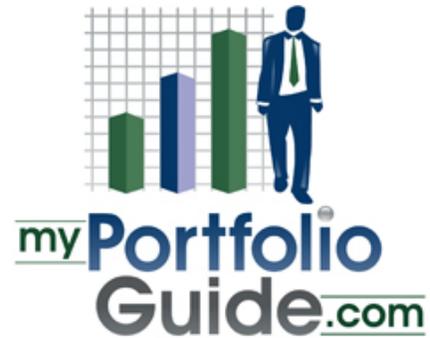


the Guide



INSIDE THIS ISSUE :

LEARN HOW TO LOWER YOUR FEES & EXPENSES BY 25% OR MORE...

You're aware of the magic of compound interest. Will it be enough to fight taxes and inflation? Guess what else is compounding in your portfolio?

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

Be the boss of your own investments! Learn about one of the only things you CAN control in your portfolio.

NEWS & NOTES CALENDAR

Meet *Team My Portfolio Guide!* Learn **why** each member of Team MPG is competing in an Ironman triathlon ...



Can you control inflation or the returns on your portfolio?

Given the chance to choose between two portfolios with the exact same risk profile, which would you select; Portfolio A that returns 6% or Portfolio B that returns 7%?

While the answer seems obvious to anyone reading this, why is it that so many investors don't make those same "lay-up" and intelligent choices when it comes to controlling things like fees and expenses?

Too many people spend far too much energy fretting about things they cannot control. Why devote more time than necessary to hunt for an extra 1% in dividend yield when what most people achieve in this exercise is either unintentionally increasing the underlying risk of their portfolio or sacrificing overall return?

The same can be said about worrying over projected rates of inflation. You'll never be able to control inflationary pressures. The primary job of the Federal Reserve is to try and control inflation and avoid recessions. How

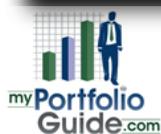
successful are the big brains behind that endeavor? OK...so move on and control what you can. Let's get back to our hypothetical "A versus B" Portfolios.

Assuming each portfolio starts at \$100,000, Portfolio B is beating Portfolio A by 1% and after 10 years that works out to be a difference of \$17,630. Over time the difference becomes even more of an eye-opener. After 20 years Portfolio B is now worth close to \$400,000 and Portfolio A just cracked \$300,000. The difference between the two is \$66,255.

If you are more of a visual learner, turn to page 5 of this newsletter. This graphic, along with the main point of our Education Corner discussion is that fees and expenses can be viewed like interest and dividends.

We all want higher returns and have a basic understanding of the power behind "compound interest". The luxury of time coupled with the magic of "interest on top of interest" can make you wealthy. Paying more in hidden and silent fees has the exact **opposite** effect. No matter how you slice it, fees are a drag on performance and in this issue we show you an easy way to mitigate that!





	Trailing 3 Months	YTD (as of 9/16/14)	2013	2012	2011	2010	2009	2008
20 / 80	1.19%	5.01%	4.86%	6.57%	6.70%	8.25%	10.04%	-3.21%
40 / 60	1.70%	6.42%	11.74%	8.93%	5.55%	9.95%	14.14%	-11.65%
50 / 50	2.04%	7.11%	15.18%	10.11%	4.98%	10.80%	16.20%	-15.88%
60 / 40	2.30%	7.80%	18.62%	11.29%	4.40%	11.65%	18.25%	-20.10%
70 / 30	2.68%	8.50%	22.06%	12.47%	3.83%	12.51%	20.30%	-24.33%
80 / 20	2.85%	9.19%	25.51%	13.65%	3.26%	13.36%	22.36%	-28.55%
S&P 500	2.93%	9.11%	32.39%	16.00%	2.11%	15.06%	26.46%	-37.00%
Mid Cap	2.54%	10.28%	33.50%	17.88%	-1.73%	26.64%	37.38%	-36.23%
Small Cap	-0.09%	5.75%	41.31%	16.33%	1.02%	26.31%	25.57%	-31.07%
MSCI EAFE	-1.93%	3.50%	23.29%	17.90%	-11.73%	8.21%	32.46%	-43.06%
Emerging	2.93%	12.41%	-2.27%	18.63%	-18.17%	19.20%	79.02%	-53.18%
Bonds	-0.07%	1.80%	-2.02%	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.

