

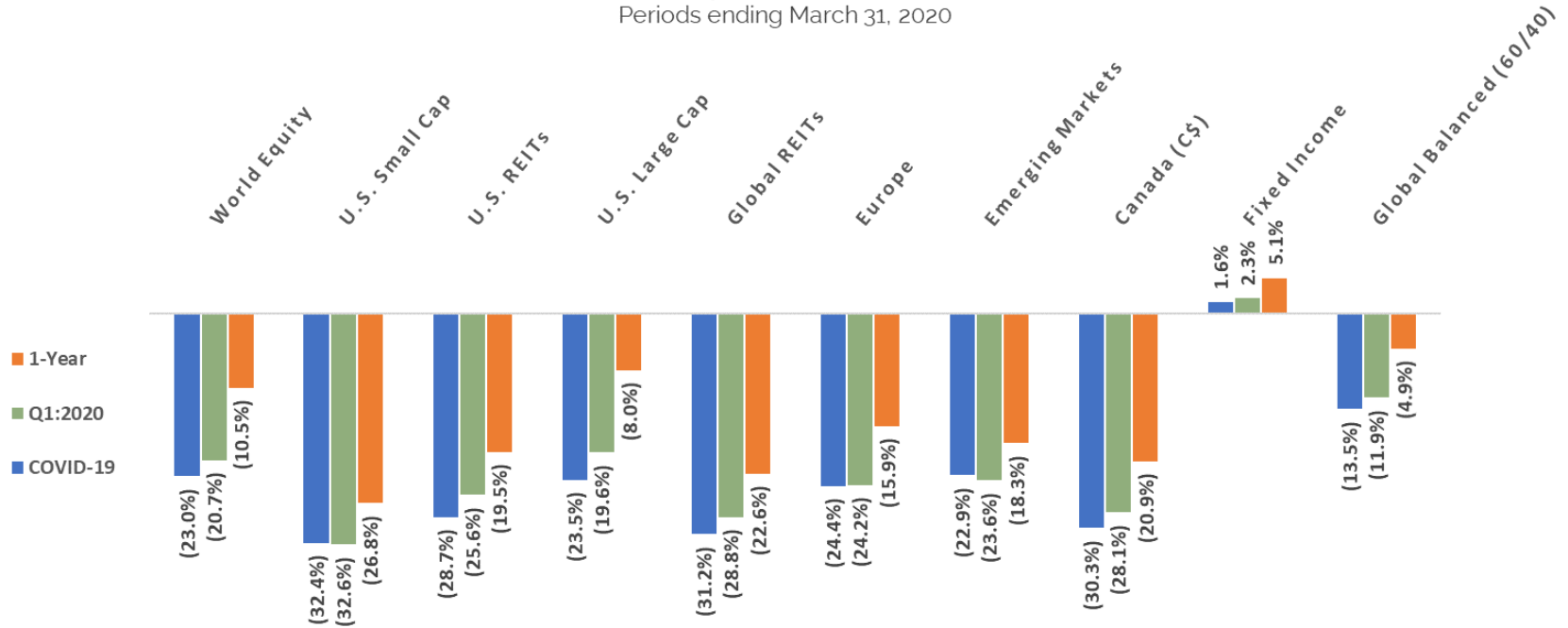
Spring 2020

Our *Playbook* is designed to share our quarterly views in a visual presentation with comments providing context to what we believe are the pertinent issues of the most recent quarter and what we see moving forward.

