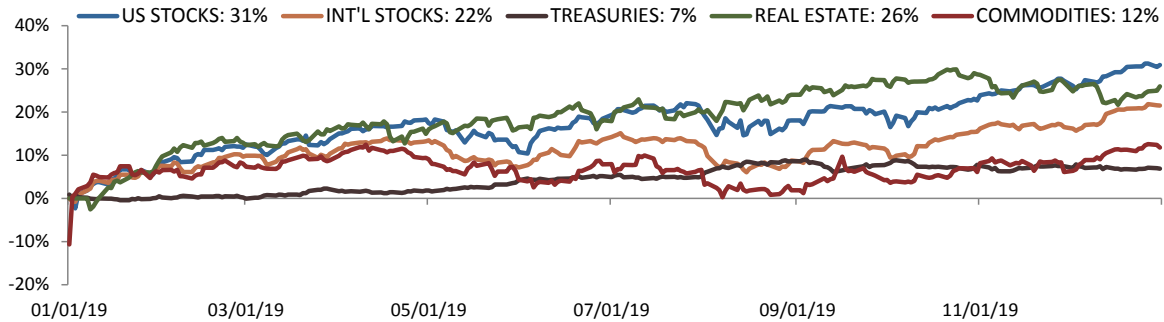


2019 World Wrap

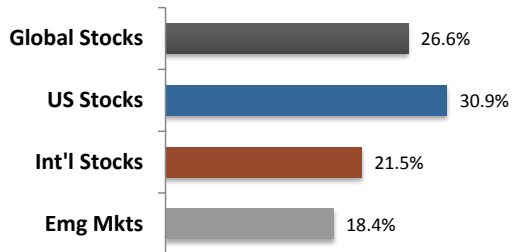
Major Asset Classes

* YTD Total Returns



World Stock Markets

* YTD Total Returns



US Equities finished 2019 with the best return since 2013, a snapback from the poor year stocks had in 2018. Stocks are up 12.5% from their Jan 2018 peak.

US Stocks

	Q4	2019 ↓
NASDAQ Comp	12.5%	36.7%
S&P 500	9.1%	31.5%
Dow Industrial	6.7%	25.3%
Dow Transport	5.6%	20.8%

US Factors

	Q4	2019 ↓
Quality	33.9%	33.9%
Pure Growth	29.0%	29.0%
Low Volatility	28.3%	28.3%
Momentum	26.2%	26.2%
High Dividend	26.0%	26.0%
Pure Value	25.5%	25.5%

Tech led all sectors closing over 50% higher in 2019, the best yr for the sector since 2009.

Large Growth & Quality outperformed all other styles & factors.

US Style Boxes

* YTD Total Returns

	Value	Core	Growth
Large	26.5%	31.4%	36.4%
Mid	23.6%	27.8%	32.7%
Small	22.4%	25.5%	28.5%

US Sectors

	Q4	2019 ↓
Technology	14.4%	50.3%
Healthcare	14.4%	20.8%
Financials	10.5%	32.1%
Communication Services	9.8%	0.0%
Telecom	8.7%	31.4%
Basic Materials	6.4%	24.6%
Industrials	5.5%	29.4%
Energy	5.5%	11.8%
Consumer Discretion	4.5%	27.9%
Consumer Staples	3.5%	27.6%
Utilities	0.8%	26.3%

International Stocks

	Q4	2019 ↓
Developed Mkts	8.2%	22.0%
Emerging Mkts	11.8%	18.4%
Frontier Mkts	6.7%	14.1%

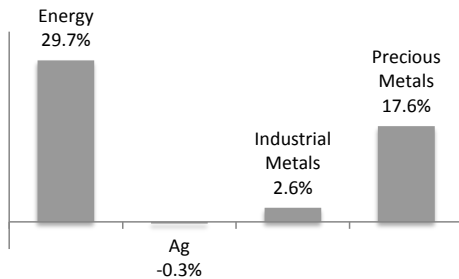
International equities closed 2019 over 20% higher, lagging US equities. International equities still have not surpassed their 2007 all-time high, nor their 2018 high.

