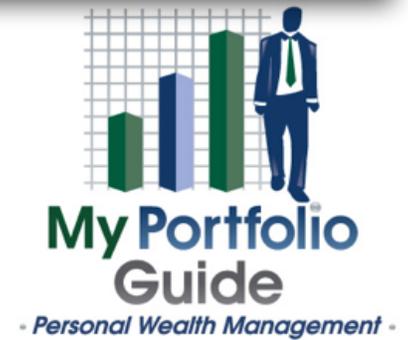


the Guide



INSIDE THIS ISSUE :

HAPPY NEW YEAR!!!

Nobody has a crystal ball but here's our take on the road ahead for 2022!

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

Numbers and statistics can lead you to all sorts of beliefs. In this section we attempt to illustrate that point as clearly as possible.

NEWS & NOTES CALENDAR

Covid-19 cancelled the biggest client event we had calendared in 2020 for what was to be our 10 Year Business Anniversary. Two years later we are rolling out an event that we think your brain will love and perhaps thank you for. [Reserve your spot today!](#)

The Year Ahead



This time of year is such that everyone who has a crystal ball gets to chime in and share how they see the road ahead. While that's a fun activity for some, we've always noticed that rarely does anyone go back and check to see how those predictions pan out. Let's get right to it...

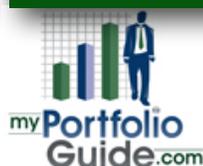
We think the stock market is due to see a -7% to -10% correction during the first part of the year and then rally to a record high. Our last newsletter indicated a target of 5,000 for the S&P 500 with an eye candy and psychologically pleasing 40,000 for the Dow Jones. It honestly doesn't matter how we get there but just be reassured that if you turned off your TV (and/or other screens) for a full year, we would bet that's where you'll see things end up.

Keep in mind that predicting corrections is the fun part but trying to avoid or sidestep them

is the futile part. Also remember that since 1950, on average the S&P 500 has sold off -10% or more for a total of 38 times (which is about every 1.84 years) The market also averages an annual intra-year drawdown of -14.3% from peak to trough. Read that again and really let it sink in.

Even on the very best years... you WILL see the market average a dip of about -14%. How you react to it (or don't) drives a lot on how you'll perform over time.

The real money is made in bear markets. While we don't see one coming this year, you can and will absolutely see a decent correction in the first part of the year. We of course could be wrong (and it's therefore not worth trying to find immediate shelter now), but make sure you take advantage of it and at that point "buy the dip". In our opinion, it will likely be one (if the not the last) "easy" opportunity to profit in the next year or so. The road from there is not only too far out to intelligently predict, but it's also one that has some obvious and much stronger headwinds that will be stubborn and long lasting. Read on and enjoy!



	2021	2020	2019	2018	2017	2016	2015	2014
20 / 80	2.26%	6.29%	8.88%	-3.90%	4.71%	3.89%	0.29%	7.58%
40 / 60	8.32%	8.13%	11.13%	-4.70%	8.44%	6.12%	-0.08%	9.44%
50 / 50	11.35%	9.02%	12.25%	-5.09%	10.31%	7.24%	-0.26%	10.38%
60 / 40	14.38%	9.90%	13.38%	-5.49%	12.17%	8.36%	-0.45%	11.31%
70 / 30	17.41%	10.76%	14.50%	-5.89%	14.04%	9.48%	-0.65%	12.24%
80 / 20	20.45%	11.60%	15.62%	-6.29%	15.90%	10.59%	-0.82%	13.18%
S&P 500	26.51%	15.26%	17.90%	-7.74%	20.37%	9.54%	1.38%	13.34%
Mid Cap	22.36%	11.39%	12.70%	-13.19%	18.37%	9.59%	-2.81%	15.39%
Small Cap	23.89%	9.65%	12.50%	-13.44%	15.51%	16.56%	-4.85%	8.14%
MSCI EAFE	7.12%	15.88%	6.90%	-14.82%	25.19%	1.77%	-12.67%	-4.08%
Emerging	-3.15%	9.88%	4.30%	-17.00%	30.52%	9.39%	-17.61%	1.02%
Bonds	-3.79%	4.59%	6.80%	-3.01%	0.68%	0.04%	-2.29%	3.23%

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.

Let's start off by stating the obvious...Bonds are dead money. That said, it doesn't mean they should not play a role in some portfolios. Although not listed in the grid above, we still favor gold for the first part of 2022. Inflation is no longer being labeled "transitory" but hopefully by now you don't need to hear from the government or a fancy economist to know how much more things cost. As we've said before, inflation is like your in-laws over the holidays (they came early and stayed longer than expected!). We literally hate typing the word 'crypto' but for all those who asked about it...If you loved it then, you most certainly better love it now that it's down -30% or more the past quarter.

