

The logo consists of the text 'Fi360' in a white, sans-serif font. The 'i' has a dot. The '3' is a simple numeral. The '6' has a small loop at the bottom. The '0' is a simple circle.

Fi360

A Broadridge® Company

Today's Presenting Sponsor

**Federated
Hermes**

The logo symbol for Federated Hermes, consisting of three thick horizontal bars of decreasing length stacked vertically, with a small dot at the bottom right.

Orlando's Outlook: 2020 Election - Post-Election Update

Fi360 Webinar Seminar

Presented by
Philip J. Orlando, CFA
Senior Vice President
Chief Equity Strategist

November 19, 2020

Federated Advisory Services Company

2020 Election - The Most Consequential in Our Lifetimes?



Who will be the next President of the United States?



Will the Republicans retain control of the Senate or will it revert back to a Democratic majority?



Will Democrats retain control of the House of Representatives?



Will the balance of the Supreme Court shift from Conservative to Liberal by introducing term-limits and "stacking" the court?



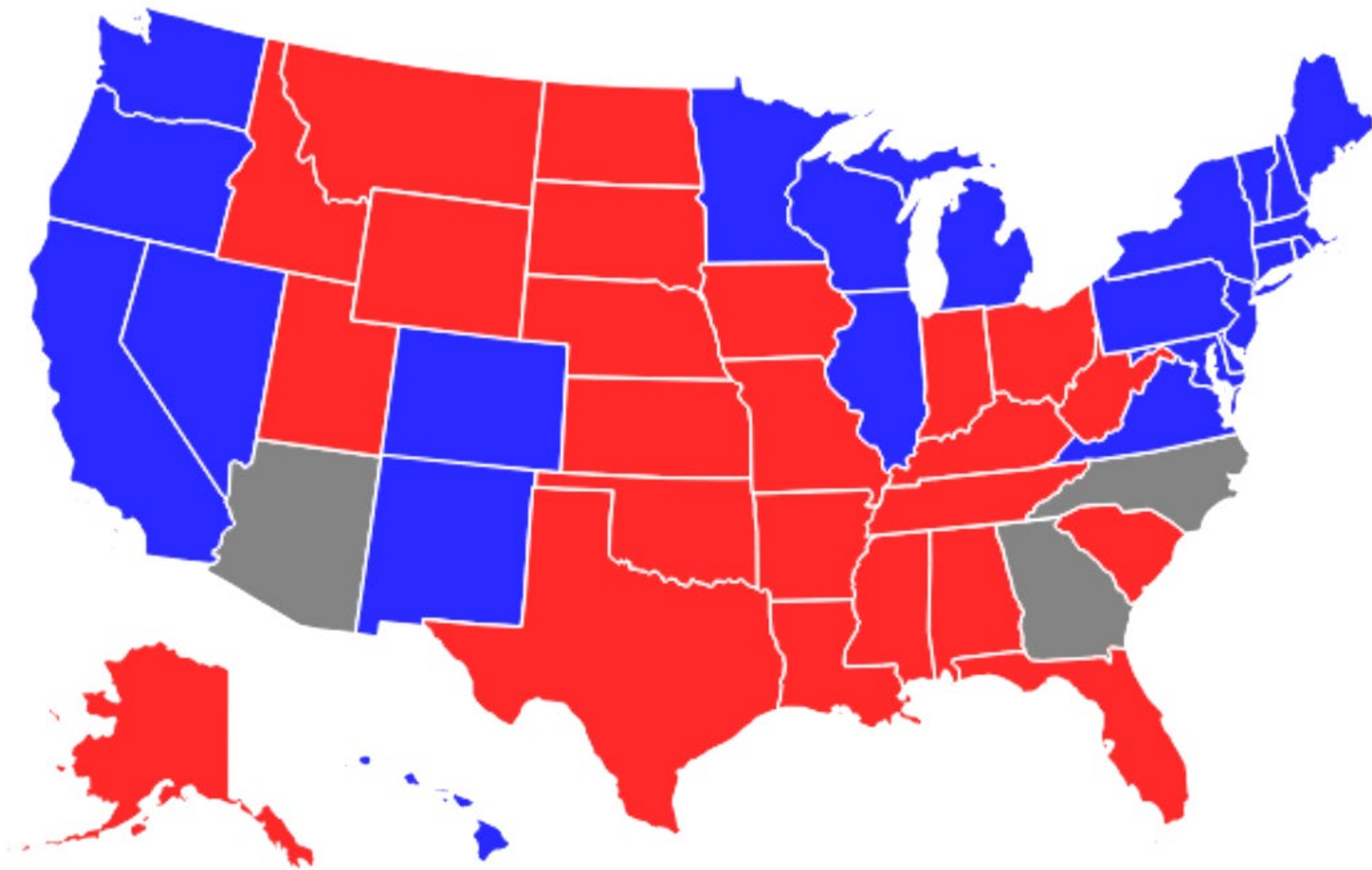
Who will be the next Chair of the Federal Reserve in February 2022 and will the Fed have a new third "racial diversity" mandate?

2020 Presidential Election Electoral Vote Map & Projection

279



217



States that have not been officially called yet:

Swing State	Votes
Georgia	16
North Carolina	15
Arizona	11
Total Swing Votes	42

Source: RealClearPolitics as of November 13, 2020.

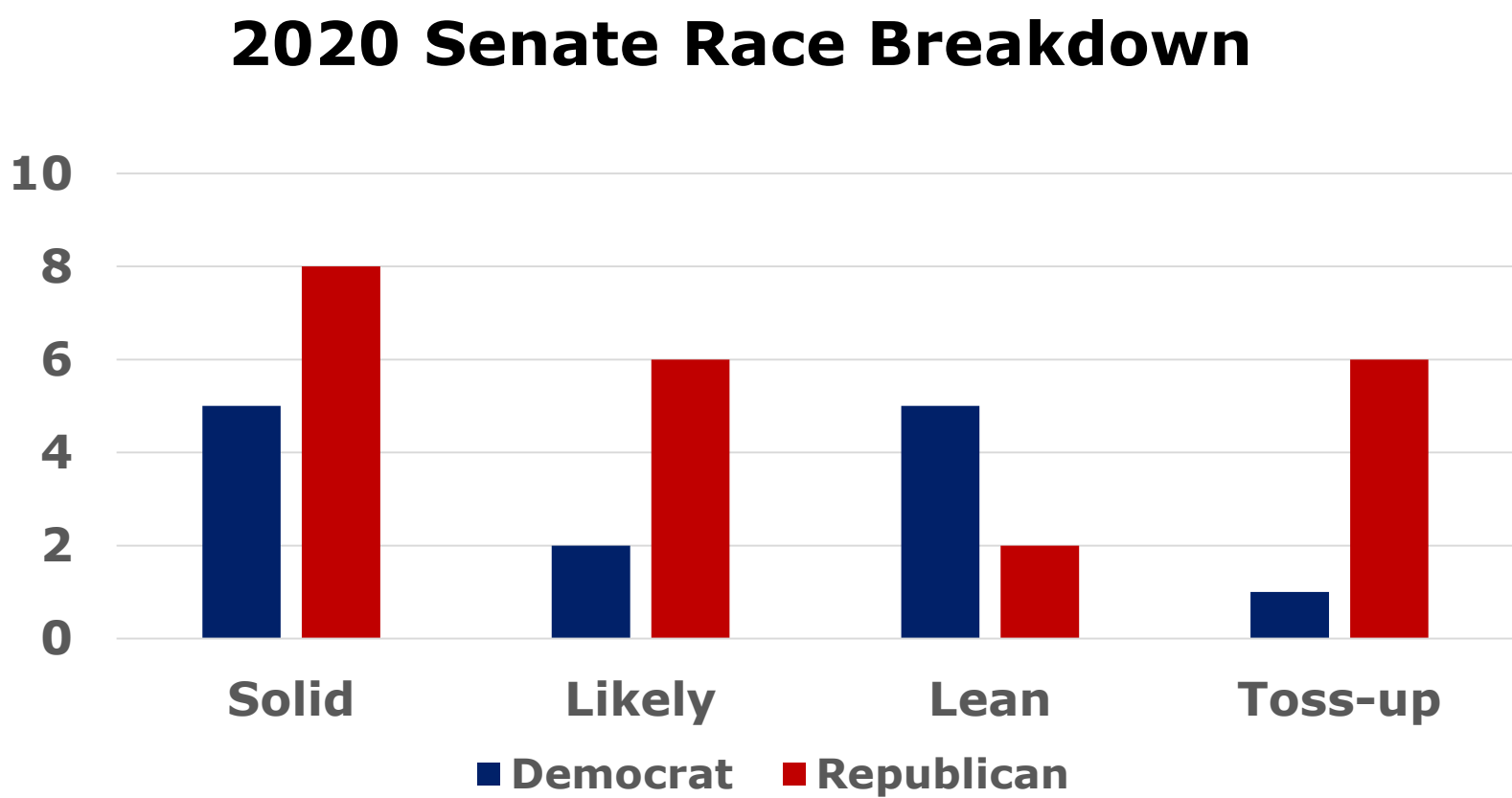
Down-Ballot Impact on the Senate



Current Senate: **53 Republicans** – **47 Democrats**

12 Democratic seats and **23 Republican** seats up for re-election

Democrats need to flip a **Net of 4 seats** OR a **Net of 3 seats** and **the Presidency** for Senate Control



40 Democrat Seats	42 Democrat Seats	47 Democrat Seats	7 Seats Remaining	46 Republican Seats	44 Republican Seats	38 Republican Seats
SOLID D	LIKELY D	LEAN D	TOSS UP	LEAN R	LIKELY R	SOLID R
DE-Coons (D) IL-Durbin (D) MA-Markey (D) OR-Merkley (D) RI-Reed (D)	NJ-Booker (D) VA-Warner (D)	NH-Shaheen (D) NM-Open* (D) MN-Smith (D) CO-Gardner (R) AZ-McSally (R)	IA-Ernst (R) GA1-Perdue (R) ME-Collins (R) MT-Daines (R) NC-Tillis (R) SC-Graham (R) MI-Peters (D)	GA2-Loeffler (R) TX-Cornyn (R)	AL-Jones (D) KY-McConnell (R) KS-Open* (R) AK-Sullivan (R) MS-Hyde-Smith (R) TN-Open* (R)	AR-Cotton (R) ID-Risch (R) LA-Cassidy (R) NE-Sasse (R) OK-Inhofe (R) SD-Rounds (R) WV-Moore Capito (R) WY-Open* (R)

*Retiring, open seat
Source: RealClear Politics as of October 19, 2020.

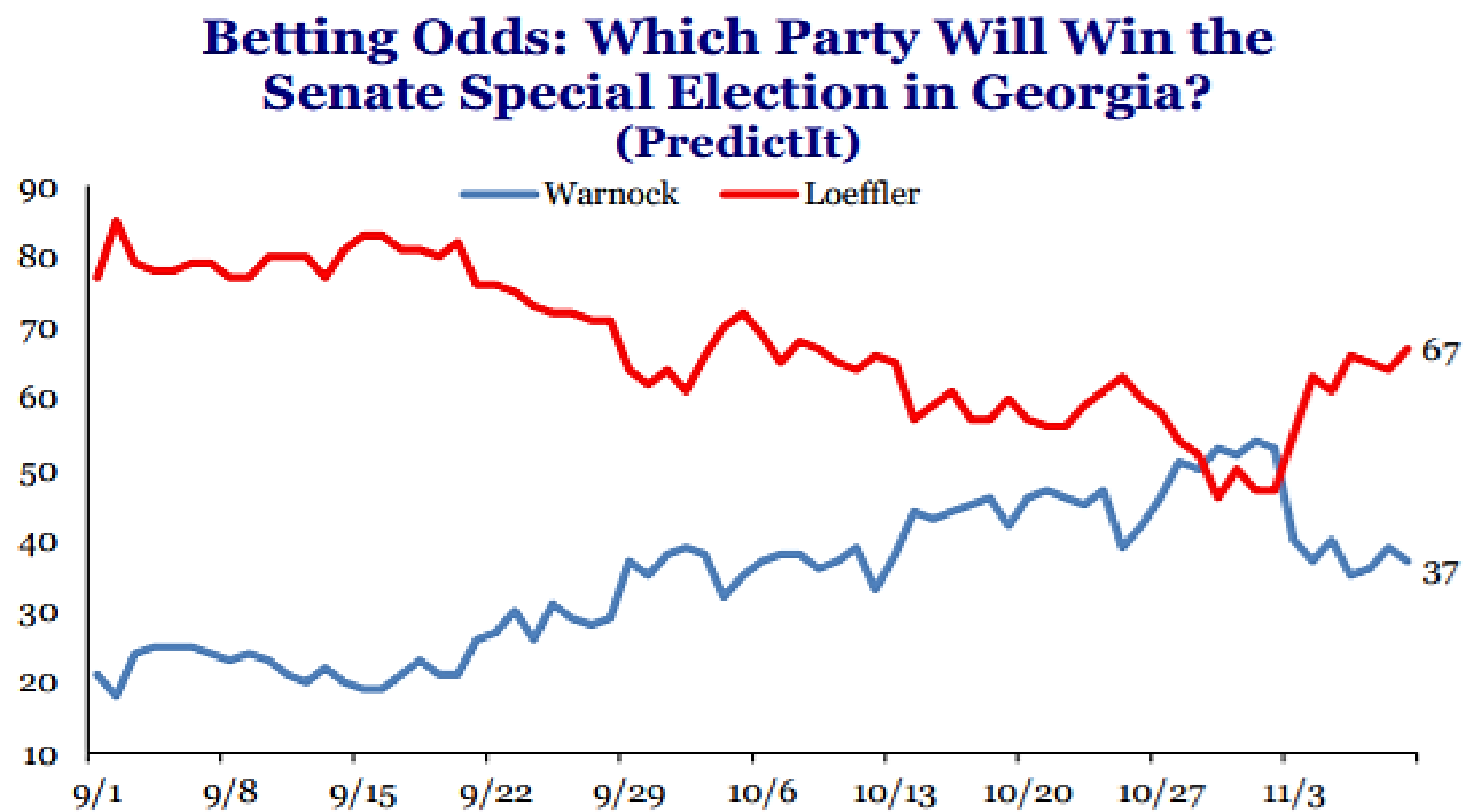
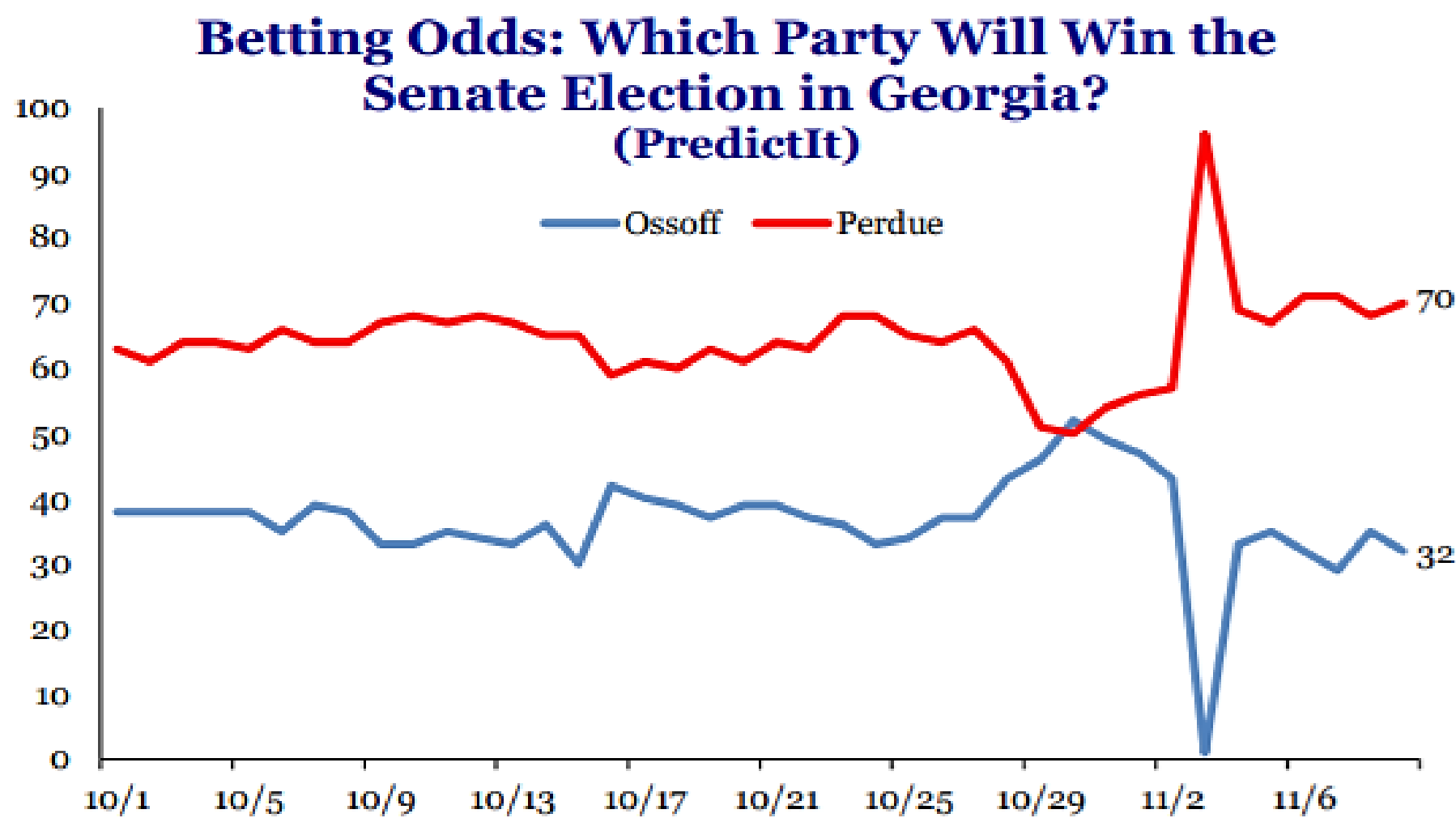
Georgia On My Mind

2016 Senate:
53 Republicans – **47 Democrats**



Current Senate:
50 Republicans (-1) – **48 Democrats (+1)**
GOP Pickup – Alabama
Dem Pickup – Arizona
Dem Pickup - Colorado

***2 Seats in Georgia are heading into a runoff election on January 5, 2021,
which will determine the majority party***



Source: Strategas Research Partners as of November 10, 2020. RealClear Politics as of November 11, 2020.

