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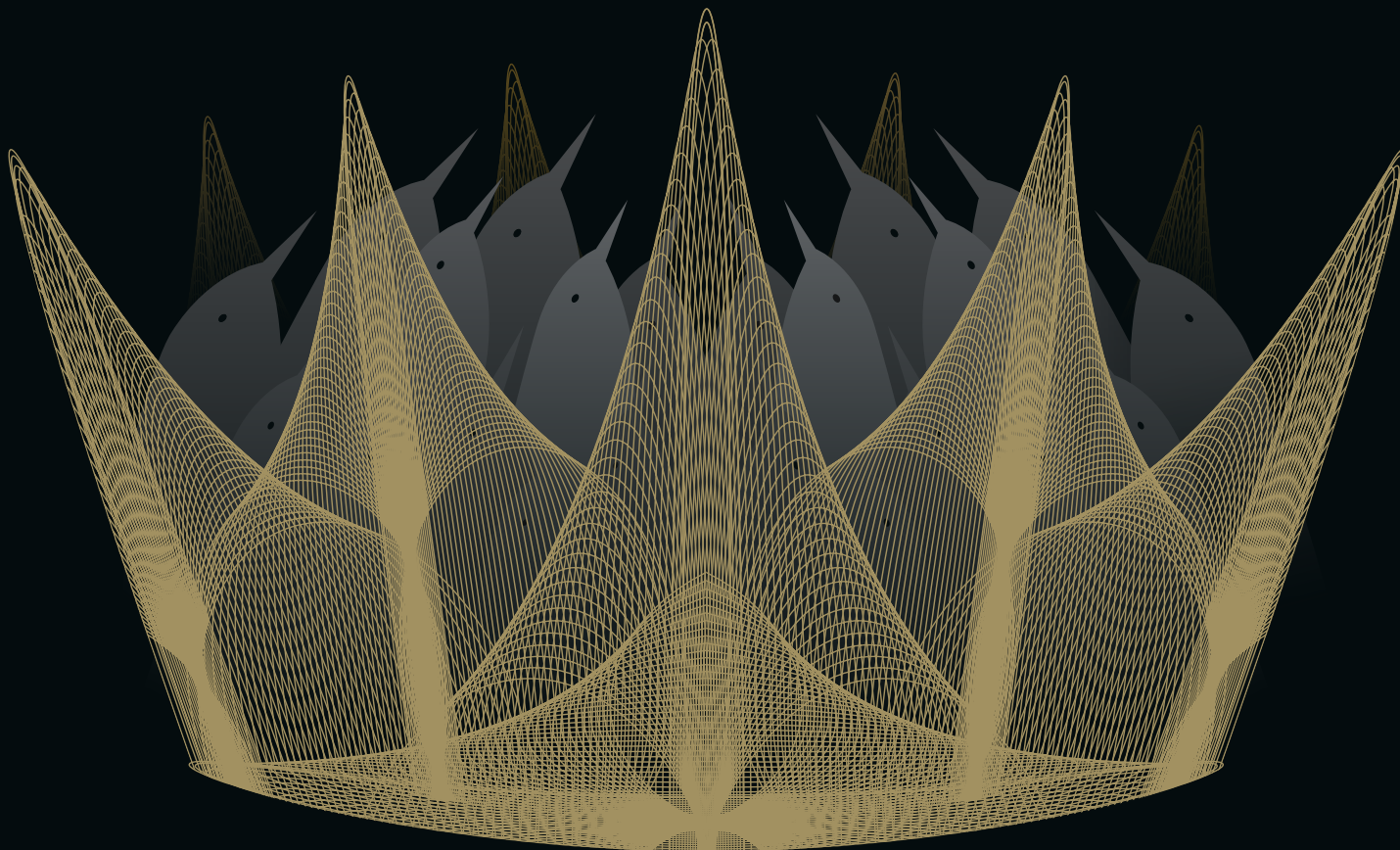
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San Francisco, CA | **Leading Wealth Advisor**

**Osborne Partners Capital Management**

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# “What should I be aware of in this investing environment?”

By Osborne Partners Capital Management

**Beware the sirens' call.** If you did not hear the sirens calling on March 30, then you will certainly start hearing them soon. Only these will not be the angelic, soft-voiced mavens of doom, calling sailors to their watery graves. These will be equity managers trying to entice you with their three-year performance numbers.

“In the last three years we have returned over 100 percent on our clients' investments,” is one lullaby you will hear. “Our investments have annualized at 25 percent,” another advisor will croon in your ear. Still another will whisper, “You have missed so much return in the last three years, are you certain you can afford to have so much exposure to other asset classes?” Their hope, of course, is to ignite your desire for “more.”

What you will not hear them say is, “Thank goodness we finally got our clients their money back.” You will not hear many of these equity firms remind you that your goal is to buy low and sell high, and that traditionally the best time to avoid increasing your equity exposure is

when broad market indexes are at or near all-time highs.

It is sad to say, but it is up to you, the investor, to stand your ground and hold firm. When you see the hot numbers and your eyes grow wide with anticipation for the riches sure to come, you must listen to that little voice inside that says, “I know I am not supposed to be doing this...”

**So what should you do?** Look the equity manager right in the eye and ask, “How did you perform in the year prior to this three-year time period?” When he or she blinks, your little voice will get stronger. With growing confidence, you can then ask politely, “May I see that in writing?” As the manager grows nervous, you can smile broadly and ask, “How many clients did you lose in 2008 and 2009?” And, “How did those clients perform when they were with you?” You can finish by asking, “How did you perform during your worst one-year period?” And add, “I would like to see it in writing.” Then, simply open your door and watch the manager leave. If you do not open it, he or she may run right into it.

