
The Good, The Bad, & The Prayer

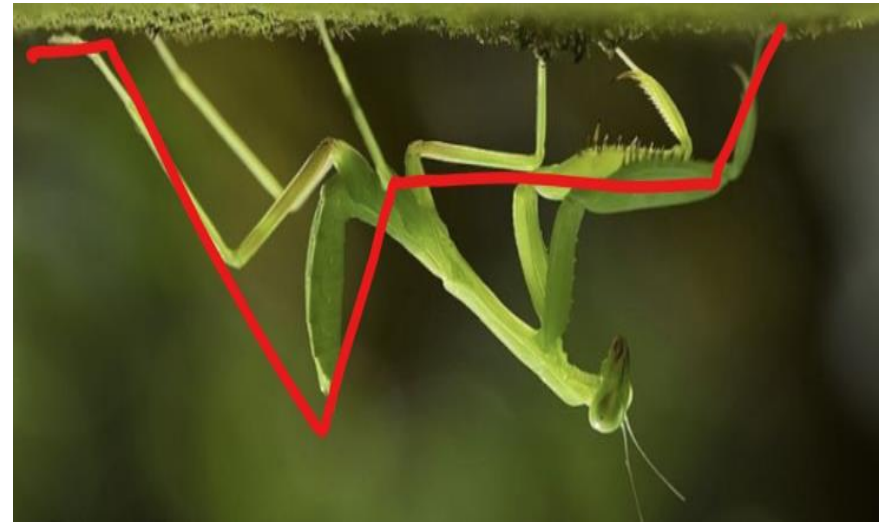
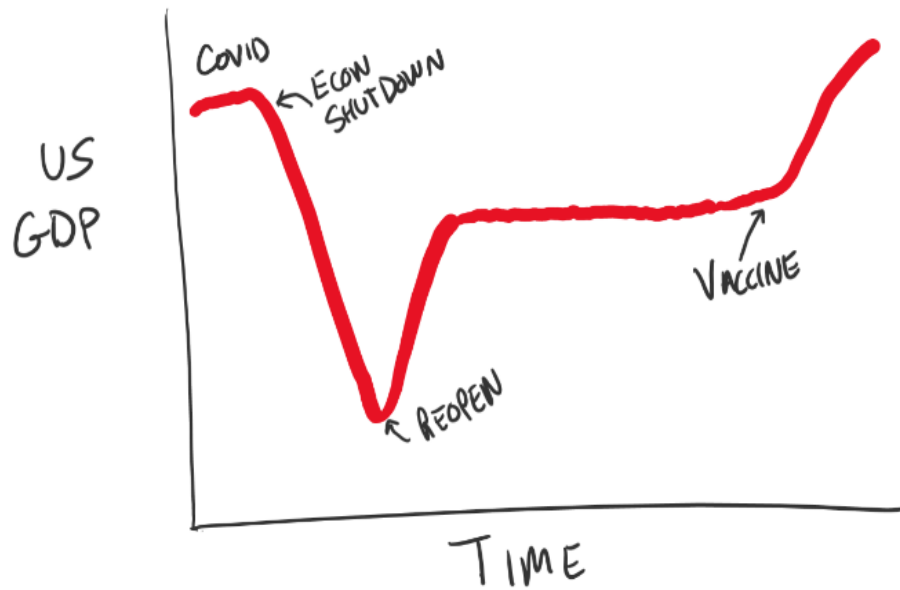


