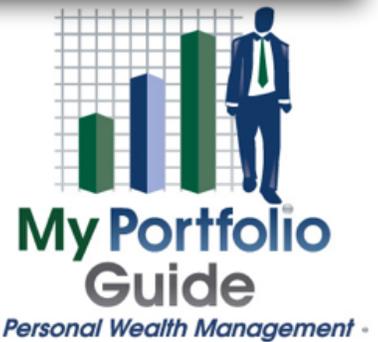


the Guide



INSIDE THIS ISSUE :

“BUY LOW & SELL HIGH”

2017 continues to extend what feels like the “worst bull market ever”! It won’t last forever but there are still opportunities...

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

Are you invested in a Target Date fund? Times are changing and it’s important to know how these may present more risks than ever before...

NEWS & NOTES CALENDAR

My Portfolio Guide is proud to really turn the corner on some innovative tools this year. We’re also sharing new ways to read, see, and hear from us!

Emerging Markets: BUY!



Are you worried about the inevitable end to the bull market? Is the threat of rising interest rates becoming more imminent? Does all the divisiveness and noise coming out of Washington have you concerned?

At the outset of 2017 we wrote that the market still had some steam left in it and so far that looks to be spot on. With all the headlines of record highs in the U.S., one thing many investors have really missed out on is the rally in foreign markets.

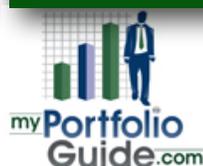
We’re perhaps the farthest thing from fear perpetrators but this stock market party will eventually end. In our opinion U.S. markets are beginning to get a bit frothier and the “Trump trade” has had a good run. As domestic stocks

become more expensive coupled with a strong dollar, it’s Emerging Markets that will continue to benefit once the pendulum swings back the other way.

We do see the dollar weakening and this will create tailwinds for foreign stocks. Emerging economies in particular will benefit as many are fueled on increases in raw material purchases and a weaker dollar can only help this. We believe the dollar is likely to feel more pressure with added political turmoil here and abroad.

Another factor to consider is that emerging markets have performed well during several prior Fed rate-tightening cycles. They underperformed in the 2013 “taper tantrum” and with the advent of the first long awaited rate hike in December of 2015, but those have proven themselves to be anomalies. During the last strong rate-tightening cycle (2004 to 2007) emerging markets rose over +123%.

Lastly, if you have a longer-term outlook think about the demographics in place right now. It’s been estimated that emerging market economies will represent 60% of the world economy by 2035 which is up from 37% today!



	YTD (as of 6/1/17)	2016	2015	2014	2013	2012	2011	2010
20 / 80	3.34%	3.89%	0.29%	7.58%	4.86%	6.57%	6.70%	8.25%
40 / 60	4.42%	6.12%	-0.08%	9.44%	11.74%	8.93%	5.55%	9.95%
50 / 50	4.96%	7.24%	-0.26%	10.38%	15.18%	10.11%	4.98%	10.80%
60 / 40	5.50%	8.36%	-0.45%	11.31%	18.62%	11.29%	4.40%	11.65%
70 / 30	6.04%	9.48%	-0.65%	12.24%	22.06%	12.47%	3.83%	12.51%
80 / 20	6.58%	10.59%	-0.82%	13.18%	25.51%	13.65%	3.26%	13.36%
S&P 500	7.96%	9.54%	1.38%	13.34%	32.39%	16.00%	2.11%	15.06%
Mid Cap	7.99%	9.59%	-2.81%	15.39%	33.5%	17.88%	-1.73%	26.64%
Small Cap	3.08%	16.56%	-4.85%	8.14%	41.31%	16.33%	1.02%	26.31%
MSCI EAFE	13.90%	1.77%	-12.67%	-4.08%	23.29%	17.90%	-11.73%	8.21%
Emerging	13.85%	9.39%	-17.61%	1.02%	-2.27%	18.63%	-18.17%	19.20%
Bonds	1.44%	0.04%	-2.29%	3.23%	-2.02%	4.21%	7.84%	6.54%

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.

One of our favorite Warren Buffett quotes is "in the business world, the rear view mirror is always clearer than the windshield." If we told you last year that within six months of the UK voting for Brexit, Donald Trump would be elected President, and Italy would vote "no" on reform...and the markets would be cheering...you would likely think we were nuts!

One area that is lagging and a bit of a surprise is with Small Caps. When Trump won the election this asset class took off as it was fueled by the prospects of tax reform. If the Republican proposal to reduce corporate tax rates from 35% to 20% would go through, you would see all companies benefit but especially Small Caps as they typically have the highest effective tax rate. The political environment is nasty right now and some optimistic expectations must be adjusted accordingly.

