



2021 equity outlook

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2021 is going to be a recovery year from COVID.

There are two different type of trends that we follow in the marketplace. One is cyclical, the other is secular. I'll start with secular.

Secular is usually these longer-term trends and creates opportunities for companies to grow earnings, their revenues, customer base for over a longer time period.

Cyclical companies, where they are much more following the economic activity in the marketplace. And what we mean by that is economies go through cycles. Because we experienced the downturn in 2020, we are expecting a recovery in 2021. And once that happens, these cyclical companies following the economic activities will start to outperform.

We believe that the secular trends, digitalization, understanding your customer by using data, are the trends that will continue in 2021, regardless of what happens with the vaccine. Those are the trends that are really helping the companies to be very strong, competitive, and create competitive advantage in their industries. They are secular trends, so they don't change very often. The interesting dynamic is though those companies with that type of secular strength, were the ones that are really outperformed during 2020 and the winners, the number of companies outperform was pretty narrow, small number. But we are expecting in 2021, they will continue to outperform, but the outperformance, the winners will extend to more cyclical stocks too.

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