VOLUME 14, ISSUE 7

Safe Money News and Facts You Should Know!

Hank Progar, MBA

14547 Whitemoss Terrace Lakewood Ranch, FL 34202
Phone 941-355-4362
Hank@SafeMoneyMBA.info

Hank's Thoughts - To be a Bull or Not To Be … That Is the Question

This is not Hamlet musing in a Shakespeare play. It's today's investor musing about the current stock market. Up one day … down the next. *Have we seen any sign of a sustainable recovery other than an artificially over-inflated stock market?*

Are the markets too expensive? Depends who you ask. Bulls and bears both offer evidence for their positions. Plenty of experts think stocks are about to drop. Many others argue the rally will continue for years. *What do you think?*

The Federal Reserve has kept interest rates artificially low, which has made stocks more attractive than interest payments from bonds or the banks. Many experts expect the Fed's to raise short-term rates someday … and someday keeps changing. *How will the markets react when someday comes?* Historically this has not been favorable for stocks and mutual funds.

The Fed has a dual mandate to promote maximum employment and to keep prices stable. *How are they doing?*

Then there is the $17 trillion national debt. The two main ways to handle this are 'reduced spending' and 'tax increases.' *How is Washington doing with these two items?*

The top federal tax rate increased from 35% to about 40% in 2013. Will we exceed the 94% top tax rate experienced in 1944 … maybe about the time you need to make withdrawals from your IRA?

(Continued on page 2)

Fractionalized Collective Investment Trust Not Your Normal Nest Egg

That's a mouth full, but it could be the safest and most profitable investment you could make.

One popular asset, found in Collective Trusts, is uncorrelated to the stock market. It is a life insurance contract, backed by strong highly rated legal reserve life insurance companies.

'Collective trusts' are unfamiliar to most individual investors. They have been used by the very wealthy (like Warren Buffet) and institutional investors for more than 100 years. Typical institutional investment is starts around $1,000,000.

It has only become available to the retail investor in the last few years. Most financial advisors don't know about these investments, or are not allowed by their company to tell you. They simply can't get the fees they enjoy in the equity markets.

Fractionalization is the process which divides a large institutional asset into smaller sections so the retail investor can get a piece of the pie for around $25,000.

The life insurance asset is uncorrelated to the stock market, oil prices, interest rates or even terrorism. It is true diversification which reduces volatility in an investment portfolio by avoidance of market risk and worldly events.

There are no fees. All fees are included in the acquisition cost. It is a medium to long term "buy and hold" asset.

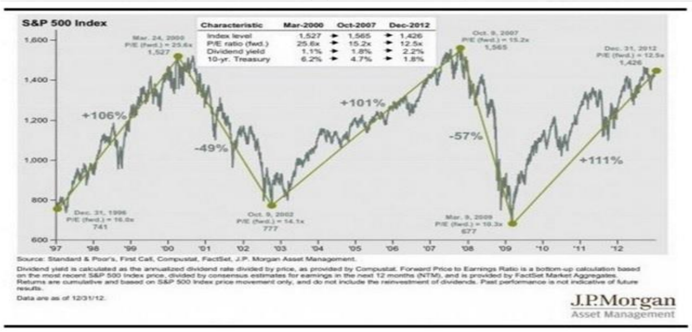
The exact dollar gain is known up front and your principal is protected. Conservative annual returns have averaged 12%.

Please call my office for more details.

More Interesting Facts *you* Should Know!

Hank's Thoughts (Continued from page 1)

The following chart suggests a major market crash is



just over the horizon.

The last two times the market climbed this high a severe correction took place. The first two advances were over a 100%, and then followed by a crash of roughly 50%. Because of Government intervention the S&P crossed 2000 this week. The third leg is now up 196% !

The current bubble is different from others in history because central banks around the world have fought to keep it from bursting. Never before have we seen such coordinated and reckless stimulus from governments in so many countries around the world. At the same time, the largest generation in history – Baby Boomers --- recedes from its spending peak.

As our current bubble enters uncharted territory, the resulting burst could be as bad as the collapse that spurred the Great Depression. Japan, which has

artificially stimulated its economy longer than the U.S., has seen its stock market fall 82%.

The hardest forecast is discerning when this bubble will burst, since the Government has manipulated the economy.

Institutional investors will always make money using their computers to drive the markets up and down creating a small percentage gain on billions of dollars with no fees.

So where does that leave you and me?

Shouldn't we do the exact opposite of what the politicians, economists and media are saying? We all need to focus on protecting our wealth and income.

The coming reset should see more deflation before we see inflation. Possible exceptions are food, energy and health care costs.

According to several studies, stock market losses spur more hospital visits. Volatile markets and declining stocks worry people sick.

According to a UCLA March 2013 study, a one-day drop in equities of 1.5% is followed by a 0.26% increase in hospital admissions over the next two days. Admissions jumped more than 5% after the S&P plunged 20% in the October 1987 "Black Monday" crash.

The more important question to ask is: ***"How do I make sure I don't outlive my retirement assets?"***

It's a difficult question, as these are not normal times. The "New Normal" started with the dot-com crash in 2000 and accelerated with the fall of the Twin Towers on 9/11. Many are hoping for market returns of the 80's and 90's. The Baby Boomers were throwing money at the market which started to let the air out of the bubble in 2000.

What ever happened to "Happily Ever After?" As Bob Dylan once sang: "The times they are changing." Believe it or not, there was a time in our country when you could retire gracefully and worry-free.

