



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

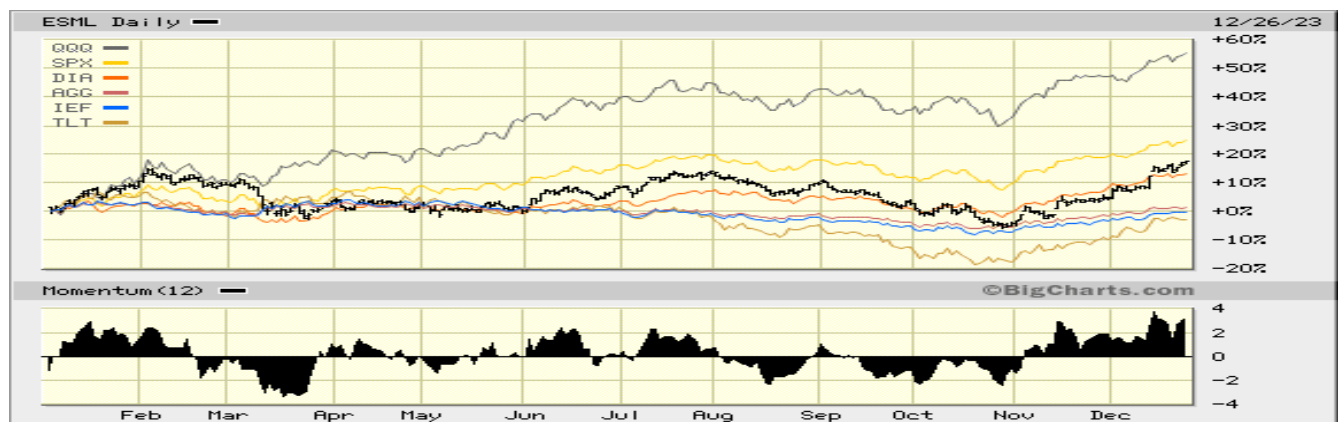
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2023: Battling inflation, interest rate hikes, and a global recession.

The US economy recorded the strongest growth of any large economy. The majority of experts expected a recession, instead the US economy has outperformed its peers, with nearly record low unemployment and inflation approaching its 2 percent target. Many other economies, including the UK and Israel, are in major recession. Heading into 2024, many big questions remain. The current prime economic issue: When will Central Banks begin cutting rates? If Wars, elections and other issues do not explode, 2024 could be a good year for investors.

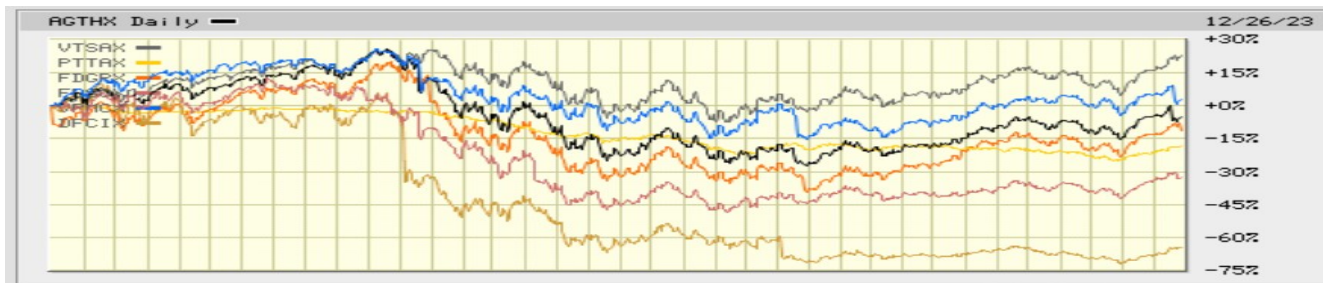
Inflation over the last month is reported down significantly. As a result most areas of the market have suddenly surged after many starts and pull-backs. Should bad inflationary news return, this new optimism could melt away again. Major indices that contained the ten leading companies that led the market rise, did well in 2023. The broad market, including the Dow Jones Industrial Average and the smaller company indices, exclude these names, and did much less well. Until November most indices were down for the year. Bonds have begun to recover, but overall are still down.



