



GOLDENSTONE WEALTH MANAGEMENT

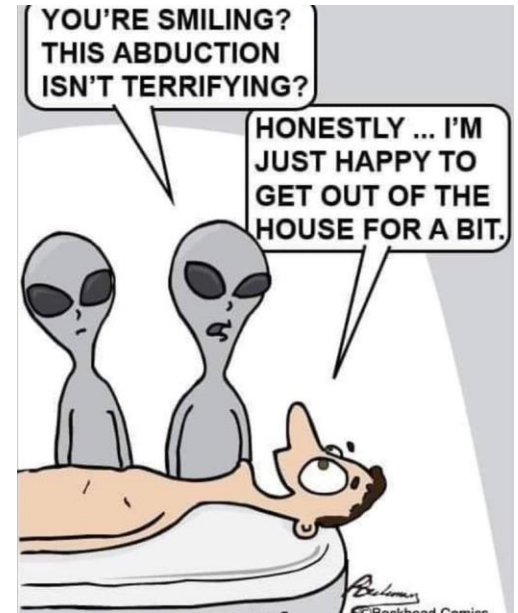
Varshney & Villegas Private Investments

"Your Stepping Stone To A Golden Life"





HOW DO YOU FEEL NOW THAT IT'S 2021?



EMERGING TRENDS IN SACRAMENTO'S ECONOMY

sacramento

JANUARY
2021

BUSINESS
REVIEW



A Post COVID World: Is Sacramento better than the Bay Area?

PARTNERS AND SPONSORS



Labor Markets & *Regional Economy*





Figure 1 • Unemployment Rates

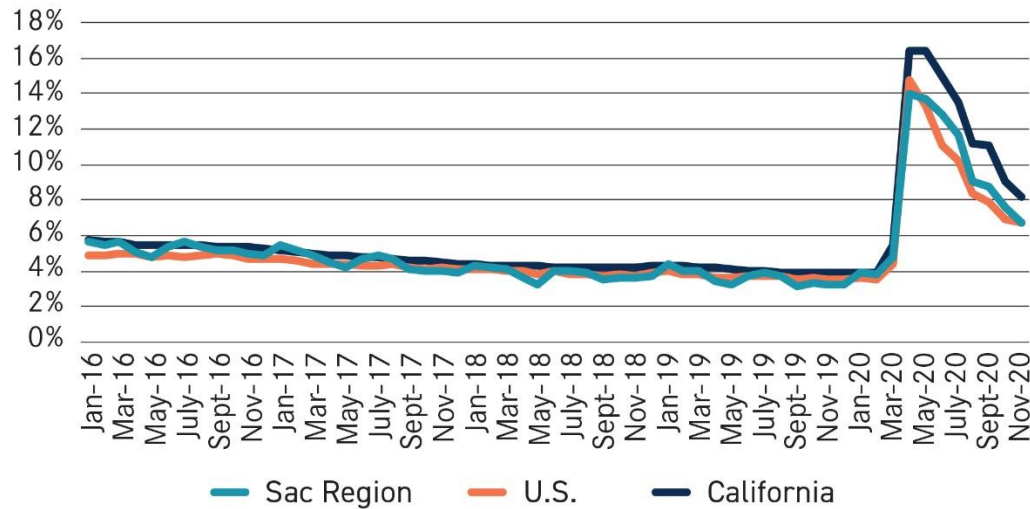
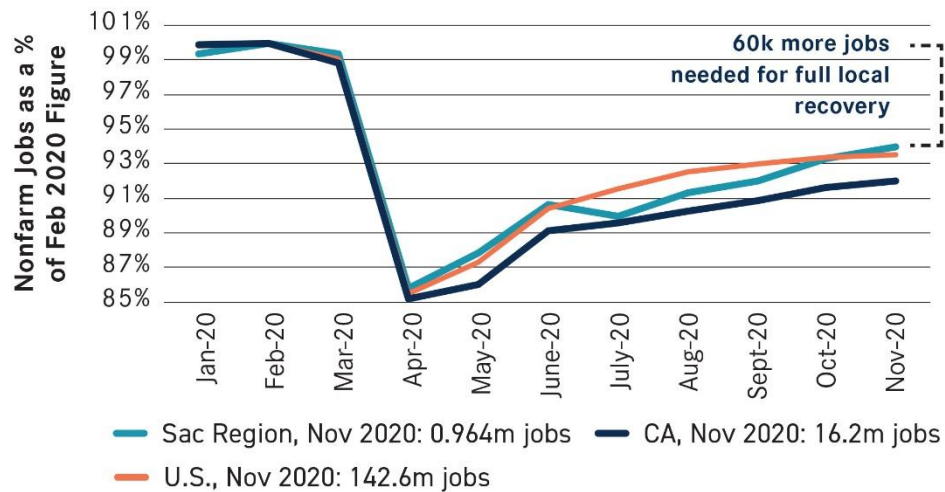


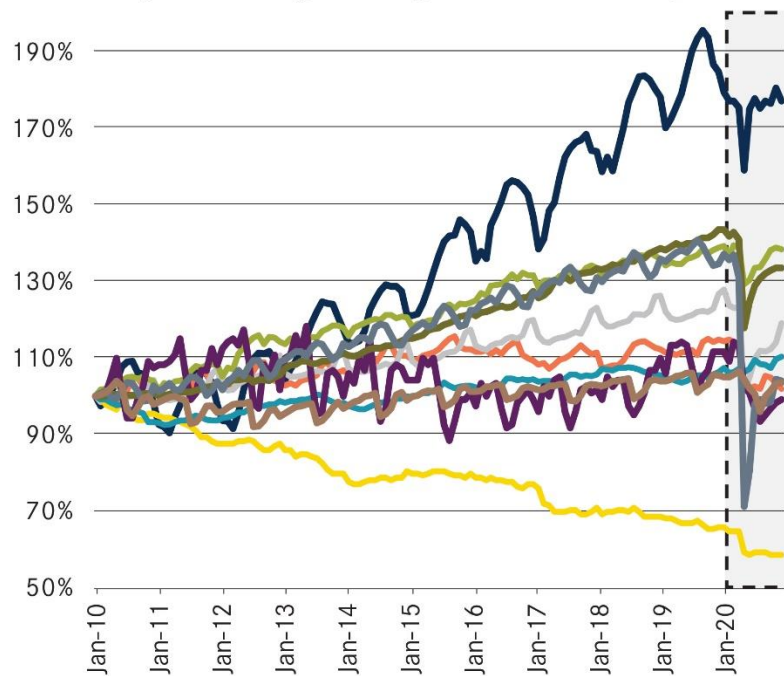
Figure 2 • 2020 National, State, and Local Nonfarm Jobs (February 2020 = 100%)



Data Source: BLS & CA EDD

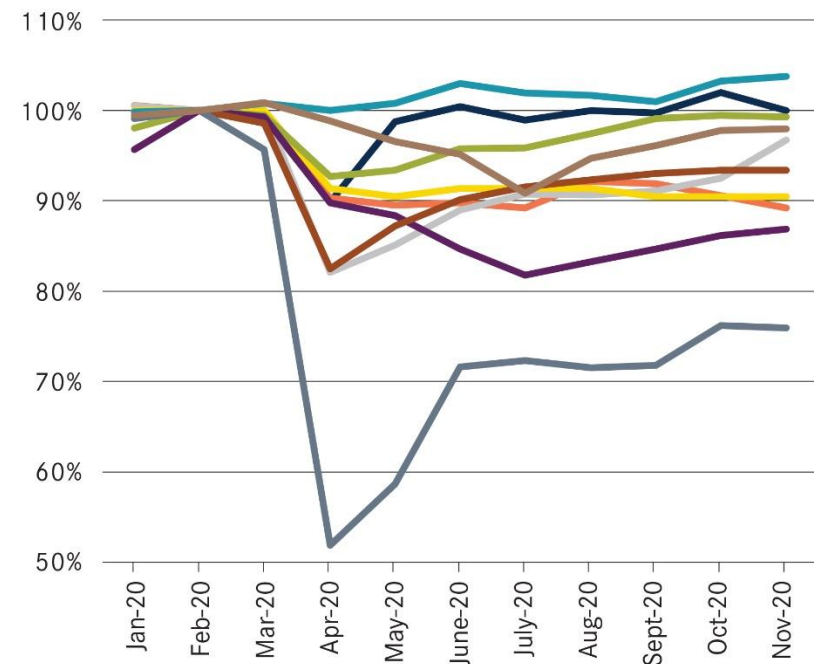


Figure 3A • Sacramento 10-Year Job Growth by Sector (January 2010 = 100%)



Construction Manufacturing Trade, Transportation & Utilities Information Financial Activities Government
Professional & Business Services Education Services Health Care & Social Assistance Leisure & Hospitality

Figure 3B • Sacramento 2020 Job Change by Sector (February 2020 = 100%)





The Small Business *Economy*



Figure 1 • Overall Sentiment

(January 2011 - January 2021)

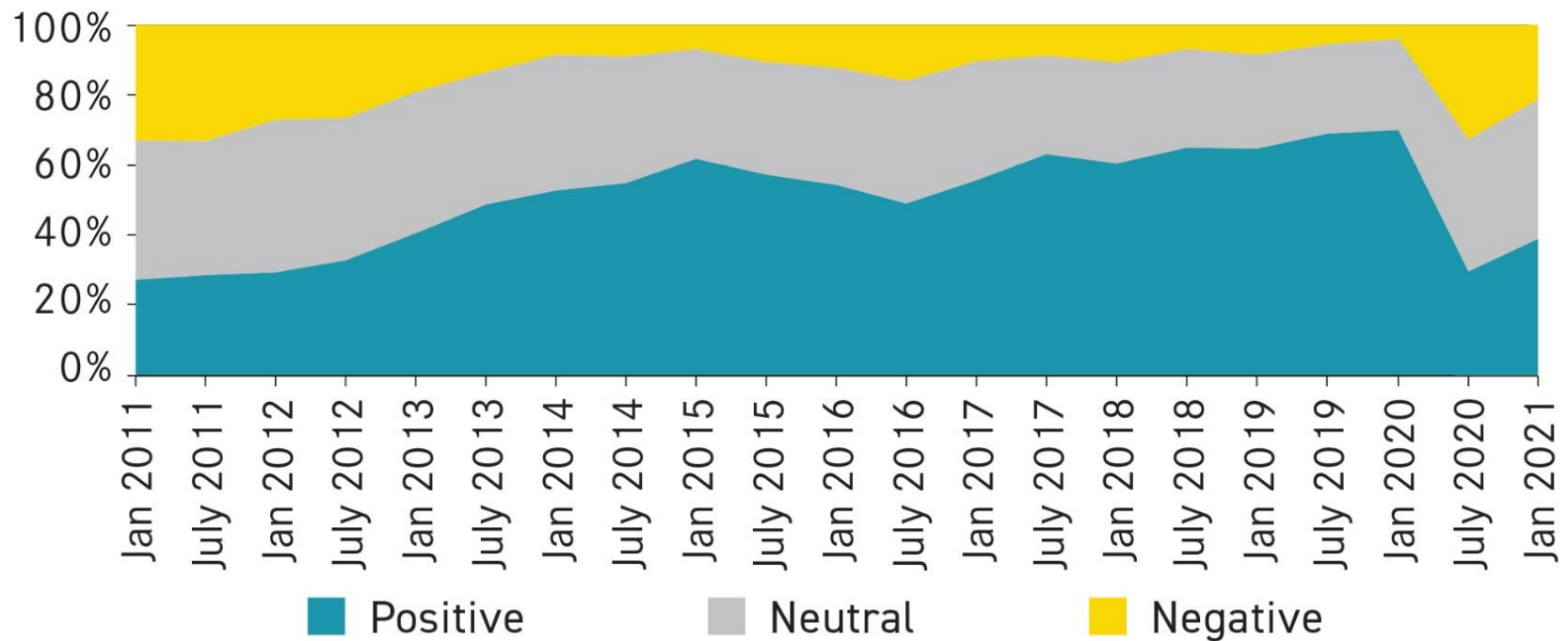
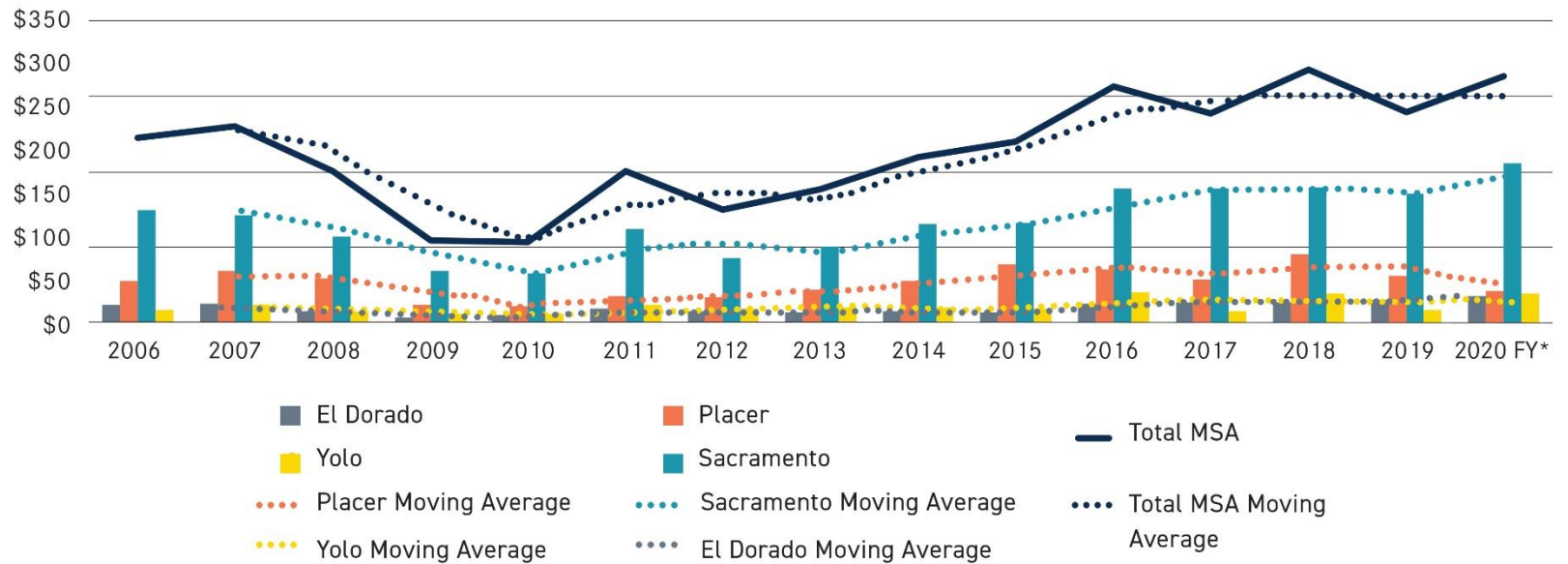




