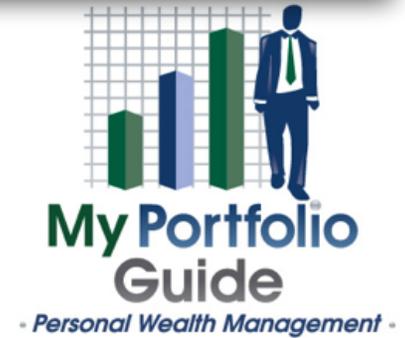


the Guide



INSIDE THIS ISSUE :

WHERE WILL YOU *NOT* SEE INFLATION?

Everything seems to cost more nowadays. We see it at the pump, grocery stores, etc. but let's not have that happen with your investments!

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

Tech stocks are having their worst year ever on record and the Dow Jones is off to its worst start since 1962. What should you do and own once a Recession is upon us?

NEWS & NOTES CALENDAR

Our signature Webinar event of the summer is coming up 7/15/22. Check out what's next on our calendar!

No Inflation Here



You read that correctly! Accuse us for a clickbait headline that is attempting to grab your eyeballs but there's in fact something that is not going to adjust for inflation.

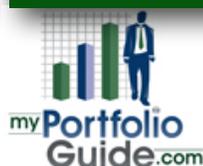
We're all consumers so you've certainly received notice with regard to one of your ongoing subscriptions which due to rising costs, or no fee increases over a number of years, there will be a minor adjustment upwards so you can enjoy enhanced service offerings.

As fans of riding the Peloton bike, for example, we saw a well positioned explanation that after eight years of \$39/month, the subscription would now be \$44/month. Five bucks can't hurt, and in most cases wouldn't be a showstopper for someone who spent over \$2,000 on a stationary bike anyway, right?

Put the pen to the paper and that tiny increase works out to be a hike of +12.82%. From the company or shareholder perspective it sure makes sense as Peloton has 2.49 million monthly subscribers so that's almost a cool \$150 million accretion to the bottom line.

So why isn't My Portfolio Guide, LLC joining the party and increasing our fees? Over 12 years ago we didn't set out to be the low cost provider or undercut the financial services marketplace; we simply decided to offer wealth management at a fair value. Yes, everyone has to make money somehow but it's our opinion that people are overcharged in this space and we can run a healthy business while staying true to our client's best interest. We charge on average 25% less than most financial advisors not because we're cheap; it's that they are overcharging.

Certainly many of our costs have gone up and a case could be made to offset those by passing them on to clients. We're by no means a non-profit organization, but to squeeze a few bucks out of loyal clients who we enjoy working with is simply not in the cards. Read on and enjoy!



	2022 YTD	2021	2020	2019	2018	2017	2016	2015
20 / 80	-12.83%	2.26%	6.29%	8.88%	-3.90%	4.71%	3.89%	0.29%
40 / 60	-14.83%	8.32%	8.13%	11.13%	-4.70%	8.44%	6.12%	-0.08%
50 / 50	-15.83%	11.35%	9.02%	12.25%	-5.09%	10.31%	7.24%	-0.26%
60 / 40	-16.82%	14.38%	9.90%	13.38%	-5.49%	12.17%	8.36%	-0.45%
70 / 30	-17.82%	17.41%	10.76%	14.50%	-5.89%	14.04%	9.48%	-0.65%
80 / 20	-18.82%	20.45%	11.60%	15.62%	-6.29%	15.90%	10.59%	-0.82%
S&P 500	-21.93%	26.51%	15.26%	17.90%	-7.74%	20.37%	9.54%	1.38%
Mid Cap	-20.56%	22.36%	11.39%	12.70%	-13.19%	18.37%	9.59%	-2.81%
Small Cap	-19.78%	23.89%	9.65%	12.50%	-13.44%	15.51%	16.56%	-4.85%
MSCI EAFE	-27.38%	7.12%	15.88%	6.90%	-14.82%	25.19%	1.77%	-12.67%
Emerging	-16.47%	-3.15%	9.88%	4.30%	-17.00%	30.52%	9.39%	-17.61%
Bonds	-10.83%	-3.79%	4.59%	6.80%	-3.01%	0.68%	0.04%	-2.29%

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 path of least resistance with the stock market may still be lower in the near-term but our assessment of the relentless drawdown which began at the start of this year is likely about half way done. This does not imply that we are half way towards dropping another -20% in the market but rather we're already in bear market territory and never once in history has there been a clear signal that tells people when the dust has settled. We're getting close to a bottom...

