



INFLOWS CONTINUE INTO US EQUITIES & TECHNOLOGY STOCKS

GOLDMAN SACHS INCREASES FORECAST
ON S&P 500

GOLDEN CROSS ON THE DOW JONES
GIVES UPSIDE OF 14%



INFLOWS CONTINUE INTO EQUITIES

- ✓ Goldman Sachs raises S&P 500 target to 3,600. This implies the S&P 500 will rise by 7% to December 31, 2020.
- ✓ Technology Stocks continue to get inflows (QQQ, Russell 2000)
- ✓ Equity ETFs inflows YTD \$266 Billion vs \$136.8 Billion
- ✓ 42% US workforce will work from home permanently.
- ✓ 50% of UK workforce to work remotely by the end of 2020.
- ✓ Dow Jones passed Golden Cross in August 2020. Upside 14%.
- ✓ Average S&P 500 return is 11.3% in an Election year.

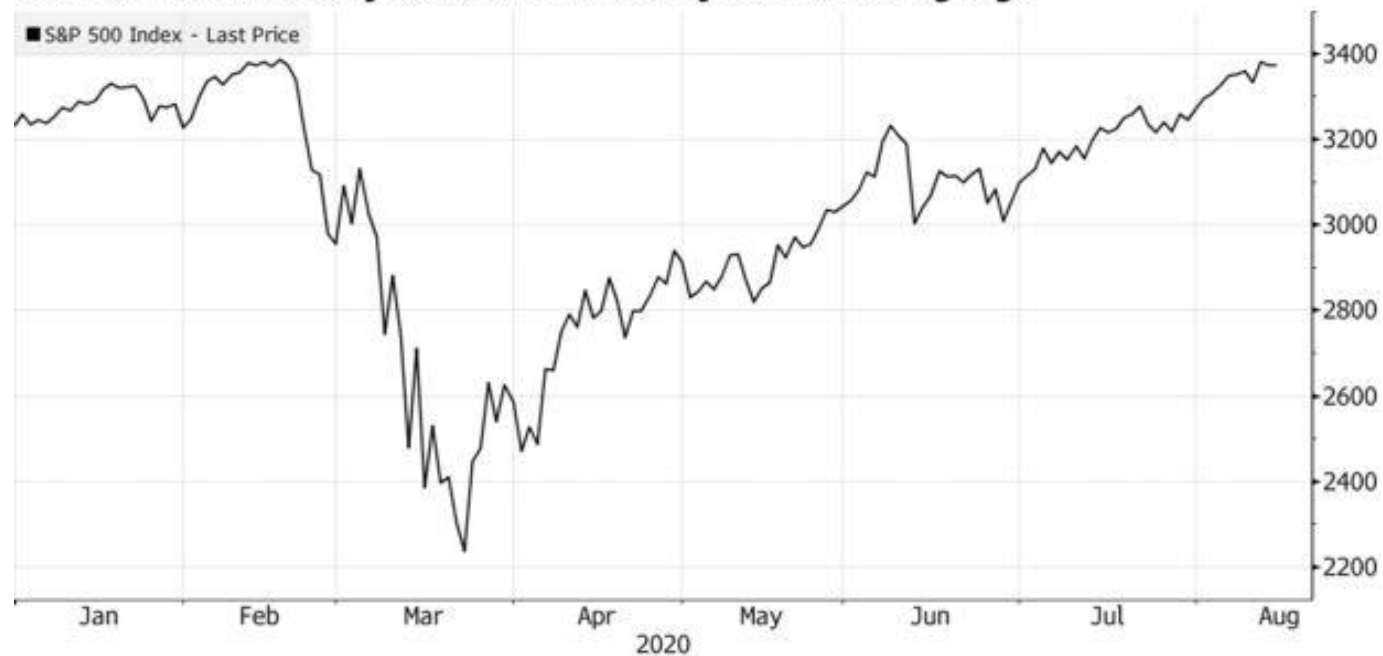
GOLDMAN
SACHS RAISED
S&P 500
FORECAST
FROM 3,000 TO
3,600

(UP ANOTHER 7%
OVER 5 MONTHS)

S&P 500 Forecast Raised Again

That Was Fast

The S&P 500 is nearly back to its February record closing high



Source: Bloomberg

- ✓ The S&P 500 has returned to positive territory this year and Goldman Sachs sees more potential upside

WEEKLY
INFLOWS
NEARLY \$12BN
(AUGUST 14, 2020)

Investor Inflows Indicate Confidence in Equities

U.S. stocks barely missed setting record highs this week, but investors in ETFs remained bullish nonetheless. On net, \$11.5 billion flowed into U.S.-listed ETFs during the week ending Thursday, August 13. Year-to-date inflows ticked up to \$266 billion, nearly double the \$136.8 billion seen at this same time a year ago.

