



INCREASE ALLOCATIONS TO EQUITIES

ONLINE RETAIL SALES



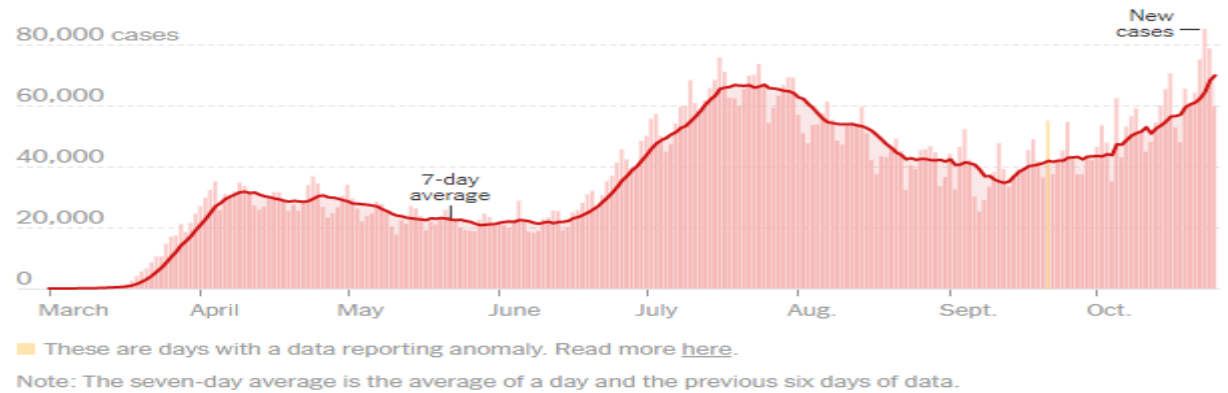
INCREASE ALLOCATIONS TO EQUITIES

- ✓ COVID reported cases continue to rise. Restrictions are increasing in the Northern Hemisphere which will lead to an increase in e-commerce/online sales for Christmas.
- ✓ Election Cycle: Now is the time to buy Equities.
- ✓ No matter which party wins there will be an increase in “economic stimulus” in the USA.
- ✓ Inflows in the S&P 500 continue Equity Markets (general).
- ✓ Rates near zero. Limited upside for Treasuries.

REPORTED
CASES
CONTINUE TO
RISE
(ONLINE
SHOPPING THIS
CHRISTMAS)

Covid-19 Cases are Rising

New reported cases by day in the United States



New reported deaths by day in the United States



- ✓ Cases are on the rise in America, meaning less people will be willing to travel out and deal with crowds when they could order online.

MACY'S SAID
THIS WEEK THAT
THERE WOULD
BE NO SANTA
FOR THE FIRST
TIME IN 159
YEARS
(IS THERE GOING
TO BE A MACY'S)

High Street Stores Lose Their Appeal



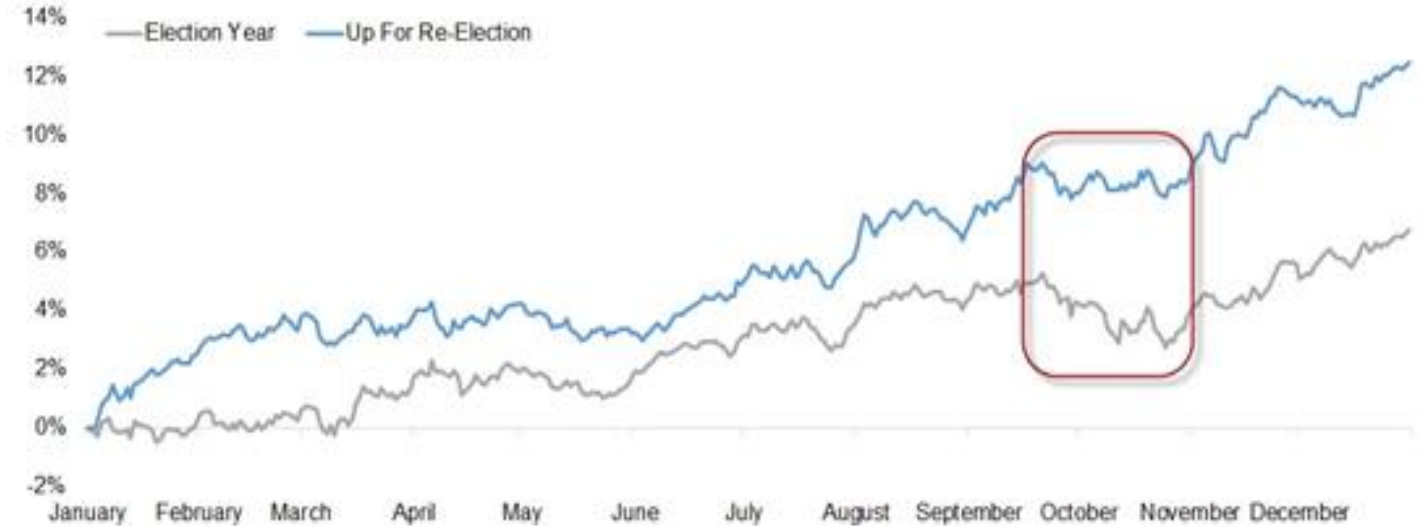
- ✓ With increasing cases being reported worldwide, stores are trying to decrease potential virus hotspots.
- ✓ This is unlikely to convince the majority of shoppers, who will prefer the safety and convenience of shopping online.