The U.S. stock market had a few stumbles in the second quarter but has continued its upward trajectory posting positive gains. Despite concerns from around the globe, equities have posted impressive returns. While all asset classes have moved higher there have been mixed returns when looking at specific economic sectors.

Large and Mid Cap stocks have outperformed Small Caps throughout the first half of the year. Both Growth and Value oriented stocks have done well, but neither is showing real leadership. When looking at the sectors of the S&P 500, Energy was by far the strongest posting returns that are nearly double of most of the other sectors. Other areas where we saw strength were: Utilities, Information Technology, Materials, Health Care and Consumer Staples. Financials was one of the few weak points in the market with returns just slightly positive. (this sector may soon be a hidden gem ...)

The Federal Reserve has been watched closely in 2014. Under the new leadership of Janet Yellen the Fed has been slowing down the quantitative easing program, forcing market speculation on when they will begin to increase short-term interest rates. While several analysts are calling for this to take place before the end of this year we expect it to begin mid 2015.

Corporate earnings are now fueling the continued bull market in equities; as long as they are positive we would expect to see moderate growth. Valuations appear to be reasonable on a historical basis but there are many stocks trading at significant multiples. We would encourage investors to give their portfolios an in-depth examination and consider locking in profits on stocks that have had tremendous returns over the last several years. Now is the time to look closely at allocations and make adjustments. This market is stubbornly avoiding a correction but before it comes we are increasing our portfolio models' exposure to Alternative Investments. They have a lower correlation to both stocks and bonds...and in our opinion that's exactly where you will want to be when we dip below 10% or more in the stock market.

EDUCATION CORNER

Investing isn't free but do you know what **you** should be paying for?

The financial services arena has changed dramatically over the years but many providers continue to fleece investors.

“Beware of little expenses; a small leak will sink a great ship.”

-Benjamin Franklin



What is the average fee?

For starters, a recent study showed that over 60% of investors don't fully understand how their advisor gets paid. Before you even begin trying to lower your costs you need to understand them.

We've written extensively on this topic before but you first need to understand if you're dealing with a fee-only advisor, a fee-based advisor, or a commission based advisor.



If you have an investment advisor, the industry average is just north of 1% based on assets under management. The problem behind this, however, is that there are other costs and expenses that you most likely don't see. For example: Does your advisor use mutual funds? If so, you can easily add in another 1.30% on top of that. That's basically where the average portfolio sits; somewhere in the range of

2% to 3% in stated and hidden fees. It gets worse if you have an advisor that uses any mutual funds with the dreaded "A shares" or even B and C shares. If you see them sweating or talking faster when trying to explain why certain types of shares (loads) are appropriate for you...you have an obvious red flag. If they're smooth about discussing why paying 5% is justified...run. (you're getting fleeced!)

“I don't pay anything”

The other extreme is the investor who thinks they're not paying anything. They do their own homework, look for the best no-load and transaction free mutual funds and simply let them do their thing. Voila! Easy as that...or is it?

First off, you're paying numerous expenses that would make you 'flip your top' if the mutual funds you owned were forced to send you an itemized invoice every quarter. This would absolutely implode the mutual fund industry! We hope that one day all funds will



have to mail invoices to clients instead of hide their fees and expenses that are buried 40 pages deep somewhere in a prospectus.

“The stock market is filled with individuals who know the price of everything but the value of nothing.” -Phillip Fisher

This quote actually applies to much more than just fees. In the manner that legendary investor Phillip Fisher meant, it referred to the fact that most people do their “research” by listening to popular opinion. The reality of people “following the herd” is that they do it religiously and often times without even knowing it. Most people hire an advisor from a referral and assume that the fee being charged is fair; the reality is that it’s usually *not* the case!

The idea is not to undercut anyone for the value that they provide; just be 100% certain that your advisor is actually improving your portfolio by at least 1% instead of charging you more and lining their pockets!

**“You Get What You Pay For”...
Uh...NO...you actually don’t!!**

The old adage of “you get what you pay for” makes many consumers feel good that they are putting hard earned money towards something that is perceived as being of high quality. In the wealth management and investment world...the exact opposite is typically true! It’s not that you should look for the cheapest advisor there is; it’s more like you need to NEVER pay more than 1% when you

consider all of your investment fees and expenses. A good advisor should add at least 1% of value to your portfolio and “financial house” over time. In other words, can they beat certain benchmarks by at least what they charge you or what you could do on your own? Going back to our “report card” that we post every quarter (on page 2), make sure that you or your advisor are beating at least one of the top six benchmarks we post. Are you?