Coronavirus Brings Back Volatility

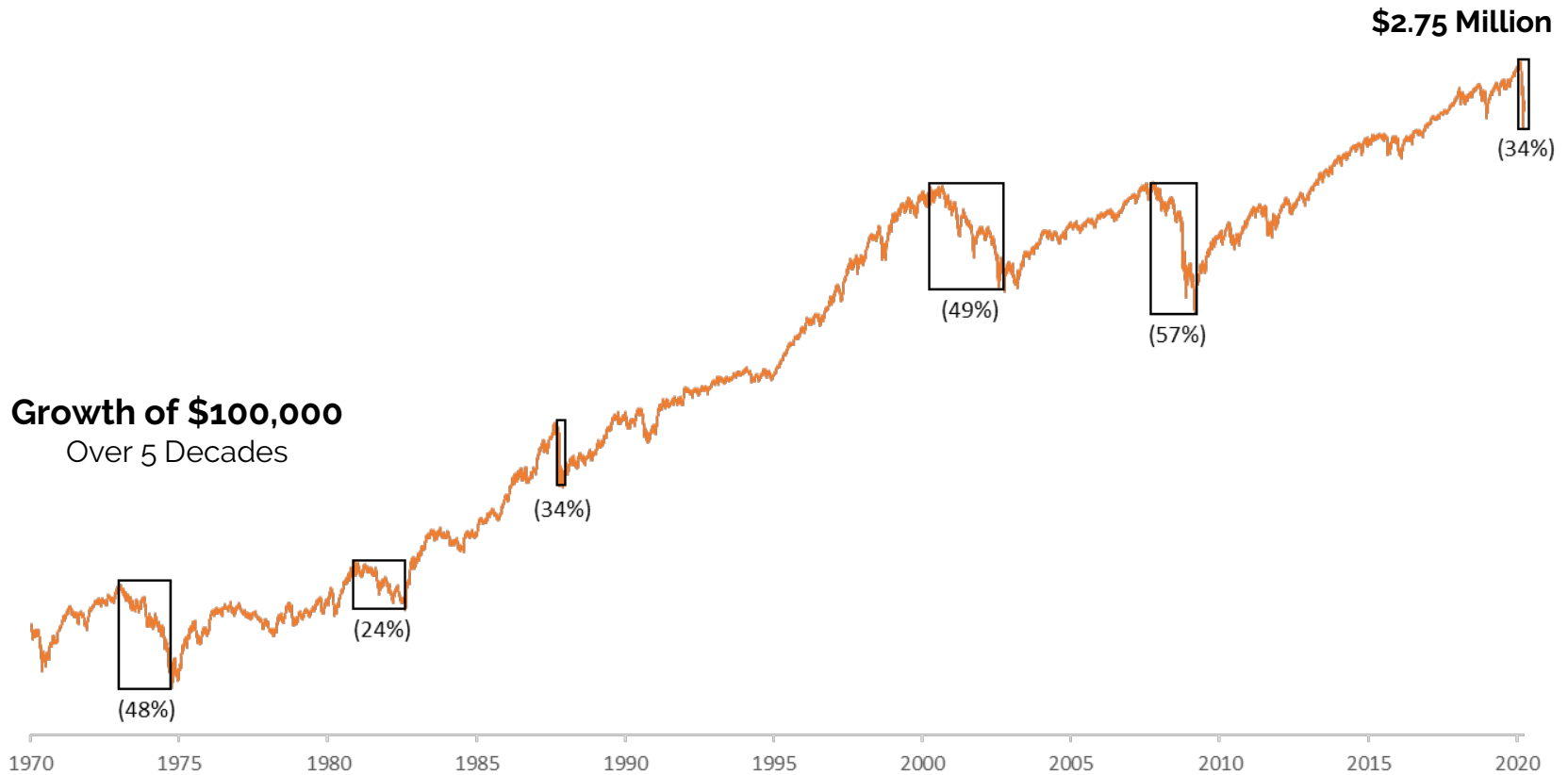
Global Capital Market Returns

Periods ending March 31, 2020



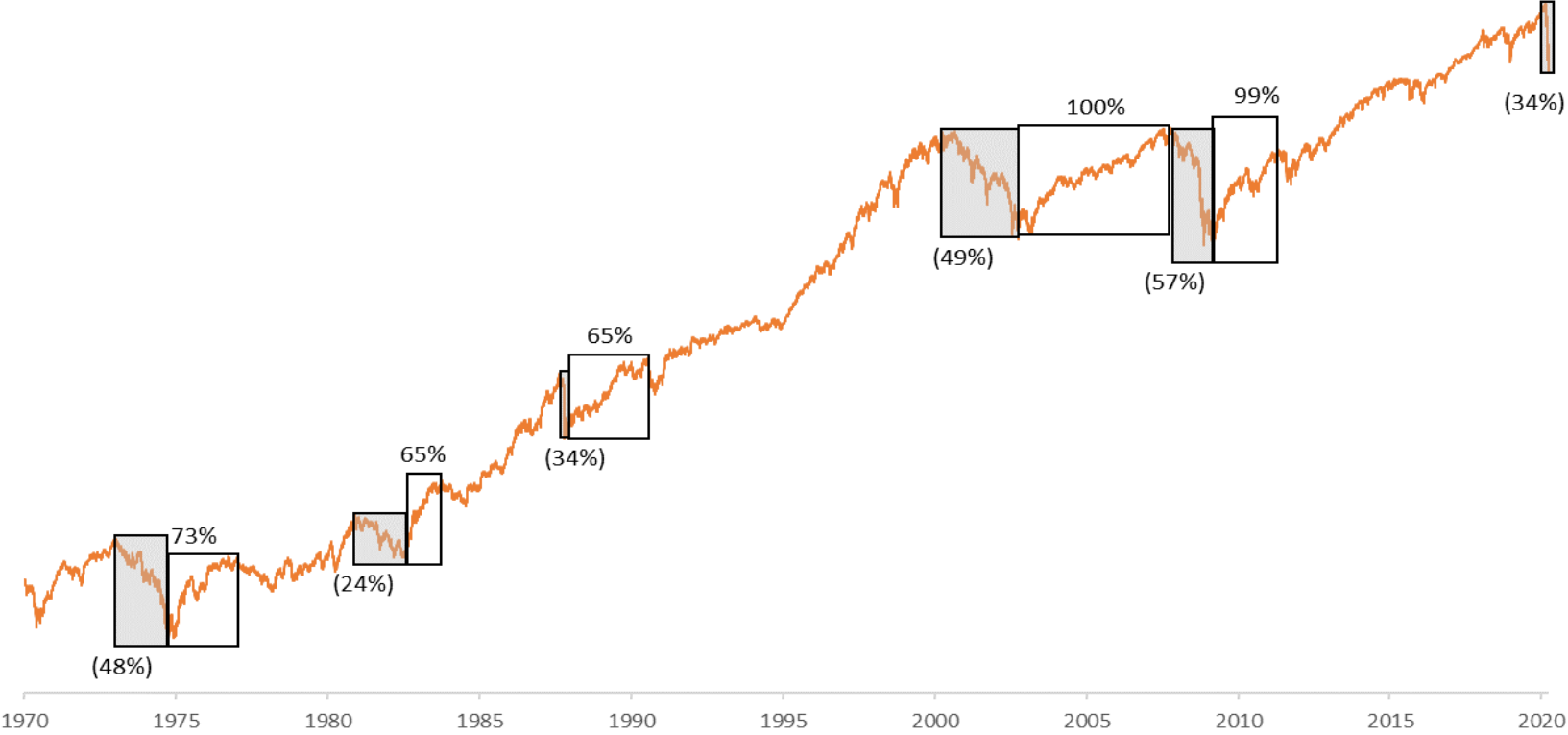
Source: Standard & Poor's, MSCI, FTSE, Wilshire. U.S. Large Cap: S&P 500 Composite (incl. Dividends), Canada (C\$): S&P/TSX 60 Composite, World Equity: S&P Global 1200 (incl. Dividends), Europe: MSCI Europe Gross, U.S. Small Cap: S&P 600 Small Cap, Emerging Markets: MSCI Emerging Markets Gross, U.S. REITs: Wilshire U.S. REITs Index, Global REITs: S&P Global REITs Index, Fixed Income: FTSE World Government Bond Index 1-5 Year Hedged

Remember – Stocks Are for the Long Run



Source: Standard & Poor's, One Capital Management analysis. Stock returns represented by the S&P 500 over the time period 1/1/1970 to 03/27/2020.

Coronavirus Outbreak Drives Selloff



Source: Standard & Poor's, One Capital Management analysis. Stock returns represented by the S&P 500 over the time period 1/1/1970 to 03/27/2020.