REIT Sectors

	Q4	2019 ↓
Residential	-4.4%	24.5%
Mortgage	8.0%	21.4%
Retail	-2.6%	14.2%

Commodity Sectors

* YTD Total Returns



Key Commodities

	Q4	2019 ↓
Bitcoin	-12.4%	92.5%
Crude Oil - WTI	13.5%	34.1%
Lumber	9.1%	31.5%
Gold	3.3%	18.0%
Silver	5.0%	13.9%
Copper	7.9%	4.7%
Natural Gas	-16.3%	-32.3%

US Economy

	Level	Pd Annl	1YR
US Nominal GDP	21.54T	3.85%	3.82%
US Real GDP	19.12T	2.10%	2.07%
CPI Inflation	257.94	3.15%	2.06%
Initial Claims	222K	233.3K (4wma)	
Unemployment Rate	3.50%		
Fed Funds Rate	1.50%		

World Regions

	Q4	2019 ↓
US	9.0%	30.9%
Emerging Europe	9.8%	26.3%
Developed Europe	8.8%	23.8%
Asia	10.1%	18.8%
Latin America	10.5%	17.5%
Africa	12.6%	10.8%
Middle East	3.7%	10.1%

Best & Worst Countries

Russia	16.8%	51.4%
Greece	12.7%	43.2%
Egypt	5.6%	41.8%
New Zealand	17.4%	38.2%
Ireland	18.5%	37.5%
<i>Median Country Rtn</i>	<i>7.4%</i>	<i>19.6%</i>
Malaysia	3.1%	-2.0%
Poland	4.1%	-5.9%
Nigeria	1.3%	-16.3%
Chile	-8.8%	-16.9%
Argentina	15.4%	-20.8%

Fixed Income

	Current Yld	Q4	2019 ↓
US Corp	2.90%	1.2%	14.5%
US High Yield	5.85%	2.6%	14.3%
Global HY	3.23%	5.0%	8.6%
US Munis	2.74%	0.7%	7.5%
Global Gov't	0.84%	0.8%	5.6%
Global Corp	0.55%	2.8%	4.4%

US Treasuries

20 Year	2.3%	-4.2%	15.1%
10 Year	1.9%	-2.9%	11.0%
5 Year	1.7%	-0.1%	5.9%
90 Day	1.6%	0.4%	2.2%

Although 20Yr Treasuries had a rough qtr, down more than 4%, long duration Treasuries still managed to edge out US corp bonds for the yr - up 15.1% vs 14.5%.

Periodic Table of Investment Returns

Periodic Table: Major Asset Classes

Rnk\Yr	2013	2014	2015	2016	2017	2018	2019
1	US: 31.8%	REITs: 27.2%	REITs: 3.5%	US: 10.9%	Intl: 27.2%	Treas: .9%	US: 30.9%
2	Intl: 15.3%	US: 12.7%	Treas: .8%	Cmdty: 9.6%	US: 21.2%	REITs: -3.1%	REITs: 28.4%
3	Avg: 8.5%	Treas: 5.1%	US: .7%	REITs: 9.9%	Avg: 12.1%	US: -5.5%	Intl: 21.5%
4	REITs: 3.2%	Avg: 4.6%	Avg: -4.8%	Avg: 7.9%	REITs: 8.2%	Avg: -6.4%	Avg: 19.9%
5	Treas: -2.7%	Intl: -3.9%	Intl: -5.7%	Intl: 4.5%	Treas: 2.3%	Cmdty: -10.7%	Cmdty: 11.8%
3	Cmdty: -5.5%	Cmdty: -17.9%	Cmdty: -23.3%	Treas: 1.9%	Cmdty: 1.7%	Intl: -14.2%	Treas: 6.9%