Put your portfolio to the “25% test!”

The “bottom line” is exactly that...*your* bottom line! My Portfolio Guide, LLC has a bold but clear guarantee on what fees and expenses should amount to. We offer tremendous value compared to any investment manager in the industry and the best way to back that up is to prove it!

Whether you are a “do-it-yourselfer” or have a financial advisor, we can run your portfolio through our expense analyzer and basically give it an “X-ray”. We’ll show you exactly what you’re paying and go beyond just the obvious fees and expenses.

These costs obviously add up over time and we will show you what that looks like and if it can be improved to your benefit. We offer a simple promise to match or beat any advisor’s fees by 25% or more...and that is in YOUR “best interest”!

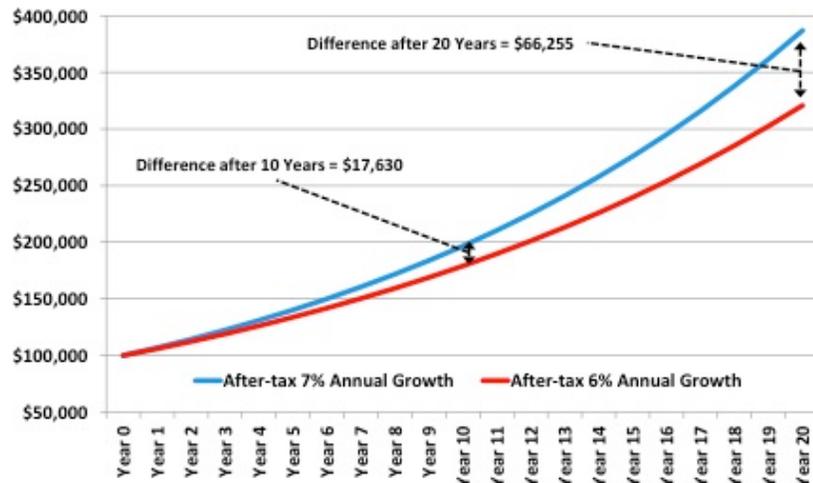


**OVER TIME
EXCESSIVE FEES
EAT AWAY AT YOUR
PORTFOLIO
RETURNS...**

What would happen if you could instantly lower the overall costs of your investments by 1% or possibly even more? Investors typically jump at the chance to get a 1% higher return but ironically they often fail to see how lowering their expenses by that same amount is like getting an instant “raise”...

