



Kayne Anderson Rudnick  
Wealth Advisors

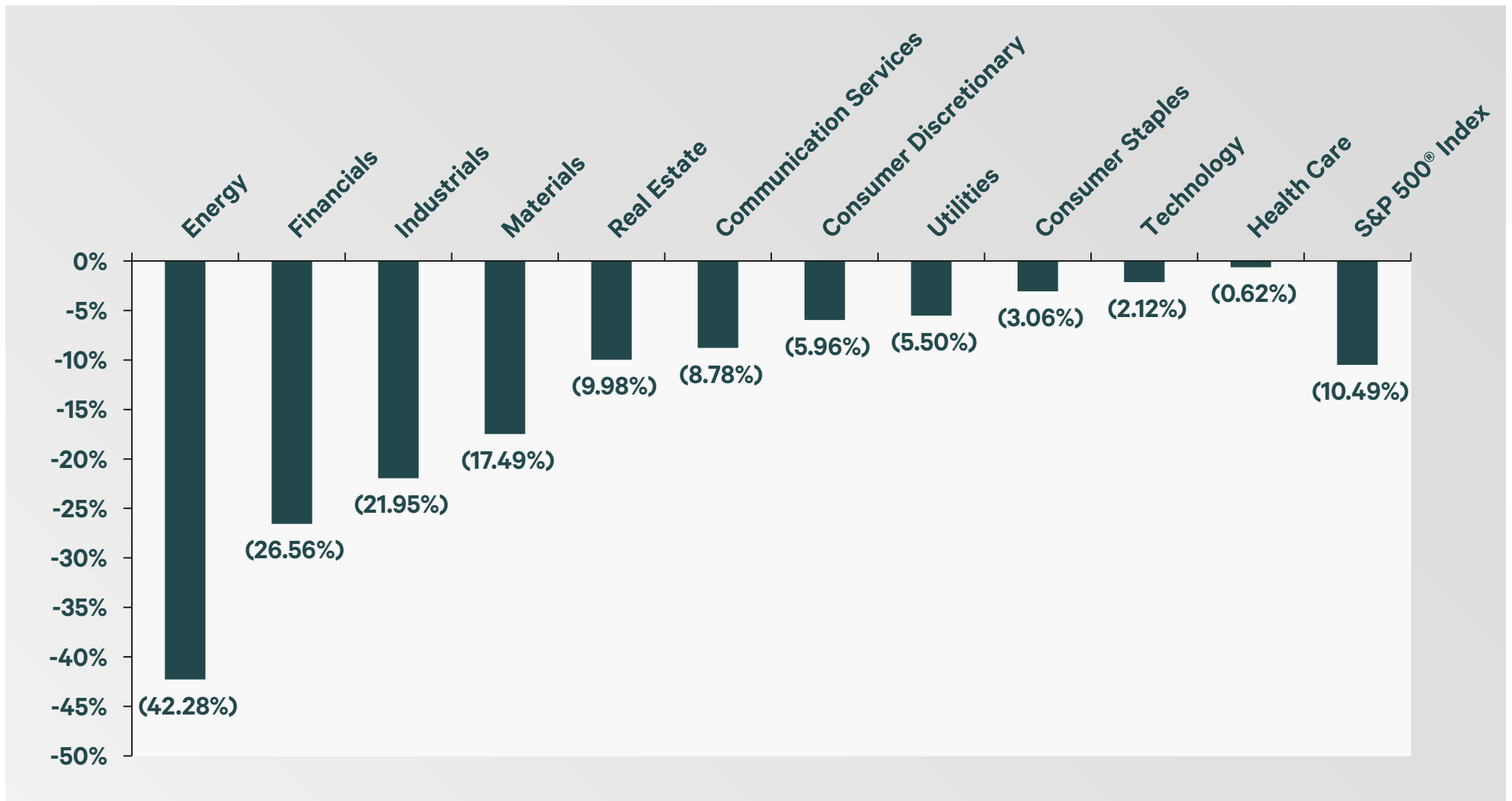
## **2020 Market Review & Outlook**

Presentation by Douglas S. Foreman, CFA – Chief Investment Officer



# S&P 500® INDEX SECTOR RETURNS

YEAR-TO-DATE ENDING 4/17/20

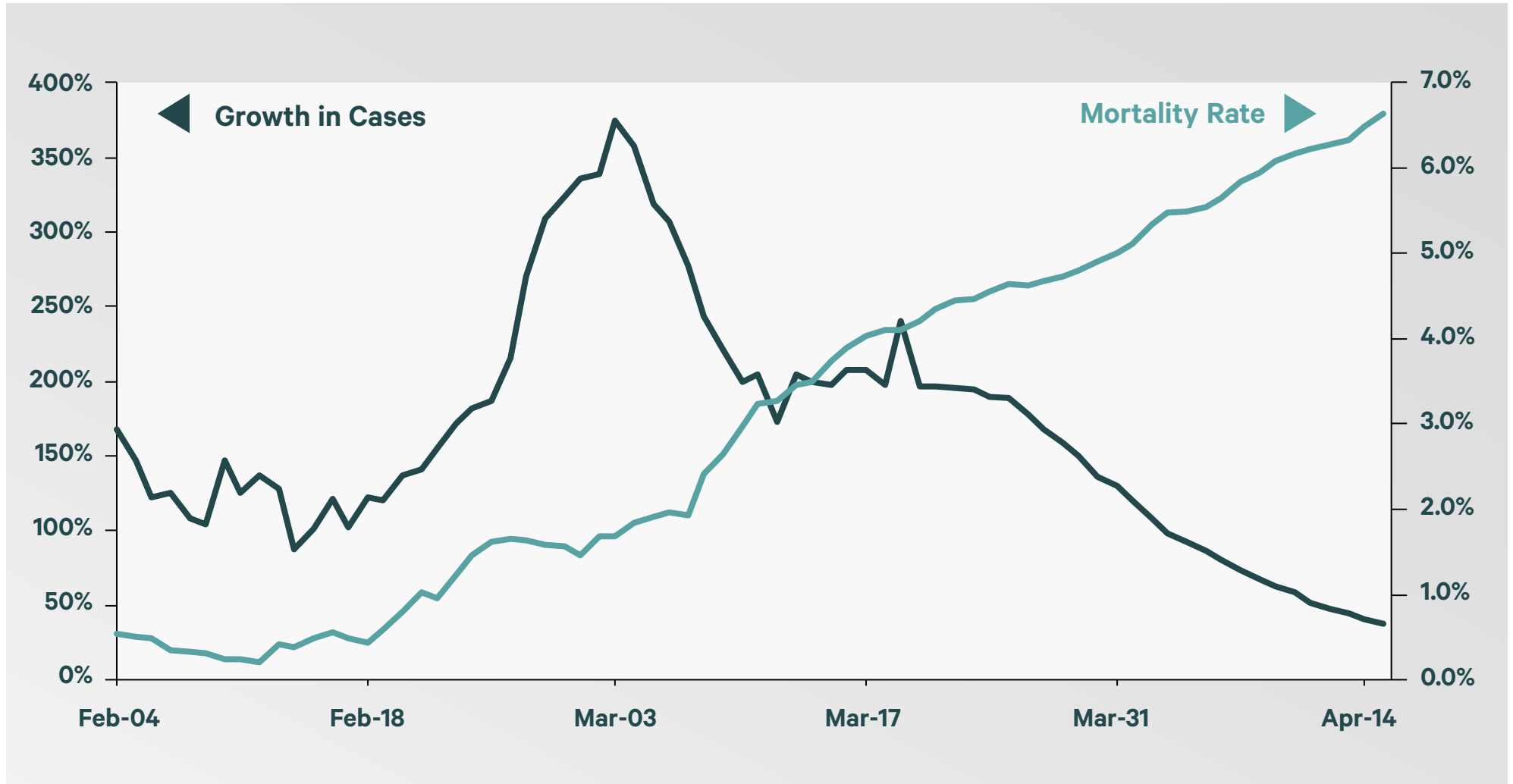


# EARNINGS CONTRIBUTION BY INDUSTRY

CONTRIBUTION TO 2019 S&P 500® OPERATING EARNINGS



# WEEKLY % CHANGE IN COVID-19 CASES & MORTALITY RATE, EX. CHINA



Sources: Johns Hopkins CSSE and J.P. Morgan Asset Management

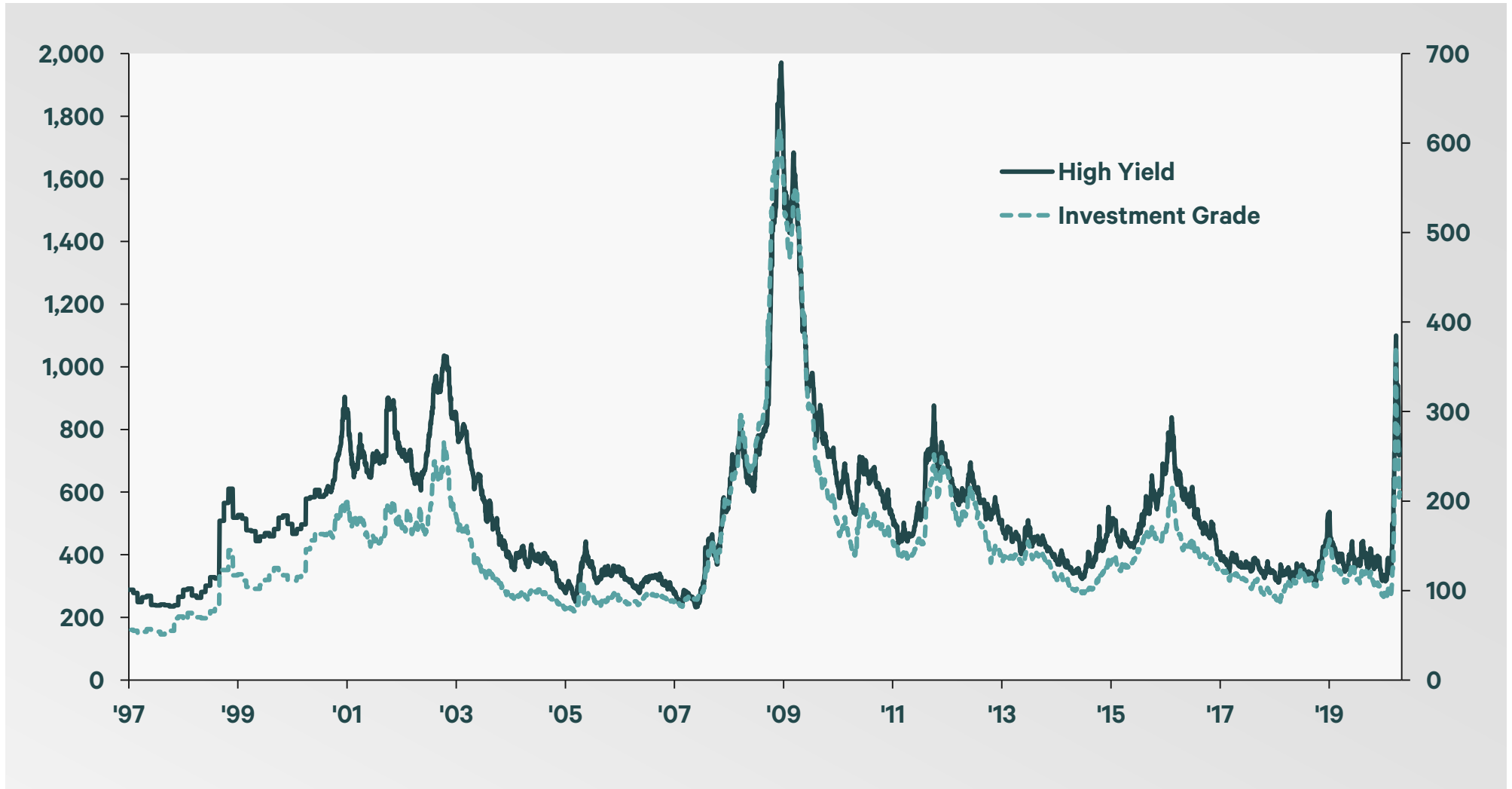
Growth in cases is the week-over-week percent change in cumulative cases outside of China. The mortality rate is the number of fatalities reported per the total number of confirmed cases reported outside of China. Data as of April 15, 2020. Past performance is no guarantee of future results.

# CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT



Amount (\$ bn)	Measure
\$290	One-time stimulus checks amounting to \$1,200 per adult and \$500 per child up to certain income limits
\$260	Enhanced, expanded and extended unemployment benefits, adding \$600 per week to every unemployment check for 4 months, expanding program to cover contractors and self-employed and extending program to 39 weeks from 26 weeks
\$510	Loans to distressed businesses, cities and states. Includes \$29 billion for airlines, \$17 billion for firms deemed important for national security and \$454 billion as backstop for loans to other businesses, cities and states.
\$377	Small business relief, largely in the form of "forgivable loans" for spending on payroll, rent and utilities
\$150	Direct aid to state and municipal governments
\$180	Health-related spending
\$516	Other spending and tax breaks
<b>\$2.283 trillion</b>	<b>~ 10.8% of GDP</b>

