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TOP 20 Stock Market
PREDICTIONS FOR THE ROARING 2020s

- By Mark Pearson on January 1, 2022 from InvestingWithClarity.com Blog

Yes, it is that time of year again – the much-anticipated time for our Nepsis® Top 10 Predictions for the stock market in 2022!

To stay on track with our historical performance (understanding that past performance is NOT indicative of future performance!), we were once again 100% correct, or statistically speaking, batting a thousand for our predictions last year!

As we head into 2022, we will once again make it an even Top 20 Predictions for 2022.

You may be asking yourself, "Why does Nepsis® do these annual predictions — especially these types of predictions?" The answer is simple, we live in a world that I believe has an Addiction to Prediction®. We see investors continue to make big investment decisions and mistakes as they listen to countless predictions, compare their portfolio to benchmarks without understanding how they work, and compare their portfolios to other portfolios without understanding how the returns were achieved and at what level of risk it took to achieve the returns. Not to mention the many investors who have NO IDEA what companies provided the performance in the first place.

My hope is that our predictions can provide a level of clarity and common sense for investors that will enhance their investment process, remind them of the perpetual industry noise that inundates them daily, and put a smile on their faces.

We have been telling our clients for twenty-plus years to always expect a 20% correction at any time. Furthermore, when they occur, we have told clients to look for us to be buying many businesses at deep discounts as we have in every other correction we have seen in the past. We like to continually remind our clients that **VOLATILITY IS OUR FRIEND!**

Everyone knows that there is no crystal ball, but people readily latch on to a silver bullet or quick fix solution instead of being disciplined with their investment strategy. Let's face it – there are a lot of people that love hearing predictions and, unfortunately, I believe many people focus more on predictions than they do on what they own and why they own it. So, in an effort to keep our streak going, I will once again be making my bold Top 20 Predictions for 2022.

As I mentioned earlier, do investors really pay attention to see how accurate the experts' predictions are? No, of course not! Therefore, I am going to make it easy for you and let you know how we have fared in our predictions since we started providing them in 2012.

In the ten years that we have been making predictions, we are 10 for 10! That's right — we have been right on every single one! I realize that may be an absolute surprise for some; however, as you will see from the past predictions, we do not go very far out on a limb. Instead, we look at what should be common sense combined with many of the ideas investors seem to focus their efforts on. When all is said and done, when you are investing **OVER TIME**, it should be the investment philosophy and strategy that provides you with the confidence to stick to the investment process. Portfolio returns are relative to the risk taken. Additionally, as we tell our clients, you don't make or lose money UNTIL investments are sold. Focus on the process and on achieving long-term goals, not on a short-term number.

Lastly, as I read over our 2021 predictions, I reminded myself that consistency is the spice of life! Then I thought, "Dang, these are great predictions!" So… I decided for the first time to use the EXACT same predictions as last year! Why not? I think they were, and continue to be, great predictions!

Mark Pearson,
President & CIO

Here are the Top 20 Predictions…

NEPSIS®
INVEST WITH CLARITY®
8674 Eagle Creek Circle, Minneapolis, MN 55378
(952) 746-2003 • Fax: (952) 746-2006
www.InvestWithClarity.com • Blog: www.InvestingWithClarity.com

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1 Investors will continue to see the predictions on where the S&P 500 will end in 2022 (just like 2021) to be wrong, with the potential consequences of investors piling in on overpriced assets and missing out on great companies on sale.

2 Investors will continue to see company stock prices, as well as the "stock market", move up and down irrationally – as usual. Remember, you don't invest in the "stock market", you invest in businesses purchased through a "market."

3 Investors will continue to attempt to time the market and be wrong, as a there is approximately $20 trillion* held in U.S. households waiting on the sidelines, thus missing one of the best years for stocks since the Great Recession.

* https://www.barrons.com/articles/the-record-breaking-stock-market-and-the-cash-on-the-sidelines-fallacy-51607345835

4 Investors will continue to focus on short-term or historical performance and in doing so, be distracted from making intelligent long-term investment decisions and focusing on their Financial Plan.

5 Investors will continue to allow their emotions to get the best of them and make investment decisions emotionally as opposed to fundamentally.

6 Investors will continue to be scared by stock market volatility and in turn, create great buying opportunities — like always! Yes, we took advantage of this massive pandemic pullback and volatility!

7 Investors will continue to focus on inaccurate portfolio comparisons, with benchmarks focusing on fees and short-term performance vs the investment process – a symptom of poor investment Clarity.

8 Investors will continue to be overdiversified in their portfolio and not be properly asset-allocated, leaving their portfolios inefficient.

9 Investors will continue to follow the headlines instead of the bottom line when making investment decisions. Just look at all the 2021 headlines that predicted doom and peril!

10 Investors will continue to have an unrealistic time horizon for their investments and will be focusing more on short-term pain vs long-term gain – the tragedy of a short-term thinker.

11 Investors will continue to sell perfectly good companies at the first signs of volatility due to lack of knowledge and conviction in their portfolio holdings — another tragedy of a short-term thinker.

12 Investors will continue to limit their potential to be successful by failing to leverage the power and flexibility of Strategic Cost Averaging®.

13 Investors will continue to chase returns and be enticed by the stock-of-the-day, piling into positions without the benefit of having a Buy Discipline – or even knowing what the term means!

14 Investors will continue to invest without the benefit of having a clear Sell Discipline, keeping companies in their portfolio when better ones are available on sale or selling perfectly good companies based on fear and emotion.

15 Investors will continue to put the cart before the horse, believing investing progress can be consistently made without first establishing an investment process – STRATEGY PHILOSOPHY FLEXIBILITY TRANSPARENCY®.

16 Investors will continue to make poor investment decisions without recognizing that their behavioral biases are, in part, to blame — the plight of investing without clarity!

17 Many investors will continue to invest without giving themselves the satisfaction and peace of mind that comes from having conviction in their investments – and that conviction comes from knowing what you own and why you own it.

18 Investors will continue to struggle with financial planning instead of asking themselves two simple questions, "Is your portfolio doing the best it can?" and "Are you on track to have the future you want?" — If you can't answer yes to both, find the Clarity Roadmap® Proprietary Planning Process.

19 Investors will continue to invest on their own and work with professionals who invest on their behalf without having an efficient investing tax strategy, such as tax-loss harvesting — that's like planning to leave money on the table in advance.

20 Investors will continue to lose out on enjoying all of life's blessings by worrying and fretting about their investments instead of gaining investment clarity and redirecting their attention on the many greater gifts – family, friends, health and happiness!

Happy Holidays, Happy New Years and God Bless!
Invest with Clarity®! — Mark Pearson

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