



The 2020 Market: Bluebirds & Black Swans




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Which one sums up your 2020?



Bluebirds

A symbol of good luck. An unexpected opportunity that drops into your lap without much effort.



Black Swan

An event or occurrence that deviates beyond what is normally expected of a situation and is extremely difficult to predict.

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The Many Competing Themes of 2020




- ✓ COVID Shutdown vs. K-shaped Recovery
- ✓ Stock Market highs vs. Unemployment highs
- ✓ Stay at Home vs. Re-opening
- ✓ Housing shortage vs. Seller's Market
- ✓ Record Sales vs. Business Shutdown
- ✓ New investors vs. new investments

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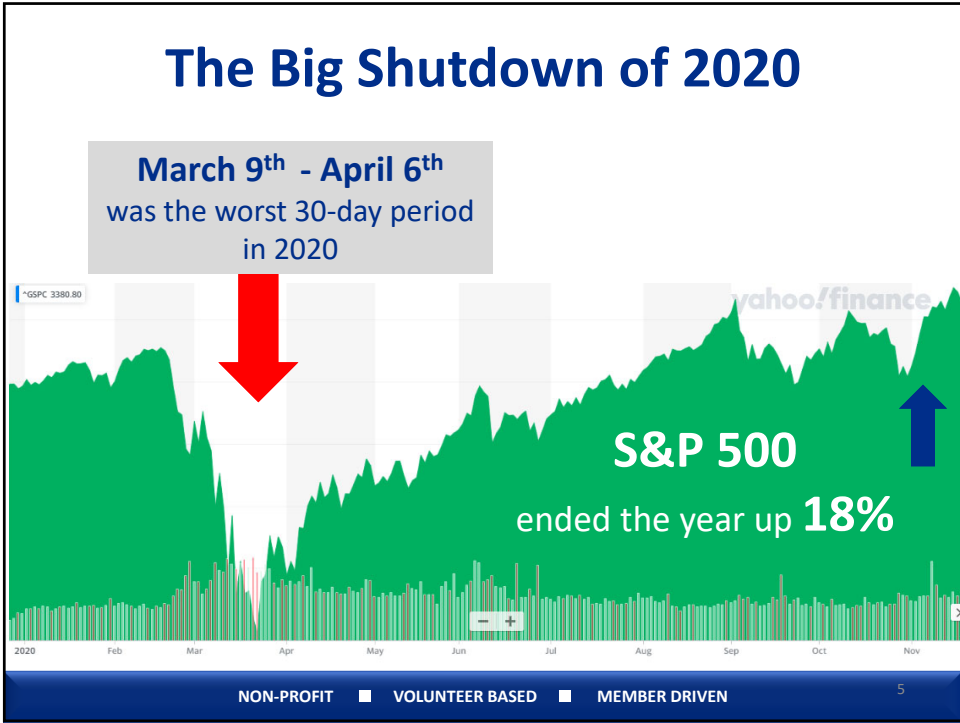
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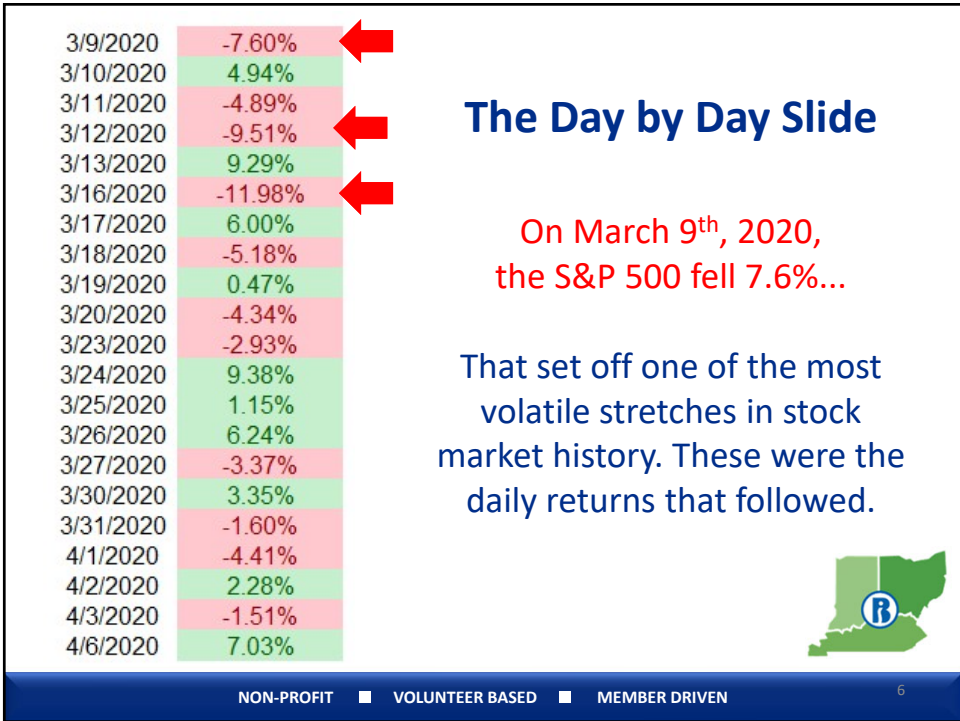


