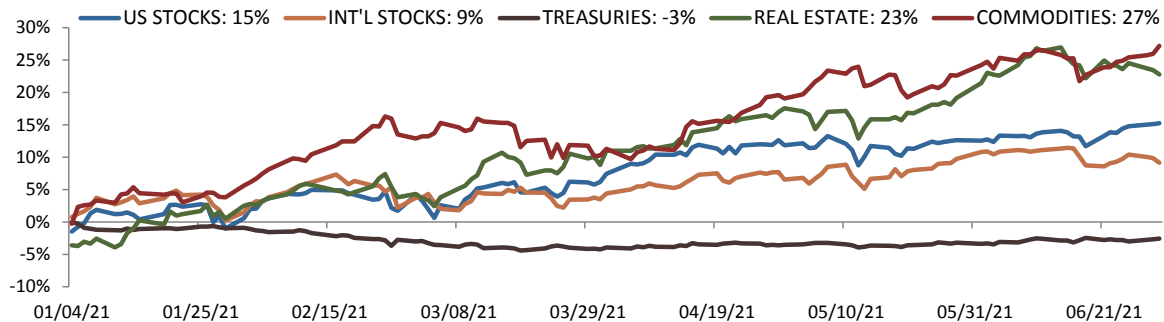


2021 Q2 World Wrap

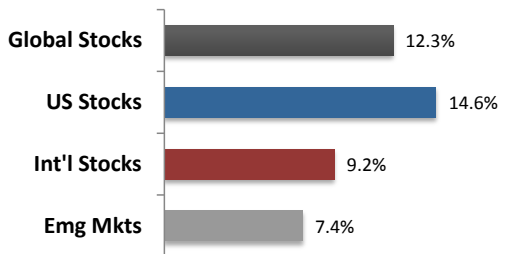
Major Asset Classes

* YTD Total Returns



World Stock Markets

* YTD Total Returns



After one of their longest stretches of secular underperformance, commodities are off to their strongest year since 2008, leading all asset classes.

US Stocks

	Q2	2021 ↓
Dow Transport	1.3%	19.7%
S&P 500	9.0%	15.3%
Dow Industrial	4.8%	13.8%
NASDAQ Comp	11.4%	12.9%

US Factors

	Q2	2021 ↓
Pure Value	27.0%	27.0%
High Dividend	19.8%	19.8%
Quality	10.8%	16.2%
Pure Growth	13.2%	13.2%
Momentum	12.3%	12.3%
Low Volatility	9.4%	9.4%

Value stocks continue to hold a strong performance advantage at the end of the first half of 2021.

US Style Boxes

* YTD Total Returns

	Value	Core	Growth
Large	17.0%	15.0%	13.0%
Mid	22.7%	17.0%	8.7%
Small	26.7%	17.5%	9.0%

US Sectors

	Q2	2021 ↓
Energy	10.3%	45.6%
Financials	7.4%	25.7%
Real Estate	12.5%	23.2%
Communication Services	11.1%	22.2%
Industrials	4.1%	16.4%
Basic Materials	4.5%	14.5%
Technology	13.2%	13.8%
Healthcare	8.6%	11.9%
Consumer Discretion	7.8%	10.3%
Consumer Staples	3.3%	5.0%
Utilities	0.2%	2.4%

International Stocks

	Q2	2021 ↓
Developed Mkts	4.8%	8.8%
Emerging Mkts	4.8%	7.4%
Frontier Mkts	6.7%	0.7%

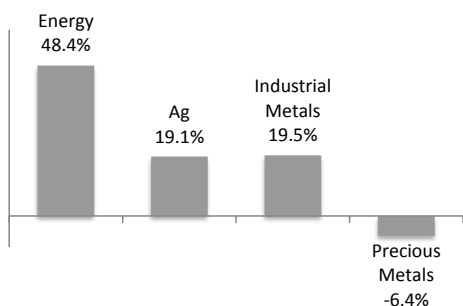
Developed markets hold a slight edge over emerging. China, up less than 2% ytd, has weighed on emerging market performance.