NOW IS THE
TIME TO
INCREASE
ALLOCATIONS
TO EQUITIES

Historically Election Years Have Had High Returns

S&P 500 Performance During Election Years (1950 - Current)

Now Is The Weak Part Of An Election Year



Source: LPL Research, FactSet 10/01/20

All indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

The modern design of the S&P 500 Index was first launched in 1957. Performance before then incorporates the performance of its predecessor index, the S&P 90.

- ✓ The market uncertainty of the election year will clear up in November.
- ✓ This creates a historical dip in the market in September/October which in turn is a great investment opportunity.

RATES NEAR
ZERO
(LIMITED
UPSIDE FOR
TREASURY
BONDS)

Risk Reward Ratio Favours Stocks

Not Much Room Left

With rates near zero, the scope for Treasury gains is now more limited

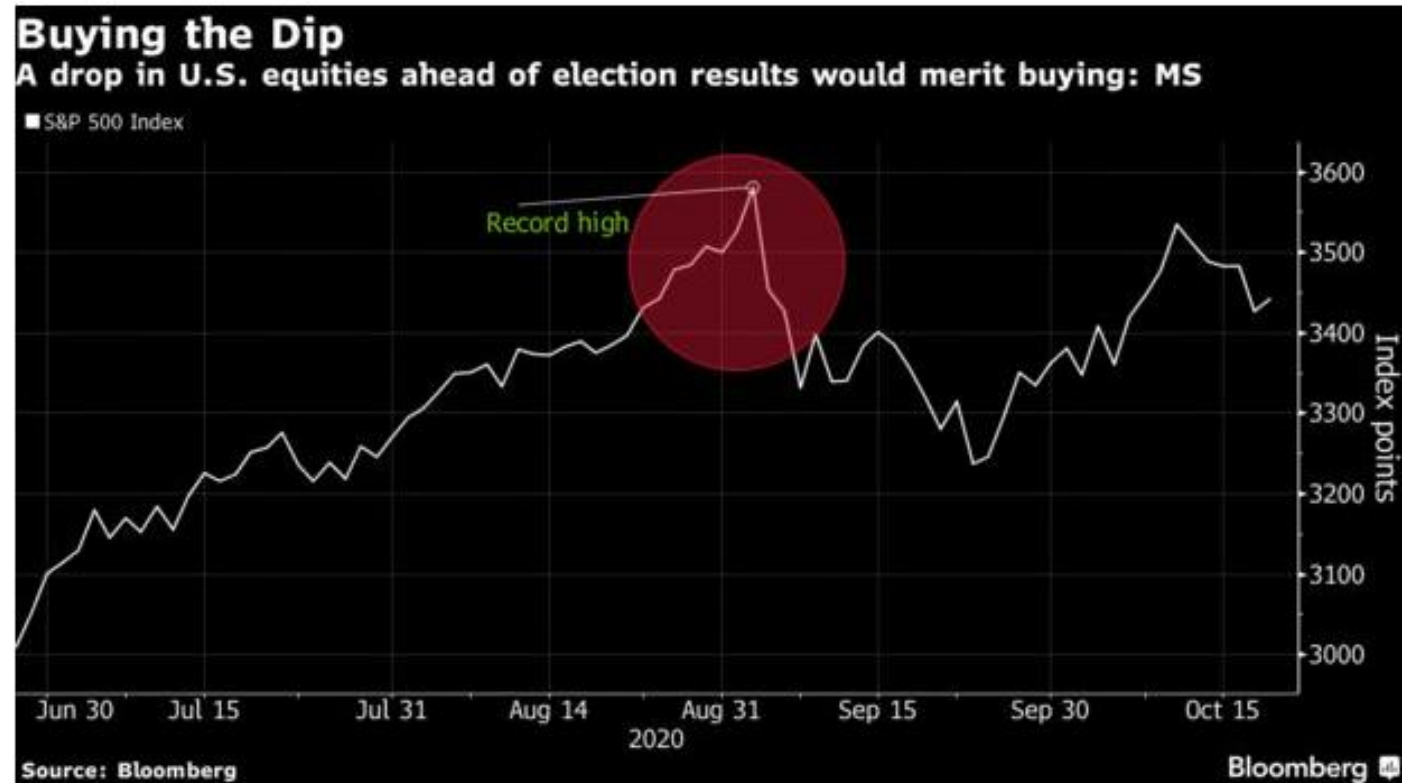


Source: Bloomberg

- ✓ The Yield on the 10-year Treasury bond is near zero and is negative if inflation is considered.
- ✓ With rates at historical lows, we may see some uplift to yields, however the Fed is determined to keep rates low to support the economy.
- ✓ The dividend yield on the S&P 500 is approximately 1.76%, at these levels stocks provide a better return than treasuries.

NO MATTER
WHO WINS THE
ELECTION, IT'S
ALMOST A
CERTAINTY
THAT THERE
WILL BE MORE
ECONOMIC
STIMULUS

A Second Stimulus Package Will Benefit Stocks



- ✓ A second stimulus package would be good for all, and tech companies will benefit from the expendable money available.
- ✓ This stimulus is likely to occur whoever wins the election, so waiting on the outcome before investing has little value.