Another shift and rotation taking place is the divergence between growth and value that's taking center stage right now. Also expect Small Caps (and Mid Caps to a lesser degree) to be the most volatile yet most rewarding by year-end. We are more weighted in Small Caps than we were last quarter. At the core of all this is of course our friend that doesn't want to leave (and never will)...Covid. By the time the ink dries here, there could be another variant so watch it rattle markets and then move along. The Fed will not allow the markets to get totally trashed for at least the next few quarters. After that...it's anyone's guess. Sentiment is a powerful force (both to the upside and downside) *None of this will feel right as it's happening* but watch by the tail end of the year and see where we end up. We'll be higher.

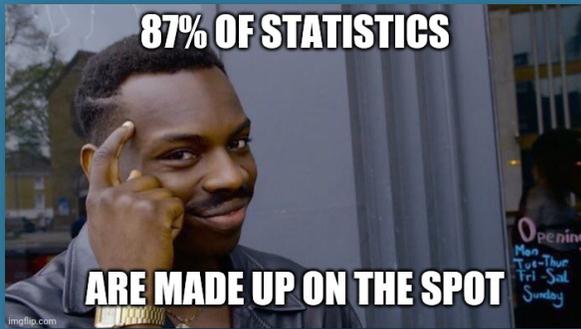
In the meantime... **"Stay disciplined to stay positive"** -

EDUCATION CORNER

Do Numbers Lie?

“Figures don’t lie, but liars do figure.”

-Mark Twain

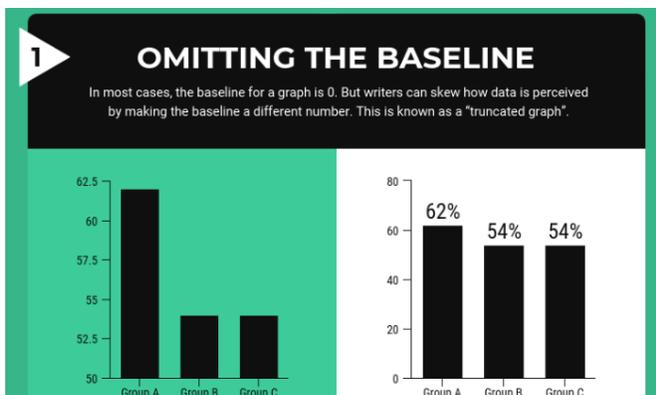


Top 5 Ways to Mislead your Eyes

Most of us are visual learners and the graphics at the media’s disposal nowadays can really paint a story like never before. That all being said, what happens when information is being presented that is not just slightly inaccurate but also flat out misleading to spin a false narrative? We also find great concern with this due to how fast information spreads now than it used to because of social media. Even if a story (statistic/graph) is later to be found wrong, it’s spread across millions of eyeballs forming opinions and possible reactions without ever being properly vetted.

#1 Omitting the Baseline

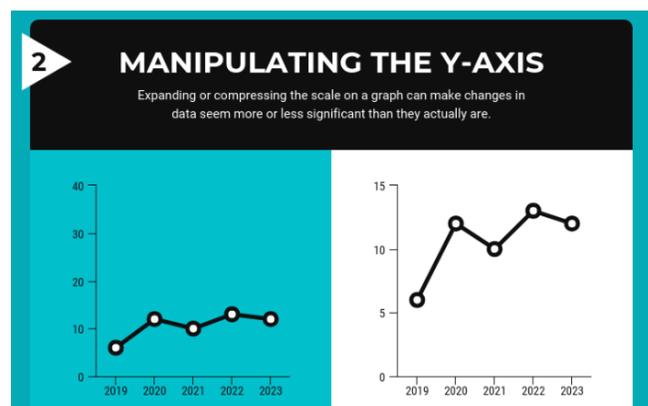
Our first offender is one of the most common



