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`Technically-based Asset Management Programs with a Fundamental Overlay.'®

21st Century Advisors Ltd. is the international sub-Advisor to Capital Markets IQ, LLC, a SEC registered investment advisor in the USA.
21st Century Advisors Ltd. is a regulated affiliate of Devonshire Warwick Llp, a registered financial services firm in the UK.

22 June 2023

Its been a lousy two years, but long-term its OK.

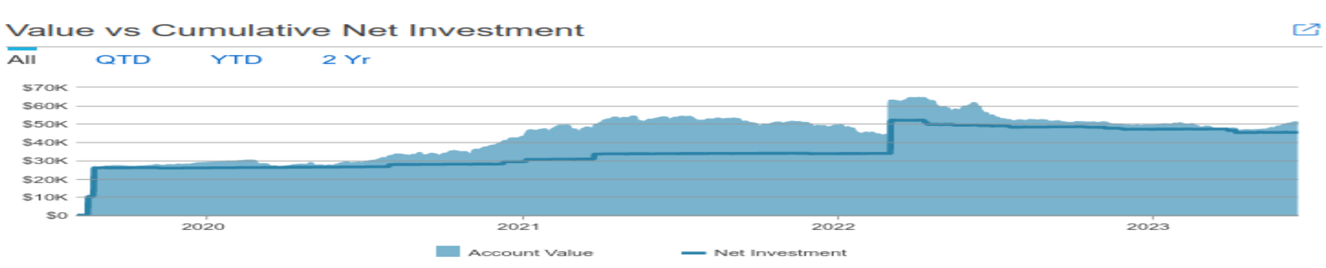
We are at the end of the first half of 2023. A little less than two years ago the markets peaked and ever since that point in time most everybody has been under water.

Our wonderful clients, and they are without exception terrific, have a sub-conscious job in relationship with their money managers. It is as if they were the passengers on a stage coach. They tend to yell at the driver to whip the horses more often, so they will get to their destination faster.

Unfortunately, complaining to the manager usually does not make the numbers go up faster. It might have the reverse effect. The manager may take more risk and, at the end of the day, create more volatility in the portfolio and then lower returns.

This came to mind recently when looking at a specific client's performance. Exceptional, accomplished person, but whenever his portfolio enters the conversation, it sounds something like the following. 'This money has been there for years, I even added money, we never make anything'. Or, 'if I had just stuck with an index, I would have done much better'. This client wants maximum Growth, so he is in the more aggressive version of the 21CA portfolio management system. Thus, in down-markets he sustains larger losses, but in up-markets he has more invested. Like many of our clients, he likes the idea that his account also allows him to spend at will via Cheques and a free VISA card.

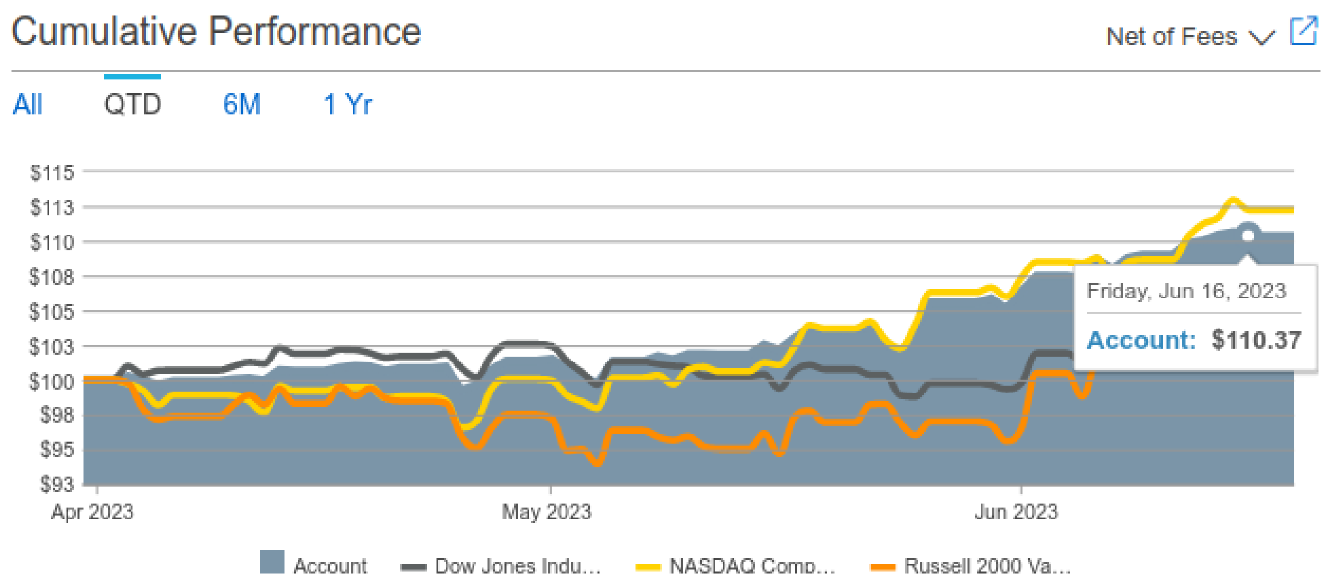
By every standard this is a very small account. (Larger accounts have more positions, diversification, and smoother returns.) Lets see what the client is talking about. The account has been at Schwab for nearly 4 years, and before that was at Fidelity for about 10 years. Unfortunately, we only can show continuous numbers since arriving at Schwab in early August 2019. Money has been added and subtracted as seen by the dark line. All the numbers below are as of 17 June 2023. The Schwab starting point was 16 August 2019 when most assets arrived.



