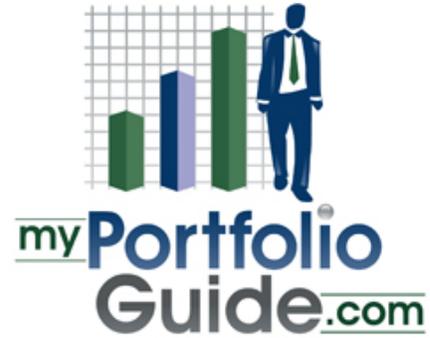


# the Guide



## INSIDE THIS ISSUE :

### IS YOUR PORTFOLIO BEING MANAGED BY A PRICEY “WALMART” FINANCIAL SERVICES FIRM?

Don't settle or get sold on big box and boilerplate offerings at high prices. Get customized advice at a great value...

### 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?

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Why you need to get your advisor to say the F word!

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Find out why Team MPG is so much more than just swimming, cycling, and running. Cheer on and support 10 athletes tackling an IRONMAN Triathlon in 2014 all for charity!



### “All Natural & 100% Organic”

Over the last decade consumers have gravitated towards and demanded products that feature these taglines. People often prove economists completely wrong by paying a higher price for products that are locally and naturally produced when a lower priced competitor is just down the street.

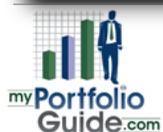
As the demand for organic products continue to grow, researchers are now asking if it's a love for these characteristics or a hate for the 'conventional' that is driving purchases. While consumers look for these higher quality options with their disposable income, the majority of them do the exact opposite when it comes to their savings, retirement funds and investments. They continue to do what they have always done and behave like creatures of habit.

“Insanity is doing the same things over and over again but expecting different results.” Consumers are willing to pay more for what they perceive as a superior product, however when it

comes to their finances the vast majority of investors pay too much for inferior products and services. Case in point – the average actively managed mutual fund charges in excess of 1.25% but nearly 80% of these funds underperform their benchmark!

At **My Portfolio Guide, LLC** we take pride in the fact that we are “100% Organic”, “All Natural” and “Locally Grown and Produced”! Our newsletters, daily social media posts (**Facebook**, **Twitter**, **Pinterest** etc) are all written by us and only us. Our online newsletter (**[www.DearMrMarket.com](http://www.DearMrMarket.com)**) has gained thousands of followers over the past year. We don't 'farm' out any of our correspondence or literature to marketing firms. What you read is grown and cooked up right here. If you are looking for how to improve your golf swing or find Aunt Mary's Apple Pie Recipe from your investment advisor's newsletter, we are not the firm for you!

We are committed to offering our clients a unique experience in the 'sea of sameness' that is the financial services industry. If you are not a client of My Portfolio Guide, LLC we encourage you to contact us and learn more about our firm and what makes us stand apart from the competition.



	YTD 2013	Month of September	Trailing 3 Months	2012	2011	2010	2009	2008
20 / 80	2.45%	1.45%	1.62%	6.57%	6.70%	8.25%	10.04%	-3.21%
40 / 60	6.78%	1.92%	2.61%	8.93%	5.55%	9.95%	14.14%	-11.65%
50 / 50	8.95%	2.14%	3.09%	10.11%	4.98%	10.80%	16.20%	-15.88%
60 / 40	11.12%	2.35%	3.54%	11.29%	4.40%	11.65%	18.25%	-20.10%
70 / 30	13.29%	2.56%	3.99%	12.47%	3.83%	12.51%	20.30%	-24.33%
80 / 20	15.46%	2.76%	4.42%	13.65%	3.26%	13.36%	22.36%	-28.55%
S&P 500	19.79%	3.14%	5.24%	16.00%	2.11%	15.06%	26.46%	-37.00%
Mid Cap	23.23%	5.21%	7.54%	17.88%	-1.73%	26.64%	37.38%	-36.23%
Small Cap	28.66%	6.23%	10.73%	16.33%	1.02%	26.31%	25.57%	-31.07%
MSCI EAFE	16.59%	7.42%	11.61%	17.90%	-11.73%	8.21%	32.46%	-43.06%
Emerging	-4.05%	6.53%	5.90%	18.63%	-18.17%	19.20%	79.02%	-53.18%
Bonds	-1.89%	0.95%	0.57%	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 24 developed International countries except for the US or Canada.**

The market has posted surprising numbers in 2013 with the S&P 500 delivering returns in excess of 20%. Recent data illustrates a stronger than expected economy but is it real? The Federal Reserve continues to pump \$85 billion dollars of stimulus each month into our economy which forces investors to face the dilemma of what to do now?