Figure 5 • Total SBA Loan Approvals By County
(in millions, 2-Year Moving Average)



Moving Average is average of two previous data points.

*FY: October 2019 through September 2020

SBR/SAFE CREDIT UNION



Consumer Sentiment *Survey*





Figure 1
Regional and National Consumer Sentiment

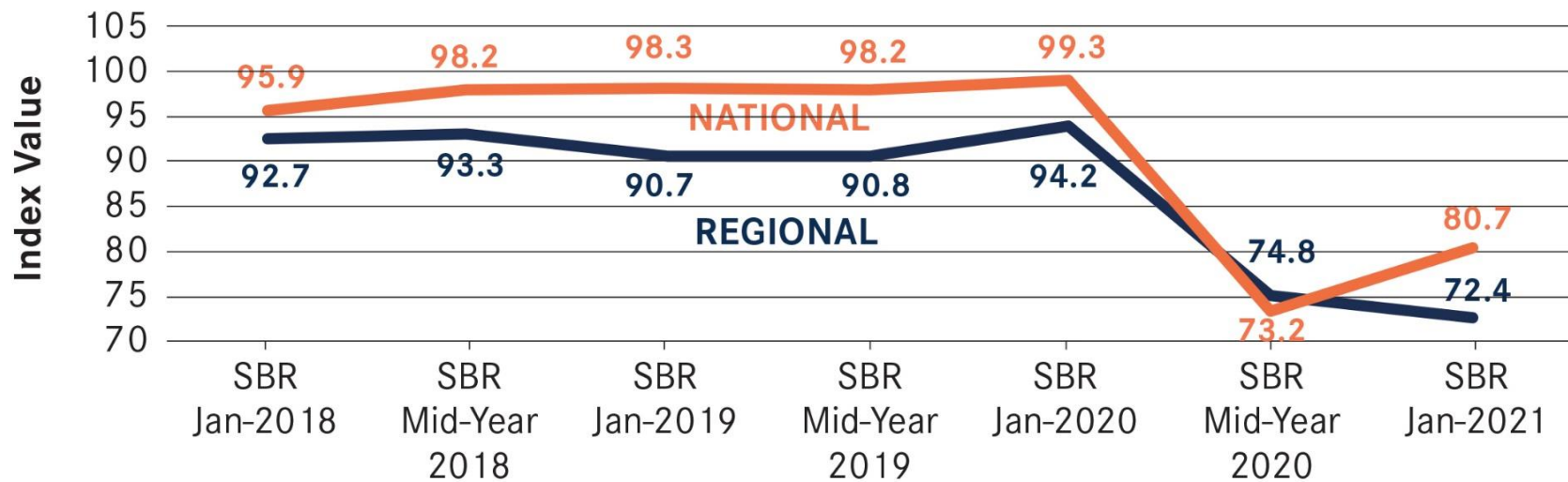
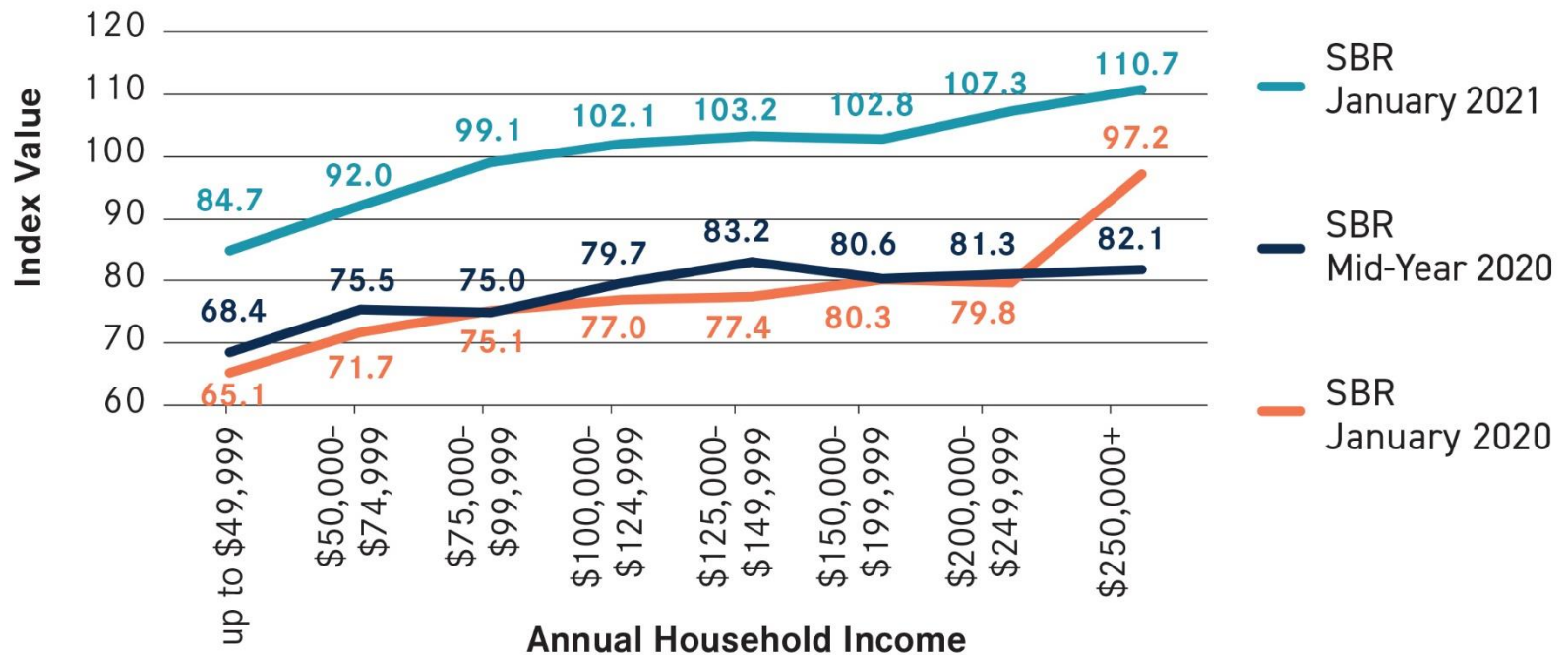