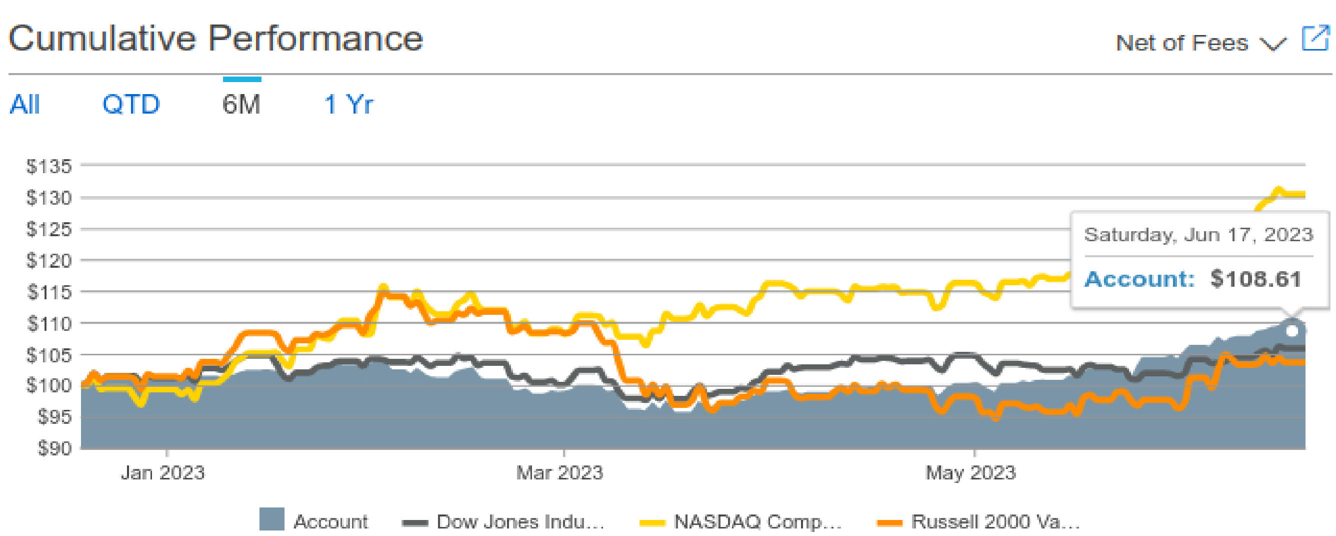
How has the client done over various discreet periods of time? This last quarter,starting on April 1, has been pretty good after a year of poor quarters. Each of the following graphs shows what has happened during different periods.

The Yellow line is the NASDAQ Composite Index, which is most of the time the World's top performing index.
The Black line is the Dow Jones Industrial Average, which is considered the most stable indicator of the American market place.
The Orange line represents the Russell 2000 Value index, which is the index of the most stable mid-sized American companies.