What's very likely to happen throughout the remainder of the summer months is some form of bottoming out process. As brutal as this market has proven to be we have yet to see true capitulation where a large swathe of investors throw in the towel. In many senses the bear market has been one driven by negative sentiment as opposed to a single event or Black Swan type scenario. What makes this a more challenging environment than many others in times past is the fact that there has been no safe place of respite. Historically it's been Bonds that sheltered investors from an overheated equity market but with them being down -11% YTD this is indeed uncharted territory.

Market corrections are typically V-shaped and swift thereby negating wishful thinking that they can be smartly timed. In this edition of *the Guide* we go into what a recessionary environment will look like and how bear market rallies coupled with bounces create emotional head fakes. We also dig into asset classes that actually are poised to outperform relative to the market; namely Gold and Commodities. Lastly, we cover how to manage for **stagflation** which for many investors this will be their first time navigating these new waters. In the meantime...

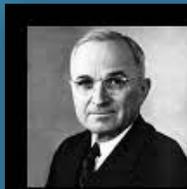
"Stay disciplined to stay positive" -MPG

EDUCATION CORNER

Onset of a Recession

“Fear, greed, and hope have destroyed more portfolio value than any recession or depression we have ever been through.”

-James O’Shaughnessy



It’s a recession when your neighbor loses his job; it’s a depression when you lose yours.

Harry S. Truman



Politics as usual...

Our job is not to opine on political preferences but in this day and age it’s impossible to not have a bias one way or the other. Speaking of such, the above quote from former President Truman was modified by Ronald Reagan. Throughout much of his career, Reagan used humor to take the edge off of some serious issues and often did so with jabs at his political opponents to get his message across. With regard to the Truman recession quote, Reagan made it his own by expanding it to “It’s a recession when your neighbor loses his job. Depression is when you lose yours. And recovery is when Jimmy Carter loses his.”

In 1849 the French writer Jean-Baptiste Alphonse Karr wrote, “*plus ca change, plus c’est la meme chose*” -The more things change the more the stay the same. We live in a time of division where each side will naturally want to find the scapegoat or cause for any current malaise. Democrats will point out the cringe factor or unpresidential image that Trump portrayed and Republicans see a dumpster fire of policy error and communication gaffes.

As tempting as it is to blame whoever is in office, it goes father than that. Sure, Presidents

attempt to deflect the blame but then take too much credit for the markets going up on their watch too. Red or blue, donkey or elephant... this too shall continue. We as investors and citizens have ample things to complain about as well as hopefully celebrate. Once the summer doldrums and upcoming earnings season kicks off we’ll have more banter with the midterm elections. (more on this later but we’ll also dive into this on our July webinar, so tune in!)

Recession talk

Just like in Las Vegas there are odds on everything if one is inclined to bet them. The current odds of a recession for the U.S. economy are at 85% per the last reading. We’ve already seen one quarter of negative GDP growth so it’s all eyes on the upcoming one to see if we indeed score another negative number to officially call this a recession.

We personally believe that a strong part of the market sell-off is firmly baking into the cake with the odds of a recession occurring earlier than expected. One economist we follow closely does not believe we’re going to see a recession this year with the odds being closer to 50% but we’re not sold on this level of optimism thus far.



Some of this comes down to optics and officially declaring a recession is one nobody wants to defend or later have to sugarcoat. Recessions have real consequences so obviously the party in power typically loses big and a political tidal wave would ensue if it should occur prior to the midterm elections. If we get one, whether it's indeed in 2022 or late 2023, the real thing to differentiate is that it most likely won't look like the ones we most remember. Without a doubt economic pain will be had however don't be too quick to think it will look like 2008, 2001, or 1990. What's more likely is a period unfamiliar to most reading this now and that is one of stagflation.

What is Stagflation?

Stagflation is a period when slow economic growth and joblessness coincide with inflation. If this were a three legged stool we have two of the legs firmly in place to see that environment materialize. Recessions are actually a very normal part of the economic cycle and don't typically last all that long. Stagflation, however, is a typically prolonged period of these factors and can leave a much deeper mark on our economy and confidence. Stagflation as seen in the 1970s, was damaging enough to have created what is now referred to and calculated as the "Misery Index".

