



USA ELECTION RESULT/OUTCOME

SAME EFFECT ON EQUITIES
NO MATTER WHO WINS



NO MATTER
WHO WINS
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WHO WINS

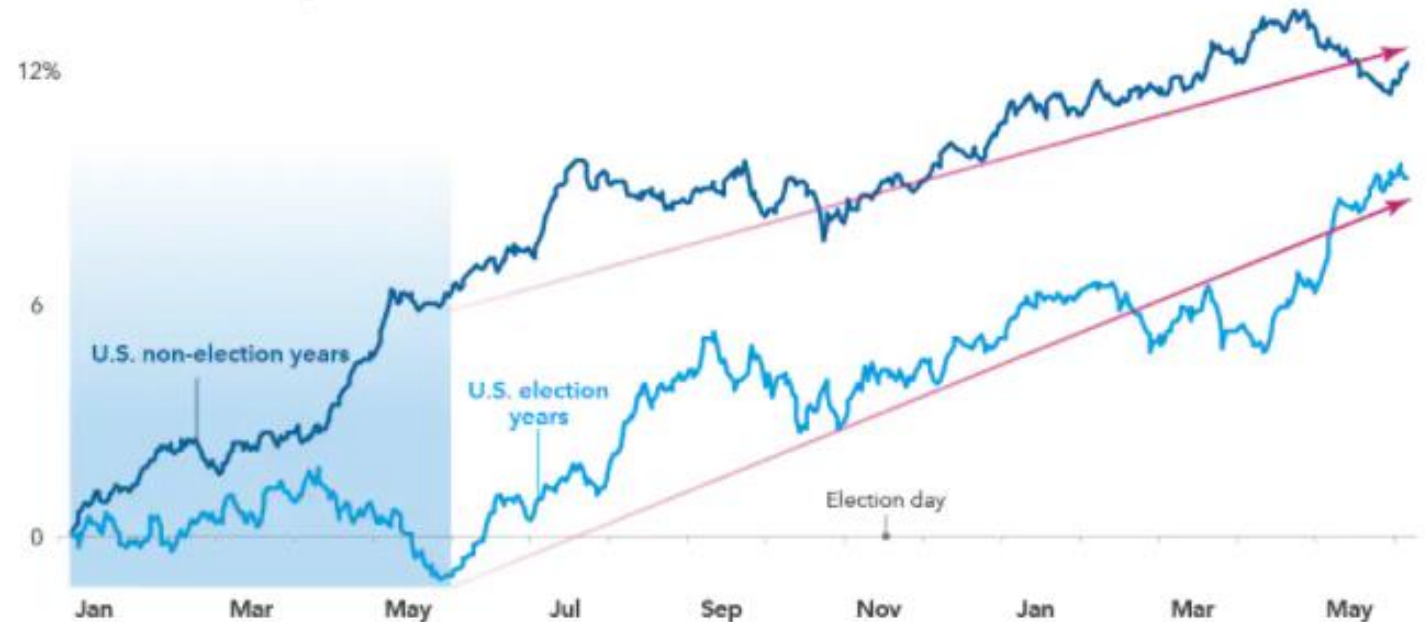
- ✓ It doesn't matter who wins the election. History shows that Equities rise after the USA election result.
- ✓ Inflows into Equities are the highest for the year immediately after USA election results.
- ✓ The economy is recovering in the USA. More economic stimulus has been announced in Europe and will be in the USA too.
- ✓ E-commerce sales over Christmas will be significantly higher than expected because of lockdowns continuing. Christmas will come early for Amazon and other e-commerce companies.

MARKETS RISE
AFTER
ELECTION DAY
(NO MATTER WHO
WINS)

(S&P500 AVERAGE RETURN SINCE 1932)

Presidential Election Has Little Bearing On The Markets

Markets often bounce back after the volatility of primary season
S&P 500 Index average cumulative returns since 1932



Sources: Capital Group, RIMES, Standard & Poor's. Includes all daily price returns from 1/1/32-12/31/19. Non-election years exclude all years with either a presidential or midterm elections. All results in USD.

