Strategies to Cope with the Economic Impact of COVID-19

Thursday, June 11th - 2 P.M. EDT,

Legacy Partners
Strategies to Cope with the Economic Impact of COVID-19
TODAY’S SPEAKERS

Aaron McGreevy // Managing Director of Taft-Hartley, Intermediary, and Institutional 25 Years of Experience

Aaron is responsible for managing our firm’s Taft-Hartley, Advisory, and Institutional relationships. During his tenure, he has also been a Portfolio Strategist, participating in the portfolio management process.

Marc Bushallow // Managing Director of Fixed Income 19 Years of Experience

Marc oversees all fixed income portfolio management at Manning & Napier, including for our firm’s fixed income only strategies, as well as in our balanced portfolio strategies.
Agenda

1. Hitting the Economic Pause Button

2. Reopening America… Slowly

3. Bolstering Your Business and Funds
Hitting
Pause
Assessing the damage
Where We Were (Financially)

S&P 500 Price index.
Things Fell... Quickly

Unemployment Spikes

Initial jobless claims (weekly).

SO MANY LAYOFFS IN SUCH A SHORT PERIOD OF TIME

2.1m (WEEK OF MAY 23)
How Long Will It Last?

Unemployment duration in weeks.
Sources: Bloomberg (01/2020 – 05/2020).
Fuel to the Fire

Crude oil as defined by WTI Crude oil price per barrel.
Source: Bloomberg (03/31/2017 – 05/31/2020).
THE MOST RECENT AGC SURVEY FINDS THAT

1 IN 4

REPORT HAVING PROJECTS CANCELLED FOR 2H 2020

Source: Associated General Contractors of America.
THE UNITED STATES HAS LOST

596,000

CONSTRUCTION JOBS NATIONWIDE SINCE FEBRUARY

Source: Associated General Contractors of America.
Reopening America

How do we turn this around?
POLL: What is your biggest business concern?
Consistent Inflation Undershoot

Core PCE Inflation calculated year-over-year as a 6-month moving average.

LOW INFLATION ALLOWS FOR MASSIVE STIMULUS
Monetary Support

FED PLEDGES ASSET PURCHASES WITH ‘NO LIMIT’


Sizing Up the Fed’s Historic Coronavirus Crisis Intervention

While market strain triggered by pandemic has eased, stresses remain
Financial Markets Show Promise

STOCKS TURN AROUND BEFORE THE ECONOMY
(Average of the Past 12 Recessions Since 1944)

1 Year Before  Recession End Date  1 Year After

Average of the 12 NBER recessions since 1944.
Analysis: Ned Davis, Manning & Napier.
Extremely Low Rates

Source: US Treasury.
Fiscal Support

RECIPIENTS OF THE CARES ACT $2 TRILLION

- Other/Miscellaneous, $391
- Direct Cash Payments, $300
- Unemployment Benefits, $260
- Large Corporation Funding Pool, $425
- SME Loan Program, $350
- State and Local Gov't COVID-19 Response, $274

(All numbers are in billions)

Source: US Congress.
Spending that Actually Makes a Difference

State and local governments account for 62% of total government spending.

Now Is the Time

US INFRASTRUCTURE WAS GIVEN A D+

BY THE AMERICAN SOCIETY OF CIVIL ENGINEERS

Source: American Society of Civil Engineers (2017).
Emphasizing Real Growth

ANNUALIZED CHANGE SINCE 1980

GROSS DOMESTIC PRODUCT (GDP)
5.4%

AVERAGE HOURLY EARNINGS
3.3%

Controlling Your Controllable

Steps you and your business can take today
POLL:
What is your expectation for stock market returns over the next five years?
Murky Outlook

Stock market headwinds

Ultra-low rates in fixed income
Bolstering
Your
Resources
Investing Fundamentals
What can you do?

- Cash Management
- Income Maximization
- Growth Optimization
1. Effectively Managing Cash

Goal: Balancing liquidity needs with income
2. Maximizing Income Generation

Goal:
Selectively adding risk for greater return
3. Optimizing Your Growth

Goal:

Acting on growth opportunities as they arise
Question & Answers

THANK YOU
Resources on a variety of current topics

Markets & Economy Blog
Perspective on what’s trending in the markets and how it impacts investors

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Perspective

March 2020
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SAVE THE DATES:

2 P.M. EDT, THURSDAY, JUNE 16
Ask Them Anything...About Construction Tech

2 P.M. EDT, TUESDAY, JUNE 23
Industrial Info Resources Presents – Industrial Market Spending Outlook

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Unless otherwise noted, analysis provided by Manning & Napier. **Past performance does not guarantee future results.**

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