CAPITAL
INVESTMENT
Advisors



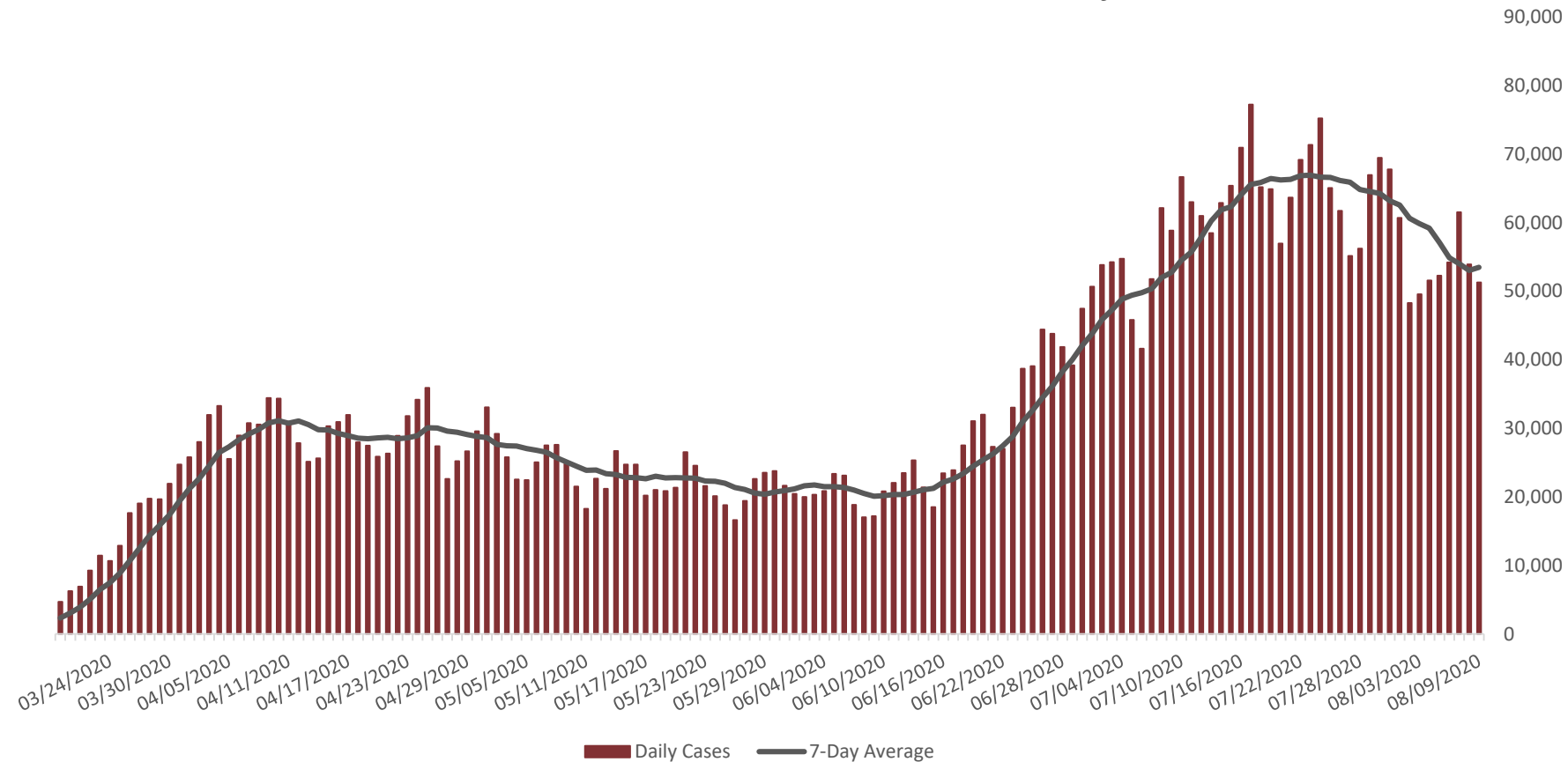


The Praying Mantis Economy



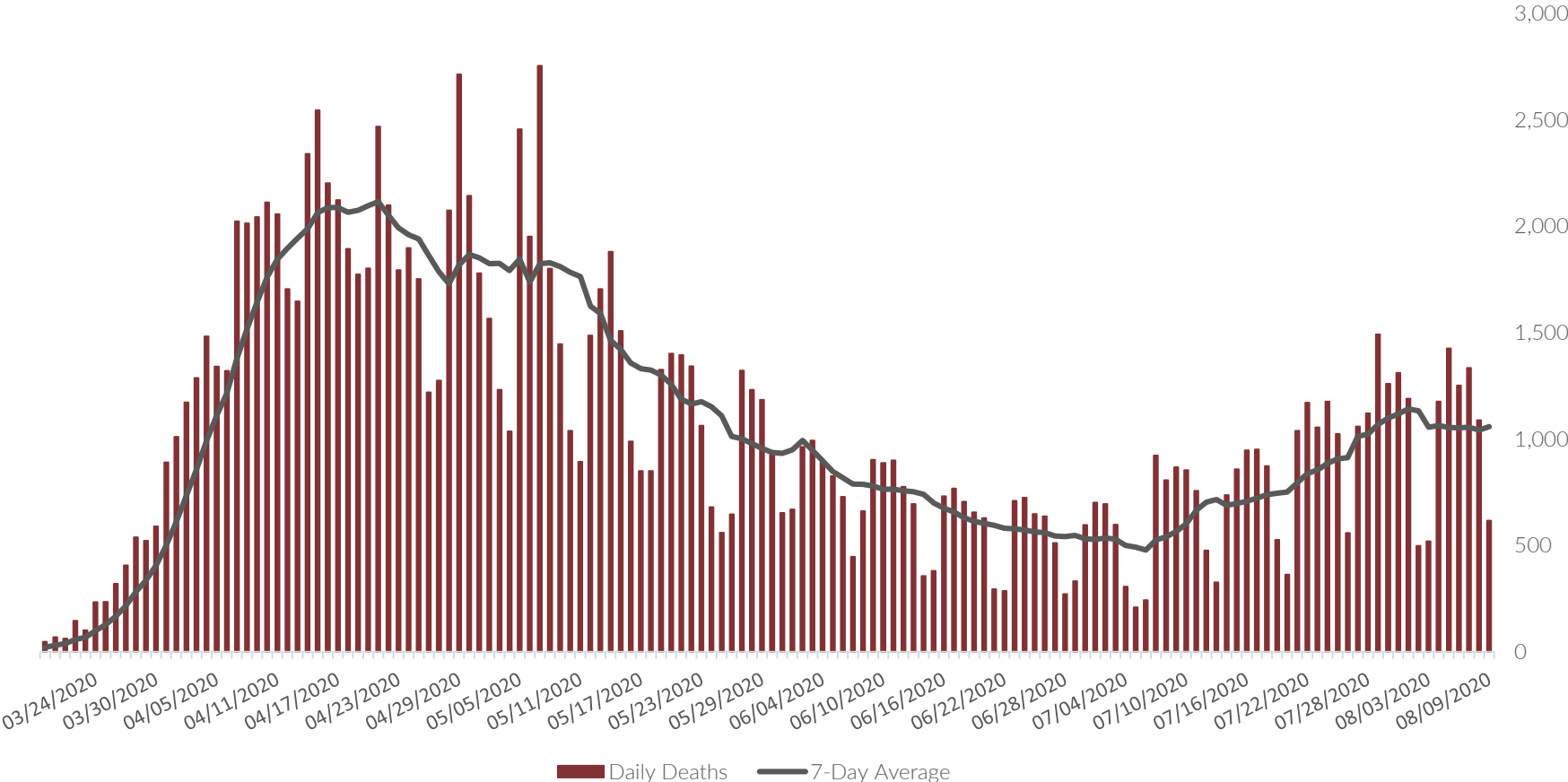
The Bad

United States Positive Cases Per Day



The Bad continued...

U.S. COVID-19 Deaths Per Day



Summary of monetary and fiscal policy support for COVID-19

Monetary Policy

Program	Size in \$ billions	Date implemented
Treasury Purchases	2134	3/13/20
Agency Purchases	1068	3/13/20
Primary Dealer Credit Facility	Unlimited	3/27/20
Commercial Paper Funding Facility	Issuer max outstanding	4/17/20
Money Market Mutual Fund Liquidity Facility	Unlimited	3/27/20
Term Asset-Backed Securities Loan Facility	100	6/25/20
Primary & Secondary Corporate Credit Facility	750	6/29 & 5/15/2020
Paycheck Protection Program Liquidity Facility	Unlimited	4/24/20
Municipal Liquidity Facility	500	5/26/20
Main Street Lending Program	600	6/11/20
Total Monetary	5152	

Fiscal Policy

Act	Size in \$ billions	Date
Coronavirus Preparedness	8	3/6/20
Families First	192	3/18/20
CARES	1721	3/27/20
PPP/Health Care	485	3/27/20
Loan to airline industry	46	4/14/20
Total Fiscal	2452	

Total Support

7604

Sources: Federal Reserve Board, Congressional Budget Office, Bureau of Economic Analysis, congress.gov

