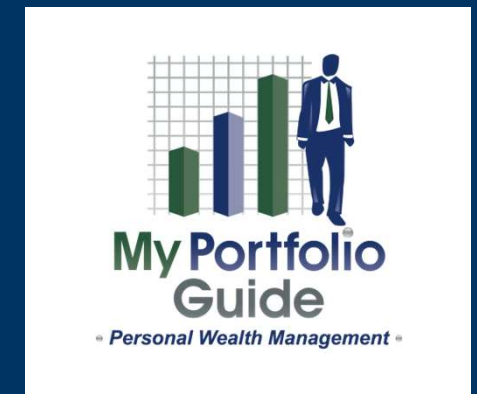


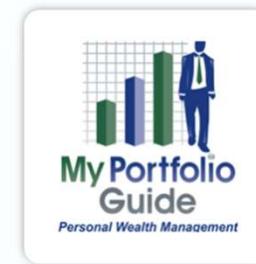
“It’s Your Money”

Investment World

My Portfolio Guide, LLC - April 24, 2024



Introduction & Background



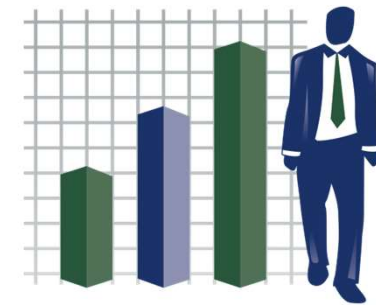
B.A. Economics, CSULB

MBA, Arizona State University, W.P Carey School of Business

PFP, UCLA

Registered Investment Advisor, My Portfolio Guide, LLC

Your Next Puzzle Piece?



My Portfolio Guide

• Personal Wealth Management •

Best Economic Joke Ever ?!

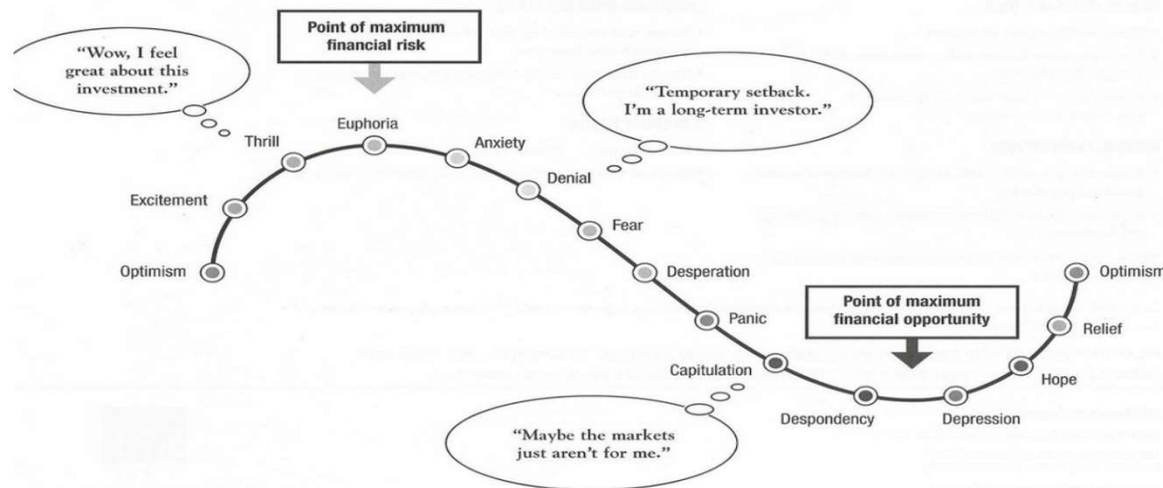
All-time favorite economic joke...



Emotional Roller Coasters

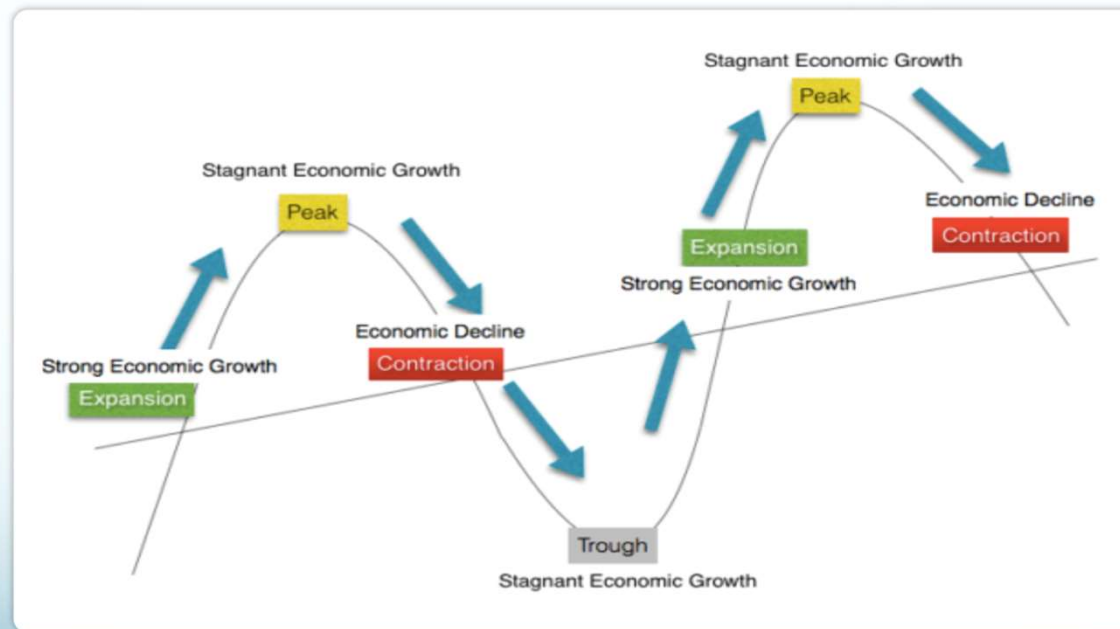
Economic cycles and Emotions...Where are we now?

The cycle of market emotions



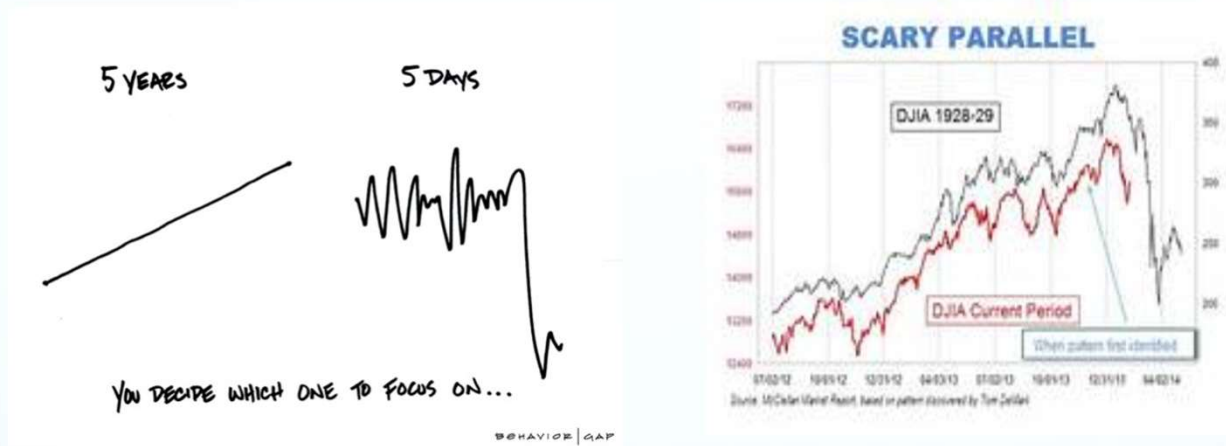
Where are We Now?

Economic cycles and Emotions...Where are we now?

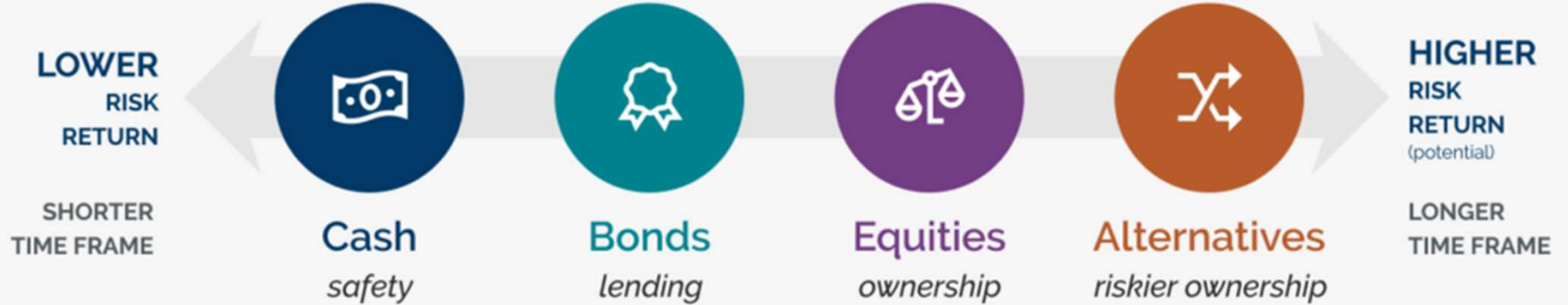


Get Your Mind Right!

