BUILDING AND PRESERVING WEALTH

INVESTMENTS | TAX | RETIREMENT | INSURANCE | ESTATE

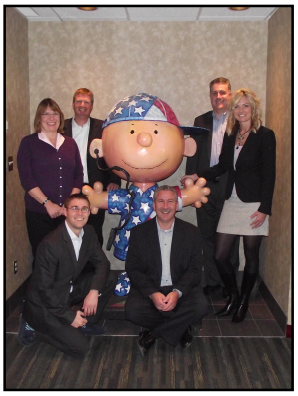
Quarterly Update
April 2016

If the Ghostbuster's are unavailable, who you gonna call?

Your Webb Financial Group Team!

Your advisors; Gary, Mike, Dave, Crystal, Les along with ParaPlanner Michelle and Financial Management Assistant Tim and Controller Kristi are well informed on your accounts and are prepared to help you with everything you need.

Life is always guiding us down different paths. Let our expertise & experience help you to develop a plan preparing you for different life events. Our experience in building comprehensive financial plans for college planning, estate planning, wealth management, senior services, and insurance needs will help you through all of your financial journeys. Give us a call or come in and meet with us.



We are always here for you!

Staying in the Game

Gary Webb *RFC®*

Investors tend to see short-term volatility as the enemy. Volatility may lead many investors to move money out of the market and "sit on the sidelines" until things "calm down." Although this approach may appear to solve one problem, it creates one big problem with several ramifications.

WHEN DO YOU GET BACK IN?

To have this work out well for you, you need to be correct on timing the market getting out and coming back in. According to JP Morgan Asset Management, over the past 25 years, just missing the 10 best days in the market would have resulted in a portfolio approximately half the size of a portfolio that stayed fully invested.

By going to the sidelines you may be missing a potential rebound. This is not historically unprecedented. In fact, the recent record setting decline in January continued into February. But then throughout March, the market recovered almost all that was lost in the previous two months. The S&P500 started the year at 2043. The recent decline ended on 2/11/16 with the S&P500 taking a deep breath at 1829 and turned around on a dime. As of last Friday (4/1/16), the S&P500 has risen to 2072, slightly above where it began the year.

Per Charles Schwab and Company, between 80% and 90% of the returns realized on stocks occur in less than 10% of trading days. So, if you're out of the market when stocks resume their march upward, your long-term returns may suffer significantly. By going to the sidelines you could be not only missing a potential rebound, but all the potential growth on that money going forward.

Nobel laureate William Sharpe found that market timers must be right an *incredible 82%* of the time just to *match* the returns realized by investors who stayed invested.

Bottom line: ***TIME*** is much more important than ***timing*** when it comes to long-term market success. I know it seems tempting to some – to get out of the market when the market is falling and to get back in when things get better. The problem is that you never know when things are better until stocks have already skyrocketed. Before you make any rash decisions, talk with your trusted advisor and review your plan. From there, decide if any action is indeed necessary. This will satisfy the natural desire to "do something", while keeping emotions in check.

Intra-Year Declines vs. Calendar Year Returns

Volatility is not a recent phenomenon. Each year, one can expect the market to experience a significant correction, which over the last three decades has averaged approximately 14%. Although past performance is no guarantee of future results, history has shown that those who chose to stay in the game were rewarded for their patience more often than not. When you get concerned about your portfolio or the markets, don't be afraid to contact your trusted advisor. It's the best thing you can do. We, acting as fiduciaries, are here to help you make wise decisions - that are in your best interest.

We are glad to have seen so many of you come by our new office space!

We invite you to set up an appointment with your advisor and have your review

952-837-3200

As the final touches fall into place, feel free at anytime to stop by and see us and the new office!

Attention Snowbirds:

Be sure to call or email us with your summer address so you are able to receive your mail during the summer months.

Webb Financial Group provides comprehensive wealth management solutions to individuals and businesses. For over thirty years, we have helped our clients achieve financial security.

Michael Bischoff, *CFP® & COO*
Gary Webb, *RFC® & CEO*
Dave Verbeke, *Financial Advisor*
Crystal Enderson, *Financial Advisor*
Leslie Webb, *Investment Advisor*
Michelle Brennan, *Registered Paraplanner, RP®*
Tim Greife, *Financial Management Assistant*
Kristi Mattiuz, *Controller*

ETFs reduce cost for your account

Dave Verbeke
Financial Advisor

Many of you have seen us transition some of your investments from mutual funds to exchange traded funds (ETFs). An ETF is similar to a mutual fund in the fact that both securities include baskets of individual stocks. The main difference is that ETFs are bought and sold on the stock exchange just like a stock throughout the trading day, where mutual funds trade only at the end of each trading day. The ETFs that we use in your account give us the advantage of investing in a certain part of the market at a very low cost compared to an actively managed mutual fund. ETFs mirror an index such as the S&P 500. Because they track the index instead of having an active manager directing the stocks to buy, the ETF operates at a lower cost which is passed on to you, the investor. Typically, the cost difference between a mutual fund and an ETF can be .50% to .75%. Lower costs mean more of your money stays working for you because it stays in your account.

What about performance? Shouldn't an active manager be able to beat the index? In some parts of the market the answer is yes. For most of the core positions like large cap growth or value, the market is highly efficient and mutual funds have a hard time beating the index. Morningstar has compared the difference between actively managed mutual funds and ETFs for core positions and found that ETFs out-perform 81% of active managers in one year. If you extend that time out to 5 years, ETFs out-perform 88% of active managers. With those statistics in mind, over the last two years, we've decided and added ETFs to our various portfolios. We will continue to use mutual funds in certain specialty areas where active managers have proven to be worth the extra cost. Overall this gives you similar performance at a lower cost and should lead to better long term results for your accounts. If you have more questions about ETFs please contact your Financial Advisor/Planner.

Cyber Crime Prevention

Gary Webb *RFC®*

We have all heard about Cyber Crime. It happens daily through the internet and email. It's where someone is accessing another's computer or network to steal confidential information for fraudulent use. It can include the distant theft of government or corporate secrets through criminal trespass into remote systems around the globe. It can also incorporate anything from downloading illegal music files to stealing millions of dollars from online bank accounts and even creating viruses on other computers or posting confidential business information on the Internet.

Some of the current methods cyber criminals are using to commit Cyber Crime include:

- **Phishing** (pop-ups and other ways) is used to harvest your credentials (login name and password).
- **Malware** - a malicious click on link that installs a program on your computer (harvesting information related to financial institutions).
- **Email takeover** - one of the most common strategies used by cyber criminals to access your data; According to a study by Breach Alarm, 4 out of 10 emails are compromised at any point in time.

Financial Institutions & banks have been increasingly spending money on implementing tools that help keep our financial accounts and confidential information safe and protected. Webb Financial uses several suggested cyber security prevention tools so we can do our part. This short article is our first attempt, asking for you to help - in fighting global cyber-fraud. There are things, we as individuals need to do as well. The link below is a resource with several cyber security prevention tips to help you keep your personal information safe, secure and.... **CONFIDENTIAL.** http://us.norton.com/cybercrime-prevention

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