The one saving grace from perhaps averting this harsh economic phenomena is unemployment. As we come off the heels of a forced lockdown employment is actually the silver lining we can hold on to for now. The Fed has a tough job now in taming inflation with the balance of not destroying employment. There are some things that can help your portfolio through this tough time...

Bear Market Ideas to Implement

Within every bear market exists an opportunity and a bull market somewhere. Here's our summary of where to be invested in across areas of your portfolio:

1. Gold

Are you sick of us writing about this? (not if you own gold you're not!). As we've covered for the better part of 18 months we remain firmly in the camp of owning gold as a primary way to hedge against market volatility and inflation. It too will pull back at times but still has plenty of tailwinds to continue owning.

2. Commodities

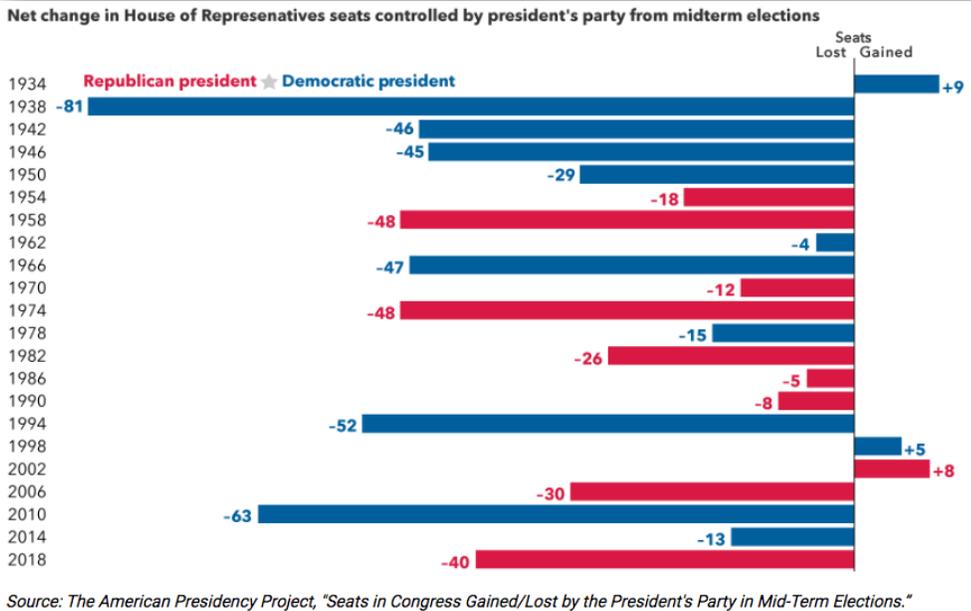
This asset class was left for dead and now becomes the only solace for something in this market that not only has weathered the storm but in our opinion has plenty more upside in an inflationary environment. Higher oil prices ultimately equate to higher food prices. Investing in commodities on their own is a risky trade but done within a diversified bucket of resources in high demand, it bodes well for those that have proper exposure.

3. Oil stocks (& solid blue chip dividends)

With a transition from the clean energy agenda and stocks that now look like a flash in the pan the one irony is that oil and gas margins continue to widen. This trend is not over and many oil stocks offer decent valuations along with strong dividends. (read about more ideas on page 6)