Behavioral Finance: Fear, Headlines, and Market Noise



Different Types of Investments

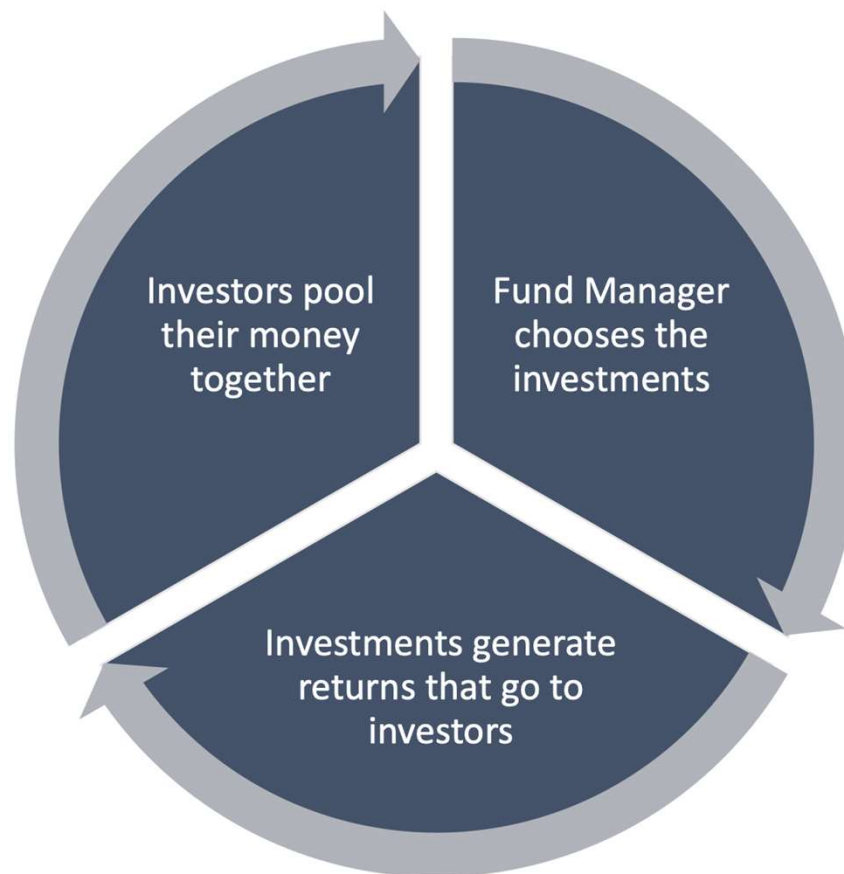


This is simply an illustration of the general relationship between various asset classes. Some investments will not align with this model.

What are Mutual Funds?

What are Mutual Funds?

Funds are priced once daily at the market close.



These add up... Avoid!

Mutual Fund Expenses



Mutual Funds With No Loads: Sold directly from the mutual fund company and there is NO commission, though there may be a small “ticket charge” for purchase through a custodian .



Mutual Funds With Loads: Sold by brokers or licensed insurance agents and carry a large commissions

Class A: Front load of typically 5.75% and lower ongoing expenses

Example: Invest \$100,000 will have a commission of \$5,750 so you only invest \$94,250

Class B: Back Load and higher ongoing expenses

Tip: Possibly the worst share class with the highest fees

Class C: No initial fee but higher ongoing expenses typically around 2% per year

Example: Invest \$100,000 and then pay annual fee of \$2,000

"Can't Beat 'em so Join them!"

Benefits of Indexing

Diversification

Spreads your investments across a broad range of assets, reducing the risk associated with individual stocks.

Low Costs

Lower expense ratios compared to actively managed funds. By reducing fees and expenses, more of your investment dollars are working for you.

Market Performance

Aims to achieve returns that mirror the overall market by tracking the performance of a market index. Allows the benefit from the collective strength of the market, rather than relying on the success of individual stocks.

Long-term Investment Results

Broad market indices tend to reflect the overall upward trend of the economy, while individual stocks may rise and fall dramatically. This reliability makes index investing a proven strategy for wealth accumulation over time.

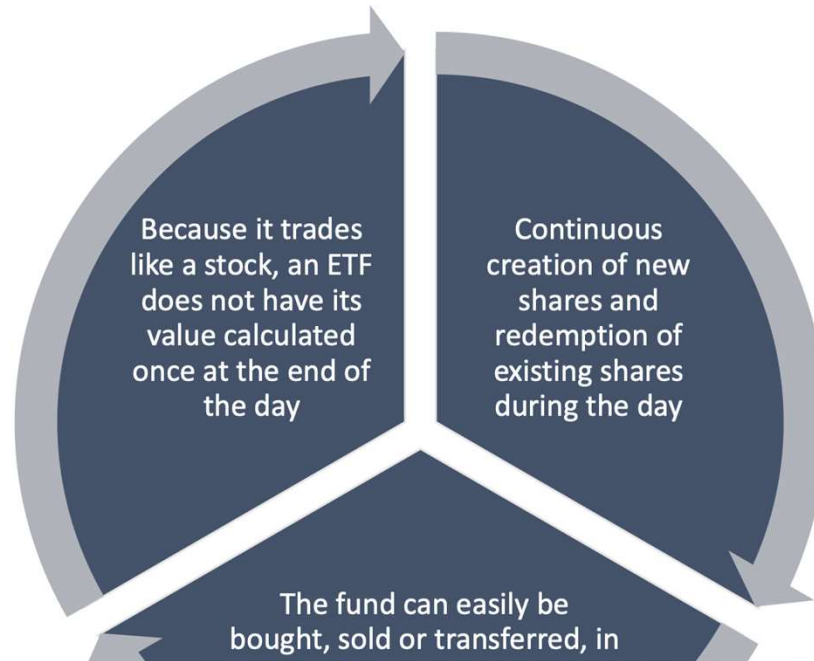
Tax Efficiency

Strives to be as tax-efficient as possible by minimizing turnover and using in-kind redemptions. Because index funds generally aim to replicate the performance of an index, they tend to buy and hold securities for the long term.

What is an ETF? (Exchange Traded Fund)

What is an ETF?






Unlike a mutual fund, an ETF is bought and sold like common stock during the day when the stock exchanges are open.



much the same way as shares of stock

Life Insurance (Necessary but NOT an Investment)

Life Insurance: Term vs. Permanent / Cash Value

Term		Permanent / Cash Value
<ul style="list-style-type: none">Covers for a specific term (usually between 5 to 30 years)		<p>(Universal Life, Indexed Life, Whole Life)</p> <ul style="list-style-type: none">Can stay in effect for the insured's entire life
<ul style="list-style-type: none">Premiums are relatively lower but increase after term expires (Annual Renewable Term, Level Term, Decreasing Term)		<ul style="list-style-type: none">Premiums are higher and may remain level for lifetime or vary depending on policy type
<ul style="list-style-type: none">Expires with no cash value – all of the premiums go to securing a death benefit to beneficiaries		<ul style="list-style-type: none">Can build cash valueCash value grows without being taxedEarns interest and/or gains/losses on the cash value, depending on policy type
<ul style="list-style-type: none">No flexibility, no ability to borrow against policy or to withdraw money		<ul style="list-style-type: none">Flexibility, including ability to borrow against your policy
<ul style="list-style-type: none">Very inexpensive, especially at young ages		<ul style="list-style-type: none">Expensive

Different Types of Annuities

Annuities



Fixed Annuity – Receive a guaranteed rate of return.



Variable Annuity – Money is invested in stocks and/or bonds so the returns fluctuate with market returns. You carry the investment risk and have the potential to make or lose money.



Indexed Annuity – Your return is linked to a stock market index (most commonly the S&P 500 Index but can be anything). You may make money if the index increases, but returns are capped under complex formulas. If the index is negative, your return is 0%, but you don't lose money.



Immediate annuities are different. They pay lifetime income, but you can't get your money back.

It does **not** make sense to purchase an annuity in an IRA account.

Money withdrawn from an annuity is taxed at ordinary income rates, not long-term capital gains rates.

Insurance Companies Have Already Done the Math!

Understanding Index Annuity Fees & Return Potential

Index Annuity Fees: There are caps on potential returns, and various fees are largely hidden internally.



The total return for the S&P 500 was 15.76%

Example of a client's index annuity return for 2020

S & P 500 Index

Monthly Cap 1.00%

Policy Month	Monthly Index Rate	Capped Monthly Rate
1	3.285%	1.000%
2	-1.340%	-1.340%
3	4.981%	1.000%
4	1.968%	1.000%
5	2.901%	1.000%
6	2.797%	1.000%
7	-10.678%	-10.678%
8	-10.529%	-10.529%
9	8.339%	1.000%
10	10.855%	1.000%
11	-1.522%	-1.522%
12	6.548%	1.000%

Sum of Capped Monthly Rates: -16.06%

Annual Index Rate: 0.00%

Talk about Making a Good Living!

Understanding Variable Annuity Fees

- Variable Annuities – Higher fees than standard fixed annuities
 - Mortality and Expense - The general cost to have the annuity
 - Administration – This fee can be combined
 - Fund Expense – Annual costs for the underlying investments
 - Rider Costs (if any) – Costs for additional guarantees on the annuity

Example of VA Fees

Mortality and Expense	1.25%
Administration	0.25%
Fund Expense Ratio	1.00%
Living Benefit Rider	1.00%
Total Fees paid each year	3.50%

Pick Multiple Lanes



90%

Periodic Chart (not the elements)