**At this point, your little voice is back in control.** You know that selling low and buying high leads to failure and that following fear and greed does the same. Congratulations, you may actually have some success as an investor.

Now that you no longer have someone trying to talk you into something, take the time to reflect on your investment plan. Is your asset allocation right for you, given your current situation? Unless you have reviewed your plan in the last year or two, it could be time for a change. If you have an investment advisor, he or she should have been speaking to you about this on a regular basis. If not, there are many investment advisors who will, and you should find one of them, now. This is the most fundamental step to investment success.

When in doubt, listen to the advice of Benjamin Graham, the primary mentor of Warren Buffett, who said, **“The essence of investment management is the management of risks, not the management of returns.”** <sup>®</sup>

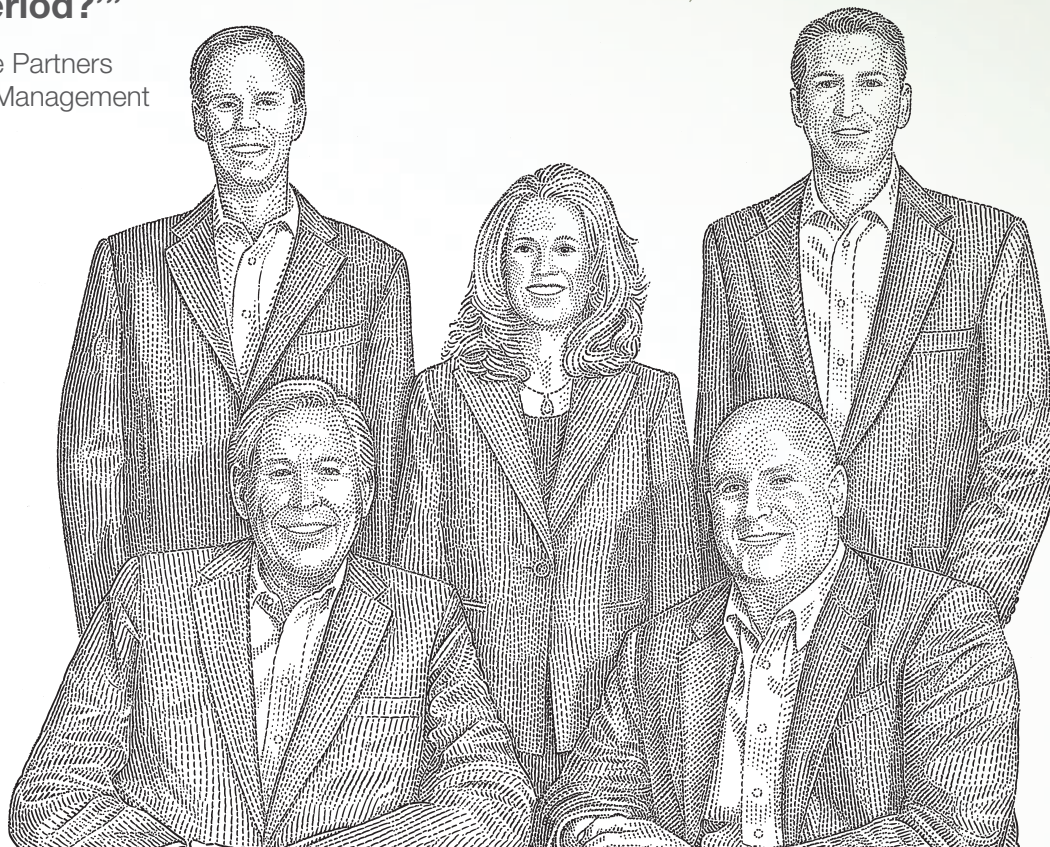
*Disclosure: Information expressed herein is strictly the opinion of OPCM. Information provided is for discussion purposes only and should not be deemed investment advice.*

**“Look the equity manager in the eye and ask, ‘How did you perform in the year prior to this three-year time period?’”**

—Osborne Partners  
Capital Management

### How to reach OPCM

We have offices in San Francisco and Silicon Valley. Please call Deglin F. Kenealy at 650.485.1835 or 800.397.5101 for further information.



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Justin W. McNichols

### About Osborne Partners Capital Management

Since 1937, Osborne Partners Capital Management (OPCM) and its predecessor firms have managed diverse portfolios for prominent families and institutions. Unique in its approach, OPCM invests portfolios over five primary asset classes: equities, fixed income, natural resources, real estate and alternatives. Its goal is to improve performance while reducing portfolio volatility and risk. Portfolios are managed in-house by a team of seven—each of whom possesses either a master’s degree and/or a CFA designation. OPCM customizes portfolios based on individual needs, risk-tolerance level and client goals. Each client receives an investment policy guideline detailing investment allocations. OPCM is proud to offer institutional management with a boutique approach to client service.

Assets Under Management  
**\$1.1 billion (as of 3/31/12)**

Minimum Asset Requirement  
**\$1 million (for planning and investment services)**

Minimum Fee for Initial Meeting  
**None required**

Largest Client Net Worth  
**\$50 million+**

Financial Services Experience  
**113 years (combined)**

Compensation Method  
**Asset-based fees**

Professional Services Provided  
**Planning, investment advisory and money management services**

Primary Custodian for Investor Assets  
**Charles Schwab, TD Ameritrade**

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