Of this week's inflows, \$5.6 billion headed into U.S. equity ETFs, \$2.1 billion went into international equity ETFs and \$3 billion flowed into U.S. fixed income ETFs.

On Wednesday, the S&P 500 closed at 3,380, a mere 6 points below its all-time high set in February. The small-cap Russell 2000 got to within 7% of its record high, while tech stocks, which first broke to new highs in June, remained firm.

The most popular U.S. equity ETFs this week included the **Invesco QQQ Trust (QQQ)**, the **iShares Russell 2000 ETF (IWM)** and the **Industrial Select Sector SDPR Fund (XLI)**.

- ✓ Equities are the only asset class with real returns
- ✓ Inflows are pushing the Indexes to new highs

TECHNOLOGY
STOCKS
CONTINUE TO
HAVE POSITIVE
FLOWS

Fund Inflows Favour Equities

Most Recent Flows Data

Data available since 01/29/1993

Flows for 08/07/2020 - 08/13/2020

Top 10 Creations (All ETFs)

Ticker	Fund Name	Net Flows*	Details
QQQ	Invesco QQQ Trust	1,834.43	➤
IWM	iShares Russell 2000 ETF	1,219.93	➤
XLI	Industrial Select Sector SPDR Fund	695.64	➤
XLF	Financial Select Sector SPDR Fund	614.98	➤
BND	Vanguard Total Bond Market ETF	507.56	➤
VTI	Vanguard Total Stock Market ETF	479.59	➤
VCSH	Vanguard Short-Term Corporate Bond ETF	470.63	➤
VGK	Vanguard FTSE Europe ETF	439.14	➤
VOO	Vanguard S&P 500 ETF	431.27	➤
TIP	iShares TIPS Bond ETF	403.44	➤

* Net Flows in USD Millions

- ✓ Equity inflows continue to improve
- ✓ Tech and Small Caps lead the way

STANFORD
RESEARCH
SHOWS 42% OF
USA LABOUR
FORCE NOW
WORK FROM
HOME FULL-
TIME

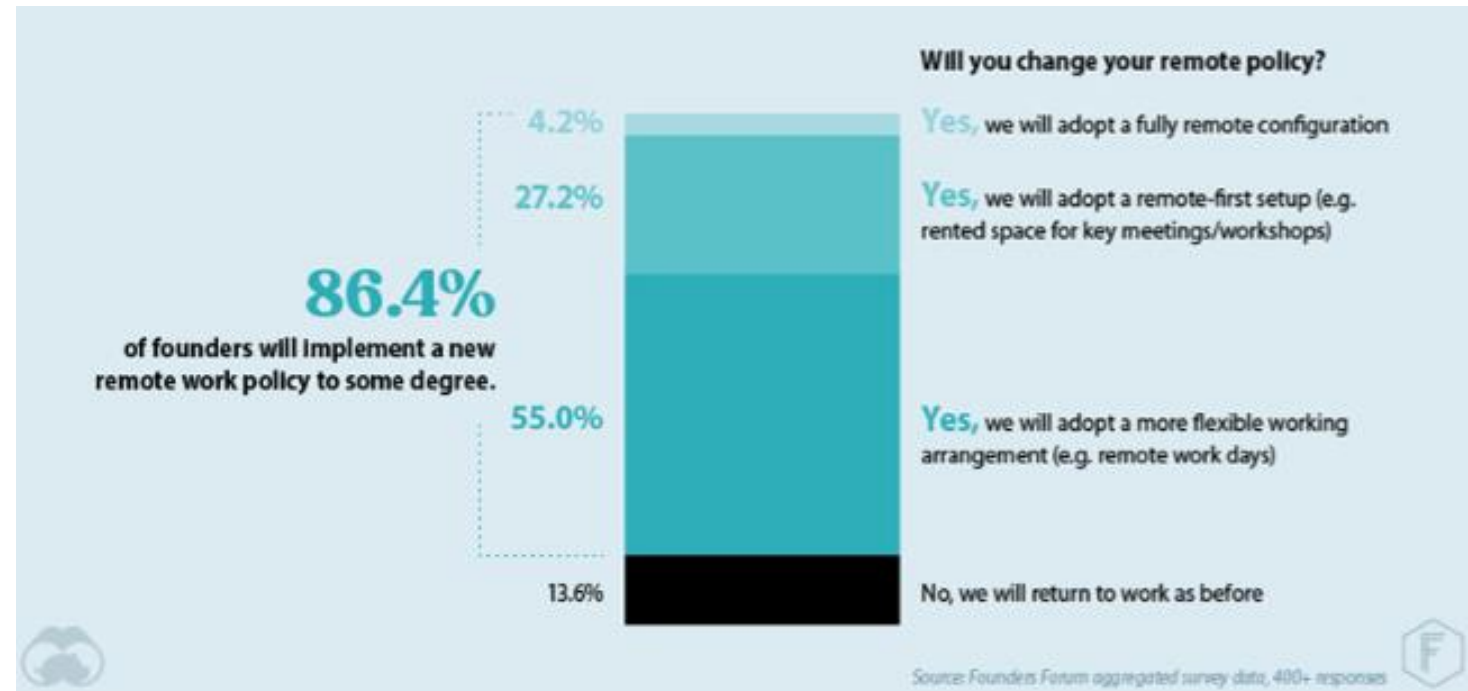
Longer Term Employers Philosophy is Shifting to Work-From-Home