REIT Sectors

	Q2	2021 ↓
Retail	11.7%	36.0%
Residential	12.1%	24.3%
Mortgage	6.2%	20.3%

Commodity Sectors

* YTD Total Returns



Key Commodities

	Q2	2021 ↓
Lumber	-29.0%	64.3%
Crude Oil - WTI	21.6%	52.1%
Natural Gas	32.2%	38.0%
Copper	6.7%	20.8%
Bitcoin	-41.2%	20.3%
Silver	8.3%	-1.2%
Gold	5.0%	-7.0%

US Economy

	Level	Pd Annl	1YR
US Nominal GDP	22.06T	11.0%	2.3%
US Real GDP	19.09T	6.4%	0.4%
CPI Inflation	268.55	8.0%	4.4%
Initial Claims	364K	392.8K (4wma)	
Unemployment Rate	5.90%		
Fed Funds Rate	0.00%		

World Regions

	Q2	2021 ↓
Middle East	12.0%	23.6%
Emerging Europe	11.6%	17.2%
US	9.3%	14.6%
Developed Europe	7.4%	11.8%
Africa	-0.8%	9.9%
Latin America	16.3%	8.9%
Asia	1.3%	4.5%

Best & Worst Countries

Vietnam	18.1%	22.7%
Austria	11.3%	21.9%
Canada	10.5%	20.6%
Russia	15.3%	19.7%
Netherlands	7.5%	19.3%
<i>Median Country Rtn</i>	<i>5.6%</i>	<i>9.3%</i>
Egypt	-10.8%	-12.8%
New Zealand	-4.1%	-15.2%
Peru	-9.7%	-18.5%
Colombia	-2.7%	-19.6%
Turkey	-0.3%	-20.8%

Fixed Income

	Current Yld	Q2	2021 ↓
US High Yield	5.23%	3.0%	3.6%
US Munis	1.17%	1.4%	1.1%
Global HY	3.74%	2.2%	-0.5%
US Corp	2.05%	3.7%	-1.3%
Global Corp	0.43%	1.6%	-4.1%
Global Gov't	0.91%	0.7%	-5.7%

US Treasuries

90 Day	0.1%	0.0%	0.0%
5 Year	0.9%	0.7%	-1.4%
10 Year	1.5%	5.4%	-7.0%
20 Year	2.00%	6.8%	-7.9%
US Dollar Index (DXY)		3.7%	3.7%

In a matter of weeks, lumber has gone from the best performing commodity to one of the worst. Lumber closed the quarter down 55% from its May all-time-high.

Periodic Table of Investment Returns

Periodic Table: Major Asset Classes

Rnk\Yr							YTD
	2015	2016	2017	2018	2019	2020	2021
1	REITs: 3.5%	US: 10.9%	Intl: 27.2%	Treas: .9%	US: 30.9%	US: 20.7%	Cmdty: 27.2%
2	Treas: .8%	Cmdty: 9.6%	US: 21.2%	REITs: -3.1%	REITs: 28.4%	Intl: 10.7%	REITs: 19.8%
3	US: .7%	REITs: 9.9%	Avg: 12.1%	US: -5.9%	Intl: 21.5%	Treas: 8.9%	US: 14.6%
4	Avg: -4.8%	Avg: 7.9%	REITs: 8.2%	Avg: -6.4%	Avg: 19.9%	Avg: 5.6%	Avg: 13.6%
5	Intl: -5.7%	Intl: 4.5%	Treas: 2.3%	Cmdty: -10.7%	Cmdty: 11.8%	REITs: -2.2%	Intl: 9.2%
3	Cmdty: -23.3%	Treas: 1.9%	Cmdty: 1.7%	Intl: -14.2%	Treas: 6.9%	Cmdty: -9.3%	Treas: -2.6%

Periodic Table: Style Boxes

Rnk\Yr							YTD
	2015	2016	2017	2018	2019	2020	2021
1	Lg Gr: 5.7%	Sml Val: 31.7%	Lg Gr: 30.2%	Lg Gr: -1.5%	Lg Gr: 36.4%	Mid Gr: 40.5%	Sml Val: 26.7%
2	Lg: .9%	Mid Val: 25.2%	Mid Gr: 24.5%	Lg: -4.8%	Mid Gr: 32.7%	Lg Gr: 38.5%	Mid Val: 22.7%
3	Mid Gr: -2%	Sml: 21.3%	Sml Gr: 22.2%	Mid Gr: -7.5%	Lg: 31.4%	Sml Gr: 34.6%	Sml: 17.5%
4	Sml Gr: -1.4%	Mid: 17.6%	Lg: 21.7%	Lg Val: -8.3%	Sml Gr: 28.5%	Lg: 21.9%	Lg Val: 17.9%
5	Avg: -2.1%	Lg Val: 17.3%	Avg: 18.9%	Avg: -8.6%	Avg: 28.3%	Avg: 20.8%	Mid: 17.9%
6	Mid: -2.9%	Avg: 17.7%	Mid: 16.8%	Sml Gr: -9.3%	Mid: 27.8%	Mid: 20.9%	Avg: 16.3%
7	Lg Val: -3.8%	Lg: 12.1%	Sml: 14.6%	Mid: -10.9%	Lg Val: 26.5%	Sml: 20.9%	Lg: 15.9%
8	Sml: -4.4%	Sml Gr: 11.3%	Lg Val: 13.7%	Sml: -11.9%	Sml: 25.5%	Mid Val: 4.9%	Lg Gr: 13.9%
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%	Sml Gr: 9.9%
10	Sml Val: -7.5%	Lg Gr: 7.1%	Sml Val: 7.8%	Sml Val: -12.9%	Sml Val: 22.4%	Lg Val: 2.8%	Mid Gr: 8.7%