Here's where the leading candidates stand




I

CLINICAL PHASE

20-100

- Small study of healthy people
- Evaluates safety and immune response at different doses
- Typically takes 1-2 years, but for COVID-19 trials, expected to take 3 months



II

CLINICAL PHASE

100-300

- Studies 100s of people
- Further evaluates safety, assesses efficacy, and informs optimal dose and vaccine schedule
- Typically takes 2-3 years, but for COVID-19 trials, expected to take 8 months



III

CLINICAL PHASE

300-3,000

- Studies 1000s of people
- Further evaluates safety and efficacy
- Typically takes 2-4 years, but for COVID-19 trials, may be combined with Phase II



RR

REGULATORY REVIEW

- Government agency reviews trial data and licensing application information before approval
- Can happen while manufacturing has started
- Typically takes 1-2 years, but for COVID-19, expedited to take a few months

There are currently	These fall into	At this time,
197	9	18
vaccines in development ¹¹ for COVID-19.	different product categories / platforms.	vaccines are in one of four phases of clinical testing.

Leading Candidates

FARTHEST ALONG*

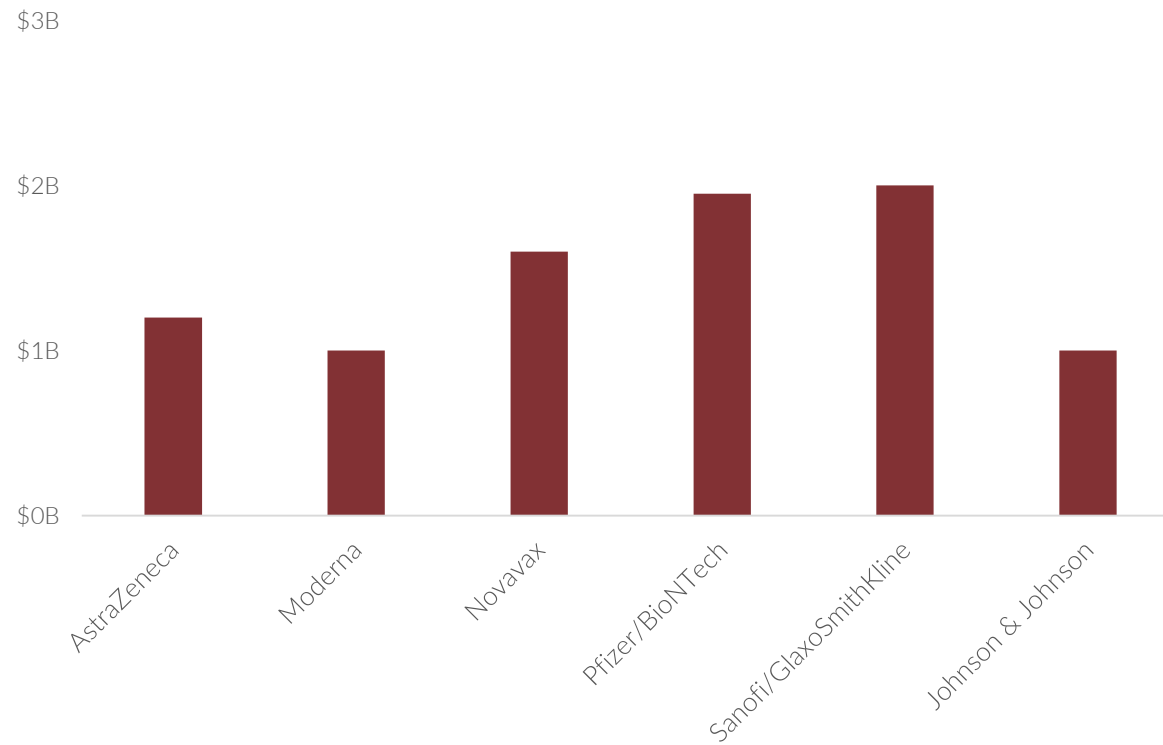
CLINICAL PHASE

Univ. of Oxford/AstraZeneca	III
Wuhan Inst./Sinopharm	III
Beijing Inst./Sinopharm	III
Sinovac/Instituto Butantan	III
Moderna	III
CanSino Biologics	II
Inst. of Medical Biology	II
BioNTech/Fosun/Pfizer	II
Imperial College London	I/II
Novavax	I/II

*Ranked by entry into latest phase of development. Clinical phases move when it is publicly reported that the product has been dosed in a trial.