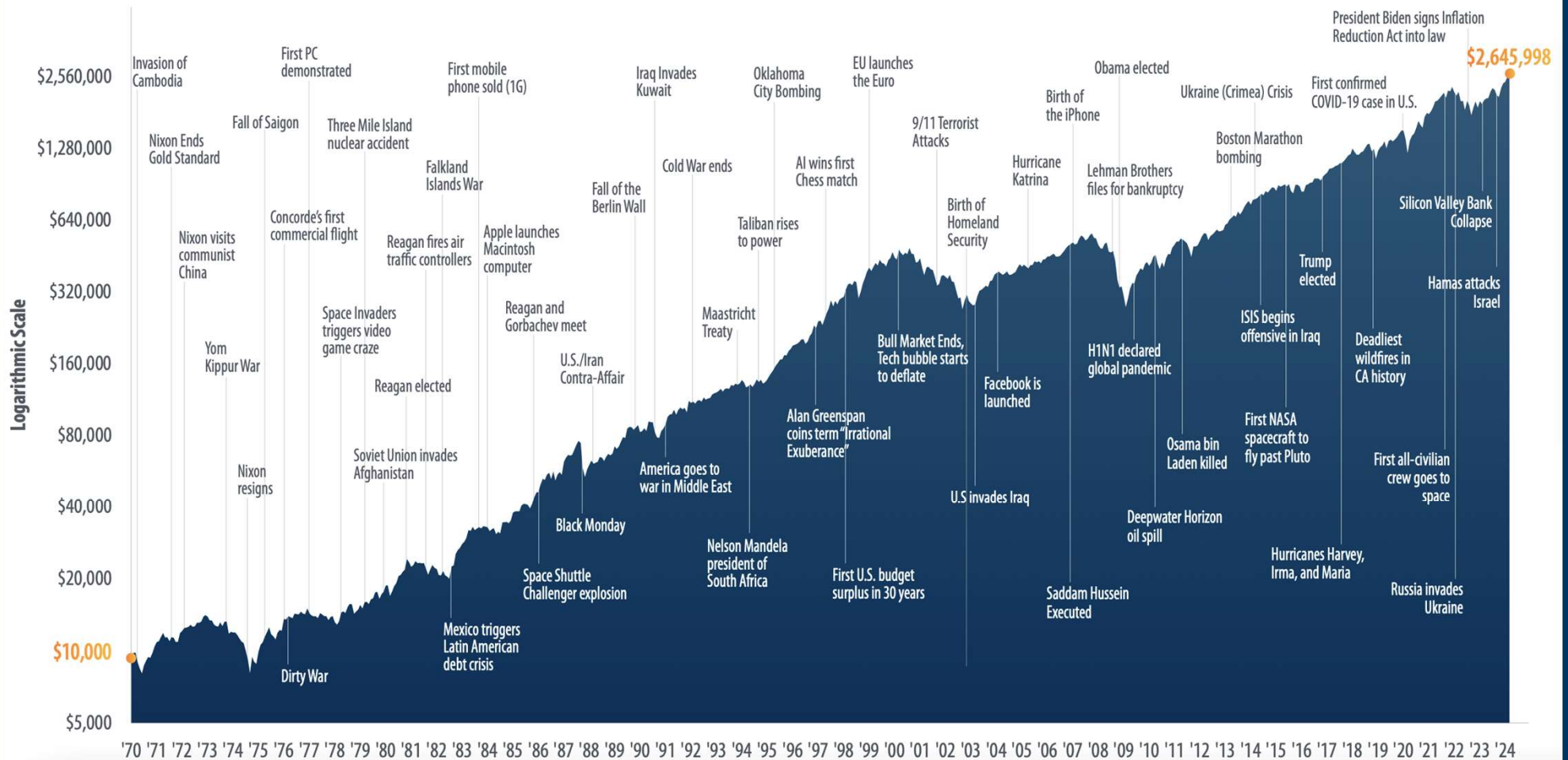
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
EM 79.0%	REIT 28.0%	REIT 8.3%	REIT 19.7%	Sm Cap 38.8%	REIT 28.0%	REIT 2.8%	Sm Cap 21.3%	EM 37.8%	Cash 1.8%	Lg Cap 31.5%	Sm Cap 20.0%	REIT 41.3%	Cash 1.6%	Lg Cap 26.3%	Lg Cap 10.6%
HY Bnd 57.5%	Sm Cap 26.9%	HG Bnd 7.8%	EM 18.6%	Lg Cap 32.4%	Lg Cap 13.7%	Lg Cap 1.4%	HY Bnd 17.5%	Int'l 25.6%	HG Bnd 0.0%	REIT 28.7%	EM 18.7%	Lg Cap 28.7%	HY Bnd -11.2%	Int'l 18.9%	Int'l 5.9%
Int'l Stk 32.5%	EM 19.2%	HY Bnd 4.4%	Int'l Stk 17.9%	Int'l Stk 23.3%	AA 6.9%	HG Bnd 0.6%	Lg Cap 12.0%	Lg Cap 21.8%	HY Bnd -2.3%	Sm Cap 25.5%	Lg Cap 18.4%	Sm Cap 14.8%	HG Bnd -13.0%	Sm Cap 16.9%	Sm Cap 5.2%
REIT 28.0%	HY Bnd 15.2%	Lg Cap 2.1%	Sm Cap 16.4%	AA 11.5%	HG Bnd 6.0%	Cash 0.0%	EM 11.6%	Sm Cap 14.7%	REIT -4.0%	Int'l Stk 22.7%	AA 9.8%	Int'l Stk 11.8%	Int'l Stk -14.0%	HY Bnd 13.5%	AA 2.8%
Sm Cap 27.2%	Lg Cap 15.1%	AA 0.3%	Lg Cap 16.0%	HY Bnd 7.4%	Sm Cap 4.9%	Int'l Stk -0.4%	REIT 8.6%	AA 14.6%	Lg Cap -4.4%	AA 18.9%	Int'l Stk 8.3%	AA 10.9%	AA -16.5%	AA 12.8%	EM 2.4%
Lg Cap 26.5%	AA 13.5%	Cash 0.1%	HY Bnd 15.6%	REIT 2.9%	HY Bnd 2.5%	AA -1.3%	AA 7.2%	REIT 8.7%	AA -5.6%	EM 18.9%	HY Bnd 7.5%	HY Bnd 5.4%	Lg Cap -18.1%	REIT 11.4%	HY Bnd 1.5%
AA 24.6%	Int'l Stk 8.2%	Sm Cap -4.2%	AA 12.2%	Cash 0.1%	Cash 0.0%	Sm Cap -4.4%	HG Bnd 2.7%	HY Bnd 7.5%	Sm Cap -11.0%	HY Bnd 14.4%	HG Bnd 6.1%	Cash 0.0%	EM -19.7%	EM 10.3%	Cash 1.3%
HG Bnd 5.9%	HG Bnd 6.5%	Int'l Stk -11.7%	HG Bnd 4.2%	HG Bnd -2.0%	EM -1.8%	HY Bnd -4.6%	Int'l Stk 1.5%	HG Bnd 3.5%	Int'l Stk -13.4%	HG Bnd 8.7%	Cash 0.6%	HG Bnd -1.5%	Sm Cap -20.4%	HG Bnd 5.5%	HG Bnd -0.8%
Cash 0.1%	Cash 0.1%	EM -18.2%	Cash 0.1%	EM -2.3%	Int'l Stk -4.5%	EM -14.6%	Cash 0.3%	Cash 0.8%	EM -14.3%	Cash 2.2%	REIT -5.1%	EM -2.2%	REIT -25.0%	Cash 5.1%	REIT -1.3%