- ✓ We see an incredible 42% of the U.S. labour force now working from home full-time.
- ✓ 50% of UK workforce to work remotely by the end of 2020.
- ✓ The stigma associated with working from home prior to COVID-19 has disappeared.
- ✓ This upsurge in working from home is largely here to stay, and I see a longer-run decline in city centres. The largest U.S. cities have seen incredible growth since the 1980s as younger, educated Americans have flocked into revitalized downtowns. But it looks like that trend will reverse in 2020 – with a flight of economic activity out of city centres.

[Adam Gorlick, Stanford Institute for Economic Policy Research](#)

Working From Home Has Become the New Normal

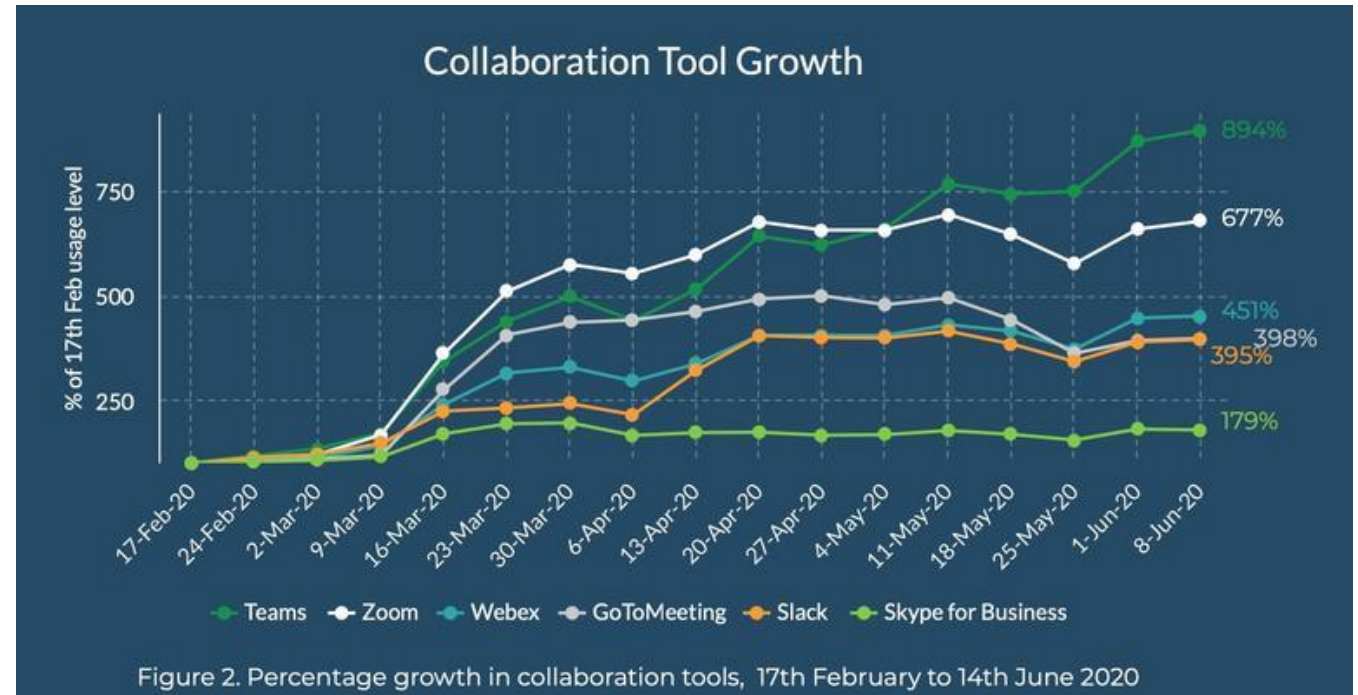
MORE PEOPLE
WILL BE
WORKING
FROM HOME
(USE OF TECHNOLOGY)



