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**First Quarter 2021 Weather(ly) Report
April 2021**

In March, the one-year mark of the global pandemic pushed us to recognize those whom we lost in the fight and forced us to reconcile what will be the “new normal” going forward. Adoption of technology was accelerated over the last year as businesses, governments, and personal lives around the world were disrupted, each in their own unique way. As we define our new normal, our challenge will be how to incorporate the best of what we have experienced as we enhance our abilities to grow, collaborate and innovate.

As vaccines rolled out more broadly, especially in the U.S. and Europe, the potential end of the pandemic sparked hope. The even distribution of the vaccines worldwide will be important to reach “herd” immunity and talk of the healthcare revolution with testing, treatments and the mRNA technology bode well for our future. The potential of the new mRNA technology may allow for custom adoption of inoculation for many other diseases, continuing the advances in the healthcare sector. Debate surrounding a “vaccine passport” created further deliberations around privacy and equity.

International news the last week of the quarter focused on a container ship stuck in the Suez Canal for 6 days, disrupting the supply chain in many industries. Finally, multiple dredges, a full moon and high tides helped clear the canal allowing over 400 ships to resume global trade. The same week, investment firm Archegos Capital Management faced a margin call of \$30 billion, rippling concerns surrounding brokerage exposures and the banks as Credit Suisse lost \$4.7 billion. This news was on the heels of the GameStop short squeeze instigated by the users on the social media platform Reddit.

Over the last year, global governments have kept interest rates ultra-low causing a “stimulus” as individuals, corporations, and municipalities refinanced debt. The drop in rates as well as the desire to de-urbanize created unparalleled demand for housing as prices reached a 15-year high. During the quarter the yield curve steepened with the 10-year Treasury ending the quarter at 1.74%. TINA (There Is No Alternative) is an acronym used to demonstrate the demand for yield, income, and alternatives for returns.

As optimism increased over vaccination rates, so did recent jobs numbers (6% unemployment in the US) and the Federal Reserve reiterated their commitment to keep interest rates below inflation. US equity and European markets rallied first quarter 2021. A reshuffling also occurred with re-opening, reflation, and cyclical trades outperforming. Weatherly used this as an opportunity to add new names to portfolios as appropriate. We continue to invest in new themes and select re-opening trades, with the quarter end selloff in FAANG stocks viewed as a short-term phenomenon. As of this writing, tax proposals in the US and abroad only point to higher taxes for both corporations with proposals in the mid-high 20% range and wealthy individuals, mainly those above 400k AGI; however there is a possibility for repeal on the cap of SALT deductions. Focus turned to how this will impact corporate earnings, government debt vs. GDP, inflation and investment in metals or virtual currencies based on blockchain technology. Our top ten holdings as of 3/31/21 are outlined below:

“Top Ten” Holdings *

- | | |
|-------------------------|-----------------------------|
| 1. Apple Inc | 6. Invesco Global Water ETF |
| 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 |

Evolution is both an exciting and uncomfortable venture. Optimal technology, upgraded infrastructure, equal access, cybersecurity, and an environment allowing creativity to innovate what to adopt for best practices are constant needs as we evolve. How the pandemic will impact residential and commercial real estate, hybrid work and learning schedules, and shared work/learning spaces is still underway. U.S. office vacancies reached 11.9% Q1, 2021 with discounts up to 13% on new leases vs. a year earlier as many businesses adopted remote work.

Disparities by “essential industry,” access to education and technology only widened during the pandemic. Addressing inequities and standing firm on tolerance are critical for us to truly move the masses forward in our communities. Thirty percent of the U.S. population lives on less than \$15/hour living wage. While stimulus and infrastructure packages (Build Back Better) will help, retraining, access and equality need to also occur simultaneously. We look forward to being a part of incorporating these changes.

*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%
2020	30.97%	29.97%	18.39%	16.82%	4.35%	3.85%	3.10%	21.36%	20.61%	12.08%
1st Quarter 2021	1.94%	1.69%	6.17%	4.68%	-0.54%	-0.67%	-0.05%	1.21%	1.02%	3.06%
3-Year Trailing (Ann.)	19.13%	18.13%	16.75%	12.64%	4.03%	3.53%	2.77%	13.78%	13.03%	10.34%
Since Inception (Ann.)	10.94%	9.94%	10.66%	8.17%	4.74%	4.24%	3.51%	11.23%	10.48%	8.52%

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 1st Quarter 2021, 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.