ESML – Small Cap ETF, SPX – S&P 500 Index, QQQ – NASDAQ 100 ETF, DIA – DJIA (30 Industrials) ETF
 AGG – Aggregate Bond Index ETF, IEF - 7-10 Year US Treasury Index ETF, TLT - 20+ Year US Treasury Index ETF

Success continues to be stratified, although less in the last 7 weeks. The vast majority of companies are showing very slow recovery to their previous (2021) highs. Bing AI calculated that the World’s 20 largest companies, almost all of which are American, accounted for nearly 20% of the capitalization value of all the World’s companies whose shares are traded on a recognized exchange! These 20 companies are 1/3 of the USA market Cap and account for a microscopic percentage of the investment choices available. The majority of these 20 companies surged in value over 30% during the year. Most everything else lagged considerably behind. Hence the great disparities between the indices above. See page 3 for the list of these behemoths and further details.

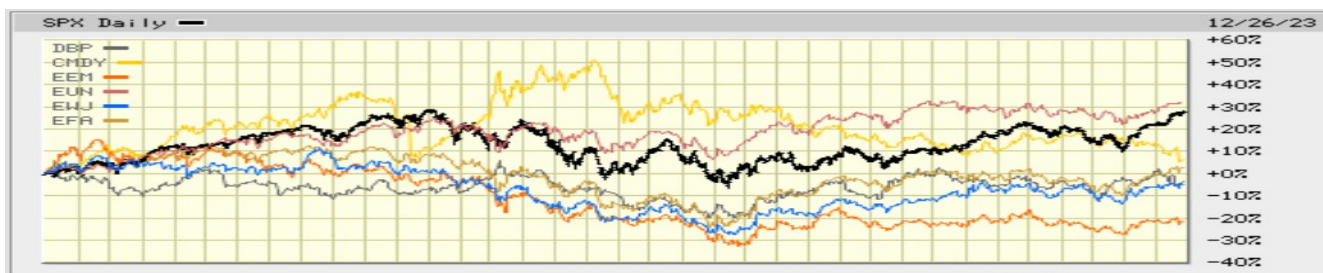
The major Money Managers we have been following over the last few years have had a difficult time, but overall are recovering. Only one fund has equaled its previous high price. This chart covers the last three years.



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

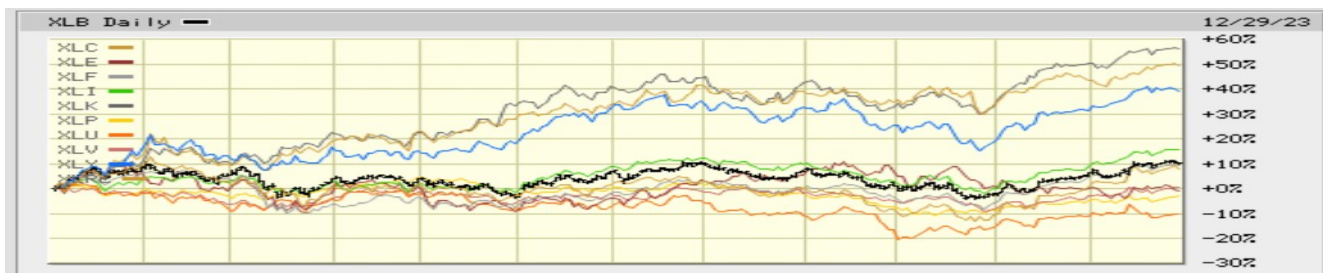
Obviously these managers need to invest in much more than the 20 largest companies, but have found few reliable alternatives, especially when the Bond sector has done as badly as the Shares. Some of these money managers are doing much better than others.

Here is the big picture worldwide over the last 3 years.



Worldwide & tangibles: SPX - S&P 500 Index, DPB - Precious Metals Index, CMDY - Broad Commodity ETF, EEM - Emerging Markets ETF, EUN - Europe 50 ETF, EWJ - Japan ETF, EFA - EAFE (Europe, Asia, Far East) ETF

Here is how the different investment sectors performed this past year. The Tech giants in XLC and XLK, plus the retail area were the only ones that excelled.