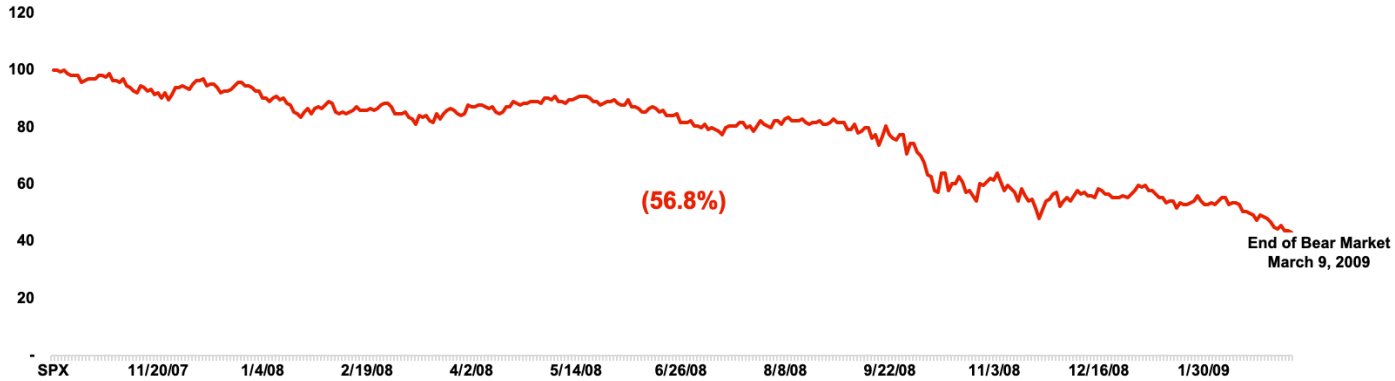
The Bad



Source: Bloomberg and Blackstone Investment Strategy, as of 12/31/2019. Based on monthly price to earnings ratios.

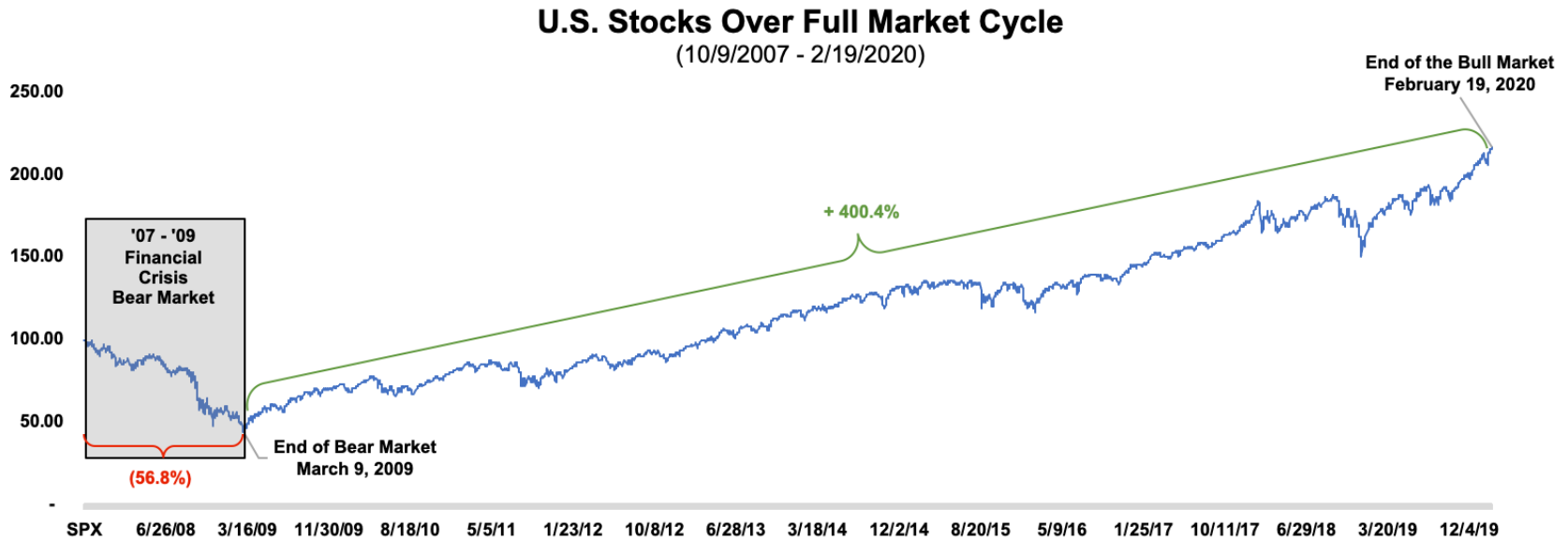
In a Bear Market, Beware of False Starts

Financial Crisis Bear Market
(10/9/2007 - 3/9/2009)



Source: Standard & Poor's, One Capital Management analysis.