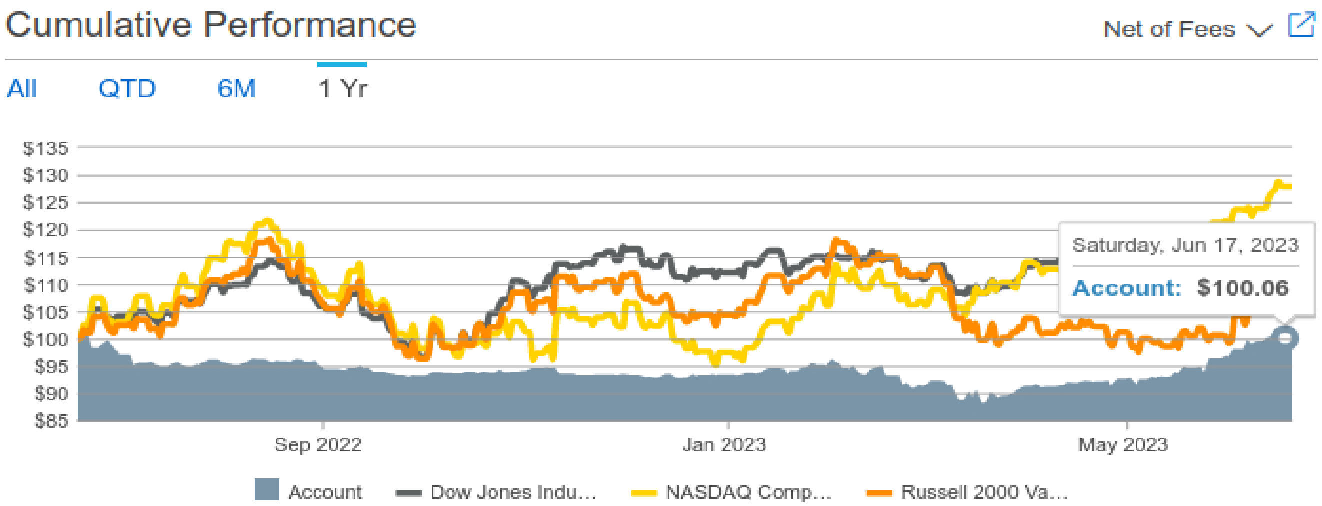
Below is how this account has done in Quarter 2, 2023, until June 17. It beat all but the most aggressive index. Yet, over half its value on the 17th of June was in Cash or near cash instruments like US Treasury Bonds! Thus, this account had much lower market and security risk than the indices with which it competes. Every $100 in this account was worth $110.37 at the end of the period



Looking further back, the account did not do as well. However, (a) during the downturn it was in higher percentages of Cash and near-cash instruments providing additional safety, and (b) this account, and the others traded by us, had significantly lower downturns than the major indices.. Here is what it did over the 6 month period, ending on June 17.



Here is what the same account did over the previous 1 year, ending on June 17.



Unfortunately the software available does not allow us to show you what the account did during the course of the full downturn beginning on Jan 1, 2022. However Schwab supplies other statistics, as follows:

Performance Summary

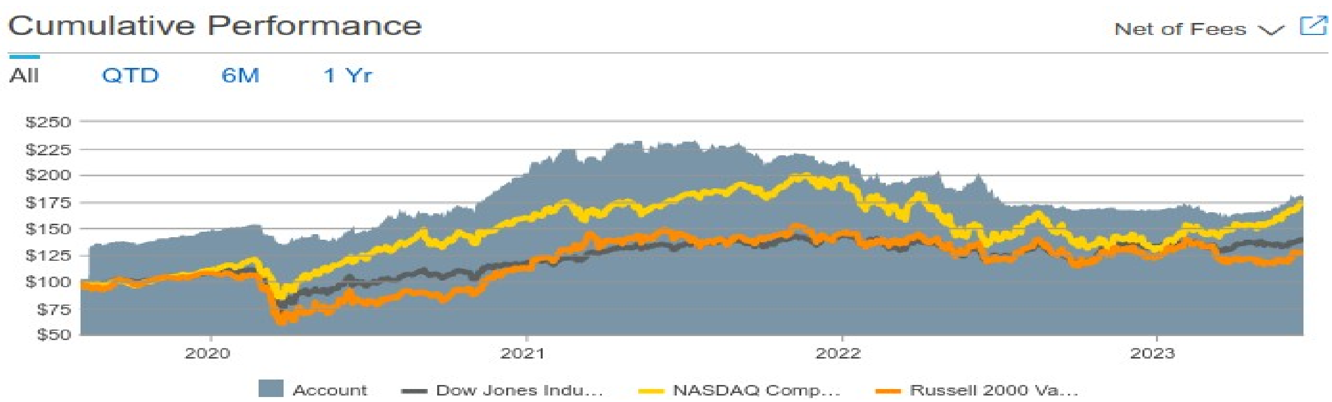
Net of Fees

	All	QTD	YTD	2 Yr
TOTAL	15.98%	10.37%	7.93%	(9.00%)

Over the last two years the account was down on average 9%, but if we look at its total performance, starting in August 2019, the account has compounded up at nearly 16%/year, beating all the indices, listed below. This was achieved with large portions of the portfolio in cash or low risk securities almost all the time. As seen from the first graph, the client uses the account for deposits and regular spending (via the cost-free VISA card, which comes with the account).