Figure 2
Regional Consumer Sentiment By Household Income Level





Real Estate



Figure 5
Median Home Prices & Cost Per Square Foot 2015 - 2020

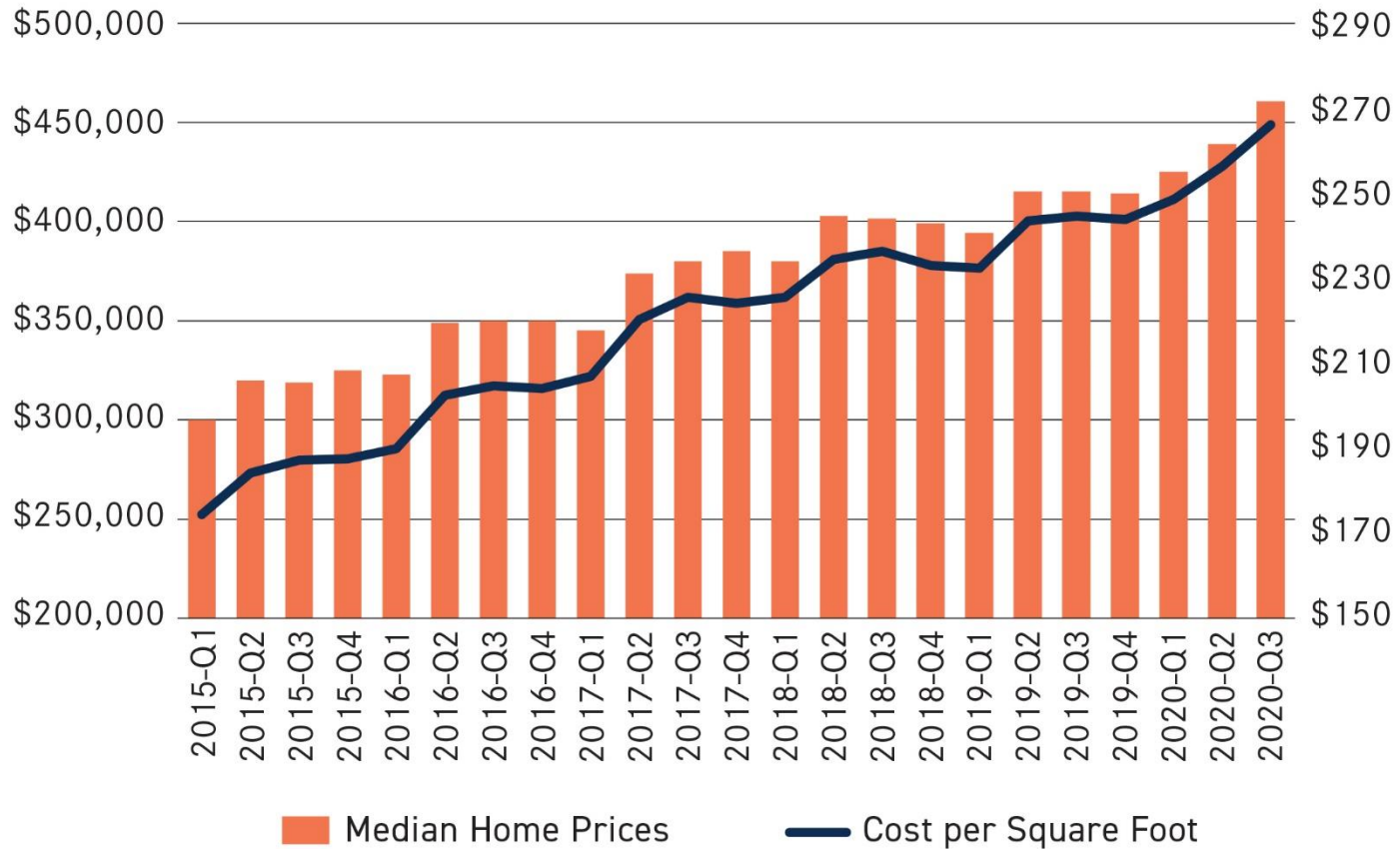
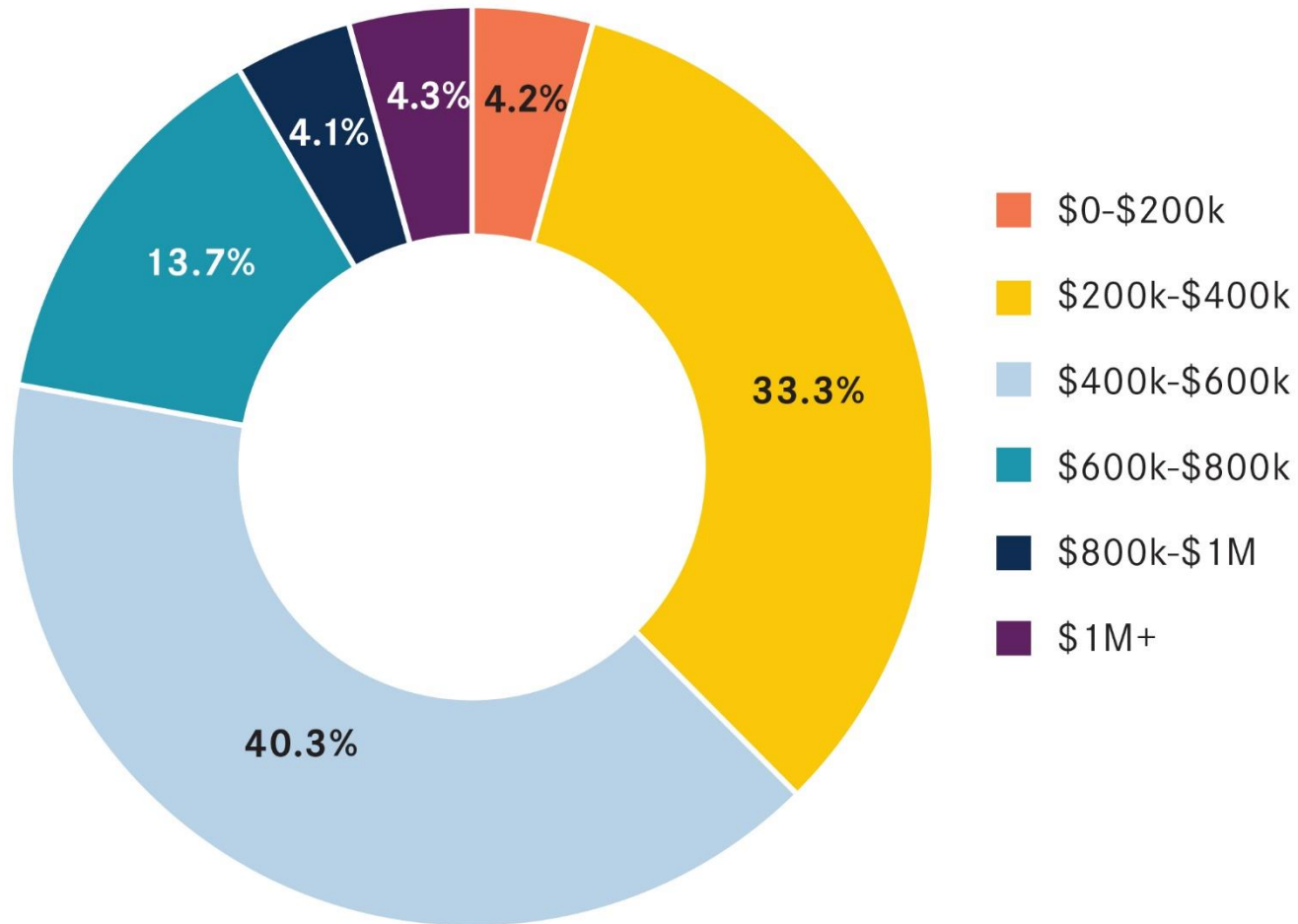
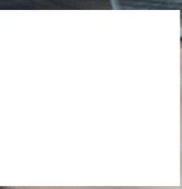




Figure 6
Home Sales by Price: YTD 2020



*2020 data includes January 1 through September 30



Human Capital

Trends

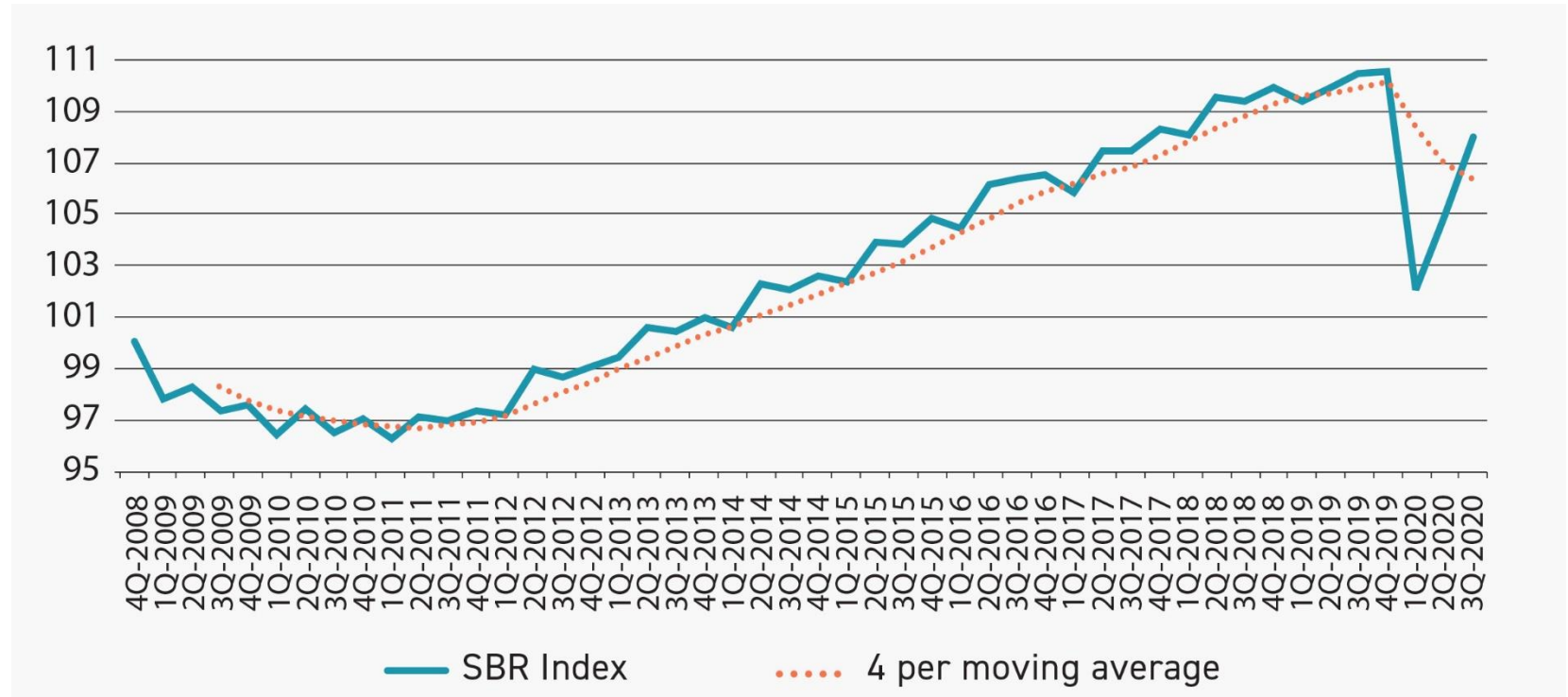


Table 1

2021's Most Significant Pressures	Rank
Pressure on cost reduction	1
Challenging productivity and profit targets	2
Development and management of new competencies	3
Skills gap (job candidates available but don't have desired skills)	4
Change in company culture	5
Market volatility and fear of recession	6
AI (machine learning, new technologies)	7
Pandemic recovery	8
Talent shortage (job candidates not available)	9
Increased market competition	10
Expansion of operations in new markets	11
Organizational restructuring	12
Racial justice	13
Downsizing	14



Sacramento Region Financial Conditions Index





El Dorado Hills Economy

Business Confidence Index

COVID 19 Impacts



Between 2006 and 2016, El Dorado County economy was one of the most stagnant in California, and ranked 44 out of 58 counties in terms of overall industry earnings growth.

Population growth patterns show that El Dorado County is facing increasing deaths, fewer births, and declining population with the second lowest population growth rate in the State. El Dorado Hills has more aging and the least growing population, with the lowest birth rate

Healthcare facilities in El Dorado County are fewer in total and per capita, and not a generator of economic wealth and employment opportunities unlike those in Sacramento and Placer counties. El Dorado Hills does not have a hospital facility unlike Folsom and Roseville.

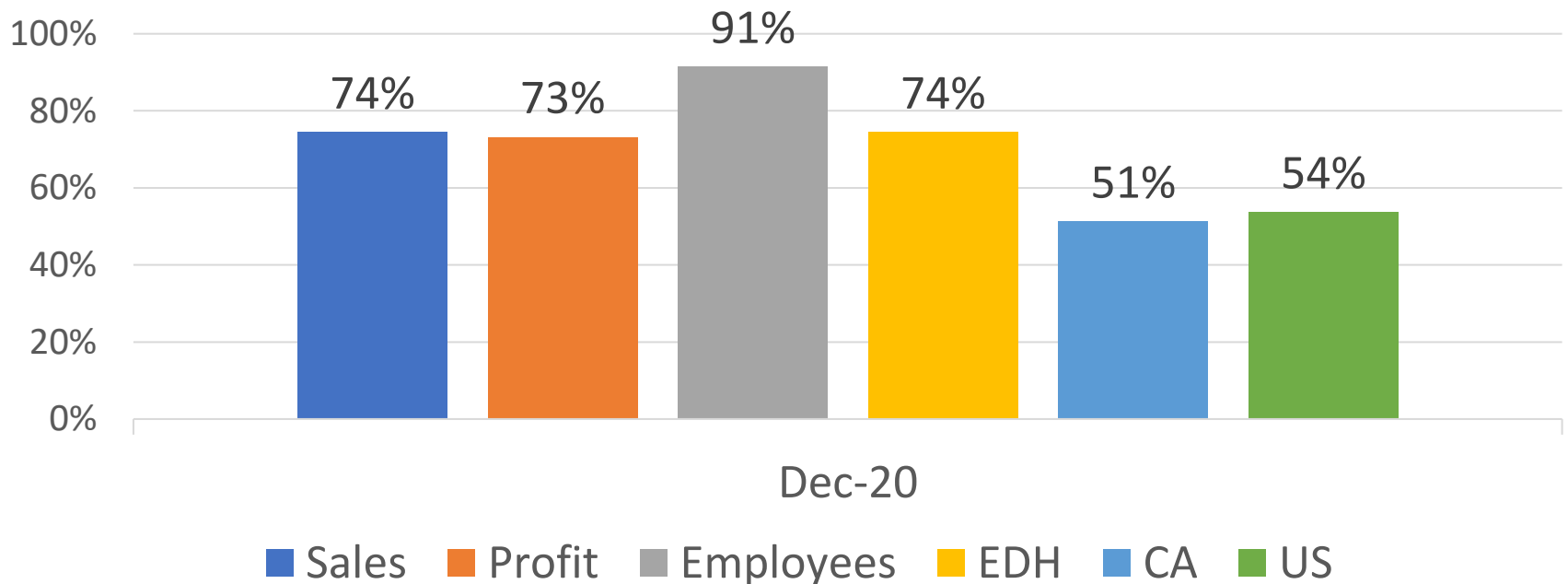
Cost of living structure in El Dorado County and El Dorado Hills has disproportionally higher index of housing costs, compared to all other indexes (overall cost, grocery, housing, utility, transportation, healthcare, and miscellaneous costs).



