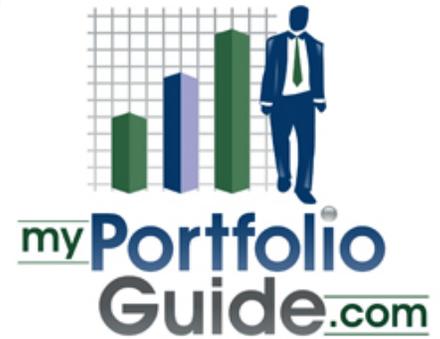


# the Guide



## INSIDE THIS ISSUE :

### **EVERYONE EXPECTS THE FED TO RAISE RATES...**

Just because you say or hear something repeatedly doesn't necessarily mean it's going to happen.

### **MARKET RECAP**

How did the stock market do last quarter? Take a look at how different benchmarks and indexes did versus your own portfolio. What's on the horizon?

### **EDUCATION CORNER**

Have you ever been on a diet or started an exercise plan? Is there a parallel to proper Financial Planning? Learn what financial planning is and what it is not!

### **NEWS & NOTES CALENDAR**

Visit with us and guarantee yourself a way to avoid the "summer doldrums"!



## **Federal Reserve decides to NOT raise interest rates!**

You heard it here first...

The Fed will not raise interest rates in 2015. Even though every single bit of news you digest, including actual quotes from Fed chief Janet Yellen, says otherwise. Just this past week she said rates will have to increase before year-end.

It's without question that Yellen and the Fed want to raise rates...but can they? Almost 75% of economists surveyed by the Wall Street Journal believe there will be a rate hike at the final Fed meeting in December. This is a change from earlier predictions that it would occur in September.

Aside from Yellen being dovish, we also believe too many forces will hold her back from being a grinch over the holiday season. While all eyes are on economic data hopefully

improving, there are very real political and perception issues with announcing a rate increase in December. In our opinion this economy is not as strong as some numbers purport themselves to be and we have a fragile market looking for an excuse to sell off.

There hasn't been a rate hike in nine years but we believe the Fed missed its chance earlier this year. Nobody wants Yellen's job but she is clearly handcuffed now. Speaking of economists and their predictions...remember one of the best lines ever on this topic: "Economists have predicted nine of the last five recessions."

What's also holding the Fed off from a rate hike is the lack of inflation. The massive surge in the dollar has put deflationary pressure on the economy. 15 of the 17 FOMC's members predict a rate hike before year-end. If they're wrong nobody will bring it up or remember. Like a broken clock they'll eventually be right.

By the way...if we're wrong about the Fed holding off until 2016 to raise rates..the markets will digest this news fine. Since everyone has been barking about it for several years it's more than already baked into the pie.



	Past 3 months (as of 7/26/15)	2014	2013	2012	2011	2010	2009	2008
<b>20 / 80</b>	<b>-1.37%</b>	7.58%	4.86%	6.57%	6.70%	8.25%	10.04%	<b>-3.21%</b>
<b>40 / 60</b>	<b>-1.38%</b>	9.44%	11.74%	8.93%	5.55%	9.95%	14.14%	<b>-11.65%</b>
<b>50 / 50</b>	<b>-1.39%</b>	10.38%	15.18%	10.11%	4.98%	10.80%	16.20%	<b>-15.88%</b>
<b>60 / 40</b>	<b>-1.40%</b>	11.31%	18.62%	11.29%	4.40%	11.65%	18.25%	<b>-20.10%</b>
<b>70 / 30</b>	<b>-1.41%</b>	12.24%	22.06%	12.47%	3.83%	12.51%	20.30%	<b>-24.33%</b>
<b>80 / 20</b>	<b>-1.42%</b>	13.18%	25.51%	13.65%	3.26%	13.36%	22.36%	<b>-28.55%</b>
S&P 500	<b>-2.00%</b>	13.34%	32.39%	16.00%	2.11%	15.06%	26.46%	<b>-37.00%</b>
Mid Cap	<b>-3.16%</b>	15.39%	33.50%	17.88%	<b>-1.73%</b>	26.64%	37.38%	<b>-36.23%</b>
Small Cap	<b>-3.50%</b>	8.14%	41.31%	16.33%	1.02%	26.31%	25.57%	<b>-31.07%</b>
MSCI EAFE	<b>-8.60%</b>	<b>-4.08%</b>	23.29%	17.90%	<b>-11.73%</b>	8.21%	32.46%	<b>-43.06%</b>
Emerging	<b>-16.33%</b>	1.02%	<b>-2.27%</b>	18.63%	<b>-18.17%</b>	19.20%	79.02%	<b>-53.18%</b>
Bonds	<b>-1.96%</b>	3.23%	<b>-2.02%</b>	4.21%	7.84%	6.54%	5.93%	5.24%

## MARKET RECAP

How did the "Market" do ???