Down-Ballot Impact on the House

Critical House Races of 2020

	Democrat	Republican		
California District 21	Cox 49.2	Valadao 50.8	91%	
California District 25	Smith 50.0	Garcia 50.0	99%	
Iowa District 2	Hart 50.0	Miller-Meeks 50.0	89%	
New Jersey District 7	Malinowski 50.8	Kean Jr. 49.2	90%	
New York District 3	Suozzi 49.0	Santos 50.5	100%	
New York District 22	Brindisi 43.4	Tenney 54.5	83%	
Utah District 4	McAdams 47.0	Owens 47.5	97%	
California District 39	Cisneros 49.4	Kim 50.6	99%	GOP Pickup
California District 48	Rouda 49.0	Steel 51.0	99%	GOP Pickup
Florida District 26	Mucarsel-Powell 48.3	Gimenez 51.7	100%	GOP Pickup
Florida District 27	Shalala 48.6	Salazar 51.4	100%	GOP Pickup
Georgia District 7	Bourdeaux 51.4	McCormick 48.6	99%	Dem Pickup
Iowa District 1	Finkenauer 48.7	Hinson 51.3	100%	GOP Pickup
Michigan District 3	Scholten 47.0	Meijer 53.0	100%	GOP Pickup
Minnesota District 7	Peterson 39.9	Fischbach 53.4	100%	GOP Pickup
New Mexico District 2	Small 46.2	Herrell 53.8	100%	GOP Pickup
New York District 11	Rose 42.1	Malliotakis 57.9	87%	GOP Pickup
North Carolina District 2	Ross 63.0	Swain 34.8	100%	Dem Pickup
North Carolina District 6	Manning 62.3	Haywood 37.7	100%	Dem Pickup
Oklahoma District 5	Horn 47.9	Bice 52.1	100%	GOP Pickup
South Carolina District 1	Cunningham 49.4	Mace 50.6	100%	GOP Pickup

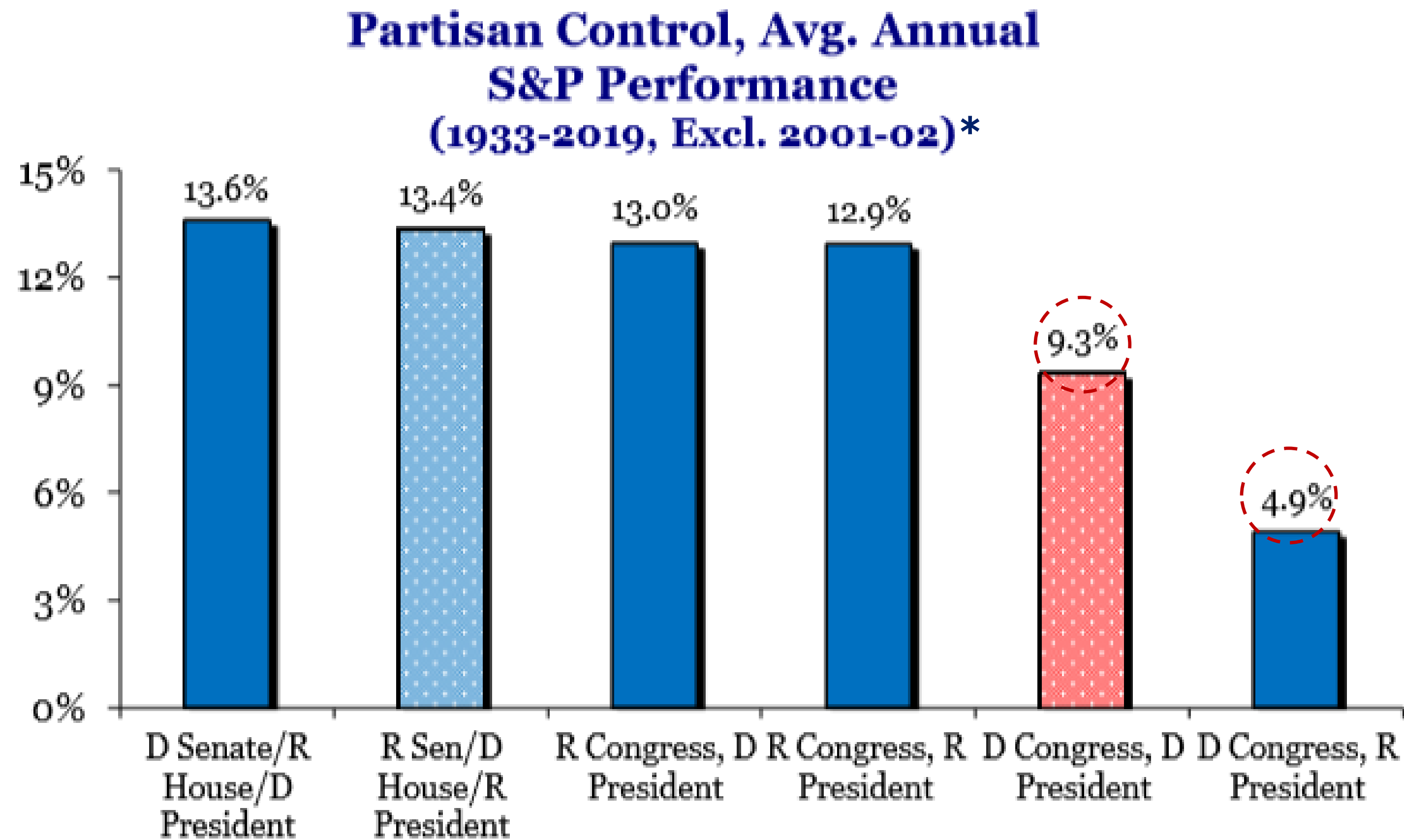


Pre-election House:
232 Democrats – **197 Republicans**
1 Libertarian and 5 open seats

Current House:
220 Democrats (-7) – **208 Republicans (+8)**

Source: RealClear Politics as of November 13, 2020.

The Power of the Purse: Control of Congress Matters Most for Stocks



Source: Strategas Research Partners as of October 2020. Past performance is no guarantee of future results.
* 2001-2002 excluded from the chart because the 2000 election resulted in a 50/50 Senate.

Fiscal Policy Trojan Horse Under Biden?

Higher Corporate Tax Rates

- Raise corporate tax rate from 21% to 28%
- Create a minimum 15% book tax rate
- Double the global minimum tax on offshore profits from 10.5% to 21%
- Carried interest treated as ordinary income
- Introduce a financial transactions tax

Higher Individual Tax Rates

- Restore the top tax rate at 39.6%
- Tax capital gains (20%) & dividends (22%) at ordinary rates
- Cap deductions at 28%
- Does not fully restore the SALT deduction

Increase Social Security Benefits

- Eliminate the income cap on Social Security taxes (12.2%), currently at \$137,700

Higher Estate Taxes

- Increase tax rate from 40% to a graduated rate of 77%, reduce the exemption from \$11.58M to \$3.5M, and eliminate the step-up basis on estate taxes

Double the Federal Minimum Wage from \$7.50 to \$15 per Hour

- Higher consumer prices
- Lower profit margins
- Increased unemployment

Free Health Care

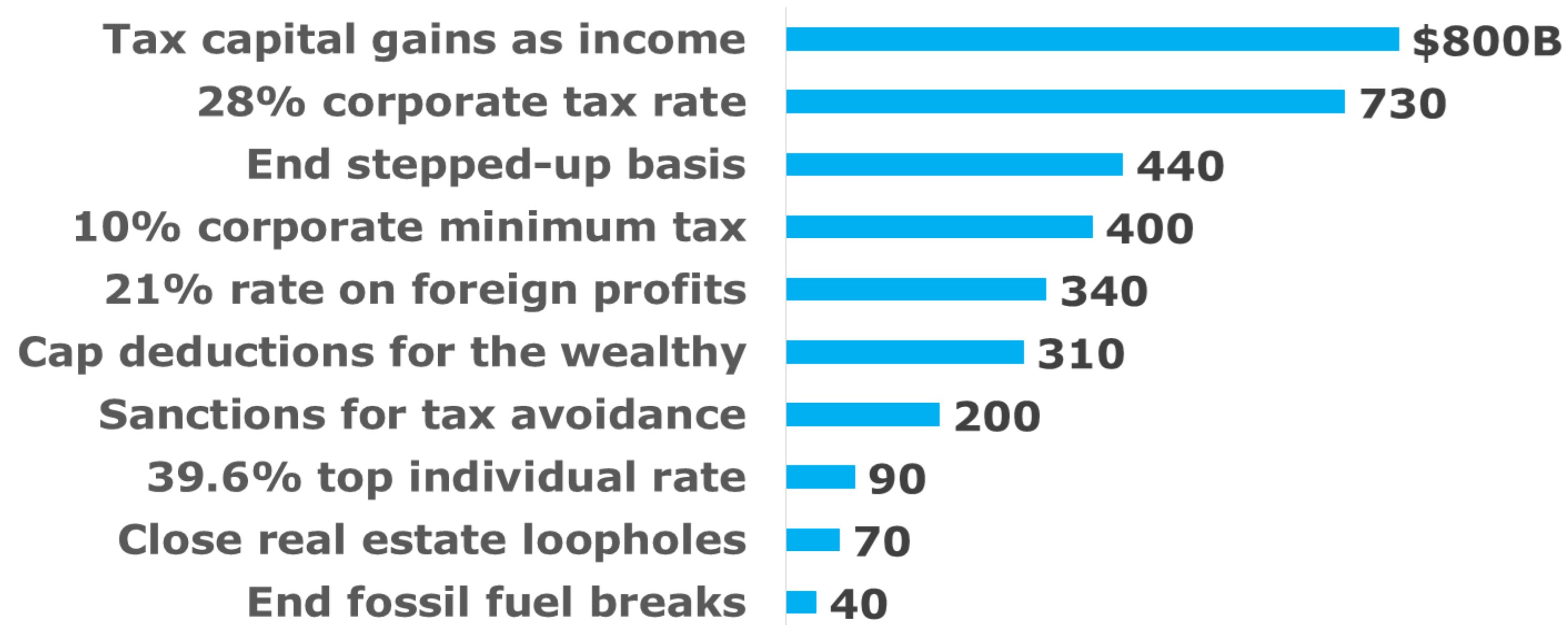
Free College Education

Absolve \$1.6 trillion in student-loan debt

A Biden Win Will Likely Lead to Higher Taxes

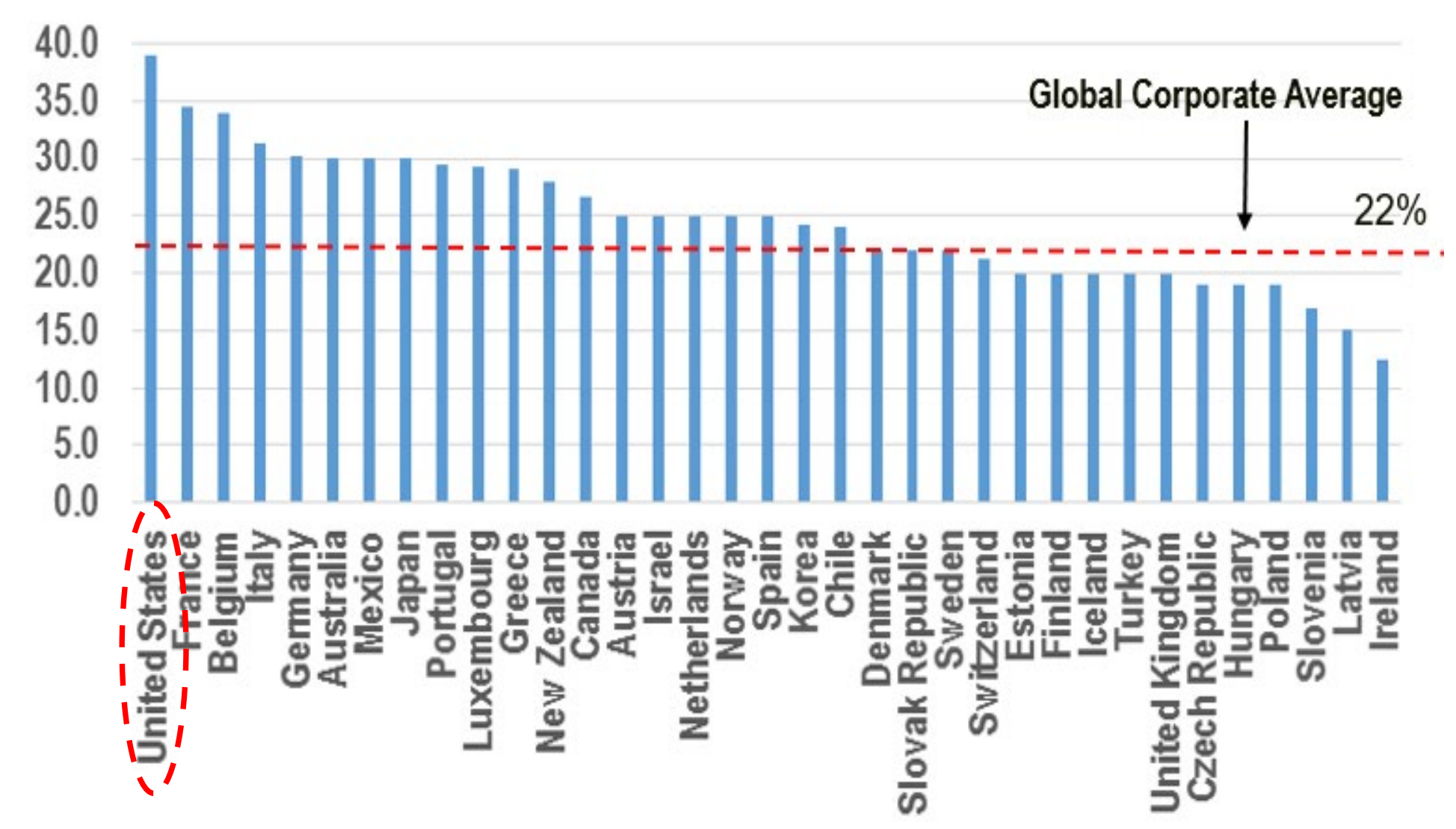
Biden Tax Proposal is Largest Since 1968

Biden is proposing more than \$3.4 trillion in tax increases to fund infrastructure, climate investments, education and health care.