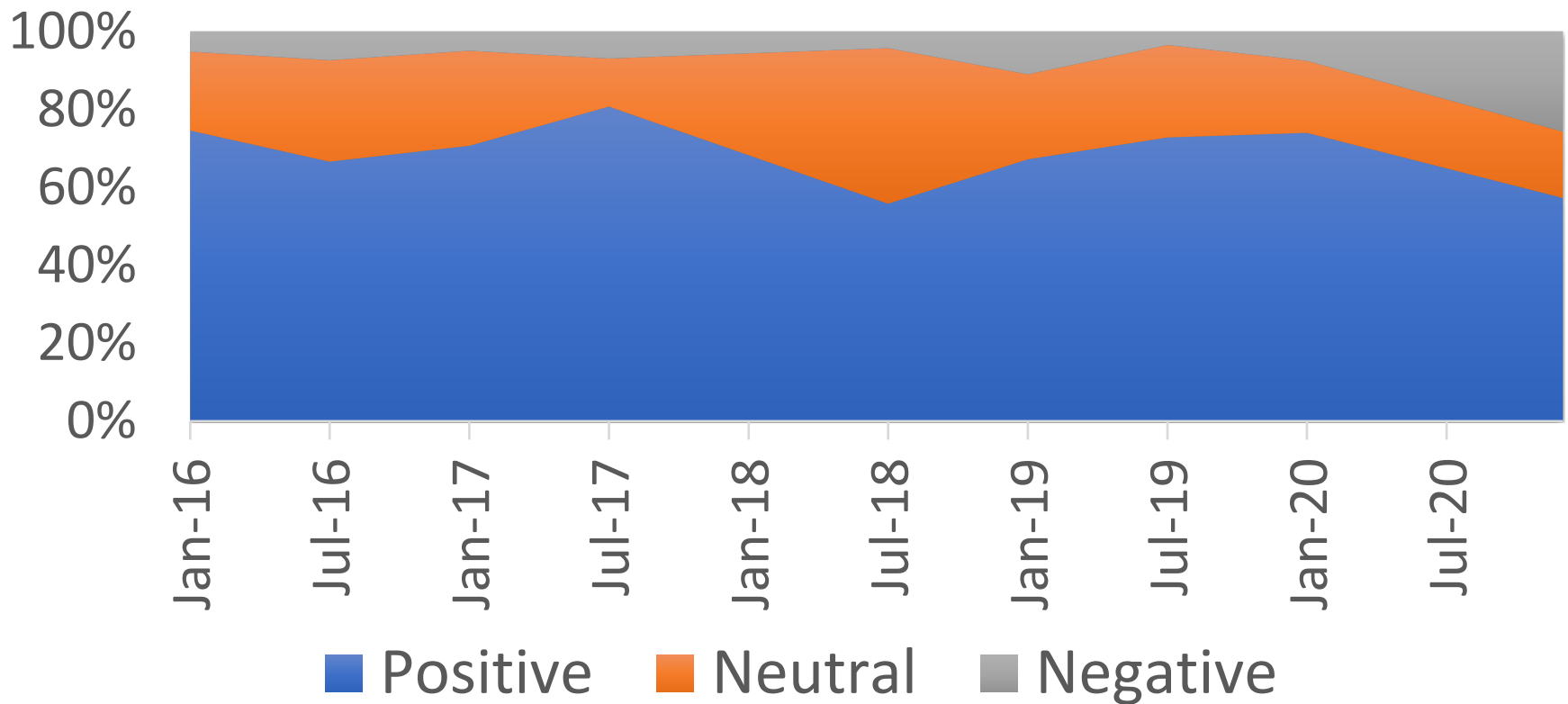
Historical development trends and comparative statistics analysis show that since 1980, both El Dorado county and El Dorado Hills had substantially lower rates of economic development, and slower population growth than Sacramento & Placer Counties and Folsom & Roseville cities respectively.

Residential real estate profile demonstrates lack of offer on the lower end of the market(workforce housing segment). The cost structure of residential real estate in El Dorado County overall, and especially in El Dorado Hills in particular, is highly skewed towards high- end housing units. The median home and median household income is much higher in El Dorado Hills relative to Folsom or Roseville.

