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**Third Quarter 2020 Weather(ly) Report
October 2020**

2020 is unequivocally a year to be remembered. At the time of this writing, we are simultaneously struggling with the global pandemic (infections surpassed 35 million and deaths exceed 1 million), natural disasters including hurricanes and fires (CA burned a historical amount of land at over 4 million acres), social unrest surrounding the Black Lives Matter movement and an upcoming election in the U.S., with the President just released from hospitalization due to COVID-19. Data and scientific communities around the globe continue to collaborate at higher rates as they race to improve testing, treatment, and development of potential vaccines, with solutions currently going through multiple phases of evaluation. The World Health Organization estimates that roughly 10% of the global population may have been infected by COVID-19. Governments, businesses, educational institutions and sport franchises are deploying hybrid models to safely “re-open” during this phase of the pandemic, allowing many to go back to work or experience a new sense of normalcy.

Worldwide monetary and fiscal stimulus measures have been instituted due to the uptick in volatility and uncertainty after the total shutdown occurred mid-March; however, we still see the divide between Main Street and Wall street widening during the third quarter, with continued talks of a K-shaped recovery. Monetary and fiscal policies are critical to bridge the economic divide as the unemployment rate in the U.S. reached a high of 14.7% and dropped to 7.9% last week. The passage of the CARES Act in late March helped bridge some of this gap, by providing stimulus checks, increased unemployment benefits, small business loans (some of which are forgivable) and allowing retirees to skip their required minimum distribution or roll funds back into an IRA. With individuals potentially in a lower tax bracket due to lower income, we have discussed the potential for Roth IRA conversions with our clients as a long-term planning strategy.

The Federal Reserve continued bond buying and liquidity measures with an adjusted approach to their inflation target of 2%. In Europe, Lagarde is also expected to announce continued expansion of the bond purchase program. The U.S. dollar has shown weakness in recent weeks and the U.S. yield curve signaled slight steepening. The Fed’s continuation of a zero percent benchmark rate helped push 30-year fixed mortgage rates under 3% as trends in deurbanization caused shortages in housing near some cities and drove rents down in places such as New York City by 11%, and San Francisco as much as 9%. Growth stocks have continued to outperform value, with technology outperforming financials and energy sectors. Oil reached \$40/barrel while gold surpassed \$2000/troy ounce for the first time ever. The IPO market had record volume with the Snowflake IPO doubling its price on the first day of trading.

Weatherly’s investment approach utilizing thematic investing trends, dividend-oriented consumer non-discretionary names, coupled with high quality, short-term fixed income performed well over the past quarter and YTD. The pandemic has only thrown fuel on the fire of global digitization. Trends in place prior to the pandemic have accelerated including access to and use of technology, cloud-based systems, cybersecurity, paperless payments and documents, elevated e-commerce, telehealth and remote learning. Our top 10 holdings as of the end of Q3 are outlined below:

“Top Ten” Holdings *

- | | |
|-------------------------|----------------------------|
| 1. Apple Inc | 6. Adobe Systems Inc |
| 2. Amazon.com Inc | 7. Guggenheim Global Water |
| 3. Netflix Inc | 8. PayPal Hldgs Inc Com |
| 4. Microsoft Corp | 9. Home Depot Inc |
| 5. SPDR S&P Biotech ETF | 10. Starbucks Corp |

Headed into the final quarter of the year, it is clear that additional world stimulus will be needed to bridge the gap in recovery from pandemic, particularly as non-essential businesses (airline, travel, hotels and restaurants) are expected to lay off more employees or close and file for bankruptcy. The recovery pace differs in speed based on industry, region and country depending on virus activity, causing further inequity by country, ethnicity, sex and income. We are also moving closer to one of the most divisive elections in modern history with vast policy differences and a United States Supreme Court vacancy left by the late Ruth Bader Ginsberg, a champion of civil and human rights.

As always, we are available for a dialogue to collaborate on your unique financial situation.

