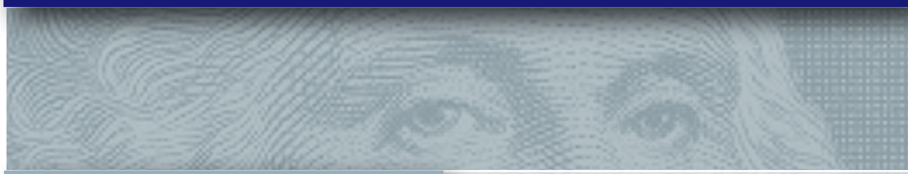
Investor Newsletter brought to you by My Portfolio Guide, LLC : Issue # 21 Spring 2018

the Guide



INSIDE THIS ISSUE :

"Sell in May and Go Away"?

Maybe we're getting numb to the news and dramatic headlines? A savvy investor needs their eyes open but must also have them keenly trained on what to ignore. This is the first year in many that we haven't seen as much of the catchy and seasonal stock market adages littered all over the place (thank goodness!).

If you dig up numbers you can pretty much paint any story you wish and make it rather convincing. Our brains are trained to follow patterns and expect similar outcomes. One of our favorites this time of year is "sell in May and go away".
People sometimes forget (or are completely misinformed) that the stock market does not care what month we are in. Mr. Market does not own a calendar…he only owns your emotions!

It is indeed true that the stock market has historically delivered its weakest returns (measured in six month stretches) from the end of April to the end of October. What some of the data splicers reporting this phenomena neglect to inform you on however, is that even though there is somewhat of a summertime slowdown with stock market returns…they're still positive over time!

	Average Return
December 31 - June 30	5.7%
January 31 - July 31	5.8%
February 28 - August 31	6.8%
March 31 - September 30	5.5%
April 30 - October 31	**4.2%**
May 31 - November 30	5.3%
June 30 - December 31	6.1%
July 31 - January 31	5.5%
31 August - February 28	4.9%
September 30 - March 31	6.6%
October 31 - April 30	7.4%
November 30 - May 31	6.6%

We finally got a stock market correction and while it rattled some nerves, it was probably the best thing that could've happened for investors. We believe we still have a little more room to run higher in what is almost a Goldilocks environment.

To make this interesting we're going to "put our money where our mouth is". If the S&P 500 finishes lower than it closed on May 1, 2018, we owe you coffee for the rest of year! Using Starbucks as our reward system we estimate that to be at least $50. All you have to do is email info@myportfolioguide.com when you read this and put "Sell in May and Go Away" in the subject line. Any takers?

	2018 YTD 5/18/18	2017	2016	2015	2014	2013	2012	2011
20 / 80	-2.83%	4.71%	3.89%	0.29%	7.58%	4.86%	6.57%	6.70%
40 / 60	-1.93%	8.44%	6.12%	-0.08%	9.44%	11.74%	8.93%	5.55%
50 / 50	-1.49%	10.31%	7.24%	-0.26%	10.38%	15.18%	10.11%	4.98%
60 / 40	-1.04%	12.17%	8.36%	-0.45%	11.31%	18.62%	11.29%	4.40%
70 / 30	-0.59%	14.04%	9.48%	-0.65%	12.24%	22.06%	12.47%	3.83%
80 / 20	-0.14%	15.90%	10.59%	-0.82%	13.18%	25.51%	13.65%	3.26%
S&P 500	0.76%	20.37%	9.54%	1.38%	13.34%	32.39%	16.00%	2.11%
Mid Cap	2.27%	18.37%	9.59%	-2.81%	15.39%	33.5%	17.88%	-1.73%
Small Cap	4.73%	15.51%	16.56%	-4.85%	8.14%	41.31%	16.33%	1.02%
MSCI EAFE	1.20%	25.19%	1.77%	-12.67%	-4.08%	23.29%	17.90%	-11.73%
Emerging	-4.26%	30.52%	9.39%	-17.61%	1.02%	-2.27%	18.63%	-18.17%
Bonds	-3.73%	0.68	0.04%	-2.29%	3.23%	-2.02%	4.21%	7.84%

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.