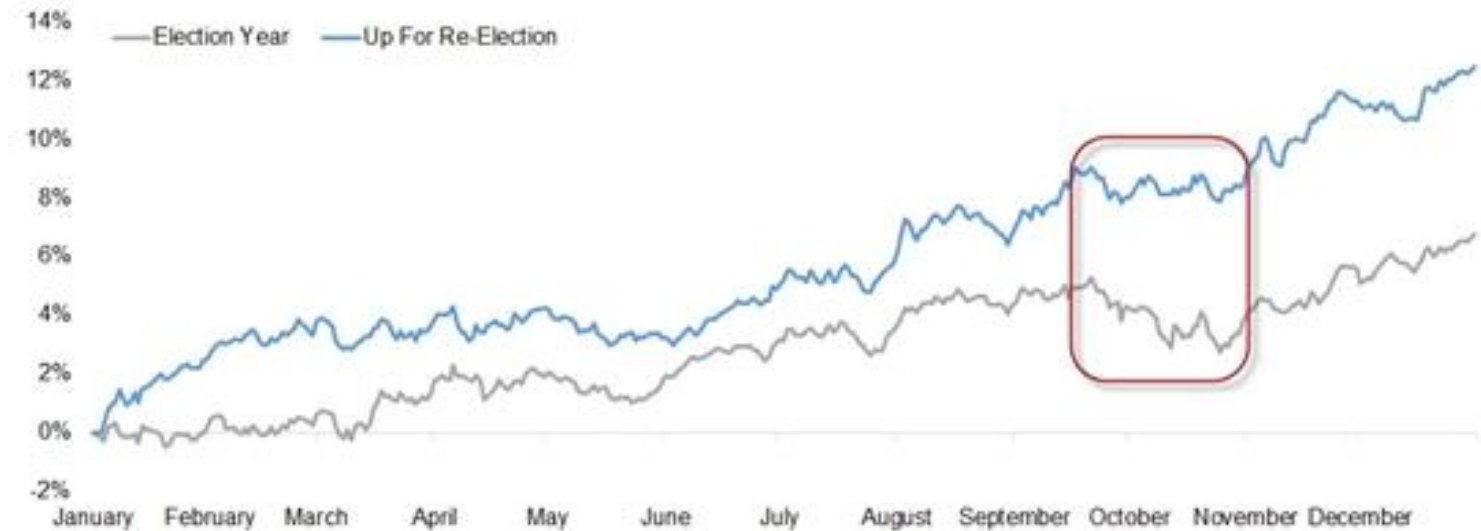
- ✓ The trend is for markets to continue an upward trajectory regardless of an Election.

NOW IS THE
TIME TO
INCREASE
ALLOCATIONS
TO EQUITIES
(NO MATTER WHO
WINS)

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.

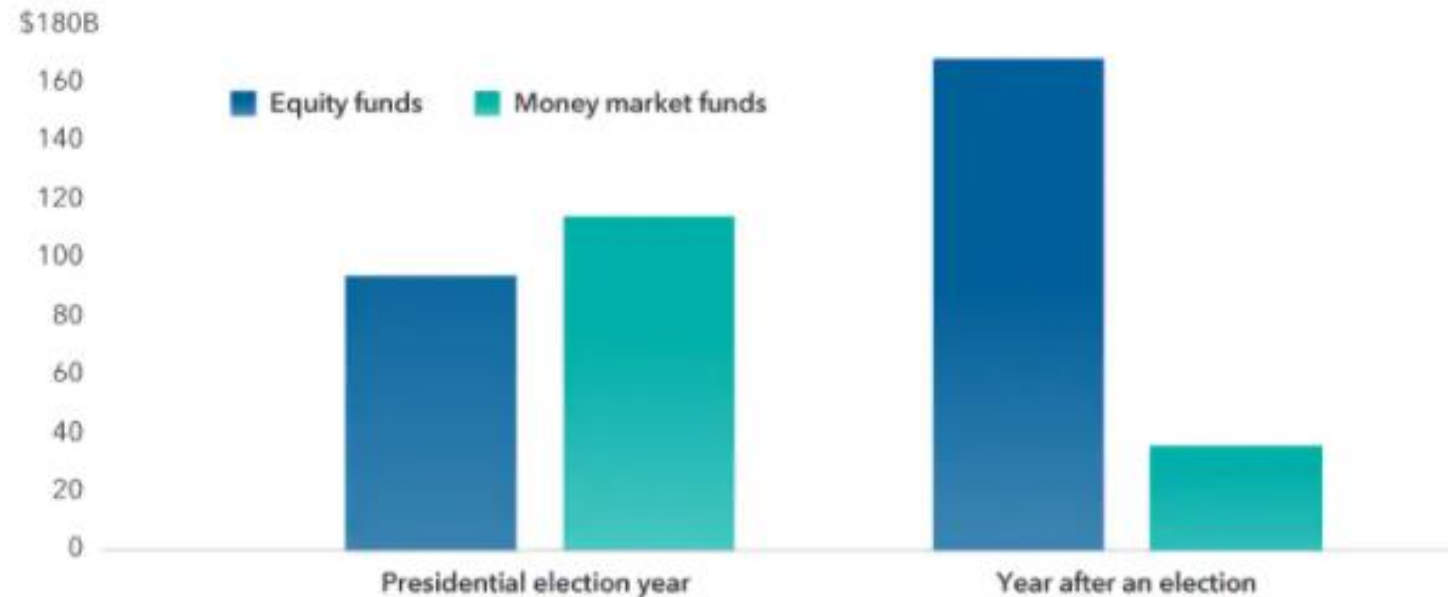
- ✓ The market uncertainty of the election year will clear up in November.
- ✓ This creates a historical dip in the market in September/October which in turn is a great investment opportunity.