Stocks Over Full Market Cycles

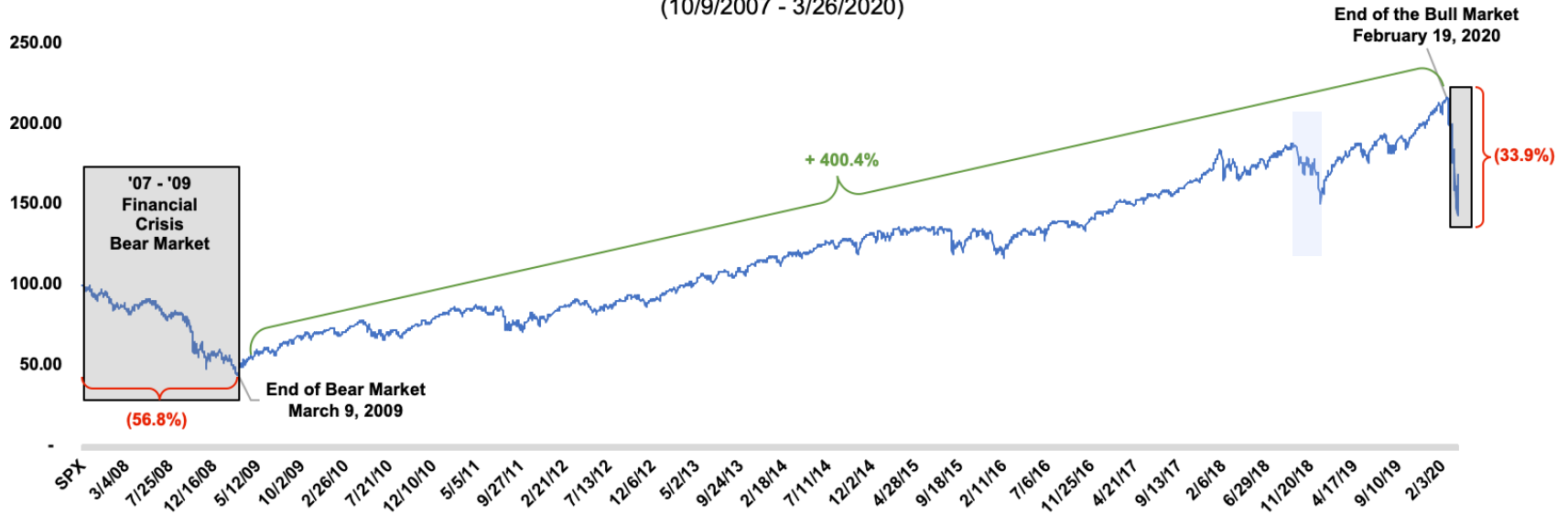


Since 2007, we've experienced a Bear Market down 57%, the longest Bull Market in history producing a 400% rise. All told, we've earned 116% over the Full Market Cycle, a 6.4% annualized return.

Source: Standard & Poor's, One Capital Management analysis.

