



CONSUMER SPENDING DRIVES US GDP IN Q1 2021

INFLOWS INTO TECHNOLOGY ETFS



CONSUMER SPENDING DRIVES US GDP IN Q1 2021

- ✓ US Consumer Spending soared in Q1, 2021 driving US GDP up 6.4%. Personal Consumption Expenditure was up 10.7%.
- ✓ Big Technology (FAANG) Profits increased significantly Q1, 2021 vs Q1, 2020. Apple +110%, Alphabet +162%, Microsoft +44%, Facebook +94% and Amazon +220%.
- ✓ The Change in Capital Gains taxes will encourage investments into ETFs in the USA. This will positively affect the largest market capitalization weighted stocks. FAANG.
- ✓ ETF inflows remain positive into Equities and Technology Stocks. Equities (S&P 500, NASDAQ, FAANG, Next Generation) are the most attractive, liquid, approved investment asset class.

US PERSONAL
INCOME SOARED
IN MARCH 2021 TO
ITS LARGEST
MONTHLY GAIN
SINCE 1946

Consumers Are Returning



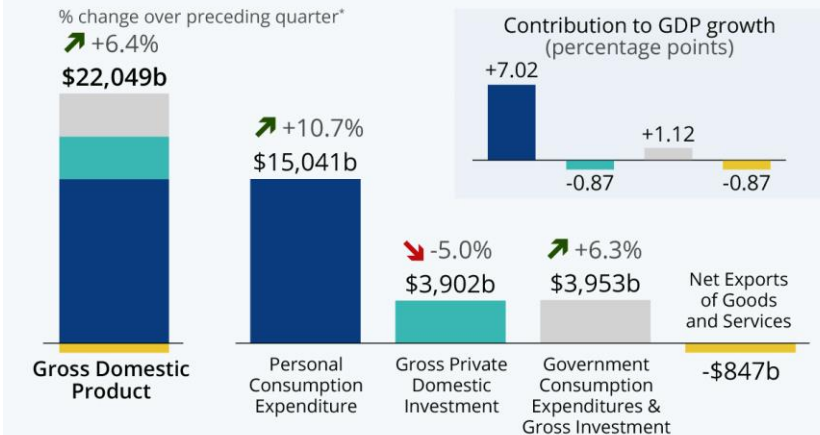
- ✓ Lockdowns acted as a forced savings plan.
- ✓ As a result consumers now have large amounts of disposable income to spend.

CONSUMER
SPENDING DRIVES
US GDP IN Q1 2021
GROWING AT AN
ANNUAL RATE OF
6.4%

Consumer Spending Drives GDP Growth

Consumer Spending Drives U.S. GDP Growth in Q1 2021

U.S. gross domestic product in Q1 2021
(seasonally adjusted at annual rates)



