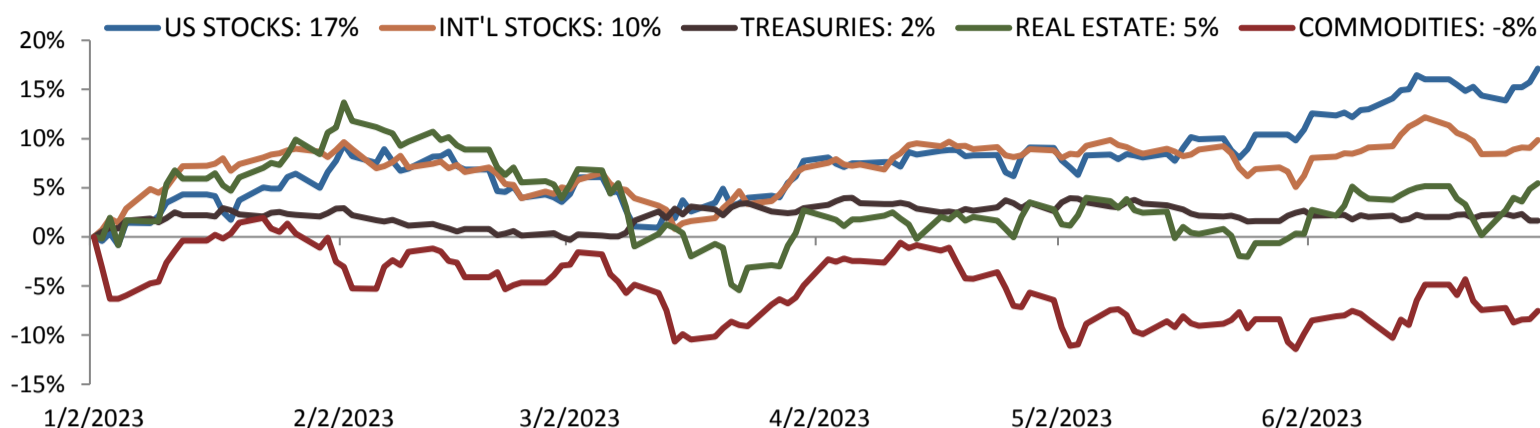


# 2023 Q2 World Wrap

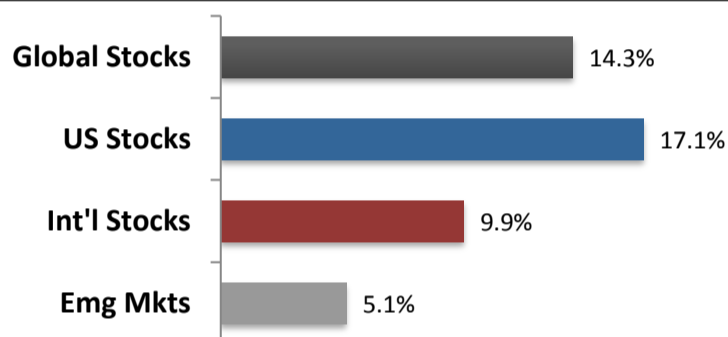
## Major Asset Classes

\* YTD Total Returns



## World Stock Markets

\* YTD Total Returns



Q2 performance was muted for all asset classes except US Equities. US Equities boomed, carried on the shoulders of Large Cap Tech stocks.

## US Stocks

	Q2	2023 ↓
NASDAQ Comp	13.1%	32.3%
Dow Transport	8.0%	17.0%
S&P 500	8.7%	16.9%
Dow Industrial	4.0%	4.9%

## US Factors

	Q2	2023 ↓
Quality	7.1%	15.7%
Pure Growth	1.4%	1.7%
Pure Value	2.8%	0.9%
Momentum	3.1%	-0.3%
Low Volatility	1.3%	-0.5%
High Dividend	-1.2%	-4.2%

Incredibly narrow performance for a bull market this young. The bottom seven performing sectors are up only 1.0% on average.

