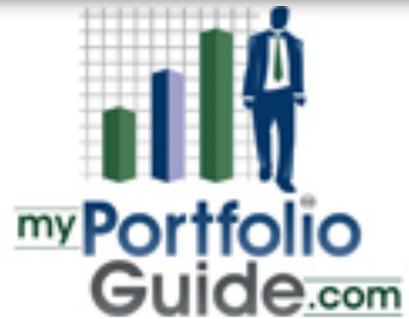


the Guide



INSIDE THIS ISSUE :

HERE COMES THE MARKET CORRECTION, RIGHT???

What's your favorite market saying or adage? Do any of them have merit?

MARKET RECAP

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

EDUCATION CORNER

What is an ETF and why are you hearing so much about them?

NEWS & NOTES CALENDAR

Learn all about 401(k) management, a new and free Investment Blog, ID Theft Protection, and our support for the National Pancreatic Foundation!

All that glitters is not



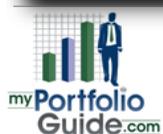
wiseGEEK

You probably didn't have too much trouble figuring out how to finish that well-known saying which actually dates back to the 12th century. When it comes to investing, there are a number of such sayings and some make sense while others are a waste of your time and can seriously influence you to make poor investment decisions.

My Portfolio Guide recently published an article on our **blog** and on several other financial publications covering the old adage of "*Sell in May and Go Away*". This is also known as the "Halloween Indicator". The premise being that due to several seasonal factors investors should sell stocks in May and hold cash until late autumn.

Over the past few years selling in May (or a bit earlier as we are suggesting) has actually been spot on. Keep in mind though, that although we're "tapping the brakes" on several of our positions, we're not suggesting that investors abandon their entire strategy by going completely to cash. As you'll read in the following pages of this issue, we are using a number of tools to lock in profits and reallocate.

Stick to your overall discipline but don't bury your head in the sand after reading a fantastic "sell in May and go away" article! Investors all too often take an "all or none" approach and this rarely works out. Our message here is NOT about timing the market but rather being prudent and wise about where we've been and where we're headed in the near-term. Let the media do their thing but in the meantime keep your eye on the ball...



	YTD 2013	Month of March	Trailing 3 Months	2012	2011	2010	2009	2008
20 / 80	2.02%	0.85%	2.02%	6.58%	6.89%	14.06%	10.11%	-4.56%
40 / 60	4.17%	1.61%	4.17%	8.95%	5.84%	27.60%	14.27%	-13.65%
50 / 50	5.24%	1.98%	5.24%	10.13%	5.28%	11.69%	16.34%	-17.94%
60 / 40	6.31%	2.34%	6.31%	11.31%	4.69%	12.47%	18.40%	-22.06%
70 / 30	7.39%	2.70%	7.39%	12.49%	4.08%	13.21%	20.44%	-26.03%
80 / 20	8.46%	3.05%	8.46%	13.66%	3.45%	15.51%	22.47%	-29.83%
S&P 500	10.61%	3.75%	10.61%	16.00%	2.11%	15.06%	26.46%	-37.00%
Mid Cap	12.96%	4.25%	12.96%	17.28%	-1.55%	25.48%	40.48%	-41.46%
Small Cap	12.39%	4.62%	12.39%	16.35%	-4.18%	26.85%	27.17%	-33.79%
MSCI EAFE	5.23%	0.88%	5.23%	17.90%	-11.73%	8.21%	32.46%	-43.06%
Emerging	-1.57%	-1.70%	-1.57%	18.63%	-18.17%	19.20%	79.02%	-53.18%
Bonds	-0.12%	0.08%	-0.12%	4.22%	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 24 developed International countries except for the US or Canada.

Looking back at the first quarter we are reminded of another saying, "You can't see the forest through the trees." With all the uncertainties in the U.S. and pressures in Europe as we entered 2013, very few expected double digit stock market gains for the year and let alone in the first quarter!

The U.S. equity market posted returns over 10% in the first quarter anchored by positive housing data and improved employment data. However, not all asset classes performed so well. Bonds, emerging markets and commodities finished either flat to slightly negative to start out the year.

Headlines and economic data continue to catch the market and investors attention both domestically and around the globe. With the S&P 500 breaking records we have been taking profits in various positions as they reach the high end of their valuations. With some world class blue chip and defensive type stocks **yielding** more than most bonds, we're building a robust shopping list! In markets like this it is important that investors don't get caught up in the moment and find themselves chasing returns.

