



ONECAPITAL
MANAGEMENT, LLC

Playbook

AUTUMN
2020



Our **Playbook** is designed to share our quarterly views in a visual presentation with comments providing context to what we believe are the pertinent issues of the most recent quarter and what we see moving forward.

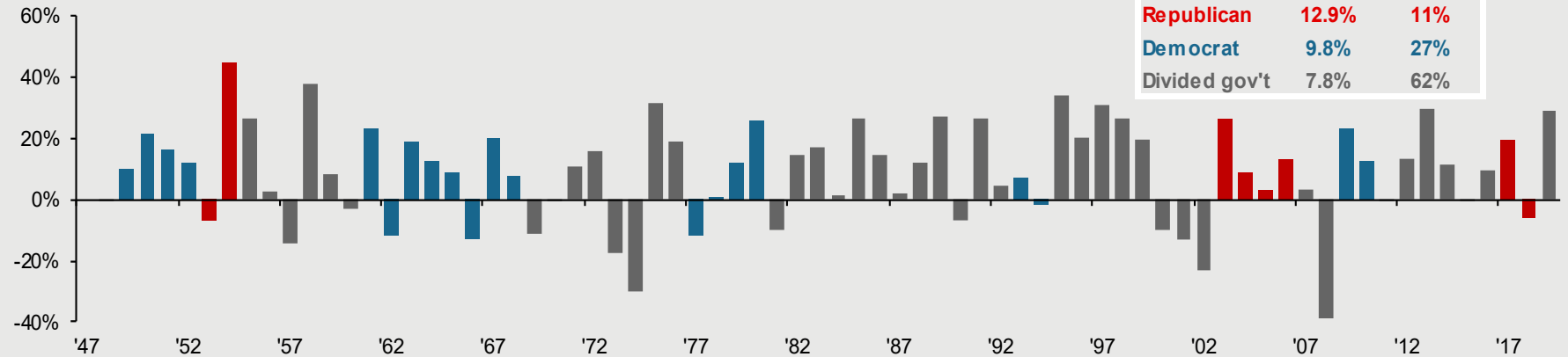
UNITED STATES Politics



UNITED STATES Politics

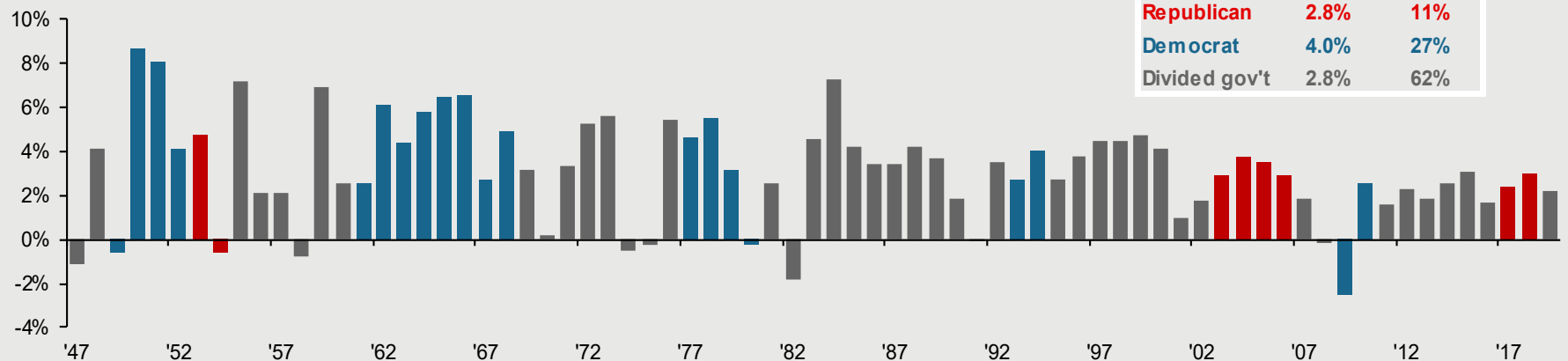
S&P 500 Price Index

Calendar year returns



Real GDP

Year-over-year % change, annual



A Recap



The equity market recovery continued through the third quarter. Emerging Markets and U.S. Growth **+13.2%** led the way with big boosts provided by Technology and Consumer stocks.



Incredibly, with an unprecedented global pandemic at the end of the second quarter the S&P 500 recovered from the (33%) decline to rest at a **5.6%** gain for the year at quarter end.