Investors were put to sleep with how 2017 behaved. Volatility was absolutely nonexistent and even though everyone was talking about a correction eventually coming…once it arrived it still seemed to really shock people!? We're about flat on the year but if you talk to some folks it's as though we are in the middle of the Great Depression! We believe that part of this is the headline driven environment we live in. A couple months ago many believed Hawaii was going to be bombed by North Korea and now both North and South Korean leaders are taking selfies together hugging it all out.

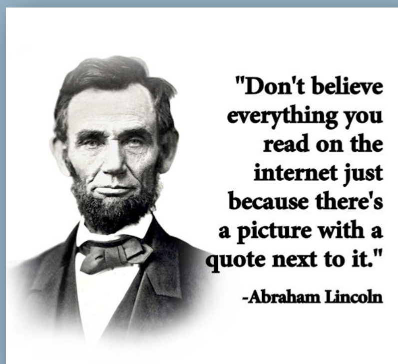
Another massive worry the market had to digest was the threat of a trade war between the two largest economies in the world. While it rattled major nerves and stoked up more political banter, the rumblings of China possibly dumping the over $1 trillion in U.S. Treasuries they own is way overblown. Sure…they have some leverage and will use it as any decent negotiator would, but rapidly selling their Treasury holdings would be economic suicide.

What's really dragging portfolios down right now are bonds and that reality, while not pleasant, should also not be a huge surprise. We've lessened our exposure to all bonds over the past two years but like any swinging pendulum there now could be a move to another extreme. As with any cycle we also believe in a reversion to the mean and while we're not quite there yet, bonds are beginning to approach some rather oversold levels. Our near-term bet is still banking on boring stocks that in many cases have solid dividends. Speaking of boring… use this very telegraphed correction to rebalance your portfolio if you haven't already! "Buy the dip" is still working so don't be complacent. In the meantime... "**Stay disciplined to stay positive" -MPG**

EDUCATION CORNER

The Five E's of Financial Media

"Don't believe everything you read on the internet just because there's a picture with a quote next to it." -Abraham Lincoln



Meet the Fi-Dashians!

If you're not "keeping up with the Kardashians"…good for you! While we hold nothing personal against the Kardashian family, to us it epitomizes what has drawn attention away from what matters. We've come up with something called the "Fi-Dashians" which is our friendly jab at the financial media and how dysfunctional it is to a serious investor. Perhaps the Kardashian family has some qualities but in our, albeit more traditionally conservative view, we find them to not be very representative of a wholesome and normal family; the same view applies to much of the financial media.

We don't aim to attack these financial talking heads but at the end of the day we believe they detract people from being intelligent! My Portfolio Guide has also come up with the "Five E's of Financial Media" to help remind you what they are focused on…

Entertainment

Just like the Kardashians and any media source, the financial outlets' main job description is to grab eyeballs and entertain. While we're not calling anyone a court jester, on some days the sad reality isn't too far off from that! Our all-time favorite example of this is with Jim Cramer. It's shocking to see how many people think Cramer is their virtual financial advisor of sorts or that because he screams out a company name, hits a Staples "easy button", and rings a loud cow bell, it lays the groundwork for an intelligent investment thesis?!?

You want this guy advising you on what to buy and sell?!? Good luck with that…

Emotion

With all the privacy issues and security breaches out there, it's flat out eerie how turning on your computer or TV seems like it

knows what you're interested in seeing. We've mentioned this before but with other forms of mainstream media the driver for much of their content is "if it bleeds it leads". The irony is that as humans we strive for comfort yet the media knows our brains are attracted to negative situations or being alerted of danger.

When it comes to investments and the financial media, they know this quite well; what they also know is that <u>you are emotional</u>. They know that you are apt to get greedy when things look promising, fearful when there is volatility, and depressed when they appear dismal. They don't need to report it very well for you to come back…they just need you to act like an emotionally driven human being.