* growth rates refer to seasonally adjusted real measures at annual rates

Source: U.S. Bureau of Economic Analysis

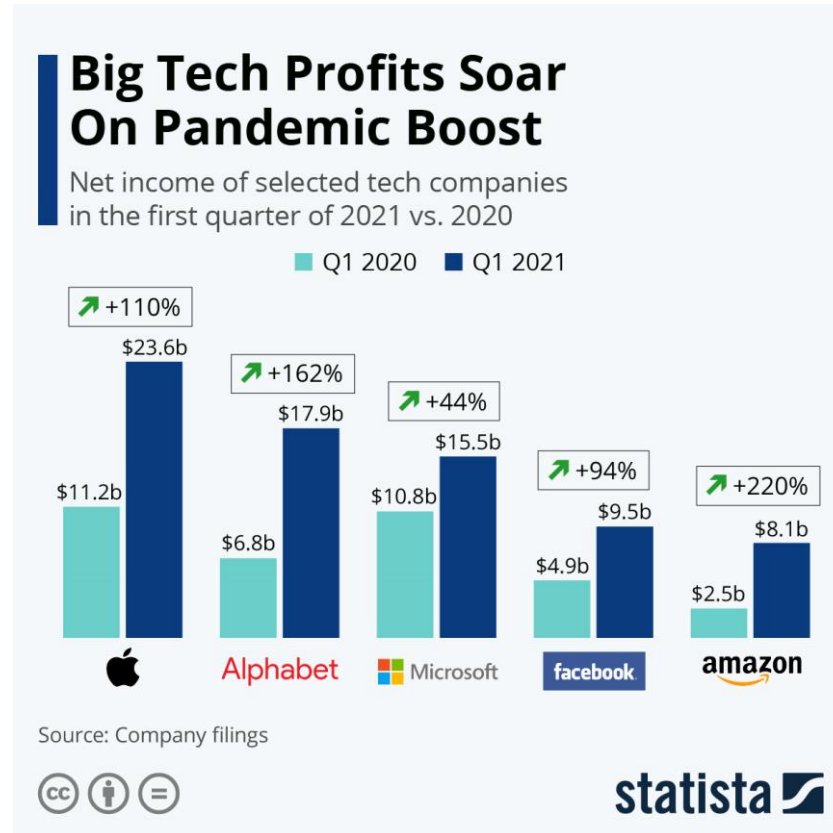


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- ✓ Increased GDP shows the U.S. economy is clearly recovering.
- ✓ This will increase investor confidence resulting in market inflows which will drive up prices and therefore increasing return on investment.

PROFITS SURGE AT THE BEGINNING OF 2021

Technology Giants Continue To Benefit From Pandemic



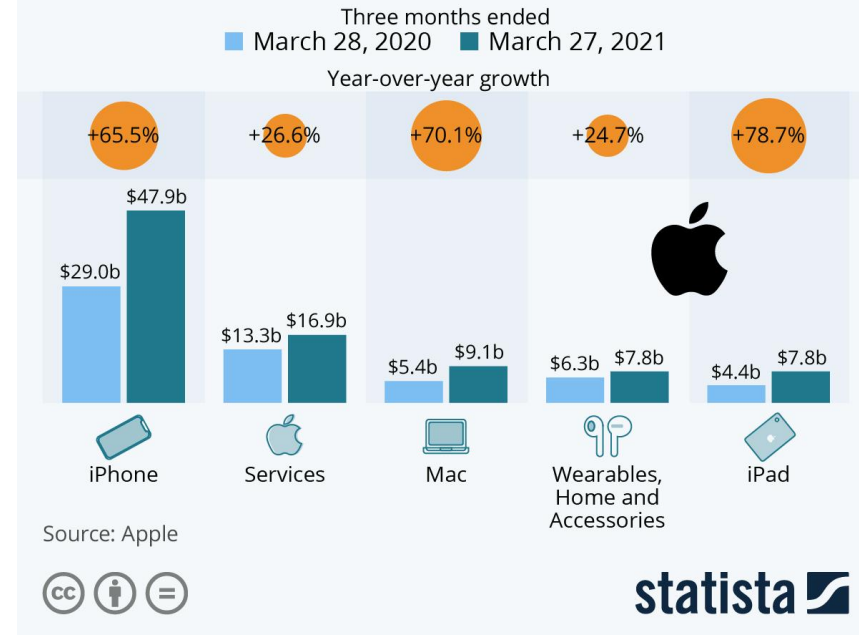
- ✓ The gains made during the pandemic continue to benefit “big tech”.
- ✓ As a result, technology companies continue to boast large profits and therefore a very good return on investment.