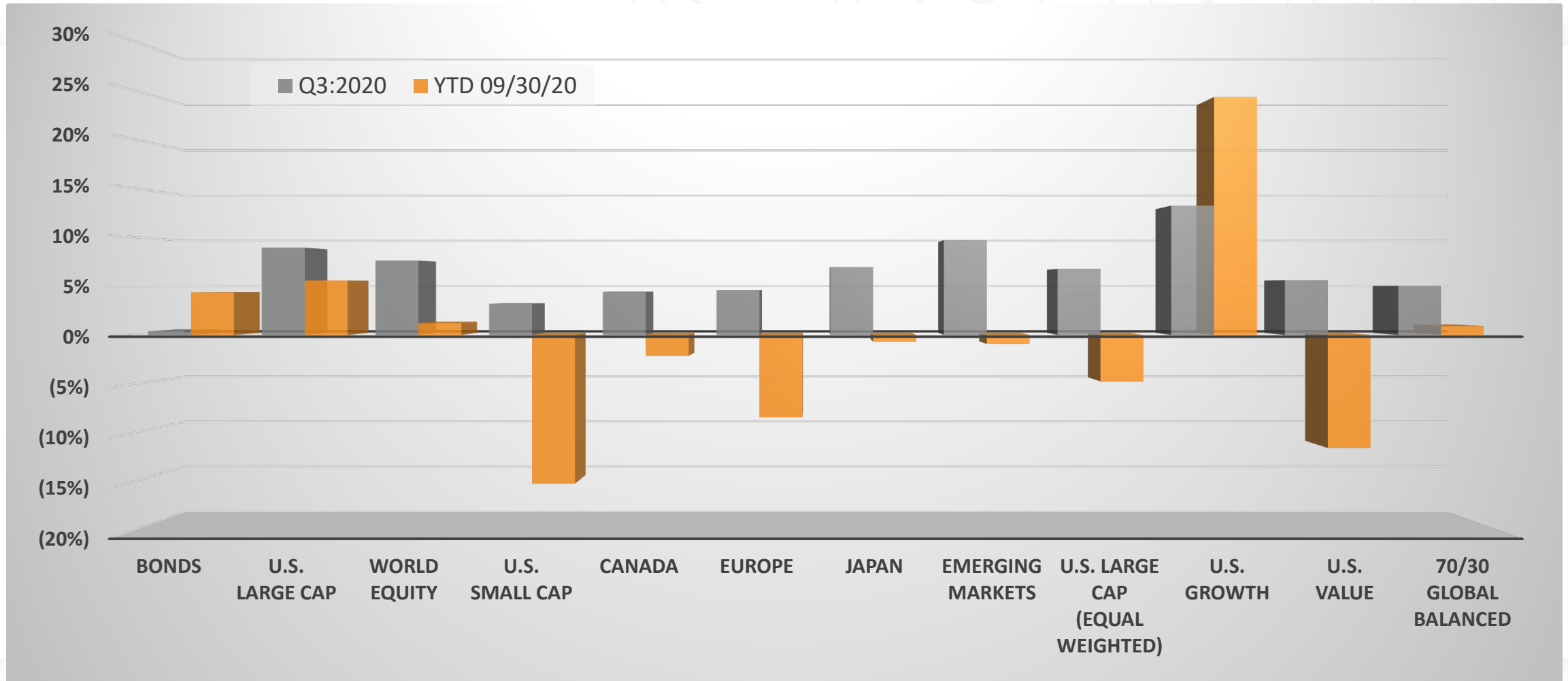


Global stocks eked into positive territory for the year at **1.2%**. Emerging Markets jumped **9.7%** in Q3.



Bonds continued to hold their own adding **4.4%** for the year, while providing the ballast we expect during rough markets.