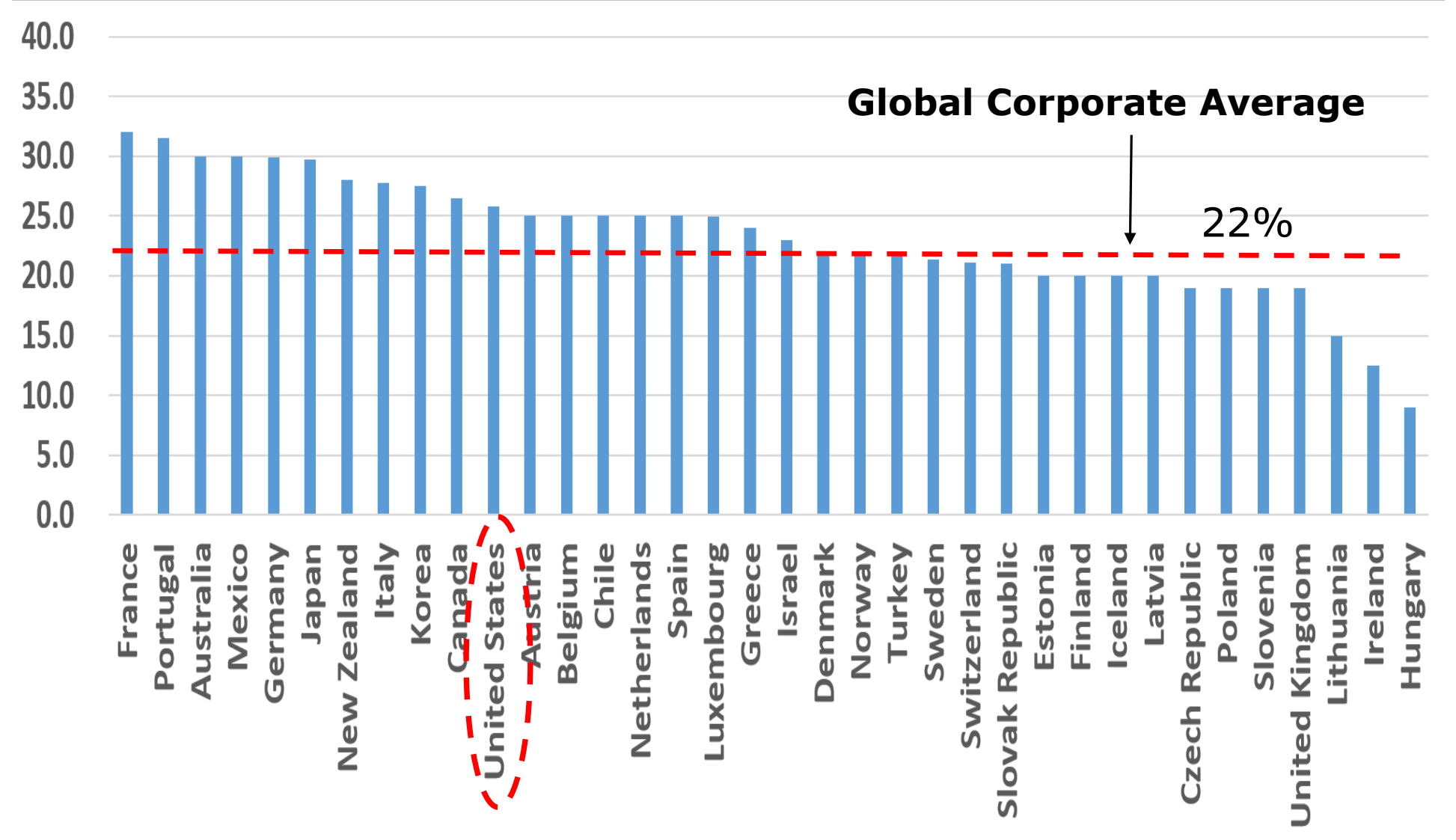


Trump Tax Cuts in 2017 Solved U.S. Corporate Inversion Problem

2016 Combined Corporate Income Tax Rate %*



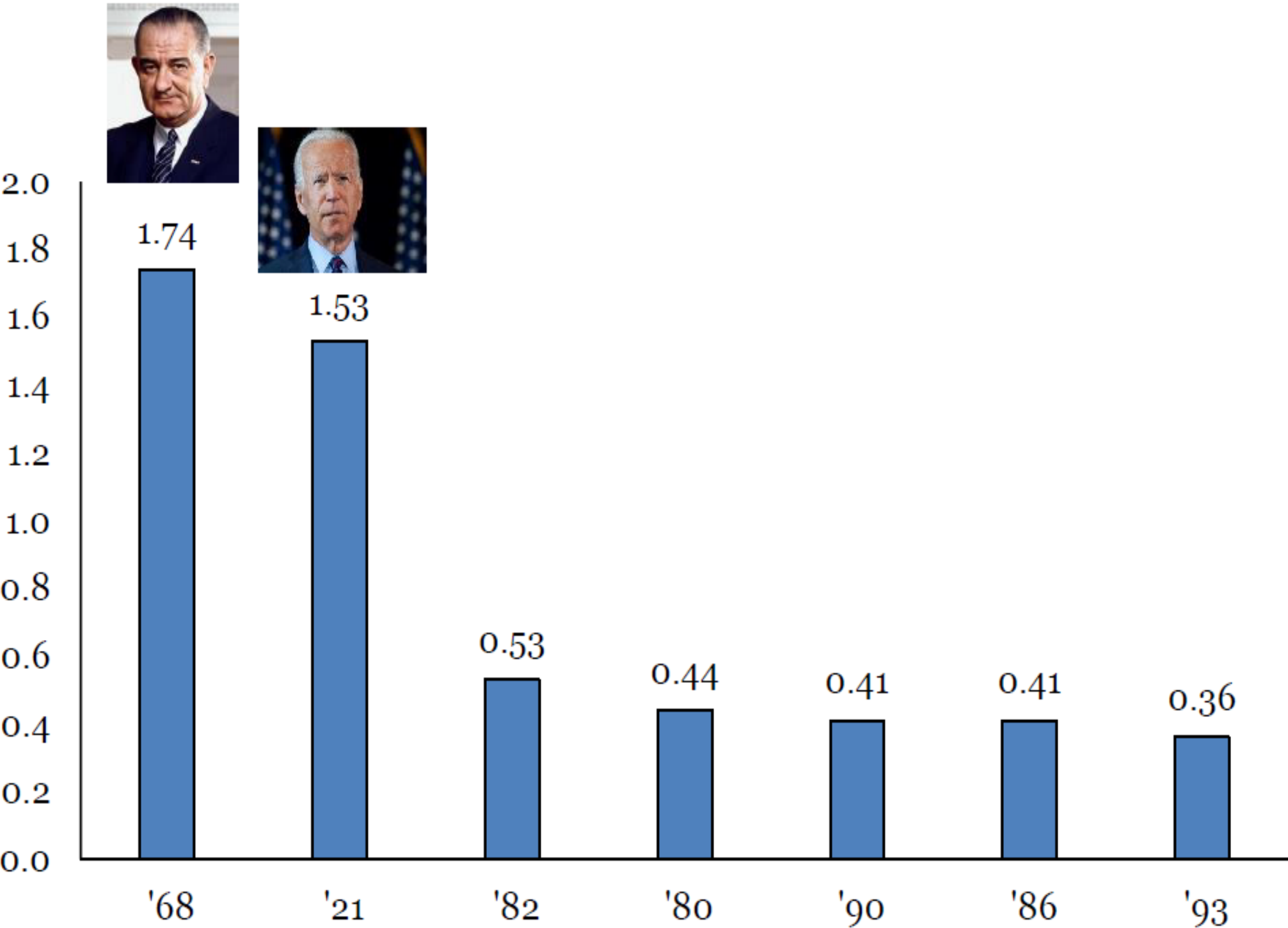
2020 Combined Corporate Income Tax Rate %*



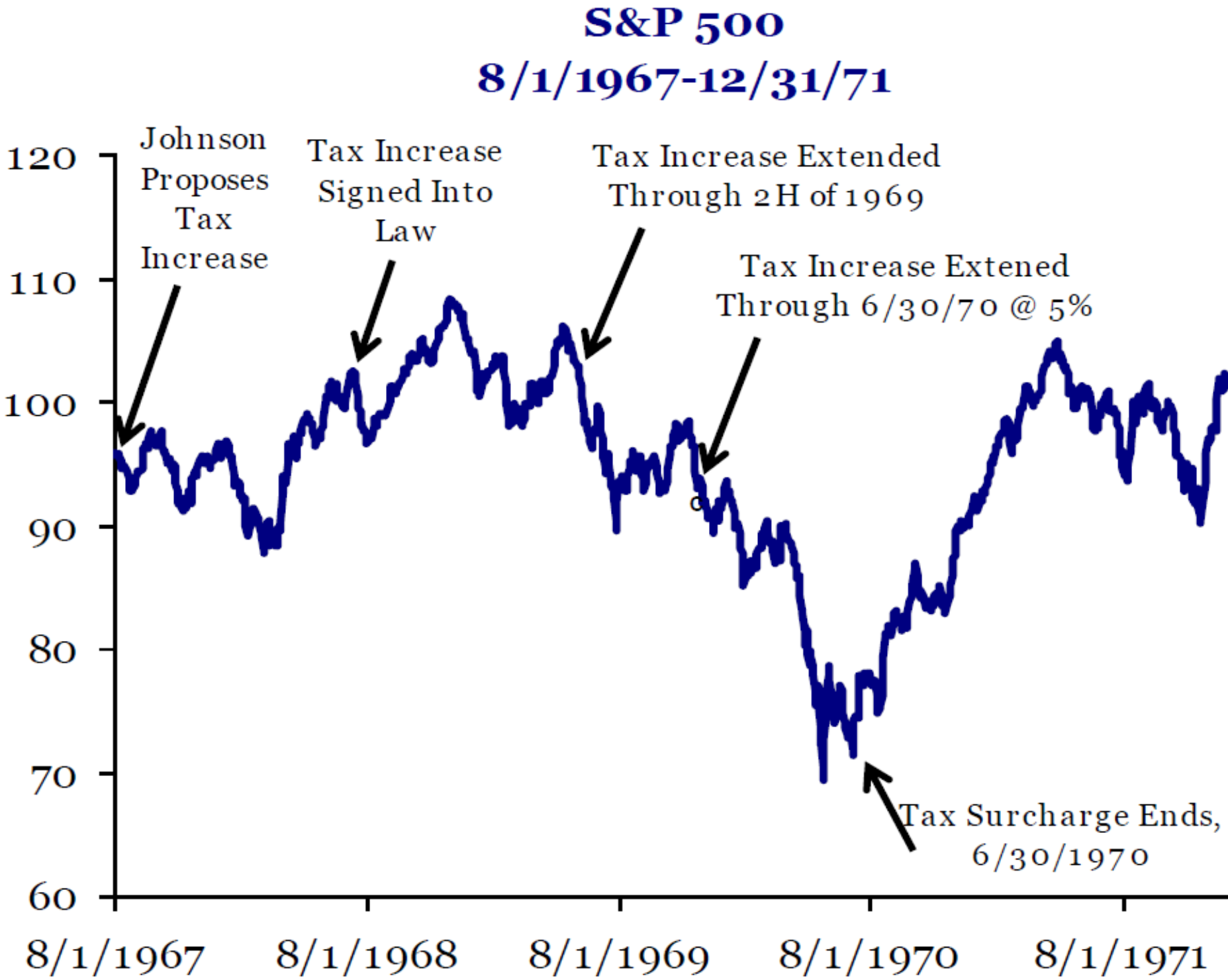
Source: Organization for Economic Co-Operation and Development (OECD), as of August 2016 and August 2020.
*Combined corporate income tax rate - shows the basic combined central and sub-central (statutory) corporate income tax rate given by the adjusted central government rate plus the sub-central rate.

Biden is Proposing Tax Increases Far Larger Than Any Tax Increase Since 1968

Tax Increases, % of GDP, First Year

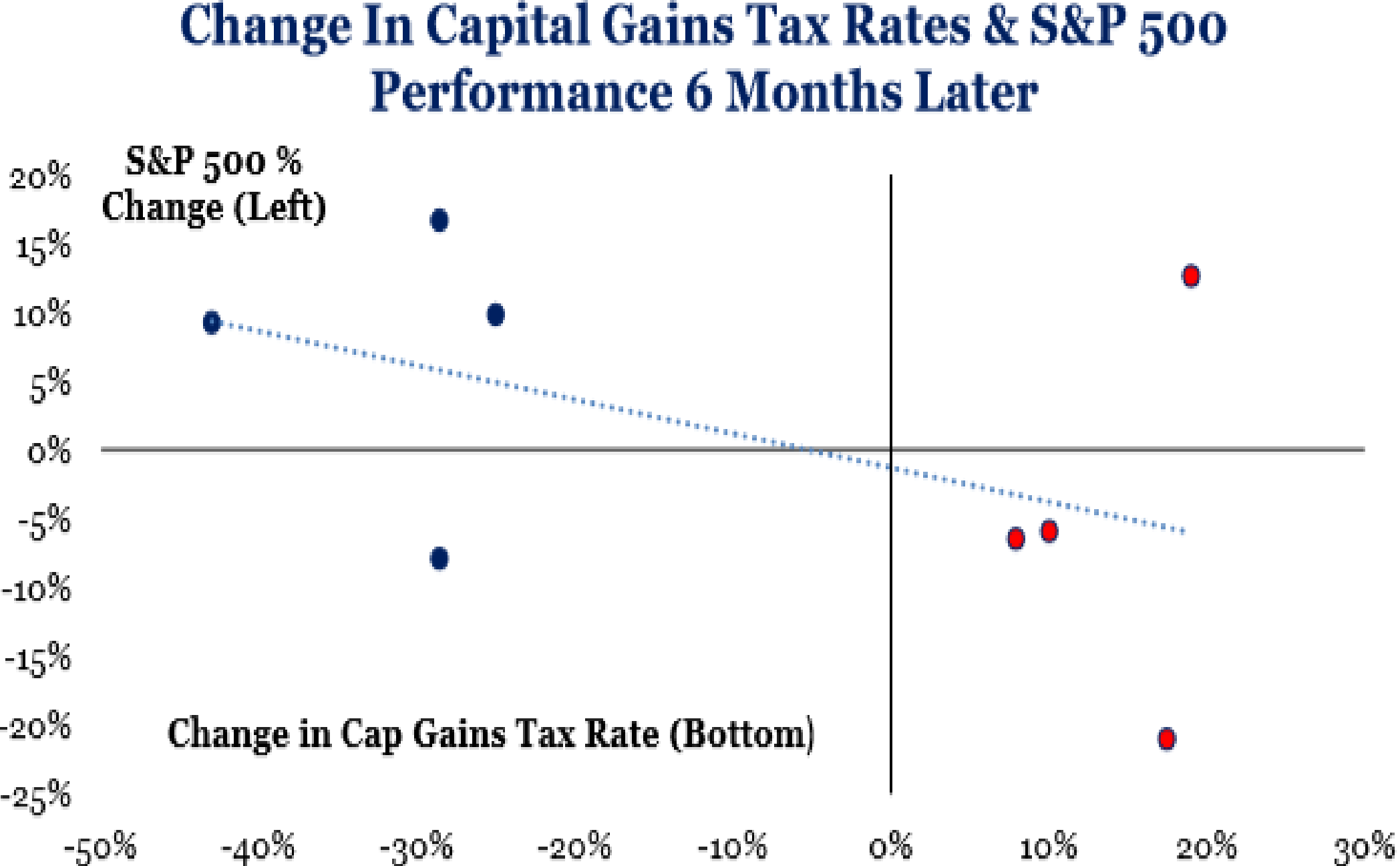
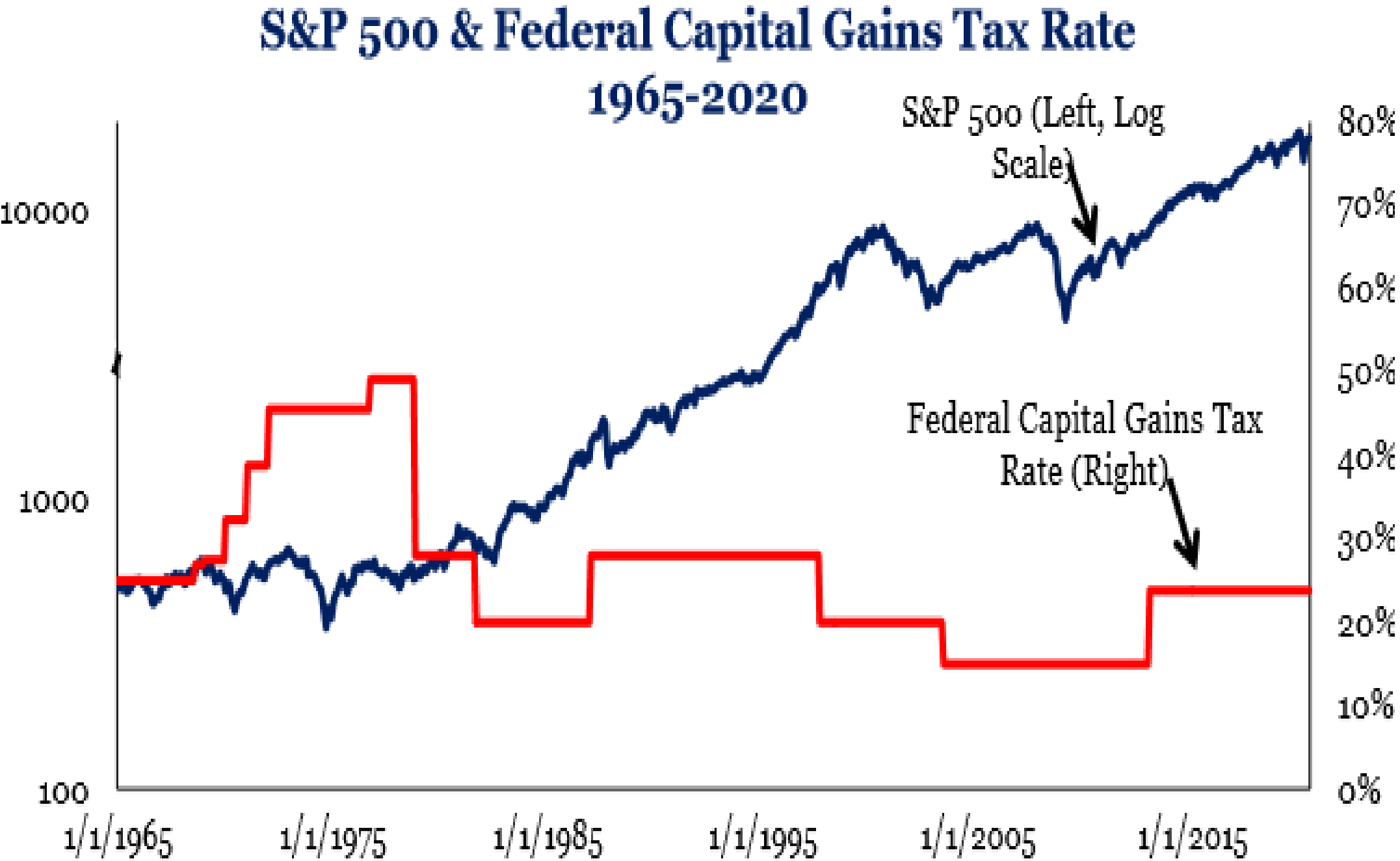


1968 Tax Increases Crushed Equities



Source: Strategas Research Partners as of July 30, 2020.

Biden Proposing Highest Capital Gains Tax Rate Since 1978



Source: Strategas Research Partners as of September 9, 2020.

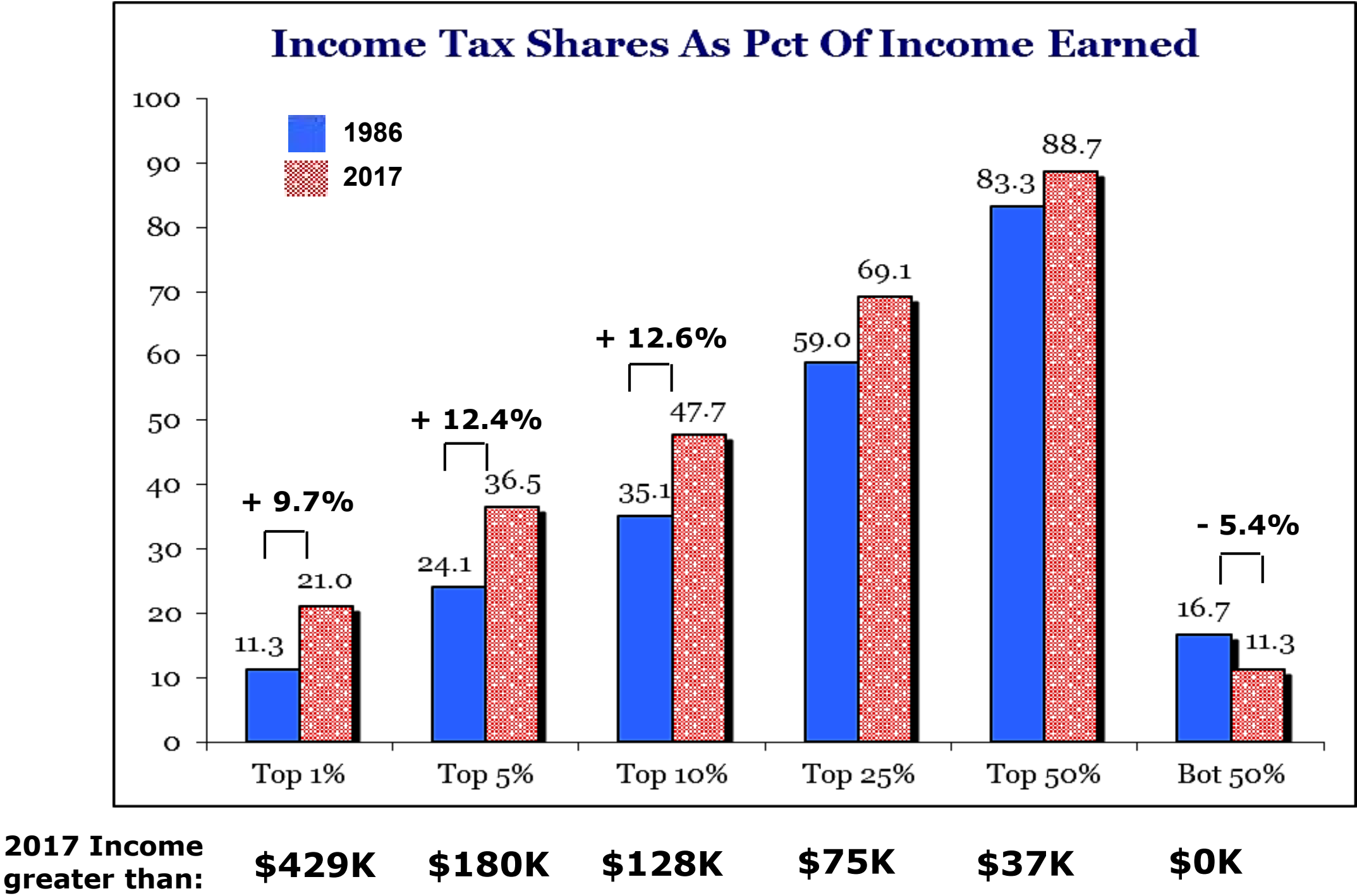
Corporate Earnings Would Likely Get Hit

Estimated S&P 500 Earnings Impact Based on Biden's Proposals

Sector	Total	Higher corporate tax rate	Higher GILTI tax	15% minimum tax
Communication Services	-12.8%	-8.6%	-3.7%	-0.5%
Consumer Discretionary	-13.6%	-8.4%	-4.0%	-1.2%
Consumer Staples	-10.4%	-5.5%	-4.8%	-0.2%
Energy	-12.1%	-7.4%	-4.6%	0.0%
Financials	-11.5%	-7.7%	-3.7%	-0.2%
Health Care	-9.9%	-5.2%	-3.6%	-1.1%
Industrials	-13.1%	-8.5%	-4.4%	-0.1%
Information Technology	-17.4%	-5.3%	-11.3%	-0.8%
Materials	-12.2%	-6.7%	-5.4%	-0.1%
Real Estate	-1.6%	-0.3%	-1.1%	-0.2%
S&P 500	-12.3%	-6.5%	-5.3%	-0.5%