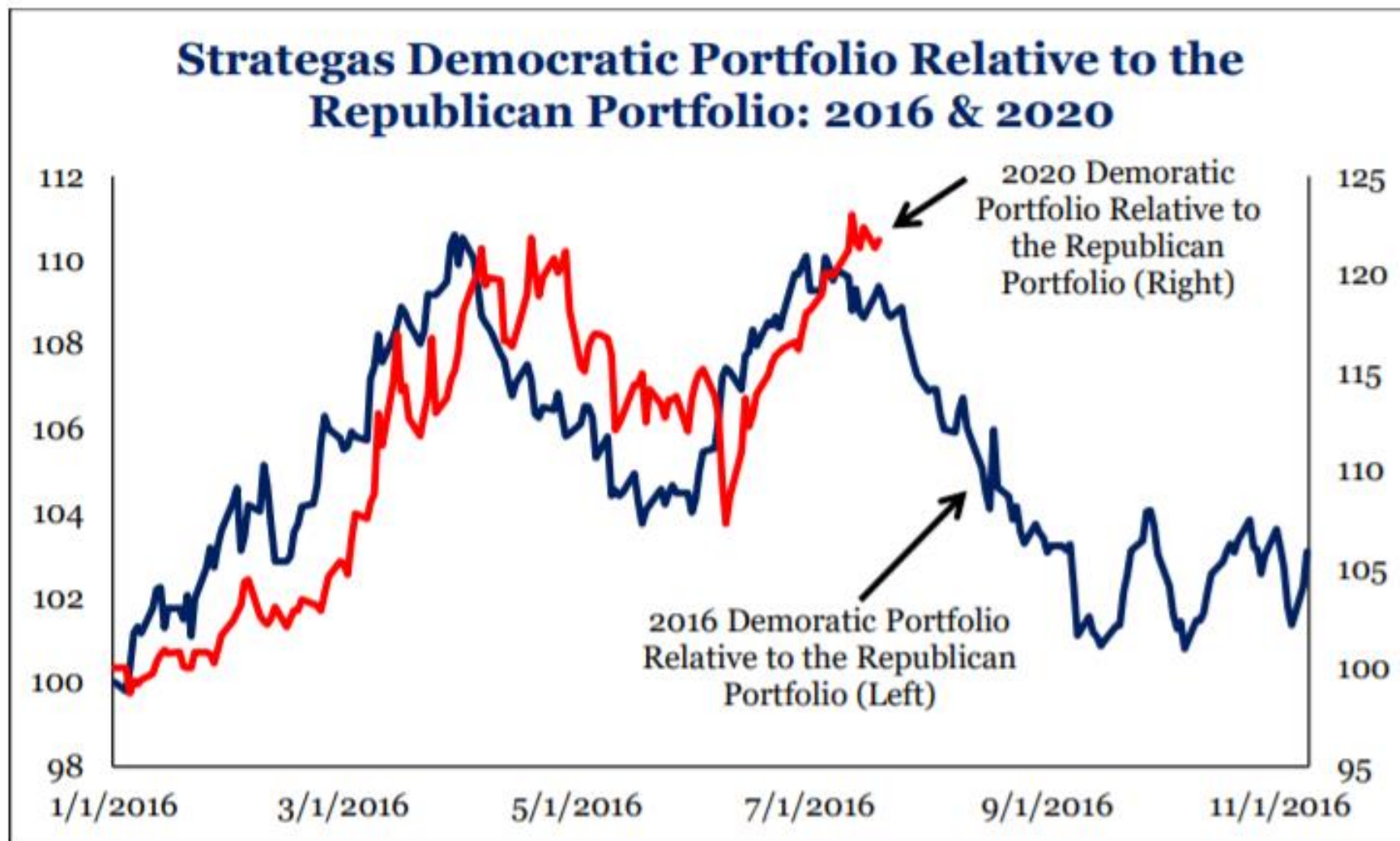
The Prayer

Money Allocated to Vaccine Candidates via Operation Warp Speed

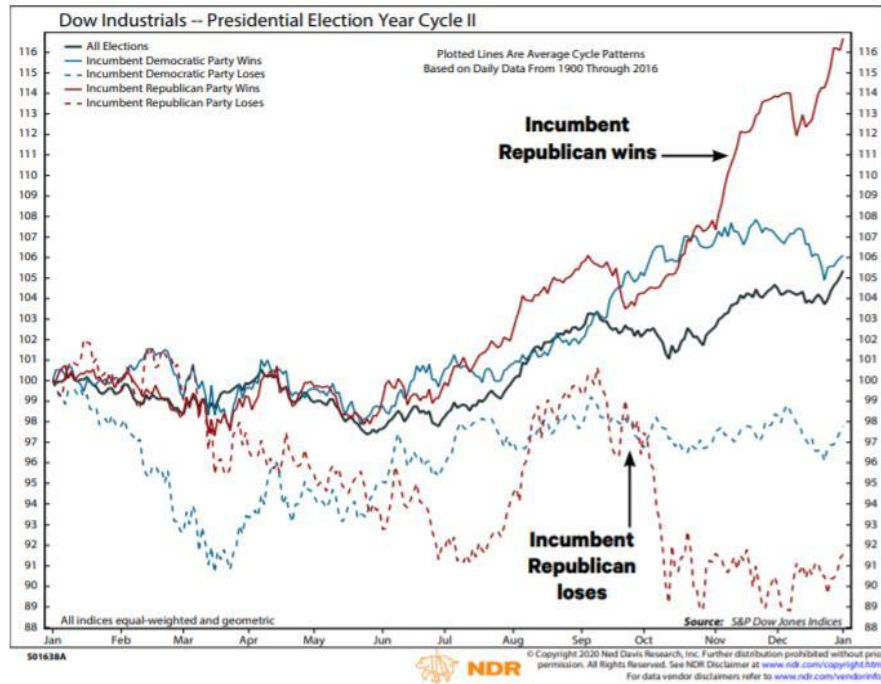


Election - 2020

Trump vs Biden – Trump Is Behind But Long Way To Go

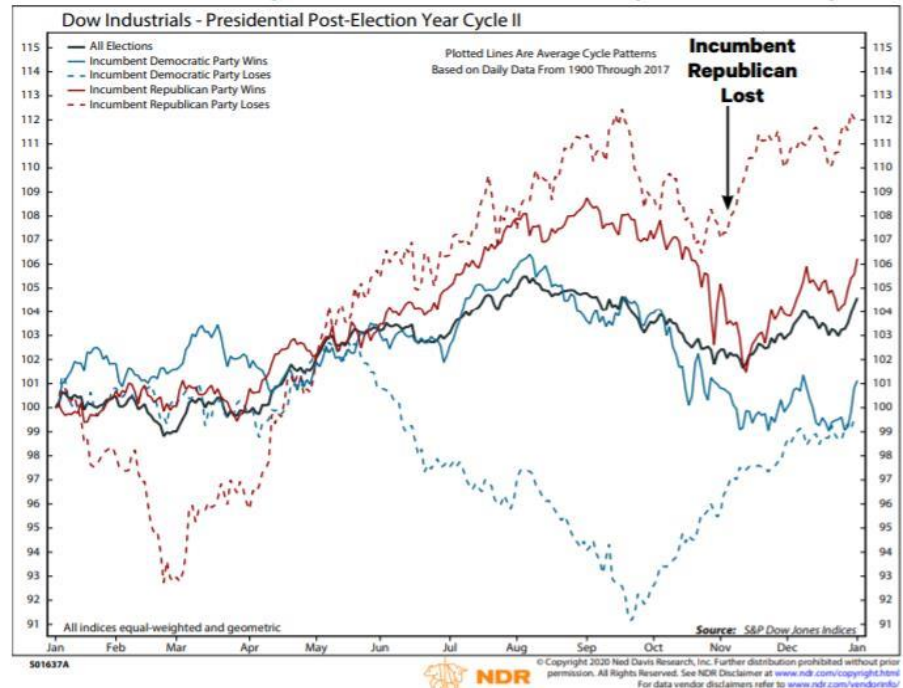


GOP Loss Is Typically A Buying Opportunity