Same thing but with Economic Sectors

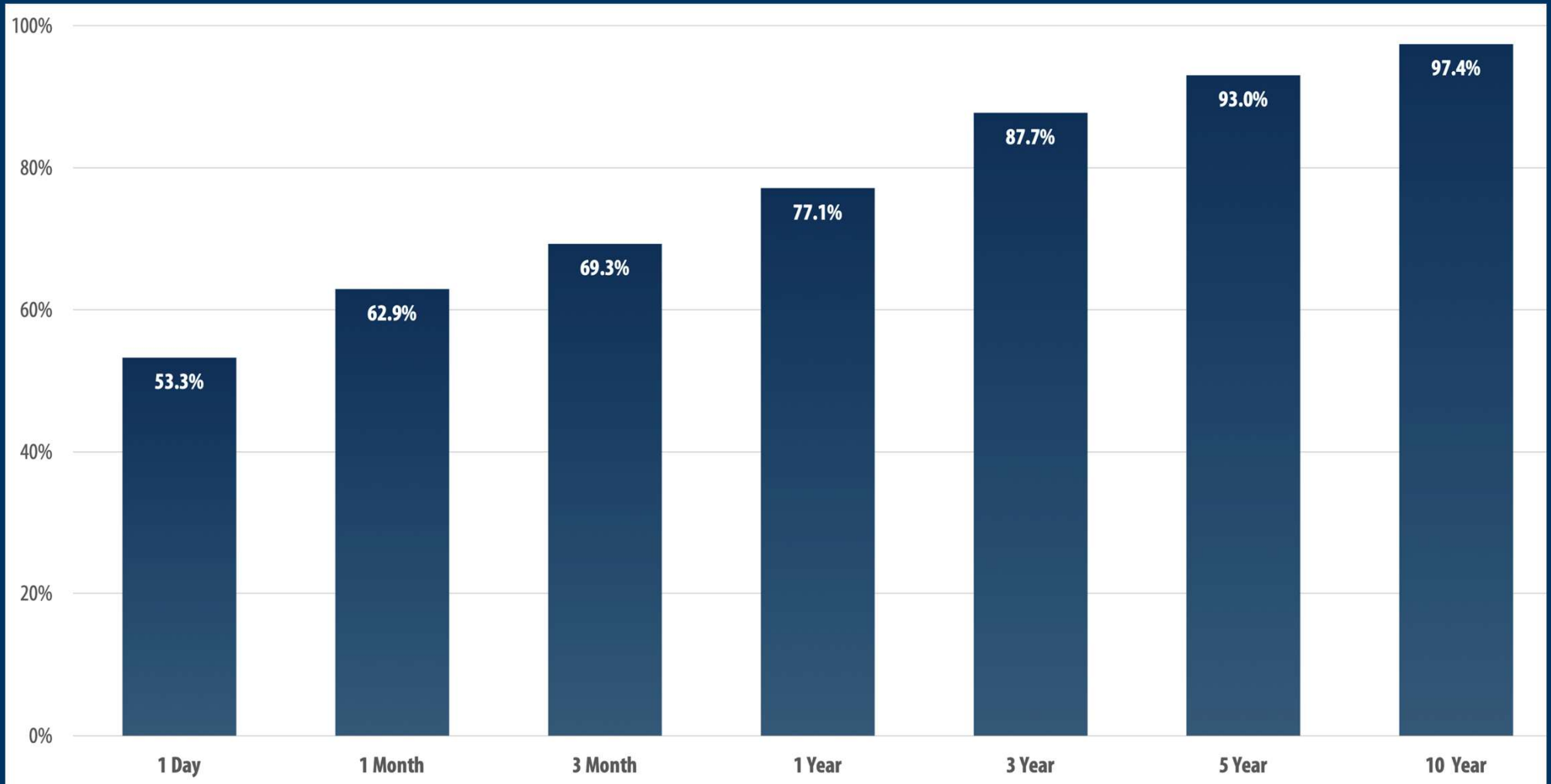
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
INFT 61.7%	REAL 32.3%	UTIL 19.9%	FINL 28.8%	COND 43.1%	REAL 30.2%	COND 10.1%	ENRS 27.4%	INFT 38.8%	HLTH 6.5%	INFT 50.3%	INFT 43.9%	ENRS 54.6%	ENRS 65.7%	INFT 57.8%	TELS 15.8%
MATR 48.6%	COND 27.7%	CONS 14.0%	COND 23.9%	HLTH 41.5%	UTIL 29.0%	HLTH 6.9%	TELS 23.5%	MATR 23.8%	UTIL 4.1%	TELS 32.7%	COND 33.3%	REAL 46.2%	UTIL 1.6%	TELS 55.8%	ENRS 13.7%
COND 41.3%	INDU 26.7%	HLTH 12.7%	REAL 19.7%	INDU 40.7%	HLTH 25.3%	CONS 6.6%	FINL 22.8%	COND 23.0%	COND 0.8%	FINL 32.1%	TELS 23.6%	FINL 35.0%	CONS -0.6%	COND 42.4%	INFT 12.7%
REAL 27.1%	MATR 22.2%	REAL 11.4%	TELS 18.3%	FINL 35.6%	INFT 20.1%	INFT 5.9%	INDU 18.9%	FINL 22.2%	INFT -0.3%	S&P 31.5%	MATR 20.7%	INFT 34.5%	HLTH -2.0%	S&P 26.3%	FINL 12.5%
S&P 26.5%	ENRS 20.5%	TELS 6.3%	HLTH 17.9%	S&P 32.4%	CONS 16.0%	REAL 4.7%	MATR 16.7%	HLTH 22.1%	REAL -2.2%	INDU 29.4%	S&P 18.4%	S&P 28.7%	INDU -5.5%	INDU 18.1%	INDU 11.0%
INDU 20.9%	TELS 19.0%	COND 6.1%	S&P 16.0%	INFT 28.4%	FINL 15.2%	TELS 3.4%	UTIL 16.3%	S&P 21.8%	S&P -4.4%	REAL 29.0%	HLTH 13.5%	MATR 27.3%	FINL -10.5%	MATR 12.6%	S&P 10.6%
HLTH 19.7%	S&P 15.1%	ENRS 4.7%	INDU 15.4%	CONS 26.1%	S&P 13.7%	S&P 1.4%	INFT 13.9%	INDU 21.0%	CONS -8.4%	COND 27.9%	INDU 11.1%	HLTH 26.1%	MATR -12.3%	REAL 12.4%	MATR 9.0%
FINL 17.2%	CONS 14.1%	INFT 2.4%	MATR 15.0%	MATR 25.6%	INDU 9.8%	FINL -1.5%	S&P 12.0%	CONS 13.5%	TELS -12.5%	CONS 27.6%	CONS 10.8%	COND 24.4%	S&P -18.1%	FINL 12.2%	HLTH 8.9%
CONS 14.9%	FINL 12.1%	S&P 2.1%	INFT 14.8%	ENRS 25.1%	COND 9.7%	INDU -2.5%	COND 6.0%	UTIL 12.1%	FINL -13.0%	UTIL 26.4%	UTIL 0.5%	TELS 21.6%	REAL -26.1%	HLTH 2.1%	CONS 7.5%
ENRS 13.8%	INFT 10.2%	INDU -0.6%	CONS 10.8%	UTIL 13.2%	MATR 6.9%	UTIL -4.8%	CONS 5.4%	REAL 10.9%	INDU -13.3%	MATR 24.6%	FINL -1.7%	INDU 21.1%	INFT -28.2%	CONS 0.5%	COND 5.0%
UTIL 11.9%	UTIL 5.5%	MATR -9.6%	ENRS 4.6%	TELS 11.5%	TELS 3.0%	MATR -8.4%	REAL 3.4%	ENRS -1.0%	MATR -14.7%	HLTH 20.8%	REAL -2.2%	CONS 18.6%	COND -37.0%	ENRS -1.3%	UTIL 4.6%
TELS 8.9%	HLTH 2.9%	FINL -17.1%	UTIL 1.3%	REAL 1.6%	ENRS -7.8%	ENRS -21.1%	HLTH -2.7%	TELS -1.3%	ENRS -18.1%	ENRS 11.8%	ENRS -33.7%	UTIL 17.7%	TELS -39.9%	UTIL -7.1%	REAL -0.6%

There's ALWAYS Worrisome Headlines

The average annual total return of the S&P 500 Index for the period shown below was 10.83%.

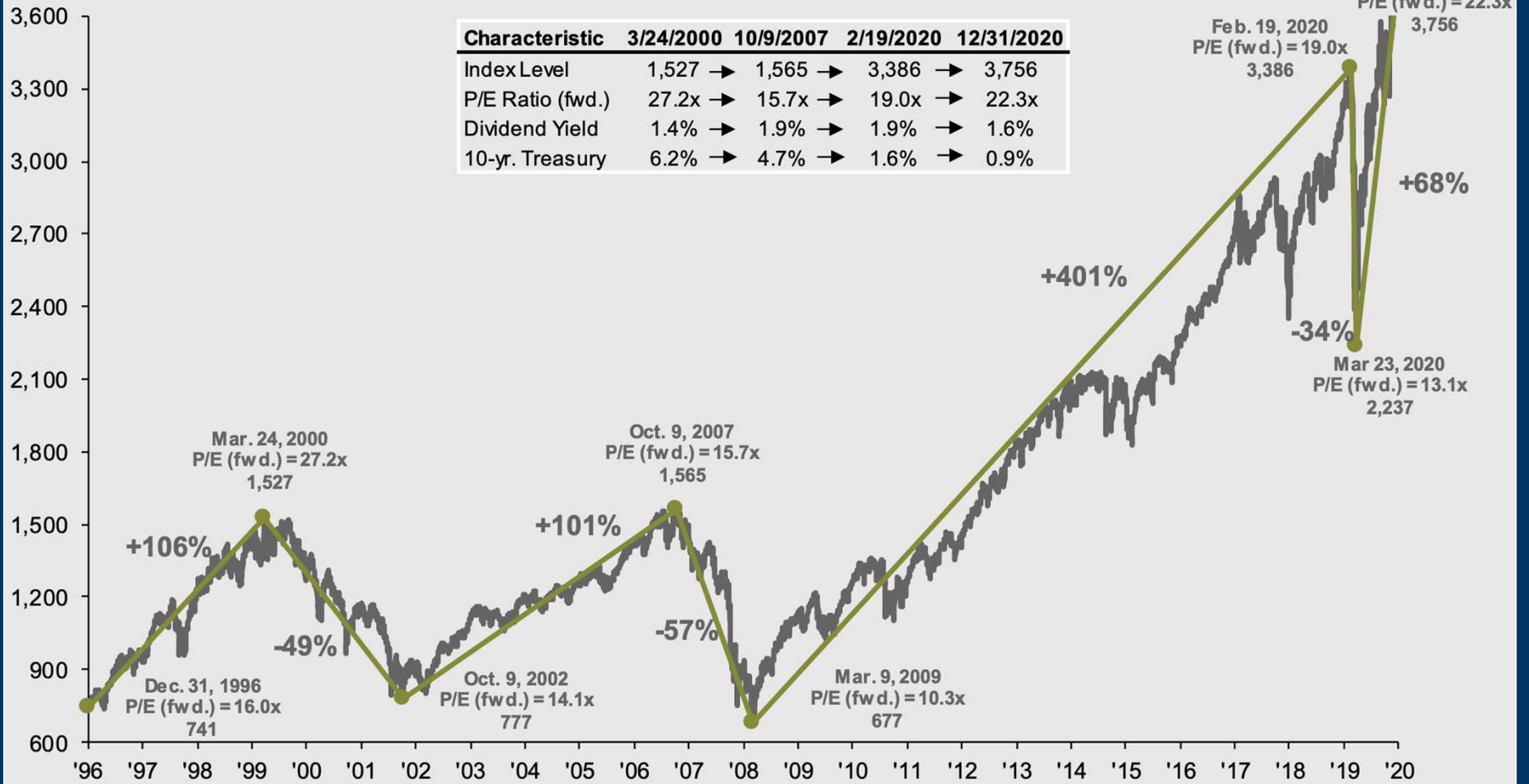


The Longer you Wait the Better your Odds of Positive Returns



The “Lost Decade”

S&P 500 Price Index



Average Bull vs Bear Market Duration & Returns

This chart shows daily historical performance of the S&P 500 Index throughout the U.S. Bull and Bear Markets since 1942. We believe looking at the history of the market's expansions and recessions helps to gain a fresh perspective on the benefits of investing for the long-term.

- The average **Bull Market** period lasted 4.2 years with an average cumulative total return of 148.9%.
- The average **Bear Market** period lasted 11.1 months with an average cumulative loss of -31.7%.