- ✓ Companies are realising the benefits of employees working from home.

GROWTH IN THE
USE OF
COLLABORATION
TOOLS.
MICROSOFT
TEAMS UP 894%
(TEAMS, SLACK,
SKYPE, ZOOM)

Technology is the Clear Winner as People Work From Home

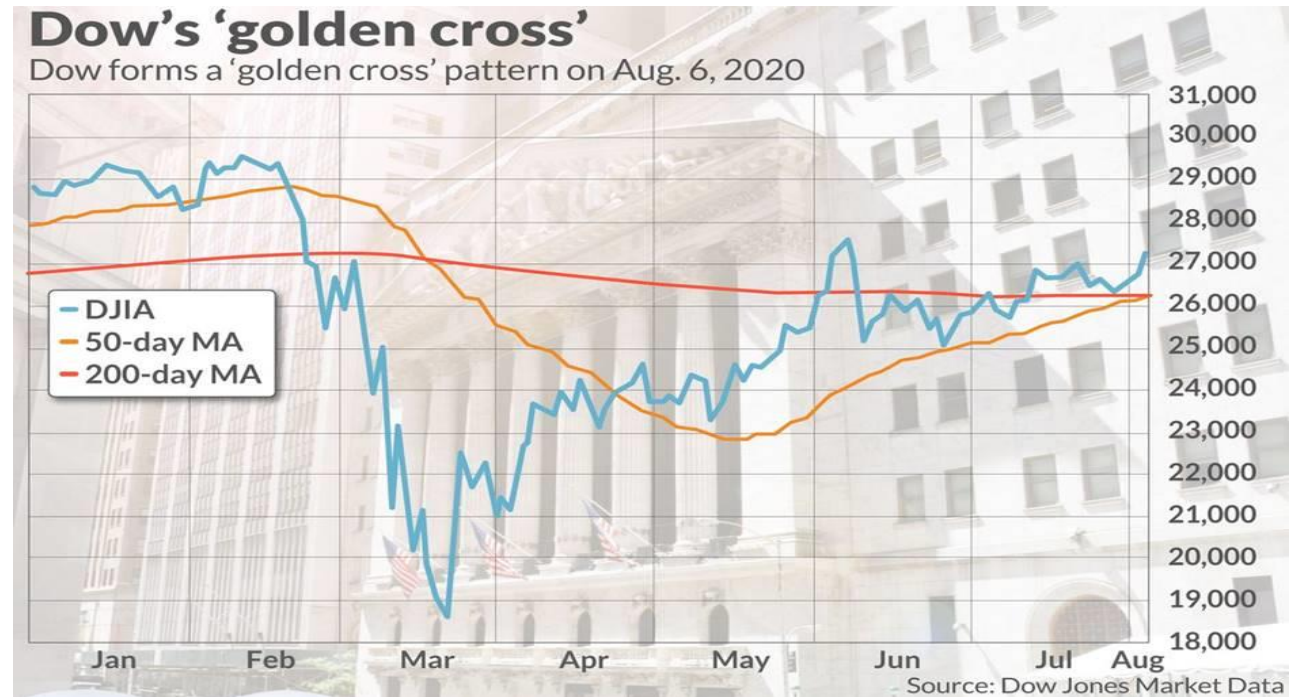


- ✓ Despite some travel restrictions being lifted the use of technology in the workplace continues to rise higher than ever.
- ✓ The necessity of having to work from home has opened company's eyes to the benefits of an increased use of technology in the work place.
- ✓ This will continue to be beneficial even as infections start to ease, and therefore we would not expect to see a decrease in technology usage.