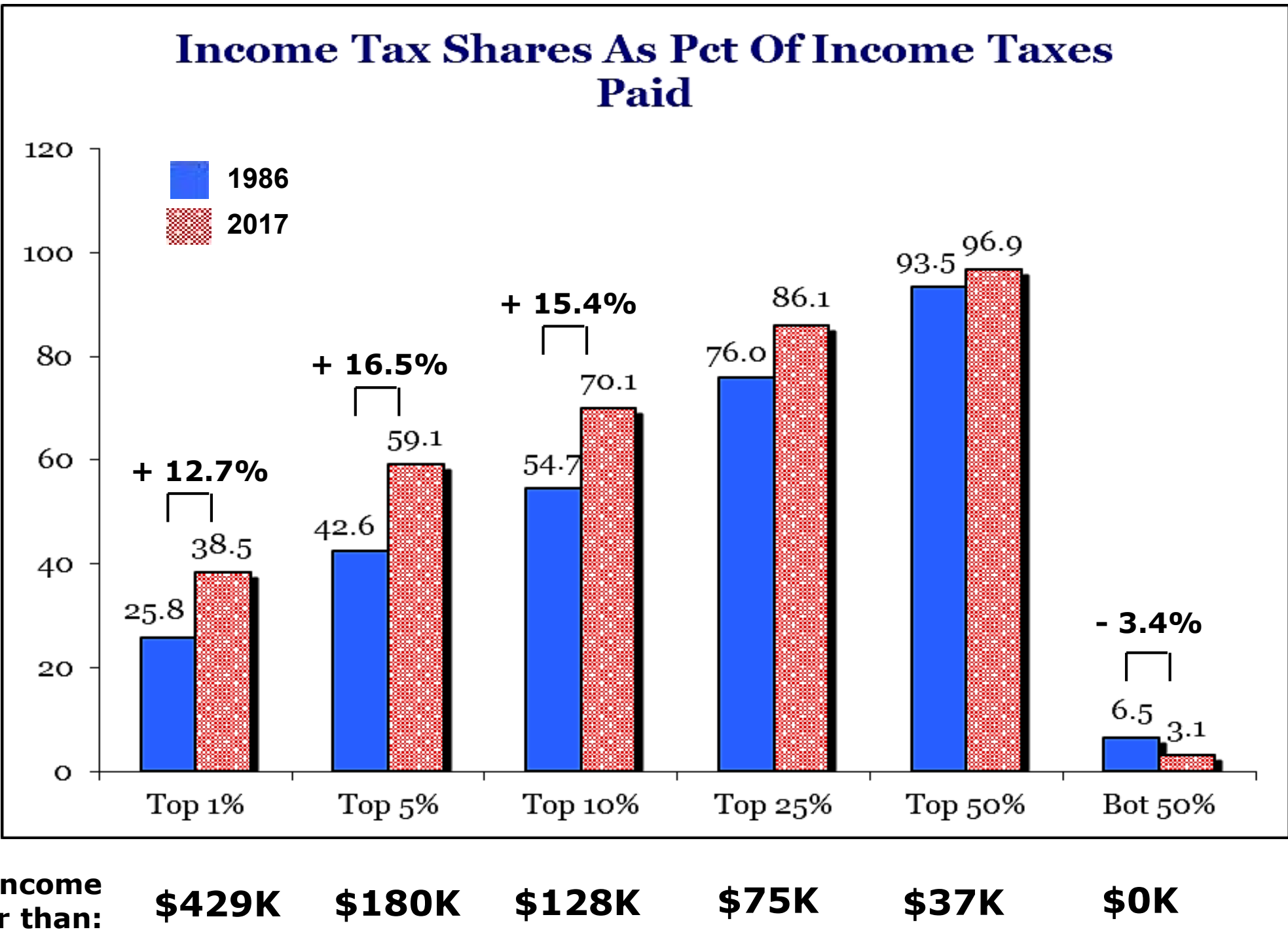
Note: Utilities and Equity Real Estate Investment Trusts (a Real Estate industry) were excluded from the analysis.
Source: US Equity & Quant Strategy, Compustat Global Research as of July 20, 2020.

Higher Earners Already Paying a Progressively Larger Share of the Federal Tax Burden



The "rich" are certainly getting richer...

...but they are also paying a proportionately larger share of federal taxes



Current Structure of the Supreme Court of the United States

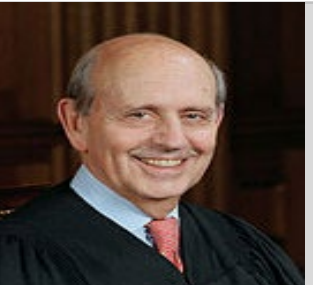
Liberal



Elena Kagan
Age 60
10 Years on Bench



Sonia Sotomayer
Age 66
11 Years on Bench



Stephen Breyer
Age 82
26 Years on Bench



Swing



John Roberts
Age 65
15 Years on Bench

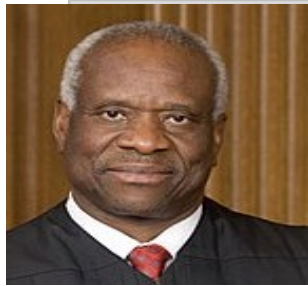


Brett Kavanaugh
Age 55
2 Years on Bench

Conservative



Samuel Alito
Age 70
14 Years on Bench



Clarence Thomas
Age 72
28 Years on Bench



Neil Gorsuch
Age 52
3 Years on Bench



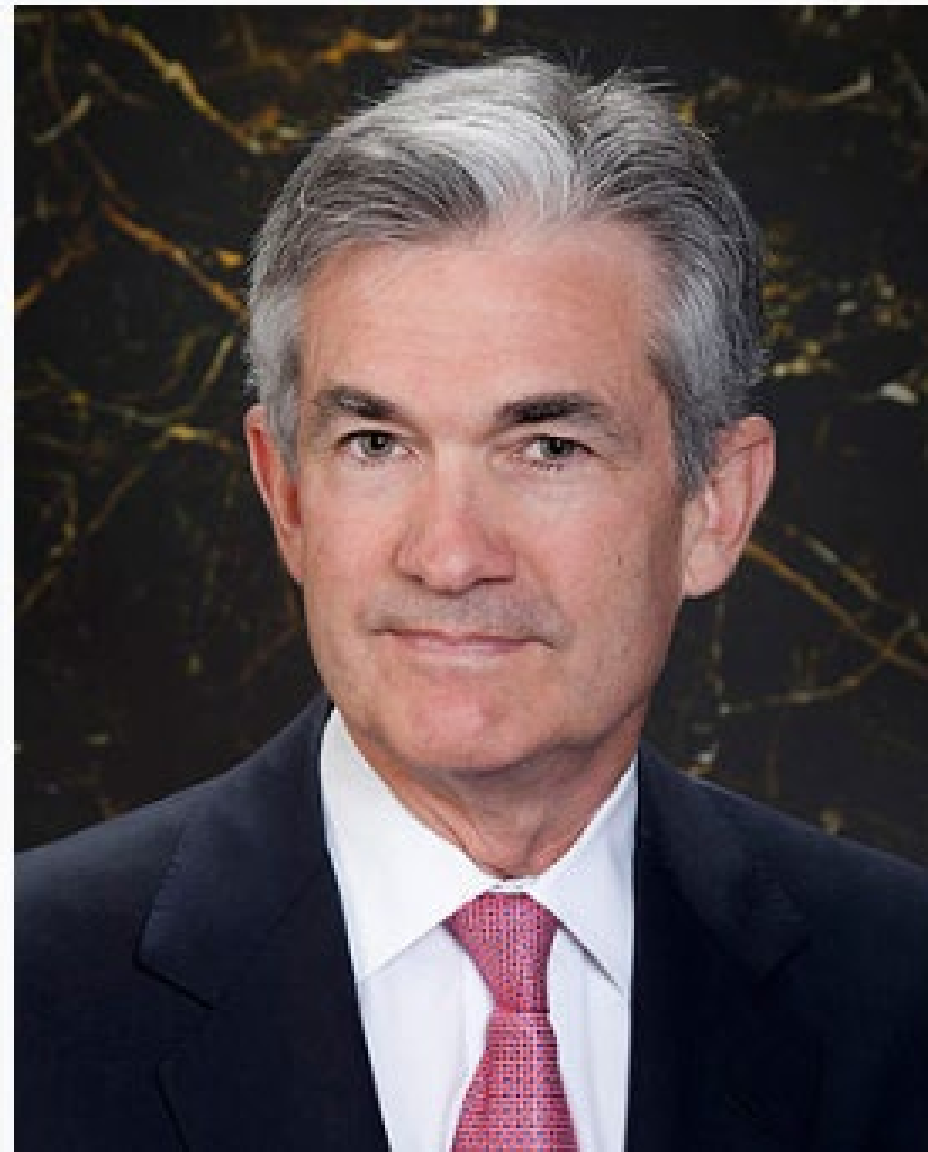
Amy Coney Barrett
Age 48
Just seated

Will the D’s fulfill their promise to introduce term limits and “Stack the Court?”

Note: Gray shaded boxes indicate oldest sitting justices by age.

New Way to Measure Monetary Policy

The Thinking About Index



*"We're not even **thinking** about **thinking** about raising rates"*

– Jerome Powell, June 10, 2020

*"We're not even **thinking** about **thinking** about **thinking** about raising rates"*

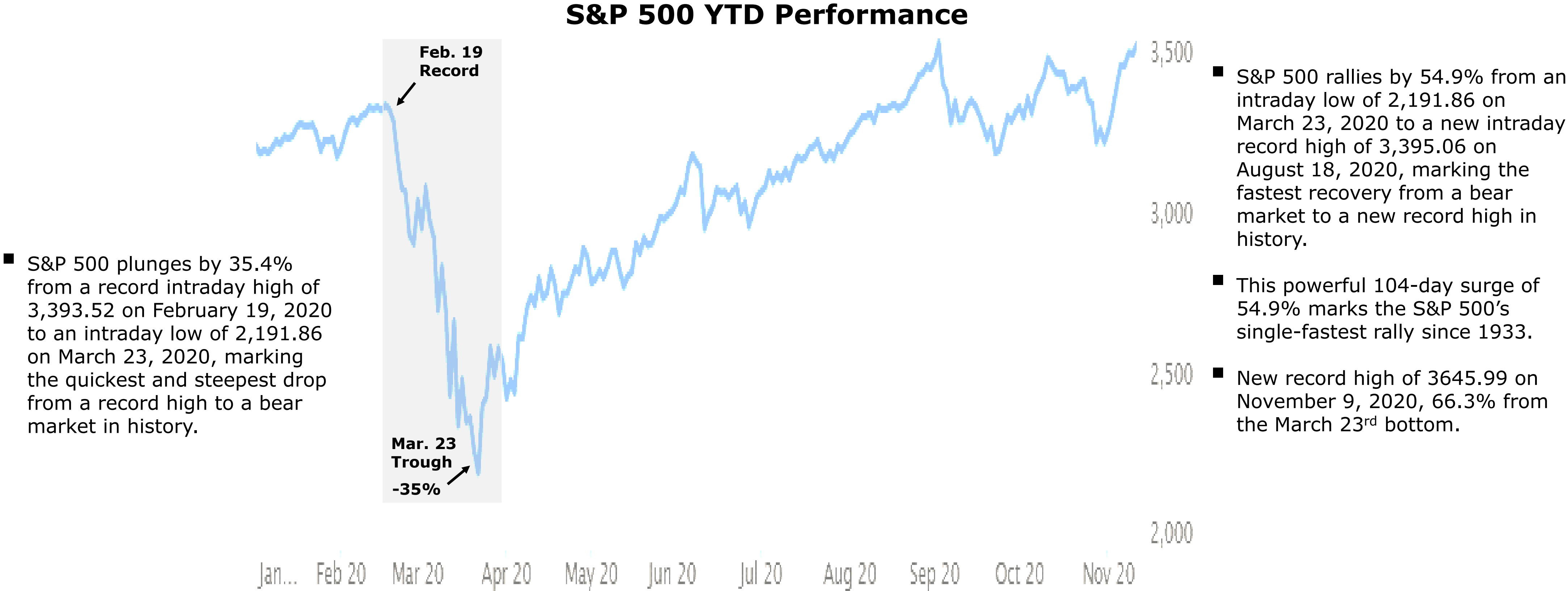
– Jerome Powell, July 29, 2020

- ◆ New Fed Chair in February 2022
- ◆ Possible third new Fed mandate: price stability, full employment, and racial diversity

Other Possible Democratic Policy Planks?

- Eliminate Filibuster in Senate
- Modern Monetary Theory
- Green New Deal
- Statehood for Washington, D.C. & Puerto Rico
- Ban Fracking
- Slavery Reparations
- Reduce Defense Spending

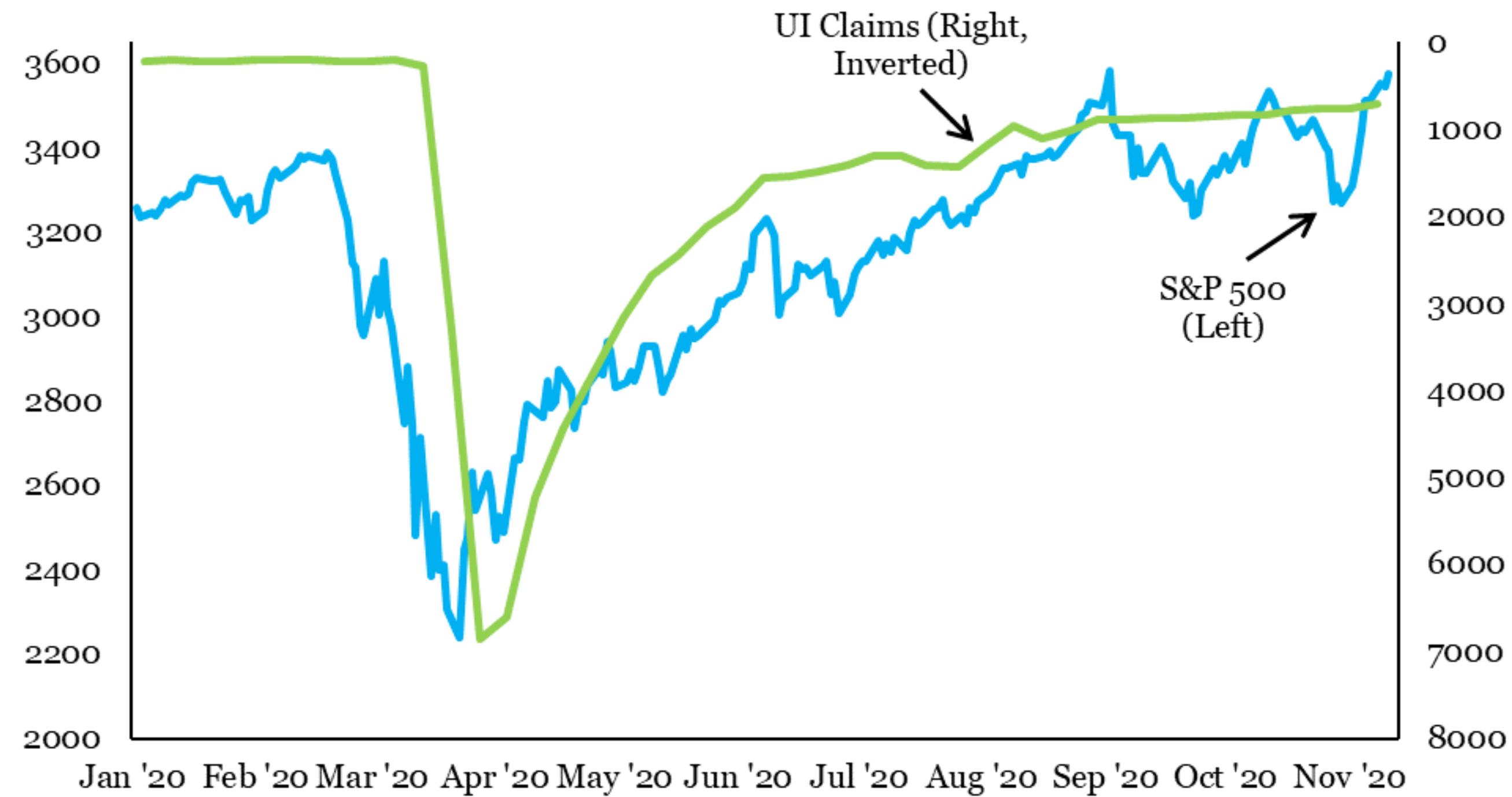
Record S&P 500 Decline Erased by Record Rebound



Source: Federated Hermes and FactSet as of November 11, 2020.