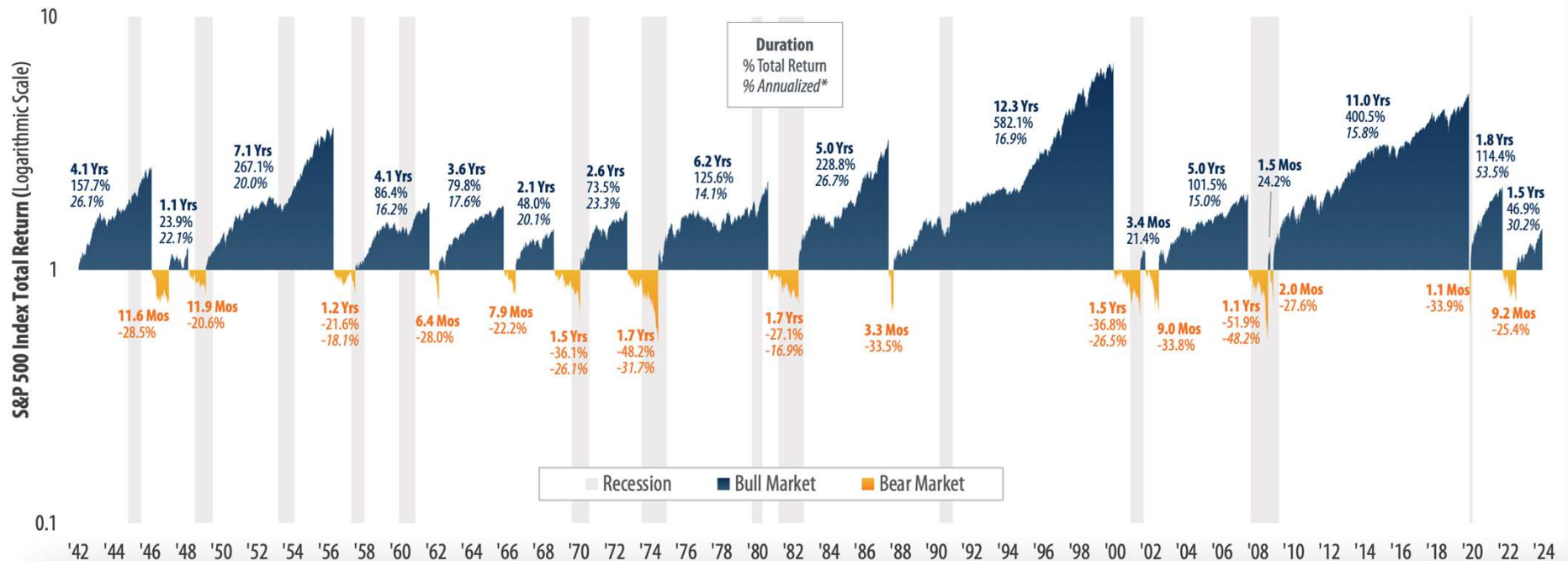
BULL

From the lowest close reached after the market has fallen 20% or more, to the next market high.



BEAR

When the index closes at least 20% down from its previous high close, through the lowest close reached after it has fallen 20% or more.



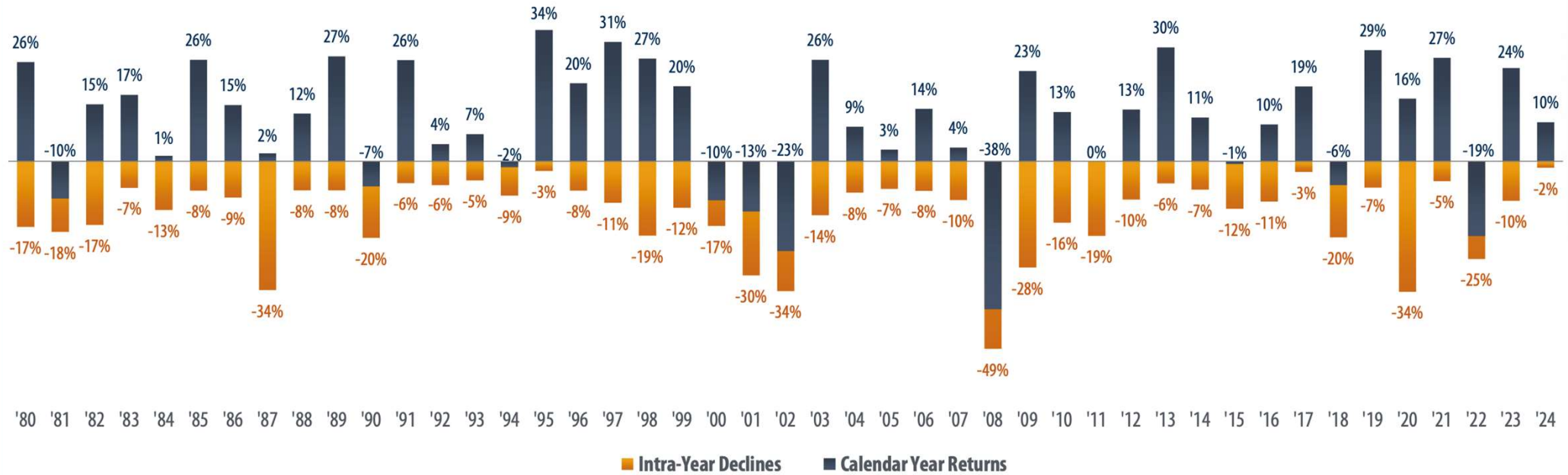
History of Stock Market Corrections

S&P 500 Index 1942 - 2024			
Type of Decline	Average Frequency*	Average Length**	Last Occurrence
-5% or more	About 3 times a year	39 days	October 2023
-10% or more	About every 16 months	128 days	October 2023
-15% or more	About every 3 years	230 days	October 2022
-20% or more	About every 5.5 years	335 days	October 2022

The Single Best Chart Ever

Intra-Year Declines vs. Calendar Year Returns

Volatility is not a recent phenomenon. Each year, there is the potential for the market to experience a significant correction, which for the S&P 500 has averaged approximately 14% since 1980. History has shown that those who chose to stay the course were rewarded for their patience more often than not.



Pros & Cons of AI

Artificial Intelligence is fighting the Fed.

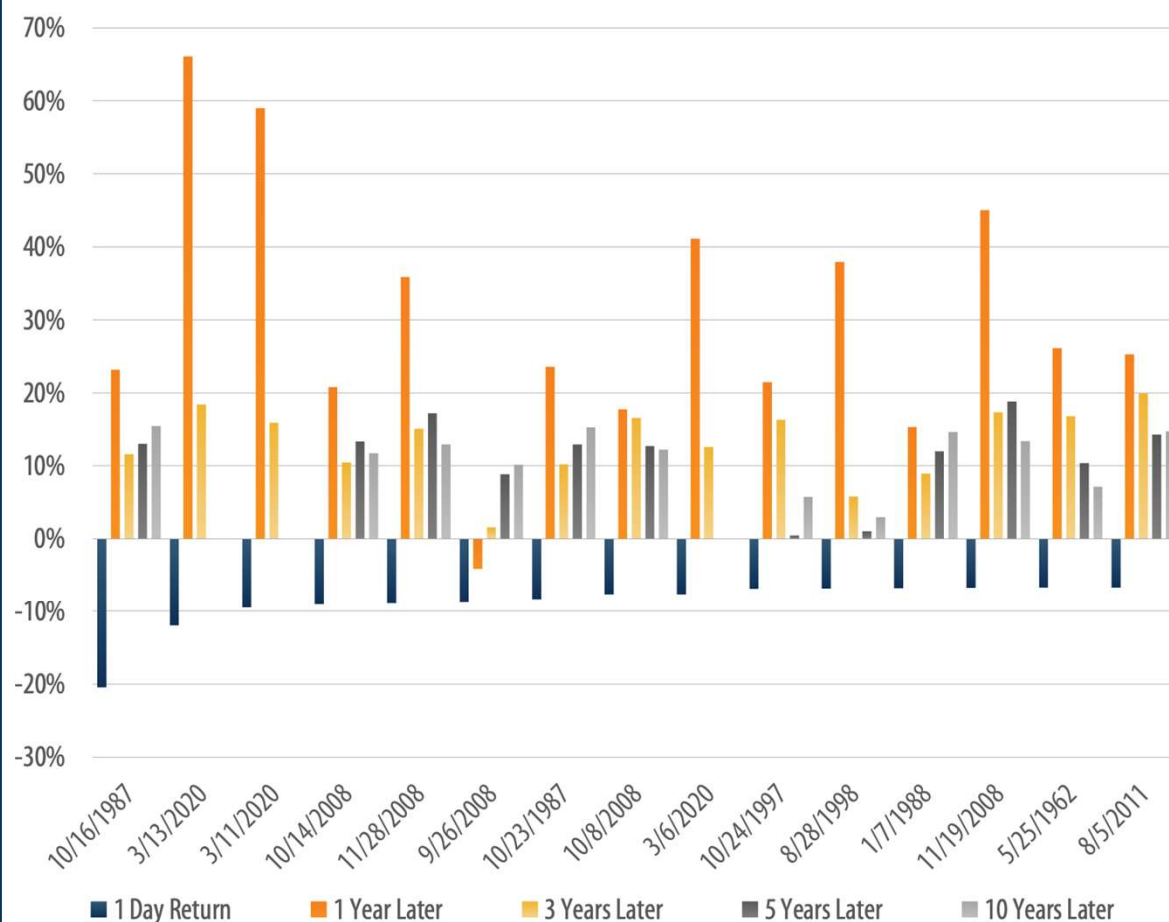
AI-related stocks drove virtually all S&P 500 returns this year



Data as of 14/06/2023. Source: Datastream, SG Cross Asset Research/ Equity Strategy