We still can have a stress free retirement, if we change with the times, plan ahead and use alternative safe money financial strategies. In fact, do similar things as those who retired to "Happily Ever After."

Most people focus on the accumulation phase rather than the intended purpose of accumulation … providing income when you want to, or have to, stop your current

(Continued on page 3)

This news is all about you...

Animal Quiz

1. What is nearly 6 feet long and has a mouth that is only 1 inch wide?

2. What insect never sleeps and has no lungs?

3. What can jump over 20 times its own length?

4. What is the dumbest dog in the world?

5. What has 32 muscles in each ear?

(Answers found on page 4)

Thoughts for the Month

"I always tried to turn every disaster into an opportunity."
-- ***John D. Rockefeller, Jr.***

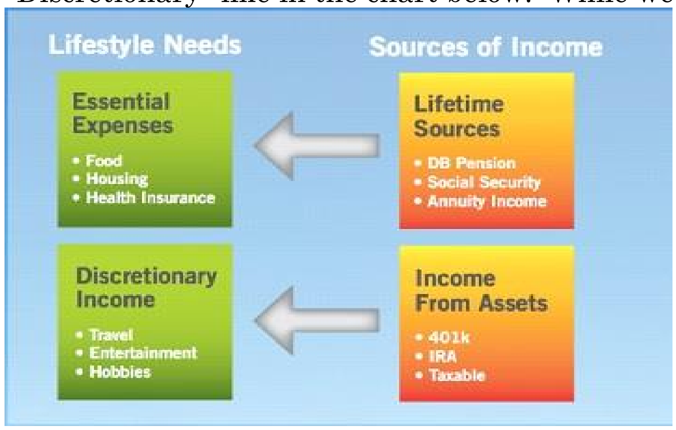
"We must all wage an intense, lifelong battle against the constant downward pull. If we relax, the bugs and weeds of negativity will move into the garden and take away everything of value."
-- ***Jim Rohn***

"If a man empties his purse into his head, no man can take it away from him. An investment in knowledge always pays the best interest."
-- ***Benjamin Franklin***

Hank's Thoughts (Continued from page 2)

profession, slow down or do something you really enjoy. In any case you'll need "paychecks" and probably want "playchecks." One exception is if you want to leave your entire nest egg to your kids, you won't need either.

Consider breaking your expenses into "Essential" and "Discretionary" like in the chart below. While we have been



focusing on market risk, deflation, inflation and taxes … *the biggest risk you will face during the income distribution phase is longevity risk …* running out of money while you're still on planet earth. Longevity risk is a "risk multiplier" of all the other risks and should be taken off the table.

While food, housing and health are essential expenses, many think local transportation is essential. Some of our clients say many of the discretionary expenses are essential.

It is imperative that we transfer longevity risk to an insurance company. Because insurance companies use "risk pooling", they are perfectly positioned to manage longevity risk. From a risk stand point, setting up a private pension-like plan is the exact opposite of purchasing a life insurance policy. Your parent's pension plan was guaranteed by a life insurance company. Today 401K and IRA plans let us manage the risk. Since the insurance companies are on both sides of the risk, they perfectly hedge longevity risk using "mortality credits."

With enough guaranteed lifetime "paychecks" to cover basic expenses and some "playchecks" for discretionary expenses important to you … imagine the peace of mind you would have to enjoy life. You could optimize the rest of your portfolio stress free and create more "playchecks" and leave a nice legacy for your heirs.

(Continued on page 4)

Hank Progar, MBA
AIM $afe Money Advisors
(941) 355-4362
Toll Free: (888) 820-SAVE
FAX: (813) 354-3520
Main Web Site: SafeMoneyMBA.com
Financial Concepts and Strategies: HankProgar.com
Finance Your Way To Wealth: ManageYourFinancialPlan.com
Retirement Savings Videos: SafeMoneyMBA.info

Florida's Credible Source of Health & Wealth Information
Helping You Think About Your Money ... And Make Smart Choices To Protect Your Hard Earned Assets.

"It appears to be some sort of tax cut promise."

Hank's Thoughts (Continued from page 3)

How about having your cake and eat it too?

Suppose you could get stock market-like returns with a safety net to protect you from market risk?

Suppose you could receive tax free withdrawals from a private Roth-like contract without Government rules which can change?

Suppose you could create a private pension-like plan, where your money works for you as opposed to you working for your money at a company? Suppose your lifetime income could grow 6 to 8% each year until you decided to take it?

Suppose you could get a double digit annualized return from a safe investment asset which is uncorrelated with the stock market? You contractually know your return upfront. Your only variable is time.

If you want to learn more about safe alternatives to grow wealth safely that your financial advisor probably hasn't told you, please call my office and lets schedule a time to talk.

Answers to Quiz

1. An Anteater
2. An Ant
3. A Grasshopper
4. The Afghan hound
5. A Cat

Thank You for Your Referrals

There's no question I have the BEST customers on the entire planet.

My business is built on word of mouth advertising and I'd like to thank those who were kind enough to recommend my services to their friends.

Although we focus on protecting and optimizing your retirement plan, I want to give a special THANK YOU to those who have recommended me to help your family and friends with their Medicare options.

There are 10,000 Baby Boomers turning 65 every day who are more confused about Medicare than their retirement plan. Because of its importance in your overall retirement picture, we want to help them cut through the smoke and make the right choices to protect the nest egg they have already earned!

Thank you soooo much!

Disclosure - *Information provided in this article does not constitute legal, taxation, or investment advice.*

Please check with a qualified tax advisor when making financial decisions.