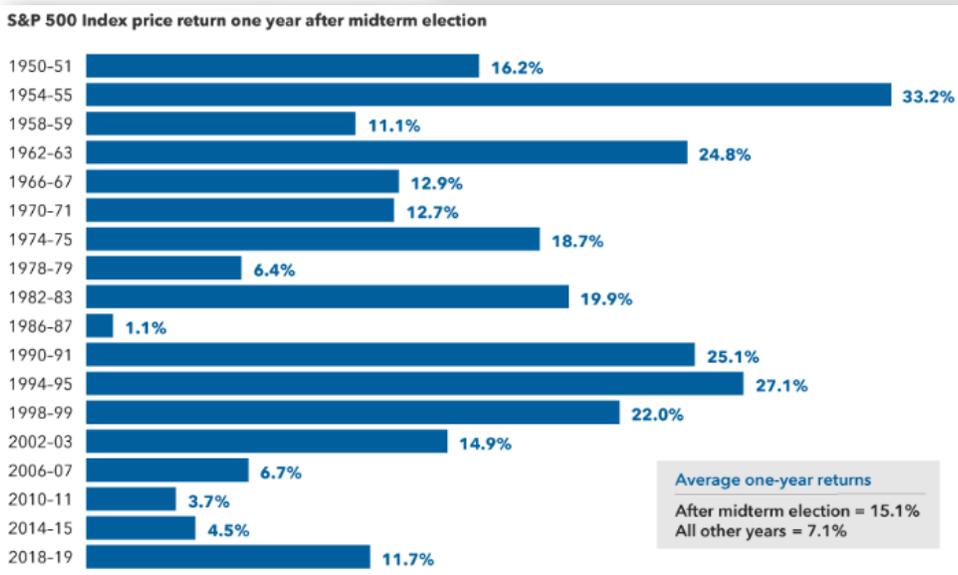
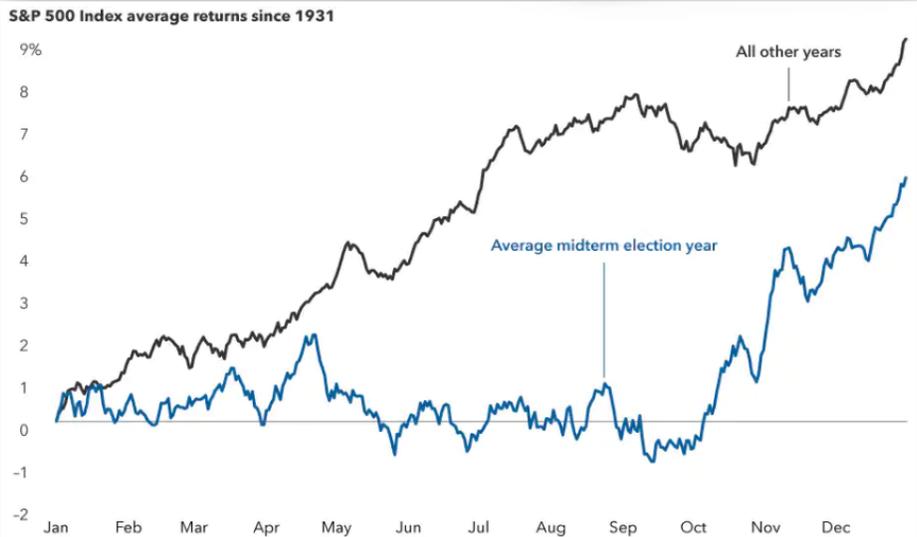
4. Financials

High flying tech stocks or garbage companies with no earnings have been exposed. As the saying goes "once the tide goes out you can see who's naked." Several quality stocks (in more resilient sectors) have all been beaten up and thrown out with the bathwater. Aside from some financial stocks look to hold consumer staples and some healthcare.



It's normal to see the President's party lose ground in Congress after midterm elections. On average over the past 22 midterms it's been about 28 seats lost in the House of Representatives and four in the Senate. What could bode well for the markets is actually a divided Congress where one party controls the Senate and the other the House.

Could we see a year-end rally? Everything seems so dire right now that it's natural to fall into the trap of recency bias or think that "this time will be different". While we usually don't give too much credence to stock market seasonality, a strong case can be made that there will be a reversion to the mean. So much of the bad news is thoroughly being accounted for, so a year-end run isn't out of the picture at all.



Can you find the one period in history where the market did not go positive after midterm elections? We can't see it either... Since 1950 the markets have averaged +15% the year following a midterm election. Who knows how this cycle will pan out but that return is more than double the performance of all other years.

News & Notes:



Top 10 Dividend Growth Portfolio

Famous investor Peter Lynch made a name for himself during the late 1970s and early 1980s by focusing on companies that were growing their dividends. Per one of the central themes in this edition of *the Guide*, we're sharing ways to combat inflation (perhaps even stagflation) along with a dismal interest rate environment that has damaged stocks yet provided negative returns in bonds. Consider building a dividend growth portfolio; particularly well suited for your IRA. My Portfolio Guide, LLC now offers our "Top 10 Dividend Growth Portfolio" that one can own outright or as a sleeve within an existing portfolio. Even if we don't see levels of stagflation as we did in the 1970s, investing in strong blue chip dividend yielding stocks can make a lot of cents (pun intended!).