U.S. stocks have outperformed Europe over the past four years but we expect a change in market leadership. Domestic valuations are clearly not as attractive after such a strong run which is why we have increased exposure overseas. We also added more to Emerging Markets in August and will continue to do so on market dips.

While the stock market has been on an impressive run the same cannot be said for Fixed Income. The average aggregate bond fund is down over -4% for the year. Many investors are down much more as they have been chasing higher yields and taking on significant risk with the fixed income portion of their portfolios. We have cut back on the overall exposure and duration of bonds within our strategies. Our take on bonds: Never entirely abandon an asset class but look to alternative solutions to avoid a slow death with limited upside.

Many investors are looking for the market to have a correction of 10% or more in the coming months. The odds of this happening in 2014 have obviously increased since we haven't seen one in over two years! Expect a correction as we're long overdue but be prepared to do the opposite of what the herd does!

## EDUCATION CORNER

Get your financial advisor to use the **F** word!

### FI·DU·CI·AR·Y

**\DEFINITION\**: A person legally appointed and authorized to hold assets in trust for another person. The fiduciary manages the assets for the benefit of the other person, rather than for his or her own profit.\*

**\USAGE\**: A registered investment advisor, who is held to a "fiduciary standard," looks after the assets of another person on that person's behalf, is fully transparent, and required to disclose any potential conflicts of interest.

\*investopedia.com



### Fiduciary versus Suitability

Most people assume that the person they hire to manage their money always has the client's best interest in mind. That assumption (or hope) might especially be the case when you hire a financial advisor from a large national firm. Unfortunately the law only requires this for investment advisors that are fiduciaries and the majority of advisors at large financial institutions are not!

Investment advisors who operate under and follow the "Fiduciary Standard" are required by law to act solely in the best interest of the client and must also disclose any conflicts of interest to their clients.

The "Suitability Rule" states that a broker needs to believe that recommendations given are consistent with the interests of a client's financial needs and circumstances at that specific time. The rule does not set standards around conflicts

of interest or place your best interest in front of theirs or the firm they work for. This huge difference is why the suitability rule leaves room for conflicts of interest to arise between the advisor and the client.

### Who Wants a Lower Standard for their Money?

Brokerage and insurance firms are held to a lower "suitability standard".

Registered Investment Advisors (RIA) are legally obligated to place your interests first whereas a financial advisor employed by a brokerage or insurance firm is contractually obligated to sell their company's products and services in a "suitable" manner.

A simple example of this is when an advisor places you in a fund that meets the basic suitability standard however the fund pays them a higher fee than another available option.



## What is a Fiduciary?

They technically haven't broken any laws but there could easily be another investment choice that is less expensive and/or performs much better.

Wouldn't you want to be recommended or made aware of that option?

### Why is Merrill Lynch recommending Charles Schwab?

The CEO of Pepsi is also demanding that all of his employees and family now drink Coca-Cola. OK...enough sarcasm but hopefully you get the point!

Imagine walking into Wells Fargo Advisors and having your advisor suggest that you buy Exchange Traded Funds (ETFs) from Vanguard because they are the best and least expensive option. Do you think that advisor would still be employed there next week? Nope...

This type of transparency and nonconflicting investment advice is actually available! At My Portfolio Guide we custody the majority of our client assets at TD Ameritrade Institutional but we are proud to offer and recommend Vanguard ETFs. Not only are they the best in our opinion but we also offer most without a transaction fee or other expenses to our clients. None of the investments we use or recommend pay us a dime!

### Fee-Based or Fee-Only?

Most people are also completely unaware of the difference between a fee-based advisor and a

fee-only advisor. We won't dig too deep here but it's far more than just semantics!

Fee-only advisors have no inherent conflicts of interest and do not accept fees on products they sell. Fee-based advisors can charge both fees and commissions on their products and don't have to disclose how they are compensated.

### Get it in Writing!

Have you ever asked a salesperson a simple question and received a reply that was well delivered but still never really answered your concern? This situation typically occurs when asking a commissioned investment advisor about whether or not they are a fiduciary.

If you don't believe us try this on your own:

Go into your bank or large brokerage firm and ask if they have your best interest in mind. "Yes, of course...blah blah blah". Now, ask them to put in writing and sign the following sentence:

***" I am a fiduciary and have your best interests in front of my own. I never make more money by recommending certain investments or products over others."***

Let us know how this turns out! If there is any push back, hesitation, legal or management approval needed, you may indeed be working with a great person but one that is simply not able to provide you with a higher standard.

