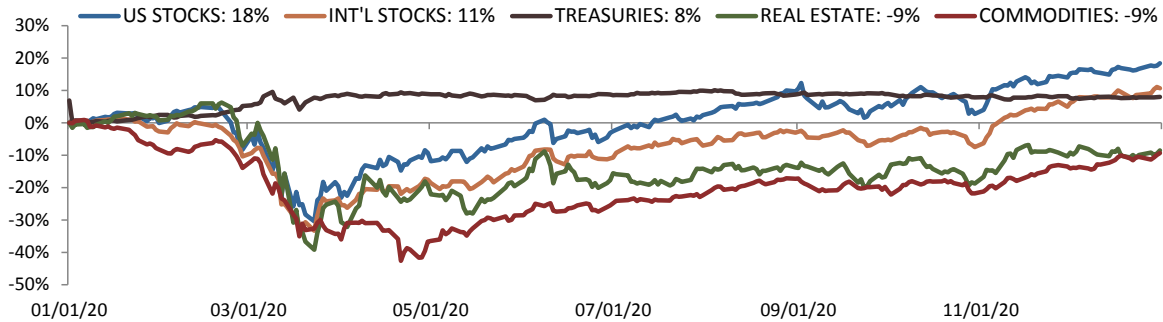


2020 World Wrap

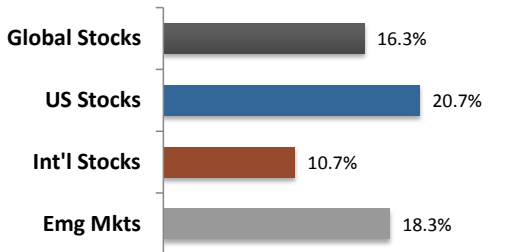
Major Asset Classes

* YTD Total Returns



World Stock Markets

* YTD Total Returns



3 of 5 our key asset classes managed to finish the year in positive territory, with US equities leading for two yrs in a row.

US Stocks

	Q4	2020 ↓
NASDAQ Comp	15.6%	44.9%
S&P 500	12.1%	18.4%
Dow Transport	11.7%	16.5%
Dow Industrial	10.7%	9.7%

US Factors

	Q4	2020 ↓
Pure Growth	29.7%	29.7%
Momentum	28.3%	28.3%
Quality	9.3%	17.6%
High Dividend	0.6%	0.6%
Low Volatility	-1.1%	-1.1%
Pure Value	-8.7%	-8.7%

Growth stocks dominated, and 2020 beat the dot com era for growth vs value outperformance. Energy has been the worst sector for 6 of the last 7 yrs.

US Style Boxes

* YTD Total Returns

	Value	Core	Growth
Large	2.8%	21.0%	38.5%
Mid	4.9%	20.0%	40.5%
Small	4.6%	20.0%	34.6%

US Sectors

	Q4	2020 ↓
Technology	11.8%	43.9%
Consumer Discretion	8.0%	33.3%
Communication Services	13.9%	27.0%
Basic Materials	14.5%	20.7%
Healthcare	8.0%	13.4%
Industrials	15.7%	11.1%
Consumer Staples	6.4%	10.7%
Utilities	6.5%	0.5%
Financials	23.2%	-1.7%
Real Estate	5.0%	-2.1%
Energy	27.8%	-33.7%

International Stocks

	Q4	2020 ↓
Emerging Mkts	19.7%	18.3%
Developed Mkts	16.0%	7.8%
Frontier Mkts	17.4%	-2.7%

Emerging market equities beat developed market equities in 2020, led by strength in Chinese equities.

World Regions

	Q4	2020 ↓
Asia	17.4%	20.9%
US	13.0%	20.7%
Developed Europe	15.6%	5.4%
Middle East	5.8%	-0.4%
Emerging Europe	16.9%	-1.4%
Africa	21.1%	-4.0%
Latin America	34.8%	-13.8%