NET INFLOWS
HIGHEST INTO
EQUITIES
IMMEDIATELY
AFTER THE
PRESIDENTIAL
ELECTION

(NO MATTER WHO
WINS)

Equity Inflows Increase After Election Years

Investors have tended to be more cautious leading up to elections
Average net fund flows by year of presidential term (1992-2019)



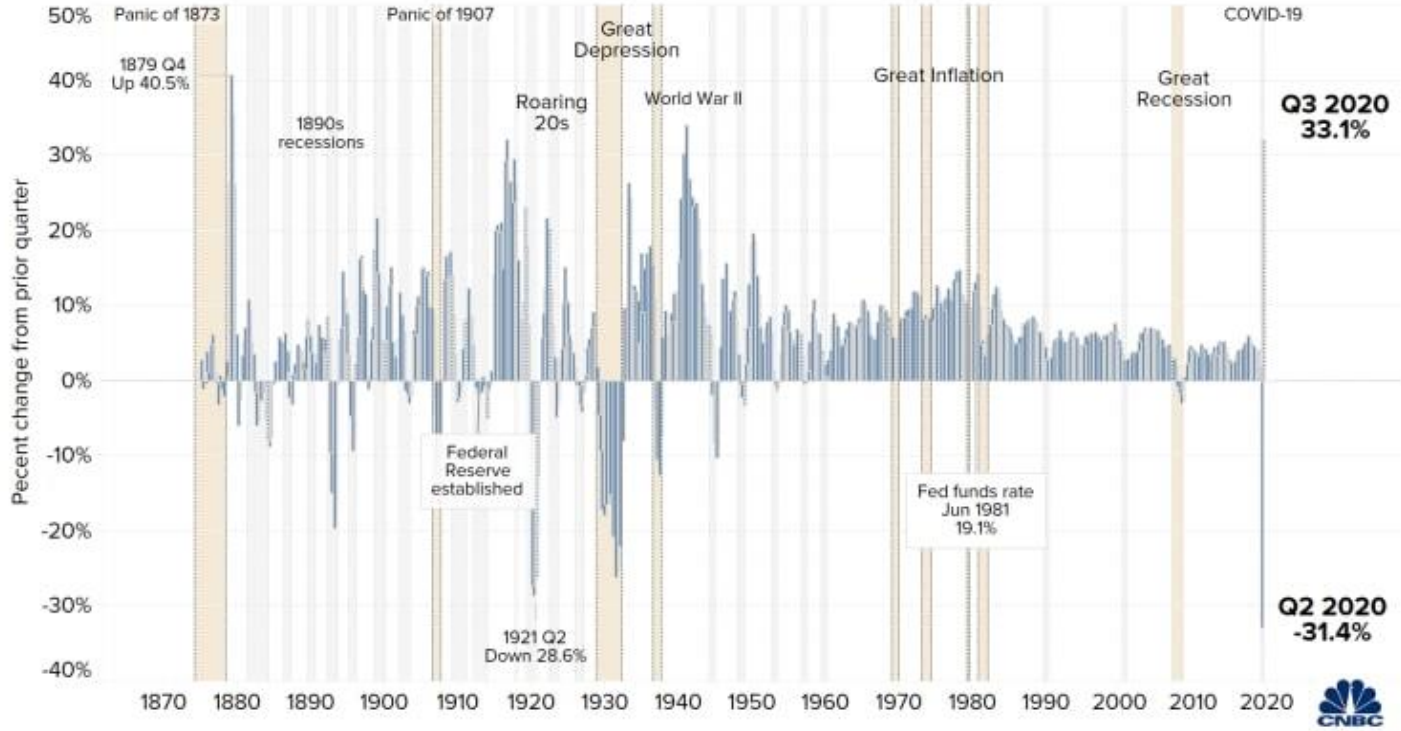
Source: Morningstar. Values based on USD. Equity funds include U.S. and international equity funds.