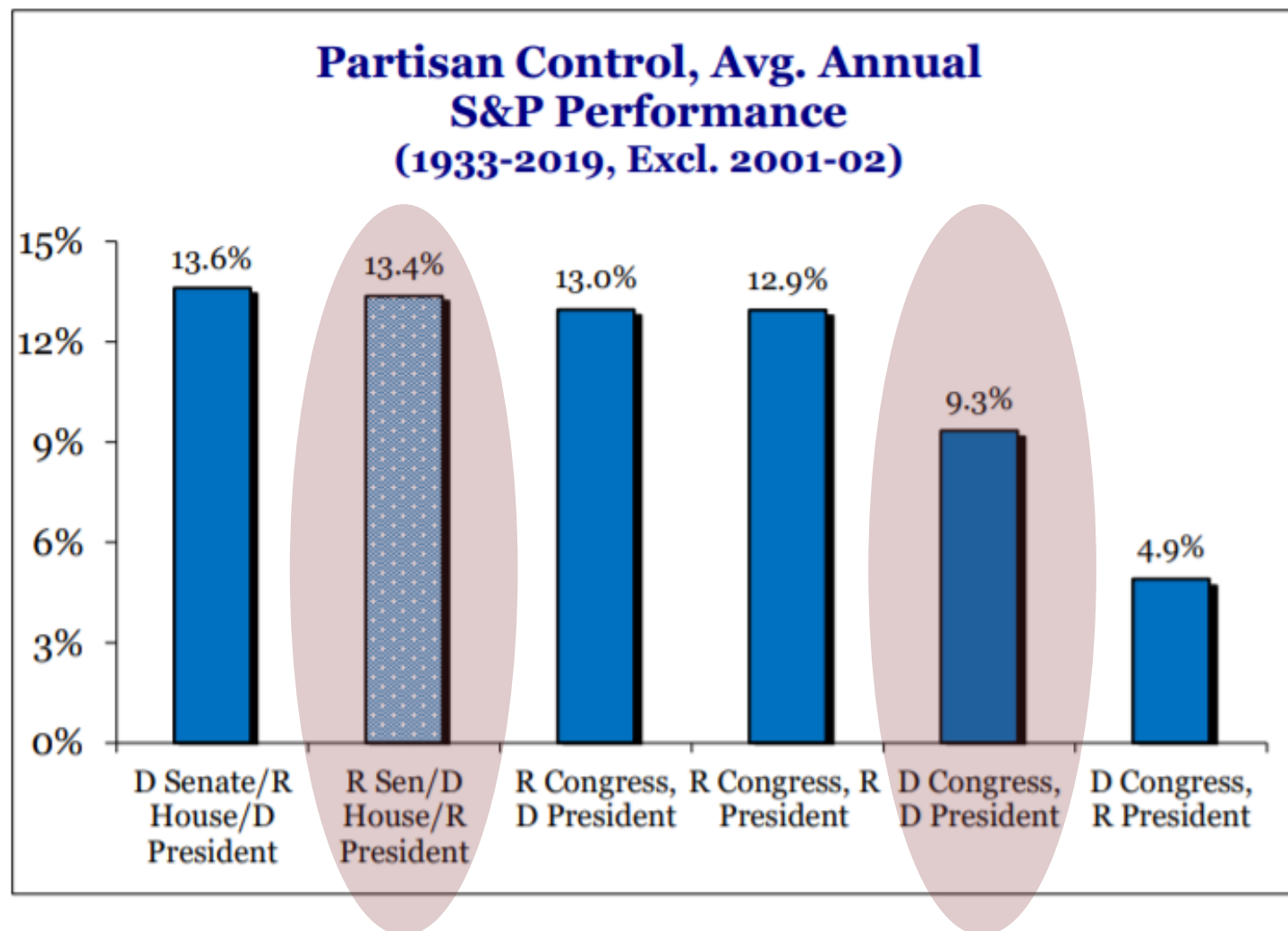


... But, it typically is a buying opportunity as this scenario historically has been the best in the year after the election.

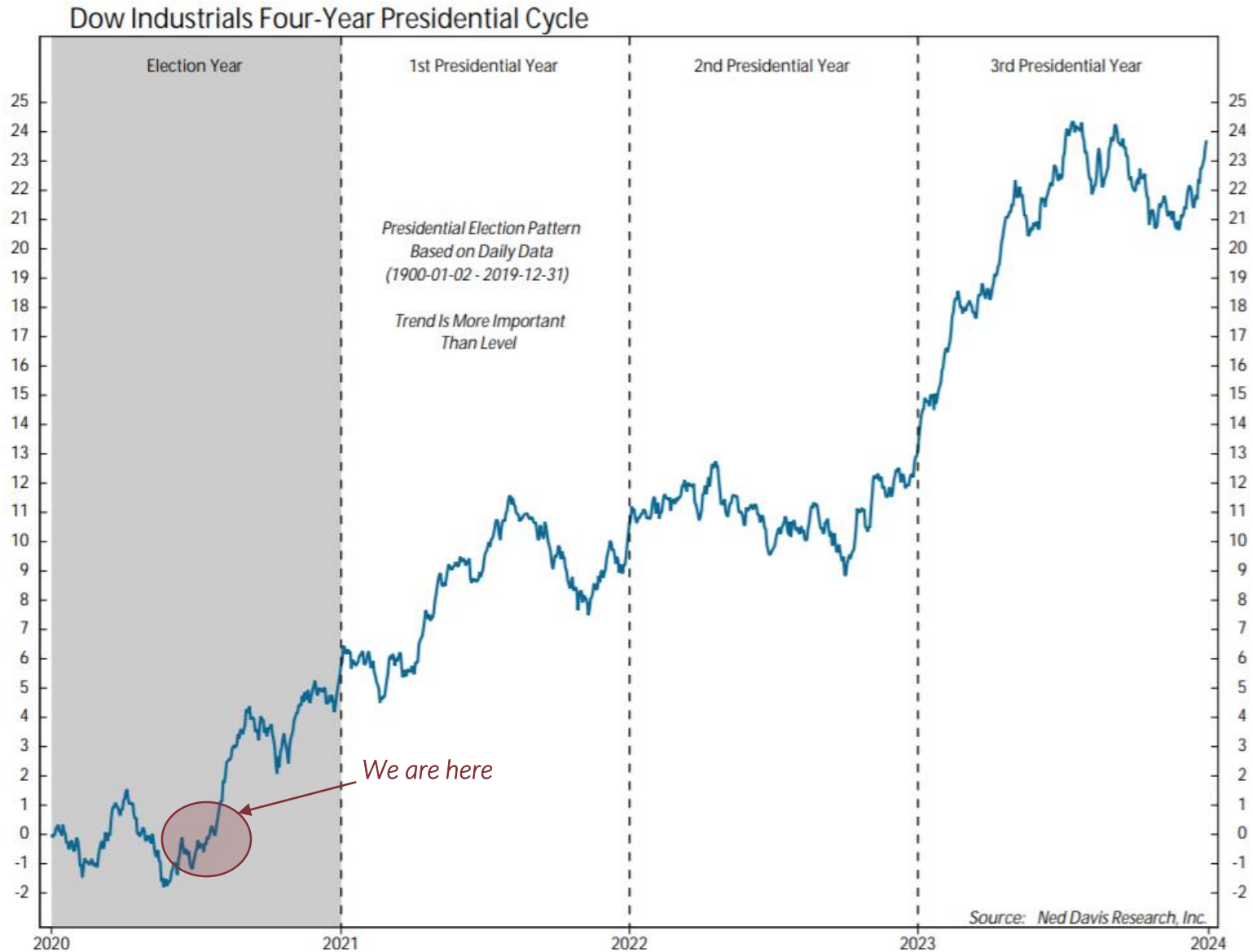
Yes, an incumbent Republican is typically worst case for the market in the election year ...