U.S. Labor Market & Stocks Have Rebounded From Their Lows

S&P 500 & US Initial Unemployment Claims



GDP: From Worst to Best

Views are as of October 29, 2020

	1Q	2Q	3Q	4Q	FY
2009	(4.4)*	(0.6)*	1.5	4.5	(2.5)
2010	1.5	3.7	3.0	2.0	2.6
2011	(1.0)	2.9	(0.1)	4.7	1.6
2012	3.2	1.7	0.5	0.5	2.3
2013	3.6	0.5	3.2	3.2	1.8
2014	(1.1)	5.5	5.0	2.3	2.5
2015	3.8	2.7	1.35	0.6	3.1
2016	2.3	1.3	2.2	2.5	1.7
2017	2.3	1.7	2.9	3.9	2.3
2018	3.8	2.7	2.1	1.3	3.0
2019	2.9A	1.5A	2.6A	2.4A	2.2A
2020	(5.0)A	(31.4)A	33.1A	4.5E	(3.7)E
2021	4.6E	4.7E	2.9E	2.9E	4.5E

Note: *Great Recession ended June 2009.
Source: The Commerce Department as of July 2019 and includes benchmark revisions recently made.

Federated Hermes Equity Forecasts

Views are as of November 10, 2020

	2016A	2017A	2018A	2019A	2020E	2021E	2022E
Real GDP	1.60%	2.20%	2.90%	2.30%	(3.70)%	4.50%	3.00%
Core PCE	1.80%	1.60%	2.00%	1.60%	1.50%	1.80%	2.00%
Benchmark 10yr Treasury Yield	2.50%	2.40%	2.68%	1.92%	1.00%	1.25%	1.50%
Fed Funds Rate	0.75%	1.50%	2.50%	1.75%	0.25%	0.25%	0.25%
S&P 500 EPS	\$119	\$133	\$163	\$167	\$150	\$180	\$200
Target Forward P/E	16.8x	16.4x	15.0x	25.9x	21.1x	21.0x	20.9x
S&P 500 Target Price	2,239	2,674	2,507	3,231	3,800	4,200	4,600

PCE = Personal Consumption Expenditures. 2016, 2017, 2018 and 2019 are actual.

Federated Hermes Equity Investment Focus

Views are as of November 10, 2020

Recommended Sector Allocation

Overweight

- Discretionary
- Health Care
- Industrials
- Financials

Neutral

- Comm. Services
- Energy
- Materials
- Staples
- Technology

Underweight

- REITs
- Utilities

Recommended % Allocations

- Equity – 4% Overweight
- Bonds – 5% Underweight
- Alternatives – 1% Overweight
- Cash – Neutral
- Fixed Income Duration - 95%

Asset Allocation Matrix

Equities

Overweight

- U.S. Small Cap
- U.S. Large Cap Value
- Emerging Markets

Neutral

- U.S. Large Cap Growth
- Eurozone
- Japan
- United Kingdom

Underweight

Bonds

Overweight

- IG Corporates
- TIPS

Neutral

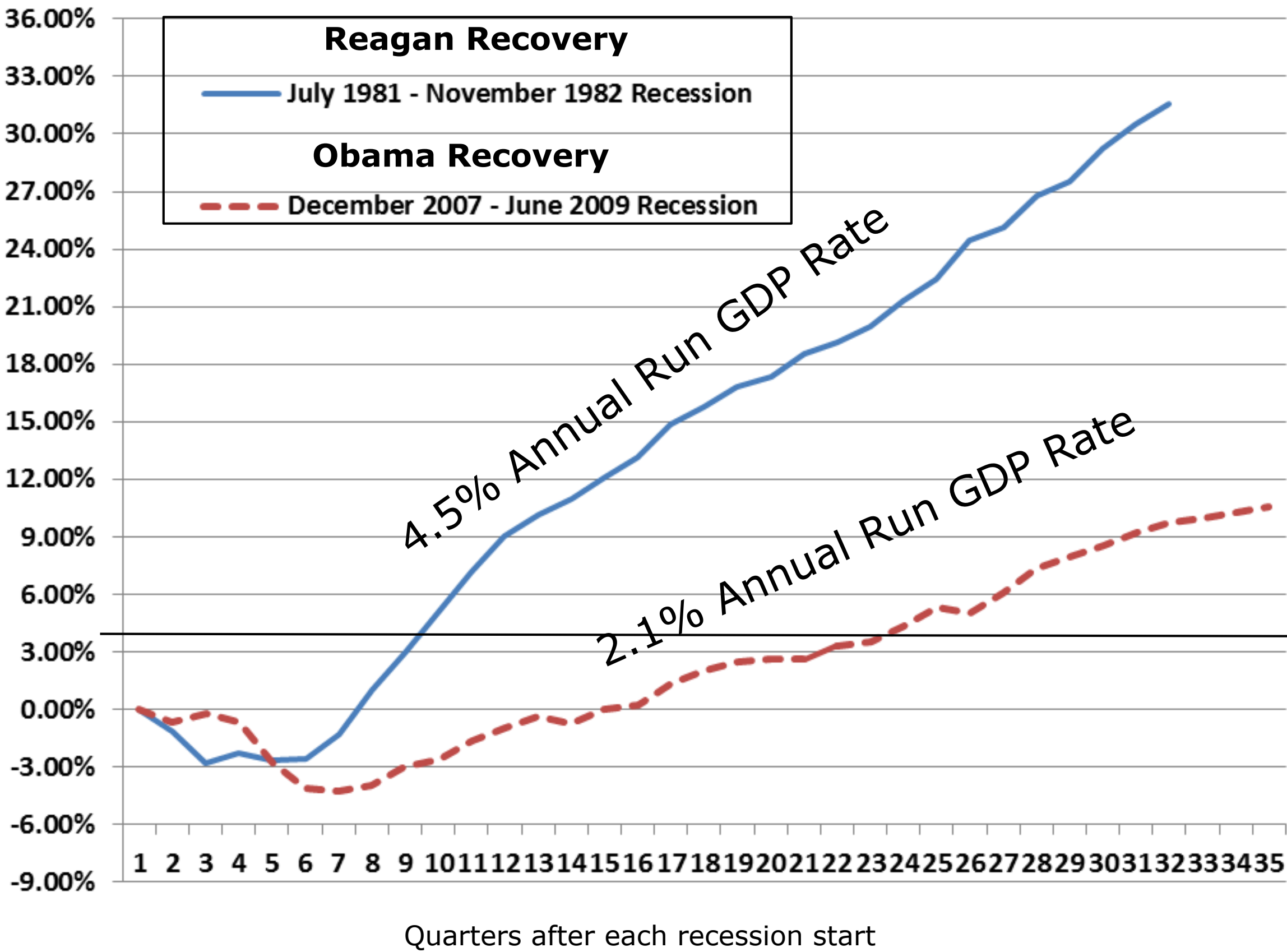
- CMBS
- High Yield
- MBS
- Muni's
- International Developed
- Emerging Markets

Underweight

- Agencies
- Treasuries

Fiscal Policy Matters – The “Zarnowitz Rule”

GDP cumulative change from the end of the recession



Inherited Quarterly GDP Trough

Reagan	Obama
2Q80 (7.9%)	4Q08 (8.2%)

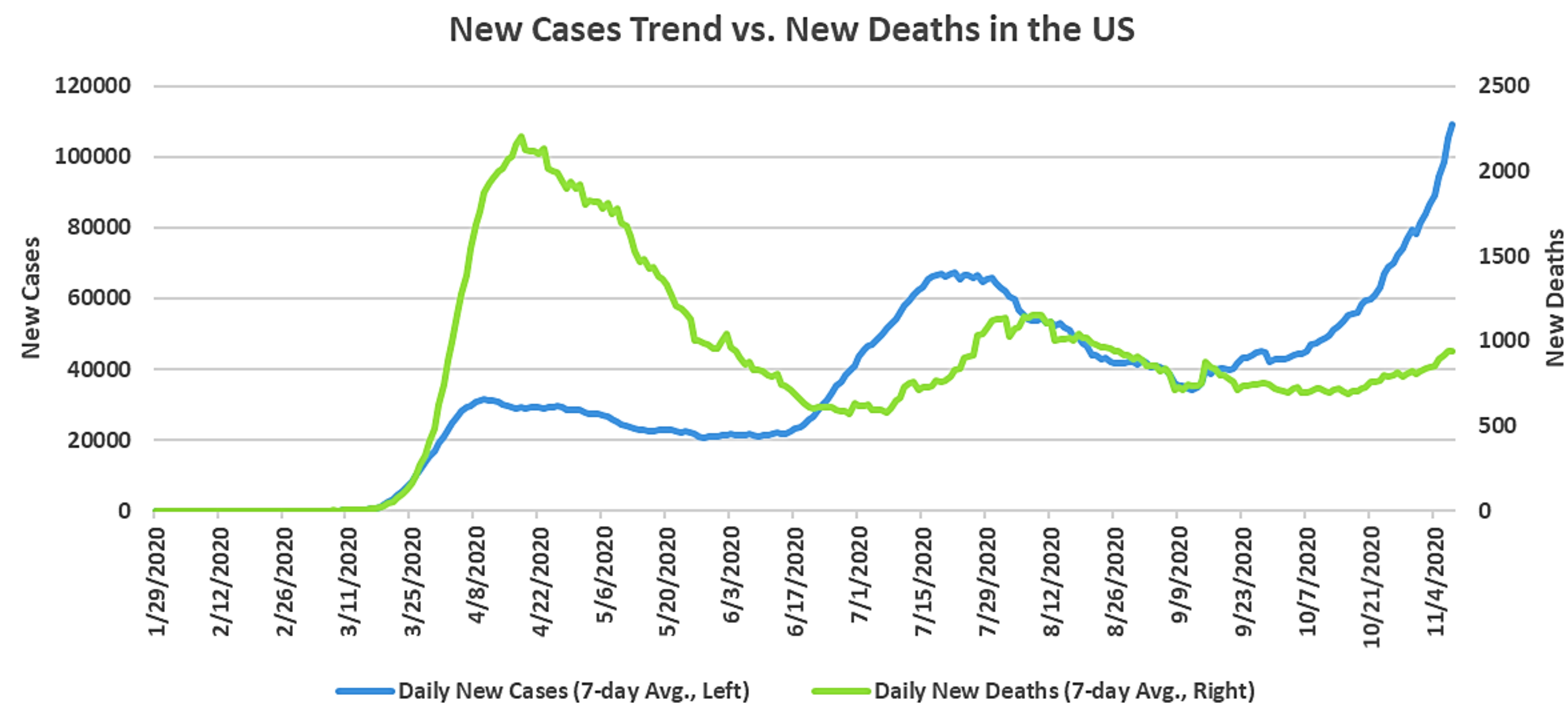
After Deep Recessions

Quarterly GDP growth, seasonally adjusted on an annual basis

	Reagan		Obama
4Q82	0.4%	3Q09	1.3%
1Q83	5.3%	4Q09	3.9%
2Q83	9.4%	1Q10	1.7%
3Q83	8.1%	2Q10	3.9%
4Q83	8.5%	3Q10	2.7%
1Q84	8.2%	4Q10	2.5%
2Q84	7.2%	1Q11	(1.5)%
3Q84	4.0%	2Q11	2.9%
4Q84	3.2%	3Q11	0.8%
1Q85	4.0%	4Q11	4.6%
2Q85	3.7%	1Q12	2.7%
3Q85	6.4%	2Q12	1.9%
4Q85	3.0%	3Q12	0.5%
1Q86	3.8%	4Q12	0.1%
2Q86	1.9%	1Q13	2.8%
3Q86	4.1%	2Q13	0.8%
4Q86	2.1%	3Q13	3.1%
1Q87	2.8%	4Q13	4.0%
2Q87	4.6%	1Q14	(1.2)%
3Q87	3.7%	2Q14	4.0%
4Q87	6.8%	3Q14	5.0%
1Q88	2.3%	4Q14	2.3%
2Q88	5.4%	1Q15	2.0%
3Q88	2.3%	2Q15	2.6%
4Q88	5.4%	3Q15	2.0%
1Q89	4.1%	4Q15	0.9%
2Q89	3.2%	1Q16	0.8%
3Q89	3.0%	2Q16	1.4%

Source: Wall Street Journal and Commerce Department, National Bureau of Economic Research, as of October 10, 2016.

New “Third-Wave” of COVID-19 Surges, While Death Rate Lags in the U.S.



Source: Federated Hermes and Johns Hopkins as of November 12, 2020.

Biotech Companies Are Working Fast Towards A Cure

Pfizer/BioNTech

- In collaboration, the two companies tested four different variations of their vaccine.
- Phase 3 trial launched in late July, with a goal to recruit people from the United States, Brazil, Argentina, and Germany.
- Mid-August, reports the vaccine had produced a “robust” response in a phase 1/2 clinical trial were announced.
- As of late October, the trial had enrolled more than 42,000 people.
- On November 9, 2020, the vaccine candidate was found to be more than 90% effective in preventing COVID-19.
- Submission for Emergency Use Authorization is expected to occur in the third week of November.

Moderna

- The National Institute of Allergy and Infectious Disease and Moderna are developing a vaccine to inoculate against COVID-19.
- In late July, Moderna began phase 3 clinical trials of the vaccine.
- In late August, preliminary phase 1 trial data showed that the vaccine elicited a promising immune response in 10 people between the ages of 56 and 70 as well as 10 people over age of 70.
- In early October, company officials announced their vaccine won’t be available for wide distribution until spring 2021.
- In late October that it had finished recruiting all 30,000 participants in the phase 3 trial.
- Moderna’s CEO told investors that the trial’s data and safety monitoring board could start analyzing study data in November.

Oxford University/AstraZeneca

- AstraZeneca and the University of Oxford developed a vaccine based on a chimpanzee adenovirus.
- In May, the United States awarded the project \$1.2 billion in support for 300 million doses should the vaccine prove effective.
- AstraZeneca launched Phase 3 trials in Brazil, South Africa, and the United States.
- The company has said their total manufacturing capacity for the vaccine, if approved, stands at two billion doses.
- On Sept. 6, AstraZeneca halted global trials of the vaccine to investigate one volunteer, who developed a form of inflammation called transverse myelitis.
- Within a week, the trials began in all countries except the United States.
- On Oct. 23, the F.D.A. authorized the restart of the trial and in early November the company said they expected results from their trial by the end of December.

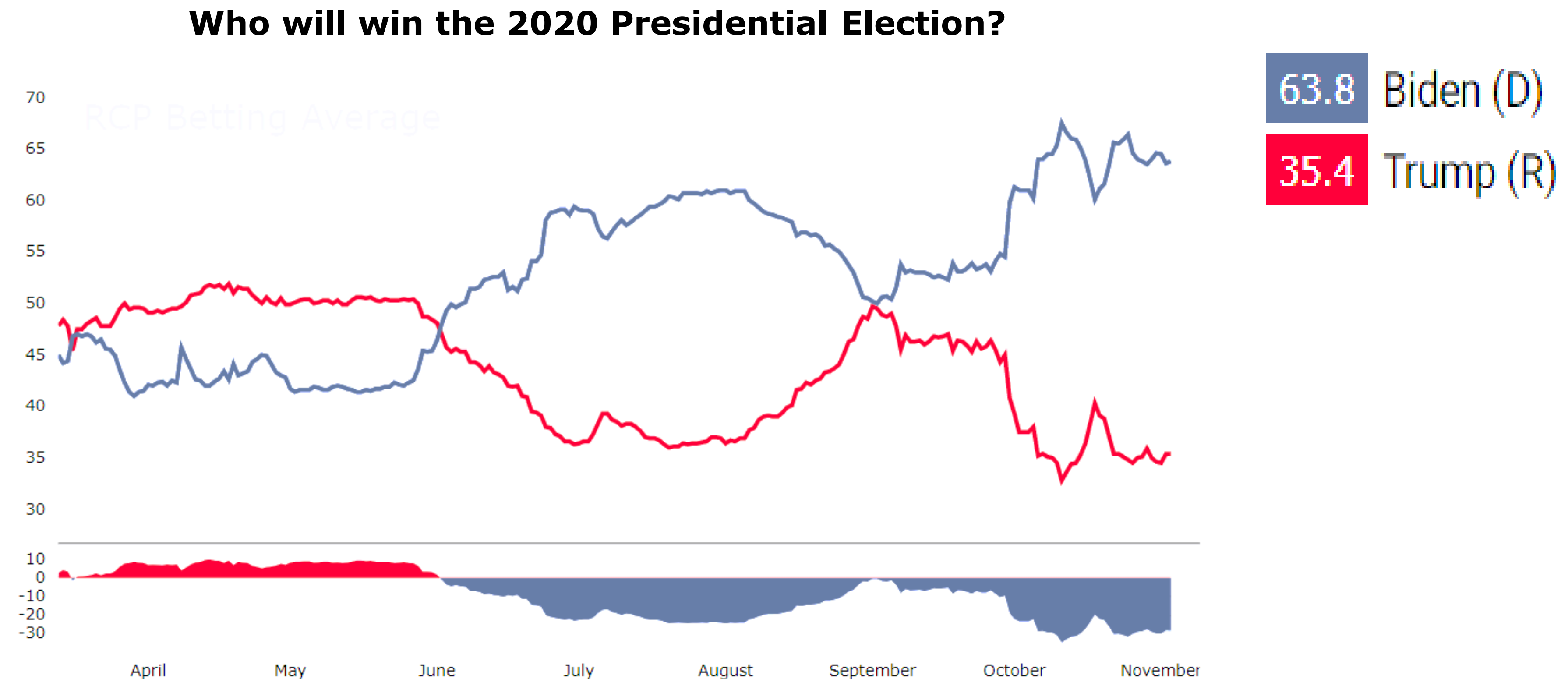
Novavax

- US-based biotechnology firm Novavax has started enrolling participants in a Phase I/II clinical trial of its COVID-19 vaccine candidate, in Australia.
- In preclinical studies, the vaccine candidate showed high immunogenicity and high levels of neutralizing antibodies.
- In early August they launched a Phase 2 trial in South Africa.
- Phase 3 trials started in the UK in October and planned to start in the US in November.
- They are already ramping up manufacturing for scaled-up production, to potentially manufacture up to 100 million vaccine doses by end of 2020,

Johnson & Johnson

- Johnson & Johnson is using a vaccine technology that transmits the genetic code of the virus in a noninfectious carrier virus.
- They announced that human testing of the vaccine will begin by September and it could be available for Emergency-Use-Authorization in early 2021.
- In late September, the company announced it was starting a phase 3 trial of its one-dose vaccine with 60,000 participants.
- In mid-October, the company announced it was pausing this trial due to an “unexplained illness” with one of the participants. They have since resumed the study and despite the delay, expect to get results by the end of the year.