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What is a K-shaped Recovery?

When the performance of different parts of the economy diverges like the arms of the letter "K."

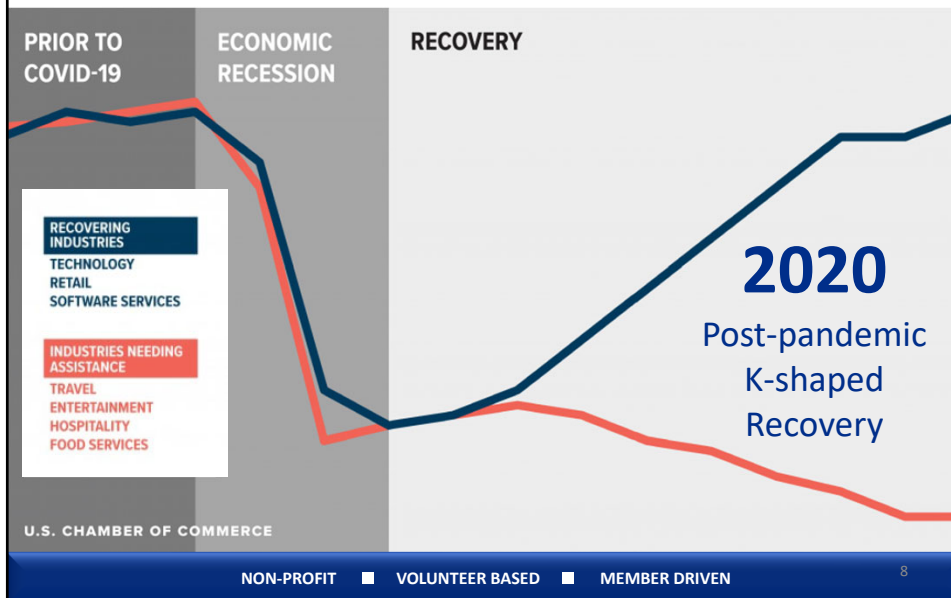


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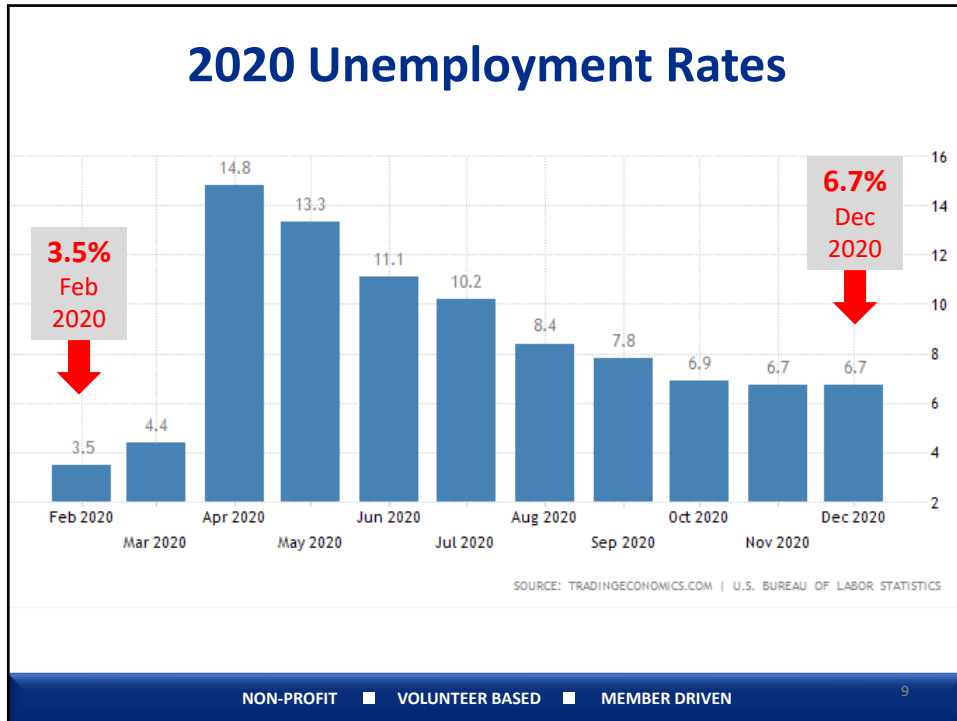
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Winning vs. Losing Industries