*Please see reverse side

-The Weatherly Crew

*** TOP TEN DISCLOSURE**

"Top Ten" holdings consist of Weatherly's largest stock positions as of quarter end. A full list of holdings is available upon request. It should not be assumed that any of the securities, transactions, or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

	<u>WAM</u> <u>Equity**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Equity</u> <u>(net fee)</u>	<u>S&P</u> <u>500t</u>	<u>MSCI ACWI</u> <u>(gross USD)</u>	<u>WAM</u> <u>Fixed**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Fixed (net</u> <u>fee)</u>	<u>Merrill</u> <u>Lynch 1-3</u> <u>year</u>	<u>WAM</u> <u>Balanced**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Balanced</u> <u>(net fee)</u>	<u>Blended</u> <u>Benchmark</u>
2004	14.70%	13.70%	10.87%	15.75%	4.05%	3.55%	0.91%			
2005	12.65%	11.65%	4.92%	11.37%	2.43%	1.93%	1.66%			
2006	16.21%	15.21%	15.78%	21.53%	4.94%	4.44%	3.95%			
2007	11.18%	10.18%	5.49%	12.18%	5.47%	4.97%	7.32%			
2008	-34.04%	-35.04%	-36.99%	-41.84%	-0.95%	-1.45%	6.61%			
2009	32.36%	31.36%	26.47%	35.41%	10.63%	10.13%	0.78%			
2010	11.93%	10.93%	15.06%	13.21%	6.77%	6.27%	2.35%			
2011	-5.58%	-6.85%	2.12%	-6.86%	4.37%	3.87%	1.55%			
2012	16.36%	15.36%	16.00%	16.80%	5.99%	5.49%	0.43%	11.84%	11.09%	8.18%
2013	28.20%	27.20%	32.41%	23.44%	-1.62%	-2.12%	0.36%	15.41%	14.66%	15.61%
2014	8.53%	7.53%	13.69%	4.71%	5.55%	5.05%	0.62%	7.43%	6.68%	7.01%
2015	4.86%	3.86%	1.38%	-1.84%	1.31%	0.81%	0.54%	3.55%	2.80%	1.09%
2016	8.70%	7.70%	11.95%	8.48%	2.79%	2.29%	0.88%	6.41%	5.66%	6.33%
2017	24.52%	23.52%	21.82%	24.62%	4.49%	3.99%	0.42%	17.01%	16.26%	10.75%
2018	-1.92%	-2.92%	-4.39%	-8.93%	0.61%	0.11%	1.59%	-0.80%	-1.55%	-1.06%
2019	32.54%	31.54%	31.48%	27.30%	7.05%	6.55%	3.55%	22.85%	22.10%	17.01%
3rd Quarter 2020	10.22%	9.97%	8.93%	8.25%	1.39%	1.26%	0.10%	7.20%	7.01%	4.52%
Year-to-Date 2020	16.51%	15.76%	5.57%	1.77%	2.91%	2.53%	3.05%	11.58%	11.02%	5.64%
3-Year Trailing (Ann.)	17.48%	16.48%	12.26%	7.68%	3.59%	3.09%	2.64%	12.51%	11.76%	8.07%
Since Inception (Ann.)	10.57%	9.57%	10.12%	7.57%	4.80%	4.30%	3.58%	10.69%	9.94%	7.92%

Please see footnotes

**** PERFORMANCE DISCLOSURE**

Please note, the Weatherly Asset Management (WAM) Equity performance is a mid- to large-cap value equity approach and the WAM Fixed Income performance is a high-quality intermediate-maturity investment approach. Performance numbers up to 12/31/05 are prepared in compliance with Association of Investment Management Research Performance Presentation Standards (AIMR PPS). Periods from 12/31/05 to 12/31/10 meet the requirements of the revised version of Global Investment Performance Standards (GIPS). Periods from 12/31/10 are calculated in a similar manner but GIPS standards no longer permit carve outs, therefore we no longer claim GIPS compliance. The gross of fee returns shown above are presented after deduction of all transaction costs, but prior to the deduction of advisory fees and such other possible expenses as custodial fees. The net of fee return is calculated by subtracting the advisory fees. Investment advisory fees are described in Part II of Weatherly's Form ADV. For the 3rd Quarter 2020, the maximum quarterly management fee is 0.25% for Weatherly's Equity Composite and 0.125% for the Fixed Income Composite.

