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**SUMMERTIME FUN:
 LIVING CAN BE AS EASY AS IT SHOULD BE**

By Loren Kayfetz, President, CERTIFIED FINANCIAL PLANNER®

Knowing how to manage your finances for a fulfilling life is a difficult balancing act between the feelings you have now and the needs you have in the future. During times like these, it is difficult not to focus on current events and what they portend in the near term. In the midst of summer and all of the activities it offers, maybe we can take a few lessons from our pastimes and apply them year round. While you go about your daily routine, what is different this time of year is the length of the day, the warmth of the weather and the abundance of time we spend with family, friends, children and grand children, enjoying what summer has to offer. Many of us travel extensively, weekend adventures, road trips, and extended vacations. At a certain point, we stop worrying about each moment and become acclimatized to the experiences we are having.



Just like those times of leisure and reflection, money management for a life with less worry is done with the bucket approach. Approaching and into retirement, 5 years (or more, depending upon your risk tolerance, age and amount of assets) of income needs are invested very conservatively in money market funds, short term government bonds and/or short term tax free bonds with some global and corporate bonds mixed in. This money is used to provide a continuous stream of income (by systematically selling off a portion of it) month in and month out no matter whether the rest of the markets are flat or down. In years when markets are up, we tap those assets that have increased either substantially as a percentage of the whole or in amounts in excess of their historical expectations, sell some and replenish the first bucket. Variations on the second bucket for 5 – 10 years out include blue chip stocks, real estate investment trusts, balanced funds, utilities, and similar major investment groups. Finally, the third bucket contains investment in developing and third world markets, small and mid-cap stocks, commodities pools and other targeted assets for high returns over longer periods of time.

We systematically evaluate each portfolio for the proper mixture and make recommendations for adjustments as needed. Little attention is paid

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INTERNET SECURITY IN A DIGITAL AGE

By **Nicole Hanson, CERTIFIED FINANCIAL PLANNER®**

Online gaming, news, photo sharing, Facebook, it seems like all of our clients from age 5 to 85 are online. As we move towards being more “eco-friendly” with our quarterly reporting process by going paperless, I would like to outline some ways in which you can keep your information safe as you explore the internet.

Believe it or not, the Department of Homeland Security has a U.S. Computer Emergency Readiness Team (CERT) and they recommend protecting yourself by doing the following:

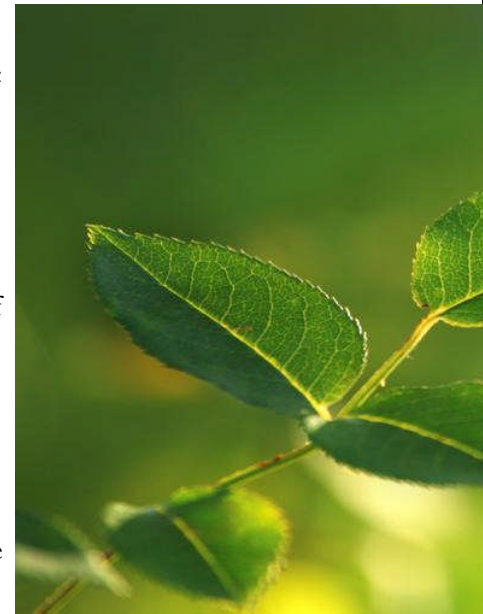
1. **Use and maintain anti-virus software and a firewall**—Install and keep your virus protection up to date. Avoid free downloads and instead purchase a reputable program. You can go to PCMagazine and PCWorld to get reviews and comparisons of the major brands out there. Renew your software subscription annually so that your protection is always up to date.
2. **Keep your other software up to date**—Install software patches so that attackers cannot take advantage of known problems or vulnerabilities. Many operating systems offer automatic updates.
3. **Evaluate your software's settings**—Apply the highest level of security available that still gives you the functionality you need.
4. **Uninstall software programs you aren't using** - In addition to consuming system resources, these programs may contain vulnerabilities that, if not patched, may allow an attacker to access your computer.
5. **Create separate user accounts on your computer**—Establish a login for yourself and one for guests which has a different level of access (i.e. allow guests to check their email and go to their favorite news site but prevent them from accessing your sensitive information and documents or downloading programs to your hard drive.)
6. **Use extra caution when using a public computer**—If you are at a library or other public computer make sure to log out of any websites you are using and delete browser history and cookies and do not allow websites to save passwords or any other inputs for you.
7. **Password Protect**—Most people use passwords that are based on personal information and but those passwords are very easy to hack. The strongest passwords use a combination of numbers, special characters, and both lowercase and capital letters. For example, instead of the password "hoops," use "H!TpbB" for "[I] [l]ike [T]o [p]lay [b]asket[b]all." Take it a step further to "H!l2pBb." by adding numbers and special characters

and you've made it that much more secure. Follow this example and take something that is meaningful to you and deconstruct it into something resembling gibberish that no one will ever guess. Have some fun with it!