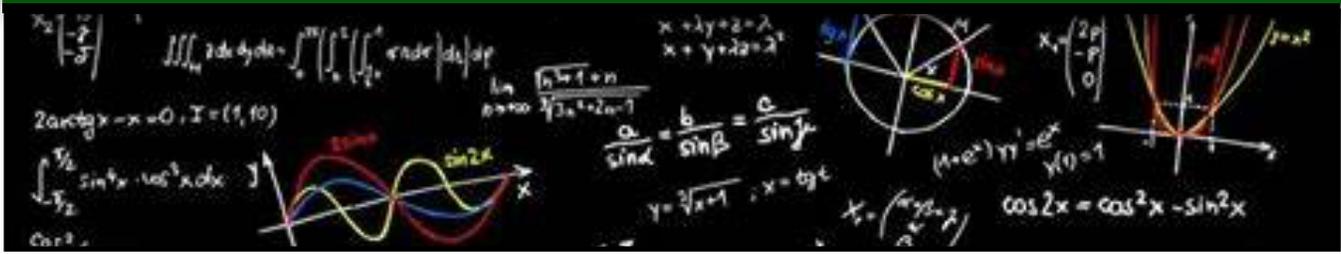
ways data is used to paint a false narrative. Skewing, or totally omitting the baseline (or axis) of a graph really distorts what you’re seeing.

#2 Manipulating the Y-Axis

Related to how important the axis of a graph is, graph manipulators can include it but then minimize or maximize it so much that it can totally negate the actual trend of something that

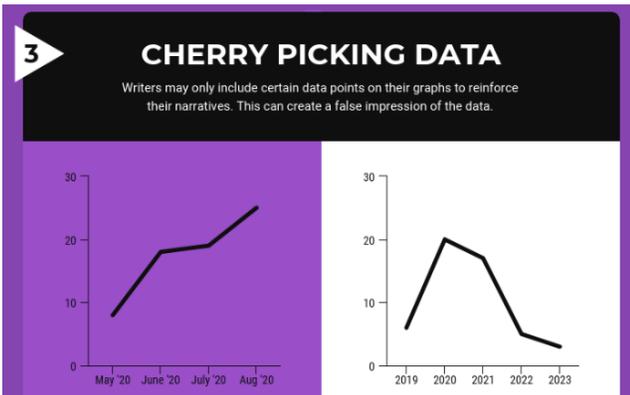


is occurring. This type of chart distortion is common amongst business graphics but is also one that’s used to paint a different story on things like global warming (whether one is trying to present it as alarming or not).



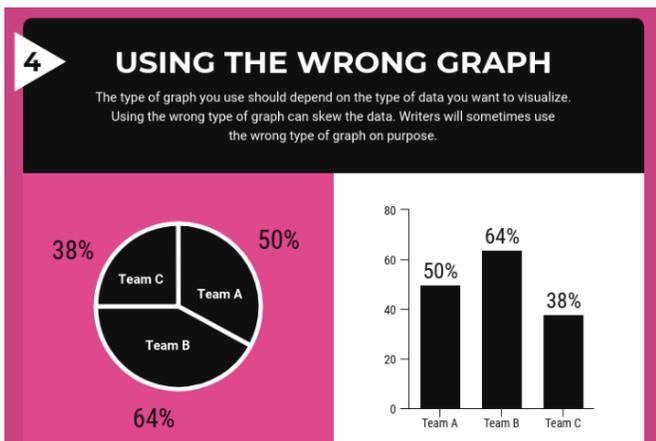
#3 Cherry Picking Data

One of the worst forms of graphic misrepresentations is cherry picking data. The reason for this, in our opinion, is because technically charts that cherry pick



are still often true. In finance you'll hardly ever catch these unless you're trying to dissect a chart or really understand it. They're commonly found in sales trends (or inflation, employment etc) and typically start at a purposely misleading low point (or vice versa) and then either leave off other time periods or conversely fill in more data points to make it seem valid.

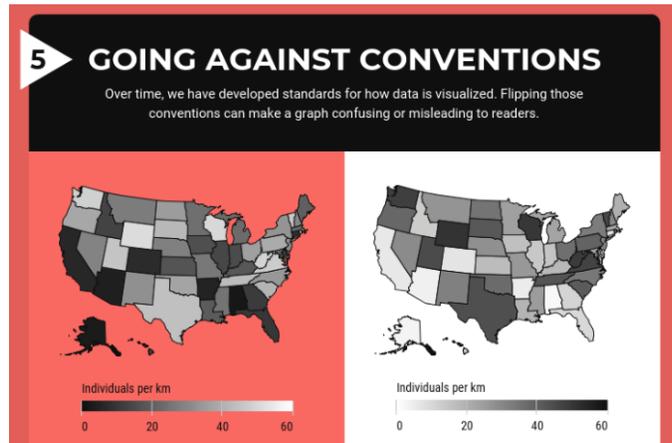
#4 Using the Wrong Graph



What's the difference between a pie chart and a histogram chart if we're sharing the same accurate numbers? Using the wrong type of graph is perhaps one error that may not always be intentional yet still fools your eyes into seeing something differently than it should. Again, this type of misrepresentation may not always be done with malintent but rather is often a function of ineptitude or trying to make things look cool and snazzy.