My Portfolio Guide, LLC offers an actively managed portfolio which monitors 10 stocks poised to grow and reinvests the dividends for long-term appreciation.

The Clorox Company (CLX)

Current price \$139.54
52 week range \$120 to \$191
Dividend Yield 3.69%

3M Company (MMM)

Current price \$129.77
52 week range \$128 to \$203
Dividend Yield 4.57%

UBS Group (UBS)

Current price \$16.37
52 week range \$14 to \$21
Dividend Yield 3.18%

Ryder System Inc. (R)

Current price \$70.49
52 week range \$61 to \$93
Dividend Yield 3.30%

Vodafone Group (VOD)

Current price \$15.44
52 week range \$14 to \$19
Dividend Yield 6.02%

Ford Motor Company (F)

Current price \$11.52
52 week range \$10 to \$25
Dividend Yield 3.56%

Energy Transfer (ET)

Current price \$10.18
52 week range \$7 to \$12
Dividend Yield 7.71%

W.P. Carey Inc. REIT (WPC)

Current price \$83.95
52 week range \$73 to \$87
Dividend Yield 5.05%

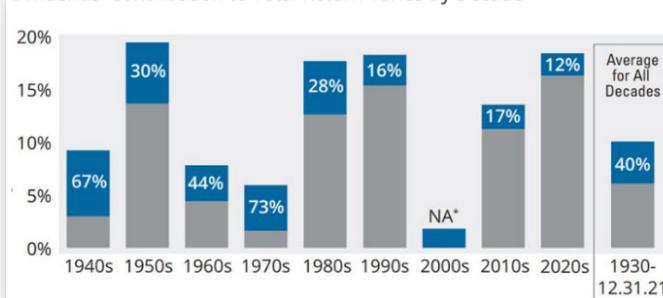
Altria Group (MO)

Current price \$41.76
52 week range \$41 to \$57
Dividend Yield 8.34%

ConocoPhillips (COP)

Current price \$91.46
52 week range \$51 to \$124
Dividend Yield 1.93%

Dividends' Contribution to Total Return Varies By Decade



We're leaving a few decades where growth was king. Growth is hurting now and we're not saying it's dead but rather a shift is firmly reverting to past environments where dividends as a percentage of total returns are making a comeback. This portfolio is not designed to be a "pick and choose" menu but one where we ideally hold long-term yet periodically replace holdings. Obviously "past performance does not guarantee future results" but YTD the My Portfolio Guide, LLC Top 10 Dividend Growth Portfolio is up +2.9% (not including dividends) versus the S&P 500 being down about -22%.



Events Calendar

CALENDAR:

July 2022

7/15/22 @ 1pm PST

Economic & Inflation Update

Webinar Event - Axel Merk

Seal Beach & Palo Alto , CA



My Portfolio Guide, LLC presents special guest and economic expert Axel Merk.

Email or call with your RSVP as spots will fill up quickly.

Topics along with Q&A:

- Inflation & portfolio strategy
- Tight monetary policy
- The U.S. Consumer
- Geopolitical landscape
- Upcoming midterm elections

RSVP (562) 799-5595

Our last client webinar event was extremely well received and it's with this that we stress how important our next one will be and why you won't want to miss it!

On July 15, 2022 at 1pm PST Matt Pixa from My Portfolio Guide, LLC will host and conduct an in depth interview with Chief Investment Officer, Axel Merk from Merk Investments.

Axel and Matt first met each other almost 15 years ago as panelists at an alternative investments conference in Denver, CO. Over the years they have stayed connected and formed a professional relationship.

While technically being competitors in the investment advisory field, we're proud to join forces in presenting this special event and educational webinar.

Axel Merk is a sought after speaker, author, and an expert on global macroeconomic trends. Axel originally hails from Germany and founded Merk Investments in



Switzerland back in 1994. Since then he has headquartered his firm in Palo Alto, CA.

Along with several business synergies between the two firms we share a strong belief and investment philosophy that is not commonly found in an environment that deserves unique thinking, strategy, and insight.

This webinar will prove to be a no nonsense presentation that centers around educating you on how your portfolio needs to be allocated for what the stock market has never seen before.

We look forward to having you join us!

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.

