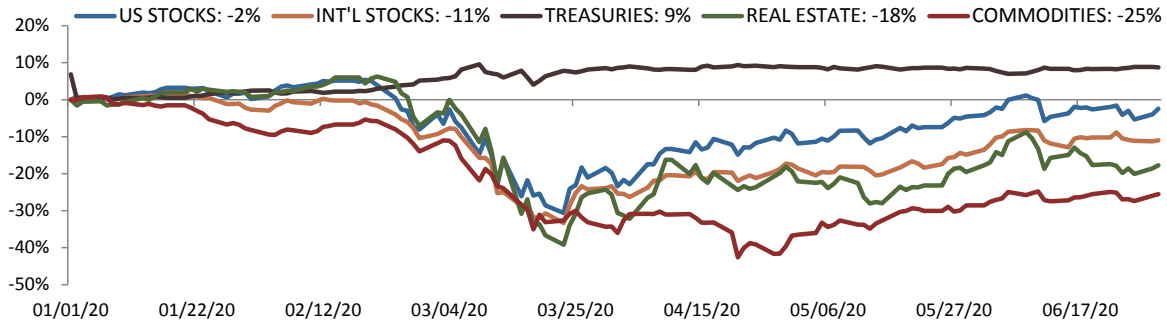


2020 Q2 World Wrap

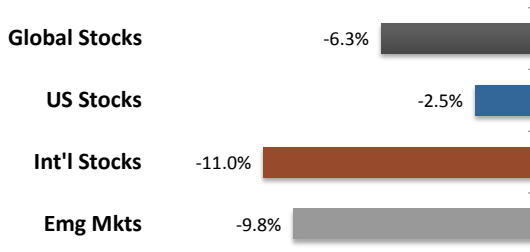
Major Asset Classes

* YTD Total Returns



World Stock Markets

* YTD Total Returns



US Equities outperformed all major asset classes in Q2, but Treasuries still hold the lead year-to-date.

US Stocks

	Q2	2020 ↓
NASDAQ Comp	29.7%	12.7%
S&P 500	18.6%	-3.1%
Dow Industrial	16.3%	-8.4%
Dow Transport	18.3%	-15.1%

US Factors

	Q2	2020 ↓
Momentum	5.0%	5.0%
Pure Growth	2.7%	2.7%
Quality	16.8%	-2.0%
Low Volatility	-13.5%	-13.5%
High Dividend	-18.5%	-18.5%
Pure Value	-29.8%	-29.8%

A handful of stocks are driving US equity returns and doing the same for the leading styles and factors - Tech, Growth, Momentum, Large Cap.

US Style Boxes

* YTD Total Returns

	Value	Core	Growth
Large	-16.3%	-2.8%	9.8%
Mid	-21.2%	-11.1%	2.0%
Small	-23.5%	-13.0%	-3.1%

US Sectors

	Q2	2020 ↓
Technology	28.1%	15.0%
Consumer Discretion	30.5%	7.2%
Communication Services	22.3%	3.4%
Healthcare	13.1%	-0.8%
Consumer Staples	6.0%	-5.7%
Basic Materials	24.3%	-6.9%
Real Estate	9.6%	-8.6%
Utilities	-1.4%	-11.1%
Industrials	15.5%	-14.6%
Financials	8.9%	-23.6%
Energy	32.6%	-35.3%

International Stocks

	Q2	2020 ↓
Emerging Mkts	20.4%	-9.8%
Developed Mkts	15.0%	-11.3%
Frontier Mkts	18.2%	-20.6%

US Equities are also beating all world regions, but there are three countries with positive ytd returns - Denmark, New Zealand & China.

World Regions

	Q2	2020 ↓
US	19.6%	-2.5%
Asia	15.1%	-5.6%
Developed Europe	16.5%	-12.8%
Middle East	12.8%	-13.8%
Emerging Europe	14.0%	-16.2%
Africa	29.1%	-23.7%
Latin America	18.8%	-35.2%

Best & Worst Countries

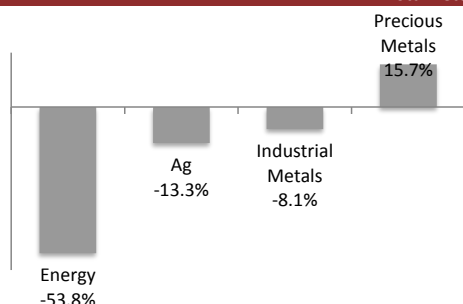
Denmark	20.1%	9.3%
New Zealand	27.2%	7.0%
China	17.5%	3.5%
Netherlands	24.5%	-1.0%
Israel	22.3%	-1.6%
<i>Median Country Rtn</i>	<i>20.6%</i>	<i>-16.9%</i>
Peru	17.3%	-29.1%
Austria	20.7%	-31.0%
Brazil	19.5%	-38.9%
Greece	8.5%	-39.2%
Colombia	9.1%	-44.8%