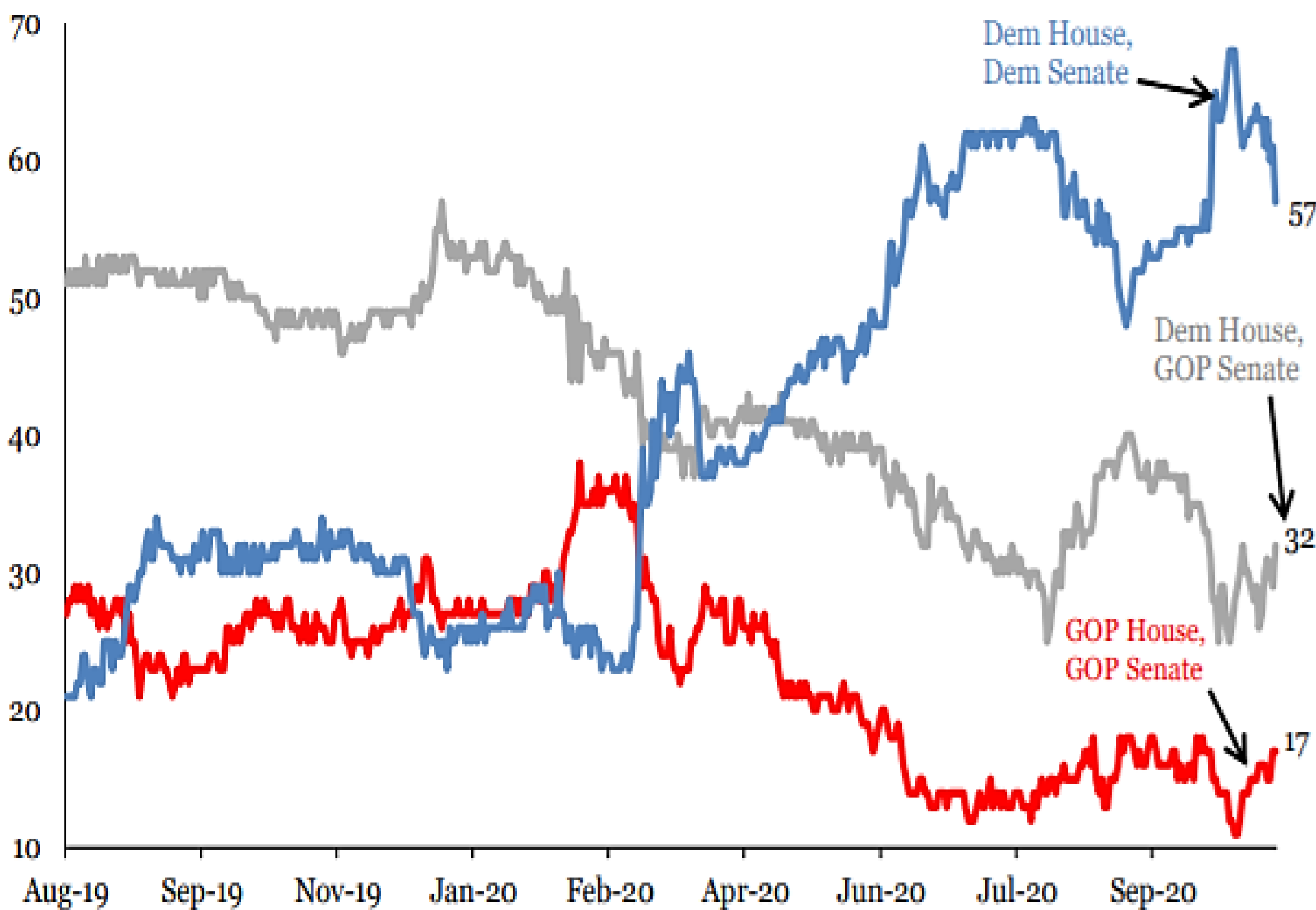
Betting Market Expectations for 2020 Presidential Election



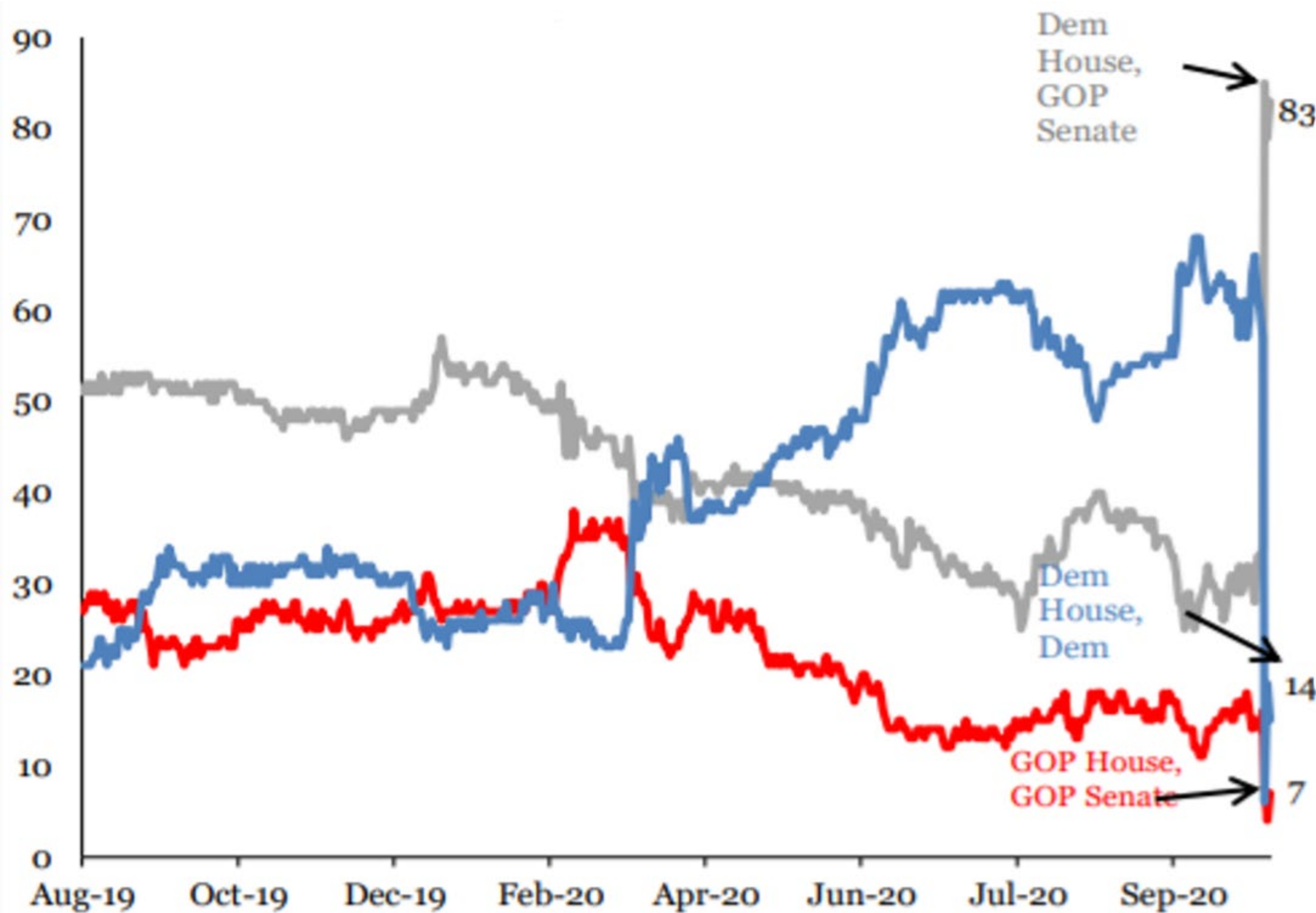
On line betting markets have become closely watched indicators of election expectations following some high profile “misses” on the part of political polls (i.e., Brexit Vote, U.S. 2016 Presidential Election)

Post-Election Odds Plummeted for Democrats Running the Table

**Post-2020 Congressional Balance of Power
(PredictIt)
October 26, 2020**

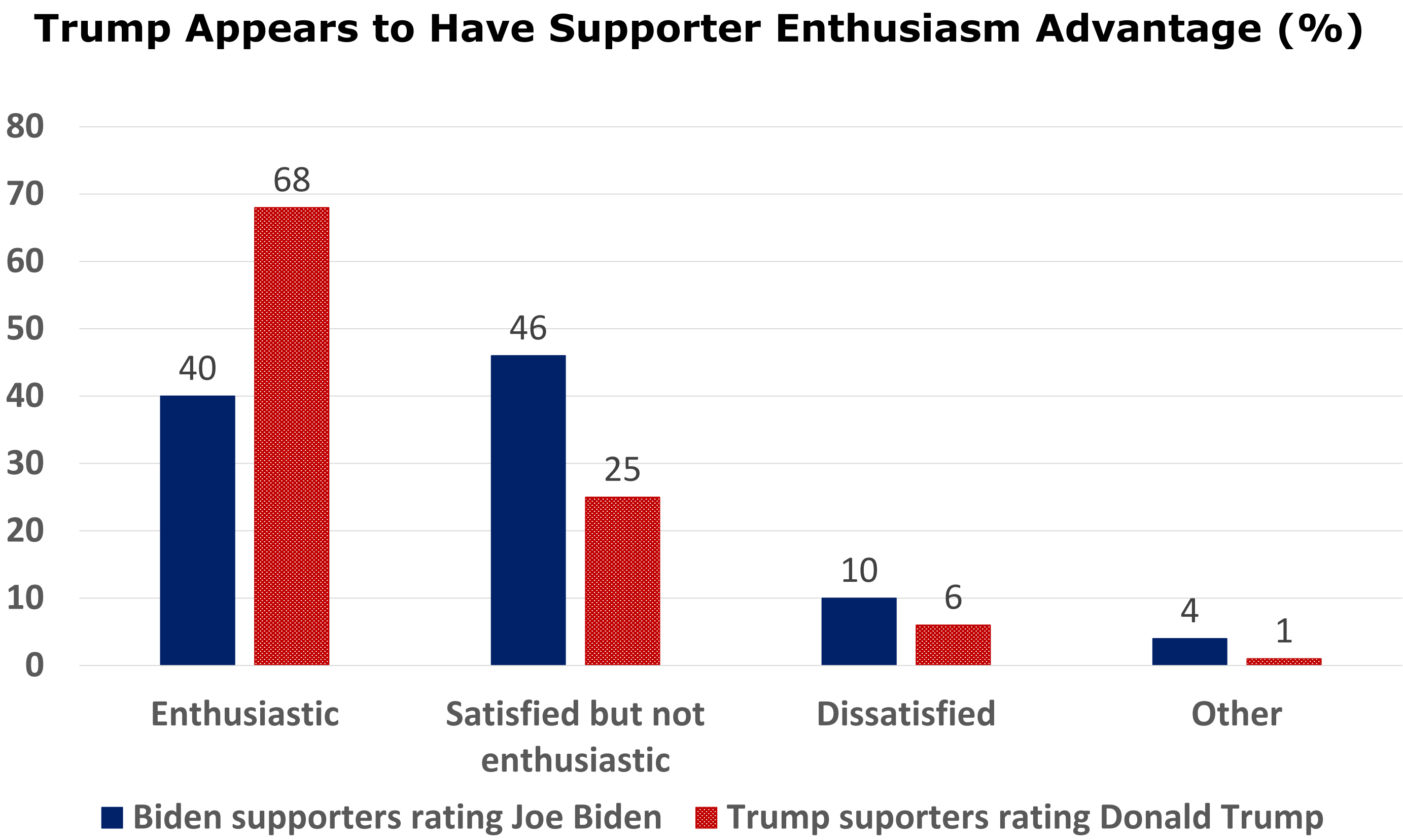


**Post-2020 Congressional Balance of Power
(PredictIt)
November 5, 2020**



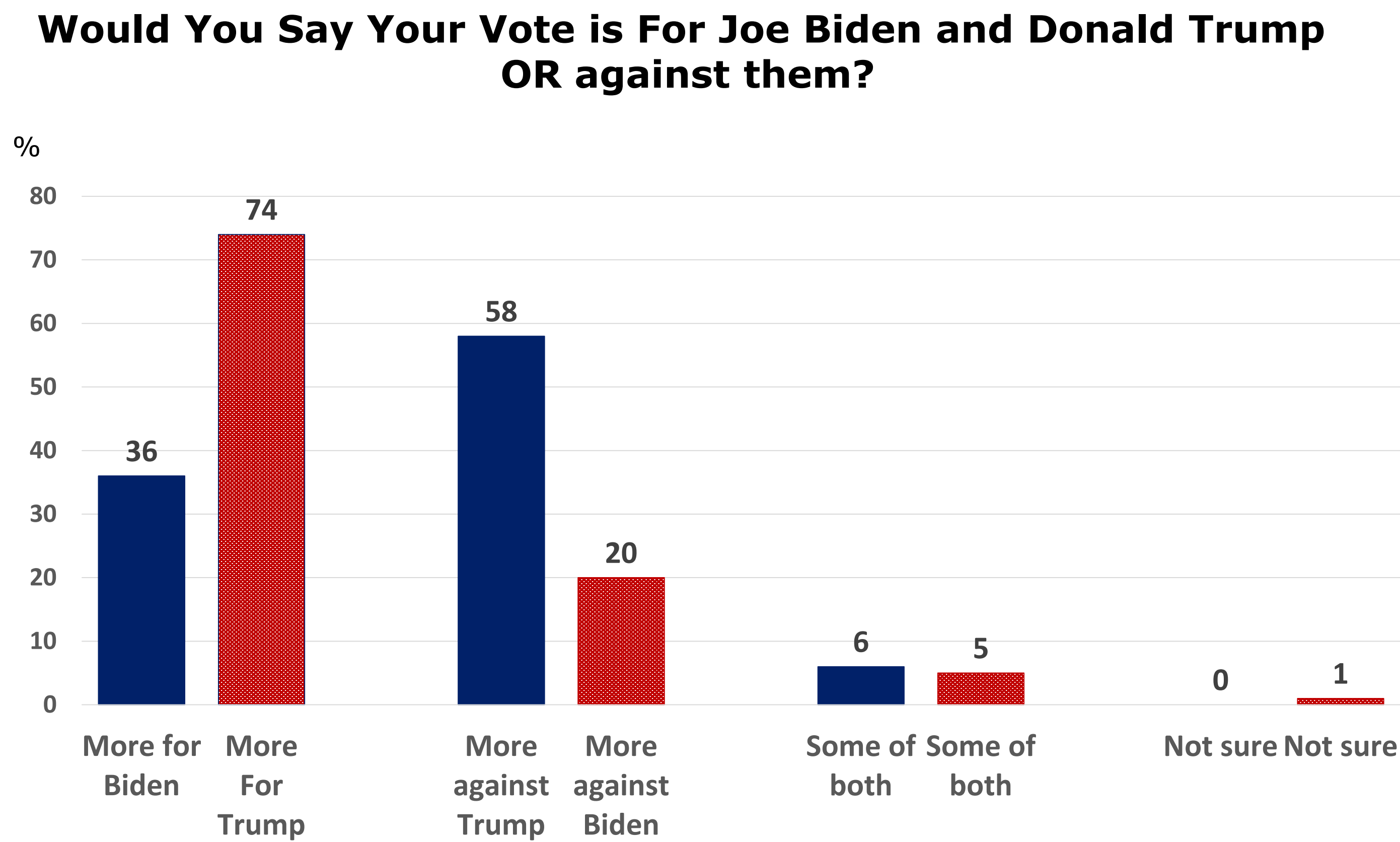
Source: Strategas Research Partners as of November 5, 2020.

Will Voter Enthusiasm Make the Difference?



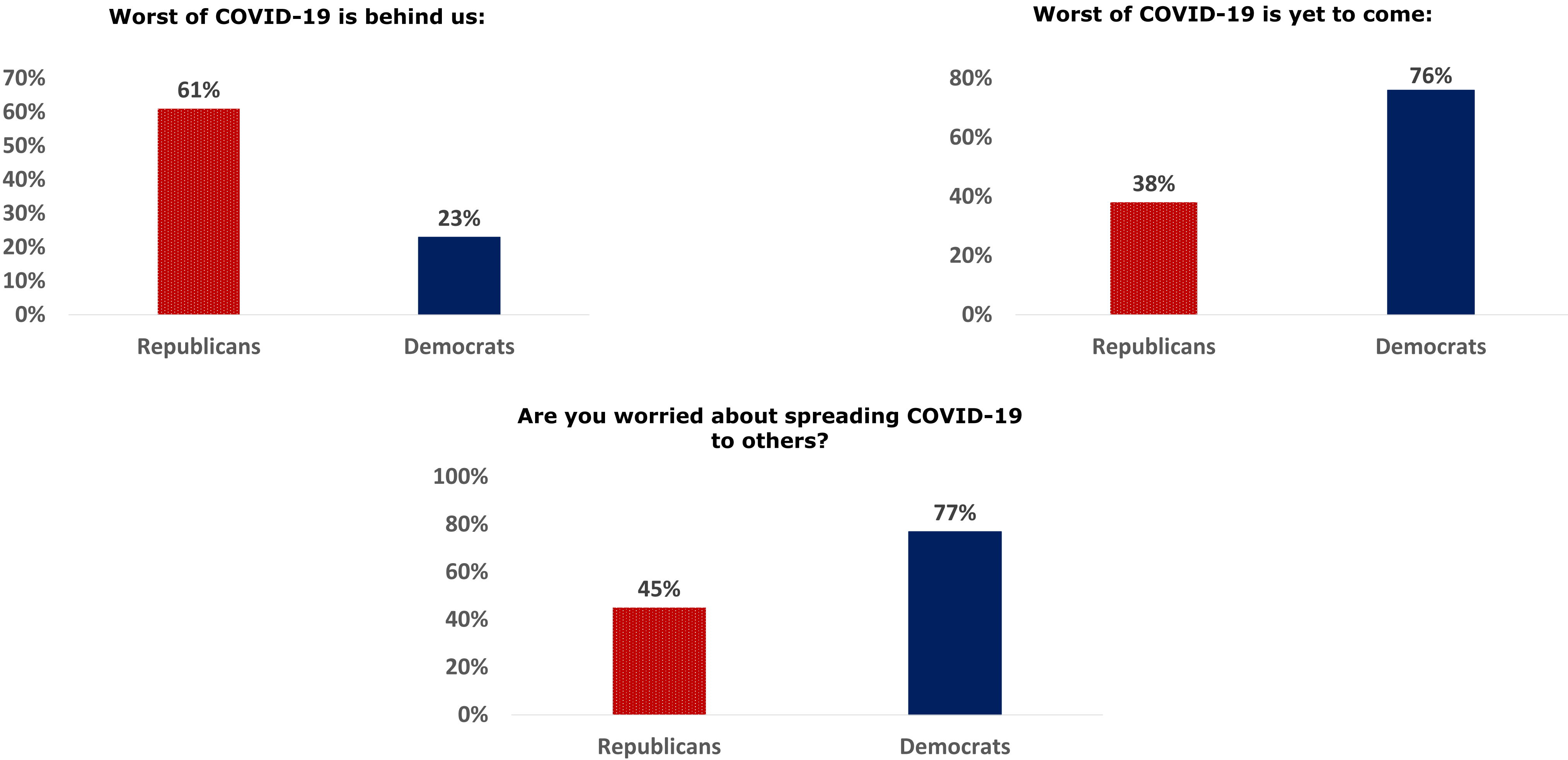
Source: The Economost/YouGov polling from June 26 through July 21, 2020.

