Q-4, 2020 MARKET REVIEW:

Expectations for the fourth quarter were high in the second quarter of 2020. There was hope that the economy would have revived from the drop in the last month of the first quarter resulting from the almost nation-wide lock down in response to the spread of the COVID-19 virus. What actually occurred was an increasing number of illness related to virus spread and its impact was to slow the recovery of the economy. The rancorous political discourse surrounding the completed November election further served to keep markets on edge through the quarter.

In October it was apparent that parts of the country were facing either a second or third wave of COVID infections depending on geography. Fall and colder weather limited outdoor social contact possible during the spring and summer months of the year. Congress dithered with and failed to pass additional stimulus in no small part resulting from the disincentive of providing either party the political win that would result from new stimulus enacted before the November 2020 election. President Trump, even prior to the election, signaled his intent to not accept the election outcome unless he won. Any other outcome he repeatedly claimed would occur only if there was voter fraud and/or an inappropriate vote count by election officials.

The November election failed to produce the Democratic sweep of the Presidency and both houses of congress, which the market increasingly thought possible in the waning days of October. It did, however, allow the Democrats to retain control of the House of Representatives and change the Presidency. On January 5, 2021, the Democrats achieved control of the Senate by winning the two Georgia run-off US Senate elections. With the Senate equally divided between Republicans and Democrats, the presiding officer of the Senate, the incoming Democrat Vice President, can now cast a tie breaking vote.

Social fatigue and the number of family holidays occurring throughout the quarter exacerbated the breakdown of social distancing and the spread of COVID-19. More infectious virus strains were detected in South Africa and Great Britain. By quarter end the Great Britain variant was identified in the United States as well as other countries world-wide.

In late December 2020, the House and Senate compromised on a $900 billion relief package that essentially extended many of the initiatives enacted in the March 2020 COVID-19 stimulus legislation and made possible the distribution of $600 government checks to most Americans based on a sliding 2019 based income formula.

Before quarter end Emergency Use Authorization of the Pfizer, Moderna and Astra Zeneca vaccines along with the Chinese and Russian variants of these inoculations boosted hope that the spread of the virus would be soon arrested and with that a return to economic and social normalcy.

Despite the above headwinds the equity markets continued their upward improvement, though trading for much of the quarter was somewhat range bound. The technology sector remained this economic cycle's defensive investment. The business of many of these companies, which during this economic cycle is so important to much of the virtual economy, combined with their size, limited competition, economic moat protecting against significant competition, and considerable cash positions attracted investors seeking a safe haven in challenging economic times.

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A consensus view developed through the quarter that there was a reversion occurring that would see investors move away from technology sector investments to a broader market sector participation. The expectation is that the restrictions of the pandemic will abate and companies most adversely impacted by restricted consumer behavior would again see a pick-up in economic activity. The broader Russell 1000 and 2000 indices should be the beneficiary of this investor portfolio repositioning.

Throughout the quarter the NASDAQ as well as specific stand out pandemic performers such as ZOOM did see the waning of momentum investor interest and a decline in the premium share price these companies commanded during the darker days of the pandemic period. Though momentum trading did run contrary to the performance of these companies in the earlier months of the year, many of these companies will continue to enjoy growth, albeit at a more modest pace, as the change in consumer behavior patterns hastened by the pandemic are not expected to revert to the previous norm but be a mix of pre-pandemic and pandemic behavior on a going forward basis.

JP Morgan's Q-4 2020 Review reports that the value rated equity sector increased 16%, the best quarter since 2009. The small cap sector returned 24%, and growth equities gained nearly 13%. Emerging market equities rose nearly 20% and Asia ex-Japan returned almost 19%.

U.S. Treasury 10-year bond yields remained below 1% for the quarter contributing to investors' heightened purchases of equities in a search for financial return.

International markets, specifically Europe and Great Britain fared less positively than did the US equity markets. A second wave of virus infections combined with the emergence of a new strain of COVID-19 in Great Britain with fears of spread to the continent instituted a wave of new economic lock downs throughout Europe to stem the spread of the virus.

Great Britain did complete its exit from membership in the European Union with a trade deal that advoided the worst of expectations had that country exited without such an agreement. There remains considerable uncertainty as to exactly what impact the severance of ties with the EU will mean for Great Britain. Except for a general framework of understanding, details of the impact BREXIT will mean to London's international financial services leadership remains to be seen.

Japan and South Korea were successful in limiting COVID- 19 spread and adverse economic impact for most of the year but by year-end the virus resurgence required imposing tighter restrictions on economic activity. Taiwan remains an outstanding example of a country where virus control protocols limited spread and in turn economic impact. China's economy resumed growth following draconian restrictions in the initial months of the pandemic, which resulted in keeping the virus spread at bay. China's importation of oil for manufacturing is now exceeding levels in the immediate period preceding the advent of the pandemic.

The below statistics illustrate the breadth of change in the domestic equity and debt markets over the past three months.

Asset Class:	2019	Q-1 2020*	Q-2 2020**	Q-3 2020**	Q-4 2020**
US S&P 500	+31.5%	-19.6%	+20.5%	8.9%	12.2%
Growth	+34.1%	-15.1%	+25.6%	19.2%	12.6%
Value	+28.7%	-26.8%	+12.9%	-14.1%	15.9%
Small cap	+26.8%	-30.0%	+24.7%	-6.1%	24%
Barclays Aggregate Bond Index	+8.72%	+3.15%*	+0.6%	-0.1%	0.1%

**Asset Class Data: JP Morgan, Quarterly Review of Markets
* Bloomberg PLC: Barclay Aggregate Bond Index

SESLIA ACTIVITY:

We continued the rebalancing begun in the third quarter 2020 reducing equity and adding income securities as appropriate to certain client accounts.

We completed an evaluation of client investment returns achieved over the period from inception of the RIA practice to mid-Q-4 2020 and are satisfied with the growth of most accounts. Where appropriate, we discussed with clients changes in guidance they provided, which we believe contributed to lagging performance and requested reconsideration of that guidance.

In preparing for year-end and 2020 tax filings, we reviewed accounts to ensure that clients with taxable exposure took steps, if desired, to reduce significant net reportable capital gains from our trading activity.

Anticipating that the vaccine roll-out will in the coming months mitigate the spread of COVID-19 and allow a return to a new normal of consumer behavior, we have taken steps to include in client portfolios equity exposure to a broader sector of companies across the economic spectrum, where appropriate. Also, on an individual portfolio basis and as appropriate, we added corporate dividends and other investment income securities to achieve return superior to that available through investment grade bonds.