We do not have a crystal ball and neither does anyone else we know! That being said, our opinion is that the market is becoming "frothy" and overbought at this time. As we move into the summer months we expect to see a bit of a seasonal slowdown in the markets much like we have the past three years. In our previous newsletter we mentioned that we certainly do not buy into the "herd mentality" rather we find that we can often use it as a contrarian indicator. To quote one of the most popular and successful investors of our time, "We attempt to be fearful when others are greedy and to be greedy when others are fearful" – Warren Buffet.

EDUCATION CORNER

What is an “ETF” and why are you hearing so much about them?

In this section of ‘the Guide’ we dig into the explosive growth of ETF’s and examine the pros and cons of using them in your portfolio.

An **Exchange-Traded Fund** (ETF) is a security that tracks an index, a commodity or basket of assets like an index fund, but trades like a stock on an exchange. ETF’s experience price changes throughout the day as they are bought and sold.

(definition by Investopedia)



“I own IBM, Microsoft, GE, Disney, McDonald’s, and...”

If we had to count how many times we heard the beginning of this sentence and the ensuing conversations that took place in the late 1990’s...we certainly would run out of fingers! Almost everyone we meet or talk to has a favorite stock (or 30!) to talk about and validate the reasons they own them. What few investors realize though, is that picking stocks can be futile, frustrating, humiliating, costly, and simply inefficient. What if we told the same investor who basically owned 10 of the Dow Jones’ top 30 stocks that she could do that by simply owning a diamond? Oh...not the one that is shiny but the rather the “diamond” which tracks all 30 stocks in the Dow Jones Industrial Index. Yes, there is such an instrument and it’s traded with the ticker symbol of DIA. More on that and others like it in a moment...

So Many to Choose From...

Believe it or not, on page two in each edition of “*the Guide*”, we show you the “Secret Sauce” to investing...or at least a **major** ingredient of the recipe! These are actual numbers which are basically tracking certain benchmarks and indexes and all of them can be replicated by simply selecting certain ETF’s.

Now don’t get us wrong here as we’re not saying you should go out and only buy ETF’s and just expect portfolio magic to happen. There are almost 2,000 ETF’s to choose from and it’s not as easy as picking a few in each asset class and calling it a day. You not only have to understand which ones suit your needs but also be educated on how to implement them into your specific strategy.

Should I Only Use ETF’s?

No. Once an investor drinks the “Kool-Aid” and is educated on why ETF’s make sense,



they should also understand how other investing vehicles or instruments play a part in a well constructed portfolio. My Portfolio Guide offers our “**Disciplined Investor**” series of six proprietary and customized portfolio models. Each is built using a core group of ETF’s to properly diversify amongst the necessary asset classes. Through our exclusive Institutional relationship we can buy and sell over 150 of these ETF’s without any trading costs.

In economic sectors and industries that we favor, we select a few of our favorite stocks that suit the goals of the investor. Some would argue that just owning stocks for the long-term would work just as well. Not only are you obviously taking more individual company risk with less diversification, but the emotions and biases of the human investor will always come into play. Finding that balance is what allows investors to have consistent success with fewer headaches.

What about performance?

For years advisors have pushed mutual funds for their performance and ability to beat the stock market. How many of these funds have actually done this? Over 80% of mutual funds do not beat their benchmark! At one point last year 89% of actively managed domestic mutual funds trailed the S&P 500.

In theory bear markets should favor active mutual fund managers who have the ability to make moves like going to cash or investing in more

defensive positions. The past two devastating bear markets once again showed how this is simply an investing misperception; most mutual funds fail to beat their benchmarks.

Advantages of ETF’s

Have you ever owned a mutual fund that lost money in the market but when it came tax time you received a bill for capital gains? That’s called adding insult to injury and in most cases ETF’s are far more tax efficient than mutual funds. The investor has more control as to when the fund is traded.

Speaking of trading...mutual funds are only bought and sold at the end of a trading day. ETF’s can be traded at any time the market is open...just like a stock. They also can have “stop-loss” and “limit” orders (and even option strategies) placed on them thereby allowing you to control and manage risks in an even more sophisticated manner.

