quick note: most investors plan to invest for the long-term, so we are going to focus on those investors here. If you are investing for the short-term, and need the money within the next 5 or so years, there are other important considerations that will impact your strategy (adjusting your risk tolerance, sequence of returns, etc.). We cannot cover those topics here, so we recommended speaking with a financial professional if this applies to you.

Once you have your investing plan established, the next step is to implement it:

1. You should know how much money you have to start investing with and how much risk you need to take in order to comfortably achieve your goals in the amount of time you have before you will need the money.
2. You invest and use strategies like diversification to manage risk.
3. You check on your progress periodically and adjust when necessary.
4. **You trust the process.**

When it comes to investing, there is a process and it takes time. It is comparable to slow cooking your favorite BBQ meats on the smoker. You prep and prepare the meat. You cook that meat nice and slow, at a steady rate. You want the temperature to stay consistent and you do not want to cook it too fast. You are willing to wait for it, you trust the process and give the smoker the time it needs to work. You cannot check the meat too often... you risk disturbing the temperature, losing the smokey flavor, and delaying or even ruining the end result.



The same is true with investing. If you do not trust the process and check your portfolio too often, you likely just bring needless worry and stress upon yourself. You can over think it and let your emotions drive unnecessary decisions or actions that do not help your end result and ultimately compromise your future. The market consistently shows a remarkable ability to reward patient, long-term investors.

> "THE STOCK MARKET IS THE STORY OF CYCLES AND OF THE HUMAN BEHAVIOR THAT IS RESPONSIBLE FOR OVER-REACTIONS IN BOTH DIRECTIONS"
>
> **-SETH KLARMAN**

"The stock market is the story of cycles and of the human behavior that is responsible for over-reactions in both directions," a wise observation by the great Seth Klarman. Emotions are the downfall of smart investing and making money. Just like volatility, emotions and over-reactions swing both ways.

We see fear stop people from making money in the market all the time. How many of us know people who got out of the market in 2008 only to miss a huge bull rally. The problem with selling when scared is typically you do not want to get back in until all fear is subsided. It is too late then. The market rebounds before the economy gets better. There is nothing wrong with taking some risk off the table. Just don't put yourself in a position to miss all of the rally when it happens. Likewise, letting our ego make us think we have figured out the market or that it is easy – this too can be a very costly lesson.

There is another factor working against you when you do not trust the process. Recency bias is our innate tendency to believe that the most recent information or event is more valuable and important than those of the past. We often convince ourselves that something is more likely to happen in the near future once it has happened in the recent past; or that the longer it's been since something occurred then the less likely we are to believe that it will occur again in the near future.

During a bull market, especially one that lasts eight years, it is easy to forget that bear markets and risk even exist. Then downward volatility hits, and it is easy to believe that it is worse than the bull market was ever good. Thus, perspective is key. Focusing on your long-term investment plan and long-term average returns, rather than the markets latest-low or highest-high, is the best defense against recency bias.

It is with perspective that we can prevent the recent past from having an undue influence on your investments. Do not let short-term market fluctuations affect your emotions and compromise your future. Trust the process and your plan, and do not check the smoker all the time.

BENCHMARKS

When discussing the market and investing you commonly hear references to the S&P 500 index. What is it and why is everyone so obsessed with it? In short, it is an indicator of the market's sentiment when looking at movements and trends. More precisely, it is an index weighted by the market capitalization (or worth) of 500 companies. In order to be included in this index, these companies must be based in the United States and must have a market capitalization of at least $8 billion.

You cannot invest in the S&P 500. Moreover, the inclusion criteria do not reflect proper diversification. You know the old saying, "don't keep all your eggs in one basket". Proper diversification aims to provide financial confidence in good markets while striving to put you in a position to help mitigate losses when the economy goes through hard times. A typical portfolio of an investor who seeks diversification to manage risk will include a combination of large, mid, and small capitalization stocks as well as international stocks.

Diversification is not accounted for in benchmarks like the S&P 500. That is why it is essential to use these common benchmarks for their intended purpose: a high-level measure of how the market is performing. Do not use them as a standard to judge the success of your portfolio or returns.

> "We believe that the return you need to pursue your financial goals is your benchmark, not some arbitrary index."
>
> -Brian Tillotson, CPWA®

Our advisors believe in the long-term benefits of diversification and use it as part of our investing strategies. However, we acknowledge that it can feel disappointing at times. When the market (and S&P 500) is up, your portfolio might not be up quite as much.

When the market is down, your portfolio may not be down as much, but it is still down. It can feel like you are not making as much on the upside, and you're still losing on the downside. This is called 'S&P envy' and it is very common.

Too often investors lose sight of their goals and plan, taking on more risk than necessary in order to try and match the returns of the common benchmarks like the S&P 500. This 'S&P envy' is an emotional response that is detrimental to disciplined investing and ultimately achieving your goals. For this common challenge investors face, there is an old wall street adage: "bulls make money, bears make money, but pigs get slaughtered."