Stocks Continue Rally



Tech Drives the Market

Weight of the top 5 and top 10 stocks in the S&P 500

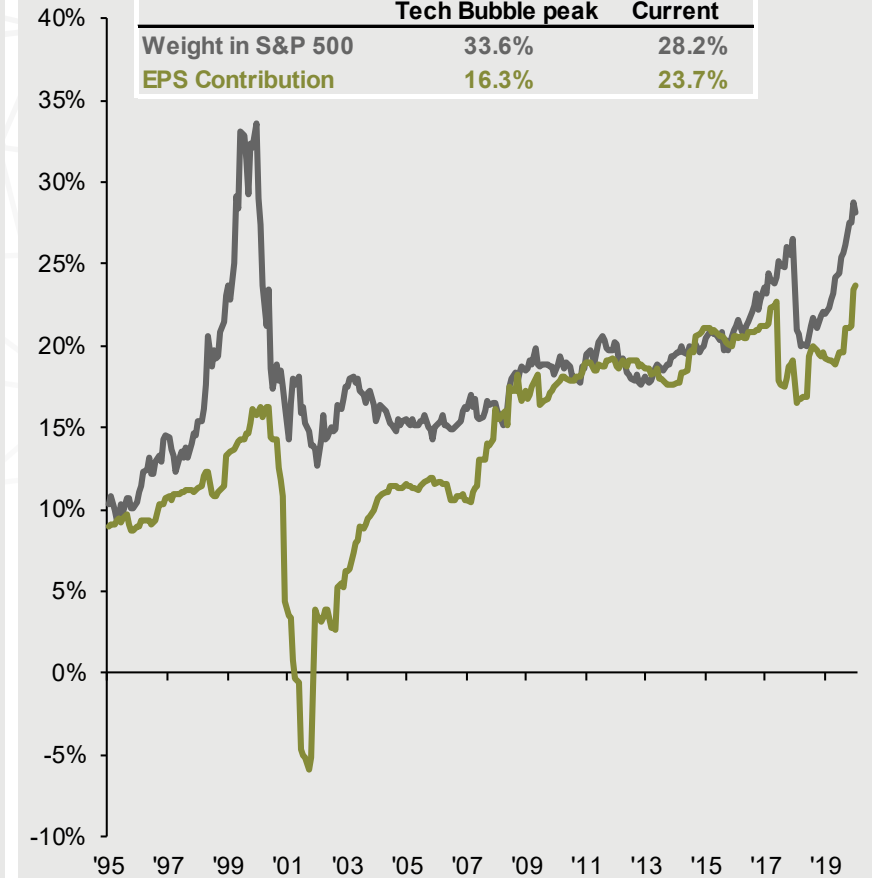
% of market capitalization of the S&P 500



Info Tech. market cap vs. share of S&P 500 earnings

% market cap. of S&P 500 index, based on last 12 months earnings

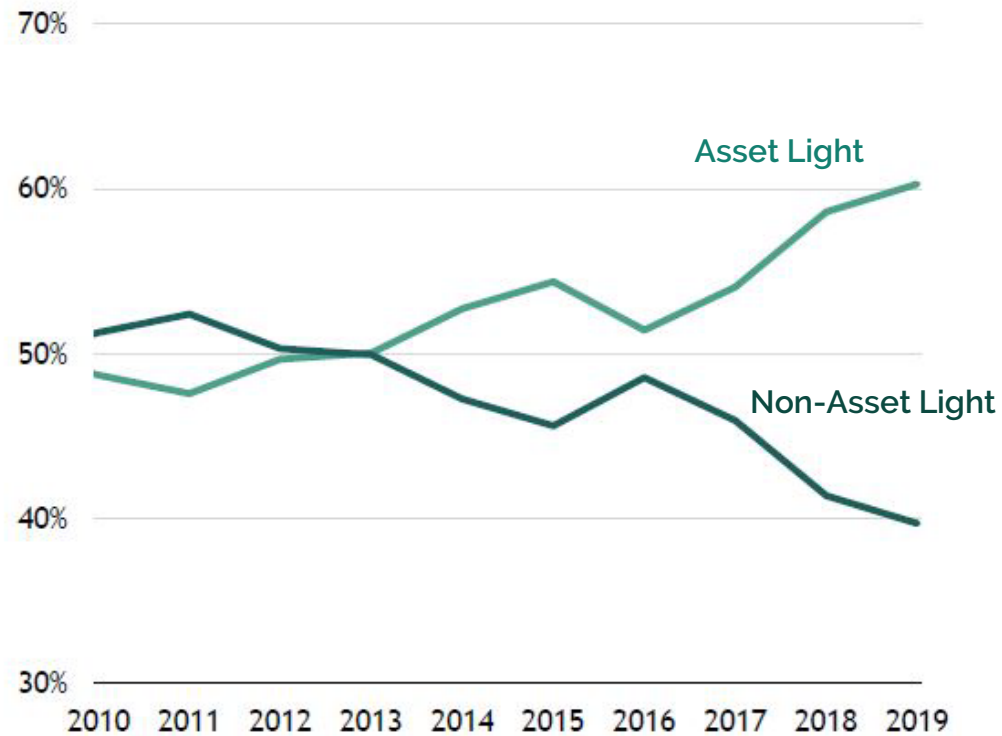
	Tech Bubble peak	Current
Weight in S&P 500	33.6%	28.2%
EPS Contribution	16.3%	23.7%



