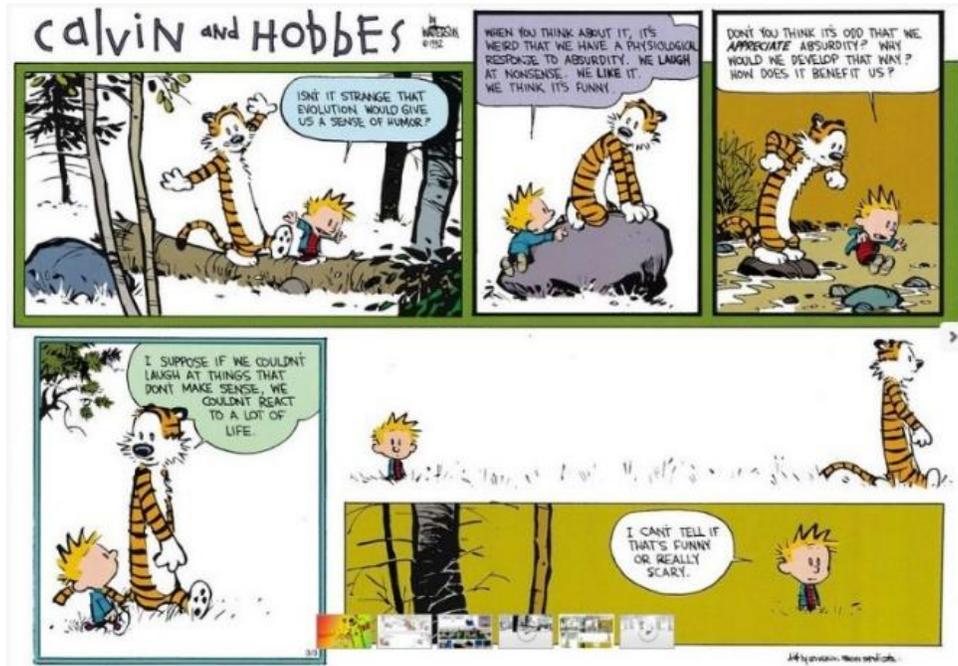


February 16, 2021



Happy New Year! I have started writing several times since the beginning of the year and have almost consciously slowed the process down just to watch and think, or to simply be, to let space happen and events occur without commentary. So in a way I feel like we haven't talked in a while, and in another sense the new virtual world that we all inhabit makes me feel more connected to you all than ever.

The numbers for 2020 ended something like this: The S&P 500 was up 18.4% including dividends for 2020 while the Vanguard Midcap 400 ETF was up 18% and the Russell 2000 ETF was up 20%. This turned out to be a very solid ending to a dramatic year, where those who kept their heads and a long-term focus during the spring selloff were amply rewarded. Indeed, many DCM client accounts outperformed these indices, though we did not expressly attempt to do so.

Dare Capital Management assets under management ended 2020 up 37% year over year. Sincere thanks to all Dare Capital Management clients for the amazing support over the years.

Check out the new DCM website at <https://darecapital.com> the next time you're out surfing the Web. Thanks to everyone at Outer Banks Media for their terrific support through the process!



Chart Watch- Large Cap Index



The two charts above show two-year (left) and ten-year (right) timeframes for the iShares Core S&P ETF, ticker symbol IVV. On both charts I've added a black trend line. On the left chart we can see last spring's pullback and the subsequent recovery to new highs. My black trendline shows IVV's position at the beginning of the COVID pandemic and that position relative to where the S&P 500 is today.

The chart on the right goes back to 2011 and shows the steady uptrend since that time. Issues that seemed quite dramatic when we were going through them are smoothed with the passage of time. Charts like this one emphasize the benefits of a long-term perspective for investors.

Chart Watch-US Small Caps



Here are two charts of the iShares Russell 2000 ETF symbol IWM, two-year timeframe on the left and ten-year on the right. I've added a black trendline to both charts.

On the left chart the trend line starts at the early 2020 highs, shows the COVID-associated bear market, and, perhaps surprisingly, shows quite a bit of relative strength on the breakout since November of 2020.

