



Volume Analysis

OUTLOOK POST COVID ECONOMY

INFLOWS INTO TECHNOLOGY STOCKS



INVESTMENT INFLOWS INTO EQUITIES AS WE POSITION PORTFOLIOS FOR A POST COVID-19 ECONOMY

- ✓ The US Markets don't care about Donald Trump. VIX has steadily declined since Election Day. Markets are returning to normal post US Election.
- ✓ COVID-19 Vaccine & Record Inflows into equity ETFs.
- ✓ Yuan is below 6.6 for the first time in 29 months. Relationships with China/World are starting to return to normal.
- ✓ Technology equities have higher margins and greater sales growth than other types of equities. Inflows have started to come back into equities and will continue as people position themselves for a post Covid-19 economy.
- ✓ E-commerce sales over Christmas will be significantly higher than expected because of continuing lockdowns. Christmas comes early for Amazon and other e-commerce companies.

THE MARKET
DOESN'T
BELIEVE (OR
DOESN'T CARE)
ABOUT
DONALD
TRUMP

Volatility has Fallen as Investors Move Past the Election

Donald Who?

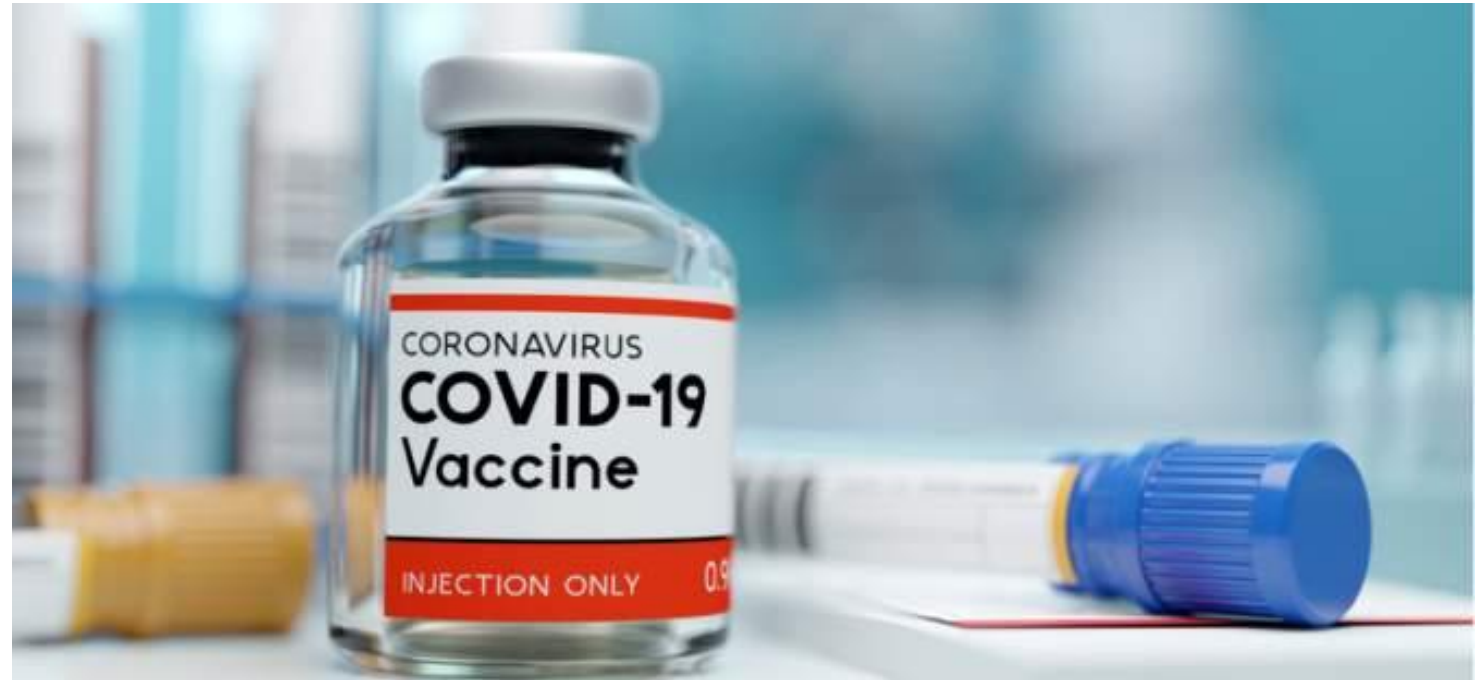
The Vix has tumbled since election day, despite the continuing contest



