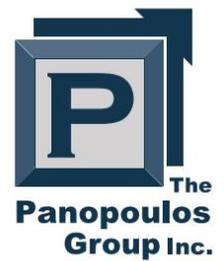


# TPG Q2 Update

JUNE 30, 2020



## Q2 2020 Performance Update:

The second quarter of 2020 was historic for all the wrong reasons. It wasn't that the markets performed poorly, they had a record rise in Q2, but only because of the record selloff starting from the February highs. The markets kept shrugging off all of the negative doom and gloom scenarios being played out by the media, and just rose, with Technology stocks closing at all-time highs.

The TPG models spent the early part of Q2 buying in to Technology, Healthcare, and the S&P 500. The TPG models are now up YTD as follows: SAG +15.79%, LMG model was up 15.65%, and the PAG model was up +60.3%, all net of fees. To compare, the S&P 500 is down -4.85%.

## Covid-19 Now:

It seems as if we know a lot more about Covid-19 now than 3 months ago, but there are still many questions. When will a vaccine be ready? Will Covid-19 come back for round two? If so, will it be worse the second time around? One thing we do know. The rescue package issued by the government kept the economy from total collapse.

Hopefully everyone does their part to keep the virus from spreading out of control and we can look toward the end of this saga.

## TPG Outlook for Q3 and 2020:

The U.S. economy has thus far not been damaged at anywhere near what doom and gloomers were predicting. As always, when earnings season kicks off in mid-July, we will get a better picture of how bad Q2 was, and how quickly Q3 & Q4 recover. Early indications show that Q2 may not have been as bad for industries other than, Airline, Travel, Restaurants, Hospitality, etc.

Stay at home Technology looks to remain a leader.

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I believe the safest opportunities remain in the U.S. and in large cap securities.

## Q & A:

### Q: Where are you working from right now?

A: At the new office since May 1<sup>st</sup>! To make life a little simpler going forward, my office phone number and my mobile number, 630-607-9171, will be the same.

### Q: What can we hope for the markets the rest of the year?

A: Choppy, with more upside. If Q2 was the worst of it and Q3 starts to show some recovery with the possibility that Q4 shows growth again, I think the markets can move higher. The election is a question mark. The markets do not like a change in party during mid term elections, so that is something to keep an eye on. Either way, my models were designed to positively navigate during times of uncertainty, and will make changes accordingly.

### Q: Do you ever buy back securities that were sold?

A: Yes.

*“Hope is not a strategy.” TPG*



S&P 500