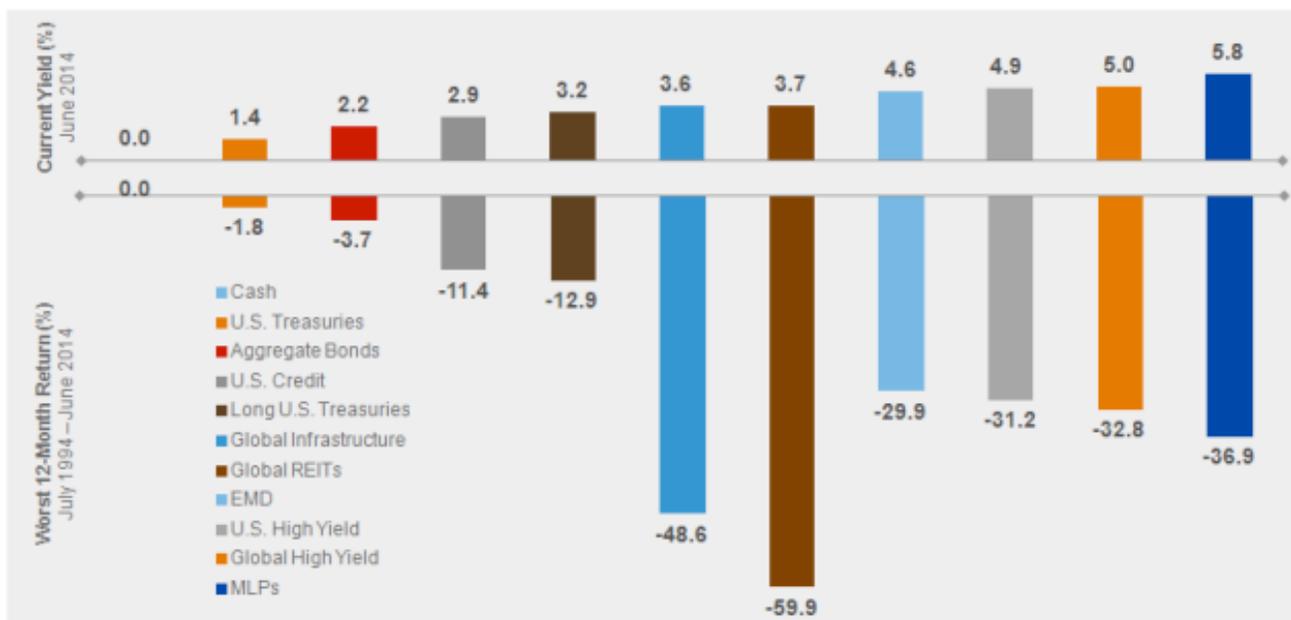


Hypothetical Growth of \$100,000 Portfolio



The chart below shows you how stretching your portfolio for just a little bit more yield can potentially hit you with massive downside. The top bar shows you what the current yield is and the bottom shows you what the worst one-year draw-down was over the past 20 years. For example: Trying to hunt for a yield increase of 50 basis points (0.50%) from the 3.2% in Long U.S. Treasuries to the 3.7% of Global REITs could prove disastrous (a potential draw-down difference of -47% between both of their respective worse case scenarios). The moral of the story is don't be a “yield hound” but rather focus on things that are more in your control.

CURRENT YIELD AND DOWNSIDE RISK



News & Notes: *Team MPG!*



Matthew Blake - Littleton, CO
PheoParaTroopers



Matthew Pixa - Seal Beach, CA
American Cancer Society



Jason Prince - Seal Beach, CA
Challenged Athletes Foundation



Mike Morgan - Santa Clarita, CA
Prader-Willi Syndrome



Phil Collard - Bristol, England
Honeybones.org



Steve Fong - Long Beach, CA
Adam Brown Legacy Fund

Meet the Team! Find out why each member of *Team MPG* is swimming 2.4 miles, biking 112 miles, and running a full 26.2 mile marathon all in one day!



Ken Dempster - Long Beach, CA
American Red Cross



Dane Morrissey - Huntington Beach, CA
Fallen Firefighters Foundation



Humberto Peraza - Chula Vista, CA
Camp Hope



CALENDAR:

September 2014

9/26/14 : “Sustainable Wealth & Playing Economic Defense”

Dinner Event : Guest speaker Axel Merk from MERK Funds

San Francisco, CO



Axel Merk- President and Chief Investment Officer of Merk Investments



October 2014

10/22/14 : “Senior Lunch & Learn” *Limited to first 10 who RSVP*

Hof’s Hut in Seal Beach, CA

10/29 /14 : “Taxes & Investing”

The Yard House in Denver, CO

November 2014

11/16/14 : IRONMAN Arizona

Team MPG in Tempe, AZ



Swimming 2.4 miles is hard; doing so with 2,500 others that are kicking and crawling all around you is even more difficult.

Cycling 112 miles is a challenge; doing so through the Arizona desert heat is even more so.

Running a marathon is an accomplishment; running one after completing all of the above in the same day...constitutes an Ironman triathlon.

You’ve briefly met *Team MPG* on the previous page but you may not know what the “fourth” event is for each of these athletes. This team was brought together to do more than complete the worlds most grueling athletic challenge. Each athlete has not only trained and will complete 140.6 miles on November 16th in Tempe, AZ...but they will also raise funds and awareness for nine different charities! No other

wealth manager has assembled a team like this with a broad mission of touching so many different lives. My Portfolio Guide is proud to announce that we’ve already raised thousands of dollars for these charities in just a few months. We would like to extend a huge **thank you** to our clients and friends of the firm that have donated! If you would like to learn more about any of the specific charities or see our donation website please call us at (888) 47-GUIDE.

Lastly, our dinner events have once again been extremely well received...perhaps too well! We’ve had to close our upcoming fall event and will schedule another educational dinner event in December. Call early to reserve a spot for the “Sustainable Wealth & Playing Economic Defense” event!