- ✓ The VIX clearly shows a decrease in market volatility since election day.
- ✓ The drop comes despite Trump's protest over the results.
- ✓ Investors have moved past the election.

ETFs COULD
SEE RECORD
INFLOWS IN
DECEMBER AS
PEOPLE
POSITION
THEMSELVES
FOR A POST-
COVID WORLD

Covid-19 Vaccine Coming Soon



- ✓ A Covid-19 vaccine around the corner will increase the confidence of investors.
- ✓ This will drive more investments into ETFs and the market will rise in turn.

INVESTOR WEEKLY INFLOWS INTO EQUITY FUNDS

As Uncertainty Abates, Funds Flow into Equities



- ✓ The increased inflows into equities will drive up market prices as the demand continues to rise.

ETFs INFLOWS INTO EQUITY FUNDS 10 NOV 2020

Inflows Into Equities Remain Strong

Asset Class	AUM (\$, mm)	Net Flows (\$, mm)
Equity	\$3,757,678.70	\$17,259.98
Bond	\$1,022,136.27	\$6,820.59
Volatility	\$3,706.84	\$353.76
Preferred Stock	\$35,557.29	\$126.46
Real Estate	\$61,566.68	\$37.29
Commodity	\$147,336.11	\$28.46
Currency	\$2,011.49	-\$17.32
Alternatives	\$2,801.44	-\$17.63
Multi-Asset	\$19,987.46	-\$78.11

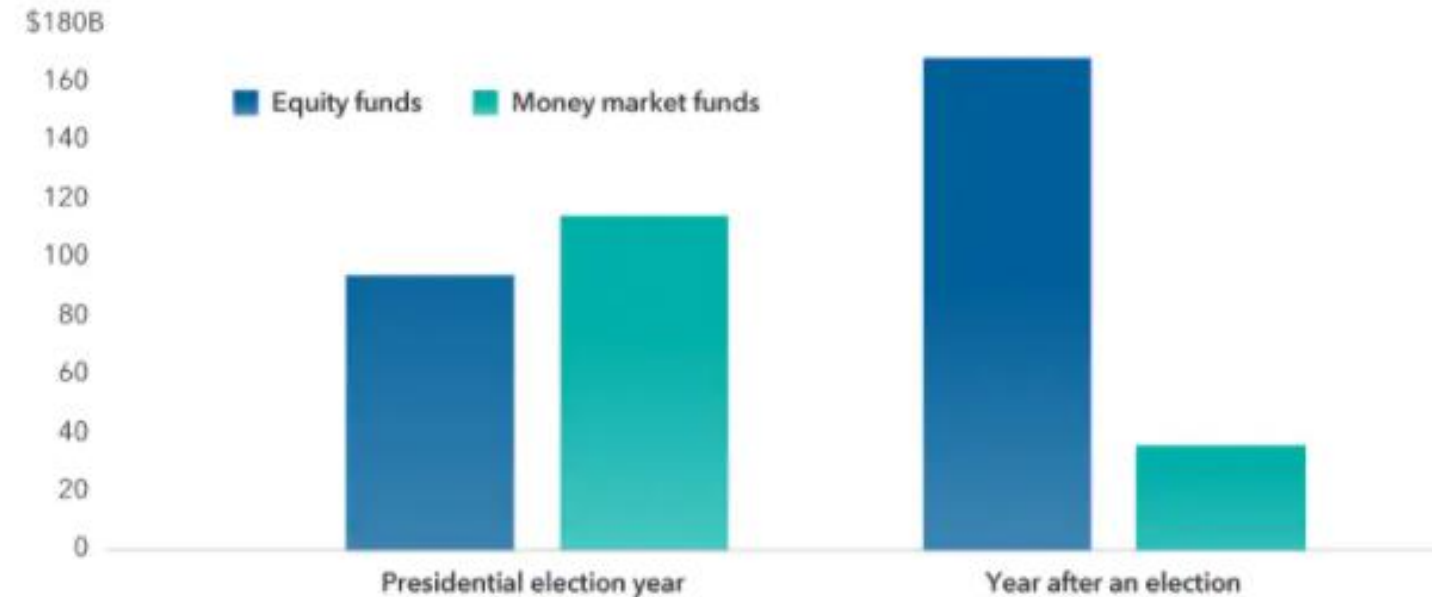
- ✓ The increased in inflows into equities will drive up market prices as the demand continues to rise.