**Never rely on the media to tell you "how the market did". The answer is different for everyone because investors should be allocated specific to *their* goals and risk tolerance.**

**The above chart shows several (6) basic portfolio allocations with their corresponding performance over different time periods.**

**20 / 80, for example, represents 20% in the S&P 500 and 80% in the U.S. Aggregate Bond Index. Other major indexes are also posted (S&P 500, Mid, Small etc) MSCI EAFE represents 23 developed International countries except for the US or Canada.**

Usually at this point in the year we will post the YTD numbers in the far left column for the above listed performance grid. This time around, however, the picture of recent stock market behavior is best depicted by showing you what's been going on the past three months. Is this the start of a market correction or perhaps worse yet...a bear market?

It's clearly a bear market (as defined by being down more than -20%) for China. In just a few weeks the Chinese stock market lost over -30%! Many analysts began saying this market is now a bargain and it rallied 14% from early July. As of this writing the Shanghai Composite Index dropped another -8.5% in just one day! Although our domestic markets are theoretically more resilient you can expect them to pull back some more. If we had to put a number on it, look for at least a -5% pullback.

If you still believe we are in a secular bull market as we do...you'll want to take advantage of this. It might not feel good on the way down but the last quarter of this year could actually be very strong. The challenge is that the months leading into what we believe could be the last run-up of an amazing bull market, will feel awful.

When one manages money it's important to know eventually you'll be wrong about a certain call or position. That being said, most of our portfolios carry north of 20% of their allocations towards alternative investments. Commodities have been shelled due to the pressure and slowdown in China but that doesn't mean they'll stay down forever. Also take note of how rough energy stocks have had it lately. For those with strong stomachs but longer-term views, there are some very appealing deals now and on the near horizon.

## EDUCATION CORNER

### Financial Planning: What is it and what it's not!

**“Most people don't plan to fail...they fail to plan.”**

- **John L. Beckley** (author and businessperson)

Do you have a Financial Plan? If so, does it sit on your mantle or perhaps it's buried with other “important” documents? Getting what we call a “living, breathing, and adjustable” financial plan is very achievable. It all starts with you.



#### What a Financial Plan is NOT!

First and foremost, before we tell you the “who, what, why, where and when” of a good financial plan, let's be clear on what they're not!

Some of the very basic, yet surprisingly overlooked issues, are things like: (1) not knowing who you're working with (2) engaging with a “planner” that is paid on commission and (3) an opportunity for someone with ulterior motives to cross sell you products and refer you to “professionals” they're connected to.

#### Financial Plans don't sell you Annuities

OK... It's no secret that we enjoy poking fun at this “financial planning” topic. Not all people who sell annuities are evil (but the operative word in that sentence is ‘sell’). The unfortunate reality and genesis for our insurance and annuity rants is that we have met countless people who have never been educated on what

an annuity is and if it's even a proper fit for them.

This is a topic all on its own but take for example one very real and common red flag... You've been recommended to buy an annuity in a retirement plan... Say what?!? Annuities are not taxable until annuitized. Putting a tax-deferred investment in a tax-deferred plan is costly, wasteful, and only benefits one party; the person who sold it to you.

#### Your goal is \$1,566,740.23 ...really?

If you ask most planners and their clients they will tell you that a financial plan identifies your goals and lays out the steps to get there. Makes sense, right? It all sounds good and leaves clients feeling like everything was centric to their specific goals and objectives. Believe it or not....that's actually not the best approach.

A real goal is one that is truly crystalized. It's much more than just a number. A good financial plan should uncover the goals that drive you to want and live a certain lifestyle.



Goals can't be nebulous like "grow my money, get it to \$1.5 million, provide retirement income, or fund Johnny's college". A more substantive conversation should be around your **values**...not your just your "goals" or coming up with a number. Financial planning actually parallels diet and fitness in many aspects.

### **Do you want to lose weight or feel healthy and look good?**

Have you ever gone on a diet or tried to kick start an exercise plan? If you worked with an athletic trainer or a dietician perhaps you identified a goal of losing 30 pounds. Your "goal" isn't really about losing a certain amount of pounds. Whether you lost 34 pounds or 27 pounds, those are just numbers. What's more important is an outcome that is based on your values.

Valuing weight loss comes from something deeper. Perhaps it's the connection that you want to feel healthy and look better. There is likely something about your life that would improve by dropping weight (fitting into old or new clothes, being able to accomplish a certain activity etc).