Studies show that diversification wins even when it feels like it is losing. When looking at your portfolio year to year, it can be hard to see how using diversification to mitigate losses benefits you over a long period of time. That said, timeframe is key here. Investing is for the long-term, and over the long-term diversification tends to win. Take the 2018 study by Morningstar reflected in this chart, for example:

AN ILLUSTRATION OF S&P ENVY

	S&P 500 INDEX	DIVERSIFIED PORTFOLIO	YEARS
"I LOST MONEY"	-37.6%	-16.3%	2000-2002
"I DIDN'T MAKE AS MUCH"	+82.9%	+73.8%	2003-2007
"I LOST MONEY"	-37.0%	-24.0%	2008
"I DIDN'T MAKE AS MUCH"	+258.8%	+152.2%	2009-2017
"I LOST MORE MONEY"	-4.4%	-4.6%	2018
DIVERSIFICATION WINS EVEN WHEN IT FEELS LIKE IT'S LOSING	+146.6%	+166.1%	RETURN TOTALS
	$246,570	$266,060	GROWTH OF $100,000

Source: Morningstar as of 2/21/2018. Past performance does not guarantee or indicate future results. Diversified Portfolio is represented by 40% S&P 500 Index, 15% MSCI EAFE Index, 5% Russell 2000 Index. 30% Bloomberg Barclays U.S. Aggregate Bond Index and 10% Bloomberg Barclays U.S. Corporate High Yield Index. Index performance is for illustrative purposes only. You cannot invest directly in the index. Diversification does not guarantee a profit or protect against a loss in a declining market.

Do not allow benchmarks to deter you from staying consistent with your investing plan. Keeping your long-term goals and long-term portfolio performance in focus and above any benchmark performance can help fight the 'S&P envy' that is a common misstep for many investors. Regularly scheduled review meetings with your wealth manager can also help you stay focused and on track as your life and portfolio changes.

THE FOUR WORST WORDS IN INVESTING

Investing really is the same today as it was 80 years ago, we just have more tools. Despite volatility and trends, the markets historically revert back to the mean over time. This is why we have to agree with Sir John Templeton that the four worst words in investing are *"this time is different."*

The media is notorious for making bold and alarming claims that certain investments are horrible or great; or that certain investing strategies do not work anymore, until it works again. Recall the stock market bubble in 1999 when some stated it was the "new economy?" Or how about in the real estate bubble of 2006-2008 when we heard "this time is different" (in regards to valuations) because real estate is now an asset class.

No one can predict how the stock market is going to behave every time. No one has that magic crystal ball or has all the answers. Not even newscasters, your favorite talk radio host, and especially not the internet. So, what do we know? We know that the market will have its highs and lows.

> "The four most dangerous words in investing are: 'this time it's different.'"
>
> -Sir John Templeton

The market does go down. And it can go down in an ugly fashion. History has shown us that often it is the unexpected "black swan" event that brings about a market correction. It is not often that the "expected" risk brings on a market correction, despite how much the media pushes fear-based ideas. Again, no one knows what is going to happen in the markets and exactly when it's going to happen.

Therefore, perspective is key. Focusing on your long-term investment plan and long-term average returns, rather than the markets highest-high and latest-low, can help prevent emotions and cognitive biases from having an undue influence on your investments. Every investment has its place. Every investment is not a fit for every person. Trust in the process and trust in your financial plan. The markets historically revert back to the mean over time. This time is not different.

We can only use the information we have and the knowledge that we have gained over the years to help you navigate the unpredictable market and help you make smart financial decisions. Trust in the process and trust in your investment plan. If you still have concerns, seek the advice of financial professional to stress-test your portfolio and answer any question you may have.

CHAPTER 3

THE KEY TO RISK: QUANTIFY IT

It's practically a cliché these days to see 'risk' discussed in financial marketing. Almost equally overused to the point of becoming ambiguous are the labels 'conservative', or 'aggressive' when discussing risk in relation to your finances. However, understanding risk is a fundamental and essential aspect of wealth management. Thus, we are going to go back to the basics and quickly review a few very important risk-related definitions.

DEFINING RISK

Risk refers to the degree of uncertainty and/or potential financial loss or gain inherent in an investment decision. To be clear, all investments involve some degree of risk. However, the interest rate on a 3-month U.S. Treasury Bill is used as a proxy for the risk-free rate of an investment for U.S. based investors (it is different if you are investing with a different currency).

So, when the interest rate on the 3-month treasury bill is 2%, it is generally considered that any investment claiming to pay more than 2% involves some degree of risk. The risk could be credit default, liquidity, inflation risk or a host of other types of risk. There are no risk-free investments paying more than the risk-free rate – that is just a scam. Risk equals reward.

Risk capacity is a measure of your financial ability to sustain risk. In a practical financial planning context, risk capacity is measured in terms of an individual's asset base, withdrawal rate, liquidity needs, and time horizon. For example, if you need to fund retirement withdrawals of $20,000 a year from an asset base of $1 million starting 10 years from now, you would have a very high capacity for risk. You will still have ample means to sustain your retirement goals even if you experience several years of portfolio underperformance.