Market Returns after Extreme Down Days

S&P 500 Index Performance During and After Extreme Down Days



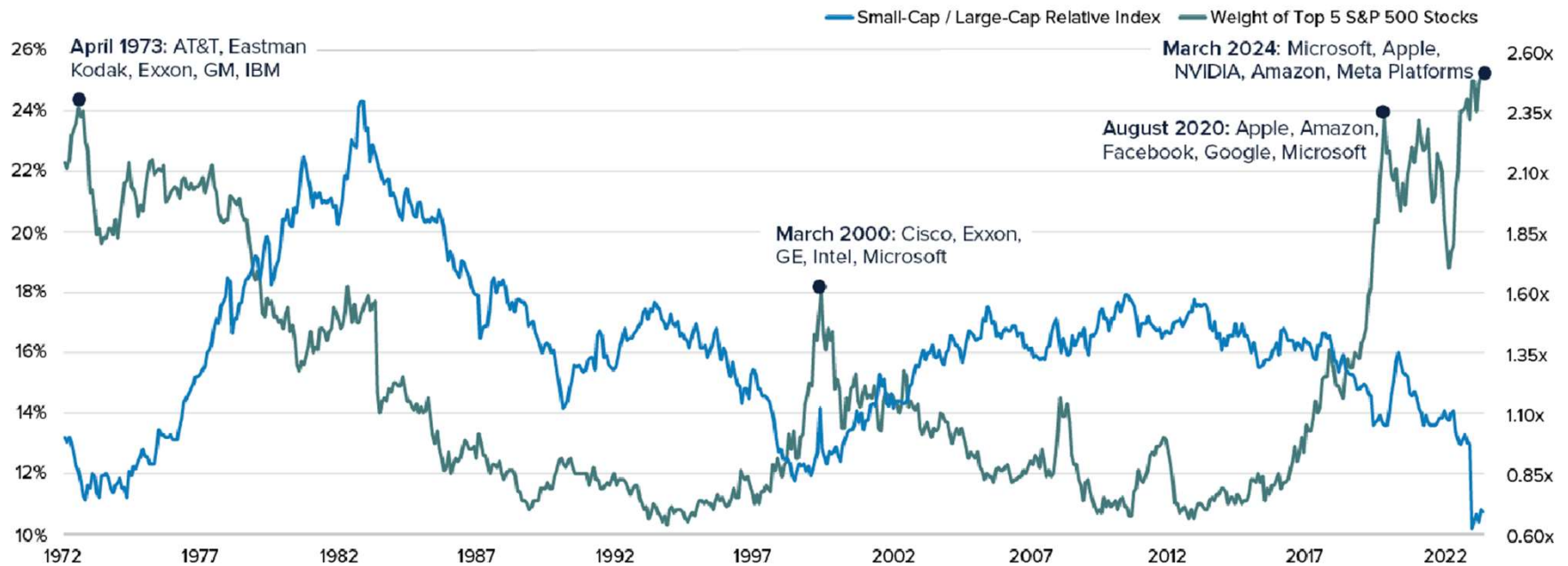
Date	1 Day Return	1 Year Later	3 Years Later	5 Years Later	10 Years Later
10/16/1987	-20.47%	23.19%	11.60%	13.04%	15.43%
3/13/2020	-11.98%	66.07%	18.40%	N/A	N/A
3/11/2020	-9.51%	58.96%	15.90%	N/A	N/A
10/14/2008	-9.03%	20.79%	10.49%	13.34%	11.72%
11/28/2008	-8.93%	35.85%	15.10%	17.21%	12.96%
9/26/2008	-8.79%	-4.14%	1.60%	8.86%	10.17%
10/23/1987	-8.28%	23.59%	10.20%	12.93%	15.25%
10/8/2008	-7.62%	17.76%	16.57%	12.73%	12.21%
3/6/2020	-7.60%	41.10%	12.57%	N/A	N/A
10/24/1997	-6.87%	21.48%	16.30%	0.47%	5.76%
8/28/1998	-6.80%	37.93%	5.80%	1.04%	2.97%
1/7/1988	-6.77%	15.31%	8.96%	12.01%	14.66%
11/19/2008	-6.71%	45.05%	17.34%	18.81%	13.38%
5/25/1962	-6.68%	26.14%	16.79%	10.39%	7.14%
8/5/2011	-6.66%	25.26%	19.94%	14.27%	14.74%
Average:	-8.85%	30.29%	13.17%	11.26%	11.37%

Getting Frothy...

Large-Cap Cycles Peak at Market Tops Crowded with Mega Caps

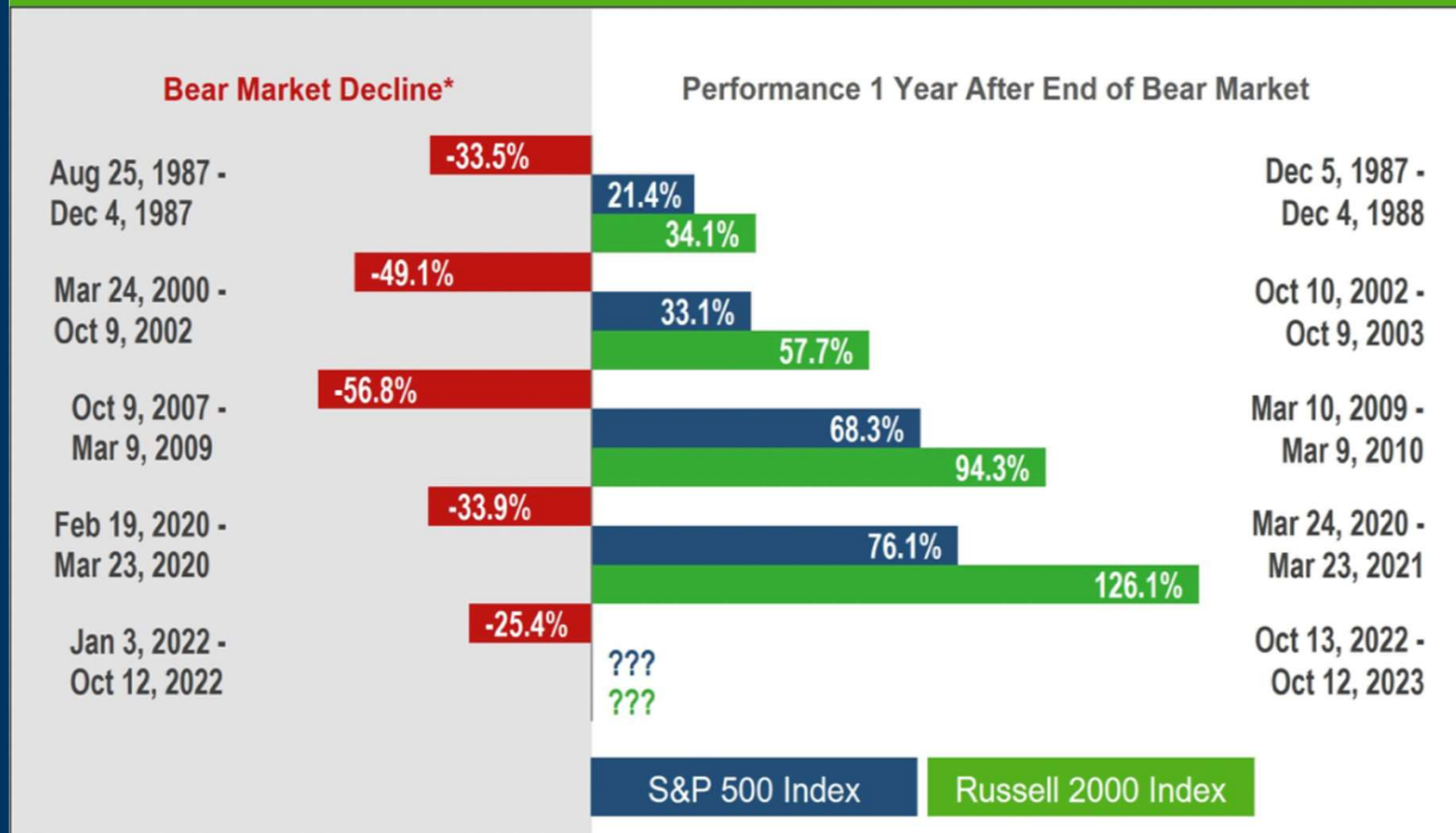
Weight of Top 5 S&P 500 Stocks vs. Small-Cap Relative Performance

From 9/29/72 through 3/31/24



Get Small

Smaller Cap vs Large Caps Following Bear Markets



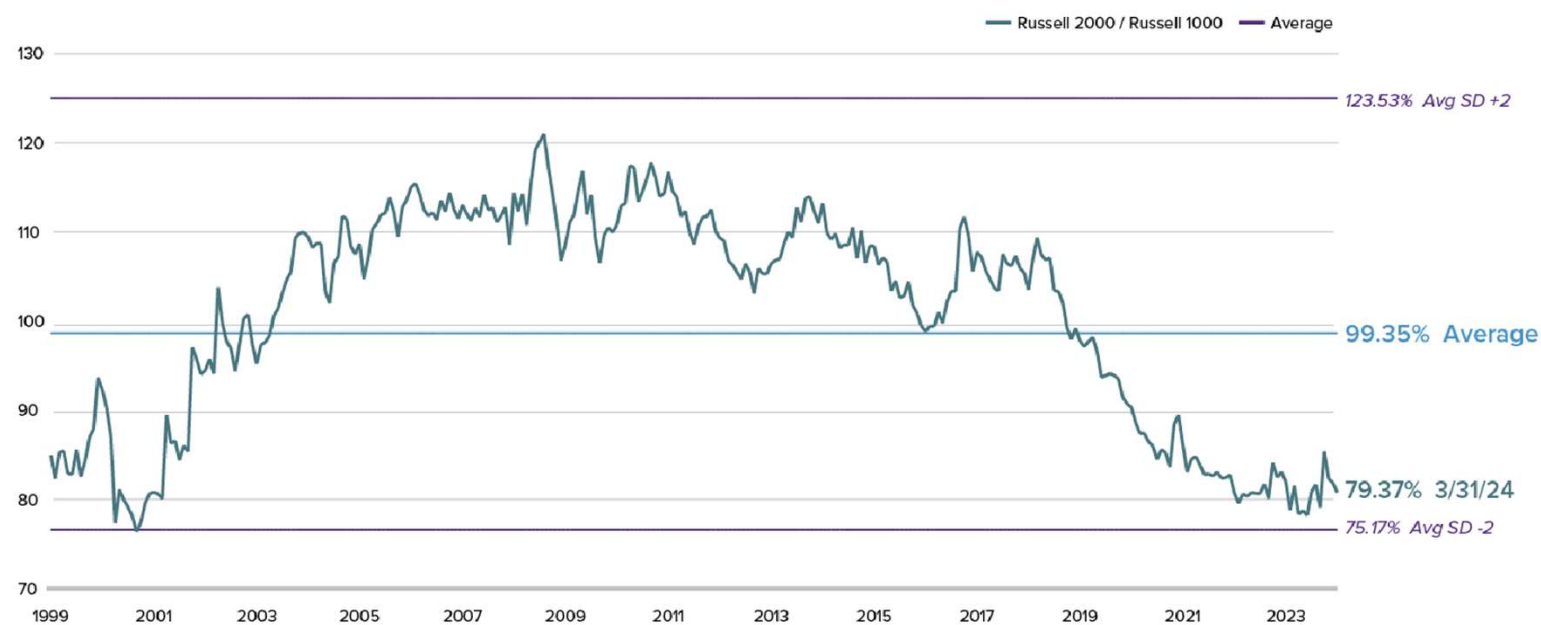
Small vs Large Cap Valuations (lowest in 25 years)

Relative Valuations for Small-Caps vs. Large-Caps Are Near Their Lowest in 25 Years

Following small-cap's underperformance of large-cap, the Russell 2000 remains extremely undervalued compared to its relative valuation range over the past 25 years.