Periodic Table: Style Boxes

Rnk\Yr	2013	2014	2015	2016	2017	2018	2019
1	Sml Gr: 43.3%	Lg Val: 13.5%	Lg Gr: 5.7%	Sml Val: 31.7%	Lg Gr: 30.2%	Lg Gr: -1.5%	Lg Gr: 36.4%
2	Mid Gr: 40.7%	Lg: 13.2%	Lg: .9%	Mid Val: 25.2%	Mid Gr: 24.5%	Lg: -4.8%	Mid Gr: 32.7%
3	Sml: 38.8%	Lg Gr: 13.3%	Mid Gr: -2.2%	Sml: 21.3%	Sml Gr: 22.2%	Mid Gr: -7.5%	Lg: 31.4%
4	Mid: 36.8%	Avg: 8.4%	Sml Gr: -1.4%	Mid: 17.6%	Lg: 21.7%	Lg Val: -8.3%	Sml Gr: 28.5%
5	Avg: 36.3%	Mid Val: 7.1%	Avg: -2.1%	Lg Val: 17.3%	Avg: 18.9%	Avg: -8.6%	Avg: 28.3%
6	Sml Val: 34.5%	Mid: 7.1%	Mid: -2.9%	Avg: 17.7%	Mid: 16.8%	Sml Gr: -9.3%	Mid: 27.8%
7	Lg Gr: 33.5%	Mid Gr: 7.1%	Lg Val: -3.8%	Lg: 12.1%	Sml: 14.6%	Mid: -10.9%	Lg Val: 26.5%
8	Mid Val: 33.3%	Sml Gr: 5.6%	Sml: -4.4%	Sml Gr: 11.3%	Lg Val: 13.7%	Sml: -11.9%	Sml: 25.5%
9	Lg: 33.1%	Sml: 4.9%	Mid Val: -5.5%	Mid Gr: 9.7%	Mid Val: 10.4%	Mid Val: -12.4%	Mid Val: 23.6%
10	Lg Val: 32.5%	Sml Val: 4.2%	Sml Val: -7.5%	Lg Gr: 7.1%	Sml Val: 7.8%	Sml Val: -12.9%	Sml Val: 22.4%

Periodic Table: Sectors

Rnk\Yr	2013	2014	2015	2016	2017	2018	2019
1	Discr: 43.1%	Util: 29.9%	Discr: 10.1%	Energy: 27.4%	Tech: 38.8%	Health: 6.5%	Tech: 50.3%
2	Health: 41.5%	Health: 25.3%	Health: 6.9%	Finls: 22.8%	Mtrls: 23.8%	Util: 4.1%	Finls: 32.1%
3	Indus: 40.7%	Tech: 20.1%	Staples: 6.6%	Indus: 18.9%	Discr: 23.3%	Discr: .8%	Indus: 29.4%
4	Finls: 35.6%	Staples: 16.6%	Tech: 5.9%	Mtrls: 16.7%	Finls: 22.2%	Tech: -3.3%	Discr: 27.9%
5	Avg: 31.1%	Finls: 15.2%	Avg: -1.1%	Util: 16.3%	Health: 22.1%	Avg: -6.3%	Avg: 27.9%
6	Tech: 28.4%	Avg: 13.8%	Finls: -1.5%	Tech: 13.8%	Indus: 21.1%	Staples: -8.4%	Staples: 27.6%
7	Staples: 26.1%	Indus: 9.8%	Indus: -2.5%	Avg: 13.8%	Avg: 19.5%	Finls: -13.3%	Util: 26.3%
8	Mtrls: 25.6%	Discr: 9.7%	Util: -4.8%	Discr: 6.6%	Staples: 13.5%	Indus: -13.3%	Mtrls: 24.6%
9	Energy: 25.1%	Mtrls: 6.9%	Mtrls: -8.4%	Staples: 5.4%	Util: 12.1%	Mtrls: -14.7%	Health: 20.8%
10	Util: 13.2%	Energy: -7.8%	Energy: -21.1%	Health: -2.7%	Energy: -1.1%	Energy: -18.1%	Energy: 11.8%