- ✓ This inflow into equities will only push prices higher, meaning investing now will be more beneficial.
- ✓ People increase their investment into equities once the outcome of the election has been decided.

Economic Boom & Bust

ECONOMY IS RECOVERING IN THE UNITED STATES (WON'T BE A STRAIGHT LINE)

U.S. economic booms and busts



SOURCE: NBER (GNP, 1895-1948), St. Louis Federal Reserve (GDP, 1948-present). Data are not seasonally adjusted or adjusted for inflation.

- ✓ Data shows the economy rebounding substantially from Q2 to Q3.
- ✓ While this was expected after the downturn from the impact of COVID-19, it is still expected to take time to recover fully.

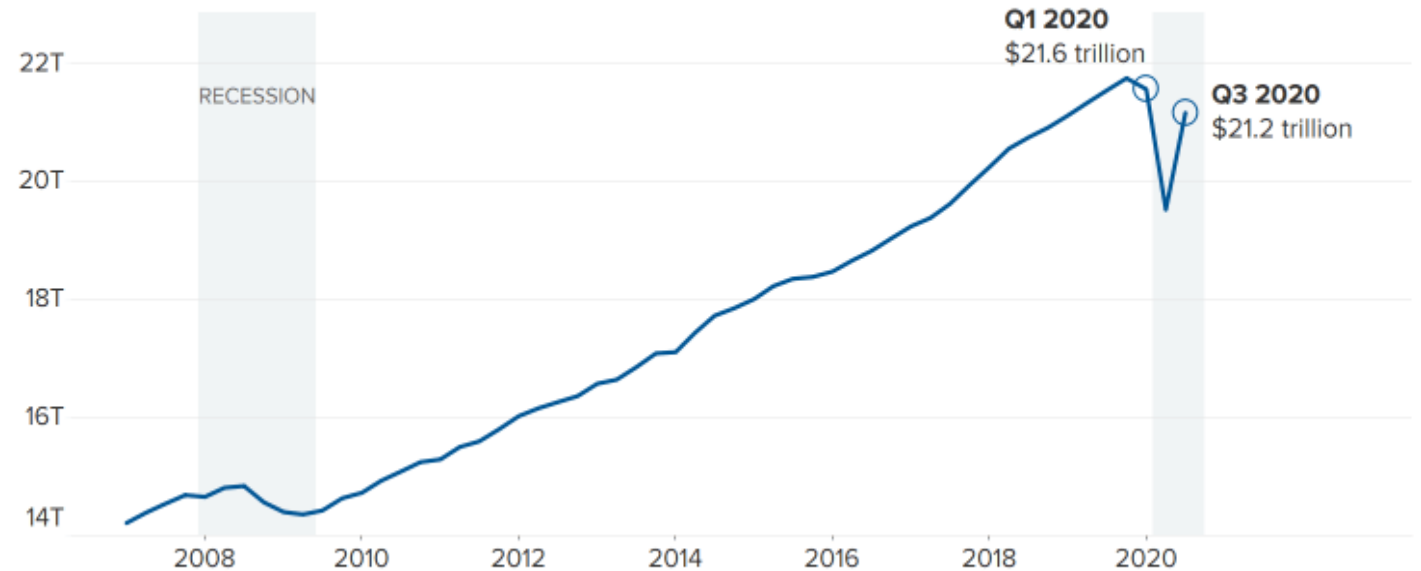
ECONOMY IS
RECOVERING IN
THE UNITED
STATES