SPDR Sector ETFs: XLB - Materials sector, XLC - Communication Services, XLE - Energy, XLF - Financial, XLI - Industrial, XLK - Technology, XLP - Consumer Staples, XLU - Utilities, XLV - Health Care, XLY - Consumer Discretionary, XLRE - Real Estate

These charts are courtesy of Marketwatch.com.

A few other areas did well, and were part of the diversification enjoyed by our clients. Japan, up 14% since bought, a Crypto fund - 50%, General Electric - 30%, Aerospace sector - 20%.

Summary: The 21st Century approach to Asset Management works well over time. Interested? Be in touch.

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Appendix: The lopsided investment world.

The following was researched via Bing AI. **Why investors do not do as well as the headlines?**

As seen on page 1, the NASDAQ index this past year was in a category by itself, going up over 50%. The broader S&P 500 did half as well, and the traditional Dow Jones Industrial Index, did half of even the S&P. Even great traditional brick and mortar companies do not deliver equivalent results. An individual, much less a regulated money manager, cannot build a portfolio based on just a few companies that are currently in vogue, nor catch the next trend when it begins.

Investors read daily about how well the NASDAQ index and the S&P 500 are doing. Then they look at their own portfolios and see poor or negative results. Here is additional information that might be helpful in understanding this disconnect.

Below are the World's largest companies based on their value, Market Cap. (Market Capitalization is the total value of a company's outstanding shares, calculated by multiplying the share price by the number of shares.) The worst performing companies on the list, during 2023, were near the end and did about as well as the general market.

Rank	Company	Symbol	Market Cap (billions US\$)	2023 % change	Rank	Company	Symbol	Market Cap (billions US\$)	2023 % change
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1	Apple	AAPL	2677	48.91	11	JPMorgan Chase	JPM	489	29.87
2	Microsoft	MSFT	2346	57.96	12	UnitedHealthGroup	UNH	483	0.68
3	Alphabet (Google)	GOOG	1662	58.83	13	Broadcom	AVGO	465	103.05
4	Amazon	AMZN	1312	80.88	14	Novo Nordisk	NVO	462	54.4
5	Nvidia	NVDA	1074	238.98	15	Walmart	WMT	424	12.79
6	Tesla	TSLA	794	101.72	16	Exxon Mobil	XOM	406	-6.02
7	Meta (Facebook)	META	772	194.13	17	Mastercard	MA	397	23.31
8	Berkshire Hathaway	BRK-B	769	15.46	18	Johnson & Johnson	JNJ	376	-8.61
9	Eli Lilly	LLY	510	60.57	19	Home Depot	HD	347	12.36
10	Visa	V	481	26.21	20	Procter & Gamble	PG	344	-0.85

Bing says, based on the companiesmarketcap.com website, the total market capitalization of all publicly traded companies in 2020 was approximately US\$93 trillion. However, this number may have changed significantly in 2023, due to the fluctuations in the stock market. Therefore, 'I' (Bing) will use a more recent estimate from another web source <https://stockanalysis.com/list/biggest-companies/>, which states that the total market capitalization of all U.S. listed stocks as of Dec 28, 2023 was \$62.08 trillion, <https://stockanalysis.com/list/biggest-companies/>. Assuming that the U.S. market accounts for about 55% of the global market, https://en.wikipedia.org/wiki/Market_capitalization, we can estimate that the total market capitalization of all publicly traded companies in the world as of Dec 28, 2023, was about \$112.87 trillion. The 20 largest companies, adding up their market values from the web search results, <https://companiesmarketcap.com/> is \$20.86 trillion. Thus their share of the total world market is 18.48% in US\$. The percentage of the U.S. market cap that these 20 companies represent is about 33.61%.

According to web search results, <https://fred.stlouisfed.org/series/DDOM01USA644NWDB>, the number of companies listed in the USA as of March 2023 was 5,996, which was the sum of 2,385 listed on the NYSE and 3,611 listed on the NASDAQ, <https://www.statista.com/statistics/1277216/nyse-nasdaq-comparison-number-listed-companies/>. The number of companies worldwide as of 2021 was estimated to be 333.34 million, <https://www.statista.com/statistics/1260686/global-companies/>. This number probably includes companies that are not publicly traded or registered.