APPLE BEAT ITS PREVIOUS REVENUE AND PROFIT RECORDS Q1, 2021

Apple Boasts Strong 2021 Start

Apple Firing On All Cylinders in First Three Months of 2021

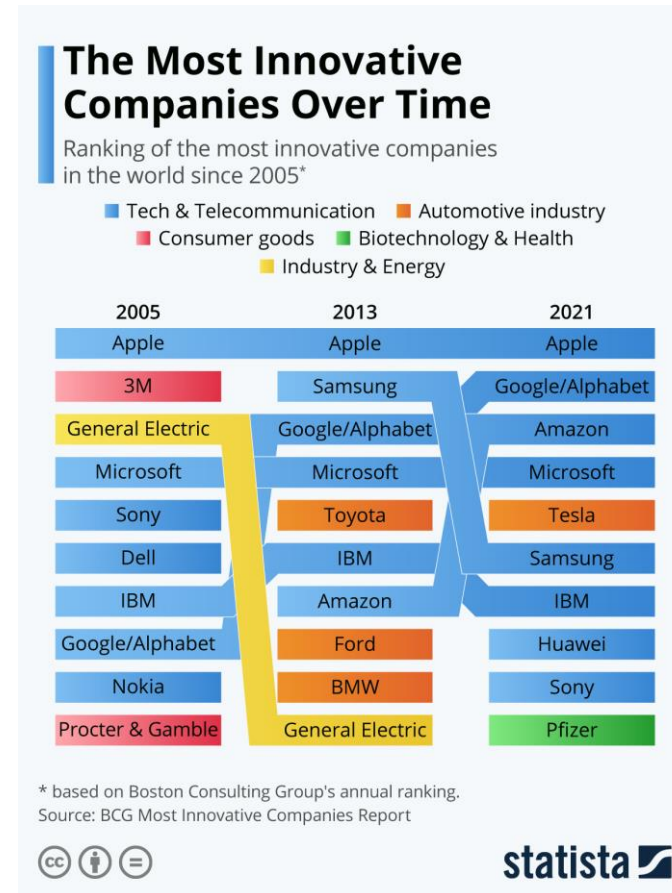
Apple's quarterly revenue by product category



- ✓ Apple continues to increase dominance breaking revenue records in Q1 2021.
- ✓ At 30/04/2021 FAANG+ has a 7.94% weighting in Apple.

BOSTON CONSULTING ANNUAL RANKING OF THE MOST INNOVATIVE COMPANIES IN THE WORLD

Technology Giants Prove To Be Most Innovative



- ✓ Apple, Microsoft, Google and IBM prove to be consistent innovators as they appear in the top ten in all 3 lists from 2005-2021.

CRIPPLING IMPACT
THE PANDEMIC
HAD ON GLOBAL
TOURISM. THIS
WILL RETURN TO
NORMAL LEVELS

Tourism Will Return.

Tourism Suffered Massive Losses In 2020

Travel and tourism's contribution to and share of national GDP



■ 2019 ■ 2020

Contribution to GDP (billion USD)



Source: World Travel & Tourism Council



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- ✓ A rebound in tourism will help the recovery and drive GDP.

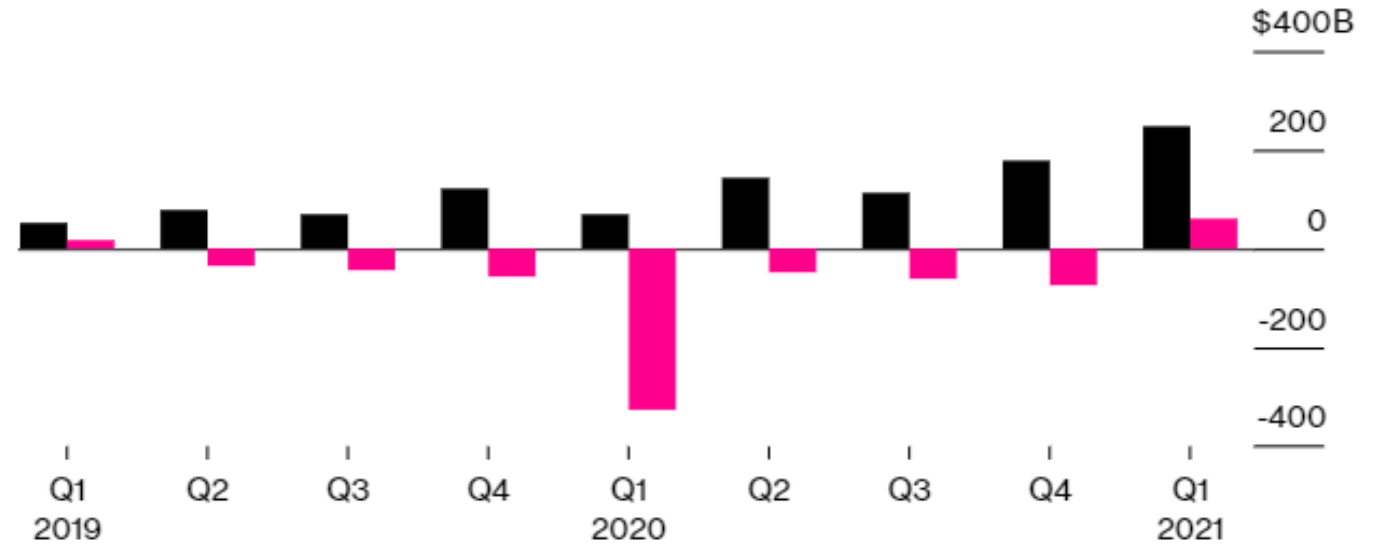
WITH CAPITAL GAINS TAX RISING, YOU HAVE A CHOICE OF A STRUCTURE THAT HELPS TO DEFER CAPITAL GAINS