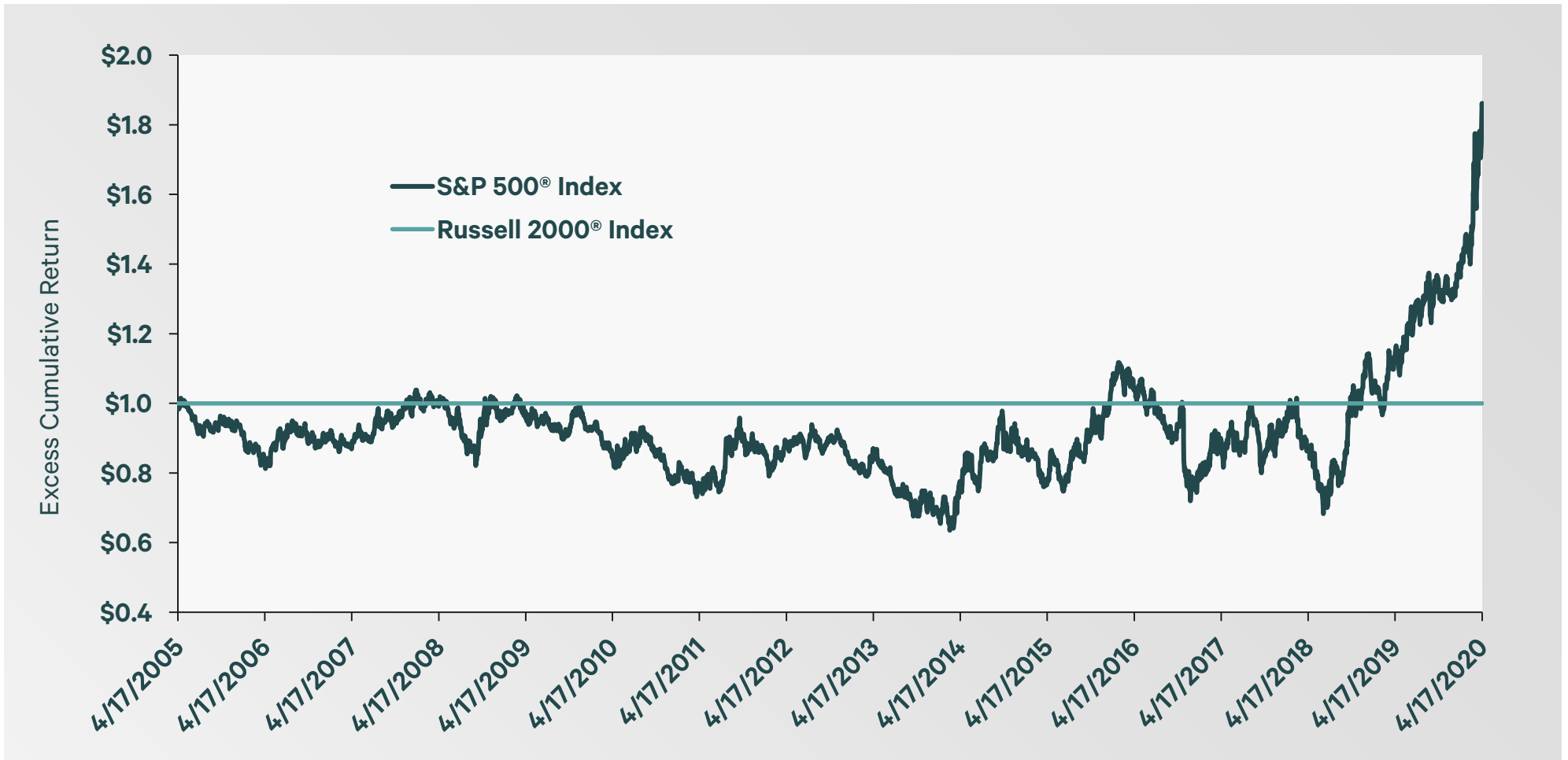
# HIGH YIELD & INVESTMENT GRADE OPTION-ADJUSTED SPREADS (BPS)



Source: Strategas  
Data as of April 16, 2020. Past performance is no guarantee of future results.