Dow Jones Reaches 'Golden Cross' as Recovery Continues

GOLDEN CROSS ON AUGUST 6, 2020

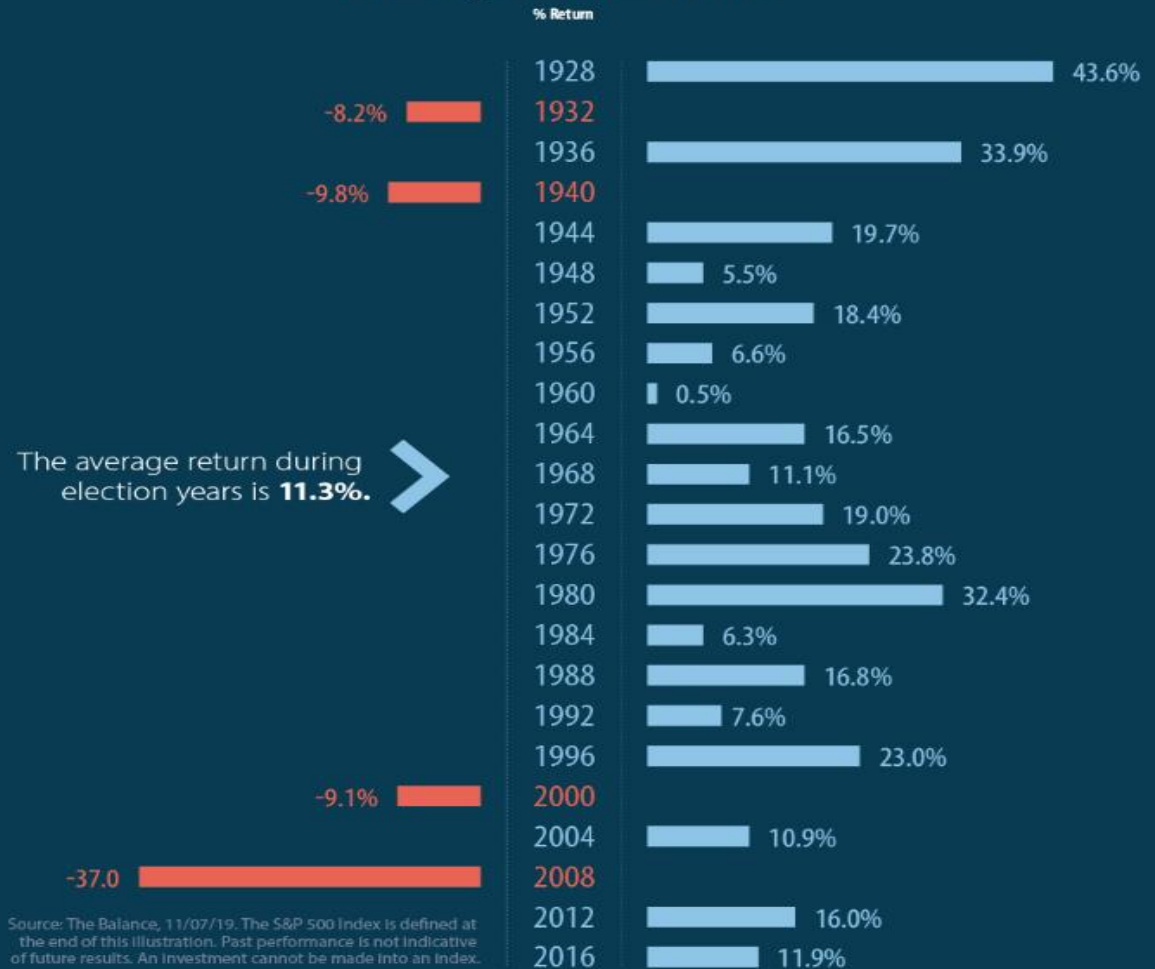
(50-DAY MOVING
AVERAGE TRADES
ABOVE 200-DAY
MOVING AVERAGE)



- ✓ A 'Golden Cross' is when the 50-day moving average moves above the 200-day moving average. This is a good indicator of future positive momentum.
- ✓ The Dow Jones now follows other index's such as the S&P 500 and NASDAQ to hit their 'Golden Cross' since the March crash.

STOCKS
GENERALLY
PERFORM
BETTER IN THE
LATTER PART OF
THE YEAR, ONCE
SOME CLARITY
WAS GAINED ON
THE LIKELY
WINNER

S&P 500 Stock Market Returns During Election Years



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