The right chart shows the steady uptrend until last year's bear market. It is very interesting to me that this economically sensitive smallcap index could be exhibiting the relative strength that it is. Conventional wisdom might suggest that this index would be underperforming due to the number of small businesses affected by COVID in one way or another, but this action is quite strong and seems to suggest broad-based economic upside sooner rather than later.



Chart Watch- Bond Yields/Rates



Here are two charts of the iShares 20 Year Plus Treasury Bond ETF, symbol TLT. The left chart is a two-year and the right chart is a 10-year chart. On both charts I have added black trend lines.

On the left chart we can see the spike up to the 2020 spring highs during the heart of the pandemic sell off and the approximate 15% pullback since then. The right chart shows my added uptrend channel, the break above the channel and then a retracement. (Note that interest rate prices and yields are inversely related-- that is, as bond yields drop, bond prices rise, and vice versa.)

Chart Watch-US Government Bond Yield Curve, 2/16/21

Security	Last	Change
BITCOIN Bitcoin/USD Coi...	48,100.0 1:08 PM EST	+447.25 ▲ +0.94%
US 2-YR U.S. 2 Year Treas...	0.121% 11:32 AM EST	+0.01 ▲
US 5-YR U.S. 5 Year Treas...	0.55% 1:07 PM EST	+0.065 ▲
US 10-YR U.S. 10 Year Treas...	1.285% 1:08 PM EST	+0.085 ▲
US 30-YR U.S. 30 Year Treas...	2.08% 1:08 PM EST	+0.076 ▲
VIX CBOE Volatility I...	21.27 1:08 PM EST	+1.30 ▲ +6.51%
GLD SPDR Gold Shares	168.70 1:08 PM EST	-1.99 ▼ -1.17%

It's interesting to note that as I'm writing on February 16th the Ten Year note yield has risen to 1.28%, quite a move from previous low rates. When I wrote in September the Ten Year note yield was 0.728%

An investor buying \$1 Million of US 10-year maturity government bonds notes Tuesday February 16, 2021 would be paid fully taxable annual interest of \$12,850.00.



Tea Leaves

After a break in 2020, required minimum distributions (RMD's) from pre-tax accounts such as IRA's and 401(k)s are again required in 2021. See the Secure Act links below for more information.

By far the conversation I've had the most with clients these last few months is the "Backdoor Roth conversion of IRA accounts" one. If you have significant pre-tax assets in traditional or rollover IRA's or 401(k)s/403(b)s, perhaps we should have the same conversation before you finalize your 2020 tax preparation.

Interest rates have been so low for so long that at some point there is going to be an attempt to get them to rise, if for no other reason than to see what will happen. This is not the time to buy a large quantity of bonds or fixed income assets.

The SECURE Act-

The SECURE Act was signed into law on December 20, 2019. The SECURE Act makes significant changes to retirement account planning and administration, perhaps most notably by **eliminating Stretch IRA distributions** for almost all but spousal beneficiaries. The SECURE act also raises the age at which Required Minimum Distributions must be taken from 70½ to 72. I've enclosed several reviews of SECURE Act provisions below.

SECURE Act Resource Links:

IRA educator Ed Slott has compiled a handy summary of the SECURE Act- <http://bit.ly/2vMuBL6>

Here's a Vanguard Institutional article written just after the bill's passage- <https://vgi.vg/37SzVLa>

TD Ameritrade 'Ticker Tape' Newsletter

(Note: Charles Schwab acquired TD Ameritrade in an all-stock transaction that closed October 6, 2020. As of now it is business as usual at TD Ameritrade Institutional, DCM's custodian partner, and it is anticipated that the deal will be a win-win for Schwab and Ameritrade clients and shareholders alike-stay tuned.)

TD Ameritrade offers a timely and thoughtful weekly newsletter called Ticker Tape. To sign up for the Ticker Tape newsletter visit <https://tickertape.tdameritrade.com/>

Signing off from Nags Head,

Will W. Woodard, III, CFP®

Please note that the above commentary is presented for informational purposes only.

Dare Capital Management is a registered investment advisor in North Carolina providing ongoing investment management and related planning to individuals, families, and businesses. Find out more about the firm at <https://darecapital.com>