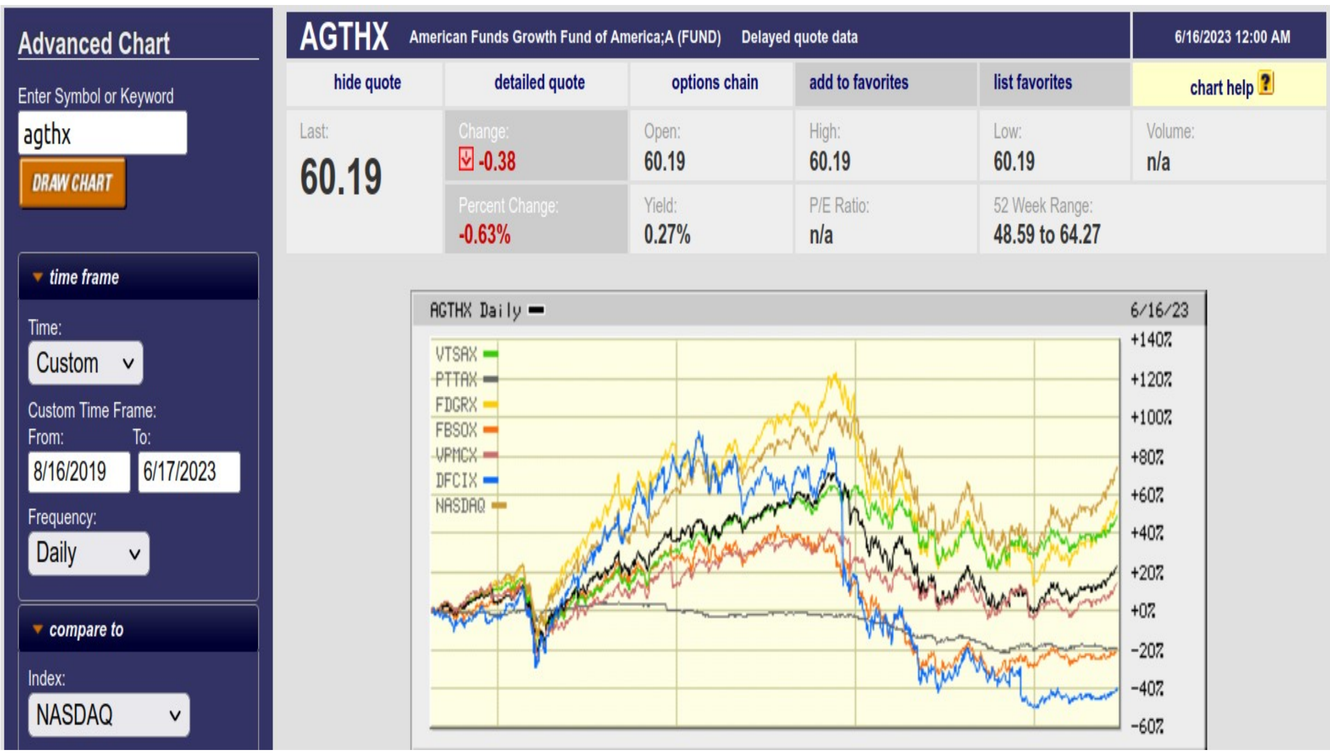
	All	QTD	YTD	2 Yr
Dow Jones Industrial Avera...	*8.82%*	*3.64%*	*4.60%*	*3.60%*
NASDAQ Composite TR USD	*15.16%*	*12.22%*	*31.21%*	*(0.43%)*
Russell 2000 Value TR USD	*6.19%*	*2.84%*	*2.17%*	*(4.87%)*

Periods >= 1 Yr are annualized | Start Date: 08/01/2019



To see this account's accomplishments much more graphically, compare the above results with a cumulative graph. The below graph shows the same NASDAQ Index in first place, compared to the leading American Mutual Funds which we have been tracking in previous reports.

The NASDAQ is the clear winner, for the exact same period as the life of this account. Our client did slightly better than the NASDAQ, despite the account's very small size. It was always much safer than a pure equity Index because of its large supply of low risk holdings. The client's results are net, after all client costs. This account did better than the best Index and the best managed funds in the business!



America's leading funds: AGTHX - American Funds Growth Fund of America, VTSAX - Vanguard Total Stock Market Index, PTTAX - PIMCO Total Return A, FDGRX - Fidelity® Growth Company, FBSOX - Fidelity® Select IT Services, VPMCX - Vanguard PRIMECAP Invest, DFCIX - Delaware Smid Cap Growth A

Summary: The 21st Century approach to Asset Management works well over time. Client complaints and questions are always welcome. It is not always easy to appreciate what is happening.

All but the last chart are courtesy of Schwab, for the xxxx-xx96 account held there. At the date of the report's compilation, this small account held 27 positions, plus cash. At Schwab the client has daily liquidity, the same as a traditional bank account.
The final chart is courtesy of Marketwatch.com.

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