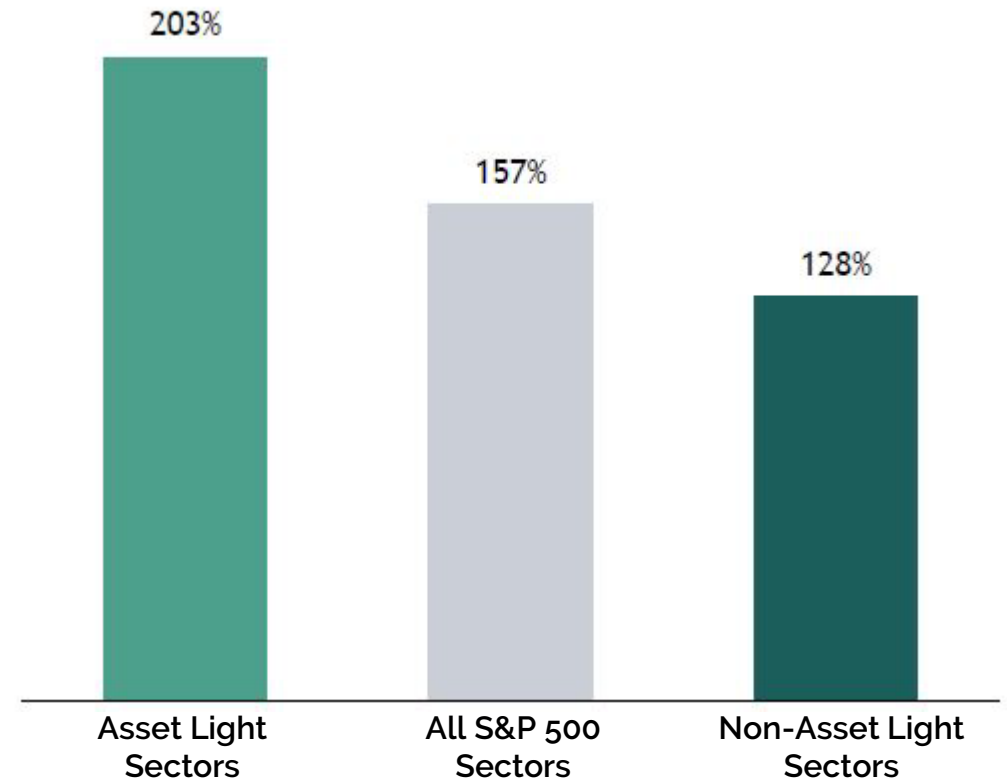
Structural Shift in U.S. Economy

ASSET LIGHT MODELS

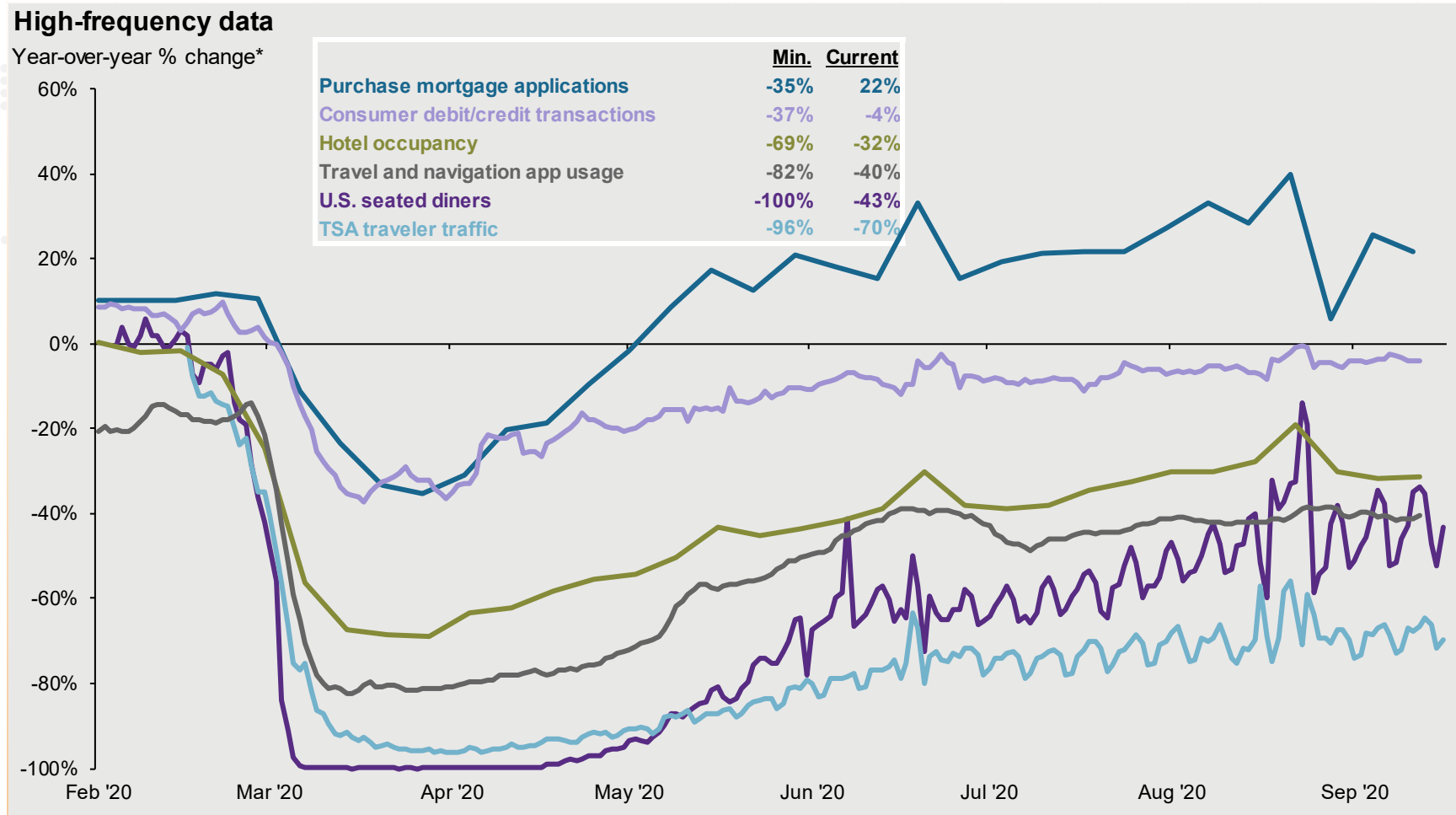
Proportion of S&P 500 Market Cap



Cumulative Performance (2010 – 2019)