# RELATIVE PERFORMANCE OF THE S&P 500® INDEX VS. THE RUSSELL 2000® INDEX

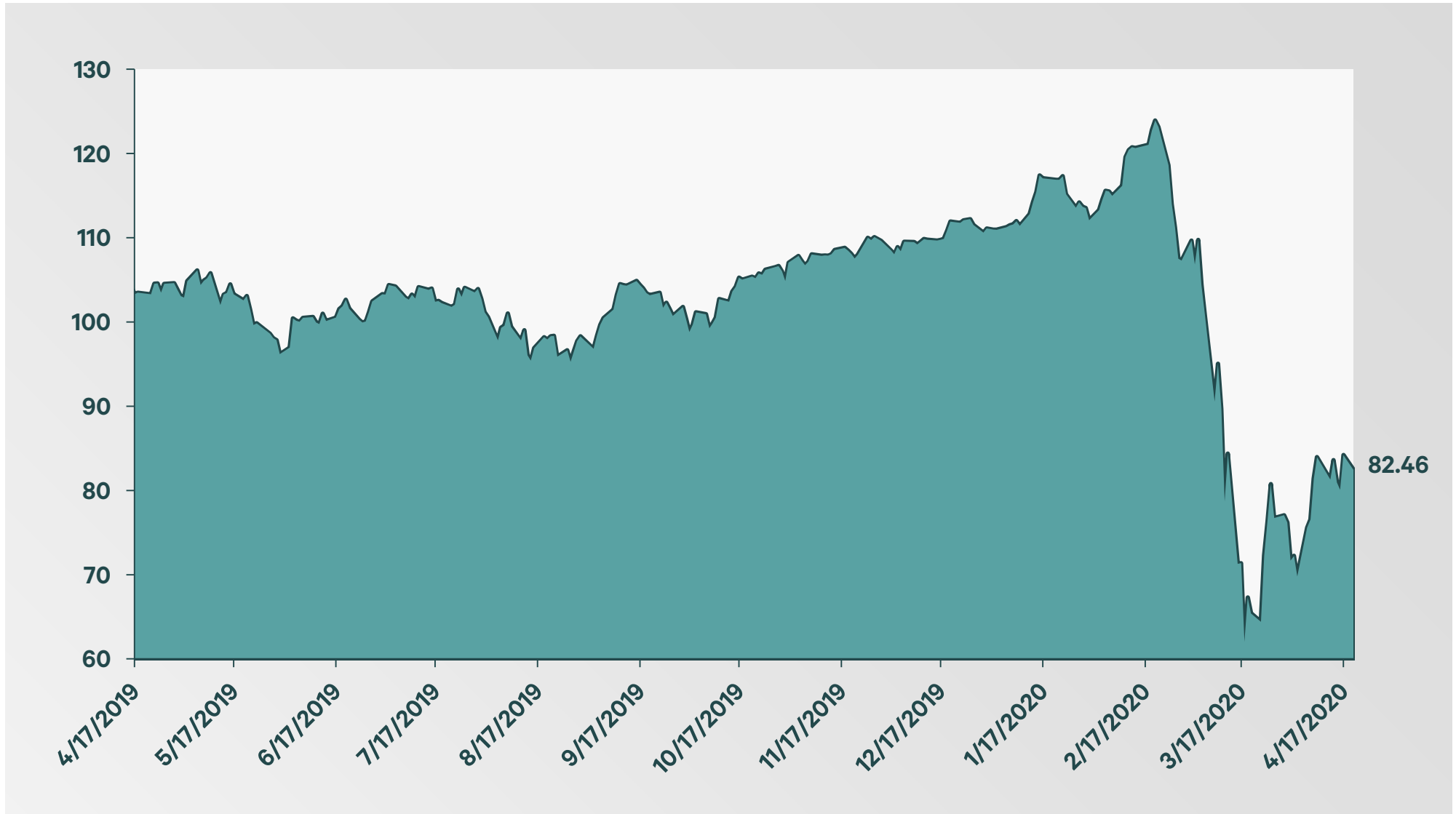
S&P 500® INDEX OUTPERFORMING SINCE MID-2018



Source: FactSet Research Systems  
Data presented is for the 15 years ending April 17, 2020. Past performance is no guarantee of future results.