Biden Supporters Voting for Him or Against Trump?



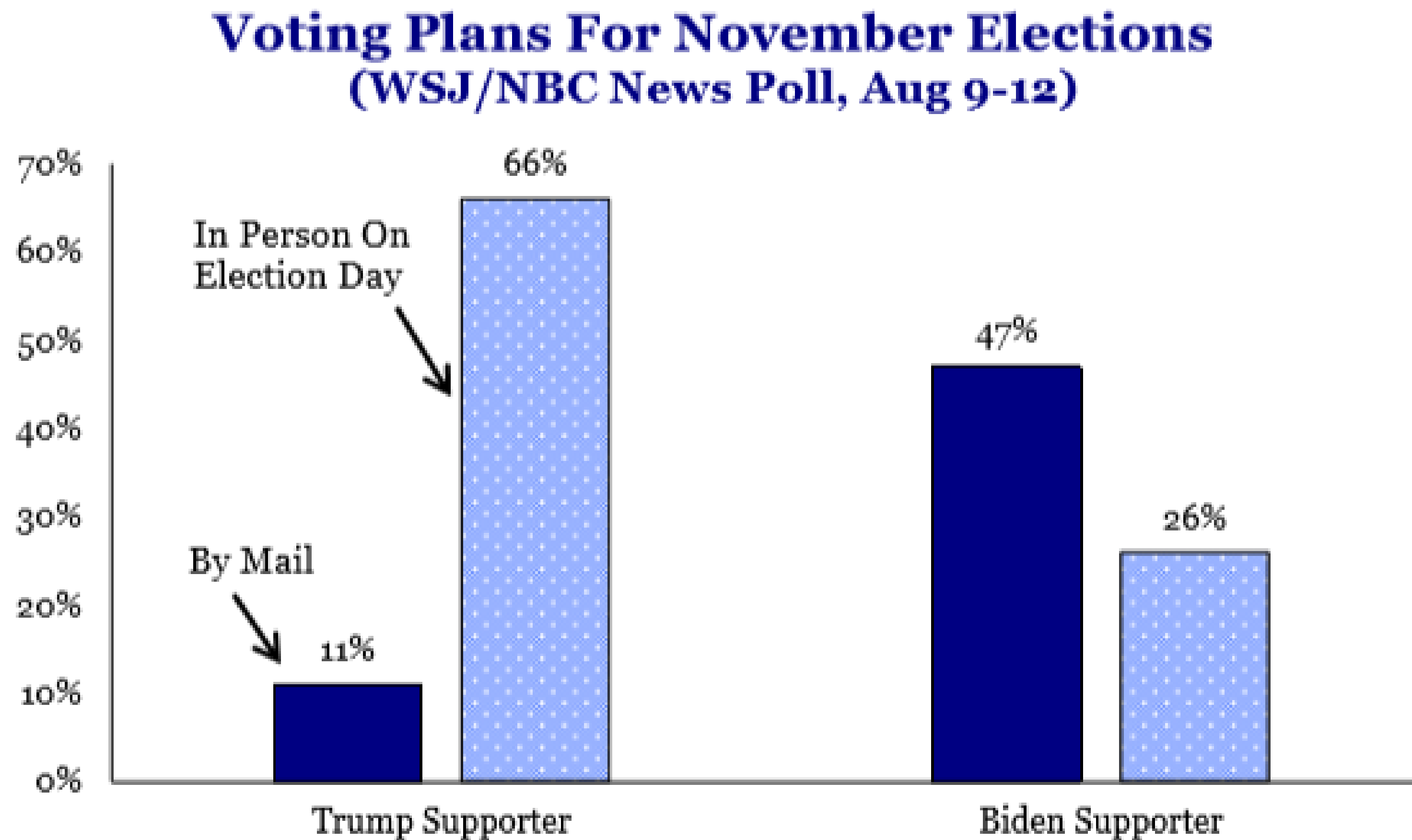
Source: NBC News/Wall Street Journal Survey as of August 2020.
The Journal/NBC News poll, conducted Aug. 9-12, has a margin of error of plus or minus 3.27 percentage points for the full sample of 900 registered voters.

Divergent Partisan Views on COVID-19 Could Impact Voter Turnout



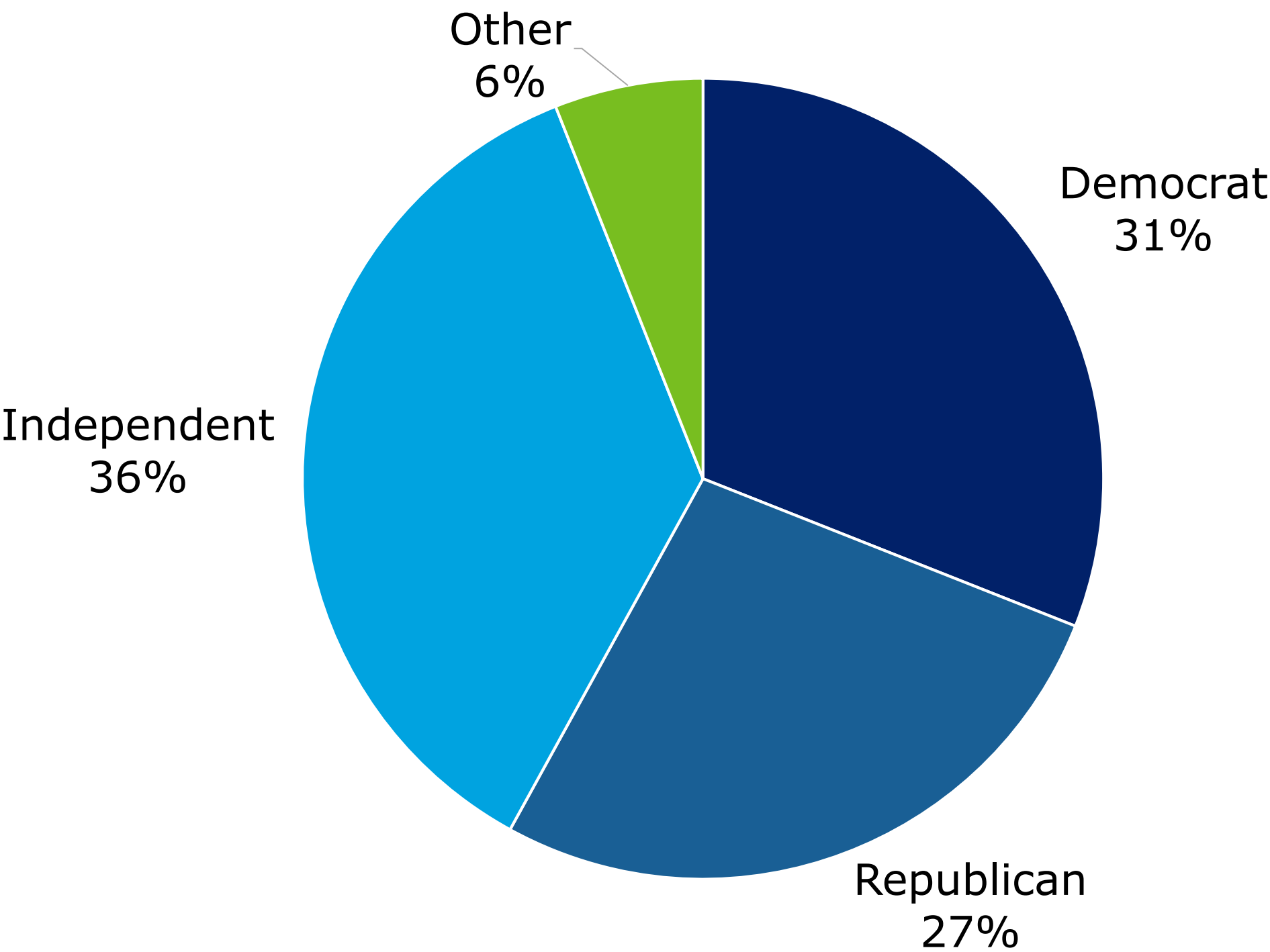
Source: Pew Research Center, June 2020.

Supporter Voting Plans for the Presidential Election

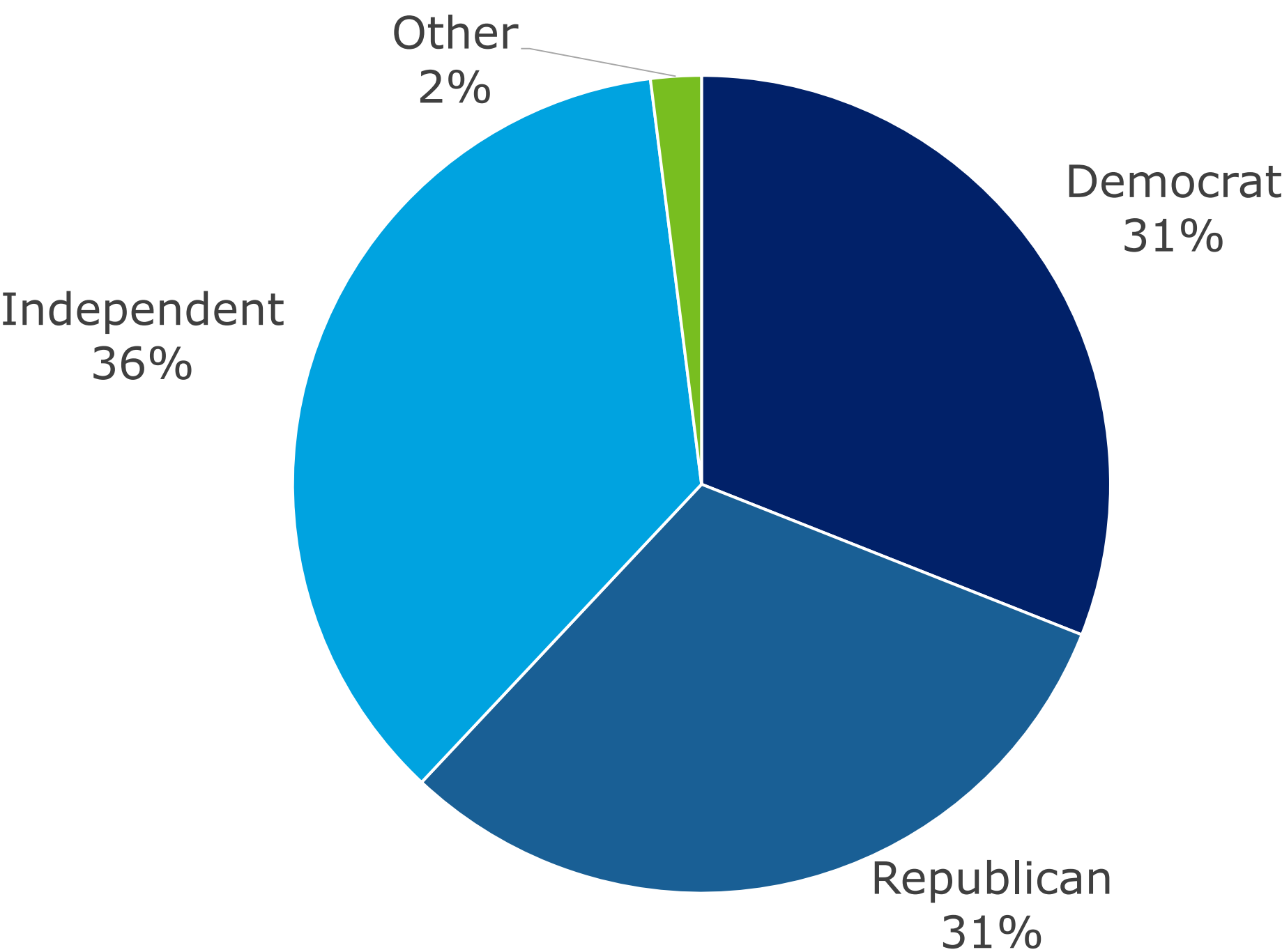


It's all About the Independent Voters Once Again

Party Affiliation Identification Gallup Poll
as of November 2016



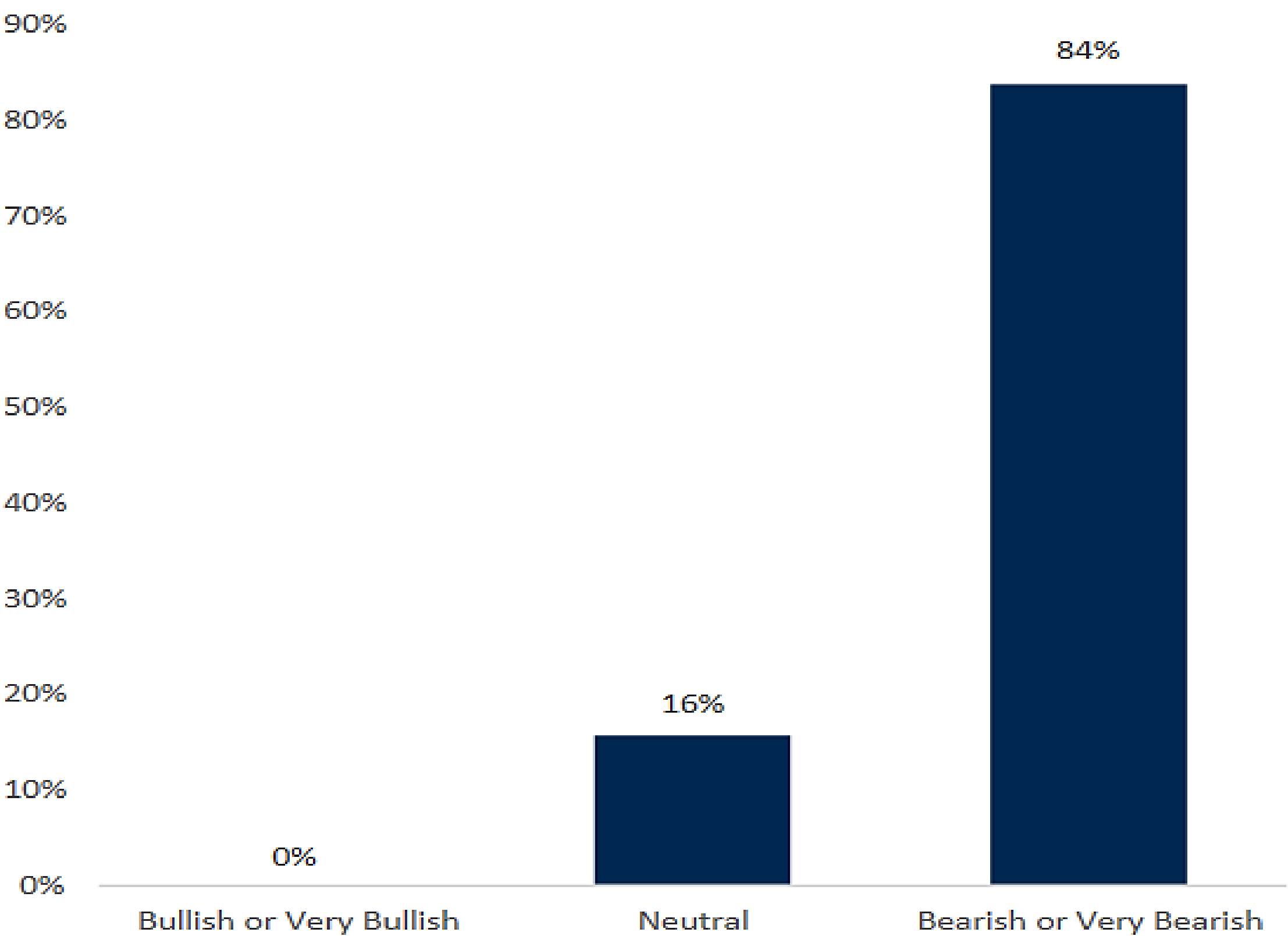
Party Affiliation Identification Gallup Poll
as of November 2020



November 2020 polling data from October 16-27, 2020.
Source: Gallup as of November 2020.

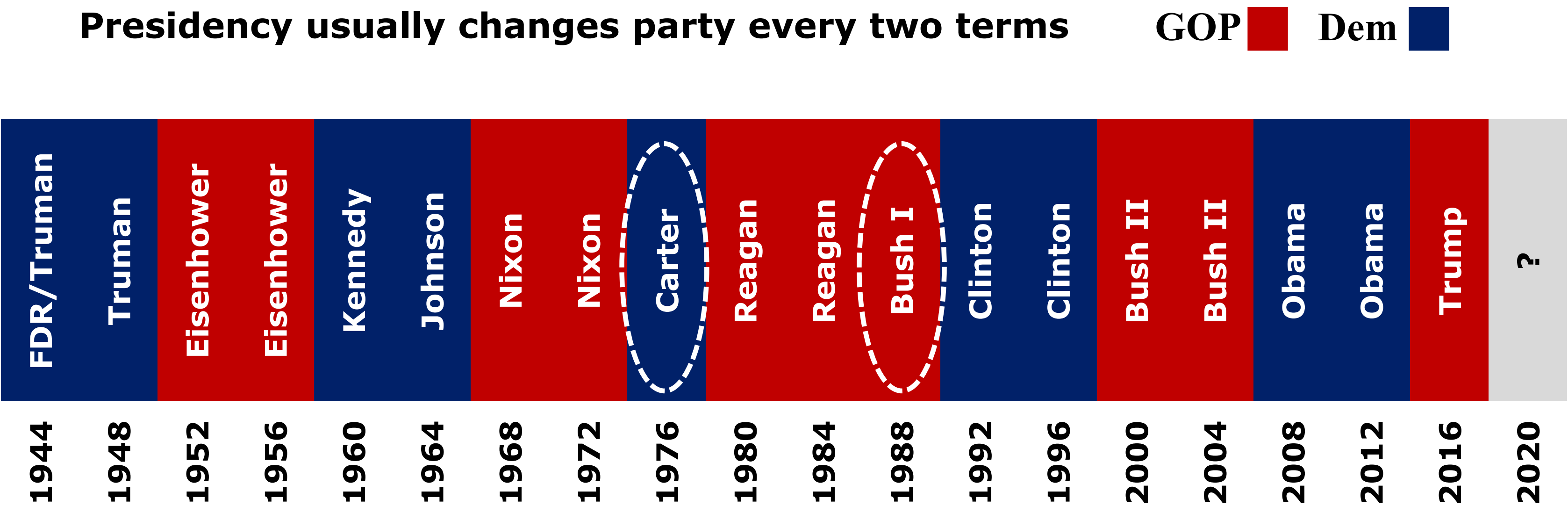
Market Participants Are Really Worried About a Democratic Sweep

What Are the Implications for US Equities if the Democrats Win Control of the White House, Senate and House of Representatives?