REIT Sectors

	Q2	2020 ↓
Residential	7.7%	-18.9%
Retail	18.0%	-36.8%
Mortgage	26.9%	-40.4%

Commodity Sectors

* YTD Total Returns



Key Commodities

	Q2	2020 ↓
Bitcoin	44.4%	26.3%
Gold	8.9%	17.1%
Lumber	34.2%	6.2%
Silver	29.4%	1.9%
Copper	25.7%	-2.9%
Natural Gas	-19.7%	-39.7%
Crude Oil - WTI	2.7%	-66.6%

US Economy

	Level	Pd Annl	1YR
US Nominal GDP	21.54T	-3.44%	2.09%
US Real GDP	18.98T	-4.99%	0.26%
CPI Inflation	255.77	-0.63%	0.14%
Initial Claims	1427K	1503.8K (4wma)	
Unemployment Rate	11.10%		
Fed Funds Rate	0.00%		

Fixed Income

	Current Yld	Q2	2020 ↓
US Corp	2.22%	9.5%	5.0%
US Munis	2.84%	2.3%	2.1%
Global Gov't	0.69%	4.8%	0.8%
Global Corp	0.94%	7.2%	-1.4%
US High Yield	8.07%	10.9%	-3.8%
Global HY	6.40%	13.3%	-5.3%

US Treasuries

20 Year	1.2%	-1.7%	21.6%
10 Year	0.7%	-0.4%	17.0%
5 Year	0.3%	0.6%	7.0%
90 Day	0.2%	0.0%	0.5%

It wasn't a great quarter for oil or natural gas, but it was for lumber and copper. Both economically sensitive commodities jumped by more than 25% in Q2.

Periodic Table of Investment Returns

Periodic Table: Major Asset Classes

Rnk\Yr	2014	2015	2016	2017	2018	2019	2020
1	REITs: 27.2%	REITs: 3.5%	US: 10.9%	Intl: 27.2%	Treas: .9%	US: 30.9%	Treas: 8.7%
2	US: 12.7%	Treas: .8%	Cmdty: 9.6%	US: 21.2%	REITs: -3.1%	REITs: 28.4%	US: -2.5%
3	Treas: 5.1%	US: .7%	REITs: 9.9%	Avg: 12.1%	US: -5.9%	Intl: 21.5%	Avg: -8.6%
4	Avg: 4.6%	Avg: -4.8%	Avg: 7.9%	REITs: 8.2%	Avg: -6.4%	Avg: 19.9%	Intl: -11.9%
5	Intl: -3.9%	Intl: -5.7%	Intl: 4.5%	Treas: 2.3%	Cmdty: -10.7%	Cmdty: 11.8%	REITs: -13.9%
3	Cmdty: -17.9%	Cmdty: -23.3%	Treas: 1.9%	Cmdty: 1.7%	Intl: -14.2%	Treas: 6.9%	Cmdty: -25.5%

Periodic Table: Style Boxes

Rnk\Yr	2014	2015	2016	2017	2018	2019	2020
1	Lg Val: 13.5%	Lg Gr: 5.7%	Sml Val: 31.7%	Lg Gr: 30.2%	Lg Gr: -1.5%	Lg Gr: 36.4%	Lg Gr: 9.8%
2	Lg: 13.2%	Lg: .9%	Mid Val: 25.2%	Mid Gr: 24.5%	Lg: -4.8%	Mid Gr: 32.7%	Mid Gr: 2.8%
3	Lg Gr: 13.9%	Mid Gr: -2.2%	Sml: 21.3%	Sml Gr: 22.2%	Mid Gr: -7.5%	Lg: 31.4%	Lg: -2.8%
4	Avg: 8.4%	Sml Gr: -1.4%	Mid: 17.6%	Lg: 21.7%	Lg Val: -8.3%	Sml Gr: 28.5%	Sml Gr: -3.1%
5	Mid Val: 7.1%	Avg: -2.1%	Lg Val: 17.3%	Avg: 18.8%	Avg: -8.6%	Avg: 28.3%	Avg: -8.8%
6	Mid: 7.1%	Mid: -2.9%	Avg: 17.7%	Mid: 16.8%	Sml Gr: -9.3%	Mid: 27.8%	Mid: -11.1%
7	Mid Gr: 7.1%	Lg Val: -3.8%	Lg: 12.1%	Sml: 14.6%	Mid: -10.9%	Lg Val: 26.5%	Sml: -13.9%
8	Sml Gr: 5.6%	Sml: -4.4%	Sml Gr: 11.3%	Lg Val: 13.7%	Sml: -11.9%	Sml: 25.5%	Lg Val: -16.3%
9	Sml: 4.9%	Mid Val: -5.5%	Mid Gr: 9.7%	Mid Val: 10.4%	Mid Val: -12.4%	Mid Val: 23.6%	Mid Val: -21.2%
10	Sml Val: 4.2%	Sml Val: -7.5%	Lg Gr: 7.1%	Sml Val: 7.8%	Sml Val: -12.9%	Sml Val: 22.4%	Sml Val: -23.5%