SOME OF THE COMPANIES REPORTING THIS WEEK

Earnings Reporting Due This Week

- **Alphabet** (NASDAQ:[GOOG](#), NASDAQ:[GOOGL](#))
- **Microsoft** (NASDAQ:[MSFT](#))
- **Visa** (NYSE:[V](#))
- **Shopify** (NYSE:[SHOP](#))
- **Amazon.com** (NASDAQ:[AMZN](#))
- **Apple** (NASDAQ:[AAPL](#))
- **Facebook** (NASDAQ:[FB](#))

- ✓ A big week for S&P 500 earnings, with many looking to beat their downgraded estimates due to the increased use of technology over recent months.
- ✓ Strong reports will push prices higher going into the best earnings period of the year for many of these companies.

INFLOWS
CONTINUE
INTO S&P 500
INDEX
OCTOBER 22,
2020

Inflows Into Technology 15th-22nd October 2020

Ticker	Name	Net Flows (\$,mm)	AUM (\$, mm)	AUM % Change
SPY	SPDR S&P 500 ETF Trust	3,834.39	298,660.00	1.28%
VTI	Vanguard Total Stock Market ETF	1,467.95	171,191.55	0.86%
BBMC	JPMorgan BetaBuilders U.S. Mid Cap Equity ETF	1,019.30	1,027.64	99.19%
VXUS	Vanguard Total International Stock ETF	851.64	29,006.33	2.94%
ESGE	iShares ESG MSCI EM ETF	555.41	4,687.82	11.85%
BNDX	Vanguard Total International Bond ETF	476.46	33,776.44	1.41%
IGBH	iShares Interest Rate Hedged Long-Term Corporate Bond ETF	425.15	556.57	76.39%
VNQ	Vanguard Real Estate ETF	418.31	28,666.64	1.46%
DIA	SPDR Dow Jones Industrial Average ETF Trust	397.93	23,700.92	1.68%
BND	Vanguard Total Bond Market ETF	395.64	63,555.16	0.62%

- ✓ Large Inflows continue into the S&P 500, showing investor confidence returning to the markets.
- ✓ People are buying equities before bonds as there is little to no real return in them.

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