Periodic Table: Sectors

Rnk\Yr							YTD
	2014	2015	2016	2017	2018	2019	2020
1	Discr: 10.1%	Energy: 27.4%	Tech: 38.8%	Health: 6.5%	Tech: 50.3%	Tech: 43.9%	Energy: 45.6%
2	Health: 6.9%	Finls: 22.8%	Mtrls: 23.8%	Util: 4.1%	Finls: 32.1%	Discr: 33.3%	Finls: 25.7%
3	Staples: 6.6%	Indus: 18.9%	Discr: 23.9%	Discr: .8%	Indus: 29.4%	Mtrls: 20.7%	Indus: 16.4%
4	Tech: 5.9%	Mtrls: 16.7%	Finls: 22.2%	Tech: -.3%	Discr: 27.9%	Health: 13.4%	Avg: 16.2%
5	Avg: -1.9%	Util: 16.3%	Health: 22.1%	Avg: -6.3%	Avg: 27.9%	Indus: 11.1%	Mtrls: 14.5%
6	Finls: -1.5%	Tech: 13.8%	Indus: 21.9%	Staples: -8.4%	Staples: 27.6%	Avg: 10.9%	Tech: 13.8%
7	Indus: -2.5%	Avg: 13.8%	Avg: 19.5%	Finls: -13.9%	Util: 26.3%	Staples: 10.7%	Health: 11.9%
8	Util: -4.8%	Discr: 6.9%	Staples: 13.5%	Indus: -13.3%	Mtrls: 24.6%	Util: .5%	Discr: 10.3%
9	Mtrls: -8.4%	Staples: 5.4%	Util: 12.1%	Mtrls: -14.7%	Health: 20.8%	Finls: -1.7%	Staples: 5.9%
10	Energy: -21.1%	Health: -2.7%	Energy: -1.9%	Energy: -18.1%	Energy: 11.8%	Energy: -33.7%	Util: 2.4%

Periodic Table: Fixed Income

Rnk\Yr							YTD
	2015	2016	2017	2018	2019	2020	2021
1	Muni: 3.3%	Corp HY: 17.1%	Lng Credit: 10.7%	Bills: 1.8%	Lng Credit: 19.6%	Lng Credit: 16.1%	Corp HY: 3.6%
2	MBS: 1.5%	EM: 9.9%	Intl Agg: 10.5%	Muni: 1.3%	Corp: 14.5%	TIPS: 11.1%	TIPS: 1.7%
3	EM: 1.3%	Lng Credit: 6.7%	EM: 8.2%	MBS: 1.9%	Corp HY: 14.3%	Intl Agg: 10.1%	Muni: 1.1%
4	Treas: .8%	Corp: 6.1%	Corp HY: 7.5%	Treas: .9%	EM: 13.1%	Corp: 9.9%	Bills: .9%
5	US Agg: .6%	TIPS: 4.7%	Glob Agg: 7.4%	US Agg: .9%	US Agg: 8.7%	Glob Agg: 9.2%	EM: -.6%
6	Bills: .9%	US Agg: 2.6%	Corp: 6.4%	Glob Agg: -1.2%	TIPS: 8.4%	Treas: 8.9%	MBS: -.8%
7	Corp: -.7%	Glob Agg: 2.1%	Muni: 5.4%	TIPS: -1.3%	Muni: 7.5%	US Agg: 7.5%	Corp: -1.3%
8	TIPS: -1.4%	MBS: 1.7%	US Agg: 3.5%	Corp HY: -2.1%	Treas: 6.9%	Corp HY: 7.1%	US Agg: -1.6%
9	Glob Agg: -3.2%	Intl Agg: 1.5%	TIPS: 3.9%	Intl Agg: -2.1%	Glob Agg: 6.8%	EM: 6.5%	Treas: -2.6%
10	Lng Credit: -3.3%	Treas: 1.9%	MBS: 2.5%	EM: -2.5%	MBS: 6.4%	Muni: 5.2%	Glob Agg: -3.2%
11	Corp HY: -4.5%	Bills: .3%	Treas: 2.3%	Corp: -2.5%	Intl Agg: 5.1%	MBS: 3.9%	Intl Agg: -4.4%
12	Intl Agg: -6.9%	Muni: .2%	Bills: .8%	Lng Credit: -4.7%	Bills: 2.2%	Bills: .5%	Lng Credit: -4.6%

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.

[Contact us](#) for more information.

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