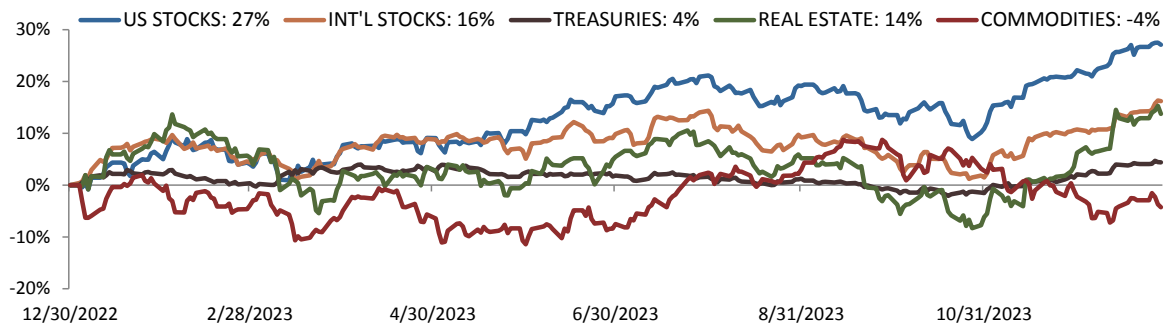
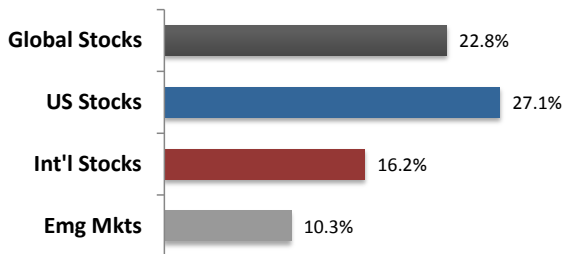


2023 Q4 World Wrap

Major Asset Classes



World Stock Markets



US Equities outperformed global assets by a wide margin in 2023. Performance was big-cap driven, with the S&P 500 beating the median stock by the most since 1999.

US Stocks

	Q4	2023 ↓
NASDAQ Comp	13.8%	44.6%
S&P 500	11.7%	26.3%
Dow Transport	6.6%	20.6%
Dow Industrial	13.1%	16.2%

US Factors

	Q4	2023 ↓
Quality	8.5%	25.0%
Momentum	14.6%	17.6%
Pure Growth	7.5%	8.3%
Pure Value	12.3%	8.2%
High Dividend	13.3%	3.9%
Low Volatility	7.4%	0.7%

Sector, style, and factor performance was widely divergent – large cap tech was 2023's biggest winner. Tech outperformed Utilities by the most since 1999.

US Style Boxes

* YTD Total Returns

	Value	Core	Growth
Large	22.2%	26.3%	30.0%
Mid	15.4%	16.4%	17.5%
Small	14.9%	16.1%	17.1%

US Sectors

	Q4	2023 ↓
Technology	17.2%	57.8%
Communication Services	11.0%	55.8%
Consumer Discretion	12.4%	42.4%
Industrials	13.1%	18.1%
Basic Materials	9.7%	12.6%
Financials	14.0%	12.2%
Real Estate	17.7%	8.3%
Healthcare	6.4%	2.1%
Consumer Staples	5.5%	0.5%
Energy	-6.9%	-1.3%
Utilities	8.6%	-7.1%

International Stocks

	Q4	2023 ↓
Developed Mkts	10.5%	18.9%
Frontier Mkts	4.0%	12.2%
Emerging Mkts	7.9%	10.3%

Emerging markets lagged developed markets, driven by weakness in China. China was the 3rd worst performing country in 2023 and has declined three years in a row.