# PERFORMANCE OF HIGHLY LEVERAGED EQUITIES

## JP MORGAN INDEBTED COMPANIES INDEX

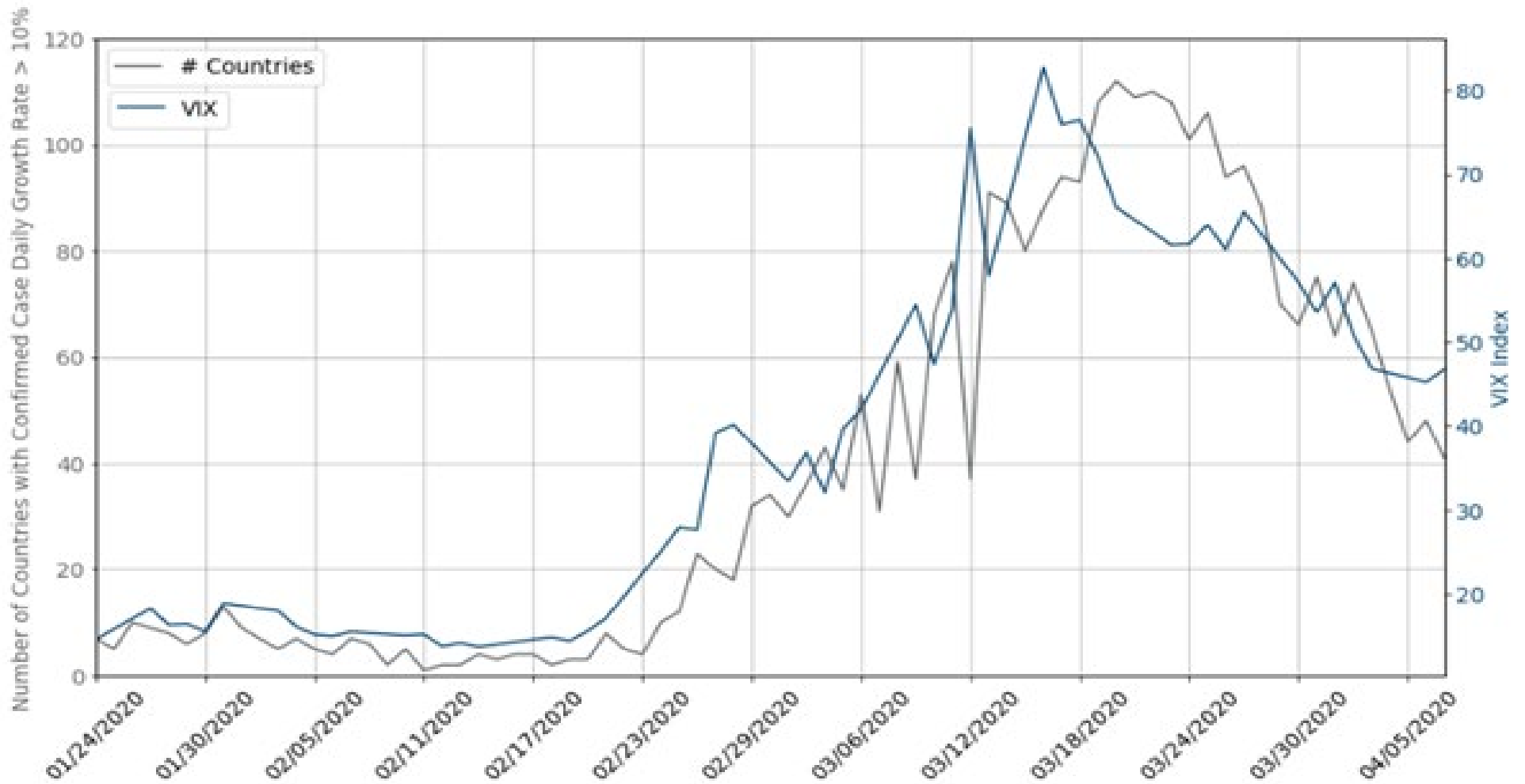


Source: Bloomberg

Data as of April 20, 2020. Past performance is no guarantee of future results.



# VIX (VOLATILITY INDEX) VS. COVID-19 CASES



Sources: Johns Hopkins CSSE, CBOE and J.P. Morgan Asset Management  
Data as of April 5, 2020. Past performance is no guarantee of future results.

# 10 BEST WEEKS FOR THE S&P 500® SINCE 1928

Rank	Week Ending	Weekly Return
1	6/26/1931	16.1%
2	7/29/1932	16.0%
3	6/24/1938	15.3%
4	10/11/1974	14.1%
5	3/17/1933	13.5%
6	8/5/1932	12.8%
7	9/8/1939	12.3%
8	4/10/2020	12.1%
9	11/28/2008	12.0%
10	7/15/1932	11.8%

Source: Strategas

Data as of April 13, 2020. Past performance is no guarantee of future results.

# IMPORTANT DISCLOSURES

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An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been detected globally. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to KAR’s investment strategies.

KAR

Kayne Anderson Rudnick

Wealth Advisors