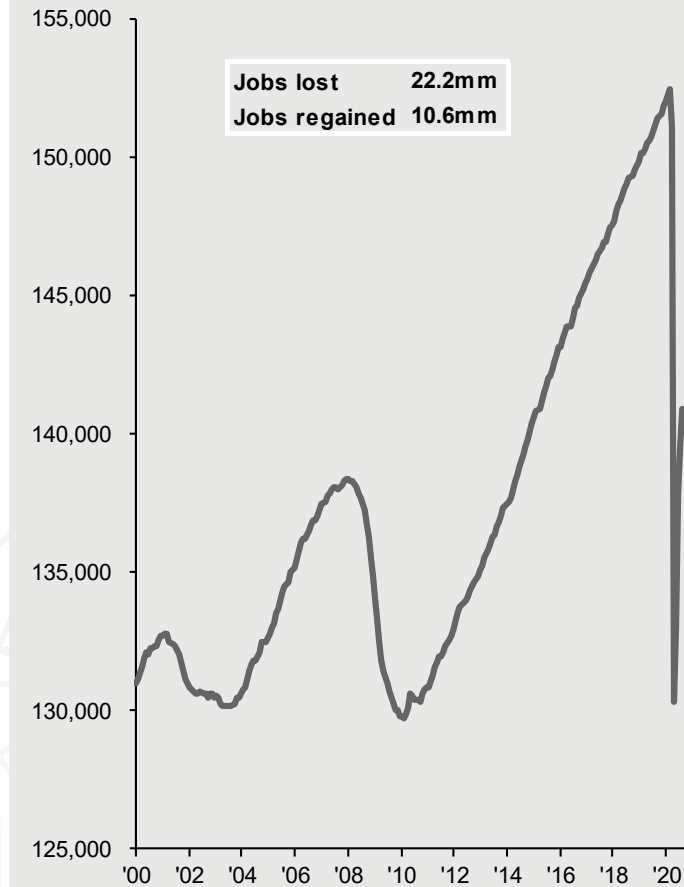
Economic Activity Continues to Rise



Getting Back to Work

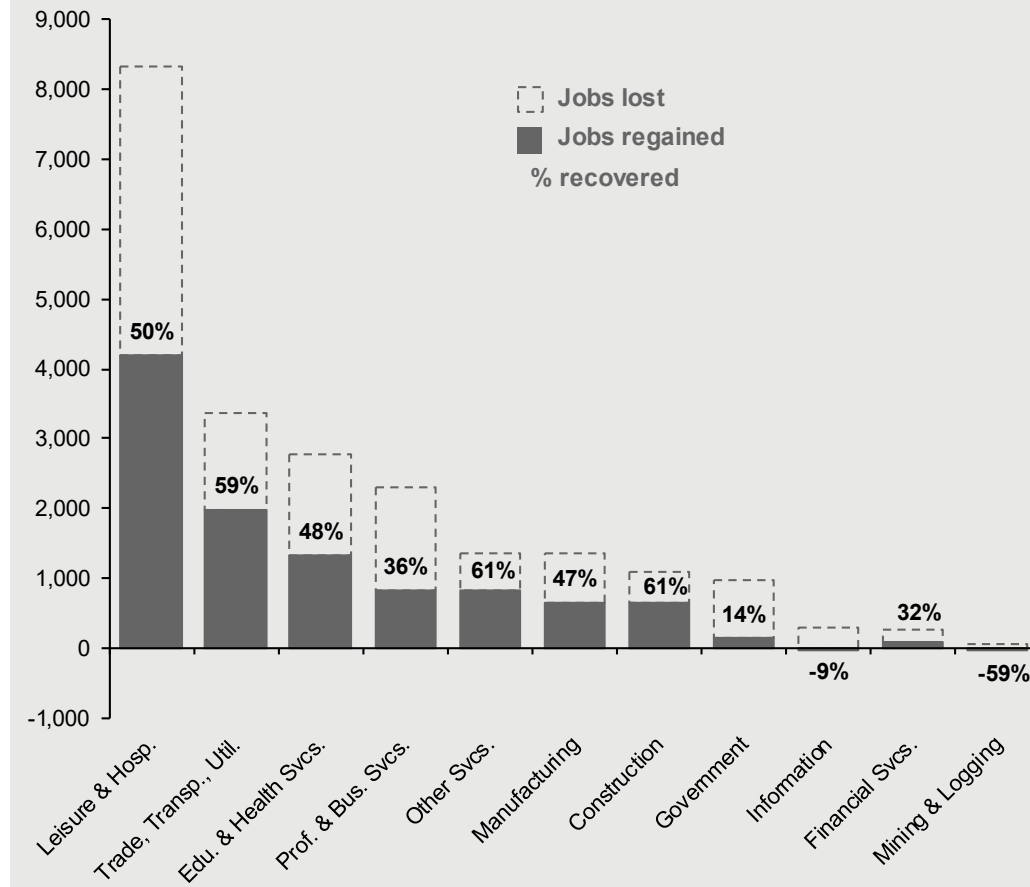
Employees on total nonfarm payrolls

Thousands



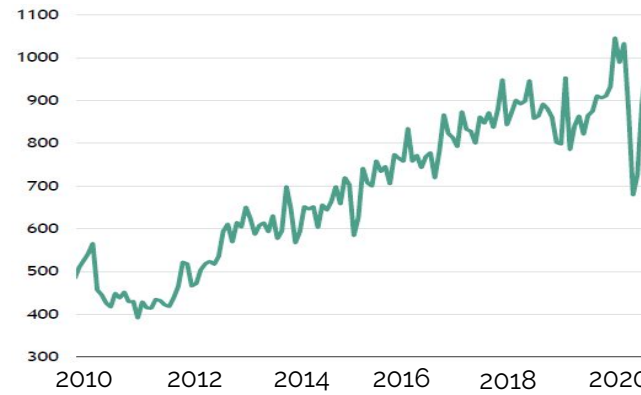
Payroll employment lost and regained by industry