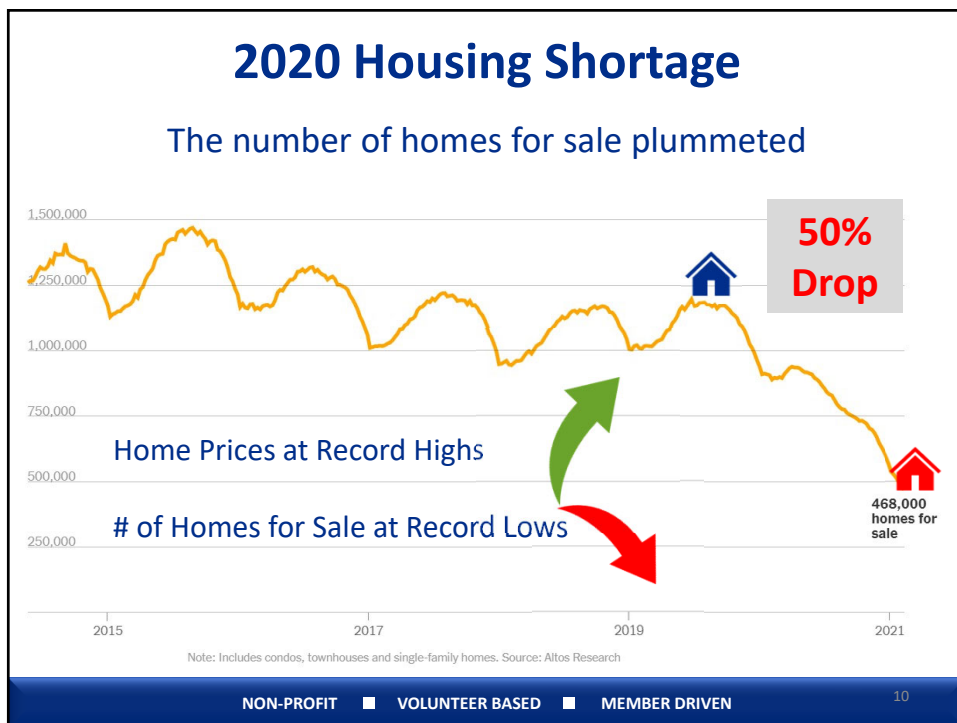


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SPAC: A New Type of Investment

Special Purpose Acquisition Companies

Also called “Blank-check” or “Empty Shell” companies

They don't have any operations, and their sole purpose is to raise capital through an IPO so that they can acquire an existing company.



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3 Ways a Company can go Public