World Regions

	Q4	2023 ↓
Emerging Europe	29.2%	48.7%
Latin America	17.8%	33.5%
US	11.9%	27.1%
Developed Europe	11.1%	20.7%
Asia	7.1%	11.5%
Middle East	6.7%	7.4%
Africa	1.6%	-1.5%

Best & Worst Countries

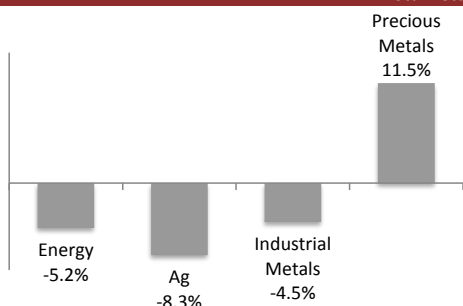
Argentina	35.8%	66.1%
Greece	13.2%	49.7%
Portugal	38.1%	49.5%
Egypt	22.7%	41.8%
Mexico	18.8%	41.5%
<i>Median Country Rtn</i>	<i>11.4%</i>	<i>16.4%</i>
Turkey	-12.1%	-5.3%
Thailand	3.9%	-10.3%
China	-4.2%	-11.0%
Hong Kong	3.4%	-14.8%
Nigeria	-5.2%	-22.1%

REIT Sectors

	Q4	2023 ↓
Mortgage	9.6%	15.4%
Retail	21.4%	10.6%
Residential	9.5%	7.7%

Commodity Sectors

* YTD Total Returns



Key Commodities

	Q4	2023 ↓
Bitcoin	55.9%	153.0%
Gold	11.4%	12.8%
Lumber	8.4%	9.5%
Copper	3.8%	5.9%
Silver	7.2%	-0.3%
Crude Oil - WTI	-18.8%	-3.8%
Natural Gas	-24.1%	-62.6%

US Economy

	Level	Pd Annl	1YR
US Nominal GDP	27.6 T	8.34	6.22
US Real GDP	22.5 T	4.86	2.93
CPI Inflation	307.92	1.17	3.12
Initial Claims	218K	212K (4wma)	
Unemployment Rate	3.7 pct		
Fed Funds Rate	5.50%		

Fixed Income

	Current Yld	Q4	2023 ↓
Intl High Yield	3.4%	11.4%	16.0%
US High Yield	5.7%	7.3%	10.9%
Intl Corp	2.1%	11.3%	10.4%
US Corp	4.2%	8.2%	8.7%
US Munis	2.6%	7.3%	6.2%
Intl Treasury	1.6%	9.8%	5.1%

US Treasuries

90 Day	5.40%	1.4%	5.1%
5 Year	3.84%	4.5%	4.1%
10 Year	3.88%	6.8%	3.5%
30 Year	4.03%	12.7%	2.4%
US Dollar Index (DXY)		-4.6%	-2.7%

Global fixed income finished the year with respectable returns, with all of the gains coming in Q4. In a sign that animal spirits have returned, Bitcoin closed the year up 150%.

Periodic Table of Investment Returns

Periodic Table: Major Asset Classes

YTD

Rank\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: 27.1
2	US: 21.9	REITs: -3.8	REITs: 24.5	Intl: 11.1	Cmdty: 40.4	Avg: -8.9	Intl: 16.2
3	Avg: 12.4	US: -4.5	Intl: 22.1	Treas: 7.1	US: 27.0	Treas: -11.0	REITs: 13.8
4	Cmdty: 5.8	Avg: -7.0	Avg: 20.4	Avg: 1.7	Avg: 23.3	Intl: -15.6	Avg: 11.4
5	REITs: 4.3	Intl: -13.8	Cmdty: 17.6	REITs: -7.5	Intl: 8.3	US: -19.5	Treas: 4.4
3	Treas: 2.1	Cmdty: -13.8	Treas: 6.2	Cmdty: -23.7	Treas: -2.1	REITs: -24.4	Cmdty: -4.3