Thousands, % recovered

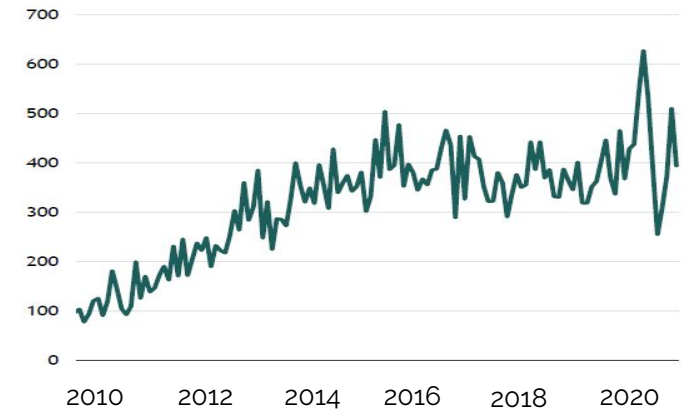


Suburban Flight

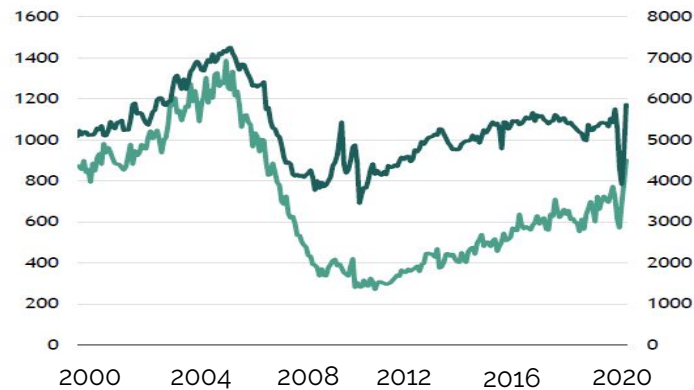
Single-Family Home Starts
(thousands, SAAR)



Multifamily Home Starts
(thousands, SAAR)



New and Existing Home Sales
(thousands, SAAR)