Risk tolerance measures your ability to handle risk emotionally. It evaluates your willingness to take on the risk of receiving lower returns in exchange for the possibility of earning higher ones. Although the words 'tolerance' and 'capacity' are often used interchangeably, they are in fact quite different. The pure aspect of an individual's risk tolerance has nothing to do with risk capacity, and this is where determining risk gets tricky. It is the combination of your financial risk capacity and emotional risk tolerance that creates the foundation on which an overall portfolio can be created to determine appropriate investment solutions.

Investment returns are not linear. While any portfolio may have an average annual historical return, every year is different. When a portfolio is on its intended track, the expectation for any rolling time frame, for example, the next six months, should have a range of returns from negative to positive. It is absolutely critical for us that our clients explicitly understand the risk / reward relationship and the fact that they can't have one without the possibility of the other. So, what's your risk level?

UNDERSTANDING YOUR RISK LEVEL

The old ways of assessing risk simply do not work anymore. Investors were either stereotyped based on their age – a risk capacity approach that was not successful because it did not account for the emotional aspect of investing.

Or, investors were stereotyped based on subjective semantics, i.e. conservative vs aggressive – a risk tolerance approach that was also unsuccessful due to the dubiousness of those labels. As you can guess, a conservative portfolio to one person may be considered an aggressive portfolio to another.

Our approach uses the Risk Number. It's built upon a Nobel Prize-winning framework, and everyone has one.
What's yours?

The new way of assessing risk is built upon a Nobel Prize winning framework and incorporates both a risk capacity and a risk tolerance approach. This is called your Risk Number and it is a quantitative way to pinpoint how much risk you want, how much risk you actually have in your portfolio, and how much risk you need to take to reach your goals.

There are many ways to determine your Risk Number. You can start by taking the 5-minute questionnaire on our website: rate your risk.

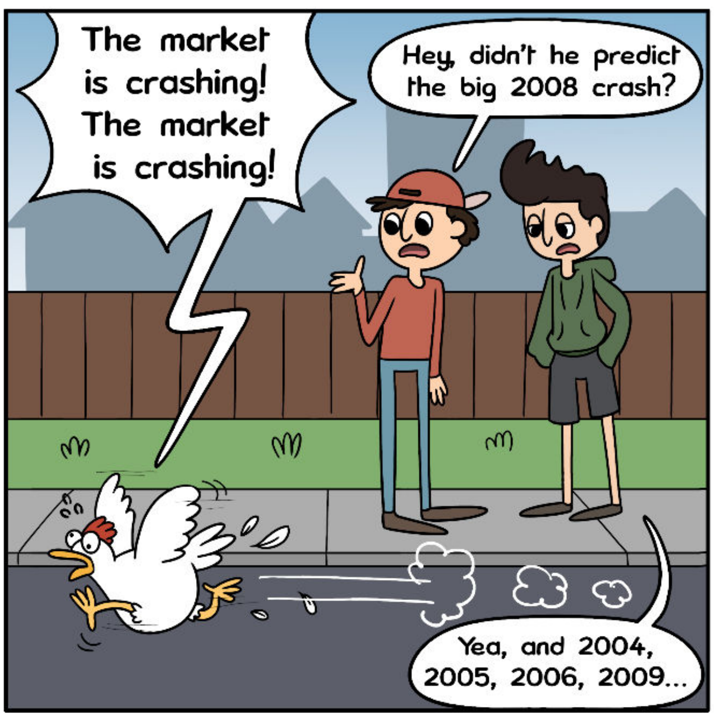
Far too often, risk is overlooked as a tool to achieve your goals. We discussed the importance of having a detailed investment plan in the last chapter. If you put a plan together and to reach all your goals you need a 6% return, why chase a 10% return other than greed? Chasing that 10% return might lead you to big losses that keep you from reaching your goals, especially if the big losses happen at the wrong time.

On the flip side, if you are very risk adverse and like having all your money in cash and CDs, fine except know it is losing wealth in inflationary periods. If your plan shows that you need a 6% return and you understand the downside risk, why be held back by a feeling? It is understandable to avoid the risk if the return is unreasonable like long-term double-digit returns.

Let your goals drive your decisions, within a reasonable range of returns. Try to separate emotions from investing and wealth accumulation.

Your Risk Number not only helps in developing your unique investment plan, it also helps set expectations for what can be anticipated for your portfolio. Keeping track of your investments this way helps you to understand that any six-month result that falls within the range is right on track. This enables you to hang in there with confidence, even if markets are volatile.

One of the best lessons anyone can learn about investing is no one can time the market on a consistent basis. You have "experts" claiming to have called the 2008 crash but what they do not tell you is they called the 2004, 2005, 2006, 2009, 2013, 2019 crashes also, even though the markets were up in all those years. They are proof to the old adage "even a broken clock is right twice a day."