Excitement

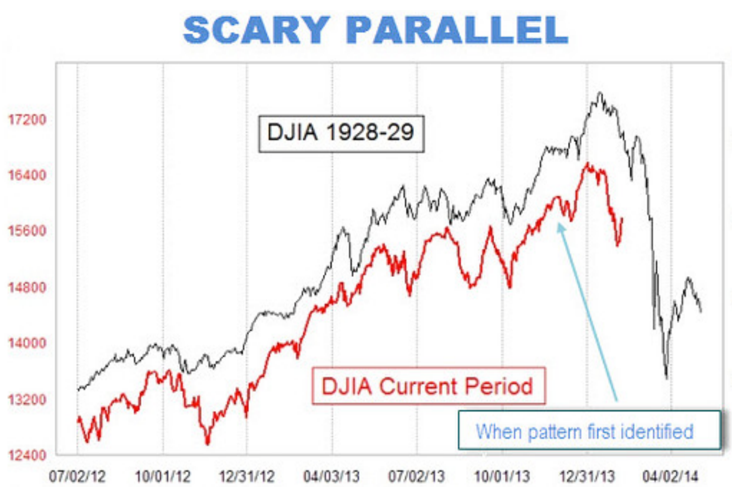
Our creation of the "Five E's" is not a rant or some iteration of the fake news debate (although there is some element of that too). A reporter who has a degree in journalism or communications and is reading a teleprompter telling us the market went up or down is not our issue; it's the fact that they attach other innuendos with it.

Tell us why it went up/down if the following can be upheld:

1. You can do so without acting giddy or scared.
2. You can do so without also alluding to which political party you or your network is affiliated with.
3. You actually know ***why*** and aren't just a regurgitation machine reading a script.

Eye Candy

How many times have you hopped online or opened a financial newspaper and been presented with a "scary parallel"? In other words the author has found a purported similarity from today's market environment to some disastrous period or event that occurred before. People are often visual learners so even if the chart or analogy is hogwash it will grab eyeballs and often resonate. One of our favorite examples of this is 2014 and how many news outlets began comparing the patterns that year to what happened before the stock market crash of 1929.



Source: McClellan Market Report, based on pattern discovered by Tom DeMark

The only thing "scary" about the above parallel is if you acted on it and got out of the market at that time. The Dow Jones dropped to 15,000 with many "experts" calling for it to crash to 12,000. Since that point the Dow Jones only had one negative year at -2.2% with all the rest being very positive and tacked on almost another 10,000 points!

Earnings

So what's the bottom line with the financial media and your investments? As with many things it comes down to money; unfortunately they care about their money not yours. Remember who pays their bills (advertisers) and how these shows sustain themselves!

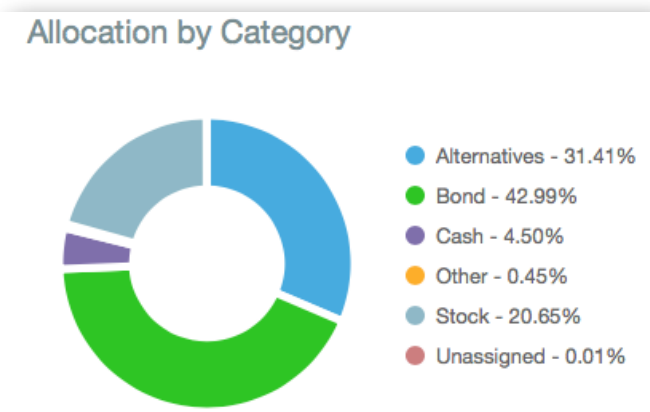
Perspective

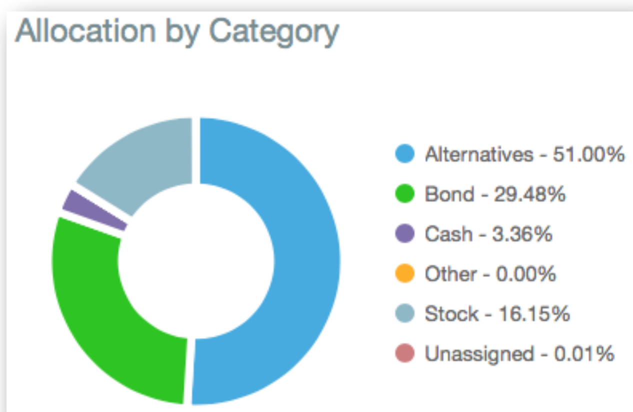
Two very intelligent people can look at the exact same scenario and see entirely different things. As huge fans of behavioral finance , My Portfolio Guide is constantly studying the wildly varying reactions and outlooks "experts" have on the same stock market we're all staring at. How can they differ so much?!?