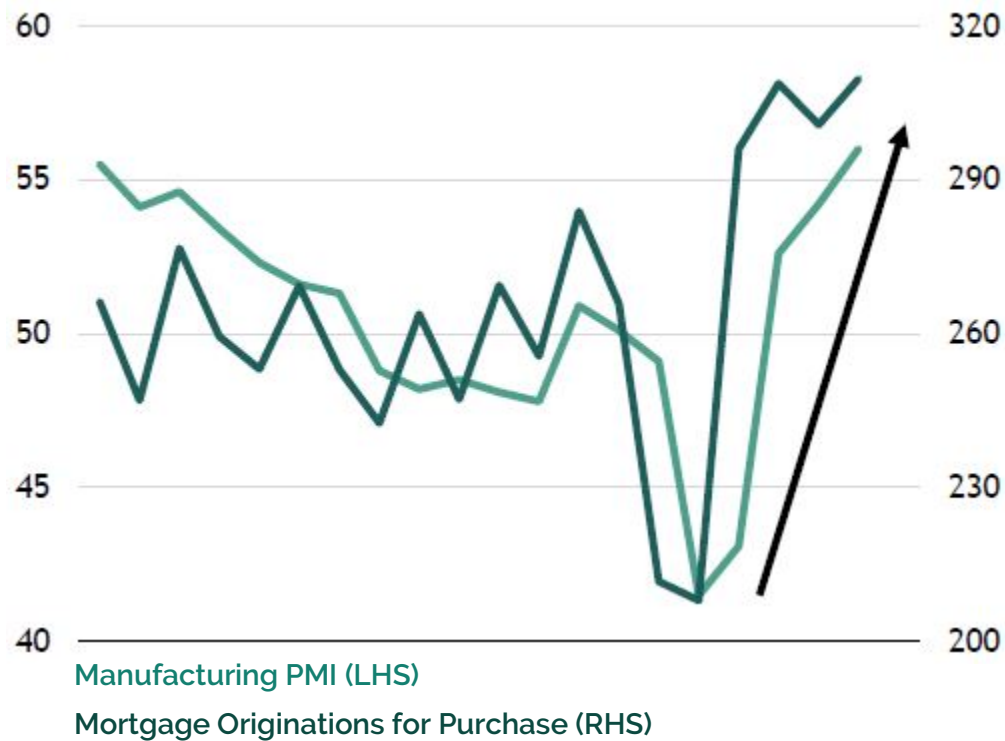
NAHB housing Market Index
(expectations for sales of new homes)



Multiplier Effect

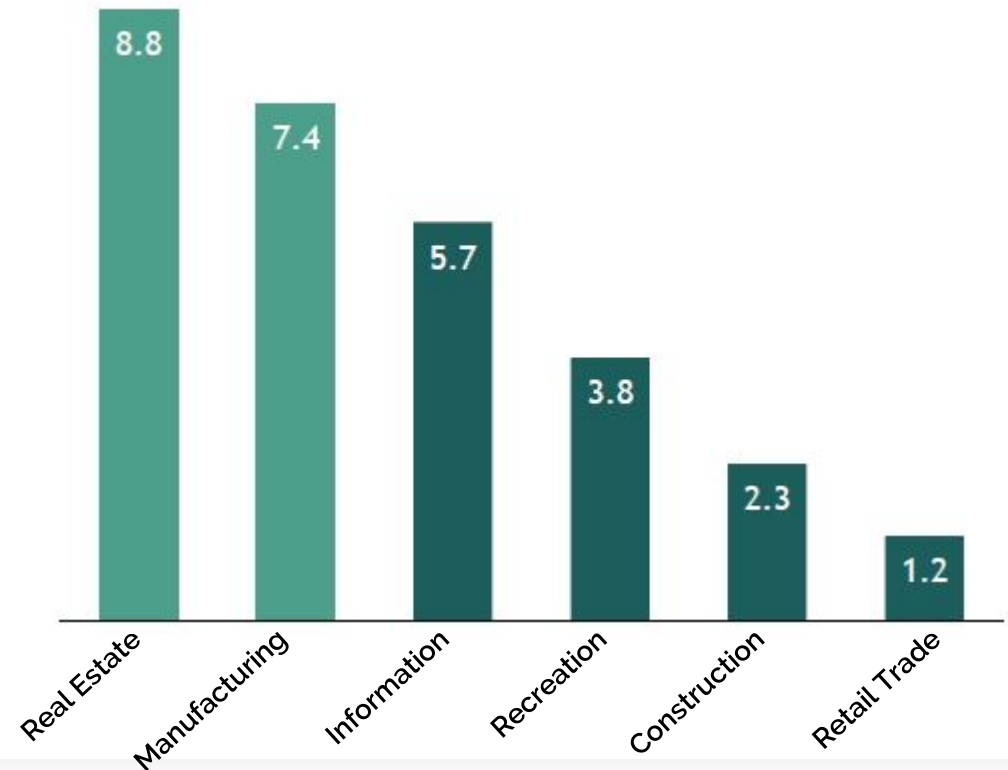
HOUSING AND MANUFACTURING

Manufacturing and Housing Indices



Employment Multipliers

(Total number of indirect jobs created per direct job)