Very few market crashes were expected and many had unexpected news that helped cause them. The Black Monday in October 1987, when the S&P 500 dropped 22% in one day caught the entire global markets off guard. The reason for the drop is most often credited to program trading. The September 11, 2001 terrorist attack caused the market to drop 23% in 2002 (source Macrotrends).

Traditional news outlets can distract you from what matters in a multitude of ways. When economists debate the same "potential crash" day-after-day, it is easy to get caught up in the hype and believe their arguments to be urgent, fact as opposed to speculation. Panic sells and the media loves to profit off it. Some economist will try to convince you that the sky is falling when in reality a market downturn may just be a normal market adjustment, not the end of the world as we know it.

The real question is NOT when the next market correction or crash will happen. No one knows. If you are really worried, the question isn't about the timing, the question is are you taking too much risk? Why are you worried if you understand the risk you are taking in your portfolio? You can't control the markets, you can't time them, so what can you do? You can make sure you know the possible loss in your portfolio if the market were to drop 25% tomorrow and then make sure it doesn't destroy either your shorter or longer-term goals.

The real worry is: does the average investor really understand the risk they are taking with their money and the possible consequences of not knowing? If you do not know the answer to that, then let us help you find it out.

HOW RISK IS DIFFERENT FOR WOMEN

Women invest differently. Women are inherently more risk-averse. According to Ellevest, an investment platform created by women for women, "of all the assets controlled by women, 71% is in cash – aka not invested." Statistically, women are less likely to invest, and even those who do invest tend to wait until they are older to start.

Add to that the fact that women live longer. Living longer means that women can expect to pay more in healthcare costs. A single woman retiree would need $150,000, and a single man would need $135,000, according to the 2019 Fidelity Investment's annual Retiree Health Care Cost Estimate.

Living longer also means that women have higher rates of disability and chronic health problems. Thus, women are far more likely to need long-term care. Women spend twice as many years in a disabled state (as men) at the end of their lives: 2.8 years if they live past 65, and 3.0 years if they live past 80.[1]

That is right. Women need their money to last them longer and cover more expenses than men. And at the same time, women tend to make less on their investments by not investing or not taking enough risk.

This is why women need to be actively involved in their financial planning to reach their finish line in style. Clearly, there are issues to overcome, but these threats can be addressed with a focus on the end in mind. And there have never been more resources available to help women turn these tables. All you have to do is get started. Make this the year you take control of your financial future.

If you feel intimidated or do not know where to start, connect with a professional today. Karen Spence has been with our firm since 2006. With her L.E.A.R.N program ("Ladies Economic Awareness Resource Network"), Karen has built a community of women who have become educated, empowered, and involved in the planning of their financial futures. As a Wealth Advisor, Karen can help you too grow confident in investing. All it takes to get started is calling our office to schedule your complimentary consultation.

1 *2018 American Association For Long Term Care Insurance article "Important Information For Women"

CHAPTER 4

THE KEY TO INSURANCE: REMEMBER ITS PURPOSE

Insurance – we buy it and hope we never need it. When we need it, it is never enough, yet when we do not need it, it's too much. Can anyone identify with these? Most people would agree that insurance can be a tricky matter. It is important that you speak to your financial advisor about insurance to ensure it is working in conjunction with your financial plan. However, there are a few general principles that everyone can keep in mind when making these decisions.

PROPERTY CASUALTY INSURANCE

With most states requiring car insurance in order to drive a car and most mortgage companies requiring home insurance before issuing a loan, property and casualty insurance has become such a necessity these days that it can be easy to lose sight of its intended purpose.

Insurance is more than just an obligation you must handle before driving your new dream car off the lot – insurance is there to help you in the event of unexpected or unfortunate circumstances.

Did you know that home insurance dates all the way back to the 1600s in England? Talk about an institution that has been around awhile. Benjamin Franklin: Founding Father of our country and our country's first insurance company. That is right. The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire was our nation's first insurance company, founded in 1752. It is an interesting case study as this new insurance industry is actually what led to construction standards, building codes and zoning laws – all which still keep us safe today.[1]

While a lot has changed in the way we build our homes today, the need for insurance is still the same. Nowadays we often see people more worried about their deductible amount than their liability limits. We get it, that is what you see come out of your pocket. Yet, with hundreds, perhaps millions, of dollars potentially involved, you may be risking way more out of pocket in the event of something unfortunately unexpected occurring. Just as we said with taxes; do not let your deductible wag the dog.

If you are not confident in the liability limits needed to minimize your risk, reach out to a professional. As wealth managers, we can help ensure your deductible and liability limits are both in line with your overall financial plan. We can also ensure you do not have gaps or double coverage across multiple policies in order to maximize the efficiency of your insurance portfolio.

LIFE INSURANCE

The convoluted narrative around life insurance has made this financial tool slightly difficult to discuss. To start, the industry is to blame for many of the misperceived notions surrounding the topic. It was not that long ago that agents used to push this idea that you *need* life insurance because you *could* die tomorrow. No one wants to listen to that. And no one wants to take money out of their own pocket now to buy a policy for the off chance you do die tomorrow.