Here is a review of tactics to use when choosing a password:

- Don't use passwords that are based on personal information that can be easily guessed.
- Avoid common phrases, famous quotations, and song lyrics
- Don't use words that can be found in any dictionary of any language.
- Develop a mnemonic for remembering complex passwords.
- Use both lowercase and capital letters.
- Use a combination of letters, numbers, and special characters.
- Do not limit yourself to the minimum number of characters (longer passwords are generally better)
- Use passphrases when you can.
- Use complicated security questions.
- Use different passwords on different systems.
- Do not write down your password nor share your password with anyone.
- Don't let programs “remember” your password—manually enter it each time you log in



These simple steps can make a huge difference in protecting your valuable information while you enjoy all that the world wide web has to offer!

MICHAEL HASENSTAB: WHY NOW IS THE TIME TO BE A CONTRARIAN

By Jeff Benjamin (*Article Published in Investment News, July 9, 2010*)

The sovereign-debt crisis in Europe has opened the door for contrarian investing in global fixed income, according to Michael Hasenstab, co-director of fixed income at the Franklin Templeton Fixed Income Group and manager of the \$30 billion Templeton Global Bond Fund Ticker:(TPINX).

“Sovereign credit risk is not uniform [around the globe], so in times of short-term panic, you can be a contrarian investor,” he said.

During May and June, for example, when sovereign-debt problems in Greece fueled a flight to quality and away from non-dollar-denominated credit, Mr. Hasenstab took the opportunity to increase his exposure to Asia.

“On a fundamental basis, Asia has stronger growth, higher interest rates and not the kind of indebtedness problems we’re seeing in

investors overly concentrated in U.S. fixed income.

For example, Mr. Hasenstab favors Russia, a country with a 10% debt-to-gross-domestic-product ratio, which compares with an 86% debt-to-GDP ratio in the United States.

“Ten years ago, we used to be concerned about [credit quality] in the emerging markets, but now it’s the developed markets that everyone is worried about,” he said.

In terms of the United States, Mr. Hasenstab said he doesn’t see a real threat of insolvency hitting home, despite a deficit now at \$1 trillion and growing.

But he does believe the U.S. debt-to-GDP ratio will reach 100% within the next few years, which will force yields higher on Treasury bonds.

“We don’t want to be exposed to U.S. Treasuries at this point,” he said.

This is the kind of strategy and exposure investors can expect from Mr. Hasenstab and his worldwide team of 40 contributing research analysts.

The fund invests across three main categories of global government fixed income: currencies, interest rates and sovereign credit.

While interest rates are holding near zero in the U.S., he is finding opportunities for rate exposure in places such as Brazil, Mexico and Indonesia, where long-term rates are higher, making the local Treasury bonds more attractive.

On the currency side, he has a positive outlook for the dollar versus the yen and the euro, “but I’m negative on the dollar versus almost everything else.”



Be Free

other parts of the world,” he said. “A lot of the problems facing the U.S. and Europe are not a problem in Asia.”

The fund is currently 40% allocated to Asia (excluding Japan), 15% allocated parts of Europe that are not on the euro currency, and on the other end of the portfolio, just 2% allocated to the U.S. credit market, mostly in the form of municipal bonds.

The fund has zero exposure to Portugal, Italy, Ireland, Greece or Spain, the debt-plagued Mediterranean countries that have been collectively dubbed the PIIGS.

The portfolio is naturally globally diversified because a lot of emerging markets are now in better shape than some developed countries, which should make the fund especially appealing to



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Summertime Fun (continued from pg. 1)

to today's market leaps or dives. Not only can we not time these, it makes little sense to try to chase the peaks and valleys. While portfolio values as a whole gain and shrink on a short term basis, over your accumulation and withdrawal lifetime, it is maintaining the ability to take an income that is more important than whether we can, in a foolhardy way, try to climb each peak and never look back.

Studies of human behavior are ripe with tales of the folly of trying to beat the odds and move into and out of markets. Just as your summer activities are designed to allow you to slow down and enjoy the essence of life, our management technique is designed to remove the guessing out of the accumulation and withdrawal process. I hope you will remember this as you go about your daily lives and recognize that as long as there is a free economy and free markets, there will always be cycles. While they can be difficult to deal with at the time, riding those cycles allows you to live your life and not try to micromanage, albeit unsuccessfully, the short term upheavals in the daily markets.

PERSONAL FINANCIAL HAS A BLOG!

We are excited to announce that Personal Financial has a new blog! Get all your client updates, thoughts about what's happening in the market, and general news and events of the happenings at Personal Financial by visiting our blog spot.

To view our blog, go to the PersonalFinancial.com website.

In the bottom left corner of the home page you will find a link to our blog. Enjoy updated news and events!



Be **Confident**

Wednesday, June 30, 2010
Reflections on Uncertain Times and the Certainty of Logic

Every day, new sets of issues pop into our consciousness and cause us, in many cases, to lose sight of logical progressions in life. The happiest moments for me come when I hear about the personal joys and family stories that people have in their lives. It is truly what I work for, and I would say the same holds true for the rest of our team, as well. Life does change unexpectedly, though, as "A Brother's prognosis puts life in focus" (<http://www.marketwatch.com/story/a-brothers-prognosis-puts-life-in-focus-2010-06-24>) illustrates. When we cannot maintain a reasonable balance between worry about now and worry about the future, our senses become flooded with dread or fear. Gold is high, but interest rates are low. Does that mean inflation or deflation? Debts are high, but consumers and governments seem to be coming to the conclusion that these issues must be dealt with. Real estate is going to recover or continue to drop for some time?

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