NET INFLOWS
HIGHEST INTO
EQUITIES
IMMEDIATELY
AFTER THE
PRESIDENTIAL
ELECTION

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.

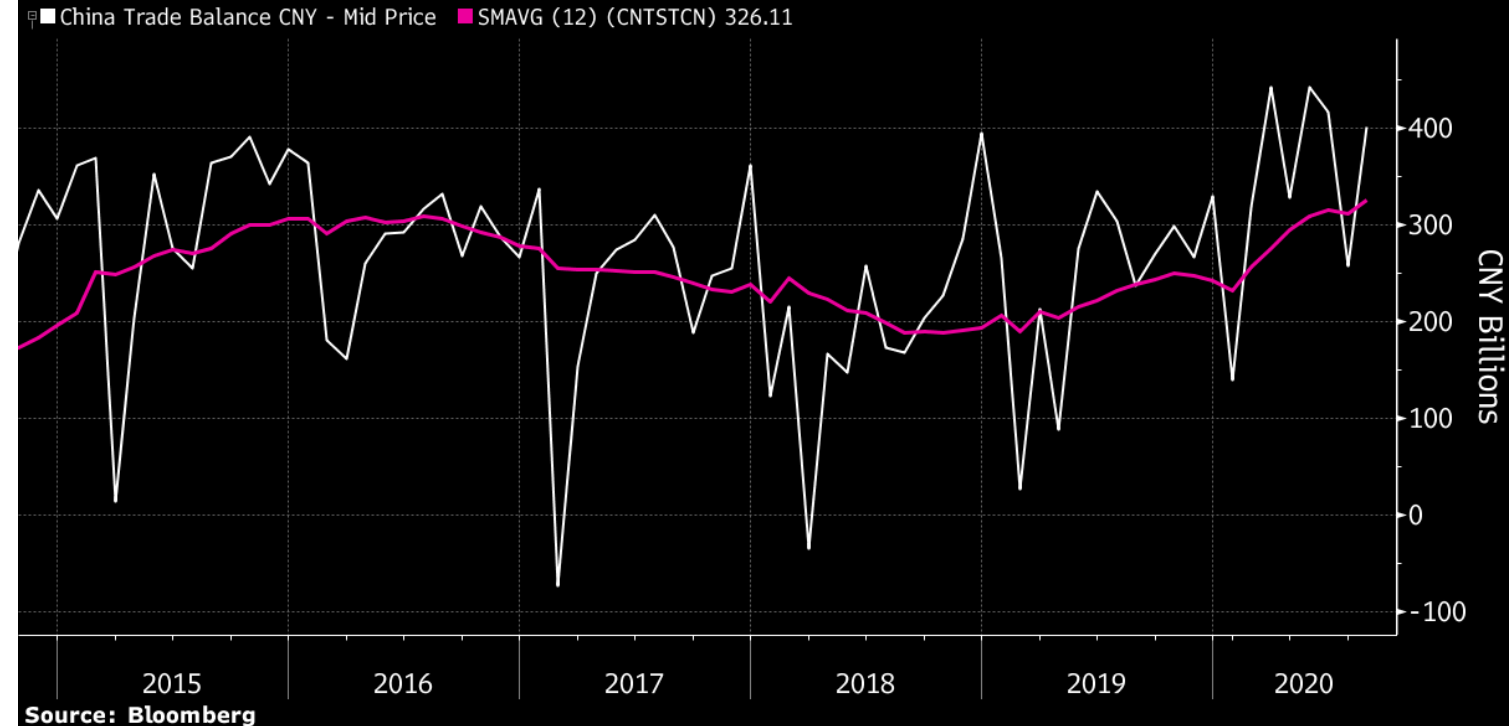
- ✓ This inflow into equities will only push prices higher, meaning investing now will be more beneficial.
- ✓ People will increase their investment into equities now that the outcome of the election has been decided.