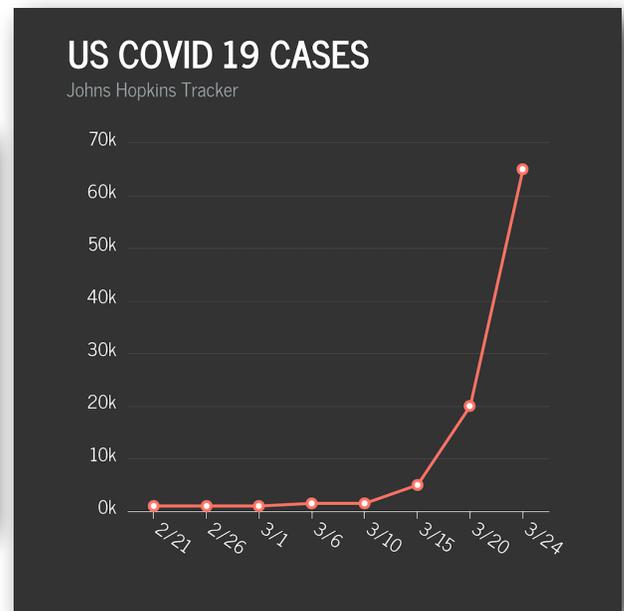
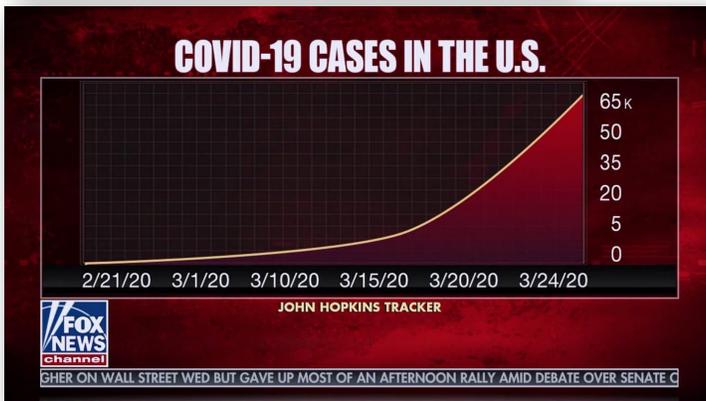
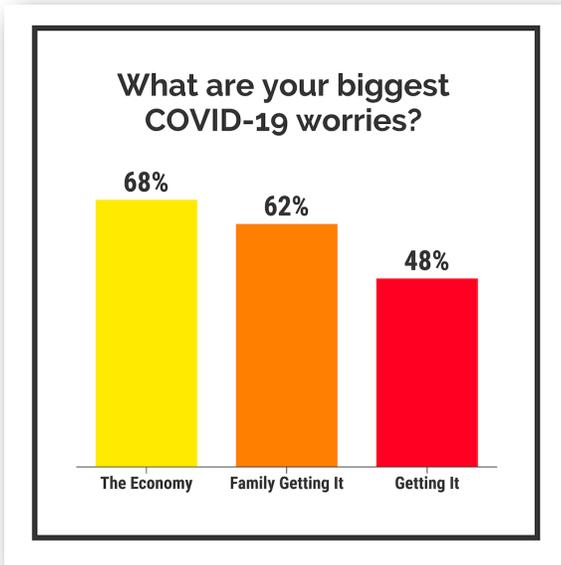
#5 Going Against Conventions

We don't have the space to review too many examples in a short 7 page newsletter but tricking your eyes by showing unusual colors or perhaps



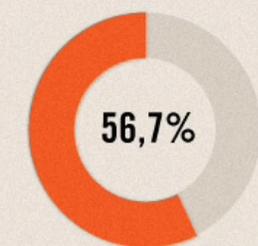
inverse shading (dark when it should be light and vice versa), can really distort the initial opinion of how your eyes are sending messages to your brain. We borrowed these charts from a graphic designer who helps create infographics. The temptation to twist data to make a case or skew an opinion is greater than it's ever been. Without trying to create division, it's no surprise how any topic turns political nowadays too but with people often being lazy and not checking data sources, pictures and visuals are easier for people to lie to you with. The following page shares some of this with a very current top of mind subject...

Same Exact Data yet Different Visual...

