

Cliff Note Approach for Investing

Welcome to investing. My investment style is not a Day Trader or Option Trader, but is more aligned to a Buy and Hold strategy. I provide you with information to make the best-informed decision. The Historical Charts inform you of the best performers for stocks, crypto, and mutual funds. Take a moment to look over each row with the performance ranking and growth change each year. The annualized performance is a guide to picking a good performing stock that will be relevant for years. I provide a bubble up bar chart of best 5 performing stocks, crypto, and mutual funds every week. It will take about four weeks for the results to provide a trend to the highest performers for the year. Please understand the best 5 stocks, crypto, and mutual funds from year to year will be different more so than being the same.

I recommend that you build a portfolio of no more than 5 securities, so you don't have a herding the cats approach for managing your portfolio. Try to keep the cost basis the same for all the securities you own. There is no way to predict the best performing security in your portfolio. You need to fund your investment account aggressively to get to an overall balance to \$32K as quick as possible. Doubling of your investment account becomes substantial after \$32K with doubles of \$64k, \$128K, \$256K, \$512, and 1,024K.

As an informed investor, don't panic when the securities that you own drop 30% or greater in a year. This is the variability every investor has to tolerate. Remember, a 30% loss or greater is an unrealized loss because the loss is only preminent if you execute a sell at the lower price. During this volatile time, you can buy the dip. Any new purchase at -33% or -50% has a rebound to the original price of 50% and 100%, respectively. You must be patient and ride out the unrealized loss and wait for the price to rebound. Stock Market Corrections are normal and typically happen every 2 to 3 years with an impact of two to three months. Here are the Stock Market Corrections since 2020: 2020 Dip was 3-19-20 with Dip of -35%, 2022 Dip was 6-17-22 with Dip of -31%, and 2025 Dip was 4-4-25 with Dip of -19%. The Stock Market Correction in 2022 was unique because it continued to the end of the year.

I am not bias against Crypto and Mutual Funds. Maximized Hyper Growth is only possible with individual Stocks due to (1) mechanism of positive stock splits; and (2) the ability to invest in Roth IRA accounts. The mechanism of positive stock splits is where a stock at \$1,000 a share executes a 10:1 split and resets the stock price to \$100. This reset keeps the stock price attractive for investors and those who owned the stock before the 10:1 split now have 10x more shares and the initial purchase price is divided by 10.

10-year Growth Multiple and Annualized Growth

Stock / Mutual Funds	Symbol	1/3/12 Price	1/3/22 Price	10-Yr Growth Multiple	10-Yr Growth Rate	10-Yr Annualized Rate
Tesla, Inc.	TSLA	5.62	1,199.78	213.48	21,248%	70.98%
NVIDIA Corp.	NVDA	3.51	301.21	85.81	8,481%	56.08%
Netflix	NFLX	10.32	597.37	57.88	5,688%	50.06%
Adobe	ADBE	28.57	564.37	19.75	1,875%	34.76%
Amazon	AMZN	179.03	3,408.09	19.04	1,804%	34.26%
Microsoft	MSFT	26.77	334.75	12.50	1,150%	28.74%
AAPL	AAPL	14.69	182.01	12.39	1,139%	28.62%
Google	GOOG	331.46	2,901.49	8.75	775%	24.23%
McDonalds	MCD	98.84	268.58	2.72	172%	10.51%
WalMart	WMT	60.33	144.65	2.40	140%	9.14%
Coke	KO	35.07	59.3	1.69	69%	5.39%
Fidelity Blue Chip	FBGRX	43.08	185.96	4.32	332%	15.75%
Fidelity (Large Blend)	FXAIX	45.19	166.37	3.68	268%	13.92%
Vanguard (Large Blend)	VINIX	116.82	408.37	3.50	250%	13.33%
Vanguard (Mid Cap)	VIMAX	90.18	313.76	3.48	248%	13.28%
American Funds (Large-Growth)	AGTHX	29.31	75.00	2.56	156%	9.85%
Vanguard (Retirement 2040)	VFORX	20.85	42.13	2.02	102%	7.29%
Vanguard (Retirement 2035)	VTTHX	12.71	23.88	1.88	88%	6.51%
Vanguard (Retirement 2030)	VTHRX	21.23	38.45	1.81	81%	6.12%
Vanguard (Retirement 2025)	VTTVX	12.43	20.34	1.64	64%	5.05%
Vangurd (Short/Inter. Bonds)	VBTLX	10.98	11.10	1.01	1%	0.11%

The Table above provides you with a way to compare the growth multiple of securities. If you purchased \$10,000 worth of shares of Tesla back in Jan. 1, 2012, you would have \$2,134,800 as of Jan. 3, 2022. If you used the same \$10,000 and purchased the highest performing mutual fund, you would have \$43,200 as of Jan. 3, 2022. Initially, the growth of the stocks is nice, but after a few stock splits the growth multiple goes hyperbolic. This is the most extreme example, but you can see other stocks with double and triple digit multiples. The multiples provided by stocks far exceed those of stable less volatile mutual funds. Also, the Averaging Down process will increase the multiple you receive from volatile stocks.

You must always consider the tax implications in your investment account. Try to use a Roth IRA in your investment strategy wherever possible to remove the burden of taxes in the future. Yes, there are restriction on how much money you can contribute to a Roth IRA annually and there is a holding period required before you can access the funds. There is no dollar limit for a Roth IRA Roll Over, but any IRA funds transferred into a Roth IRA Roll Over will be taxed in the year of the transfer.