## US Style Boxes

\* YTD Total Returns

	Value	Core	Growth
Large	12.2%	16.9%	21.3%
Mid	7.2%	8.8%	10.4%
Small	5.1%	6.0%	7.0%

## US Sectors

	Q2	2023 ↓
Technology	17.2%	42.8%
Communication Services	13.1%	36.2%
Consumer Discretion	14.6%	33.1%
Industrials	6.5%	10.2%
Basic Materials	3.3%	7.7%
Real Estate	0.8%	1.9%
Consumer Staples	0.5%	1.3%
Financials	5.3%	-0.5%
Healthcare	3.0%	-1.5%
Energy	-0.9%	-5.5%
Utilities	-2.5%	-5.7%

International Stocks		
	Q2	2023 ↓
Developed Mkts	3.2%	12.1%
Frontier Mkts	2.3%	5.6%
Emerging Mkts	1.0%	5.1%

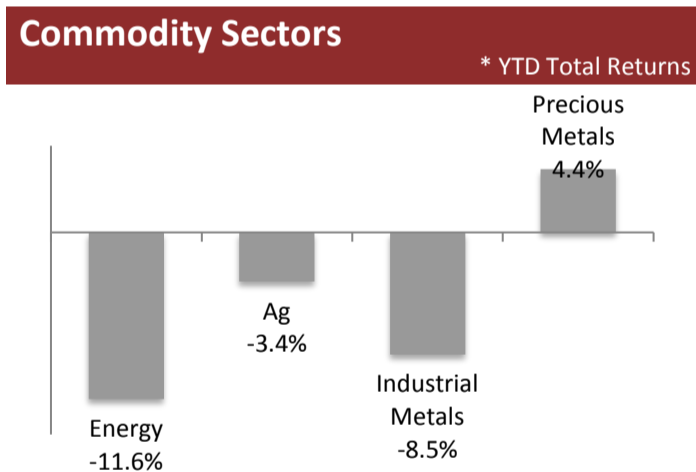
The second quarter crushed the China re-opening narrative. Their stock market fell almost 10%, now down more than 5% year-to-date.

World Regions		
	Q2	2023 ↓
Emerging Europe	20.3%	25.3%
Latin America	14.3%	18.9%
US	8.7%	17.1%
Developed Europe	3.1%	14.2%
Asia	1.6%	6.8%
Middle East	4.3%	2.8%
Africa	0.5%	-2.4%

Best & Worst Countries		
Greece	23.9%	43.5%
Argentina	35.8%	42.3%
Mexico	5.8%	27.3%
Ireland	4.4%	27.0%
Italy	8.9%	25.1%
<i>Median Country Rtn</i>	<i>3.5%</i>	<i>8.6%</i>
Finland	-7.5%	-7.4%
Thailand	-8.1%	-9.6%
Malaysia	-8.4%	-11.7%
Turkey	-10.6%	-18.8%
Nigeria	-25.2%	-19.3%

REIT Sectors		
	Q2	2023 ↓
Residential	7.1%	9.2%
Mortgage	10.7%	7.6%
Retail	0.9%	-0.6%

Fixed Income			
	Current Yld	Q2	2023 ↓
Intl High Yield	3.9%	2.0%	6.3%
US High Yield	5.6%	0.9%	4.2%
US Corp	3.5%	-0.2%	3.6%
Intl Corp	1.2%	-0.1%	3.2%
US Munis	2.4%	0.0%	2.7%
Intl Treasury	1.5%	-2.1%	1.2%



US Treasuries			
	Current Yld	Q2	2023 ↓
30 Year	3.85%	-2.4%	4.1%
90 Day	5.43%	1.2%	2.3%
10 Year	3.81%	-1.9%	2.2%
5 Year	4.13%	-1.7%	0.9%
US Dollar Index (DXY)		0.4%	-0.6%

