Protecting A Lifetime Of Memories

Lew Nason, FMM, RFC, LUTC, RTIA
Registered Financial Consultant
"*Protecting Senior Americans*"

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Mutual Funds Made Simple

Since the first mutual fund, the Massachusetts Investors Trust, was established in 1924, mutual funds have grown to a number close to ten thousand. Today 93.9 million individual shareholders are invested in mutual funds. Mutual funds currently manage approximately 10,279 trillion dollars. Many mutual funds lose money. Many mutual funds make huge salaries for the fund managers even if the mutual funds lose money for the investors. From time-to-time, mutual funds have experienced scandals involving insider misconduct, self-dealing, or crimes. There may be excessive fees and charges involved with a mutual fund. These costs can add-up and may tend to "nickel and dime you to death."

However some mutual funds are managed well and perform well. Mutual funds remain a popular investment choice because of their convenience and flexibility. Before you add a mutual fund to your investment portfolio, consult with your qualified financial advisor. A proper advisor will want to know your financial and tax status, your money goals, your personal objectives, your emotional data (risk tolerances) and other information, before making any specific recommendation.

A mutual fund is composed of "pooled" money from many investors into a collection of securities (usually stocks or bonds) that is purchased and professionally managed by an investment company with the group's money. When you invest in a mutual fund, your money is added to the "pool" of money that the investment company manages in a diversified portfolio that is designed to pursue the objectives indicated in the prospectus for the mutual fund.

As an investor in a mutual fund you become a shareholder, thus you gain an equity position in the mutual fund and can lose or benefit accordingly. You share in any losses or any gains the fund experiences. The mutual fund manager trades securities, acquiring capital gains or losses, and procures the dividend or interest income.

Some mutual funds contain securities that offer the potential for capital appreciation. When these securities are sold by the fund,

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Interesting Facts:

-20/20 vision means the eye can see normally at 20 feet. 20/15 is better; the eye can see at 20 feet what another eye sees at 15 feet.

-The average person has 100,000 hairs on his/her head. Each hair grows about 5 inches (12.7 cm) every year.

-There are 60,000 miles (97,000 km) in blood vessels in every human.

-Oxygen, carbon, hydrogen and nitrogen make up 90% of the human body.

THE TORTOISE VS. THE HARE

Equity investments such as stocks or mutual funds frequently have flashes of brilliance, but occasionally fall back. Most investors would be pleased with gains in four out of every five years. But, do the great years, offset those years with a poor or a negative return?

This is the question frequently asked by persons purchasing the new breed of deferred annuities, and trying to contrast the level of performance with stocks, mutual funds, or variable annuities.

If you started with a $100,000 deposit, which strategy would produce a higher cash balance in five years?

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Lew Nason, FMM, RFC
Registered Financial Consultant

150 Watson Drive
Dallas, GA 30132

Toll Free 877-297-4608
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Do I Need Life Insurance?

Your income can be considered your family's most valuable asset because it allows you to obtain the necessities of life and, of course, the creature comforts. Someday you may not be here to provide that income, yet the need for income may continue for those who are financially dependent upon you. Consequently, your need for life insurance and the amount required will depend on your personal and financial circumstances. If any of the following statements applies to you, you probably do need to consider life insurance:

- You have a spouse.
- You have dependent children.
- You have an aging parent or disabled relative who depends on you for support.
- Your retirement pension and savings are not enough to insure your spouse's future against a rising cost of living.
- You have a sizable estate.
- You own a business.

For More information or if you would like to set up a time for a FREE Financial Needs Analysis, Please contact my office today!

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Mutual Funds Made Simple

the fund distributes the profits from the sale to shareholders in the form of capital gains. Most mutual funds will automatically reinvest your dividends and capital gains, in additional shares, if you instruct them accordingly.

Get More Free Mutual Fund Information

Detailed information on mutual funds is available free from The

Investment Company Institute located on the Internet. The ICI is a national information sharing association sponsored by mutual funds and closed-end funds. ICI most likely offers you the largest number of free information mutual fund references available from a single source.

One provision that makes mutual funds popular is the ability to redeem your mutual fund shares, at any time, for their current market value. The value of mutual fund shares is determined daily, based on the total value of the fund, divided by the number of shares you have purchased.

Investing in share of a mutual fund can give you access to a diversified portfolio, often without having to spend a large amount of money and time deciding which types of individual securities to purchase on your own. In addition, you may benefit from having your investment managed by a skilled financial professional. Your investment return, like the principal value of your mutual fund shares, will fluctuate. Thus your shares, when redeemed, may be worth more or less than their original cost.

Mutual funds are represented and made available ("sold") only by an official prospectus. You must consider your financial status, time periods involved, investment objective, emotional data (risk tolerances), all charges, type of mutual funds, fund manager's history, and other factors. You should read the prospectus carefully. Since the prospectus is clouded with legalese be certain to discuss this in great detail with your qualified financial advisor, until you are satisfied that you understand everything necessary, then act wisely with both prudence and care.

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THE TORTOISE VS. THE HARE

YEAR	THE HARE	THE TORTOISE
1	20% Gain	8% Gain
2	21% Gain	8% Gain
3	10% Gain	8% Gain
4	(16% Loss)	8% Gain
5	10% Gain	8% Gain

The answer is that both of these strategies would produce exactly the same result of $147,000.

What does this tell us?

Consistency Out Produces Flashes Of Brilliance!

This poses an important question;

"Where is the justification for taking the much higher risk associated with equity investments?"