You will be happy to hear that the odds are in your favor and, statistically speaking, you are more likely to live well into your 70's. You need to plan on living tomorrow, not dying. You also do not *need* life insurance.

Families have survived after the loss of a breadwinner without life insurance. The spouse may have to take on a second job, or the children may have to take on more debt. There may be a significant change to the lifestyle lived, but they do in fact survive. This is just one reason why you may *want* life insurance: to help your loved ones maintain the lifestyle you worked hard for them to live. Life insurance is an asset to be used to your advantage not a necessity to be purchased out of fear of dying tomorrow.

In actuality, there are numerous reasons to consider life insurance. And for each of the reasons, there is a different type of life insurance to address those unique needs. The right type of life insurance policy can still provide you and your family a great benefit. This is why we recommend you speak to a trusted financial professional to learn about your options and find the type of life insurance that best enhances your overall financial plan.

The mistake to avoid when talking to a financial professional about life insurance specifically is coming in with a closed mind. We have seen it before. When we ask these people why they feel so passionately one way or another, we often get "I heard it on a radio show" or "I read it once."

Here is where the media is to blame for the excessive complexity and misconceptions surrounding life insurance. Far too often, the media's financial experts talk in absolute statements. We realize that "NEVER BUY *XYZ insurance product*" gets the headlines and scares people. These scare tactics sell – they provide more views, higher ratings, and thus larger paychecks for those producing this narrative. It is ridiculous though. Always and never are just marketing terms.

Additionally, for the media's absolute statements to be true, there is an intrinsic assumption that all things are equal. That everyone is buying life insurance for the same reason and coming from the same place when doing so. Why be treated in a way in which implies that you are just like everyone else and your situation is not unique in any way? We can assure you that for most main stream investment or insurance products, there is a time and place in which it is a great fit for somebody.

The biggest mistake to avoid is not buying the wrong type of insurance but rather putting it off and never buying it at all. Like estate planning, we see people all the time who say they know they need it but have not got around to it. It may comfort you to know that we have never had a beneficiary ask what kind of life insurance there was. They only ask how much it is and how long it will last them.

Try not to let the different options overwhelm you and instead focus on why you are interested in life insurance in the first place.

The amount is the most important factor to consider. After that, it is a matter of what you can afford and how you want the life policy to fit into your financial plan. You may only want death protection, while others may want to take advantage of some of the tax-free benefits such as tax-free dividends, guaranteed cash values, or long-term care benefits. But get the amount right first.

It is called LIFE insurance for a reason, not death insurance. There are policies that provide more than just a death benefit. A financial professional can help you find the kind of life insurance that you are comfortable with and that works into your overall financial plan best. Afterall, it is in thanks to life insurance that we have a magical kingdom 'Where Dreams Come True.'

That is right. If you need some positive reinforcement before buying the insurance you know your family needs, look to Mr. Walt Disney. After his friend Art Linkletter and his banker both rejected his loan requests, Walt Disney borrowed from his life insurance in 1953 to help fund Disneyland for his first theme park. That is life insurance enjoyed by many for years to come.[2]

With the convoluted narrative the media spins and the numerous different options, finding the right life insurance policy can seem like a daunting task. Speaking with a professional can help you navigate the industry and find the best fit for your overall financial plan. Try to keep in mind why you are purchasing life insurance and the purpose it serves. This will lead to a more educated conclusion by you and ultimately the best fit for your family.

DISABILITY AND LONG-TERM CARE INSURANCE

There are a few common misconceptions around disability insurance. The first being that disability itself only qualifies if its catastrophic like a debilitating stroke or major amputation. However, disabilities typically are the result of less severe injuries and more common conditions such as pregnancy, back pain, depression, and digestive disorders.

The second common misconception is that your employer-offered short-term disability insurance is all you need. This was a typical benefit offered by companies in the past. However, over the years fewer and fewer companies offer this coverage. And many people are negligent in protecting themselves.

Various sources indicate that a person is 4 times more likely to be disabled, not die, during their working years. At which point, your income stops while your expenses increase often significantly. People are more likely (and it is easier) to physically and financially recover from a short-term disability. It is the long-term disability that is much harder to overcome. This is why long-term disability insurance is more important than short-term when shopping for coverage.

There is only one misconception surrounding long-term care insurance: it is not necessary if you have assets. Now, all insurance is a choice in some way. Without it we would all survive. It might be difficult and unpleasant, but we would survive nonetheless. But you are not here because you simply want to get by. You are here because you want to maximize your potential and that of your finances.

Take for example a client of ours whose father developed Huntington's disease. He was expected to live 2 years, but he lived 10. His daughter brought his money to our advisors to help manage, it was several hundred thousand dollars. The money was safely managed, but after 10 years it was substantially depleted. When we tell this story, people say "wasn't it great he had the money?" To which we say yes, but he spent his lifetime creating these assets and it all went to a nursing home. How is that good?