We’ll wrap up by touching on costs since most investors are grossly unaware of how fees and expenses eat away at their hard earned dollars. The average mutual fund charges anywhere from 1% to 3% or more, while ETF’s are even cheaper than most index funds! On average ETF’s cost about 0.44% but most of the ones we use range from 0.09% to 0.18%.

To add some “color to the canvas”, turn the page and read on...

INVESTING IN MUTUAL FUNDS COULD COST ME OVER \$400,000?!?!

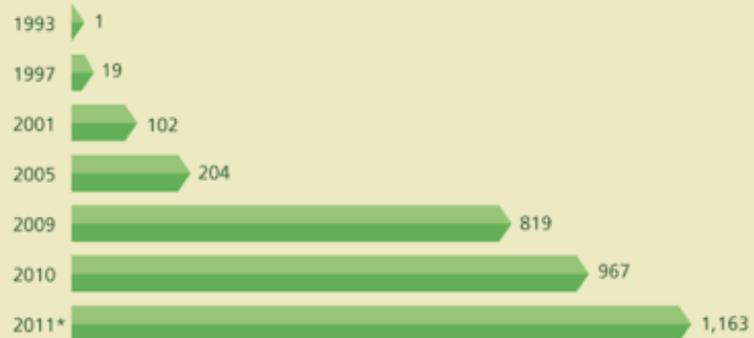
Yes...once again a picture can tell a thousand words. In the 1990's very few financial advisors used ETF's. Even today there are some firms and advisors who don't since ETF's do NOT pay them commissions! If you're in this boat find a different advisor....now.

If mutual fund companies forced you to write a check each quarter to cover their management fees and expenses you would likely never own one! Fees and expenses are ALWAYS a drag on performance.

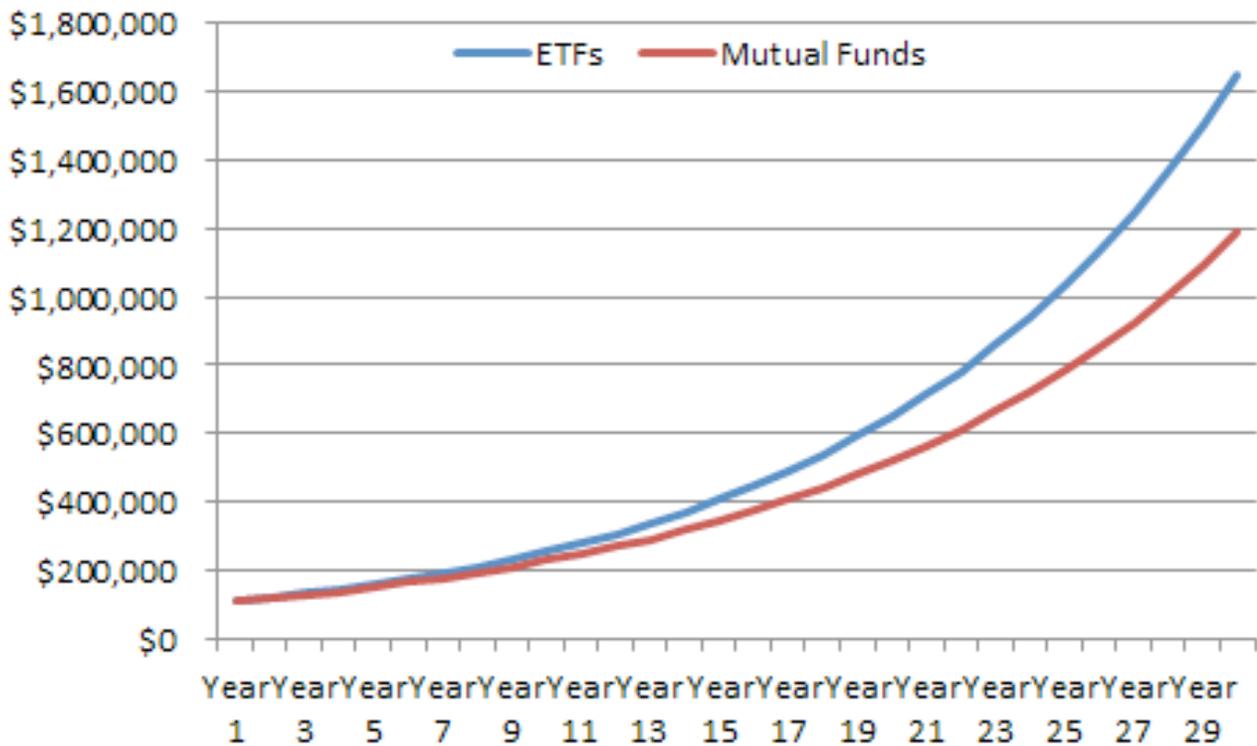
THE ETF EXPLOSION

Since the inception of the first (surviving) ETF in 1993, Standard & Poor's Depos

