



# FINANCIAL FOCUS:

## A Pegasus Newsletter®

[www.pegasusassetmgt.com](http://www.pegasusassetmgt.com)

Dear friends,  
It is often said that the stock market climbs a wall of worry. Well, there was plenty of worry to be found in the 4<sup>th</sup> quarter. Delta was prominent until Covid skipped several Greek letters and landed on Omicron. Supply chain issues became water cooler talk. Prebooking your seats on a plane did little for you if the flight was cancelled. Inflation hit levels not seen since E. T. was the top grossing film. And all the while the market's responded as expected, rising dramatically, reversing the 3<sup>rd</sup> quarter "slump". There is plenty to watch for in 2022. The Federal Reserve's attempt at slowing accommodation without slowing the economy, the continuing Covid variations, standard geopolitical iterations with Russia and China and the beginning of the midterm elections. Plenty for the team at Pegasus to navigate but likely none of them will be the headline for the new year. Whatever the year brings, our team is here to guide you through and answer your questions and concerns. Best wishes for a successful and healthy 2022!

By Rodd D. Berro

### ENDING STRONG

2021 proved a strong year for all the equity indexes with the fourth quarter adding to already substantial gains. The S&P 500 led the way with a yearly gain of 26.9%. The Nasdaq Composite followed with a 21.4% increase, while the Dow Jones Industrial Average and the Russell 2000 small cap index followed with less robust results of 18.7% and 13.7% respectively.

The bond market did little in the 4<sup>th</sup> quarter with the 10-year Treasury yield ending at 1.51%. The 30-year Treasury finished the year at 1.91%. Overall, the Treasury Bond market proved a poor

place to hide in 2021, with its Total Return performance ending with a loss of 2.32% for the year. Gold rallied in the fourth quarter but still ended the year down 5.47% at 1827.50 per ounce, continuing to disprove the old adage of being a good hedge against inflation. The rise in oil stalled out in the fourth quarter, ending the year at \$75.21 per barrel only 18 cents above the 3<sup>rd</sup> quarter close, but still up a robust 55% for the year. Thankfully natural gas prices dropped 41% in the fourth quarter, just in time for winter, but were still up 47% for the year. Heating bills will certainly reflect the increase.

### METaverse

Spider-Man: No Way Home is now one of the top 10 domestic grossing films of all times. Quite a feat with over 26 previous Marvel films and 8 previous Spider-Man movies. After so many stories what was left for Spider-Man to defend. Marvel has moved beyond our universe, into the multiverse, and the possibilities are endless. Coincidentally this transformation is occurring at the same time that communication is leaving the internet and moving into the Metaverse, where the possibilities are also infinite. So, what is the Metaverse and why did Facebook change its name to Meta Platforms? As with the internet in the 1980's, it is hard to define the Metaverse. Simply put it is a digital world. A place where we can walk in the real world while seeing digital directions, talking to holographic friends, and receiving electronic discount coupons to purchase real life items. This is the world of augmented reality (AR). You can also live a second (third, fourth etc.) life, represented by an Avatar

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## **METaverse (Continued)**

inside a completely digital world that continues to exist whether you are in it or not. This is the world of virtual reality (VR). Together they represent extraordinary opportunities. 1.To advertise across multiple platforms. This is where Facebook wants to exist. 2.To sell both real and digital items. Imagine you love Nike Air VaporMax shoes. Well now you need to buy them not only for your real world but also a pair for your Avatar. An entirely new world to sell to! 3.Offering greater flexibility to work and play from a single location. Expanding the world beyond its physical barriers. As with the Internet there will be many winners and losers, but the Metaverse will be powerful and will continue the extraordinary technological growth we have enjoyed for the last four decades.

## **Pegasus Client Portal**

*Securely upload & download documents in the portal*

### **To Access the Client Portal:**

<https://pegasusassetmgt.portal.tamaracinc.com>

### **To Download Documents:**

- Click on the Documents tab at top of screen
- Click "All Documents" in blue on the left side of the screen
- Click a check mark next the documents you want to download
- Towards the top in the blue box, click on the down arrow next to the word "Action"
- Click "Download" & follow your computer's prompts for a downloaded document

### **To Post Documents:**

- Click on the Documents tab at top of screen
- Click "All Documents" in blue on the left side of the screen
- Click on the down arrow next to the word "Action" in the blue box
- Click on "Post Documents"
- Select the file to upload
- Click "Post" on the bottom right



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Exclusive of charts

## **Schwab Alliance**

<http://www.schwaballiance.com/>

Schwab Mobile App

1-800-515-2157

Secure, online access to your accounts is easy, visit the Schwab Alliance website or Schwab Mobile App to view account balances & transactions, access tax documents, open new accounts, and more.

<https://content.schwab.com/learningcenter/index.html>

## **Tax Tips**

- Form 1099 is issued by Charles Schwab in the middle to end of February. This tax document is also available online at [www.schwaballiance.com](http://www.schwaballiance.com)
- Annual Gift Tax exclusion for 2021: \$15,000  
Annual Gift Tax exclusion for 2022: \$16,000
- Annual IRA contributions for 2021 and 2022: \$6,000 per year if under age 50, \$7,000 if 50 years old or older, total can't be more than your taxable compensation for the year
- Find legitimate and qualified charities and help avoid donation scams by using the Tax Exempt Organization Search tool:  
<https://go.usa.gov/xeqTh>

## **Need An Overnight Check?**

Contact our office in the morning.  
Schwab's new cut off time is 1:00pm.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Pegasus Asset Management, Inc.), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Pegasus Asset Management, Inc.. Please remember to contact Pegasus Asset Management, Inc., **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/reviving our previous recommendations and/or services. Pegasus Asset Management, Inc. is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. A copy of Pegasus Asset Management, Inc.'s current written disclosure statement discussing our advisory services and fees is available for review upon request.