Best & Worst Countries

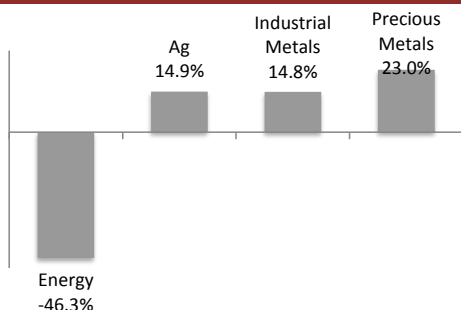
Korea	38.3%	44.6%
Denmark	14.0%	43.7%
Taiwan	23.1%	41.0%
China	11.2%	29.5%
Netherlands	18.4%	24.1%
<i>Median Country Rtn</i>	<i>20.4%</i>	<i>4.1%</i>
Russia	21.6%	-12.5%
Colombia	48.7%	-19.0%
Brazil	37.0%	-19.0%
Egypt	-5.0%	-22.5%
Greece	16.4%	-26.9%

REIT Sectors

	Q4	2020 ↓
Residential	12.5%	-6.6%
Mortgage	25.8%	-20.7%
Retail	23.6%	-26.5%

Commodity Sectors

* YTD Total Returns



Key Commodities

	Q4	2020 ↓
Bitcoin	167.6%	296.6%
Lumber	42.6%	115.4%
Silver	11.8%	42.5%
Copper	16.1%	25.3%
Gold	-0.4%	20.9%
Natural Gas	-18.5%	-45.9%
Crude Oil - WTI	18.4%	-60.3%

US Economy

	Level	Pd Annl	1YR
US Nominal GDP	21.17T	38.3%	-1.7%
US Real GDP	18.6T	33.4%	-2.8%
CPI Inflation	260.82	2.3%	0.9%
Initial Claims	787K	836.8K (4wma)	
Unemployment Rate	6.70%		
Fed Funds Rate	0.00%		

Fixed Income

	Current Yld	Q4	2020 ↓
Global Corp	0.23%	6.6%	11.5%
Global HY	3.74%	9.9%	10.7%
US Corp	1.79%	3.0%	9.9%
Global Gov't	0.63%	5.6%	9.5%
US High Yield	5.23%	6.5%	7.1%
US Munis	1.17%	1.8%	5.2%

US Treasuries

20 Year	1.5%	-3.1%	18.1%
10 Year	0.9%	-2.9%	13.6%
5 Year	0.4%	-0.2%	7.1%
90 Day	0.1%	0.0%	0.5%

Despite a strong Q4 in credits, it wasn't enough to outperform long duration Treasuries in 2020. Bitcoin finished the year up nearly 300%, and lumber more than doubled.

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%	US: 20.7%
2	US: 12.7%	Treas: .8%	Cmdty: 9.6%	US: 21.2%	REITs: -3.1%	REITs: 28.4%	Intl: 10.7%
3	Treas: 5.1%	US: .7%	REITs: 9.9%	Avg: 12.1%	US: -5.9%	Intl: 21.5%	Treas: 8.9%
4	Avg: 4.6%	Avg: -4.8%	Avg: 7.9%	REITs: 8.2%	Avg: -6.4%	Avg: 19.9%	Avg: 5.6%
5	Intl: -3.9%	Intl: -5.7%	Intl: 4.5%	Treas: 2.3%	Cmdty: -10.7%	Cmdty: 11.8%	REITs: -2.2%
3	Cmdty: -17.9%	Cmdty: -23.3%	Treas: 1.9%	Cmdty: 1.7%	Intl: -14.2%	Treas: 6.9%	Cmdty: -9.3%

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%	Mid Gr: 40.5%
2	Lg: 13.2%	Lg: .9%	Mid Val: 25.2%	Mid Gr: 24.5%	Lg: -4.8%	Mid Gr: 32.7%	Lg Gr: 38.5%
3	Lg Gr: 13.9%	Mid Gr: -2.2%	Sml: 21.3%	Sml Gr: 22.2%	Mid Gr: -7.5%	Lg: 31.4%	Sml Gr: 34.6%
4	Avg: 8.4%	Sml Gr: -1.4%	Mid: 17.6%	Lg: 21.7%	Lg Val: -8.3%	Sml Gr: 28.5%	Lg: 21.9%
5	Mid Val: 7.1%	Avg: -2.1%	Lg Val: 17.3%	Avg: 18.8%	Avg: -8.6%	Avg: 28.3%	Avg: 20.8%
6	Mid: 7.1%	Mid: -2.9%	Avg: 17.7%	Mid: 16.8%	Sml Gr: -9.3%	Mid: 27.8%	Mid: 20.9%
7	Mid Gr: 7.1%	Lg Val: -3.8%	Lg: 12.1%	Sml: 14.6%	Mid: -10.9%	Lg Val: 26.5%	Sml: 20.9%
8	Sml Gr: 5.6%	Sml: -4.4%	Sml Gr: 11.3%	Lg Val: 13.7%	Sml: -11.9%	Sml: 25.5%	Mid Val: 4.9%
9	Sml: 4.9%	Mid Val: -5.5%	Mid Gr: 9.7%	Mid Val: 10.4%	Mid Val: -12.4%	Mid Val: 23.6%	Sml Val: 4.6%
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%	Lg Val: 2.8%