You may have the assets to financially survive a long-term disability but how will that impact the standard of living for your family later in life? And if you have the assets to support you through the long-term care you need, how will that impact the legacy and estate plan you worked toward for so many years? In regards to both disability and long-term care insurance, focus on the long term more than the short term.

The key to insurance is simple: remember its purpose. Remember that insurance is there to protect you from the larger losses. It is important to find policies with deductibles within your budget. But this is not the same as trying to save a few bucks. Saving money by finding the cheapest policy is not your goal: protecting yourself and your family against the unexpected is the goal.

At Virtus Wealth Management we welcome the opportunity to offer advice on life insurance. Chuck Elhoff, one of our partners is a licensed Life Insurance Counselor with over 40 years of experience in the industry. Life insurance is a very valuable asset with many advantages in the areas of tax, asset protection, and risk management. Do not ignore this asset, use it to your advantage.

1 2022 Investopedia "The History of Insurance in America"

2 Just Disney "Walt Disney Timeline"

CHAPTER 5

THE KEY TO RETIREMENT: PLAN BEYOND FINANCES

Retirement planning is a big aspect of financial planning. However, our job as a financial advisor extends beyond assessing and managing your assets. Our goal is to ensure you are happy and maintain the lifestyle you wish to live throughout retirement. Doing so requires some mental and emotional preparation. After many years of helping clients go through this transition, we have seen a few trends and learned a few tips.

AVOID THE RETIREMENT BLUES: TAKING IT TOO EASY CAN BE HARD ON YOU

Now we would like to take a moment to discuss one of our all-time favorite retirees: Dirk Nowitzki. As (mostly) born and bred Texans, we cannot help but to be proud of the Dallas Legend. Not only is Dirk one of the greatest players to ever play the game of basketball, but by all accounts, from anyone who has ever met him, he is an even better human being.

If you were able to witness Dirk's retirement announcement, you likely remember the event as very fun, high energy, but also extremely emotional for the legend himself, the players, and fans alike. One more reason to love the guy is the humility and vulnerability he displayed when discussing his retirement decision in the media.

In his post-game press conference, Dirk shared that he had several emotional breakdowns leading up to his last game and retirement announcement. Retirement is emotionally complex. It can be hard for people, including legends.

A common sentiment among retirees who battled depression in the early years of their retirement is that they expected retirement to be some sort of Nirvana. People can oftentimes have unrealistic expectations for the ways they want to feel in retirement: relief, freedom, and every good emotion you did not have time to feel while you were working.

For some, the reality of life after work does not live up to its promise. As Brian Stoffel at The Motley Fool put it: "**retirement does not cause unhappiness. It is the escape mechanism for the already unhappy**."[7] This is based on The *Health and Retirement Study (HRS)*, which follows individuals to study how retirement satisfaction changes as we age. They found that retirement leads to increased life satisfaction overall.[6]

According to a study by the London-based Institute of Economic Affairs, the likelihood that someone will suffer from clinical depression actually goes up by about 40% after retirement.[2] When studied closely, there's typically an increase in happiness right after retirement, followed by a sharp decline a few years later. But, do not fret because that same study published in the *Journal of Happiness Studies* found that, in the long run, happiness levels typically do stabilize.[3]

We do not bring this up to scare anyone or sway anyone away from planning to retire in the near future. In fact, we want to bring this to the retirement planning conversation so we can be proactive and prevent any negative or unexpected emotions before they happen. When you have a plan going into retirement, you are less likely to be let down by unrealistic expectations. You are more likely to find fulfillment in the day to day. Here are a few key considerations when emotionally planning for retirement:

Develop a Schedule. When you are used to a 9 to 5 schedule, starting each day as a blank slate can be daunting. Sticking to a routine helps your body's natural circadian rhythm. It also helps you maintain a sense of purpose and that feeling of getting something done, even if it is just hitting the tennis court.

Speaking of tennis, staying active during retirement helps maintain both your physical and mental well-being. One survey of retirees found that good health was the most important component of a happy retirement.[4]

Lastly, stay engaged. Doing too little can lead to the same symptoms people experience when working too much: anxiety, depression, appetite loss, memory impairment, and insomnia.[5] It can be anything from taking a class, to volunteer work, or even launching a new career. Balance is key to combating the depression commonly seen in the early years of retirement. A moderate amount of stress lights up our brain circuits and challenges us in a way that helps us feel alive and engaged.[5]

1 2018 Wes Moss "Living Near, But Not With, the Kids: And, Other Important Rules for Retirement Happiness"

2 2013 Institute of Economic Affairs "Retirement Causes a Major Decline in Physical and Mental Health"

3 Springer Research News

4 2016 Merrill Lynch "Health and Retirement: Planning for the Great Unkown"

5 2018 Harvard Health Publishing "Retirement Stress: Taking It Too Easy Can Be Bad For You"

6 University of Michigan Health and Retirement Study "Aging in the 21st Century: Challenges and Opportunities for Americans"

7 2017 The Motley Fool "The Most Amazing Retirement Chart You'll Ever See"

RETIRE TO SOMETHING NOT FROM SOMETHING

The decision to retire is not always easy. Oftentimes, our clients have been dreaming and striving to "climb the corporate ladder" all their life, with little thought about what they would do once they are done with that climb. Your work in many ways has defined who you are. It is not easy to stop doing what you may have done every day for many years. It can be a blessing to be relieved of stress and travel. But, ambition, the need to climb higher, and work towards something is often not easy to leave behind.