The Market Does Well Under Any Of Likely Outcomes



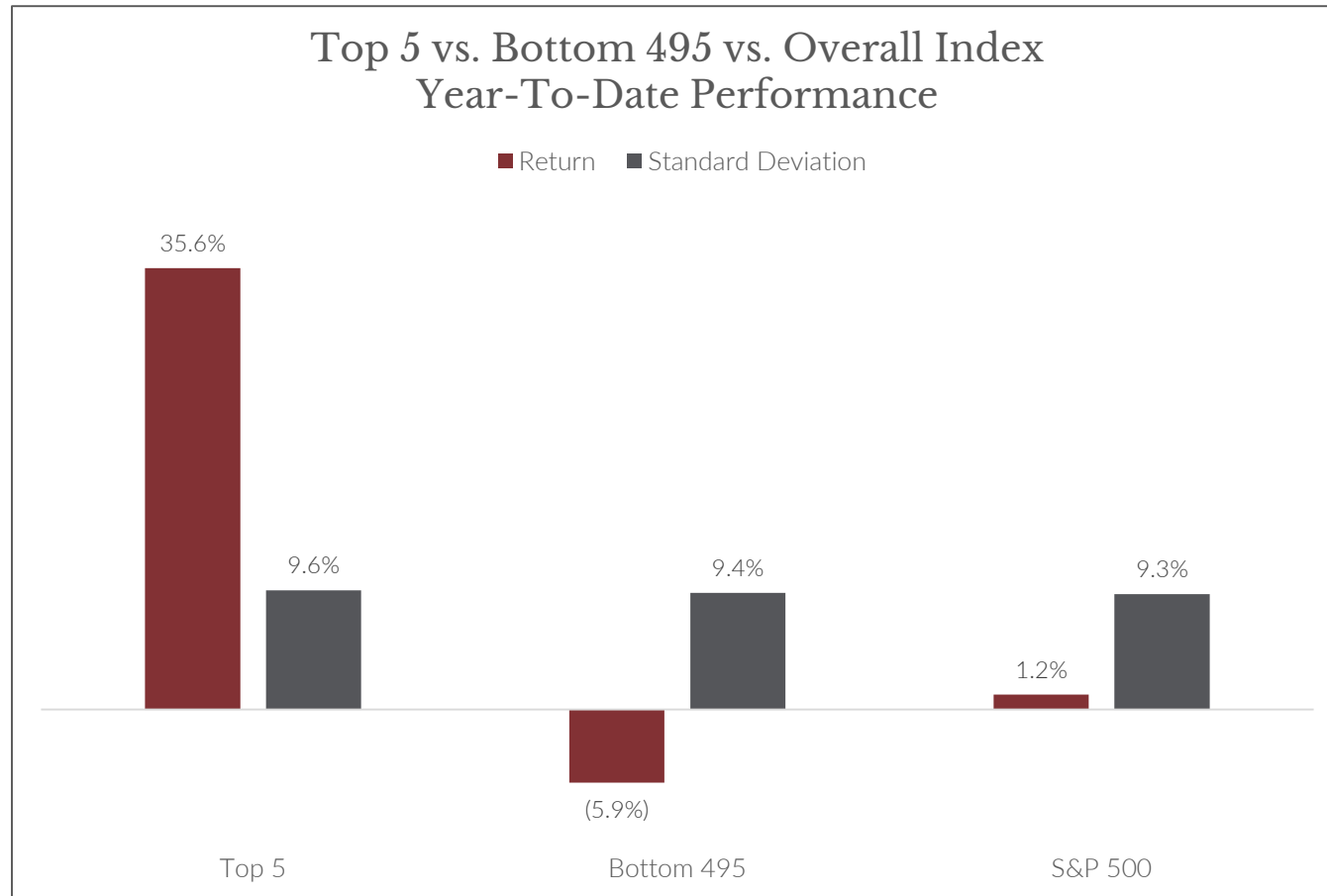
Elections Happen Every 4 Years – It'll Be OK (Trump Or Biden)