Periodic Table: Style Boxes

YTD

Rank\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: 30.0
2	Lg: 21.8	Sml Gr: -4.1	Lg: 31.5	Mid Gr: 22.8	Sml Val: 31.0	Mid Val: -6.9	Lg: 26.3
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: 22.2
4	Avg: 17.0	Avg: -8.0	Avg: 26.8	Lg: 18.4	Lg: 28.7	Mid: -13.1	Avg: 19.5
5	Mid: 16.2	Sml: -8.5	Mid Gr: 26.3	Avg: 14.1	Sml: 26.8	Avg: -15.5	Mid Gr: 17.5
6	Lg Val: 15.4	Lg Val: -9.0	Mid: 26.2	Mid: 13.7	Avg: 26.7	Sml: -16.1	Sml Gr: 17.1
7	Sml Gr: 14.8	Mid Gr: -10.3	Mid Val: 26.1	Sml: 11.3	Lg Val: 24.9	Lg: -18.1	Mid: 16.4
8	Sml: 13.2	Mid: -11.1	Sml Val: 24.5	Mid Val: 3.7	Mid: 24.8	Mid Gr: -19.0	Sml: 16.1
9	Mid Val: 12.3	Mid Val: -11.9	Sml: 22.8	Sml Val: 2.5	Sml Gr: 22.6	Sml Gr: -21.1	Mid Val: 15.4
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: 14.9

Periodic Table: Sectors

YTD

Rank\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: 57.8
2	Mtrls: 23.8	Util: 4.1	Finls: 32.1	Discr: 33.3	Finls: 35.0	Util: 1.6	Discr: 42.4
3	Discr: 23.0	Discr: 0.8	Indus: 29.4	Mtrls: 20.7	Tech: 34.5	Staples: -0.6	Indus: 18.1
4	Finls: 22.2	Tech: -0.3	Discr: 27.9	Health: 13.5	Avg: 28.8	Health: -2.0	Avg: 15.3
5	Health: 22.1	Avg: -6.3	Avg: 27.9	Indus: 11.1	Mtrls: 27.3	Avg: -3.2	Mtrls: 12.6
6	Indus: 21.0	Staples: -8.4	Staples: 27.6	Avg: 10.9	Health: 26.1	Indus: -5.5	Finls: 12.2
7	Avg: 19.5	Finls: -13.0	Util: 26.4	Staples: 10.8	Discr: 24.4	Finls: -10.5	Health: 2.1
8	Staples: 13.5	Indus: -13.3	Mtrls: 24.6	Util: 0.5	Indus: 21.1	Mtrls: -12.3	Staples: 0.5
9	Util: 12.1	Mtrls: -14.7	Health: 20.8	Finls: -1.7	Staples: 18.6	Tech: -28.2	Energy: -1.3
10	Energy: -1.0	Energy: -18.1	Energy: 11.8	Energy: -33.7	Util: 17.7	Discr: -37.0	Util: -7.1

Periodic Table: Fixed Income

YTD

Rank\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: 12.5
2	LT Treas: 9.2	Muni: 0.9	Emer Mkt: 15.5	Corp: 11.0	High Yield: 3.8	ST Treas: -3.9	High Yield: 11.5
3	Corp: 7.1	MBS: 0.8	LT Treas: 14.1	TIPS: 10.8	Bank Loan: 2.3	Muni: -7.4	Emer Mkt: 10.6
4	High Yield: 6.1	Broad: -0.1	High Yield: 14.1	Broad: 7.7	Muni: 1.0	High Yield: -11.0	Corp: 9.4
5	Muni: 4.7	Bank Loan: -1.3	Bank Loan: 10.0	Emer Mkt: 5.4	ST Treas: -0.7	MBS: -11.9	Broad: 5.7
6	Broad: 3.6	TIPS: -1.4	Broad: 8.8	Muni: 5.1	MBS: -1.4	TIPS: -12.2	Muni: 5.6
7	TIPS: 2.9	LT Treas: -1.6	TIPS: 8.4	High Yield: 4.5	Corp: -1.8	Broad: -13.1	MBS: 5.0
8	MBS: 2.5	High Yield: -2.0	Muni: 7.1	MBS: 4.1	Broad: -1.9	Corp: -17.9	ST Treas: 4.2
9	Bank Loan: 2.1	Corp: -3.8	MBS: 6.2	ST Treas: 3.0	Emer Mkt: -2.2	Emer Mkt: -18.6	TIPS: 3.8
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	LT Treas: 2.8

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.

[Contact us](#) for more information.

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