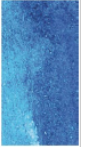




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**Fourth Quarter 2020 Weather(ly) Report
January 2021**

2020 will be a year that goes down in the record books. The impact of the global health pandemic was uniquely felt by families, businesses, and communities. Scientists, governments, healthcare workers, educators, businesses and humanity tried to innovate, pivot, adapt and survive the pandemic marathon while testing, treatments, and vaccinations came to their rescue. As of this writing, the CDC reports 88 million cases with deaths approaching 1.9 million, while 17.5 million shots have been given worldwide. The next few weeks will be critical in containment for hospital capacity and improvement in Operation Warp Speed and other vaccine distributions – reaching those in healthcare, essential workers and the elderly.

As we headed into the New Year, the virus marathon continued while eyes in the U.S. looked initially to the Georgia Senate run-off to determine balance of power in D.C. This was quickly usurped by a storming of the Capitol that left at least five dead on January 6th, 2021 while the House of Representatives and Senate were certifying the U.S. election and transition of power to President-Elect Biden and V.P. Elect Kamala Harris on January 20th, 2021. While the virus drove the U.S. into recession, monetary and fiscal stimulus gave badly needed life support to the economy, especially to industries deemed non-essential. Long-term unemployment is now at 6.7%, down from its high in April at 14.7%. The \$900 billion stimulus package passed in December allowed another round of business loans and additional stimulus checks to so many in need.

The disconnect between Wall Street and Main Street continued to point to a K-shaped recovery as stock markets and new consumption trends helped specific companies and individuals, while a broader segment of society suffered from the pandemic and disparity, particularly in the service, leisure, and hospitality sectors as well as women and minorities. The S&P surged 18.39% for 2020 with MSCI ACWI not far behind, up 16.82%. Information technology, consumer discretionary, communications and materials outperformed the S&P 500 with energy, REITs and utilities the underperformers for the year.

While globally monetary and fiscal stimulus continued, Fed Chairman Powell kept committed to bond liquidity and low rates, yet with an eye on inflation at 2%. The housing market remained one of the strongest areas of the economy as low rates and deurbanization trends continued driving home price gains to 8.4% annual in October. Ten-year treasuries stayed below 1% through year end, until the first week of January 2021. The U.S. dollar retained its strength until we entered Q4 of 2020 when investors diversified currency exposures, and gold and virtual currencies surged. Oil prices, impacted by the single most destructive demand event due to COVID-19, hit zero early in the pandemic and ended the year hovering near \$50 per barrel.

IPO darlings such as Airbnb, Doordash and Snowflake raced to market with demand outstripping supply and allocations primarily benefitting institutional investors. Weatherly continued investments in cloud-based technology, streaming, money-less payment systems, biotech, water and consumer non-discretionary names while shifting to dividend-oriented investments and high-quality fixed income. Our Top Ten holdings performed exceptionally well in 2020.

“Top Ten” Holdings *

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

As we enter 2021, many of our clients are seeing their portfolios at a record high. This year provides several planning opportunities including revisiting asset allocation, Qualified Charitable Distributions (QCDs) to fulfill philanthropic goals, Roth conversions during gap years and annual gifting to beneficiaries. We do not yet know if tax code changes will be implemented for 2021, but we do know they will be discussed, and bills put forth. We look forward to navigating the New Year with you and your family.

“You can’t use an old map to explore a new world.” – Albert Einstein. The Weatherly team continues to work in a hybrid model and assist clients and their families with our planning and investments expertise by utilizing technology, trends and education appropriate for their unique situations. Here’s to a healthy and happy 2021.

***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%
4th Quarter 2020	12.41%	12.16%	12.14%	14.79%	1.40%	1.27%	0.05%	8.76%	8.57%	6.10%
Year-to-Date 2020	30.97%	29.97%	18.39%	16.82%	4.35%	3.85%	3.10%	21.36%	20.61%	12.08%
3-Year Trailing (Ann.)	19.41%	18.41%	14.16%	10.63%	3.97%	3.47%	2.74%	13.93%	13.18%	9.07%
Since Inception (Ann.)	10.96%	9.96%	10.51%	8.06%	4.81%	4.31%	3.54%	11.41%	10.66%	8.41%

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 4th 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%, 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% and for 1995-2020 combined, 9.96%. 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%, and for 1995-2020 combined, 4.31%.

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.