ETFs See Large Inflows.

Shifting Tides

ETFs rake in cash while mutual fund flows sputter

■ ETFs ■ Mutual Funds



Sources: Investment Company Institute, Bloomberg Intelligence

- ✓ ETFs continue to take investment dollars from mutual funds.
- ✓ A change to the capital gains tax can only reinforce this shift.

ETF'S

Capital Gains Tax Impact on ETFs

- ✓ When an investor exits a mutual fund, the fund manager must sell securities to raise cash for the redemption. The same investor leaving an ETF can sell their shares on to other investors (sell the actual ETF) meaning neither the fund nor its manager had made a taxable transaction.
- ✓ Most ETF's hardly pass along any capital gains to shareholders. Only 3 of 585 in a CFRA analysis made a disbursement in 2020. Over the same span, 37 of 39 domestic equity mutual funds from T. Rowe Price Group Inc, incurred a capital gain.
- ✓ Simply the discussion of capital gains reminds investors of the industry's innate tax advantages over mutual funds.
- ✓ The ETF industry took in almost \$500 billion, while mutual funds lost about \$362 billion in 2020.

ETF WEEKLY
INFLOWS BY ASSET
CLASS APRIL 30,
2021

ETF Weekly Flows By Asset Class

	Net Flows (\$, mm)	AUM (\$, mm)	% of AUM
U.S. Equity	8,354.69	3,640,649.31	0.23%
International Equity	4,364.33	1,240,730.21	0.35%
U.S. Fixed Income	4,728.98	1,004,146.78	0.47%
International Fixed Income	856.99	134,655.28	0.64%
Commodities	76.08	133,740.16	0.06%
Currency	6.24	1,767.41	0.35%
Leveraged	-425.76	57,543.09	-0.74%
Inverse	202.08	10,851.46	1.86%
Asset Allocation	349.30	15,624.58	2.24%
Alternatives	165.28	6,318.87	2.62%
Total:	18,678.21	6,246,027.16	0.30%

QQQ
(TECHNOLOGY)
ADDED \$2.5
BILLION THIS
WEEK. APPETITE
REMAINS STRONG

Top 10 Creations (All ETFs)

Ticker	Name	Net Flows (\$,mm)	AUM (\$,mm)	AUM % Change
QQQ	Invesco QQQ Trust	2,566.44	166,881.31	1.54%
FTCS	First Trust Capital Strength ETF	2,191.26	9,782.62	22.40%
LQD	iShares iBoxx USD Investment Grade Corporate Bond ETF	1,738.36	41,631.13	4.18%
VTI	Vanguard Total Stock Market ETF	1,453.54	235,196.71	0.62%
VOO	Vanguard S&P 500 ETF	1,324.74	215,994.75	0.61%
LCTU	BlackRock U.S. Carbon Transition Readiness ETF	1,268.95	1,282.47	98.95%
BND	Vanguard Total Bond Market ETF	900.00	72,660.05	1.24%
IEFA	iShares Core MSCI EAFE ETF	826.55	90,802.38	0.91%
SPY	SPDR S&P 500 ETF Trust	585.35	358,846.73	0.16%
XLE	Energy Select Sector SPDR Fund	519.18	23,097.21	2.25%

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