THE TRADE WAR
IS FINISHED AND
SO IS THE
UNCERTAINTY

The Trade War is Finished

Trade War? What Trade War?

China's trade surplus has continued to increase amid higher U.S. tariffs



- ✓ The Biden administration will likely end the current trade war with China, helping the US economy.
- ✓ The trade balance with China chart shows that the trade war didn't help the US.

BEIJING IS NOW
WELCOMING THE
NEW
ADMINISTRATION
BY WEAKENING THE
YUAN.
STRENGTHENING
THE YUAN HAD
BEEN USED AS A
WEAPON DURING
TRUMPS TRADE
WAR

China Weakens its Currency

Fraternal Greetings to President-Elect Biden

The Yuan is below 6.6 per dollar for the first time in 29 months



- ✓ The Chinese Government appears to be letting the Yuan weaken on hopes of an end to tariffs by the US.
- ✓ A weaker Yuan should make the cost of doing business in China cheaper for US companies.

POST-ELECTION
RALLY WILL
CONTINUE

Stock Will Continue to Climb Post Election

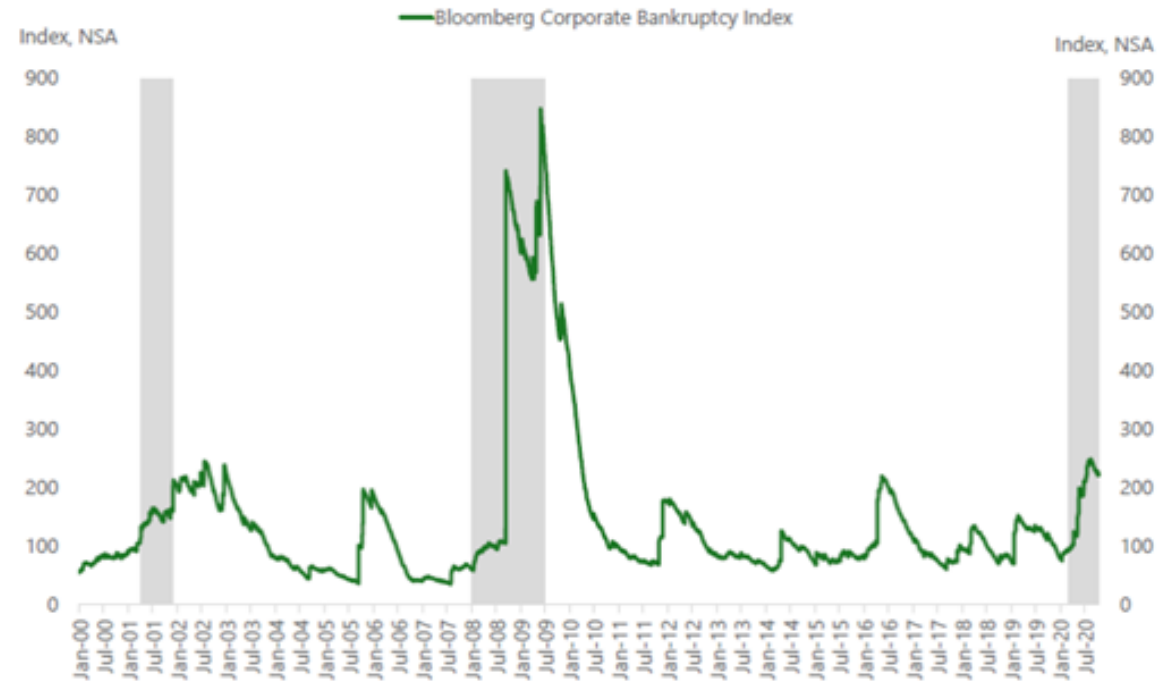


- ✓ History has shown that US markets continues to rise post elections

OUTLOOK ON
BANKRUPTCIES
IS MUCH MORE
POSTIVE THAN
EXPECTED

Vaccine News Will Result in Fewer Bankruptcies

Very limited increase in bankruptcies despite covid pushing the economy into a deep recession



Source: Bloomberg, Apollo Chief Economist

APOLLO

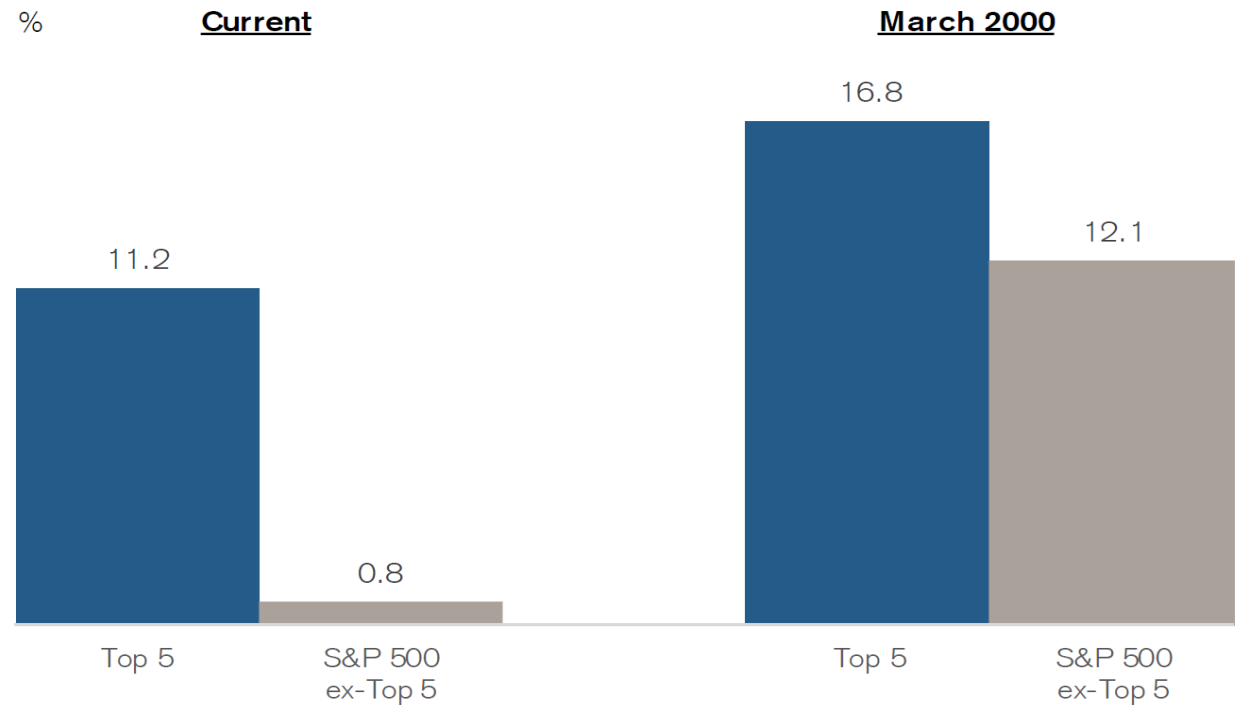
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- ✓ The emergence of a vaccine will be good news as the faster we get back to normal, the fewer bankruptcies there will be.