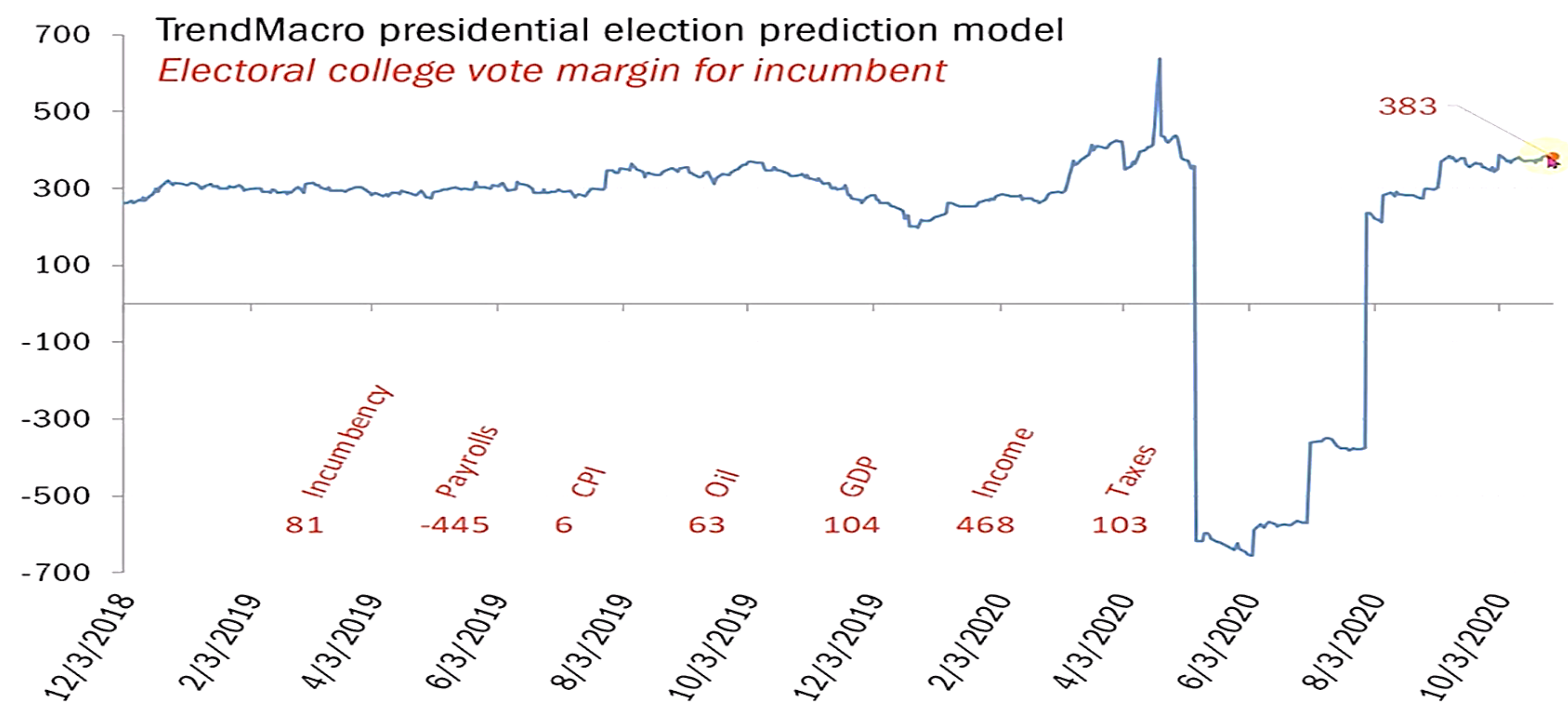
Source: RBC US Equity Strategy. Report as of July 28, 2020.

Where Will the Pendulum Swing in 2020?



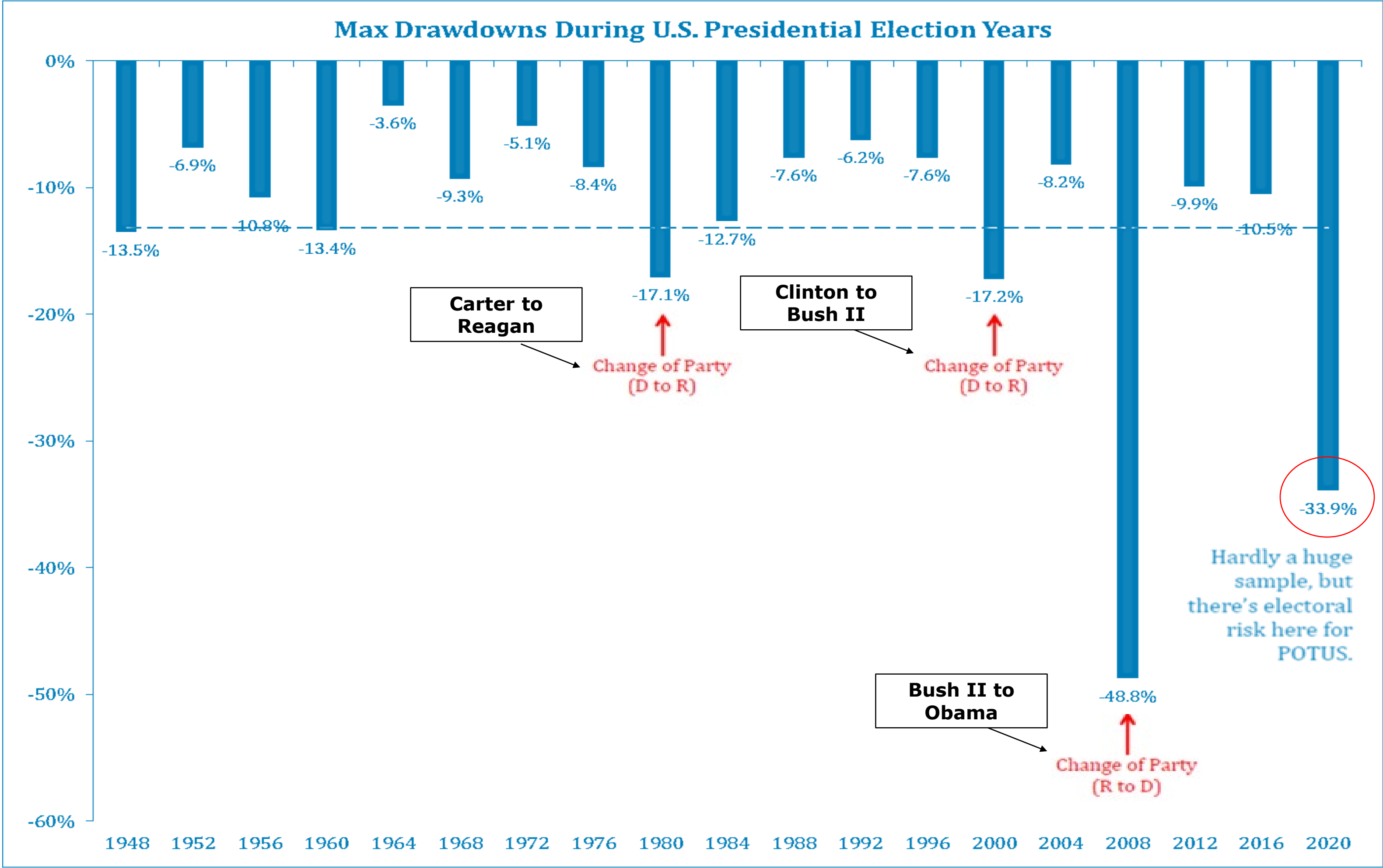
Source: Federated Hermes

TrendMacro 2020 Presidential Election Prediction Model



Source: BLS, BEA, Bloomberg, TrendMacro calculations. Report as of October 28, 2020.

Large Election Year Drawdown Could Swing Control of the White House



Source: Strategas as of April 20, 2020

The Stock Market Will Forecast the Next President

The S&P 500 has correctly picked the winning political party in a presidential election 20 of 23 times since 1928 (87% accuracy).

S&P 500 performance for the three month period prior to presidential election

If the stock market is positive collectively during August, September and October, then the incumbent party usually holds the White House...

Aug 2020: +7.2%
Sep 2020: -3.8%
Oct 2020: -2.7%
Aug-Oct 2020: +0.4%

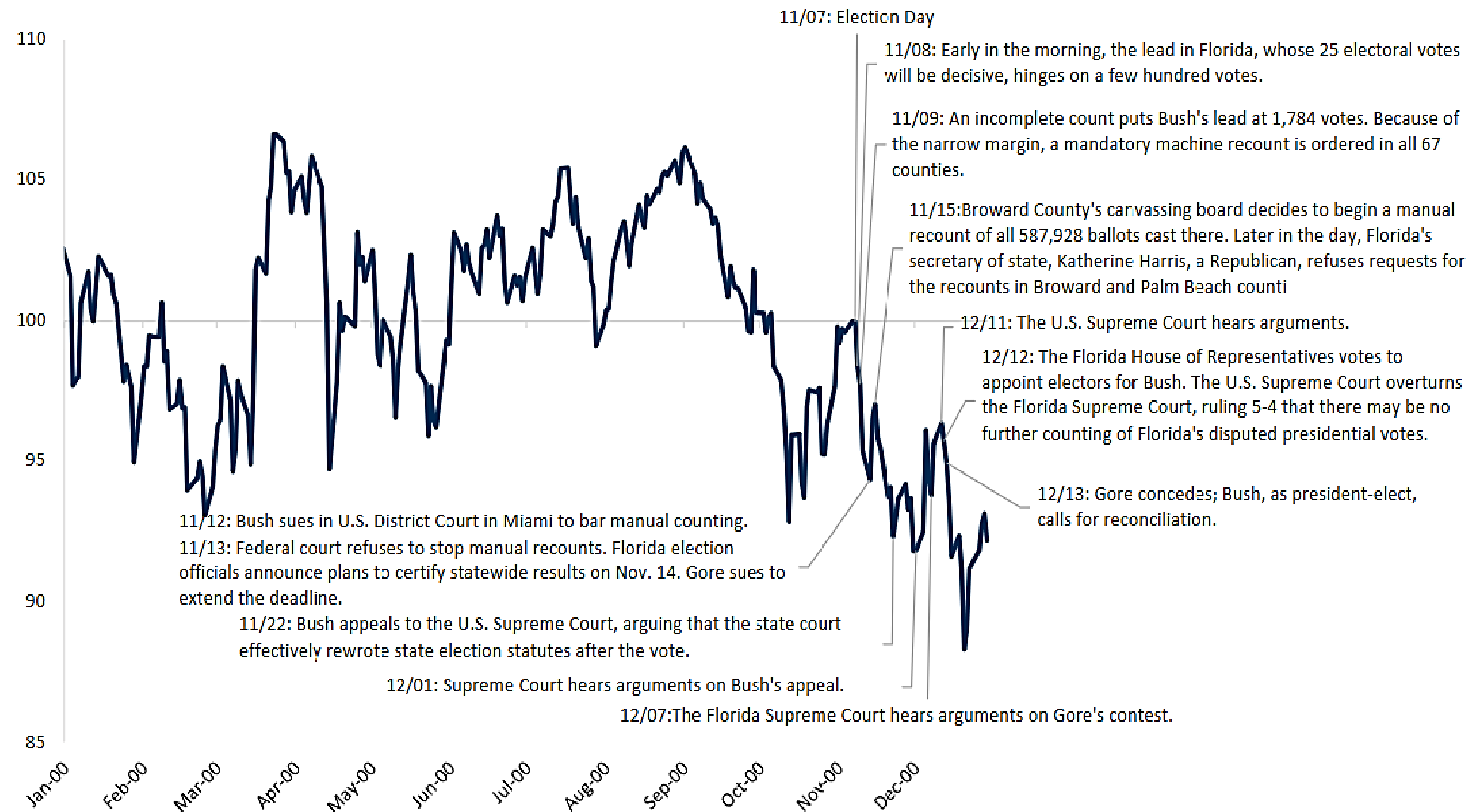
Year	S&P 500 Price Return	Incumbent Party	
'28	14.91%	Won	✓
'32	-2.56%	Lost	✓
'36	7.92%	Won	✓
'40	8.56%	Won	✓
'44	2.29%	Won	✓
'48	5.36%	Won	✓
'52	-3.26%	Lost	✓
'56	-2.58%	Won	X
'60	-0.74%	Lost	✓
'64	2.63%	Won	✓
'68	6.45%	Lost	X
'72	6.91%	Won	✓
'76	-0.09%	Lost	✓
'80	6.73%	Lost	X
'84	4.80%	Won	✓
'88	1.91%	Won	✓
'92	-1.22%	Lost	✓
'96	8.17%	Won	✓
'00	-3.21%	Lost	✓
'04	2.16%	Won	✓
'08	-19.48%	Lost	✓
'12	2.45%	Won	✓
'16	-1.90%	Lost	✓

But if the S&P 500 is negative, then the opposing party usually wins.

Post-Election Turmoil?

Markets Did Not Respond Well to Electoral Uncertainty in 2000

S&P 500 Performance in 2000 Indexed to the Closing Price the Day Before Election Day (11/06/2000)



Will We Have a Contested Election?

In a time of intense political and social disruption, the possibility of an unclear or contested election result is not out of the question.

- Overall voter turnout could approach or exceed 150 million for the first time in 2020, up from a record 138.85 million in 2016.
- Because of COVID-19 concerns, voting by mail could more than double from 2016 levels (33 million) to an estimated 70 million ballots or more in 2020.
- On election night, Biden could be ahead in the popular vote thanks to CA, IL, NY, NJ and MA, but Trump could be ahead in the Electoral College vote.
- States will then begin to process their mail-in ballots, some percentage of which will be disqualified due to signature matching problems, postmark requirements and application deadlines, disproportionately impacting young and minority voters.
- The Supreme Court may need to intervene at this point to settle conflicting legal challenges on state-by-state vote tabulation. But if the Supreme Court has only eight members, then a lower Federal Appeals Court may be forced to rule.
- By Federal Law, electors must meet on December 14, 2020 to vote, so states need to certify their winner six days earlier on December 8, 2020.
- Electoral votes are then counted by a joint-session of the **new** incoming Congress on January 6, 2021, with the **current** Vice President presiding.

What Happens if There is No Clear Winner?

The House and Senate Decide.

- In the event that neither candidate achieves 270 electoral votes (out of 538), the Presidential Election is thrown to the **new** incoming House of Representatives.
- Each state receives one vote, regardless of size. Currently there are 26 states with a Republican delegation, 23 states with a Democrat delegation, and one state (Pennsylvania) with an evenly split House delegation.
- The **new** incoming Senate would vote for Vice President, with each Senator receiving one vote.
- If the House cannot choose a President, but the Senate is able to choose a VP-elect, then the VP-elect will serve as acting President until a President is selected. If neither a President nor VP is chosen by noon on inauguration day, then the current Speaker of the House (Nancy Pelosi (D-CA)) would be the temporary acting President.
- But if the **new** House was unable to select a **new** Speaker, then next on the Presidential Line of Succession is the President Pro Tempore of the Senate, who is the senior-most senator in the majority party, currently Sen. Chuck Grassley (R-IA).
- But if the **new** Senate is tied 50-50, then next in succession are the Cabinet Secretaries ordered by the date of creation (State, Treasury, Defense and the Attorney General).
- Inauguration Day is January 20, 2021.

Election Conclusions

- Coin-flip election to be decided in Electoral College
- Coronavirus infections surging, but deaths are lagging, and vaccine development is progressing quickly
- After brutal 2Q20, economic and corporate profit growth rebounded strongly in 3Q20
- Stock market has rallied to record highs

Biography



Philip Orlando, CFA

Chief Equity Market Strategist
Head of Client Portfolio Management
Senior Vice President

40 Years of Industry Experience

Phil Orlando is Federated Hermes' chief equity market strategist and the head of the Client Portfolio Management team. He joined Federated Hermes in 2003 and, with 40 years of industry experience, Phil is responsible for the formulation of Federated Hermes' views on the economy, the financial markets and the firm's investment positioning strategies. He serves as the chairman of both the Macro Economic Policy and the PRISM® Asset Allocation committees. As head of the Client Portfolio Management team, Phil is responsible for bringing extensive macroeconomic, investment strategy and product knowledge directly to clients in collaboration with the sales team.

For more than 20 years, Phil has been a regular contributor to several of CNBC's programs, including "Worldwide Exchange," "Squawk Box," "Squawk on the Street," "Power Lunch," "Closing Bell" and "Nightly Business Report" as well as Fox Business News, Bloomberg, Reuters, The Wall Street Journal and The New York Times.

Phil received his bachelor's degree and MBA from New York University. He is a CFA® charterholder.

Phil is married and has three children. While he spends much of his time off with his family, he is also very active in charity work, as he is on the Board of two Westchester-based charities that works with special-needs children: The Foundation for Empowering Citizens with Autism (FECA) and Extraordinary Ventures New York (EVNY). He is also an advisory-board member of the Cancer Support Team (CST).

Interested In Hearing More?

Visit **federatedinvestors.com/PhilOrlando** to sign up for email updates, watch YouTube videos, connect on LinkedIn and more.

PHIL ORLANDO



Eye on the Economy

Throughout his more than 30-year investing career, Chief Equity Market Strategist and Head of Client Portfolio Management Phil Orlando has held a close watch on the economy and plays a lead role in formulating the company's opinions on the securities markets. His candid views have made him a regular, trusted source for advisors, investors and several leading news organizations, including CNBC, Reuters, Bloomberg, Wall Street Journal and The New York Times. He also chairs Federated's Macro Economic Policy Committee and heads the client portfolio management team.

Like to keep an eye on his insights? Here are three ways:

1. **Attend his quarterly webcasts**
Focused on timely market trends and topics.
2. **Read his weekly market views**
Look for them on our [site](#) and in our [weekly email](#).
3. **Connect with him on** [LinkedIn](#) and [Twitter](#)