(WON'T BE A
STRAIGHT LINE)

GDP Improving as People Return to Work

U.S. gross domestic product (GDP)

Total value in current U.S. dollars, seasonally adjusted



SOURCE: Bureau of Economic Analysis. Data is seasonally adjusted.



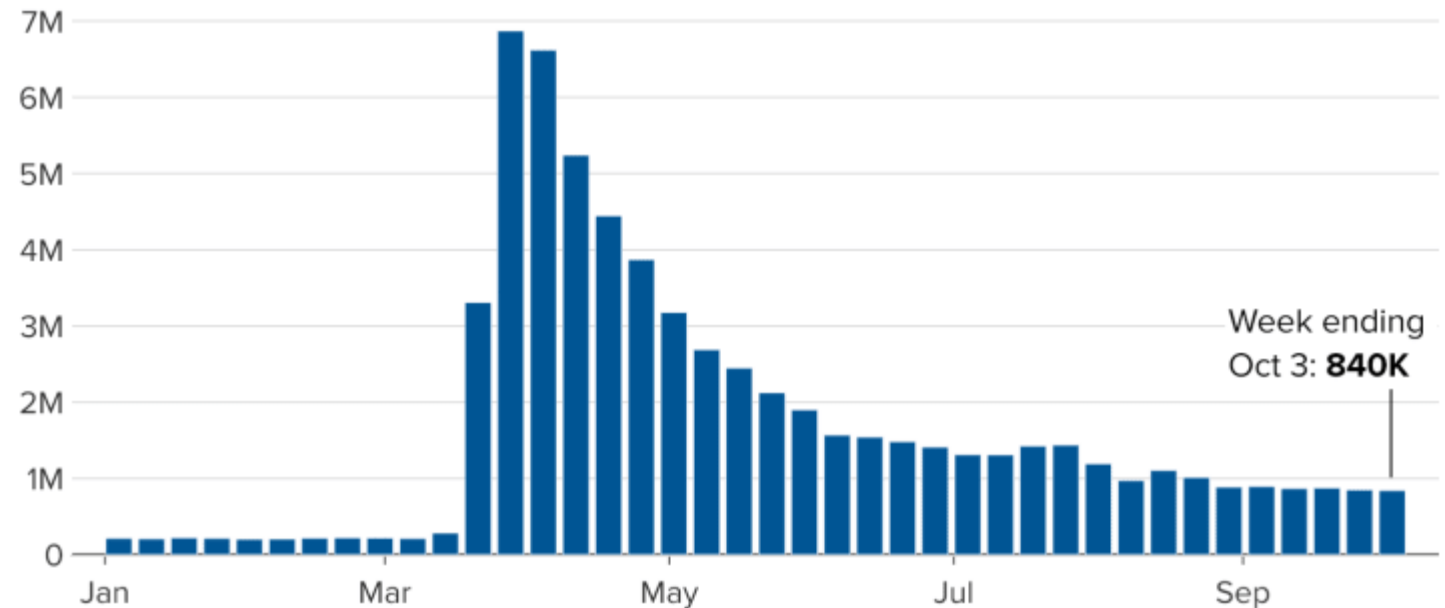
- ✓ GDP is slowly climbing back to pre COVID-19 levels.
- ✓ COVID-19 will determine the pace of recovery.

INITIAL CLAIMS
FOR
UNEMPLOYMENT
CONTINUE TO
IMPROVE SLOWLY
OCT 3, 2020
(NO MATTER WHO
WINS)

Economic Recovery Will Take Time

Initial claims for unemployment insurance

Weekly in 2020, seasonally adjusted



SOURCE: Dept. of Labor. Data is seasonally adjusted and through Oct 3, 2020. The DOL began using a new seasonal adjustment methodology the week of August 29.