EDH Business Confidence Index



Sales Outlook Trends



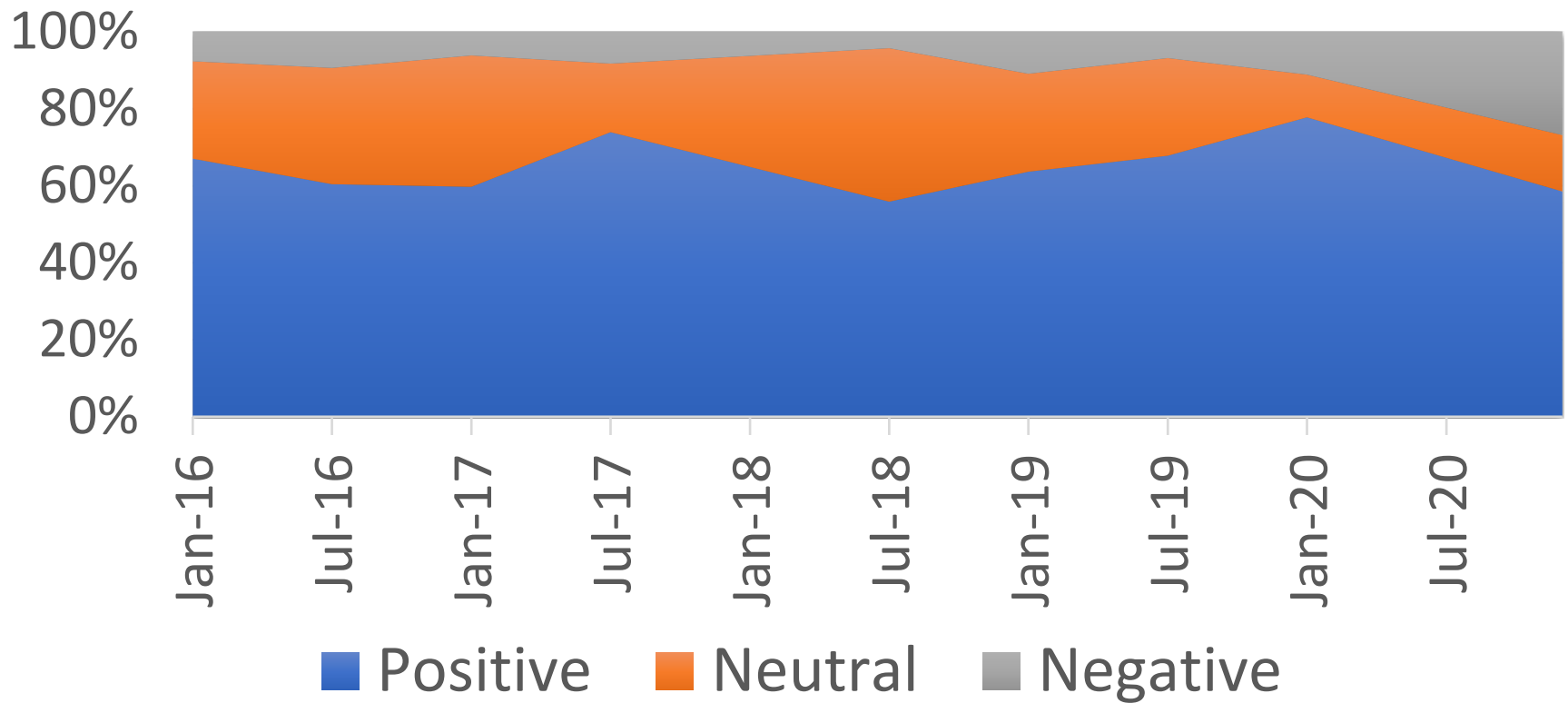
December 2020

57%

17%

26%

Profit Outlook Trends



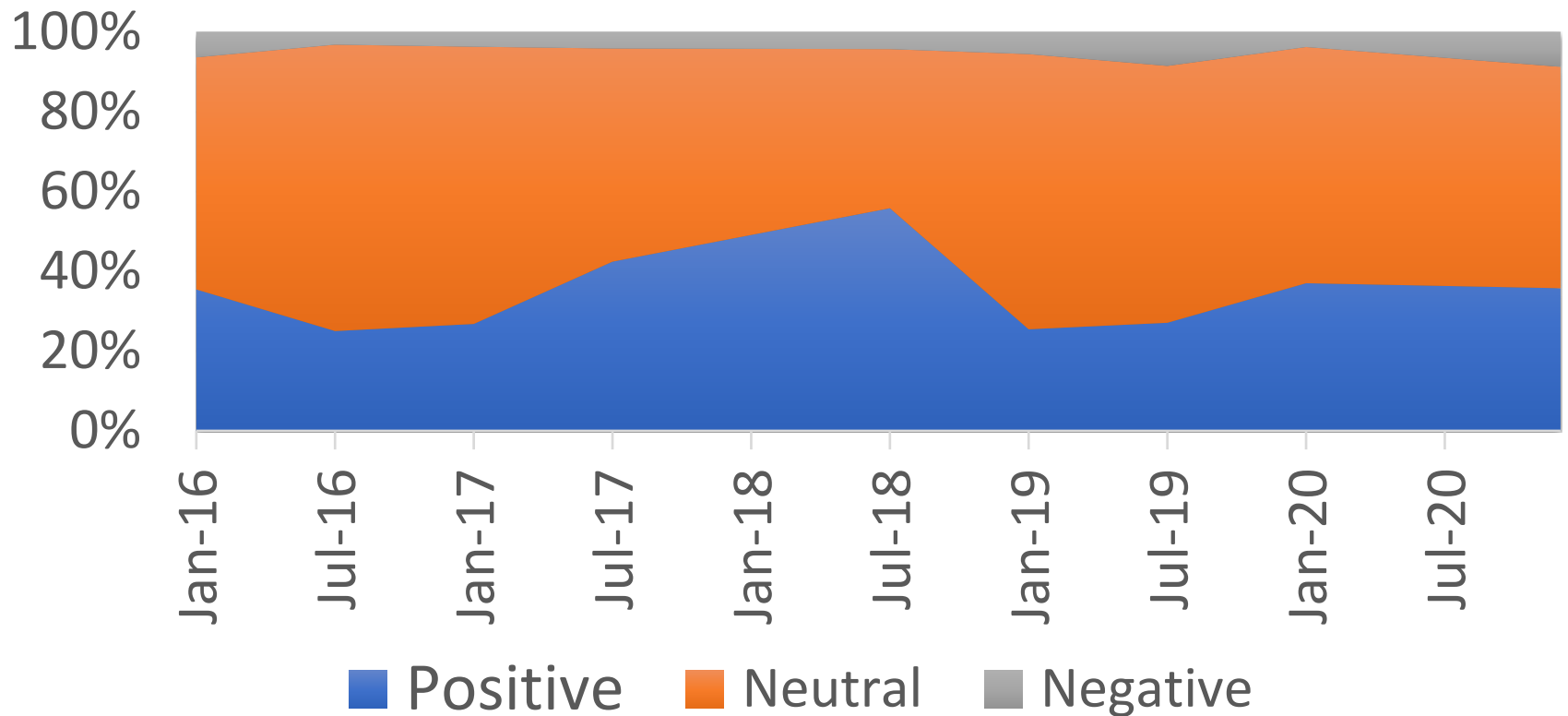
December 2020

59%

14%

27%

Hiring Outlook Trends



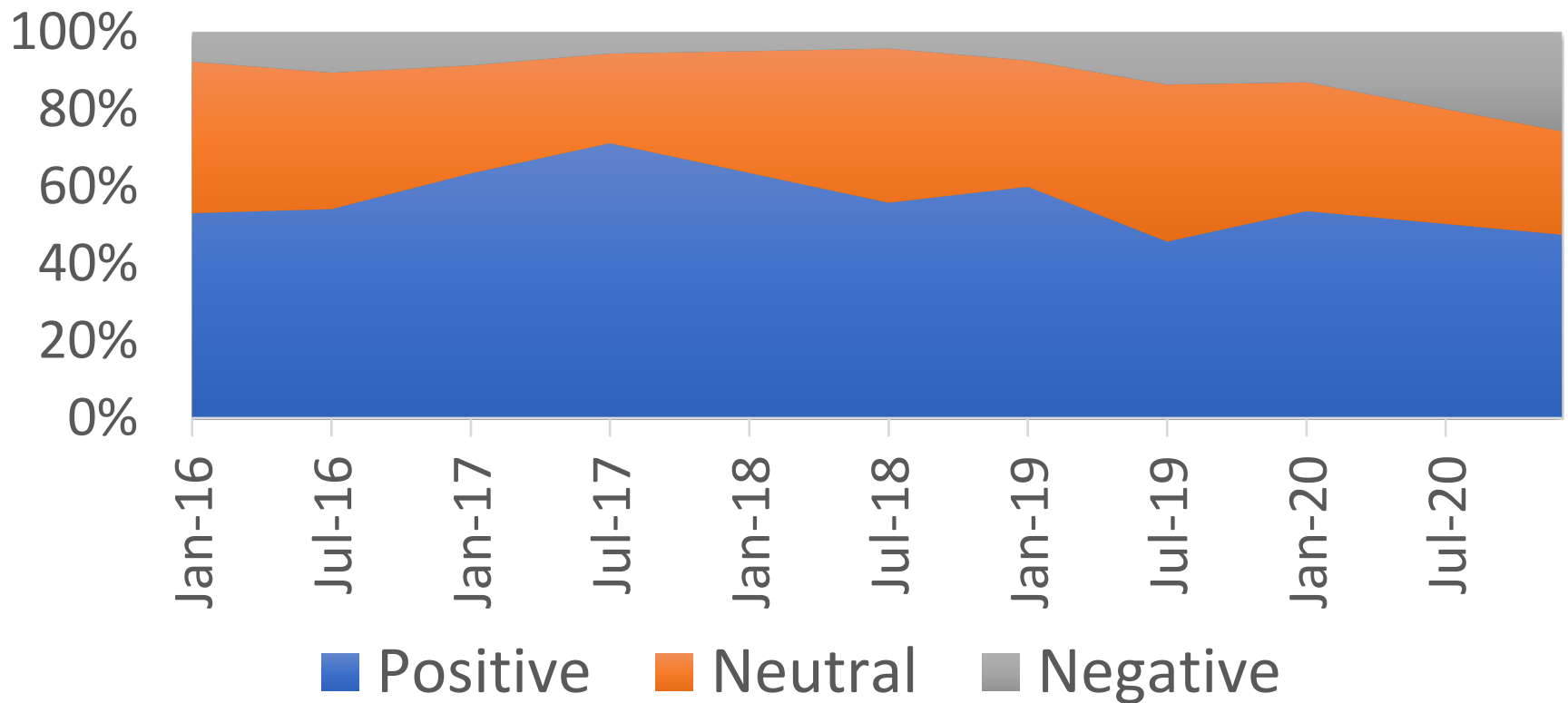
December 2020

36%

55%

9%

El Dorado Hills Business Outlook Trends



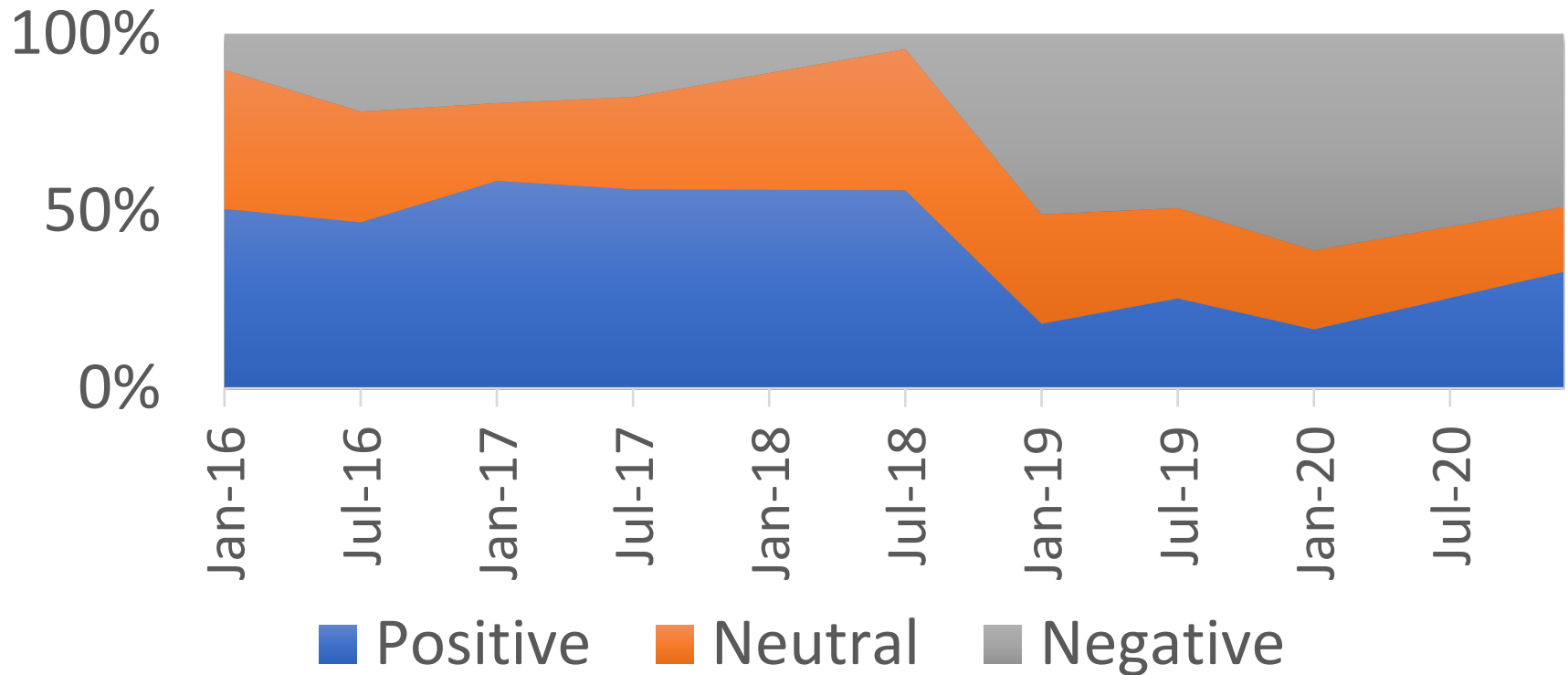
December 2020

48%

26%

26%

California Business Outlook Trends



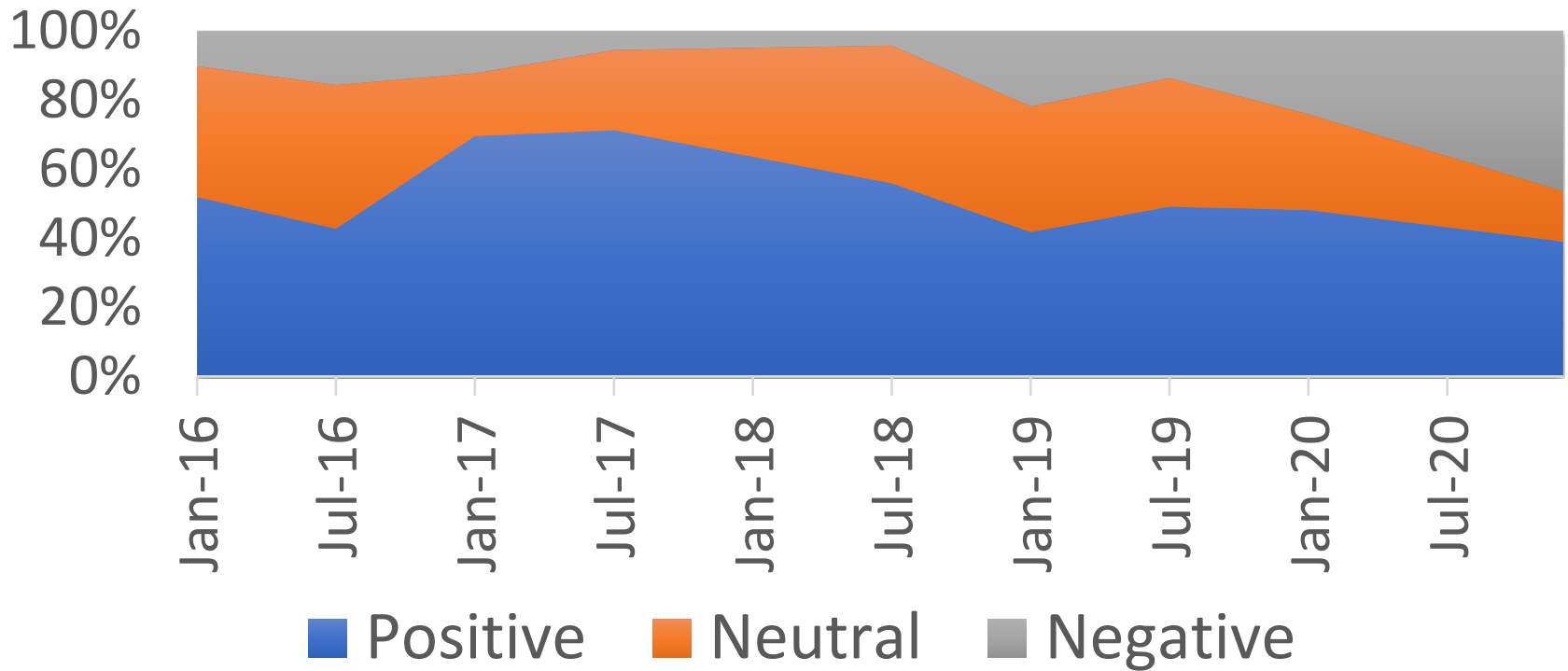
December 2020

33%

18%

49%

United States Business Outlook Trends



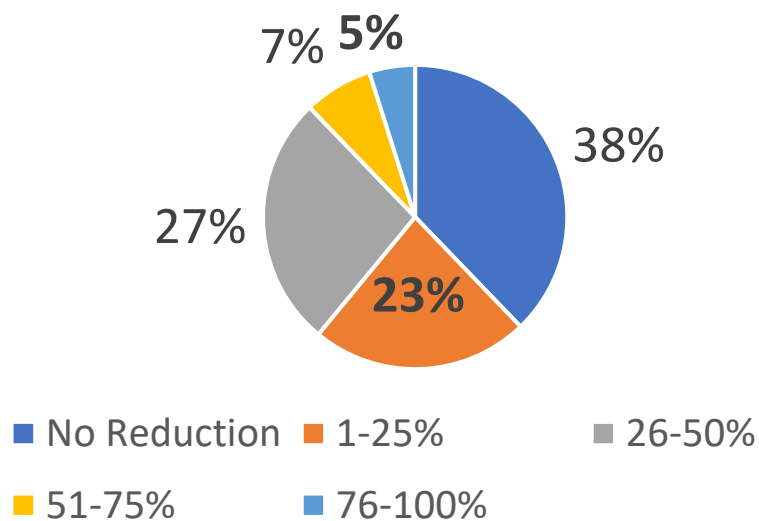
December 2020

39%

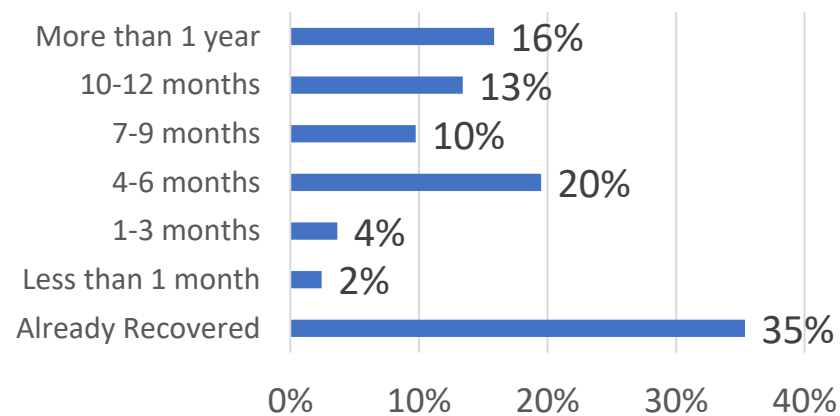
15%

46%

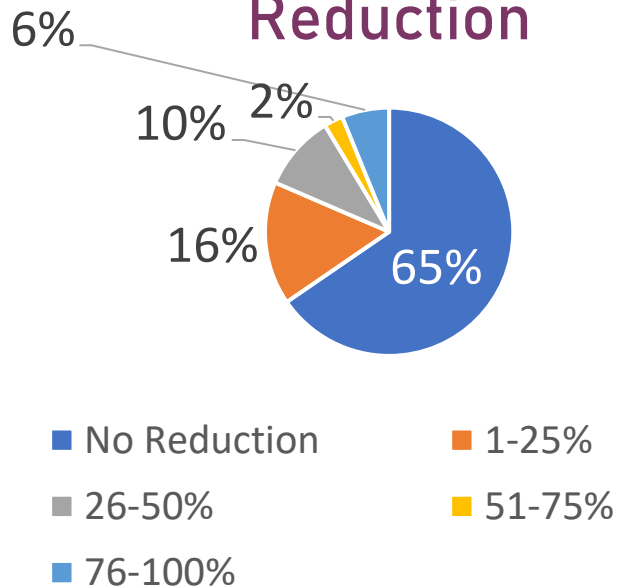
Covid - Revenue Impact Reduction



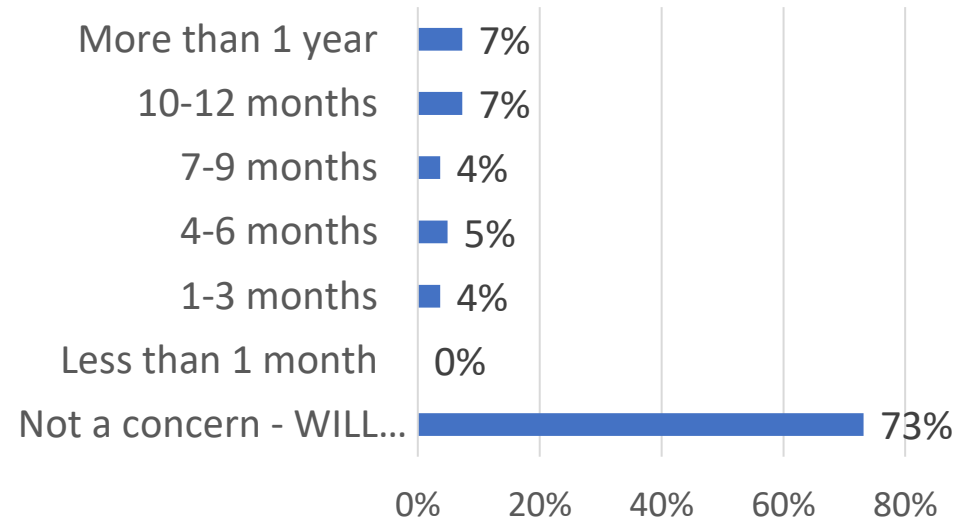
Covid - Time to Recover to PRE-Pandemic Levels



Covid - Employment Reduction



Covid - How long before PERMANENT closures?





THE CRASH IN MARCH

- 16 days to crash 38%, Oil collapses
- Best and worst weeks since 1938
- Shelter in place mandates
- Recession inevitable
- Largest weekly unemployment claims in history
- Parallels to great depression
- 15 days became an eternity
- Unemployment hits 14.7%, 45MM claims





THE RESPONSE -IS \$10 TRILLION OK?

- Fear of the unknown
- Federal Reserve back to ZIRP+\$2 Trillion Scalable to 6
- Congress actually acted fast with \$2.3 Trillion + \$600 Billion
- Households, Business (Small, Mid, Large), Hospitals
- \$More coming to States/Cities/Counties, Hospitals, Education.....



STRUCTURAL CHANGES

- How we use office space
- Where we live and work
- Telemedicine, Online shopping, Education, Technology, Tourism, Air Travel, Restaurants



WTF??



- Economy sank 5% in Q1, 31.4% in Q2
- Vaccine Development Progress