Aside from listing your goals down spend an equal if not greater amount of time ranking them. It's from this type of introspection that you will see what is driving you to make changes and improvements to your financial picture.

### **80 colorful pages in a leather binder**

If you want a decorative coffee table book or collection of classic novels to display...buy them!

Do NOT, however, pay anywhere from \$2,000 to \$10,000 for a fancy financial plan that will sit on your bookcase and is stale the minute it's printed.

Here's a little industry secret... The majority of financial planning firms all use the same software to print these bad boys up. A Monte Carlo simulation is not going to vary from one computer to another. What matters is how they're presented to you, what they cost, and what actionable steps are derived from these findings.

Without bashing other firms, My Portfolio Guide makes financial planning available to our clients without an additional fee. We consider it part of comprehensive wealth management; not a profit center or way to pitch expensive products at you.

### **A "living & breathing" document**

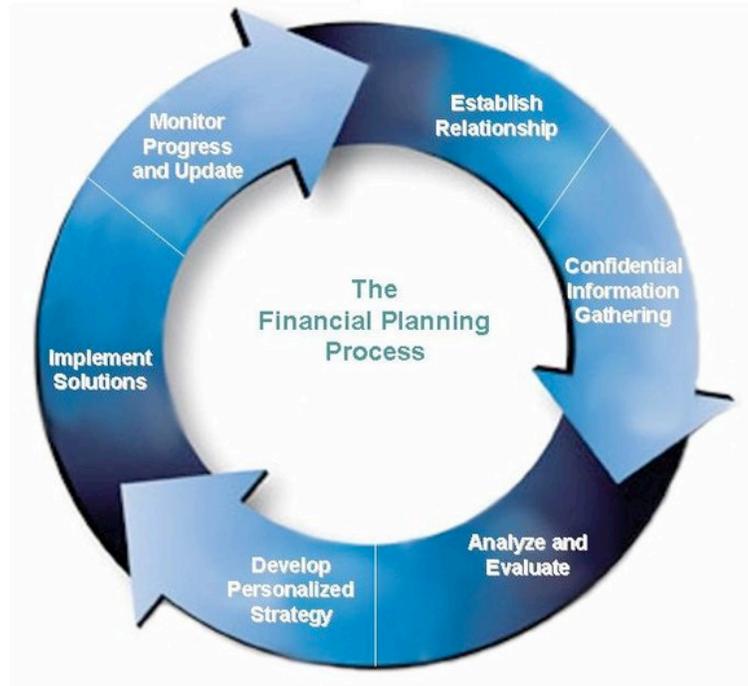
Lastly, once the ink is dry the typical financial plan is done. Just like the diet and fitness analogy we laid out before, you will stick to this plan only if your values are driving it and you have someone to help push you to improve those habits and behaviors.

On the next page we lay out the official six steps to a financial plan. Pay close attention to the fact that the process never ends. For true success you need a helpful nudge now and then and you also need someone to say "no". Life changes all the time with many intangible forces. It takes more than paper or financial planning software to achieve real goals.

## The 6 Steps in a real Financial Planning Process

The graphic to the right gives you an excellent visual tool to see what the six steps of the Financial Planning process look like. Notice that this process is continuous and should be reassessed periodically.

*Investopedia* defines each step below in more detail:



### 1. **Establishing** & defining the Client-Planner relationship.

The financial planner explains or documents the services to be provided and defines his or her responsibilities along with the responsibilities of the client. The planner explains how he or she will be paid and by whom.

### 2. **Gathering** client data and determining goals & expectations.

The financial planner asks about the client's financial situation, personal and financial goals and attitude about risk. The planner gathers all necessary documents at this stage before giving advice.

### 3. **Analyzing** and evaluating the client's financial status.

The financial planner analyzes client information to assess his or her current situation and determine what must be done to achieve the client's goals. Depending on the services requested, this assessment could include analyzing the client's assets, liabilities and cash flow, current insurance coverage, investments and tax strategies.

### 4. **Developing** and presenting the the financial planning recommendations and/or alternatives.

The financial planner offers financial planning recommendations that address the client's goals, based on the information the client provided. The planner reviews the recommendations with the client to allow the client to make informed decisions. The planner listens to client concerns and revises recommendations as appropriate.

### 5. **Implementing** the financial planning recommendations.

The financial planner and client agree on how recommendations will be carried out. The planner may carry out the recommendations for the client or serve as a "coach, " coordinating the process with the client and other professionals such as attorneys or CPAs.

### 6. **Monitoring** the financial planning recommendations.

The client and financial planner agree upon who will monitor the client's progress toward goals. If the planner is involved, he or she should report to the client periodically to review the situation and adjust recommendations as needed.