Key Commodities		
	Q2	2023 ↓
Bitcoin	7.0%	83.4%
Lumber	9.9%	7.0%
Gold	-2.5%	5.4%
Copper	-6.3%	1.6%
Silver	-5.1%	-4.4%
Crude Oil - WTI	-5.5%	-10.5%
Natural Gas	5.9%	-46.8%

US Economy			
	Level	Pd Annl	1YR
US Nominal GDP	26.5 T	6.13	7.23
US Real GDP	20.3 T	2.00	1.80
CPI Inflation	303.29	1.50	4.13
Initial Claims	239K	256K (4wma)	
Unemployment Rate	3.7 pct		
Fed Funds Rate	5.25%		

Spread between Corporate Bond yields and US Treasury Bills finished the quarter at the lowest level since 1981.

## Periodic Table of Investment Returns

### Periodic Table: Major Asset Classes

YTD

Rnk\Yr	2017	2018	2019	2020	2021	2022	2023
1	Intl: 27.8	Treas: 1.0	US: 31.6	US: 21.4	REITs: 43.1	Cmdty: 26.0	US: 17.1
2	US: 21.9	REITs: -3.8	REITs: 24.5	Intl: 11.1	Cmdty: 40.4	Avg: -8.9	Intl: 9.9
3	Avg: 12.4	US: -4.5	Intl: 22.1	Treas: 7.1	US: 27.0	Treas: -11.0	REITs: 5.5
4	Cmdty: 5.8	Avg: -7.0	Avg: 20.4	Avg: 1.7	Avg: 23.3	Intl: -15.6	Avg: 5.3
5	REITs: 4.3	Intl: -13.8	Cmdty: 17.6	REITs: -7.5	Intl: 8.3	US: -19.5	Treas: 1.6
3	Treas: 2.1	Cmdty: -13.8	Treas: 6.2	Cmdty: -23.7	Treas: -2.1	REITs: -24.4	Cmdty: -7.5

### Periodic Table: Style Boxes

YTD

Rnk\Yr	2017	2018	2019	2020	2021	2022	2023
1	Lg Gr: 27.4	Lg Gr: 0.0	Lg Val: 31.9	Lg Gr: 33.5	Lg Gr: 32.0	Lg Val: -5.2	Lg Gr: 21.2
2	Lg: 21.8	Sml Gr: -4.1	Lg: 31.5	Mid Gr: 22.8	Sml Val: 31.0	Mid Val: -6.9	Lg: 16.9
3	Mid Gr: 19.9	Lg: -4.4	Lg Gr: 31.1	Sml Gr: 19.6	Mid Val: 30.7	Sml Val: -11.0	Lg Val: 12.2
4	Avg: 17.0	Avg: -8.0	Avg: 26.8	Lg: 18.4	Lg: 28.7	Mid: -13.1	Avg: 10.5
5	Mid: 16.2	Sml: -8.5	Mid Gr: 26.3	Avg: 14.1	Sml: 26.8	Avg: -15.5	Mid Gr: 10.4
6	Lg Val: 15.4	Lg Val: -9.0	Mid: 26.2	Mid: 13.7	Avg: 26.7	Sml: -16.1	Mid: 8.8
7	Sml Gr: 14.8	Mid Gr: -10.3	Mid Val: 26.1	Sml: 11.3	Lg Val: 24.9	Lg: -18.1	Mid Val: 7.2
8	Sml: 13.2	Mid: -11.1	Sml Val: 24.5	Mid Val: 3.7	Mid: 24.8	Mid Gr: -19.0	Sml Gr: 7.0
9	Mid Val: 12.3	Mid Val: -11.9	Sml: 22.8	Sml Val: 2.5	Sml Gr: 22.6	Sml Gr: -21.1	Sml: 6.0
10	Sml Val: 11.5	Sml Val: -12.6	Sml Gr: 21.1	Lg Val: 1.4	Mid Gr: 18.9	Lg Gr: -29.4	Sml Val: 5.1