TECHNOLOGY
HAS SEEN
SALES GROWTH
AT 11.2% VS
S&P 500 AT
ONLY 0.8%

Technology See Larger Increase's In Sales Growth

Figure 2: Sales Growth (Trailing 12-Month)



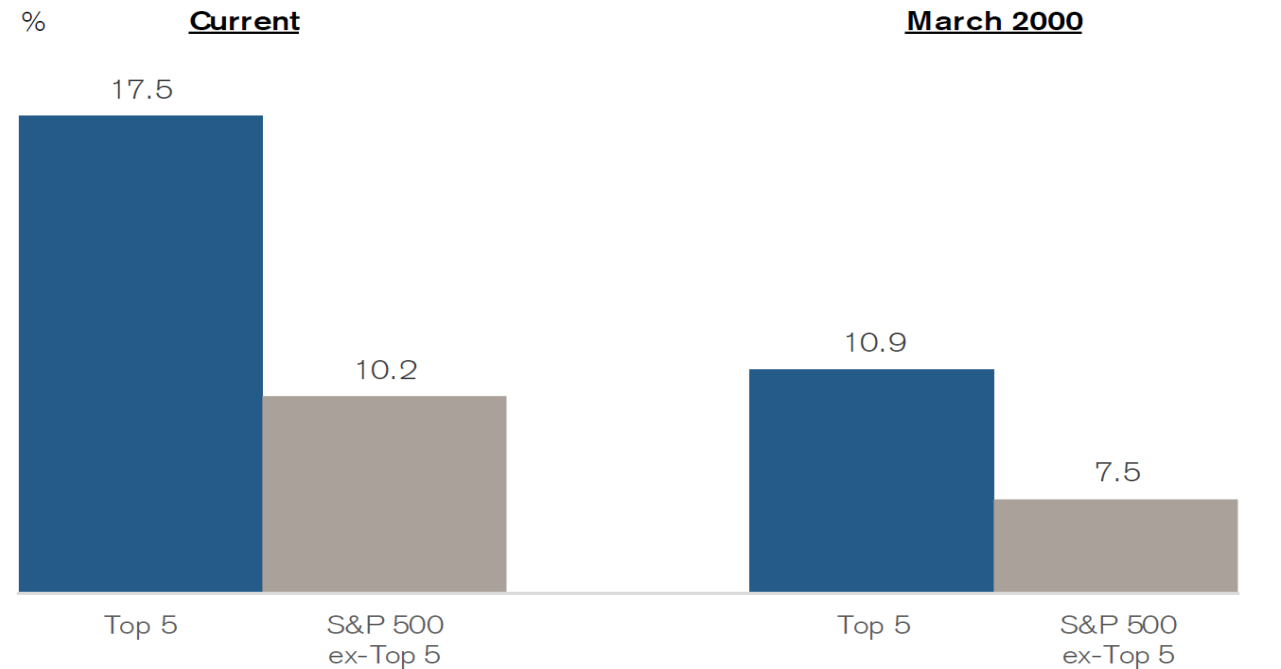
Source: Standard & Poor's, Thomson Financial, FactSet and Credit Suisse

- ✓ Technology has clearly been the least affected of all the S&P 500 sectors in terms of sales growth as we continue to stay at home for work and entertainment.
- ✓ FAANG (Top 5) stock sales are far outpacing the other 495 stocks in the S&P.

TECHNOLOGY'S
PROFIT
MARGINS ARE
MUCH BETTER

Technology Companies Boast Larger Profit Margins

Figure 4: Net Margins (Trailing 12-Month)



Source: Standard & Poor's, Thomson Financial, FactSet and Credit Suisse

- ✓ Technology companies profit margins are higher than the remainder of the S&P 500. This will allow them to invest more of their profits into new ideas to help them grow.
- ✓ These margins have improved over the last 20 years.

LOCKDOWNS MEAN CHRISTMAS COMES EARLY FOR AMAZON

Amazon the Winners at Christmas



- ✓ As lockdowns continue around the Globe people will turn to Amazon for their Christmas Shopping.
- ✓ The FAANG+ UCITS fund holds an approximate 7.66% weighting in Amazon.

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