- ✓ We are seeing slowly but surely a drop in unemployment which will help economic recovery.

CONTINUING CLAIMS FOR UNEMPLOYMENT INSURANCE CONTINUE TO IMPROVE

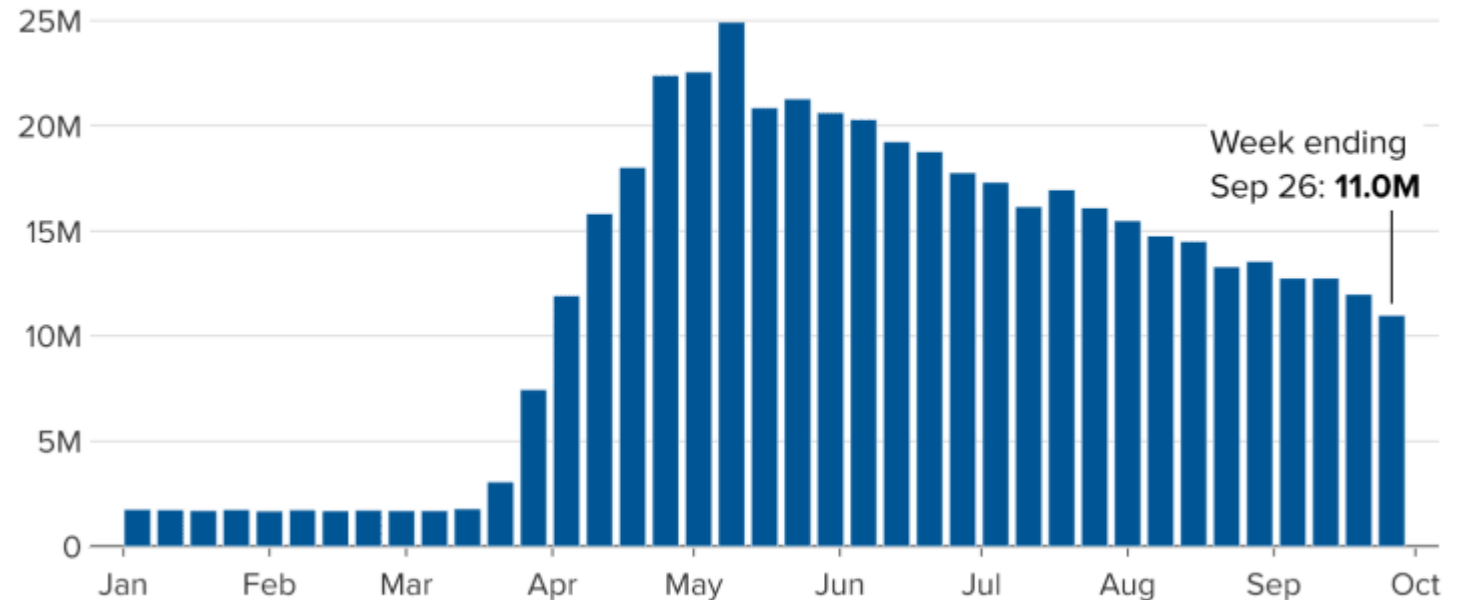
(SEPT 26, 2020)


(NO MATTER WHO
WINS)