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: 43.9%
2	Health: 25.3%	Health: 6.9%	Finls: 22.8%	Mtrls: 23.8%	Util: 4.1%	Finls: 32.1%	Discr: 33.3%
3	Tech: 20.1%	Staples: 6.6%	Indus: 18.9%	Discr: 23.9%	Discr: .8%	Indus: 29.4%	Mtrls: 20.7%
4	Staples: 16.6%	Tech: 5.9%	Mtrls: 16.7%	Finls: 22.2%	Tech: -3.3%	Discr: 27.9%	Health: 13.4%
5	Finls: 15.2%	Avg: -1.1%	Util: 16.3%	Health: 22.1%	Avg: -6.3%	Avg: 27.9%	Indus: 11.1%
6	Avg: 13.8%	Finls: -1.5%	Tech: 13.8%	Indus: 21.9%	Staples: -8.4%	Staples: 27.6%	Avg: 10.9%
7	Indus: 9.8%	Indus: -2.5%	Avg: 13.8%	Avg: 19.5%	Finls: -13.3%	Util: 26.3%	Staples: 10.7%
8	Discr: 9.7%	Util: -4.8%	Discr: 6.9%	Staples: 13.5%	Indus: -13.3%	Mtrls: 24.6%	Util: .5%
9	Mtrls: 6.9%	Mtrls: -8.4%	Staples: 5.4%	Util: 12.1%	Mtrls: -14.7%	Health: 20.8%	Finls: -1.7%
10	Energy: -7.8%	Energy: -21.1%	Health: -2.7%	Energy: -1.1%	Energy: -18.1%	Energy: 11.8%	Energy: -33.7%

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: 16.1%
2	Muni: 9.1%	MBS: 1.5%	EM: 9.9%	Intl Agg: 10.5%	Muni: 1.3%	Corp: 14.5%	TIPS: 11.9%
3	Corp: 7.5%	EM: 1.3%	Lng Credit: 6.7%	EM: 8.2%	MBS: 1.9%	Corp HY: 14.3%	Intl Agg: 10.1%
4	MBS: 6.1%	Treas: .8%	Corp: 6.1%	Corp HY: 7.5%	Treas: .9%	EM: 13.1%	Corp: 9.9%
5	US Agg: 6.6%	US Agg: .6%	TIPS: 4.7%	Glob Agg: 7.4%	US Agg: .9%	US Agg: 8.7%	Glob Agg: 9.2%
6	Treas: 5.1%	Bills: .9%	US Agg: 2.6%	Corp: 6.4%	Glob Agg: -1.2%	TIPS: 8.4%	Treas: 8.9%
7	EM: 4.8%	Corp: -7.7%	Glob Agg: 2.1%	Muni: 5.4%	TIPS: -1.3%	Muni: 7.5%	US Agg: 7.5%
8	TIPS: 3.6%	TIPS: -1.4%	MBS: 1.7%	US Agg: 3.5%	Corp HY: -2.1%	Treas: 6.9%	Corp HY: 7.1%
9	Corp HY: 2.5%	Glob Agg: -3.2%	Intl Agg: 1.5%	TIPS: 3.9%	Intl Agg: -2.1%	Glob Agg: 6.8%	EM: 6.5%
10	Glob Agg: .6%	Lng Credit: -3.3%	Treas: 1.9%	MBS: 2.5%	EM: -2.5%	MBS: 6.4%	Muni: 5.2%
11	Bills: .9%	Corp HY: -4.5%	Bills: .3%	Treas: 2.3%	Corp: -2.5%	Intl Agg: 5.1%	MBS: 3.9%
12	Intl Agg: -3.1%	Intl Agg: -6.6%	Muni: .2%	Bills: .8%	Lng Credit: -4.7%	Bills: 2.2%	Bills: .5%

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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