Stocks Over Full Market Cycles

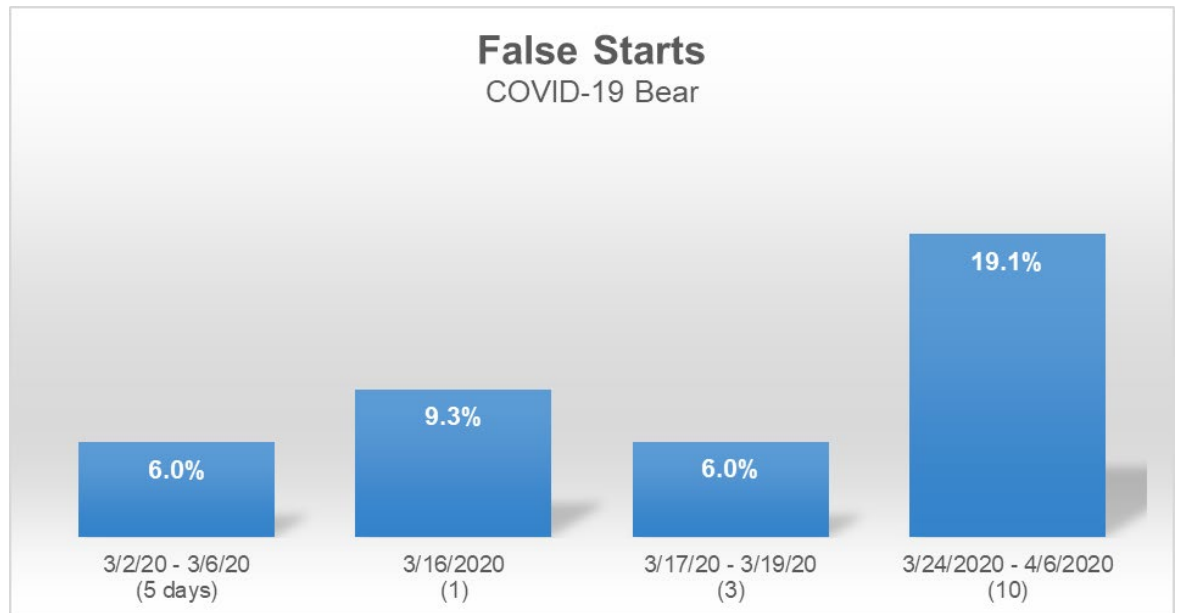
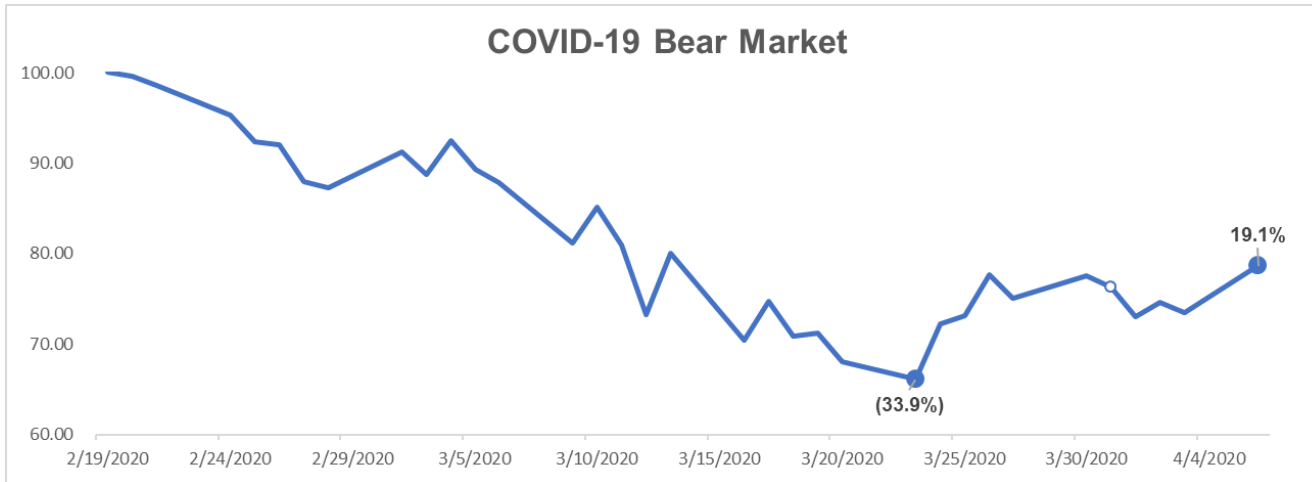
U.S. Stocks Over Full Market Cycle
(10/9/2007 - 3/26/2020)



Let's not forget False Starts can go the other way as well. In late 2018 (shaded in blue above), U.S. stocks declined to a near bear market – down 19.7% over 57 trading days, before getting back on track for the final segment of the post-Financial Crisis Bull Market.