There are always things to worry about but signs of economic sluggishness, geo-political concerns, a Fed bent on raising rates, and a market that has climbed upwards for about eight years should give most people reason to pause and prepare for a correction. You can never time the market but if we take our best educated guess, we're due for a sell-off this summer. Although market volatility is virtually nonexistent right now, if we should get some turbulence the correction could prove to be sharp but short in nature.

Once we muddle through a typically flat summer season with a possible correction, we believe you will see another rally towards year-end. Whether this is the final chapter in the second longest bull market in history is left to be determined but either way...you heard it here first! "Stay disciplined to stay positive"... -MPG

EDUCATION CORNER

Target Date Funds

“There are no shortcuts to any place worth going.” - Beverly Sills



What are Target Date Funds?

We live in a “microwave society” where everyone wants things done instantly and with the least amount of pain or struggle. Investing has long been thought of as a complex and demanding endeavor so what better way than offering solutions that require you to basically do nothing?

Target date funds (AKA “life-cycle funds” or “age-based funds”) have easily become the most popular choice for retirement contributions. Like a microwave or an elevator...with a push of a button (click of the mouse)...you get what you need done. It’s so easy that no wonder over half of all 401k assets are parked in target date funds!

These funds appeal to many because they are simple and let you put things on cruise control. If you’re fairly young and have an investment goal/ideal retirement date in say 25 to 30 years, you simply pick something like the “Fidelity ClearPath 2045” or perhaps the “Vanguard Target Retirement 2045” fund. Regardless of the fund manager the idea and strategy is supposed to be the same; the closer you get to the date the more conservative the portfolio adjusts for you automatically.

Dummy Retirement Math

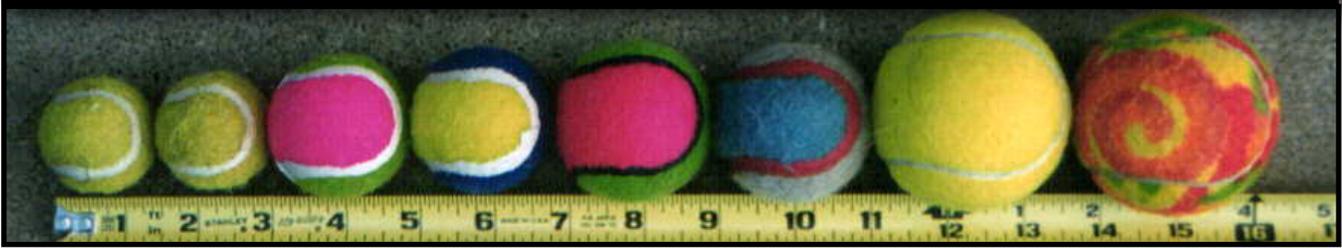
Boilerplate Financial Planning 101 uses very simplistic math to arrive at how much risk you should be exposed to relative to your stage in retirement. Here it is: Take your age and subtract that from 100...What you’re left with is how much you should be exposed to in growth investments like stocks and the remaining portion is allocated towards “safe” investments like bonds and cash.

This makes the typical 60 year old own about 40% in stocks and the rest in bonds/cash. For every year you get older you would take 1% less from stocks and add it to bonds. Obviously following this plan would get an 80 year old to own 20% stocks and 80% bonds. This formula has worked great the past couple decades but is it the right solution now? Maybe not...

Dieting 101: Careful with Labels!

If you’ve ever been on a diet or are simply trying to be mindful of what you eat...sage advice will lead you to read labels at the grocery store. Outside of a general idea most investors have zero idea what’s in their fund.

When an investment product says “2045” on the label it does not mean that a vicious and



brutal bear market won't hit in 2044. Just like "low fat" may seem like a good thing it could mean something worse like "chemical warfare on your body" due to all what needs to happen in a factory for that food to be low fat yet still taste good. In the investing world most people will read the simple stuff and get hooked in (whether it be the end goal like "2045" or the mission of "growth with capital preservation"). Sorry folks...it's not that easy!

One Size Does NOT Fit All

The biggest and the best all have their offerings: Fidelity has Freedom Funds, Vanguard offers their Target Retirement Funds, and Blackrock has a series of LifePath Target Date Funds. Each one is designed to appeal to you even though "you" are different than anyone around. Your personal situation is unique and should be treated as such. Just because you happen to be the same age as someone doesn't mean you share the same goals, needs, or risk tolerance.

The beauty of target date funds is that they're the easiest thing to choose from off of a complicated and busy menu. You may not be an investment nerd or are young and have a long time horizon before decisions truly matter. If that's the case go for it! Pick something over nothing but as your assets accumulate you really need to also increase the need for investment sophistication.

Lower your Fees!