In the hustle and stress of your working years, it can be relieving to think of retirement as a time to relax and do nothing. That might be well needed and it can definitely be nice to do nothing on a beautiful beach with a drink in your hand. But it does not typically last. Doing nothing is not as easy as it may sound. We have seen many clients who are back in our office after 2 to 3 years of retirement saying "we are going nuts; my wife and I traveled and saw everything we wanted to see and it didn't take us 25 years!"

This is why we advise clients to develop a plan for retirement. Do not just plan your finances: plan your time. Know what you want to do. Envision how you want a typical day to be spent. Try to be realistic about the time it will take you to accomplish what you want to do. Think about what it is you want to achieve in retirement. It is up to you to decide.

Our Founding Partner and Wealth Advisor, Chuck Elhoff, has a piece of advice on this matter. "You need to do what you want to do in your 60's and 70's as it is likely you will not be doing it in your 80's. This is not because you do not have the money but because you are 80!" You do not want to sleep through the whole gondola ride and have no memory of how beautiful Italy is! Be realistic about what you want to do, how long it will take you to do it, and when you want to do it in life.

> " You need to do what you want to do in your 60's and 70's as it is likely you won't be doing it in your 80's. This is not because you don't have the money but because you're 80!"
> **-Charles R. Elhoff, Jr. CFP®, ChFC, CLU**

Do not think of retirement as doing nothing. **Retirement is doing what you want to do, when you want to do it and only if you want to do it.** Clients who have dreams, ambitions and a plan in place tend to fair better in the transition to retirement. The key to remember here is: retire to something not from something.

TWICE THE SPOUSE AND HALF THE MONEY

Our advisors have joked that retirement is "twice the spouse and half the money". Some laugh, but in reality, spouses are not accustomed to all the time they start spending together in retirement. It is also common to start watching their spending a little closer than they may have while working. This combination can put a strain on even the strongest of marriages.

Major life transitions like retirement typically involve a mixture of changes: changes in each person's sense of themselves, in their roles, and in their relationships. Numerous studies show that planning and communicating together in the pre-retirement years makes a difference for the better after the transition into retirement.

What are you and your spouse looking forward to doing together in retirement? How much alone time do you both need? Do you have separate hobbies and interest? Do you plan to eat three meals a day together? How will the household responsibilities change with you both at home more? This is something for both spouses to consider and should be included in the retirement planning discussions.

And it does not stop there. How do you expect your relationship with your children or grandchildren to change? Did you know that one study found that the retirees who lived "near or close to" at least half of their children were 5x more likely to be happy than those that did not.[1]

Your children may be happy for you after retiring. But if you did not communicate your plan to buy the house next door and be your kid's new neighbor until the deal is done – their happiness may change quick. While that is an extreme, it is important that you and your children communicate your expectations and have a plan in place for any changes in your relationship once you retire.

You have probably heard people discuss the importance of staying social in retirement. This tip is common and in good reason. Staying socially connected improves longevity and overall health later in life. Maintaining relationships often requires a little more work in retirement. Whether it's your relationship with your spouse, your children, old or new friends, the benefits far outweigh the work.

The key to retirement planning is to think beyond the finances. Even if you are so sick of the stress, rigid schedules, and long hours associated with your job – plan and schedule your day to day in retirement.

Even if you have the strongest, happiest family unit – plan and communicate your dreams, fears, and expectations for retirement with your spouse and children. Emotionally and mentally preparing can only help you transition into a happier, healthier retirement.