- Stock Market Recovers
- Earnings \$145 compared to \$100
- 65% of Economy back to pre-COVID
- Unemployment at 4% by 2022
- Digital transformation-winners/losers



BREAKING NEWS

Wearing a mask 🤒
inside your home is now
highly recommended.
Not so much to prevent
Covid-19 but to stop eating.





ECONOMIC BAROMETER

Unemployment



Retail Sales



Consumer Confidence



Housing Market



US GDP



Consumer Spending



Purchasing Managers Index (Manufacturing/Services)





COVID Winners

✓ Etsy

✓ Nvidia

✓ FedEx

✓ Roku

✓ Apple

✓ eBay

✓ Square

✓ Paypal

✓ Amazon

✓ Netflix

✓ Salesforce

✓ Adobe

A photograph of a snowy mountain range under a night sky with a vibrant aurora borealis. The aurora displays horizontal bands of green and yellow light against a dark blue and purple sky filled with stars. The mountains in the foreground are covered in snow and have a rugged, rocky appearance.

**1720, Sir Isaac Newton
lost a fortune in the
South Sea Company, the
hottest stock in England.**

Newton concluded...

*[That he] 'can calculate the
motions of the heavenly bodies,
but not the madness of people.'*

Owning the future – Megatrends Driving Returns

Technological breakthrough



Robotics & A.I.
Cybersecurity
FinTech

Demographics & social change



Genomics
Immunotherapy
Ageing

Rapid urbanization



Infrastructure
Megacities
Smart cities

Climate change & resource scarcity



Clean energy
Electric vehicles
Self-driving

Emerging global wealth



China & India
New consumers
Digital economy

**“We don’t have to be
smarter than the rest.
We have to be more
disciplined than the rest.”**

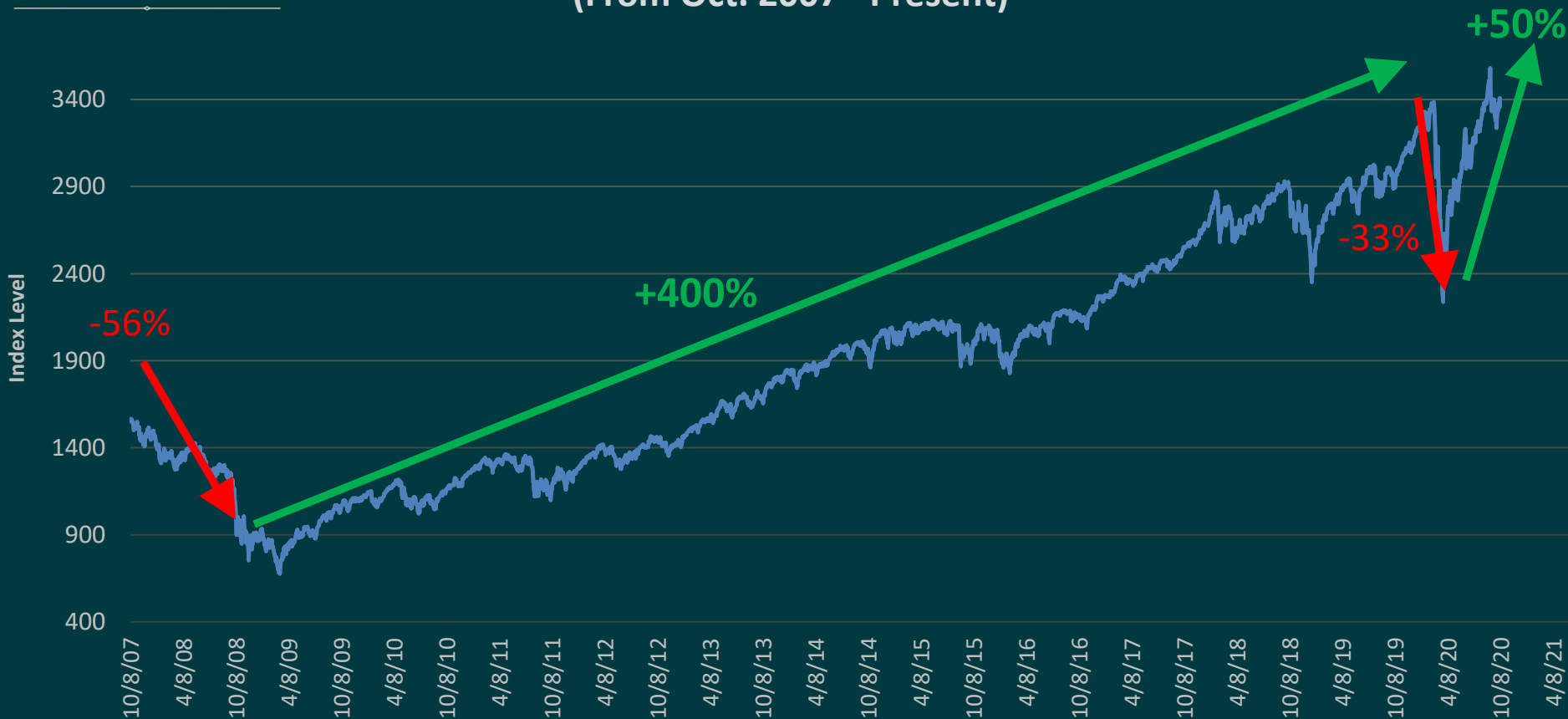
-Warren Buffett



GOLDENSTONE

S&P 500 Chart

(From Oct. 2007 - Present)



Data Source: Macrotrends

Why IS THIS A NEW BULL MARKET?