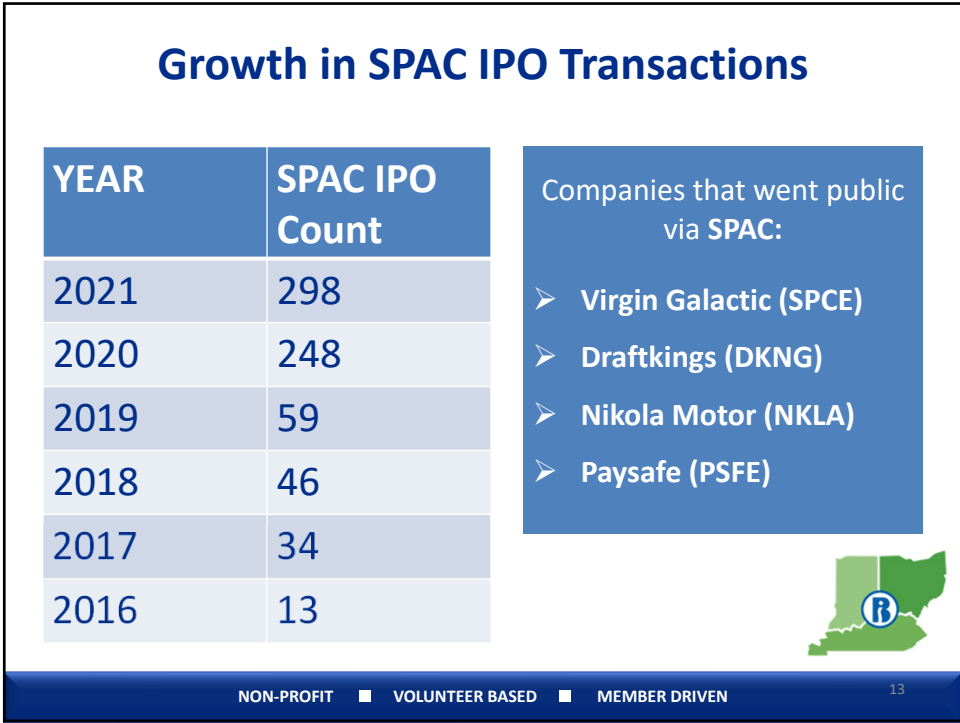
1. Traditional IPO: Do a roadshow and raise funds through investors
2. Direct Listing : List on the stock exchange without raising funds
3. SPAC: merge with a blank check, public company



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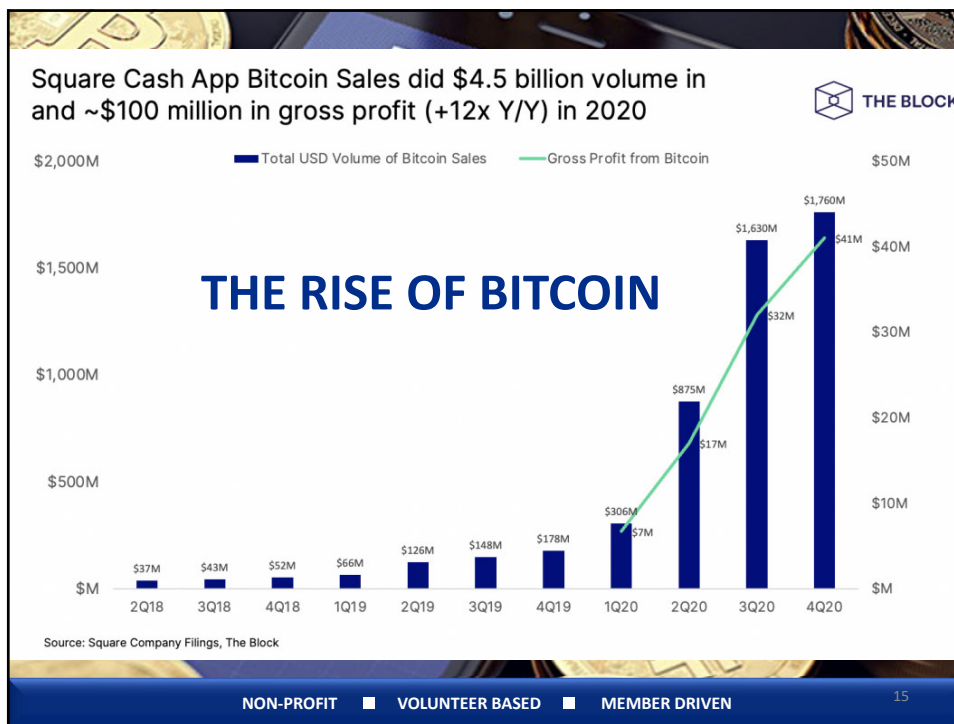
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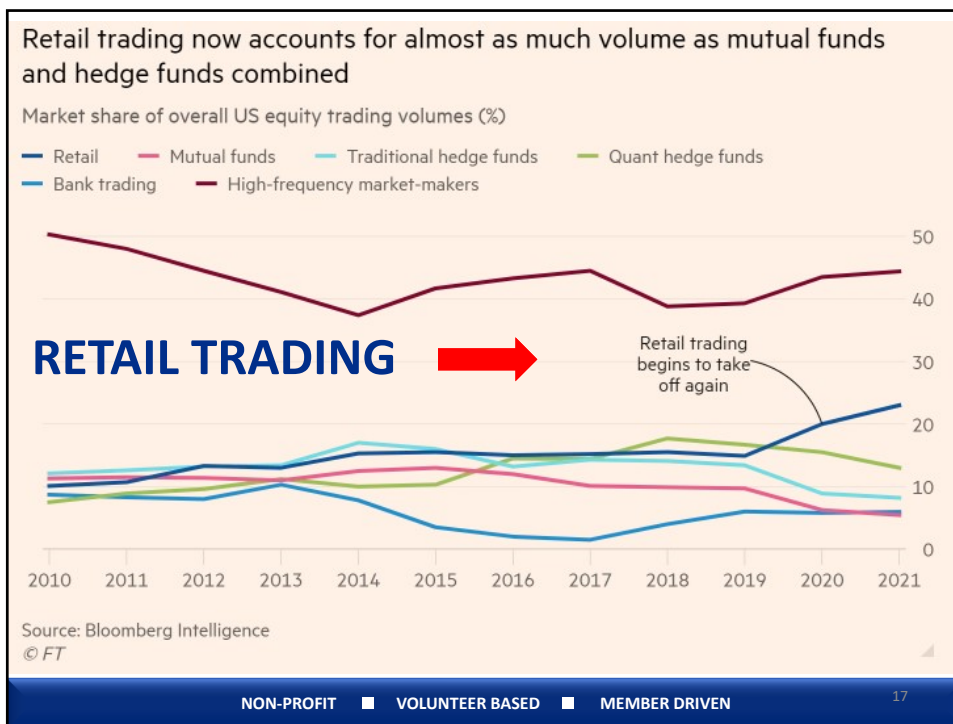
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Coinbase
The Largest Cryptocurrency Exchange
Just went public via Direct Listing in April 2021

