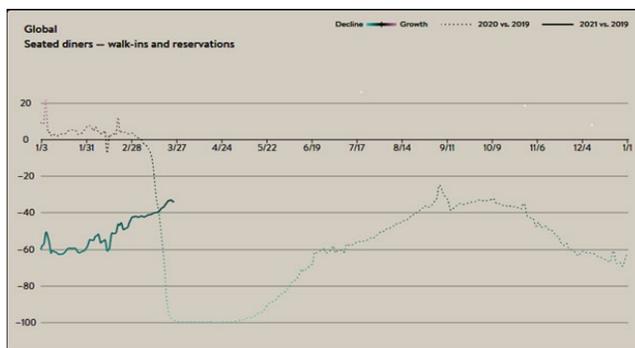


Macro View – Open Table

In March of 2020, Open Table introduced “State of the Industry” to communicate online, phone, and walk-in reservations at restaurants globally. It provides quantitative results on consumers’ willingness to exit the confines of their home as Covid risks subsides. The data goes back to 2019 based on a sample set of approximately 20,000 restaurants. The results indicate recovery in evaluating the trendline from 2019 through 2021. The chart below shows seated diners, including walk-ins and reservations, globally. The dotted line shows results comparing 2019 vs. 2020 from January 3, 2019 until January 1, 2020. Over the summer the economy was beginning to open back up, followed by a surge in the virus. The solid line indicates 2020 vs. 2021 results, also suggesting recovery. It is important to note that this does not take in to account restaurant closures over the time periods.



Source: www.opentable.com

Taking Stock – Post Covid Postulating

With technology retreating, analysts are evaluating asset classes expected to provide outperformance. Traditionally, outperformance comes from equities with opposing characteristics to large cap growth, namely small cap value. The chart from Invesco dating back to the popping of the tech bubble in 2000 to 2002 tells the story. For that two-year period, large cap growth was down over 55%, while small cap value was up 24.05%. Year to date, as of March 19th, the Russell 2000 value index was up 24.98%, while the Russell 1000 growth index was down .95%. Sector exposure for small cap value is overweight financials, healthcare, industrials, and consumer cyclicals. Consistent with sector exposure, top holdings in the Russell 2000 value index include Berkshire Hathaway, JP Morgan Chase, and Johnson and Johnson. The annualized return over 10 years for small cap value is 10.72% as of March 25th (ETF.com).