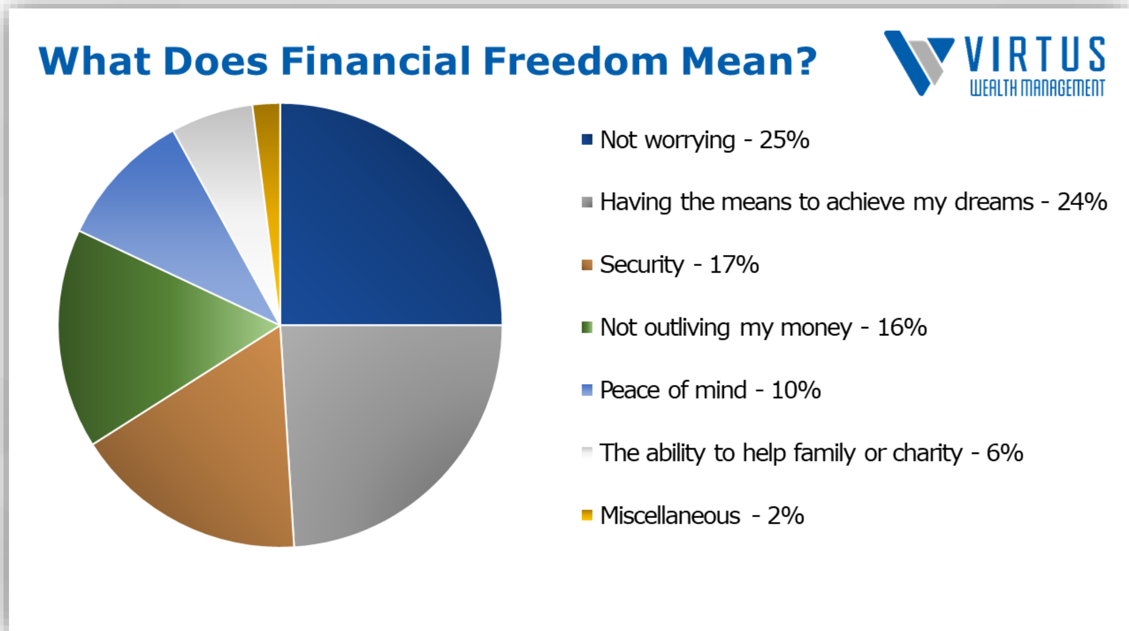
Here at Virtus Wealth Management, yes we manage investments, put together financial plans, and work with our clients to help them pursue retirement, but it does not stop there. Having the experience of seeing many people go through this transition also allows us to help clients prepare for the mental side of retirement. Knowing what to expect and having a plan of what retirement will look like for you can have a tremendously positive effect on the mental transition into the next chapter of your life. Let us help you plan to re-focus your mental effort and re-discover your passion so your retirement can be as happy and meaningful as it should be, you deserve it.

SPECIAL BONUS

A LESSON FROM OUR CLIENTS

Throughout this Guide, we have given numerous reasons why you should work with a financial advisor. When we ask our clients why they came to us, a common denominator is the pursuit of financial freedom. This is a common marketing "buzzword" in our industry and we found the true meaning of it to be elusive.

So, we asked our clients. In our monthly newsletter we included a questionnaire asking our readers: What Does Financial Freedom Mean To You? Here is the responses we received:



It is interesting to note that there was not one clear, unified answer. The term meant vastly different things to different people. AARP published findings that showed that 84% of those who defined their savings goals were able to save money and that those who set a goal were more likely to save than those who did not.[1] If terms like financial freedom or peace of mind are one of your financial goals, what does that actually mean to you? Can you envision what achieving these financial goals will look like?

Wealth management is comprised of many facets. Retirement planning is just one facet. While it was brought up numerous times throughout this Guide, it is not the only milestone that people save and plan for. We know that. We mention it a lot because retirement planning is typically a milestone that applies to everyone.

To be clear, our mission is to help you become educated, empowered, and involved in the planning of your financial future. No matter what that future might look like for you.

If you want to retire at 35 and travel the country with all your belongings in an RV – we can help you plan for that. If you want to buy a lot of land and start a dog rescue for 1,000 cute dogs – we can help you plan for that.

We are not here to tell you how to live your life or what order to live life's stages in. We are here to help you bring together all the various pieces of your finances. We can help you coordinate and unify your financial decisions so that they complement each other and produce enhanced results. Together, we connect all the various pieces of your finances to create a unique plan that ensures you are confident in the potential of your financial future.

1 2019 Virtus Wealth Management "Make Your Financial Health a Priority"

NEXT STEPS

Selecting a financial advisor or wealth manager can be a difficult task. Your financial situation is complex and trusting someone with your money is trusting someone with your future. That is not a job we take lightly. Ultimately, mutual trust is the key to a successful relationship between you and your advisor. It is important that your financial advisor truly knows your life, your family, your goals, and anything else that makes you, you.

If you are seeking a financial advisor, we want to invite you in to our office for a complimentary consultation so you have the opportunity to get a better understanding of who we are and what we can do to help you and your specific situation.

We tailor everything to each of our clients' specific needs so that each client can pursue his or her different goals. We are happy to assist you in addressing any questions or concerns you may have, just give us a call.

There is no obligation following the consultation – contact us today for an appointment.

We also provide more information in our Virtus View – a newsletter we send via email twice each month. For the latest investment insights, tips, and strategies to help you live your best financial life, you can sign up to receive this newsletter and read past Virtus View articles on our blog, here.

Contact Us Today

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This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

All investing includes risks, including fluctuating prices and loss of principal.

This material contains only general descriptions and is not a solicitation to sell any insurance product or security, nor is it intended as any financial or tax advice. For information about specific insurance needs or situations, contact your insurance agent.

2535 E Southlake Blvd., Ste. 100

Southlake, TX 76092

(817)717-3812

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