



GALLOWAY GAZETTE

Long Term Strategy has Short

Term Swings *by: John Fitzgerald & Mike Galloway*

Some have noticed the market isn't "the yellow brick road" of previous decades. Financial markets react negatively to political and financial uncertainty. So why is the stock market so different now? With 24 hour cable news and the internet, the entire world has a front row seat for anything that might rattle our resolve to stay invested. As an example, terrorism used to play a very small role in the stock market. Today, terrorist attacks can take the stock market for a wild ride. When you add such events as elections, debates and sub-prime mortgage meltdowns, it just adds fuel to the fire. In general over longer periods of time (5 - 10 years) these events have very little effect on the market performance.

In reading the 2008 economic forecast by some of the leading investment firms on Wall Street, there is some inconsistency; they all think something different is in store for 2008. The purveyors of bad news and sensationalism (the media) will suggest that you run and hide. When the market appears good, the suggestion is typically to buy more of everything. The result of following this advice is usually buying high and selling low. Nobody really knows for sure what the stock market will do in 2008. We suggest

if you have assessed your situation prior to the recent market correction and are properly diversified, no changes are necessary. The most important decision you can make is to determine your appropriate risk tolerance and retirement time frame. This will help you determine how you should be invested. This is also the strategy we stress at Galloway Asset Management, LLC.

If you haven't assessed your situation, now is a good time to do so. We literally review hundreds of individual accounts a month. Often times, people tell us they are diversified when in fact they are not. Sometimes they may have several funds that have been steadily going up in value and for this reason they do not see a downside. It is important to remember that investing is not a straight ride up. It is said that the cost of long-term appreciation is short-term fluctuation. Over the last 251 months (20 years and 11 months) the S&P 500 is up 1000% (total return) or an annualized 12.5% per year. (Source: BTN Research)

We are very committed to helping you assess and understand your situation. If you have any questions, feel free to give us a call.

The views are those of John Fitzgerald and Mike Galloway and should not be construed as investment advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy.

Giving Back

The Maricopa County Sheriff's Office recently held their 3rd Annual MCSO Dodgeball Tournament to benefit Detective Brian Howe of Phoenix PD and MCSO employee David Lickawar; both are battling severe illnesses.

Galloway Asset Management, LLC sponsored the M-5-9 team who won the tournament. Our thoughts and prayers go out to Brian, David and their families. M-5-9 is a Christian based ministry that serves public safety, EMS and Military personnel. If you would like to learn more about M-5-9 contact Phoenix Police Officer Jason Hall at Batmancrazy@cox.net.





Drop Zone *by Mike Galloway*

Recently, the IRS explained how retired police officers and fire fighters can take advantage of the Healthcare Enhancement for Local Public Safety (HELPS) on their 2007 tax return. This benefit allows a tax-free distribution of \$3,000 from retirement plans to help pay for health insurance or long-term care insurance premiums. The premiums can be for the retiree, spouse or dependants coverage. Be sure to speak with your tax advisor on how to take advantage of this valuable benefit.

The Public Safety Personnel Retirement System (PSPRS) has also hired a new Chief Investment Officer, Robert A. Brown. Mr. Brown has a PhD in Finance

from Northwestern University, a Master's Degree in Economics from Northwestern University and from the University of Maryland, and a Bachelor's Degree in Economics and Mathematics from Oberlin College. Mr. Brown is also a Chartered Financial Analyst.

Professionally, Mr. Brown was, most recently, the Chief Investment Officer and Chairman of the Investment Management Executive Committee of Genworth Financial, Inc. with \$7 billion in assets under management.

If you have any questions, you can reach PSPRS at 602.255.5575 or visit them on the web at www.psprs.com. Feel free to contact me with questions or concerns personally at 480.325.8668 as I currently serve on the Public Safety Personnel Retirement System Fund Manager Board.



Galloway Asset Management Team

Employee Spotlight

Brian Rellihan is one of our Financial Planners, CFP®. He



grew up in Iowa in a family of 5 before moving to Arizona. Brian came to Arizona seven years ago after completing graduate school. Since moving to

Arizona, Brian has been working in the financial industry helping people prepare financially for retirement. Brian came to Galloway Asset Management, LLC from Financial Engines, Inc. where he worked with individuals on their qualified retirement plans.

He has enjoyed serving and building relationships with Fire Fighters and Police Officers in Arizona. Brian graduated from University of Northern Iowa with his B.A. and received his MBA from St. Ambrose University. Brian lives in Phoenix and is active in the community including serving on his church's finance committee, Operation Angel, and the Ronald McDonald House.

Phone Directory

<i>Murry Frias (Scheduling)</i>	480.325.8668
<i>Nanette Eberhardt (Operations Manager)</i>	480.325.9978
<i>Cindy Lance (Office Coordinator)</i>	480.325.9976
<i>Nicholas Spade (Marketing Director)</i>	480.703.3769
<i>Joel DeSousa (Operations)</i>	480.325.8668
<i>Kimberley Nickel (Operations)</i>	480.325.8668
<i>Brian Rellihan (Certified Financial Planner®)</i>	480.325.8668
<i>August Schmidt (Financial Planner)</i>	480.734.3951
<i>Chris Hoerchler (Financial Planner)</i>	480.325.8668
<i>Mike Galloway (CEO/President)</i>	480.325.8668

Branch Offices

<i>Mark McPherson (Financial Planner)</i>	480.471.2331
<i>Tim Moran (Financial Planner)</i>	480.951.1340
<i>John Fitzgerald (Financial Planner)</i>	480.951.1340



1930 N. Arboleda, Suite 117
Mesa, Arizona 85213
Phone 480.325.8668
Fax 480.325.1664
www.gallowayllc.com

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