Claims for Unemployment are Decreasing

Continuing claims for unemployment insurance

Weekly in 2020, seasonally adjusted



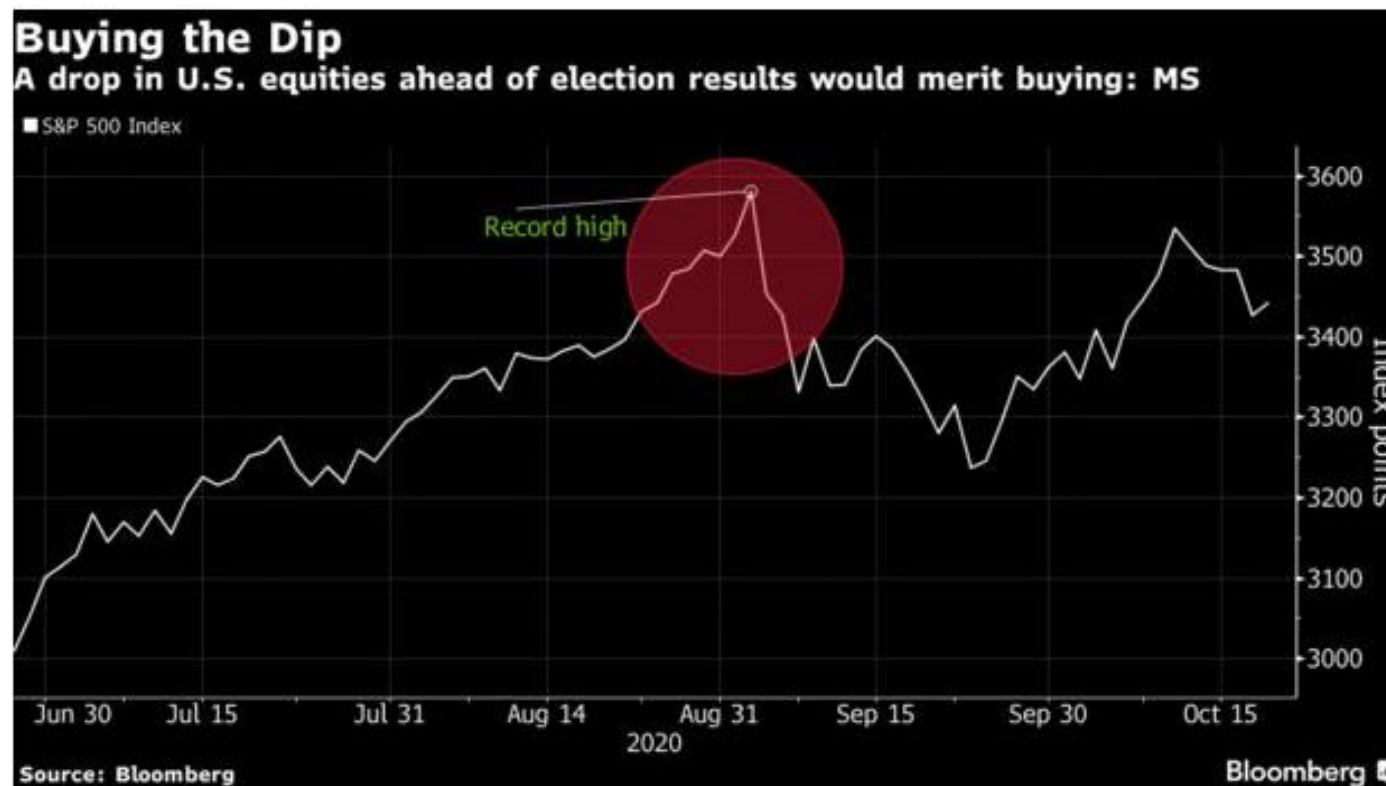
SOURCE: Dept. of Labor. Data seasonally adjusted and as of Sep 26, 2020. Data based on week of unemployment, not week claim was filed. DOL began using new seasonal adjustment methodology week of 8/22. 

- ✓ A decrease in unemployment claims supports the last slide showing growth in the economy and employment.

WHOEVER
WINS THE
ELECTION, IT'S
ALMOST A
CERTAINTY
THAT THERE
WILL BE MORE
ECONOMIC
STIMULUS

(NO MATTER WHO
WINS)

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.

LOCKDOWNS
MEAN
CHRISTMAS
COMES EARLY
FOR AMAZON
(NO MATTER WHO
WINS)

Christmas Comes Early for Amazon



- ✓ Covid-19 cases are rising exponentially across the world, meaning people will be less likely to risk their health shopping at stores, when they can do it all online.
- ✓ Lockdowns will force people into shopping online for Christmas, meaning online retailers such as Amazon will have increased sales.

APPLE iPhone
12 SALES “OFF
TO A GREAT
START”

(NO MATTER WHO
WINS)

The iPhone 12 Will Be Top Of People’s Christmas Lists



- ✓ The iPhone 12 will be a very popular Christmas present as people have become much more reliant on their phones during lockdowns.
- ✓ This will in turn create more profit margin for Apple, which will lead to more growth.

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