Russell 2000 vs. Russell 1000 Median LTM EV/EBIT¹ (ex. Negative EBIT Companies)

From 3/31/99 through 3/31/24



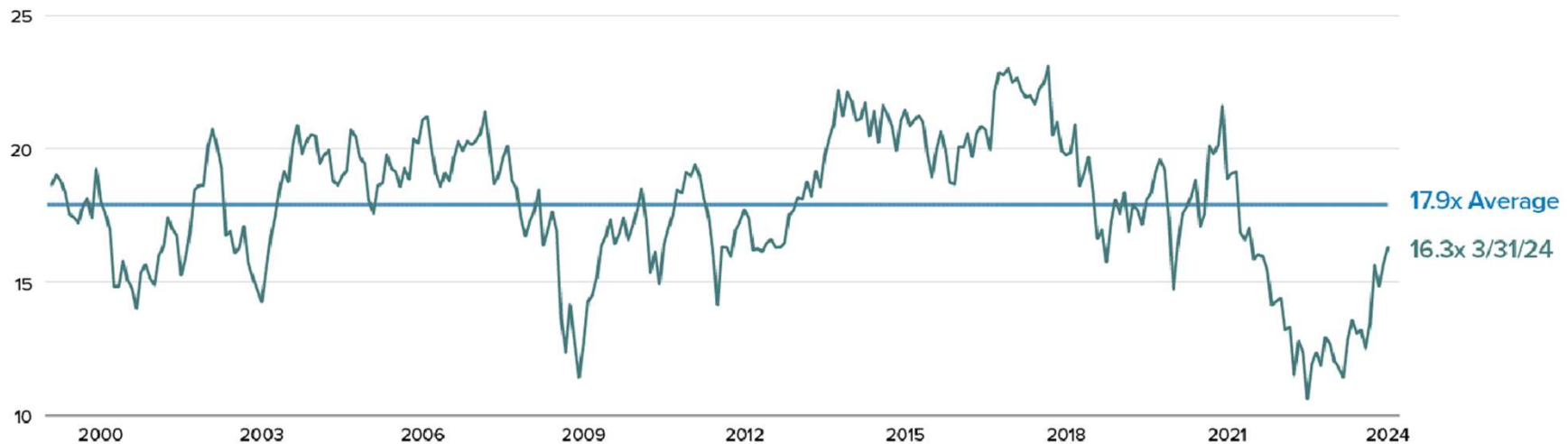
Small Cap P/E below historical average

Small-Cap P/Es Are Still Below Average

The average price to earnings ratio for the Russell 2000 (ex non-earners) on 3/31/24 was 16.3x —still below its long-term average of 17.9x. While returns have just started to rebound, multiples have remained compressed, creating a considerable number of buying opportunities.

Weighted Harmonic Average Price-to Earnings Ratio (Excluding Non-Earners) for the Russell 2000

From 3/31/99 through 3/31/24

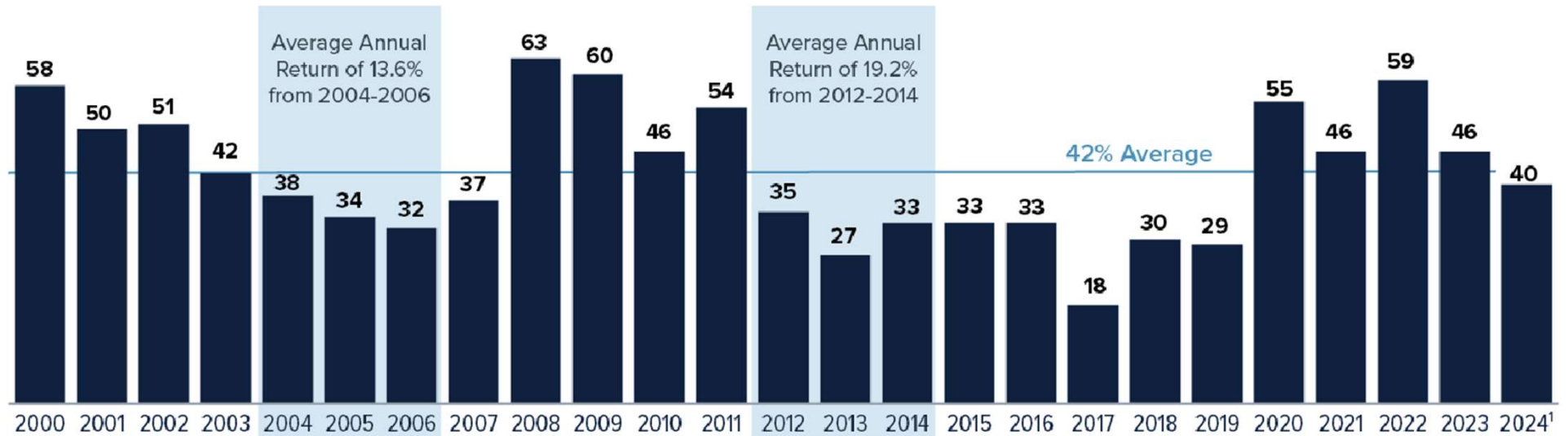


What Happens after Volatility?

Small-Caps Generally Have Strong Three-Year Returns After Periods of High Volatility

Percentage of Trading Days with Moves of 1% or More in the Russell 2000 Over the Last 25 Years

From 12/31/99 through 3/31/24



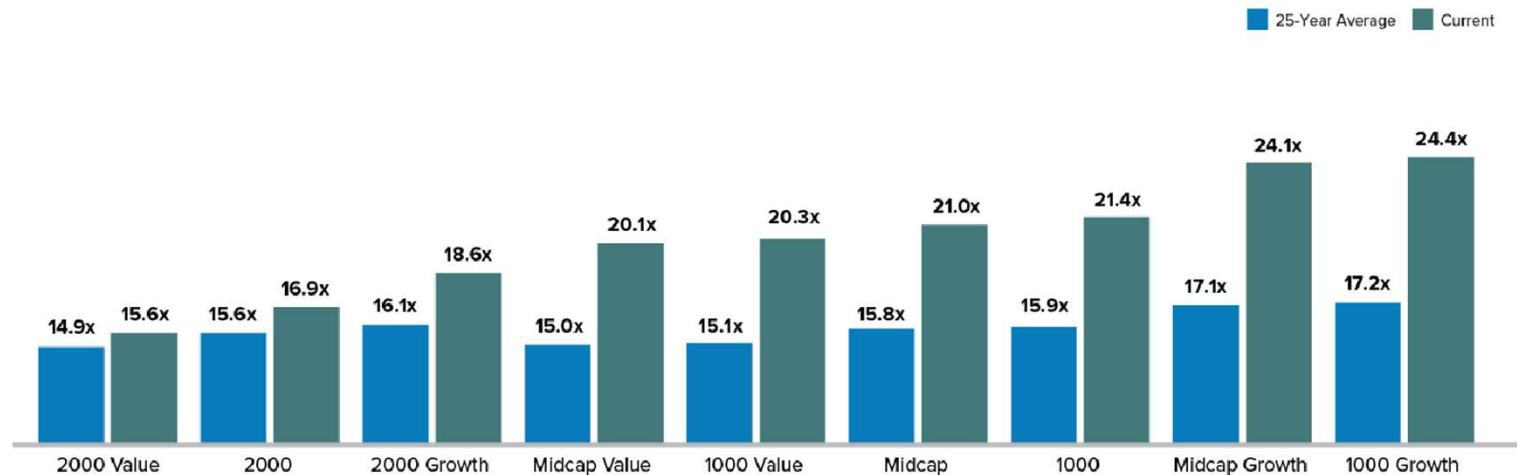
Small Caps Look Cheap (relative to Large & Mid)

Small-Cap Looks Cheap, Particularly versus Mid- and Large-Cap Growth

Four observations leap out when comparing various segments of the U.S. equity market: 1) Small-Cap Value and Small-Cap Core are the cheapest segments of U.S. equities, 2) these segments are the only ones slightly above their 25-year average valuation, 3) while all three value segments (Small-Cap, Mid-Cap, and Large-Cap) have nearly identical 25-year average valuations, their current valuations are vastly different, and 4) Mid-Cap Growth and overall Large-Cap valuations still have a long way to fall to reach their 25-year average valuations.

