

I’ve been through a few election cycles since I was a newly minted advisor with a peninsula of hair, about 3 decades ago now. I have noticed some investors can’t resist the tendency to reduce their concentration of equities when their preferred candidate doesn’t win. *“It is very commonplace for investors to react to an election outcome that they don’t like,”* explains Tom McLoughin, head of fixed income for UBS.  “*This is a big mistake, and it’s cost investors dearly—as much as 57% over the last two decades.”* UBS ran an analysis from 2006 through 2024 using Consumer Sentiment Index data.   With November approaching, please keep this in mind. The election is important, but it’s hardly the most influential factor in the global economy. The returns earned with Team Elephant and Team Donkey in the White House are equally good over time.  My career has taught me ***people care about elections. Markets don’t.***

**Pop Quiz!**

*American Funds calculated the results of investing 10K in 1978 into the S&P 500 stock index, the Bloomberg Bond Index and the S&P GSCI Gold Index.*

*Match how much 10K would have grown to with each index:*

1. S&P 500 A. $1,733,619

2. Bond Index B. $181,515

3. Gold Index C. $103,423

(answers - 1:A, 2:B, 3:C)

 Investors have been pouring money into bond funds this year. “Bond funds have attracted nearly $400 billion in net inflows this year...”, according to EPFR data. Bonds are considered “safe” by many. If that is your view, the results of the American Funds calculations are worthy of study, contemplation…serious reflection. Yes, stocks do behave badly often a few times a year. But over time, the wealth creation of the S&P 500 index is spectacular. Turns out owning the largest, most profitable, most resilient, enduring, and innovative companies in all the land has proven rewarding over time. I worry too many investors forgo permanent long term stock returns for the temporary relief from volatility that bonds often provide.

  Today is National “Gorgeous Grandma” day!  *Is there any other kind?!* In the early 1900’s, Grandma typically died around 60.  According to CDC, life expectancy today is around 78. Check my math, but it does appear that life expectancy has increased about a year every 6 years in the last century? A 2018 study from Harvard found that people who followed 5 habits increased life expectancy by up to 10 years*: “eating a healthy diet, exercising regularly, keeping a healthy body weight, not drinking excessive amounts and no smoking.”* In a 2013 study, Harvard reported “*as little as 15 minutes of exercise a day increased life expectancy by three years.”*

As always, I’m honored and humbled you have given me the opportunity to serve as your financial advisor.  I am lucky to be in the foxhole with the greatest, smartest, best-looking clients in all the land.   We hope you view us as your ***friendly, knowledgeable, and reassuring source of financial guidance.***



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