Happy New Year, and best wishes to you and yours for 2021! I would first like to take a moment to acknowledge the passing of many valued long-term members of the IPS investing family. I am grateful for our long relationships and the trust they placed in me and my team, and I would like to honor and celebrate their lives, as it is my core belief that our souls are sent to a better place, and our journey continues in other forms.

2020 was one of the strangest years that I have ever experienced in my 35 years professionally managing money. I do not believe that the Vol index was below 20 all year, and it hit a high of over 80 during the lows of the COVID crisis in late March. This was a year in which we witnessed a massive socialization of the US economy through actions by the Federal Reserve Bank, similar to what we saw going into the Great Depression under Roosevelt's New Deal. The difference between what happened in 1932 and what happened this time is that in '32 there was a massive fiscal stimulus and job stimulus program that put the economy back on track. This time, there was a massive money dump by the Federal Reserve Bank with a little help from Congress.

The question we must ask ourselves is will the massive amount of money we have spent keeping the economy afloat cause hyperinflation in the future, or worse, stagflation, which is something we experienced in the 1970's where the economy slows, but prices rise? Classic economics tells us if you print too much of anything, it becomes worthless. We saw this in Germany after WWI. The other side of that argument is illustrated by what we see happening in Japan. Japan's debt to GDP ratio is in excess of 200%. The US Debt to GDP ratio currently exceeds 130%, yet the Japanese yen is currently stronger than the US dollar. The point I am trying to make here is that, although economics drive our daily decisions from our household to our investments, what affected the economy in one era, seems to have no effect in another era. More importantly, where does this leave us going into 2021?

Despite the booming stock market, the economy is not all that strong. Unemployment is high - we know many people who have lost their jobs - yet the stock market keeps hitting all-time highs. There is clearly a disconnect between Main Street and Wall Street. According to Goldman Sachs, the amount of money sitting on the sidelines in cash hit all-time highs last year, and many investors jumped out of the market during the March lows, when the markets were down 35%.

If 2020 taught us anything, it is that we must stay invested and continually hedge. Futile attempts to time when to get in and out of the market largely explain why the average investor only realized annual returns of 1.92% over the last 20 years, according to Fidelity. Simply put, market timing does not work. We at IPS Strategic Capital continue to build and work on innovative solutions that allow all of our investors to stay fully invested at all times. This is because our investment solutions protect you with insurance, so that we don't have to attempt to time the market. This has been my life's work: to continue to build hedging strategies that allow us to remain fully invested with seatbelts. We will participate in the gains of the market, but with peace of mind, as we always protect against the downside.

Sincerely,

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Over