Over 100 years of data

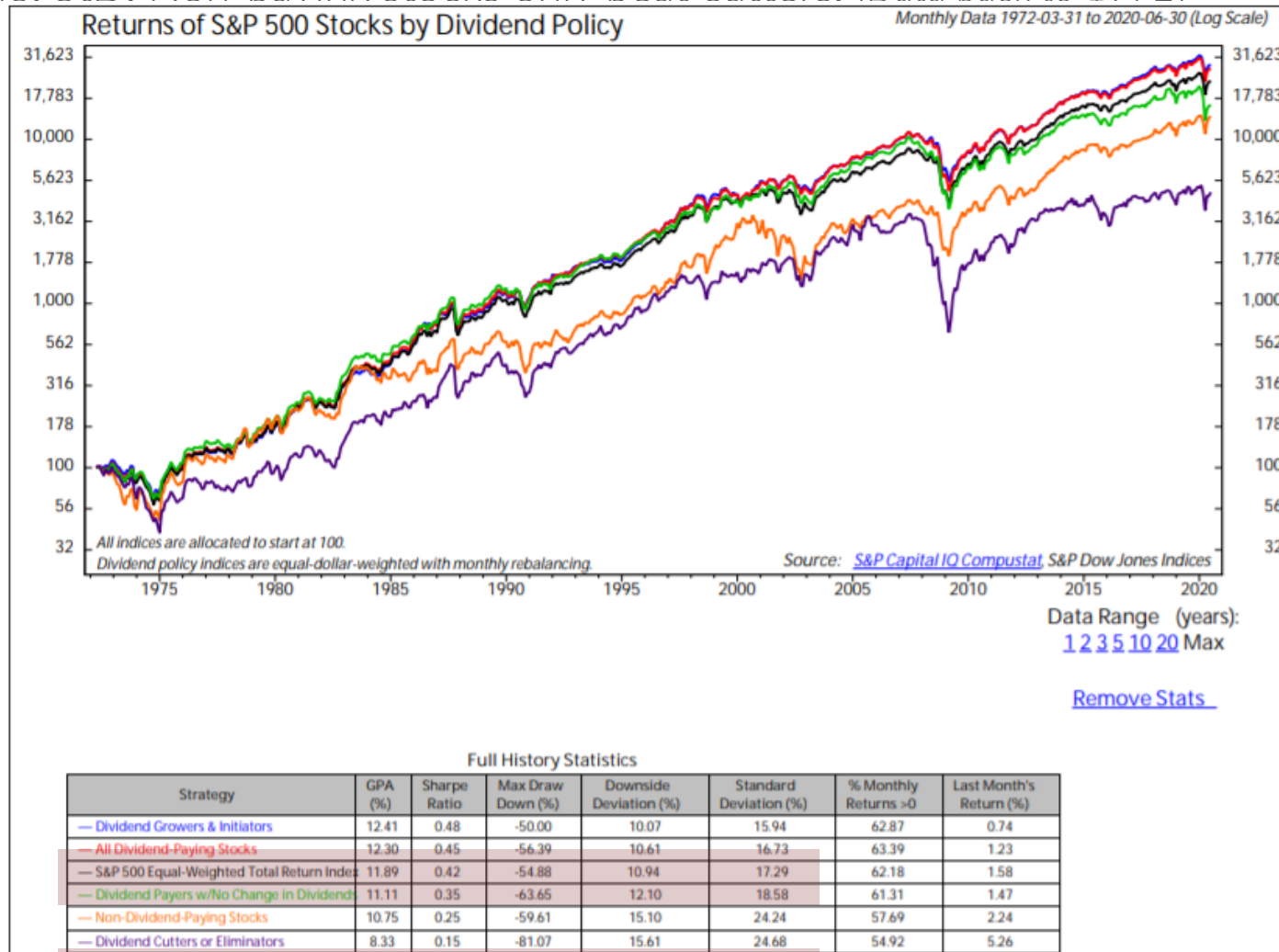
The Stock Market

A Picture Worth a Thousand Words



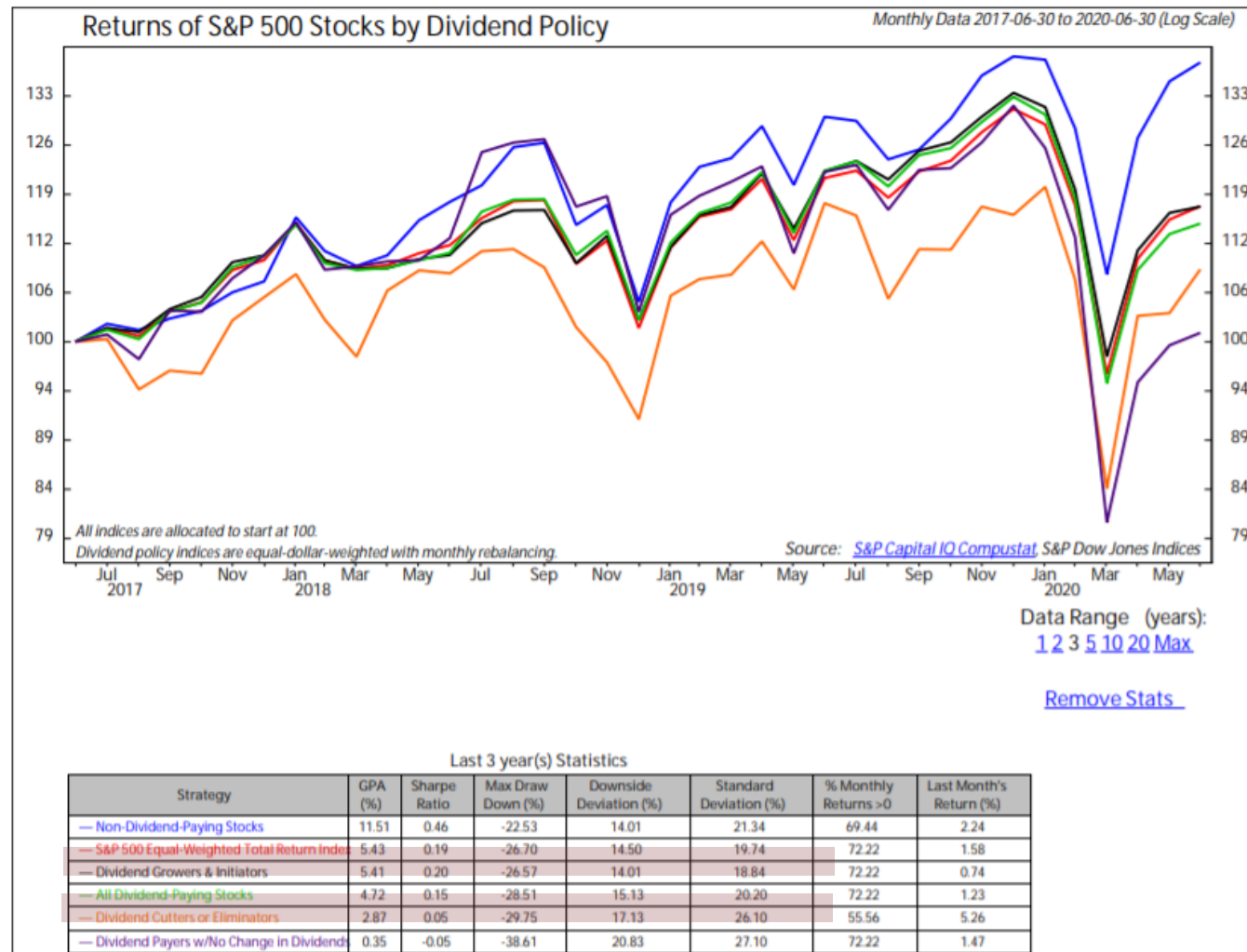
Let's Go Back To Basics – Dividends Work Over Time