As we have alluded to...target date funds are better than nothing and they can help a novice investor. There are ways to use the basic strategy but do so with far less fees. You can save a ton within your own 401k by mimicking the basic allocation a particular target date fund has but simply build it yourself using using index funds in your plan and reallocate

once every year. Some target date funds carry an annual cost of less than 0.25 percent whereas others categorized the same may cost you well over one percent and that dramatically subtracts from your investment results.

Retirement does NOT equal Death

Forget all the dead buzzard retirement jokes. When it comes to investing, your retirement should be a time of celebration and carry a forward looking type of mindset...not a triage moment of how do you survive and prepare for this final chapter.

All too many investment plans and strategies mistakenly assume that once you cut into your retirement cake and put on that golden watch you have less than a few years to live. The reality is that most people are living far longer than ever before and even with poor health the number one threat to your golden years is that you'll outlive your money! That said...invest long-term and understand that even when you're 65 you may need your money to last another 20 plus years!

Don't "Glide" into your Goal!

Target date funds are much better than the way most people will invest but don't be fooled or get hooked into complacency. A ticking time bomb awaits and chances are that you are not prepped to deal with it.

First off, not all target date fund managers agree on the same mix of investments. In other words, some funds that have the same "2045" label may use completely different asset class mixes!

Lastly, what may have been safe yesterday could be the hidden landmine of tomorrow. For example: We all seem to know that interest rates are going to rise and that will hurt bonds. In a target date fund your allocation to bonds will increase each year. Does that sound safer to you?

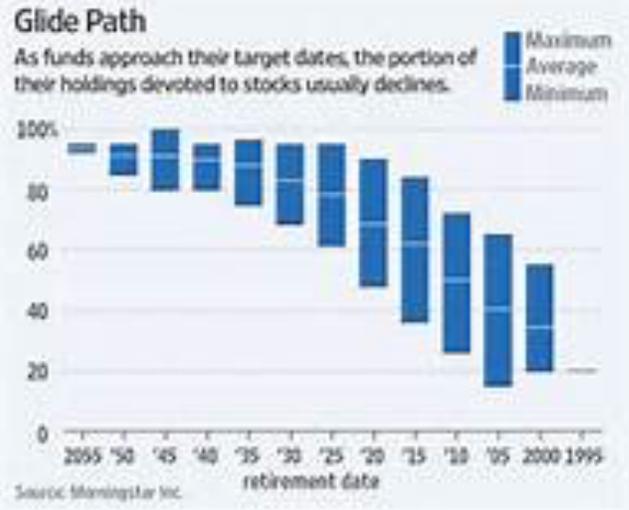
Be careful how you “glide” into retirement!

Most investors (professionals included) are not truly aware of what a “glide path” is and how risky that could potentially be for someone approaching retirement.

What has historically worked well for people before may not be guaranteed to be the case going forward.

Traditional models like this rely on owning more bonds as you approach your “target” date. That works assuming bonds act like they have in the past.

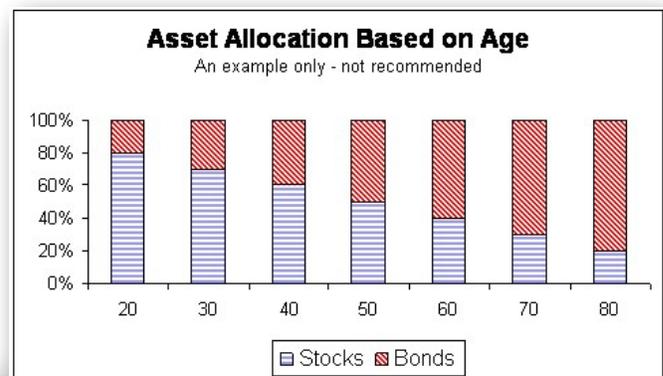
What if the asset class behaves in a completely different fashion? Are you prepared to have over 70% of your assets in an area that is due to suffer at a time when you need the money and stability the most?



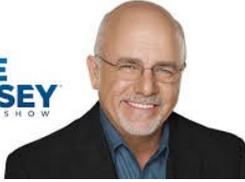
It may seem prudent to be mostly in bonds by the age you begin needing your funds. What some people fail to realize is that once you retire you could easily still be considered a “long-term” investor. Life expectancy levels are getting longer each year and a 60 year old today can easily expect to live another 23 plus years.

Obviously stocks can be volatile but did you know there has never been a 20 year period where stock returns have been negative? Over that long a time period they will simply always beat bonds and cash so invest accordingly.

Lastly, don't be fooled thinking your age should be the main driver on which fund to choose. This beats taking investment advice from a coworker but it's simply a boilerplate approach.



News & Notes:



Dave Ramsey Endorsed!

My Portfolio Guide is proud to announce several exciting advancements and expanded offerings that we are honored to roll out in 2017!