# News & Notes:

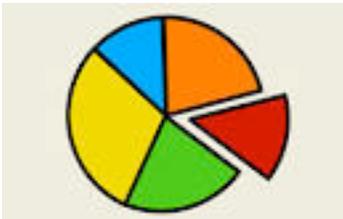
## New Mobile App created due to Team MPG charity



Last fall our team of triathletes raised over \$25,000 for various charities as they competed in Arizona Ironman. The funds that Matt Blake raised for the [PheoParaTroopers](http://PheoParaTroopers.org) have enabled the group to create new software that will drastically change how they track patient's progress and treatment. The group had been working on the new mobile app and the funds presented from Team MPG have made it possible for the app to be free for everyone that will benefit from it. A special thanks goes to everyone that donated funds to the various charities that members of Team MPG chose to support.

## My Portfolio Guide invests in new Rebalancing Technology

REBALANCE		
LOG	25%	22.5%
SCG	25%	26.9%
INTL	25%	24.1
BOND	25%	27.5%
JAN15*		DEC31**



This year we are using new software that enables us to rebalance and trade portfolios much more efficiently. This 'intelligent technology' platform enables us to customize each account and manage any specific client situations.

Not only do we automatically rebalance our Disciplined Investor Model Portfolios every month but we now are able to scan and review each and every client portfolio for inefficiencies that the human eye can't always catch. Each account we manage is now screened and constantly monitored each Monday regardless of

what the stock market is doing. Feel free to ask us about this technology and how it separates us from many other firms.

## Fifth year in a row as a 5 Star Wealth Manager!

2015 marks the fifth consecutive year where My Portfolio Guide has been recognized as a 5 Star Wealth Manager. Not only are we honored to receive this award but it's a compliment just to be considered as one of the candidates.



Over 90% of the financial services industry cannot even qualify for the award. Thank you to our clients as your loyalty and good reviews of our services make this all possible.

## Silver Bowl Awards



You've heard of the Super Bowl in January but what happens in June? Every year the Annual Silver Bowl Awards are presented to recognize social media excellence, innovation, and achievement in the financial services industry.

My Portfolio Guide is proud to have been considered as one of the top firms in the "Best Use of an Emerging Social Channel" category. The world is changing fast and we're exploring new ways to stay connected to those who want to hear what we're up to. For this particular award we were recognized for our [Pinterest](https://www.pinterest.com/myportfolioguide) page. Pinterest is not for everyone and rarely used in financial services but we are proud to share our information, thoughts, and "pins" on this emerging social media platform.



## CALENDAR:

### July 2015

7/30/15 to 8/2/15 :

**West Zone PONY Baseball Championships**

**Los Alamitos, CA**



### August 2015

8/14/15 to 8/16/15 :

**Mammoth Wine Weekend**

**Mammoth Mountain, CA**

8/23/15 :

**MVP Mike Trout Ticket Contest**

**Anaheim, CA**



### September 2015

9/16/15 to 9/18/15 :

**Tour de Colorado**

**Front Range, CO**

For interest in these events or others in your area that may not be listed, please email [info@myportfolioguide.com](mailto:info@myportfolioguide.com)

During our free time we're known to be very active and outdoors. Last summer, Team My Portfolio Guide was training for the Arizona Ironman but this time around we're taking a break of sorts.

The summer kicks off with our own Matt Pixa coaching the Los Alamitos Mustang All-Stars. Matt's son, Lance and his teammates take on the Washington state champions beginning on July 30th. If these scrappy 10 year olds keep winning they'll find themselves playing in the World Series in Youngsville, LA in August!

Speaking of baseball...have you heard of this Mike Trout guy?! Even if you're not an Angels fan, enter our contest in describing what makes him the top player in the game. The best answer using only three words or less, wins four awesome tickets to the Sunday, August 23rd game vs the Toronto Blue Jays.

For those of you who are not baseball fans, don't fret!

Relax and enjoy one of the best venues for a weekend of wining and dining at the Mammoth Wine Weekend!

As a thank you to any loyal client who refers a friend or family member to My Portfolio Guide, we are giving away a Wine Weekend Package (\$200 value). This all-access ticket includes a Friday wine dinner at Parallax, tasting at The Village Wine Walk on Saturday, Champagne Brunch on Sunday.

From there we hop on the road for the "Tour de Colorado". While this sounds like a cycling event during the peak time of the Tour de France...it's more of our way to alert you we'll be touring the Front Range of Colorado at the end of the summer (September 16th – 18th). Stops will be made in Pueblo, Colorado Springs, Boulder and Fort Collins and anywhere in between. Contact us on our toll free (888-47-GUIDE) line to reserve a time to meet and 'Get Guidance' on your portfolio. See you soon!