CASH ON SIDELINES

CONSOLIDATION/M&A/STOCK BUYBACKS

FEWER PUBLICLY TRADED STOCKS

TECH NOW 25% of S&P

COVID-19 IS NOT JUST ABOUT LOSERS

BUSINESS FORMATION SPIKES

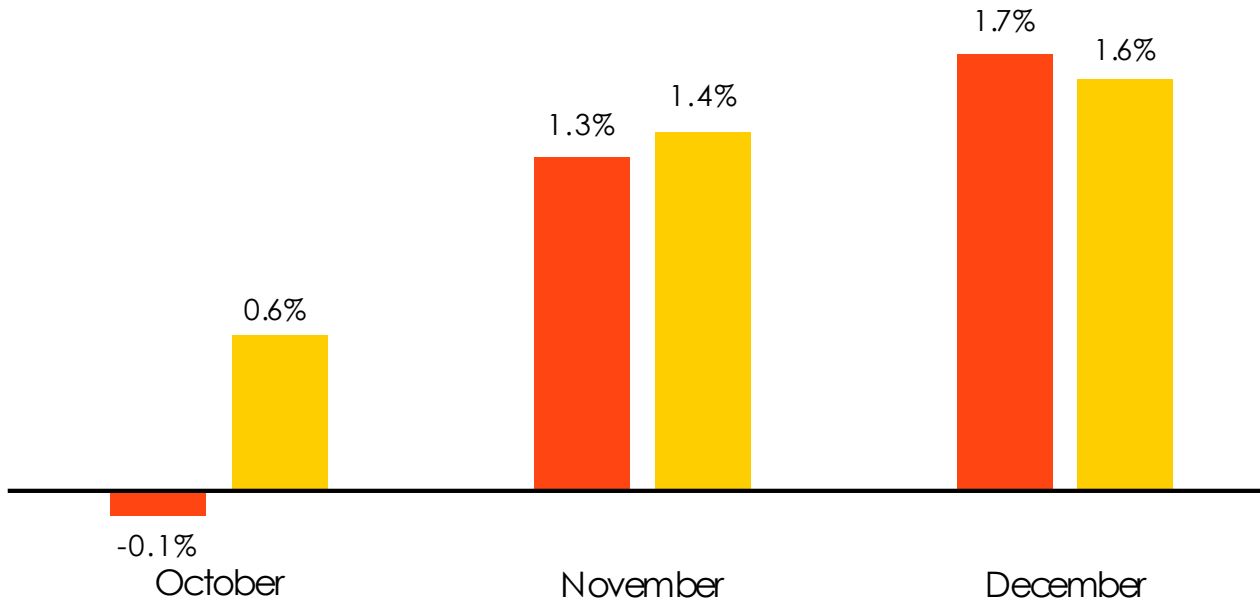


Stocks in the final months of election years

S&P 500 monthly performance

Average return for selected months, 1/1/26 – 9/30/20

■ Election years ■ All years

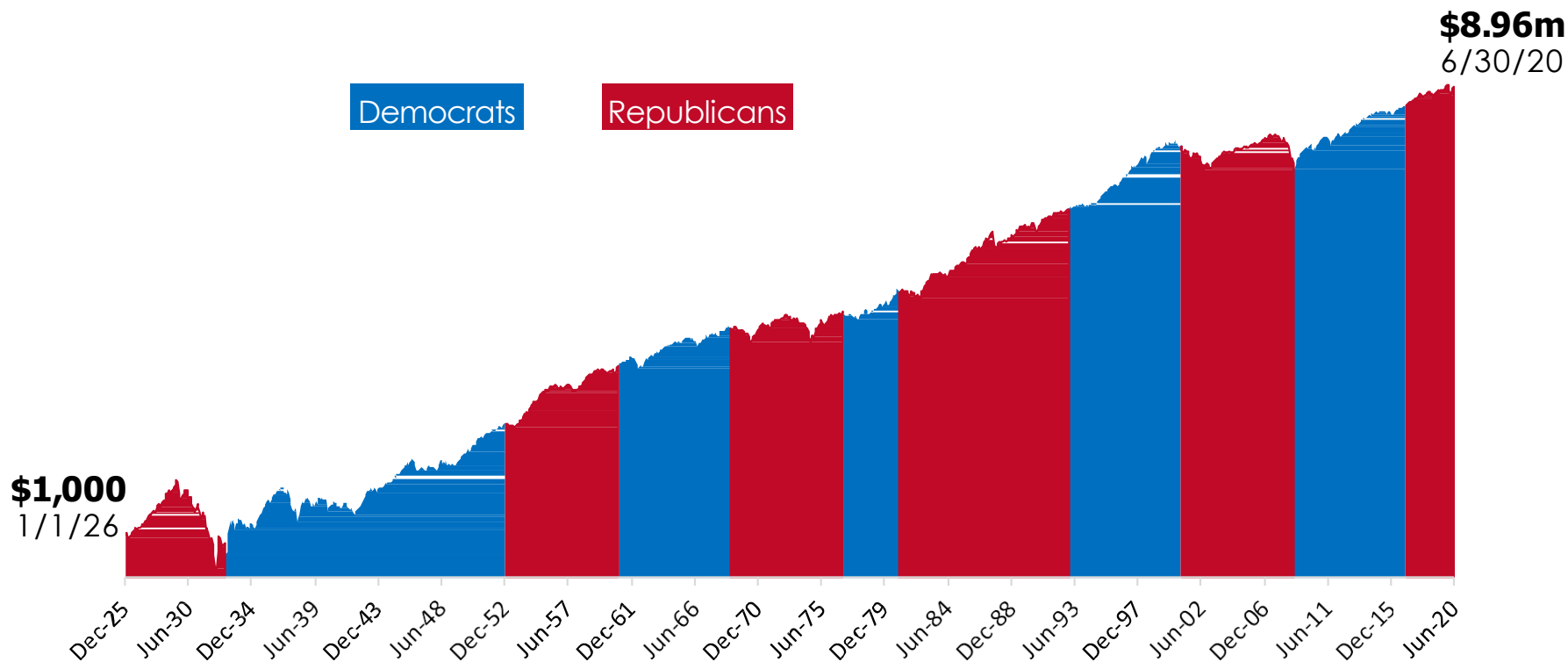


Stocks have performed similarly in the final months of both election years and non-election years

Source: Morningstar as of 9/30/20. Stock market represented by the S&P 500 Index from 1/1/70 to 9/30/20 and IASBBI U.S. largecap stocks index from 1/1/26 to 1/1/70. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

1

Stocks have continued higher regardless of presidential party



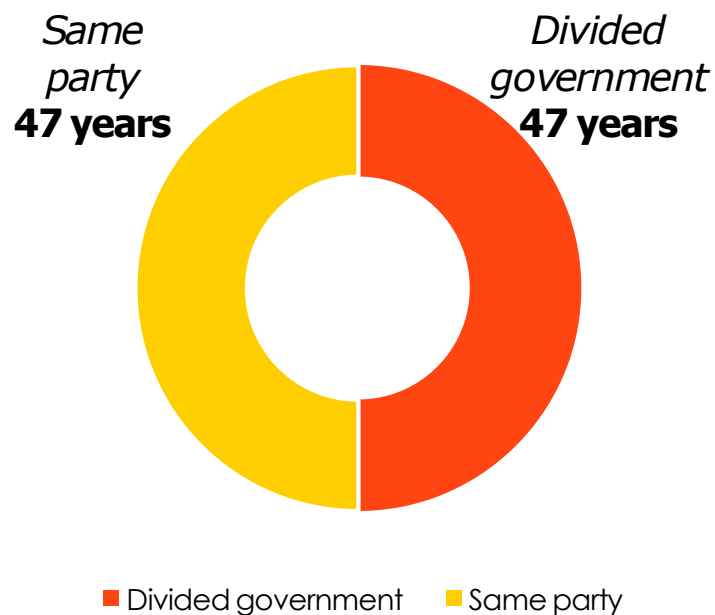
Morningstar as of 6/30/20. Stock market represented by the S&P500 Index from 1/1/70 to 6/30/20 and IASBBI U.S. largecap stocks index from 1/1/26 to 1/1/70. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

3

Divided governments and the U.S. stock market

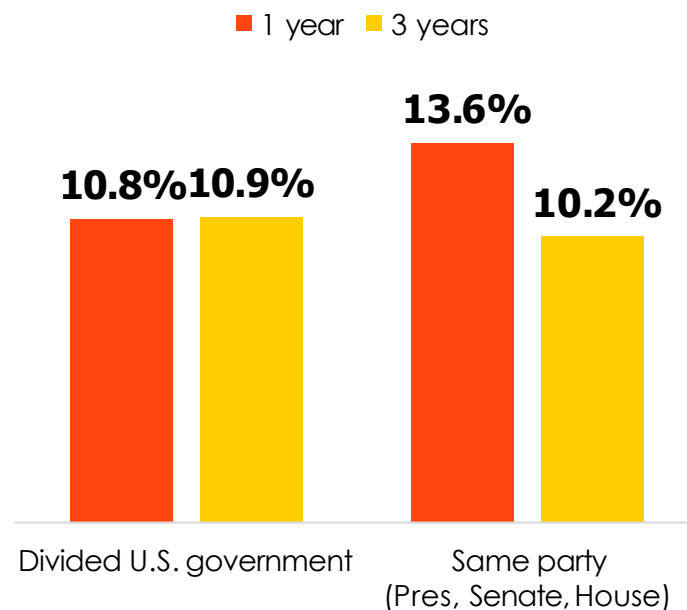
Calendar years of divided government

1/1/26 – 12/31/19



Next 1 and 3 years for U.S. stocks

Rolling annual average, 1/1/26 - 6/30/20



Morningstar as of 6/30/20. Stock market represented by the S&P500 Index from 1/1/70 to 6/30/20 and IASBBI U.S. largecap stocks index from 1/1/26 to 1/1/70. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.