Number of ETFs by year



The chart below shows you what a \$100,000 portfolio looks like in an average mutual fund portfolio versus one made up of ETF's. Even if both performed the same (say 10% average/year), after about the 10 year mark there is a marked difference. After 30 years of investing in this scenario it would result in about a **\$400,000** difference...and that's simply due to useless fees and expenses!



News & Notes

2013 has been an exciting year at My Portfolio Guide! We've launched several new products and services to better serve our clients and continue the dynamic growth of the firm.

Below you will find some of the highlights:



Dear Mr. Market online Blog/Newsletter:

At the end of the first quarter we launched a new website to share our thoughts on current market and economic trends. The website is www.dearmrmarket.com, and is named after a character (Mr. Market) created by Benjamin Graham in his book, *The Intelligent Investor* (first published in 1949). Each post is written as a letter to "Mr. Market" and addresses questions & issues that are impacting the current markets. Sign up for free and follow the blog! Unlike any other investment blog around there is no soliciting or product pushing! You will automatically be alerted via email when new articles are published.

TPG – TOTAL PORTFOLIO GUIDE:

This new service is unique to the financial services industry as it offers proactive and professional management of company retirement plans. When was the last time you honestly looked at your 401(k)/403(b) and made adjustments to your allocation? Does your retirement plan compliment what you are doing with your other investment accounts? We offer this service to current clients at half of their current management fee and for new clients we only charge one half of a percent.



Strategic Alliance with The National Pancreatic Cancer Foundation (NPCF):

Giving back and helping out those who are struggling with this awful disease is something we take pride in as a company. For anyone that hires us through the NPCF we will donate a portion of our management fee to assist with finding a cure for this horrible disease.



Identity Theft Protection:

This is one of the fastest growing crimes today; the damages it causes can be devastating. We have formed a professional relationship with one of the leaders in identity protection - **ID Theft Assist**. The Consumer Federation of America (CFA) recently recognized their service as one of the top two programs available to consumers. Through our relationship we are able to offer their services at a discounted rate to our clients.



Financial Planning –

We are now working with a new software platform that is focused on providing proactive goals-based financial planning. We can assist with planning for retirement, education expenses, gifting or any other situation that impacts your financial life. With our cutting edge software we are able to capture pertinent data and analyze it real-time. Unlike most static financial plans this allows us to make proactive recommendations due to constant market changes and goal adjustments.



CALENDAR:

Call (888) 47-GUIDE or email info@myportfolioguide.com for details

April 2013

4/29/13 - **Five Star Wealth Manager Reception - Orange Coast Magazine**

Costa Mesa, CA

May 2013

5/5/13 - **Coach's Classic Softball Tournament**

Seal Beach, CA

5/13/13 - **Long Beach, CA***

5/14/13 - **Colorado Springs, CO***

June 2013

6/10/13 - **Betts Foundation Golf Tournament**

Littleton, CO

6/13/13 - **ASU Alumni- The Pacific Club**

Newport Beach, CA

6/15/13 - **Tough Mudder competition**

Beaver Creek, CO

*Private Appointments, RSVP

My Portfolio Guide wants to thank all those who attended our Dinner Event that we hosted this past quarter. With a full room of energized investors, we were able to enjoy an educational evening coupled with some great food! We also most recently enjoyed some time kicking off a new baseball season with Spring Training in Arizona.



Scottsdale, AZ

One announcement that we are extremely proud of is being recognized and awarded as a **Five Star Top Wealth Manager** by Orange Coast Magazine. Only 7% of the nation's best financial firms even qualify to be nominated.

Over the next couple months we will be traveling for private meetings.

To request a meeting call our toll-free number at **(888) 47-GUIDE**.

Lastly, let's wish our very own Matt Blake all the best as he tackles several extreme elements and obstacles in the "Tough Mudder" competition this June in Beaver Creek, CO!