Periodic Table: Fixed Income

Rnk\Yr	2013	2014	2015	2016	2017	2018	2019
1	Corp HY: 7.4%	Lng Credit: 19.3%	Muni: 3.3%	Corp HY: 17.1%	Lng Credit: 10.7%	Bills: 1.8%	Lng Credit: 19.6%
2	Bills: .%	Muni: 9.1%	MBS: 1.5%	EM: 9.9%	Intl Agg: 10.5%	Muni: 1.3%	Corp: 14.5%
3	MBS: -1.4%	Corp: 7.5%	EM: 1.3%	Lng Credit: 6.7%	EM: 8.2%	MBS: 1.9%	Corp HY: 14.3%
4	Corp: -1.5%	MBS: 6.1%	Treas: .8%	Corp: 6.1%	Corp HY: 7.5%	Treas: .9%	EM: 13.1%
5	US Agg: -2.2%	US Agg: 6.6%	US Agg: .6%	TIPS: 4.7%	Glob Agg: 7.4%	US Agg: .%	US Agg: 8.7%
6	Muni: -2.6%	Treas: 5.1%	Bills: .%	US Agg: 2.6%	Corp: 6.4%	Glob Agg: -1.2%	TIPS: 8.4%
7	Glob Agg: -2.6%	EM: 4.8%	Corp: -7.7%	Glob Agg: 2.1%	Muni: 5.4%	TIPS: -1.3%	Muni: 7.5%
8	Treas: -2.7%	TIPS: 3.6%	TIPS: -1.4%	MBS: 1.7%	US Agg: 3.5%	Corp HY: -2.1%	Treas: 6.9%
9	Intl Agg: -3.1%	Corp HY: 2.5%	Glob Agg: -3.2%	Intl Agg: 1.5%	TIPS: 3.9%	Intl Agg: -2.1%	Glob Agg: 6.8%
10	EM: -4.1%	Glob Agg: .6%	Lng Credit: -3.3%	Treas: 1.9%	MBS: 2.5%	EM: -2.5%	MBS: 6.4%
11	TIPS: -8.6%	Bills: .%	Corp HY: -4.5%	Bills: .3%	Treas: 2.3%	Corp: -2.5%	Intl Agg: 5.1%
12	Lng Credit: -8.8%	Intl Agg: -3.1%	Intl Agg: -6.6%	Muni: .2%	Bills: .8%	Lng Credit: -4.7%	Bills: 2.2%

Asset Management – Portfolio Lineup

*The essence of investment management is the management of risks, not the management of returns.
– Benjamin Graham*

Select Dividend – Bottom up risk managed dividend portfolio of up to 40 stocks that can hold cash and fixed income when markets aren't presenting attractive individual equity opportunities. Portfolio built upon Cypress Capital's own metrics that measure dividend quality and safety. The portfolio is divided 75/25 into payers and growers. Payers are stocks with above average yields and a long-term history of paying dividends, where the dividend is perceived to be safe. Growers are companies with high total shareholder yields and perceived to be high quality, franchise companies. The portfolio is generally made up with familiar, household names.

Global Allocation – Multi-asset class portfolio that invests in low cost exchange traded funds across eight asset classes based upon the margin of safety offered by each asset class in an effort to avoid significant drawdowns.

Strategic Income – Disciplined, value biased income portfolio that practices patience in awaiting excellent risk reward opportunities in fixed income. Disciplined in its refusal to reach for yield and put capital at risk of permanent impairment.

Asset Neutral – Absolute return focused multi-asset class portfolio that allocates assets based upon the margin of safety offered in each asset class. Portfolio can go defensive and hold up to 100% cash in some environments.

US Opportunity – Concentrated value portfolio of up to 50 stocks that increases allocations to cash and fixed income when the margin of safety offered by equities is too narrow. Portfolio quantitatively buys the cheapest, highest quality stocks that it can find. Quantitative sell discipline sells individual holdings based on value and momentum factors.

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