**DO YOU KNOW THE DIFFERENCE ?**

*“The majority of investors don’t understand what fiduciary means, nor do they realize brokers and investment advisers offer different levels of care.”*

*-Wall Street Journal*

**Advisor Model**

- Fiduciary
- Advice
- Transparency
- Registered Investment Advisor
- 3rd party custody
- Ethics

**Vs.**

**Broker Model**

- Suitability
- Transactions
- Disclosure
- Investment or Financial Advisor
- In-house custody
- Legality



**Bottom Line:** A Fiduciary Advisor represents your needs. A Suitability Broker represents products.

**Understand The Difference**

**54%** of investors believed both stockbrokers and independent RIAs have a responsibility to act in their best interests.\*

**74%** of investors did not understand the different obligations required of RIAs and stockbrokers. Unlike stockbrokers, RIAs have an obligation to act in an investor's best interests in all aspects of the financial relationship.\*

**79%** said they would rather work with an investment advisor if they knew advisors provided greater investor protection than stockbrokers.\*

\*2006 U.S. Investor Perception Study. Commissioned by TD AMERITRADE.

# News & Notes

My Portfolio Guide, LLC is proud to announce a new and exciting investment....

## Team My Portfolio Guide ... #TeamMPG

Over the past few years we have been avid supporters of our local communities and in particular youth sports. Along with several other charitable causes we wanted to do more than just write another check. A huge part of the culture of our firm is being active and getting our hands dirty.

My Portfolio Guide, LLC has decided to create and help sponsor a triathlon team focused on so much more than just swimming, cycling, and running. We have recruited a team of athletes all across the country (including one in Europe) to train and compete in an Ironman triathlon all for charities of their choice. Supporters can help an athlete with a donation as little as \$14.60 or \$140.60. Some of our larger corporate partners will be funding different charities ranging from \$1,460 up to \$14,600.

No...you're not seeing things, and yes.... there is indeed a pattern with the number 140.6. It amounts to the distance each athlete will race. An Ironman triathlon consists of completing a 2.4 mile swim, a 112 mile bike ride, and a 26.2 marathon run all in succession on the same day. (140.6 total miles)

For a very small investment your company could have its logo on here as we hit the roads!

By the way, here's a peek at our initial jersey design:



On November 17, 2013 we are kicking off this journey in Tempe, AZ where a core group of [#TeamMPG](#) athletes will be volunteering at Ironman Arizona. From that date on each of us will be swimming, biking, and running while trying to balance the rest of our lives! The sacrifices we make will become a very special story and at the end of it all a positive impact will be made in many lives from the funds and awareness that you help us raise.

With your help and support, whether it be financial or via good old fashioned word of mouth (and a [Facebook](#) share or two!), we will accomplish something amazing. Over the course of the next year you will learn about the personal stories, the ups & downs, and the very special causes that each of our amazing athletes are devoted to.

If you're interested in any of the specific charities we are supporting or how you and/or your company can help, please contact us directly at [info@myportfolioguide.com](mailto:info@myportfolioguide.com) or (888) 47-GUIDE.

**Thank you for your support!**





## CALENDAR:

### November 2013

11/15/13 - **MPG hosting the Beach Cities Business Group**

Seal Beach, CA

11/16/13 to 11/18/13-

**Team MPG Charity Kickoff!**

Ironman Arizona



Arizona State vs Oregon State

Tempe, AZ

### December 2013

12/7/13- **2013 Seal Beach Christmas Parade**

Seal Beach, CA



12/11/13 - **"Tax Harvesting"**

Colorado Springs, CO  
Los Angeles, CA

12/13/13 - **"Tax Harvesting"**

Fort Collins, CO  
Newport Beach, CA

Before you know it your friends, colleagues and neighbors will be wishing you a Happy New Year! The holidays are fast approaching and while for some industries that means things slow down, we're excited to let you know that it's a very busy time of year for us!

Over the next few weeks we will be hosting personal "Tax Harvesting Meetings" by appointment only. Even if we don't manage all of your assets, we can provide you a comprehensive evaluation of your taxable investments. "The right hand should always know what the left is doing".

As the year wraps up we also want to announce that our Denver office joined the Seal Beach office by receiving a very special

accolade. The Denver location has been recognized as a "5 Star Financial Advisory Firm". The Rocky Mountain Office is featured in the November issue of 5280 Magazine for the Denver Region.

With the growth and popularity of the firm this past year we are expanding into Wyoming, Idaho, and Montana in 2014. We will be dedicated to meeting with clients in these areas at least twice per year in person.

If you would like to schedule a meeting during one of our upcoming trips please contact us directly at (888) 47-GUIDE.

Enjoy a safe and happy holiday season!