Key Takeaways

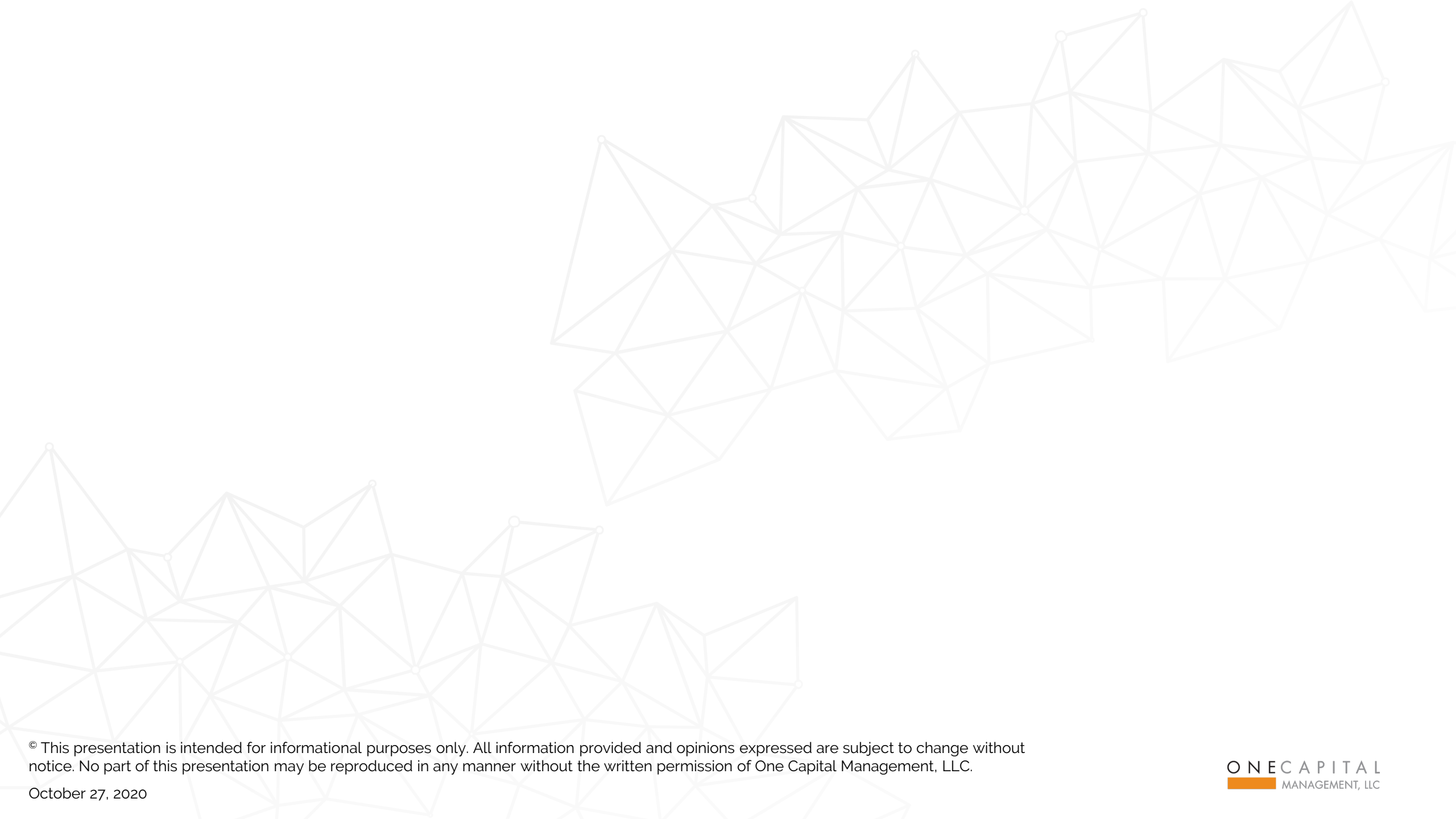


Green shoots continue to grow

Federal Support, the key driver in countering the economic effects of the pandemic, must continue

The recession and bear market are over, and a new economic cycle has begun

The pace of recovery will depend on the virus and our ability to contain it, Back to Normal will need to wait until 2022



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October 27, 2020