Periodic Table: Sectors

Rnk\Yr	2014	2015	2016	2017	2018	2019	2020
1	Util: 29.9%	Discr: 10.1%	Energy: 27.4%	Tech: 38.8%	Health: 6.5%	Tech: 50.3%	Tech: 15.9%
2	Health: 25.3%	Health: 6.9%	Finls: 22.8%	Mtrls: 23.8%	Util: 4.1%	Finls: 32.1%	Discr: 7.2%
3	Tech: 20.1%	Staples: 6.6%	Indus: 18.9%	Discr: 23.9%	Discr: .8%	Indus: 29.4%	Health: -8.9%
4	Staples: 16.6%	Tech: 5.9%	Mtrls: 16.7%	Finls: 22.2%	Tech: -3.3%	Discr: 27.9%	Staples: -5.7%
5	Finls: 15.2%	Avg: -1.1%	Util: 16.3%	Health: 22.1%	Avg: -6.3%	Avg: 27.9%	Mtrls: -6.9%
6	Avg: 13.8%	Finls: -1.5%	Tech: 13.8%	Indus: 21.9%	Staples: -8.4%	Staples: 27.6%	Avg: -8.4%
7	Indus: 9.8%	Indus: -2.5%	Avg: 13.8%	Avg: 19.5%	Finls: -13.3%	Util: 26.3%	Util: -11.1%
8	Discr: 9.7%	Util: -4.8%	Discr: 6.6%	Staples: 13.5%	Indus: -13.3%	Mtrls: 24.6%	Indus: -14.6%
9	Mtrls: 6.9%	Mtrls: -8.4%	Staples: 5.4%	Util: 12.1%	Mtrls: -14.7%	Health: 20.8%	Finls: -23.6%
10	Energy: -7.8%	Energy: -21.1%	Health: -2.7%	Energy: -1.9%	Energy: -18.1%	Energy: 11.8%	Energy: -35.3%

Periodic Table: Fixed Income

Rnk\Yr	2014	2015	2016	2017	2018	2019	2020
1	Lng Credit: 19.3%	Muni: 3.3%	Corp HY: 17.1%	Lng Credit: 10.7%	Bills: 1.8%	Lng Credit: 19.6%	Lng Credit: 12.8%
2	Muni: 9.1%	MBS: 1.5%	EM: 9.9%	Intl Agg: 10.5%	Muni: 1.3%	Corp: 14.5%	Treas: 8.7%
3	Corp: 7.5%	EM: 1.3%	Lng Credit: 6.7%	EM: 8.2%	MBS: 1.9%	Corp HY: 14.3%	US Agg: 6.1%
4	MBS: 6.1%	Treas: .8%	Corp: 6.1%	Corp HY: 7.5%	Treas: .9%	EM: 13.1%	TIPS: 6.9%
5	US Agg: 6.6%	US Agg: .6%	TIPS: 4.7%	Glob Agg: 7.4%	US Agg: .9%	US Agg: 8.7%	Corp: 5.9%
6	Treas: 5.1%	Bills: .9%	US Agg: 2.6%	Corp: 6.4%	Glob Agg: -1.2%	TIPS: 8.4%	MBS: 3.5%
7	EM: 4.8%	Corp: -7.7%	Glob Agg: 2.1%	Muni: 5.4%	TIPS: -1.3%	Muni: 7.5%	Glob Agg: 3.9%
8	TIPS: 3.6%	TIPS: -1.4%	MBS: 1.7%	US Agg: 3.5%	Corp HY: -2.1%	Treas: 6.9%	Muni: 2.1%
9	Corp HY: 2.5%	Glob Agg: -3.2%	Intl Agg: 1.5%	TIPS: 3.9%	Intl Agg: -2.1%	Glob Agg: 6.8%	Intl Agg: .6%
10	Glob Agg: .6%	Lng Credit: -3.3%	Treas: 1.9%	MBS: 2.5%	EM: -2.5%	MBS: 6.4%	Bills: .5%
11	Bills: .9%	Corp HY: -4.5%	Bills: .3%	Treas: 2.3%	Corp: -2.5%	Intl Agg: 5.1%	EM: -4.4%
12	Intl Agg: -3.1%	Intl Agg: -6.6%	Muni: .2%	Bills: .8%	Lng Credit: -4.7%	Bills: 2.2%	Corp HY: -3.8%

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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