coinbase	Year Ended December 31, 2020		% Change
	2020	2019	
	<i>(in millions, except percentages)</i>		
Verified Users	43	32	34.4%
Monthly Transacting Users	2.8	1.0	180%
Assets on Platform	\$ 90,307	\$ 16,969	432%
Trading Volume	\$ 193,097	\$ 79,906	142%
Net income (loss)	\$ 322	\$ (30)	
Adjusted EBITDA(1)	\$ 527	\$ 24	2,096%

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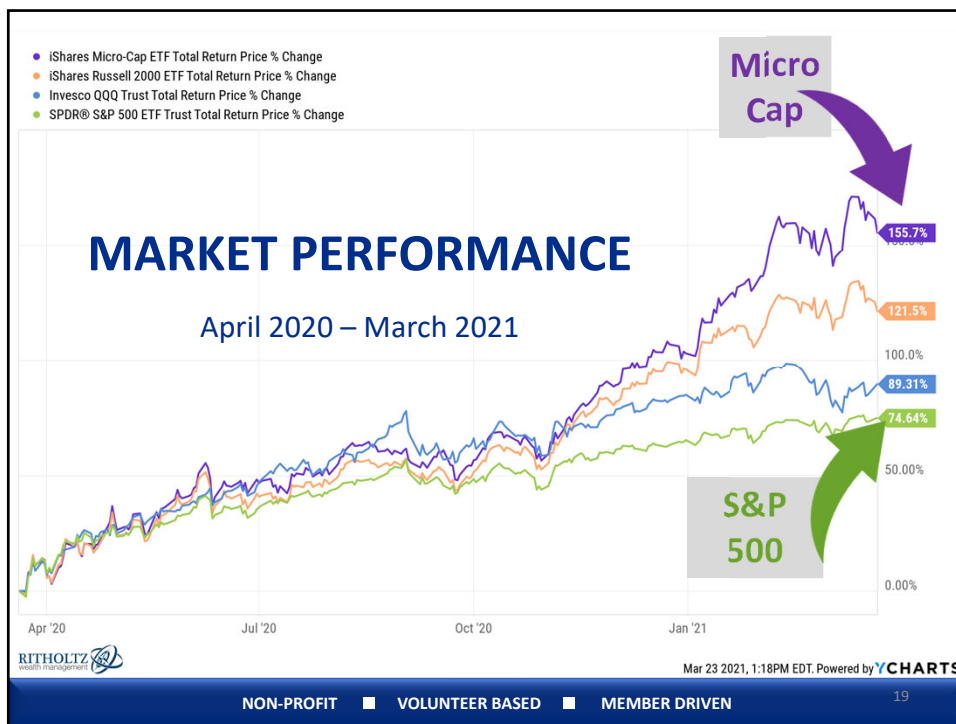
BEST PERFORMER

Which Index performed the best over the past year?
April 2020 – March 2021

S&P 500	75%
NASDAQ	89%
Russell 2000	122%
Micro-Cap	✓ 156%

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What was the Best Performing Asset Class in 2020?