What's critical is to have a strategy in place that filters out human noise and emotion. We believe we have that with our preeminent investment strategy; the Columbus Adaptive Asset Allocation Strategy. Over time it has handily beat the stock market with fractions of the risk.

Columbus Goes Defensive!

Who knows where this market is going but one thing for sure is that My Portfolio Guide's signature investment strategy has recently tapped the brakes and gone into a defensive mode (at least for this month). Our Columbus Adaptive Asset Allocation Strategy has actually been almost entirely out of equities since March; prior to that our algorithm that drives this strategy had us allocated just north of 72% in stocks. You can see how the allocations have changed since the stock market corrected in February. The allocation on the left shows how we were positioned in April and then on the right is how we're currently allocated for May. Columbus rebalances once per month. The strategy is known for playing excellent defense and as such is still up +2.14% YTD even though the market has gotten off to a turbulent start. As a reminder the Columbus strategy is for longer-term portfolios that are at least $100k in value. Contact us if you would like more information on the strategy.





News & Notes:

Meet Gary Novelich !

Mr. Gary Novelich joined My Portfolio Guide earlier this year and brings a unique background. Prior to earning multiple academic degrees including an MBA, Gary served our community for over 20 years in law enforcement. He has always been a "student of the game" but brings expertise in the Small Cap biotech sector as well as a passion for investment research.

Gary, his wife Tara, and his son Dylan reside in Orange County. In his spare time he enjoys working out, being a "foodie", and cheering on our local sports teams.

Welcome aboard!

Gary L. Novelich, -Financial Advisor
gary@myportfolioguide.com

Meet Scott Harrell !

Mr. Scott Harrell has joined the My Portfolio Guide team and brings over 25 years of business ownership experience with him. Over the past 12 years he has consulted small and mid sized business owners specifically with their insurance and benefits needs. Scott also brings a wealth of knowledge in the Medicare space which will expand the breadth of in-house comprehensive wealth management services we offer our clients.

Originally from New Jersey he now makes his home in Long Beach with his wife Kim and three talented daughters. Scott enjoys photography, music, classic cars and soaking up the local beaches.

Welcome aboard!

Scott O. Harrell, -Financial Advisor
scott@myportfolioguide.com

CALENDAR:

May 2018

5/23/18:

Wills, Trusts & Long-Term Care

Schomer Law Group

El Segundo, CA

June 2018

6/9/18:

Estate Planning Workshop

Hampton Inn Seal Beach

Seal Beach, CA

6/16/18:

Young Investors Workshop

Rossmoor Community Center

Los Alamitos, CA

July 2018

7/6/18:

Annuities: Yes, No or Maybe?

Ayres Hotel

Seal Beach, CA

With Spring in full swing and summer on the horizon it's often a great time to clean house and tackle some much ignored projects. We traveled so much the first part of the year that we're devoting the next few months to more local meetings and a chance to connect with those of you who want to tackle some of your "Financial To-Do List"!

Over the next few months we will roll out a series of educational workshops on various topics. For our clients that are not in the Southern California area, take note that we will be recording several of these as well as incorporating them as part of our podcasts in the future.

No one firm is a fit for every client and just like we customize our portfolios for each person we believe Estate Planners, CPAs, and other professionals that team with us need to be a fit for you. We're teaming with two law firms to introduce workshops that will cover estate planning as well as the pros and cons of Long-Term Care.

In June we will be rolling out a brand new endeavor to help educate our youngsters on the basics of investing and using the main advantage they have… TIME! Instead of dwelling on the old adage of "if only I knew then what I know now" we are offering a workshop to youths aged 6 to 18 on how to get started with investing. All workshops are free and you may also be interested to learn that we continue to provide free College 529 Savings Plans to anyone who wants to get a head start on saving for higher education!

As always if you're 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