- Dividend Growers and Payers beat every other category in returns, sharpe ratio. StD. Non-paying stocks only beat cutters. (Data back to 1972)

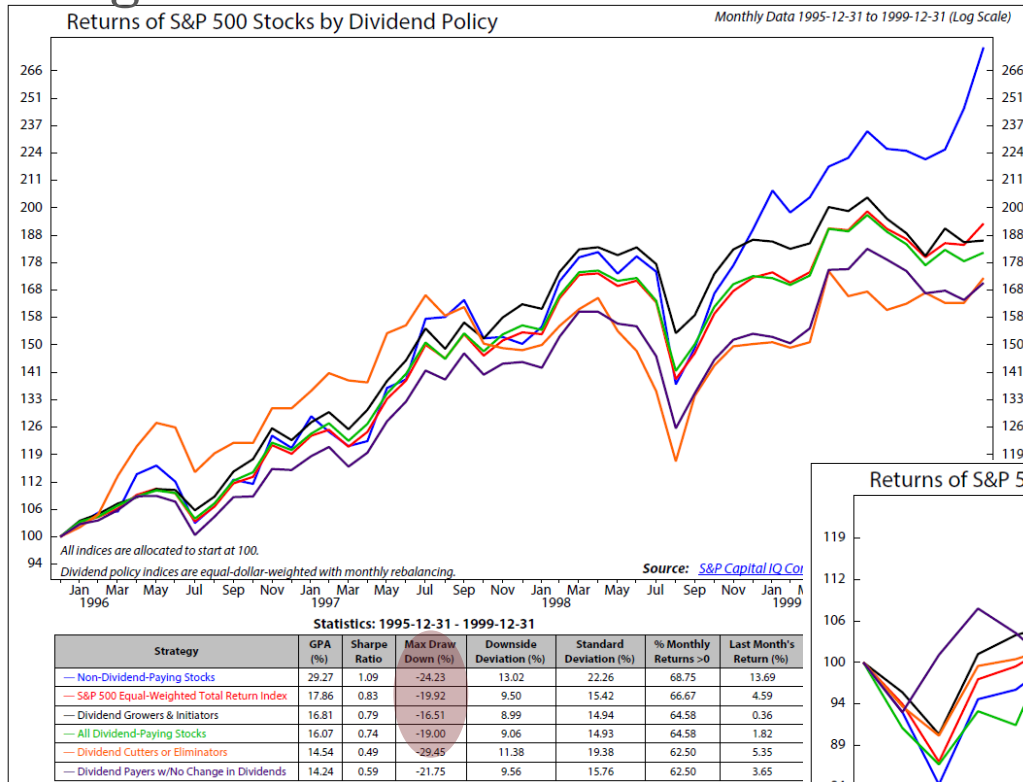


But – They Don't ALWAYS Work

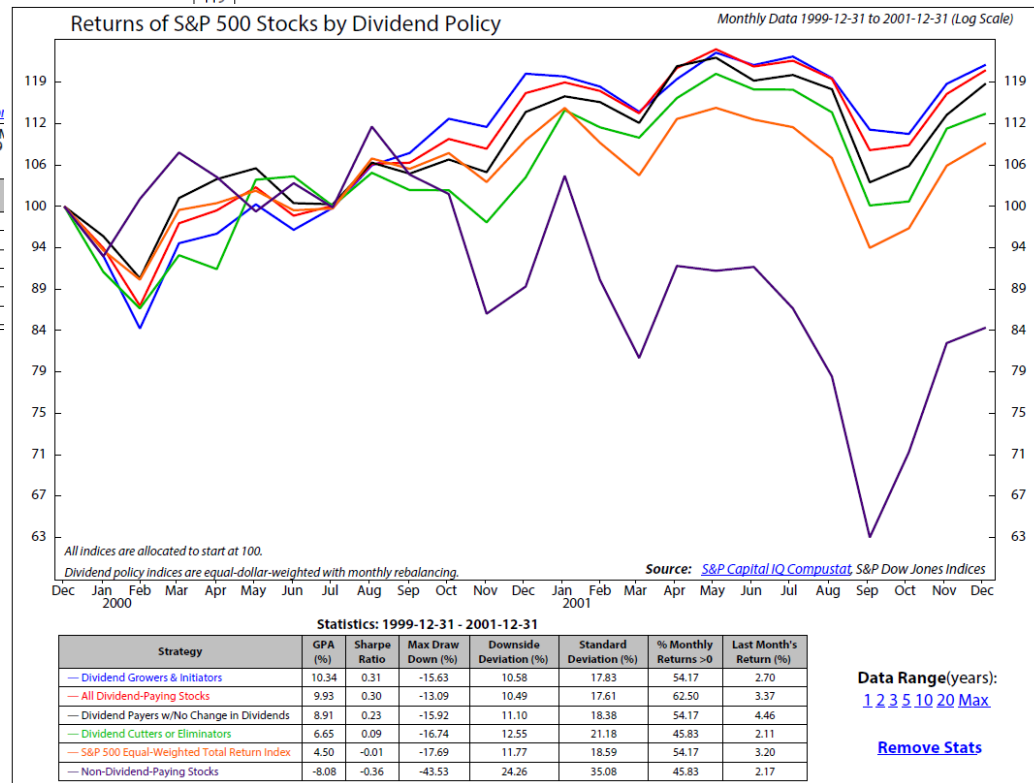
- Dividend Payers have lagged growth counterparts over the last 3 years



Last time dividend payers lagged, mean reversion was significant



1995-1999
+29% vs +17%



1999-2001
+10% vs -8%

Data Range(years):

1 2 3 5 10 20 Max

[Remove Stats](#)

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