Small-Cap Value and Small-Cap are the Only Indexes Near Their Historical Average

Current and 25-Year Average Median EV/EBIT¹ (ex Negative EBIT) Levels for Russell Indexes as of 3/31/24



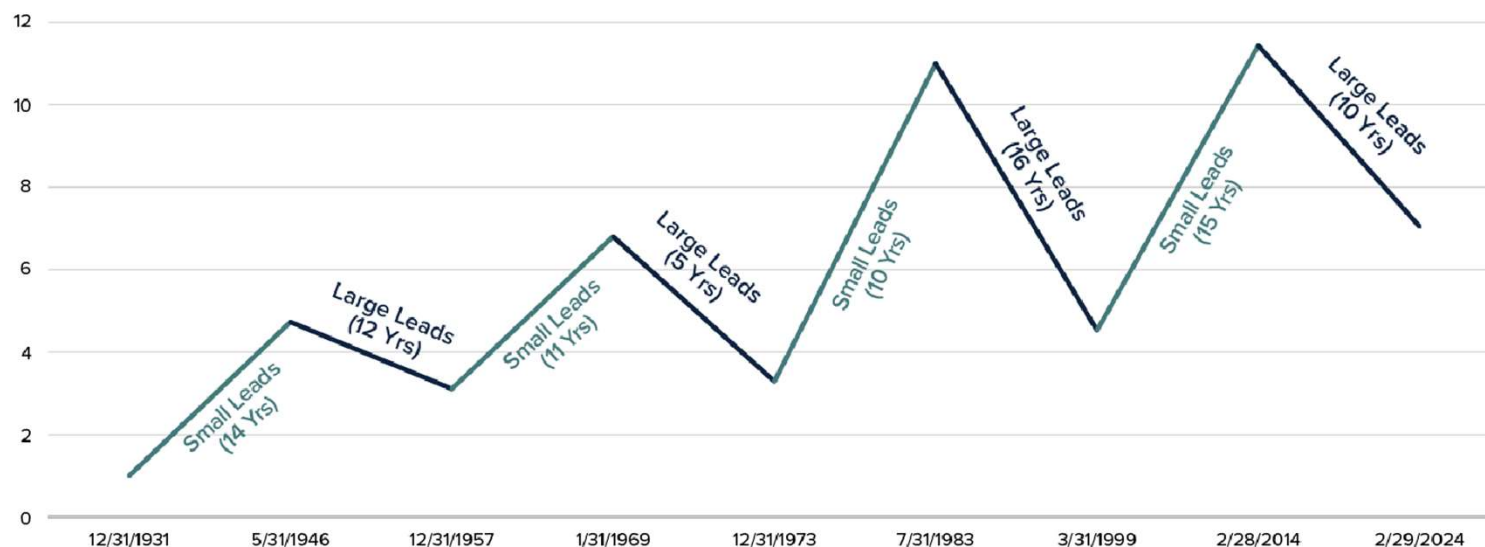
Small Cap Rally Could Last a Decade

Historically Small-Cap Cycles Have Averaged More Than a Decade

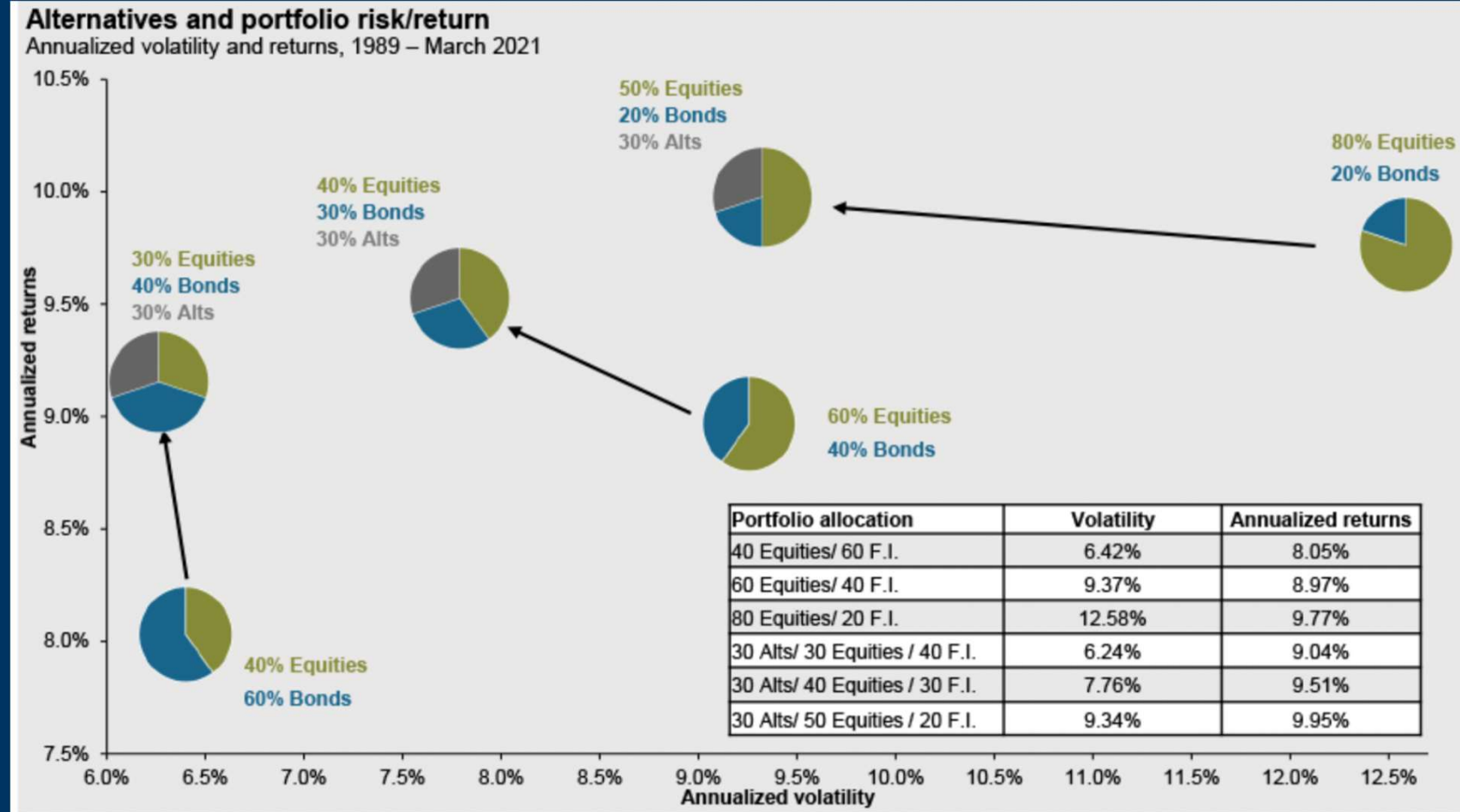
Secular changes in economic trends, interest rates, and monetary and fiscal policies are altering the long-term investment landscape. The winners under the past decade's zero interest rate, low inflation, and low nominal growth regime will no longer lead. The unfolding macro environment points to the small-cap asset class being able to sustain, not just tactically outperform, large-cap.

Small-Cap and Large Cap Market Cycles

Average Monthly Relative Performance for CRSP 6-10/CRSP 1-5 from 12/31/31 through 2/29/24 (%)

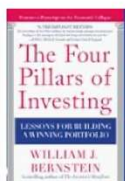


Don't forget our Alternatives!



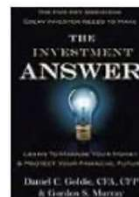
Investing Basics & Recommended Reads

The Four Pillars of Investing by *Bernstein*



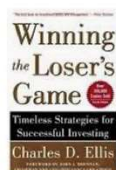
Takes the reader on a journey to the heart of portfolio management and is aimed at the liberal-arts major seeking investment competence. Plenty of history and psychology, light on the math. ("Standard deviation" is mentioned only once, in a footnote.)

The Investment Answer Book by *Goldie and Murray*



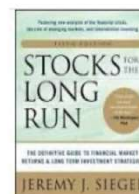
A guide to investing fundamentals and breaks down investor decision, such as hiring an advisor, active vs. passive, etc. It is great for people who are just getting started or want to learn more about investing.

Winning the Loser's Game by *Charles Ellis*



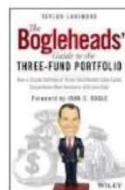
The premise of this best-seller, that individual investors can achieve far greater success working with financial markets than against them, has grown increasingly popular in today's hard-to-predict markets.

Stocks for the Long Run by *Jeremy Siegel*



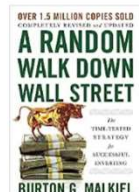
A long-standing investment classic that answers all the important questions of today: What are the sources of long-term economic growth? How does the Fed really impact investing decisions? What is the market impact of ESG and cryptocurrencies?

Bogleheads' Guide to Investing by *Larimoe, Lindauer and LeBoeuf*



A slightly irreverent, straightforward guide to investing for everyone. The book offers, sound, practical advice, no matter your age or net worth. Bottomline, become a Boglehead and proper!

A Random Walk Down Wall Street by *Burton Malkiel*



A comprehensive guide to investing that includes a discussion of the merits of index funds and efficient market theory. It's a great read for beginners and seasoned investors alike.

Q&A

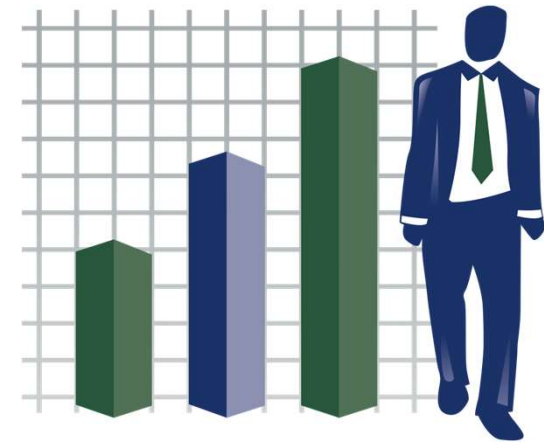


My Portfolio Guide, LLC (562) 799-5595 matt@myportfolioguide.com

Additional Resources & Education

My Portfolio Guide, LLC

- **'the Guide'** - Quarterly Investment Newsletter
- **Dear Mr. Market** - Investment Blog
- **Complimentary Portfolio Review**



**My Portfolio
Guide**

Personal Wealth Management

Caption

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