BIDEN

TRUMP

Foreign Policy Trade

Predictable

Unpredictable - America First

Taxes



Regulation



Immigration



Inflation/Stimulus



Stock Market

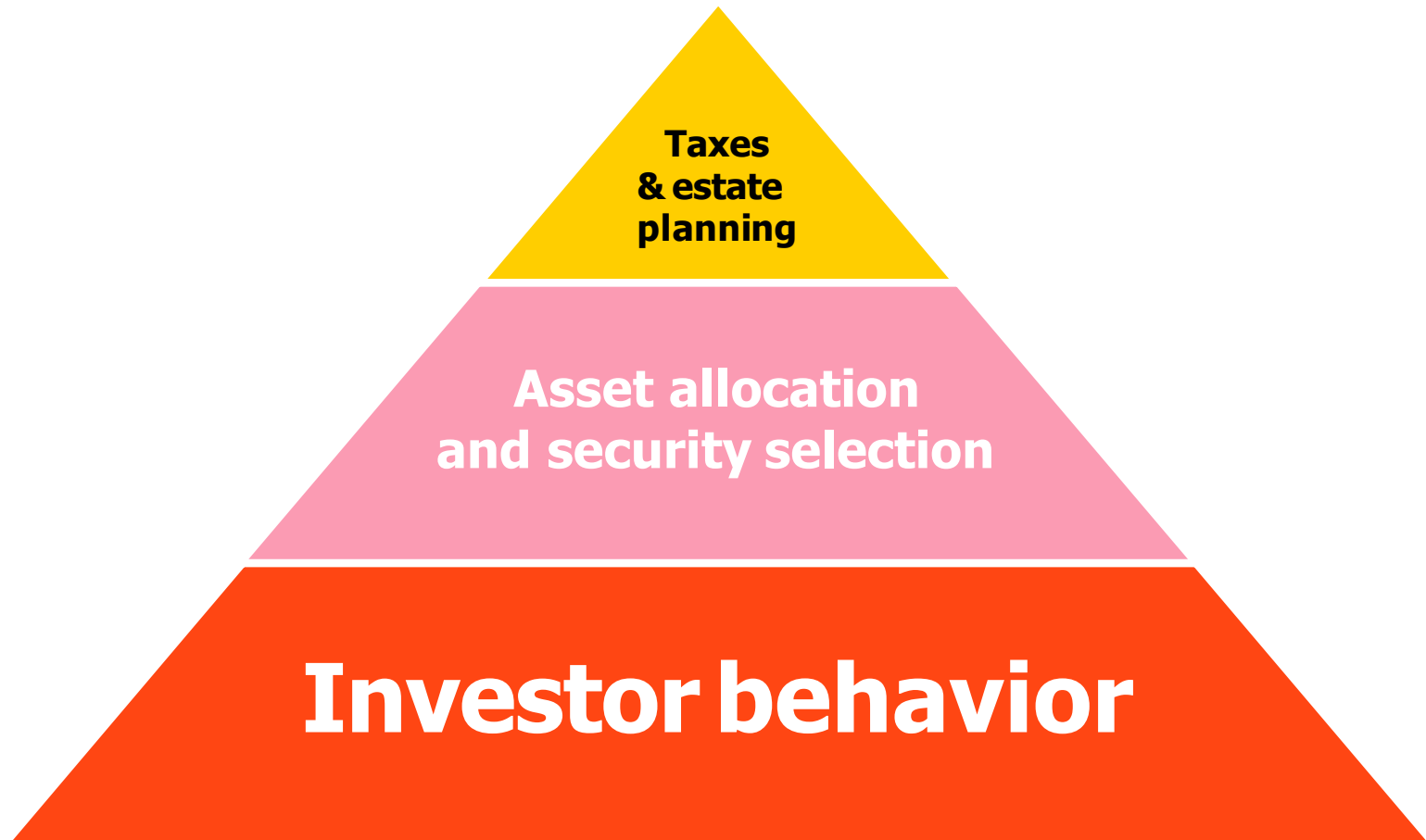




The psychology of investing

Keeping calm amid market turbulence

Keys to investment success

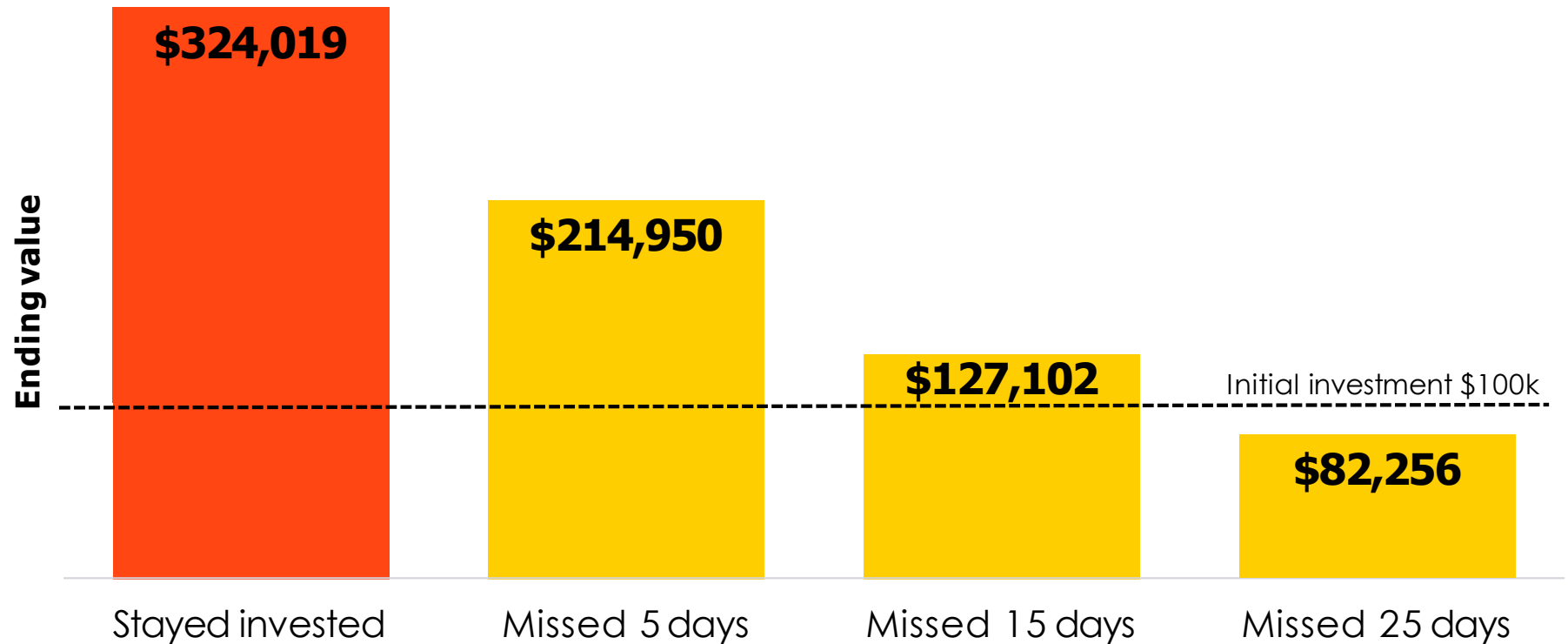


Time in the market vs. timing the market



Missing top-performing days can hurt your return

Hypothetical investment of \$100,000 in the S&P 500 Index over the last 20 years (2000-2019)

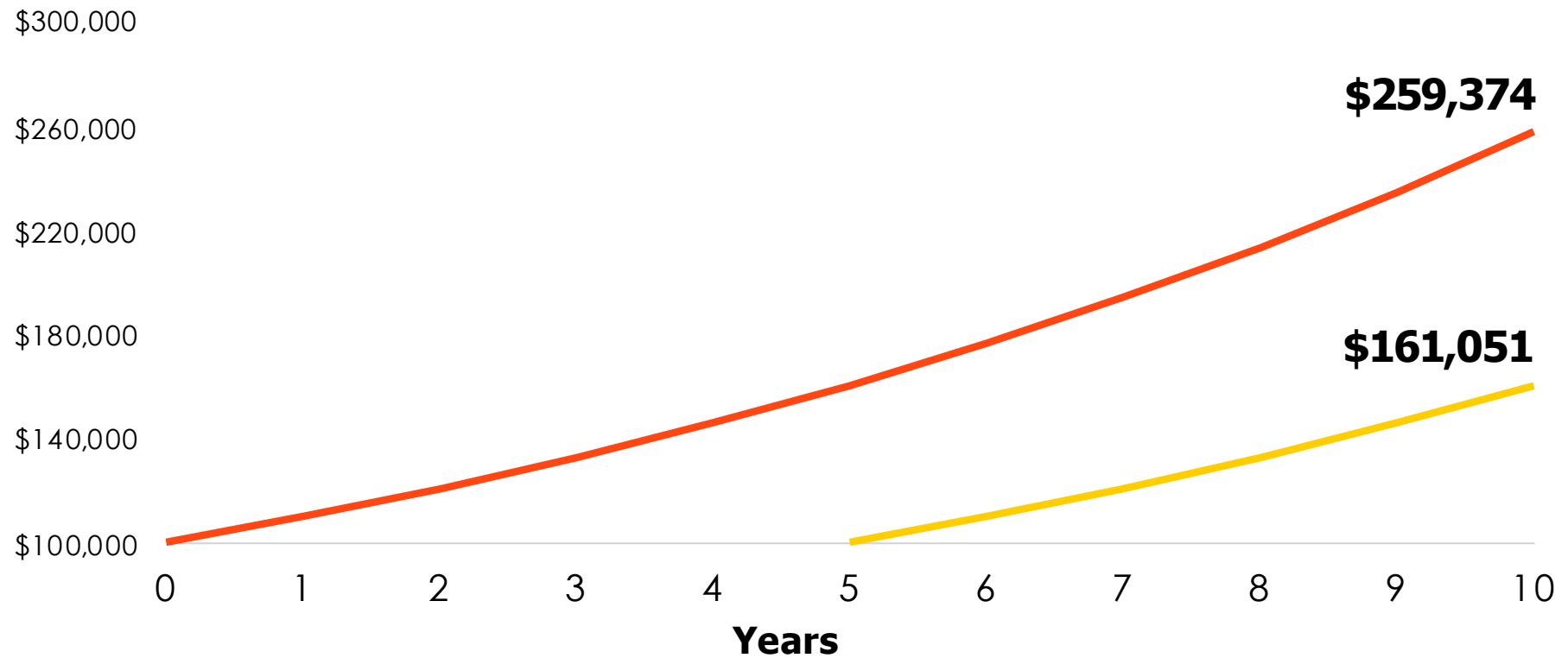


Source: Morningstar as of 12/31/19. Past performance does not guarantee or indicate future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Waiting for the “right time to invest” can leave you behind

Compound interest... “*The eighth wonder of the world*” – Albert Einstein

Hypothetical growth of \$100,000 assuming 10% annual yield



Source: BlackRock as of 12/31/19. For illustrative purposes only.

“Be fearful when others are greedy. Be greedy when others are fearful.”

-Warren Buffett

Building Discipline

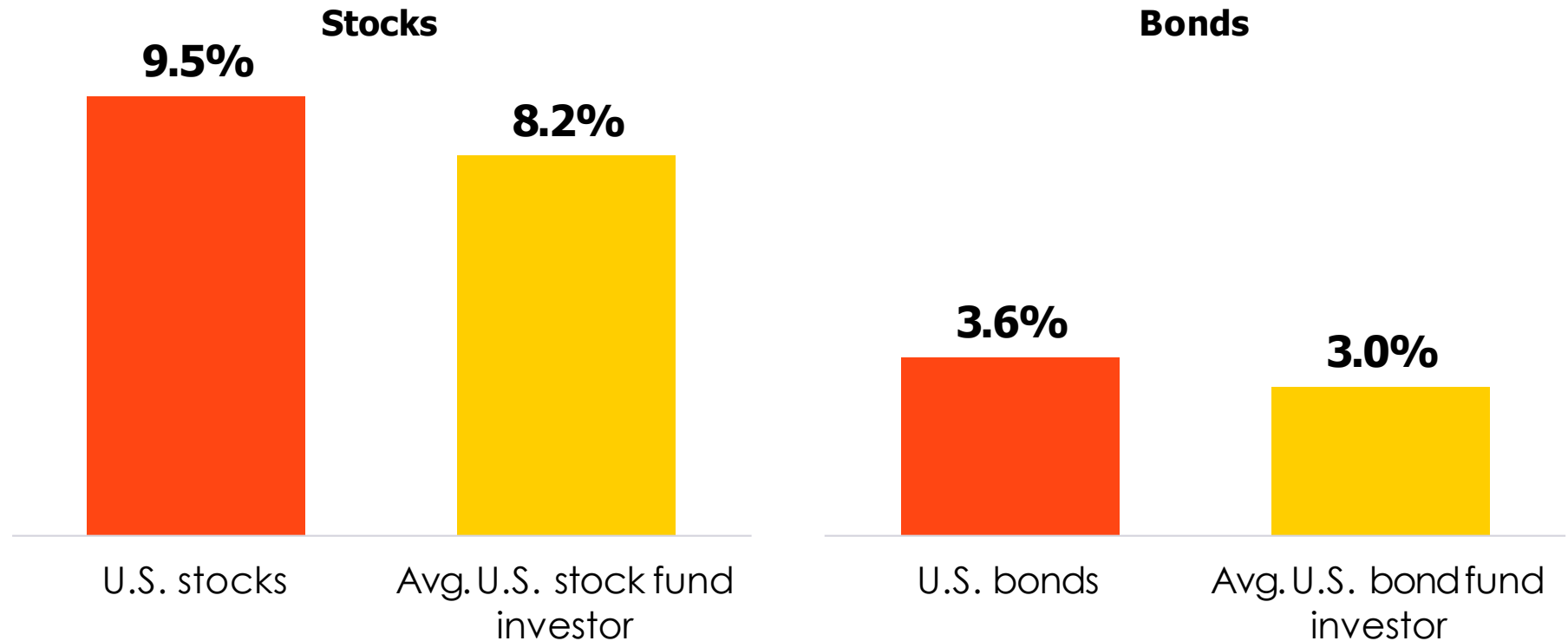


A lack of discipline erodes investment results



The average investor trails the market

Morningstar's "Mind the Gap" study annualized returns (2008-2018)*



Sources: BlackRock, Morningstar, Informa Investment Solutions; *Morningstar returns based on performance between 4/1/2008 to 3/31/2018. Asset classes represented by the following indexes: U.S. stocks by the S&P 500 Index, Average U.S. stock fund investor by the Morningstar "Mind the Gap" Study U.S. stock s & sector fund average, U.S. bonds by the U.S. Aggregate Bond Index and Average U.S. bond fund investor by the Morningstar "Mind the Gap" Study U.S. taxable bond fund average. For illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs, or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.



GOLDENSTONE

So... What Now?

- Take **Control** of Your Wealth Today!!
- For Low Cost 401(k) Plans, Holistic Premier Asset Management, and Financial Planning, reach out to *Sanjay Varshney/Andres Villegas*
 - Email: Sanjay@GoldenstoneWealth.com
 - Email: Andres@GoldenstoneWealth.com

www.goldenstonewealth.com

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30 Years Experience *Roth IRAs* *Foundations* *Unbiased*
Custom-Tailored  *Trusted* *Respected*
Wealth Maximization *Confidence*
401Ks *Trusts* *SEPs*
Roth IRAs **GOLDENSTONE** *Estate Plans*
Independent **WEALTH MANAGEMENT** *Renowned*
Financial Planning *Retirement Planning* *No Commissions*
Fiduciary *No Conflict of Interest*

Varshney & Villegas Private Investments

Thank You!

Your Stepping Stone To A Golden Life



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