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	10 Years
TIPS 13.3%	EM 19.1%	Small Cap 41.0%	REITs 30.4%	REITs 2.4%	Small Cap 26.6%	EM 37.3%	Cash 1.7%	Large Cap 31.2%	Large Cap 18.3%	Large Cap 13.8%
REITs 8.6%	Int'l Stocks 18.8%	Mid Cap 35.2%	Large Cap 13.5%	Large Cap 1.3%	Mid Cap 20.5%	Int'l Stocks 25.1%	Bonds 0.1%	REITs 28.9%	EM 17.0%	Small Cap 11.8%
Bonds 7.7%	REITs 17.6%	Large Cap 32.3%	Mid Cap 9.4%	Bonds 0.5%	Comdty 12.9%	Large Cap 21.7%	TIPS -1.4%	Mid Cap 25.8%	Mid Cap 13.5%	Mid Cap 11.2%
Large Cap 1.9%	Large Cap 16.0%	Int'l Stocks 21.4%	Bonds 6.0%	Cash -0.1%	Large Cap 12.0%	Mid Cap 15.9%	Large Cap -4.6%	Small Cap 22.6%	Small Cap 11.4%	REITs 8.7%
Small Cap 1.1%	Small Cap 15.7%	EW 10.7%	Small Cap 5.5%	Int'l Stocks -1.0%	EM 10.9%	Small Cap 13.1%	REITs -6.0%	Int'l Stocks 22.0%	TIPS 10.8%	EW 5.7%
Cash 0.0%	Mid Cap 15.2%	REITs 2.3%	EW 4.0%	TIPS -1.8%	EW 10.0%	EW 12.6%	EW -7.2%	EM 18.2%	EW 7.8%	Int'l Stocks 5.4%
EW -1.4%	EW 11.0%	Cash -0.1%	TIPS 3.6%	Small Cap -1.8%	REITs 8.6%	REITs 4.9%	Small Cap -8.6%	EW 17.5%	Int'l Stocks 7.6%	Bonds 3.7%
Mid Cap -1.5%	TIPS 6.4%	Bonds -2.0%	Cash -0.1%	Mid Cap -2.5%	TIPS 4.7%	Bonds 3.6%	Mid Cap -11.3%	Bonds 8.5%	Bonds 7.5%	TIPS 3.7%
Int'l Stocks -12.3%	Bonds 3.8%	EM -3.7%	EM -3.9%	EW -4.7%	Bonds 2.4%	TIPS 2.9%	Comdty -13.1%	TIPS 8.4%	Cash 0.4%	EM 2.9%
Comdty -14.0%	Cash 0.0%	TIPS -8.5%	Int'l Stocks -6.2%	EM -16.2%	Int'l Stocks 1.4%	Comdty 0.7%	Int'l Stocks -13.8%	Comdty 7.6%	Comdty -4.1%	Cash 0.5%
EM -18.8%	Comdty -2.1%	Comdty -11.1%	Comdty -18.6%	Comdty -28.2%	Cash 0.1%	Cash 0.7%	EM -15.3%	Cash 2.0%	REITs -4.6%	Comdty -7.8%

Funds: EEM, VNQ, MDY, SLY, SPY, EFA, TIP, AGG, DJP, BIL

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**Additional Resources for COVID-19
And Your Finances**

“Investing in Turbulent Times”

Presented by Doug Gerlach- March 2020:
Direct Link: <https://bit.ly/2U4bkhP>

Protecting your finances during the Coronavirus Pandemic:
www.consumerfinance.gov/coronavirus/



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 **Cincinnati Model Investment Club (CinMIC)**
Meets at West Chester Library and online
3rd Saturday of each month, 9:45am-11:45am
Meetings are free and open to the public (online and in person)

 **Dayton Model Investment Club (DayMIC)**
Meets at Beaver Creek Fire House and online
2nd Tuesday of each month, 7pm-9pm
Meetings are free and open to the public (online and in person)



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