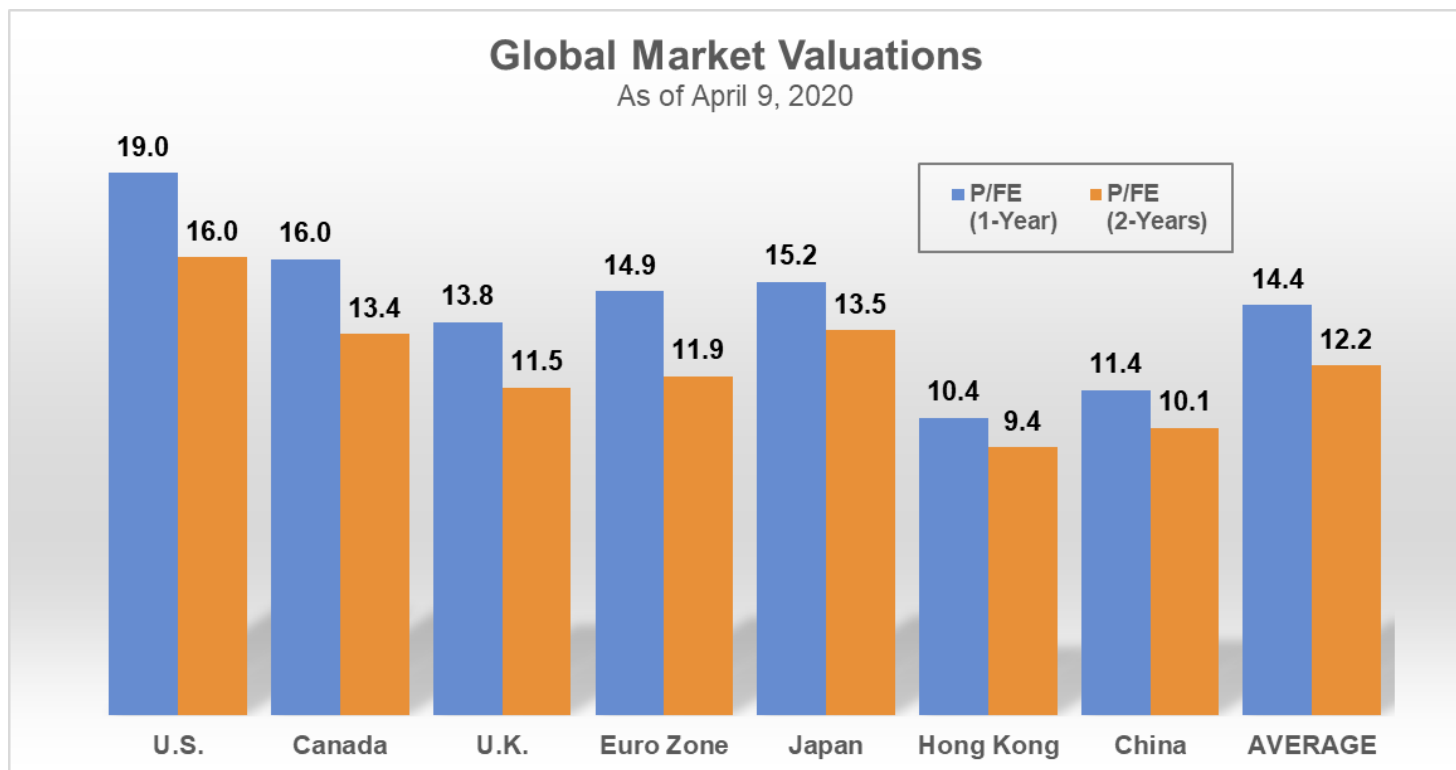
Source: Standard & Poor's, One Capital Management analysis.

COVID-19 False Starts



Source: Standard & Poor's, One Capital Management analysis. Equity market returns represented by the S&P 500 Price.

The Nearly Indiscriminate Bear Creates Opportunity



Source: Bloomberg, MSCI, One Capital management analysis. Data are as of March 27, 2020. Markets are represented as follows: U.S. – Standard & Poor's 500, Canada – S&P TSX, U.K. – FTSE 100, Euro Zone – Euro STOXX 50, Japan – Nikkei Index, Hong Kong – Hang Seng Index, China – CSI 300 A—shares Index. Historical S&P 500 valuations: 20-year Average as of 12/31/2019: 15.5, 12/31/2019 P/FE: 18.2.

Winners and Early to Recover



Source: Bloomberg and Blackstone Investment Strategy, as of 12/31/2019. Based on monthly price to earnings ratios.

What We're Doing

Rebalancing: We slowed our customary rebalancing

Tax Trades: Swapping ETFs to realize losses

Tactical: Sell Halliburton – oilfield services companies will be slow to rebound, low oil prices will hang over service companies

New Names:

Visa Inc. - largest electronic payments network

Dominion Energy – utility with great dividend and balance sheet

U.S. High Yield Fixed Income - Increasing position, spreads at +600 bps over high credit



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April 9, 2020