Composite rates of return, since inception on an annualized basis after deduction of the maximum quarterly management fee is as follows for equity accounts for 1995, 32.41%, for 1995 and 1996 combined, 28.50%, for 1995-1997 combined, 30.24%, for 1995-1998 combined, 26.15%, for 1995-1999 combined, 25.06%, for 1995-2000 combined, 18.31%, for 1995-2001 combined, 12.70%, for 1995-2002 combined, 7.44%, for 1995-2003 combined, 9.53%, for 1995-2004 combined, 9.94%, for 1995-2005 combined, 10.05%, for 1995-2006 combined, 10.48%, for 1995-2007 combined, 10.46%, and for 1995-2008 combined, 6.36% for 1995-2009 combined 7.87%, for 1995-2010 combined, 8.06%, for 1995-2011 combined, 7.14%, for 1995-2012 combined, 7.58%, for 1995-2013 combined 8.57%, for 1995-2014 combined 8.54%, for 1995-2015 combined 8.31%, for 1995-2016 combined 8.29%, for 1995-2017 combined 8.91%, for 1995-2018 combined 8.39% for 1995-2019 combined 9.23%. For fixed income accounts 1995, 11.49%, for 1995-1996 combined, 8.35%, for 1995-1997 combined, 7.63%, for 1995-1998 combined, 7.58%, for 1995-1999 combined, 6.18%, for 1995-2000 combined, 6.50%, for 1995-2001 combined, 6.37%, for 1995-2002 combined 6.37%, for 1995-2003 combined, 5.92%, for 1995-2004 combined 5.68%, for 1995-2005 combined, 5.33%, for 1995-2006 combined, 5.25%, for 1995-2007 combined, 5.23%, for 1995-2008 combined, 4.74%, for 1995-2009 combined, 5.09%, for 1995-2010 combined, 5.17%, for 1995-2011 combined, 5.09%, for 1995-2012 combined, 5.11%, for 1995-2013 combined 4.72%, for 1995-2014 combined 4.73%, for 1995-2015 combined 4.54%, for 1995-2016 combined 4.44%, for 1995-2017 combined 4.42%, for 1995-2018 combined 4.23%, for 1995-2019 combined 4.32%.

Composite returns consist of all 100% discretionary accounts under management utilizing individual stock and bond holdings selected by WAM. Balanced portfolio segments have been included in single asset composites. Effective 1/1/06 to 12/31/10, cash and cash returns have been allocated to the segment returns according to the procedures outlined by Association of Investment Management Research (AIMR). Effective 1/1/16, equity and fixed composite returns no longer include cash or a weighting to cash. Dividends and interest received is generally not reinvested in the same security but is included in total return calculations. Effective 2010, Equity Composite performance excludes two related family groups which hold a concentrated position that due to tax considerations cannot be managed in the same manner as the overall equity composite. The composite performance represents the performance of an aggregate of the firm's managed accounts that align with a particular strategy. Individual account performance will vary and some clients may have experienced returns significantly different from the composite. Investing entails risk and past performance is no guarantee of future performance.

These performance numbers are provided under the flash reports provision of these said standards. "As prospective and current clients have received past results that were in compliance with the required disclosures within a 12-month period, firms may present interim data and returns (i.e. "Flash numbers") without quarterly disclosures." A full presentation, including all required disclosures, is available upon request. The WAM Balanced Composite represents actual portfolios utilizing strategic asset allocation with both equity and fixed income components. The fixed income component for individual portfolios underlying the balanced composite have allocations tailored specifically for that account and client, and varies between 5% and 90%, whereas the Blended Benchmark is 50% S&P 500 Total Return and 50% Merrill Lynch 1-3 Year representing an average of a 50% Equity and 50% Fixed Income benchmark allocation in the Composite.