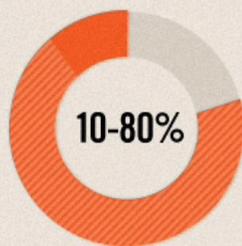


Also...one last thing on statistics in general:

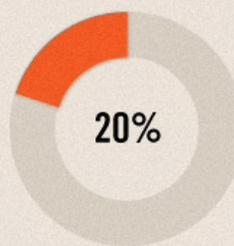
Statistics about statistics



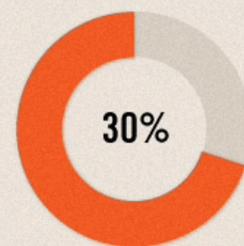
of all statistics have added an extra decimal, to seem more trustworthy.



of all statistics are more or less imprecise.



or about 1/4 of all statistics contain miscalculations



of all statistics are inconsistent

News & Notes:



Thank you Seal Beach!

Nobody we know sets out to do a job with a reward or certain accolade in mind; when they come however, it's icing on the cake. We are so humbled to have received an honor from our local business community.

Matthew Pixa, founder of My Portfolio Guide,

LLC, was

named **2021**

Business

Person of

the Year by

the Seal

B e a c h

Chamber of

Commerce.

"It truly is an

honor to be

n a m e d

B u s i n e s s

P e r s o n o f t h e

Y e a r," P i x a

w r o t e i n a n

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Seal Beach Sun Newspaper. "Over the years I've had opportunities to consider running my practice in other cities and am so grateful to have always called Seal Beach not only my home, but a perfect domicile for my business," Pixa wrote.

"This community and the Seal Beach Chamber of Commerce is unique so it's a true blessing to call this place home," "Receiving a community based award like this means the world to me and makes me want to continue doing my very best for all those I'm fortunate enough to be connected with. Thank you," Pixa wrote.



Dear Mr. Market

Another update we're happy to share with you is with regard to our investment blog, "Dear Mr. Market". If you haven't signed up for it, please consider doing so now.

Just input your email address on the home page at www.dearmrmarket.com where it says "follow" Dear Mr. Market.

Not only do we have thousands of eyeballs read our articles each month but we use this platform as a tool to let you know what to pay attention to and sometimes what to not pay attention to!

We're proud to announce that we had 48,350 readers this past year and for us that's something to take note of. The reason being... we do not promote, charge or receive any advertising money, and only write for the pure benefit of our readers. Unlike most other financial blogs there is no selling or axe to grind. If you find a typo we guarantee it's ours and not some regurgitated or cut and paste job by one of the large boiler plate / big box firms. We've been recognized as one of the top independent finance and investment blogs on multiple occasions and love sharing our own thoughts with you all!

As we always say, we "eat our own cooking" and hope you enjoy it too.





DR. MARC MILSTEIN

CALENDAR:

January 2022

1/13/22:

Networking Breakfast

O'Malley's on Main

Seal Beach, CA

February 2022

2/21/22 - 2/24/22

CFP Training

Crowne Plaza

Newark, NJ

March 2022

3/23/22: **SAVE THE DATE!!**

Dr. Marc Milstein

Zoom Presentation 1pm PST

La Jolla, CA



RSVP (562) 799-5595

During the early stages of the pandemic My Portfolio Guide, LLC had planned a rather elaborate client celebration marking our 10th year in business. For obvious reasons we opted against hosting a “super spreader” event and unfortunately had to cancel. Two years later we’re still wanting to not only thank our loyal clients and friends but have calendared an event that we believe you will truly enjoy and get something out of it as well.

We’re extremely excited to announce that we have secured Dr. Marc Milstein to present a truly unique event and you’re invited! Matthew Pixa will be hosting this virtual event via Zoom for a 45 minute presentation with Dr. Milstein. We will host a Q&A session immediately following the presentation. You are also welcome to invite friends or family members.

Dr. Marc Milstein has been quoted breaking down and analyzing the latest research in popular press such as USA Today, Huffington Post and

Weight Watchers Magazine. Dr. Milstein can also be seen on TV’s “Dr. Oz” show explaining



the latest scientific breakthroughs that improve our life. Dr. Milstein specializes in taking the leading science research on human health, productivity, and happiness and presents it in a way that entertains, educates and empowers his audience to live better. His lecture topics range from cutting-edge brain science topics such as sleep, memory, stress, and emotions to how our DNA and trillions of cells work in concert with our environment to determine our health.

As always, if you’re interested in connecting, please contact us directly on our office line at **(562)799-5595** to reserve a time to meet.