### Periodic Table: Sectors

YTD

Rnk\Yr	2017	2018	2019	2020	2021	2022	2023
1	Tech: 38.8	Health: 6.5	Tech: 50.3	Tech: 43.9	Energy: 54.6	Energy: 65.7	Tech: 42.8
2	Mtrls: 23.8	Util: 4.1	Finls: 32.1	Discr: 33.3	Finls: 35.0	Util: 1.6	Discr: 33.1
3	Discr: 23.0	Discr: 0.8	Indus: 29.4	Mtrls: 20.7	Tech: 34.5	Staples: -0.6	Indus: 10.2
4	Finls: 22.2	Tech: -0.3	Discr: 27.9	Health: 13.5	Avg: 28.8	Health: -2.0	Avg: 9.1
5	Health: 22.1	Avg: -6.3	Avg: 27.9	Indus: 11.1	Mtrls: 27.3	Avg: -3.2	Mtrls: 7.7
6	Indus: 21.0	Staples: -8.4	Staples: 27.6	Avg: 10.9	Health: 26.1	Indus: -5.5	Staples: 1.3
7	Avg: 19.5	Finls: -13.0	Util: 26.4	Staples: 10.8	Discr: 24.4	Finls: -10.5	Finls: -0.5
8	Staples: 13.5	Indus: -13.3	Mtrls: 24.6	Util: 0.5	Indus: 21.1	Mtrls: -12.3	Health: -1.5
9	Util: 12.1	Mtrls: -14.7	Health: 20.8	Finls: -1.7	Staples: 18.6	Tech: -28.2	Energy: -5.5
10	Energy: -1.0	Energy: -18.1	Energy: 11.8	Energy: -33.7	Util: 17.7	Discr: -37.0	Util: -5.7

### Periodic Table: Fixed Income

YTD

Rnk\Yr	2017	2018	2019	2020	2021	2022	2023
1	Emer Mkt: 10.3	ST Treas: 1.5	Corp: 17.4	LT Treas: 18.2	TIPS: 5.7	Bank Loan: -2.5	Bank Loan: 6.7
2	LT Treas: 9.2	Muni: 0.9	Emer Mkt: 15.5	Corp: 11.0	High Yield: 3.8	ST Treas: -3.9	LT Treas: 4.7
3	Corp: 7.1	MBS: 0.8	LT Treas: 14.1	TIPS: 10.8	Bank Loan: 2.3	Muni: -7.4	High Yield: 4.5
4	High Yield: 6.1	Broad: -0.1	High Yield: 14.1	Broad: 7.7	Muni: 1.0	High Yield: -11.0	Emer Mkt: 4.4
5	Muni: 4.7	Bank Loan: -1.3	Bank Loan: 10.0	Emer Mkt: 5.4	ST Treas: -0.7	MBS: -11.9	Corp: 4.3
6	Broad: 3.6	TIPS: -1.4	Broad: 8.8	Muni: 5.1	MBS: -1.4	TIPS: -12.2	Broad: 2.4
7	TIPS: 2.9	LT Treas: -1.6	TIPS: 8.4	High Yield: 4.5	Corp: -1.8	Broad: -13.1	Muni: 2.3
8	MBS: 2.5	High Yield: -2.0	Muni: 7.1	MBS: 4.1	Broad: -1.9	Corp: -17.9	TIPS: 2.0
9	Bank Loan: 2.1	Corp: -3.8	MBS: 6.2	ST Treas: 3.0	Emer Mkt: -2.2	Emer Mkt: -18.6	MBS: 1.9
10	ST Treas: 0.3	Emer Mkt: -5.5	ST Treas: 3.4	Bank Loan: 1.3	LT Treas: -4.6	LT Treas: -31.2	ST Treas: 1.0

## 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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