Most recently we have been recognized as an Endorsed Local Provider by Dave Ramsey and designated as a SmartVestor Pro for the Los Angeles area. The Dave Ramsey Show is the third largest talk radio show in the United States and is heard by over 8.5 million listeners each week.

We are proud to be able to offer our services to these listeners using a client-first approach with a commitment to educate and empower investors in achieving their financial goals.

Lorman Education Webinars

Matt Pixa has also been selected as faculty and will present a series of live webinars to a national audience via Lorman Education Services.



He will be leading a series of one hour webinars titled "The Bigger Picture in Portfolio Management" to other peers and professionals in the industry looking to earn continuing education credits as well as how to

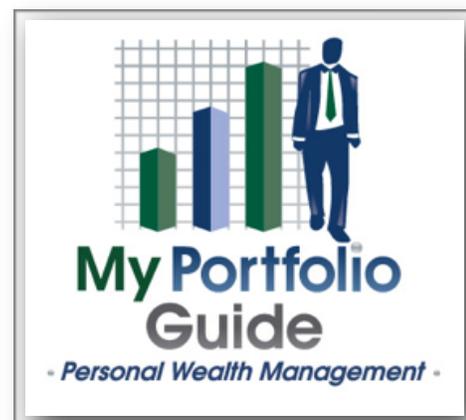
how to properly integrate more sophisticated portfolio management strategies into their own practices.

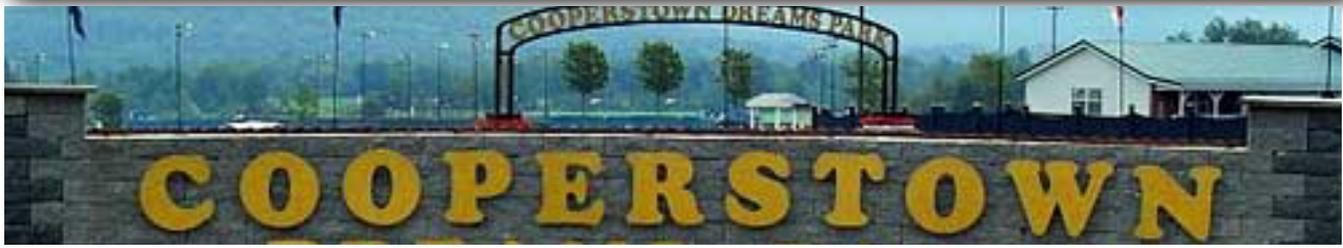
MPG is on the air!

My Portfolio Guide is very excited to roll out yet another way for investors to stay informed and connected.



Throughout the summer and remainder of the year, we will be engaging listeners with a brand new podcast platform sharing our investment philosophies, current strategies, market updates and educational broadcasts. These podcasts will also provide listeners with opportunities to hear interviews from experts in the investment industry along with some unique insights to what most advisors never tell their clients. Our podcasts will be broadcast several times per month and are all free. Stay tuned!





CALENDAR:

June 2017

6/6/17:

Dinner Event-

**Brian Wesbury, Chief
Economist - First Trust Advisors**

Mastro's Ocean Club

Newport Beach, CA

July 2017

7/1/17 to 7/7/17:

New York (+ surrounding area)

Baseball Hall of Fame

Cooperstown, NY

7/9/17:

Sights & Sips



**Hornblower
Sunset Cocktail Cruise (2 hour
yacht cruise)**

Newport Beach, CA

August 2017

8/5/17:

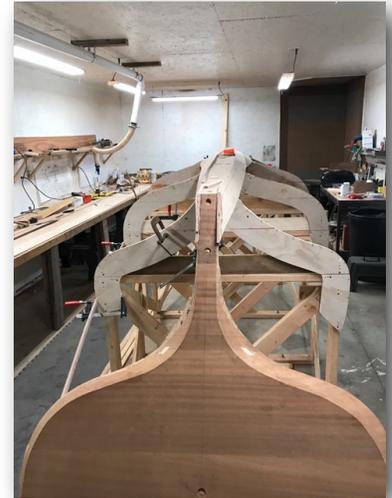
Meals on Wheels 5k

**Supporting Homebound
Disabled Veterans**

Long Beach, CA

We work with clients nationwide and really enjoy having the opportunity to meet them in person. Doing this allows us to see what their lives look like outside of stocks and bonds!

On a recent visit up to the Pacific Northwest we were treated in learning how one of our clients is taking on new challenges during retirement.



Here are a couple of pictures from the shop of a talented client who is building a Newfoundland Trap Skiff Wherry all by hand! Lastly, is this the first time a tree saw a suit and tie in the woods or vice versa?

For those interested in meeting in person please contact us on our toll free number at (888-47-GUIDE) or you can email us at info@myportfolioguide.com to reserve a time to meet.

RSVP (888) 474-8433