



R&R Report: Gravity and Presidential Elections

We have written before that gravity is a scientific truth on planet earth. If you drop something it falls to the ground, even if you don't believe that it will.

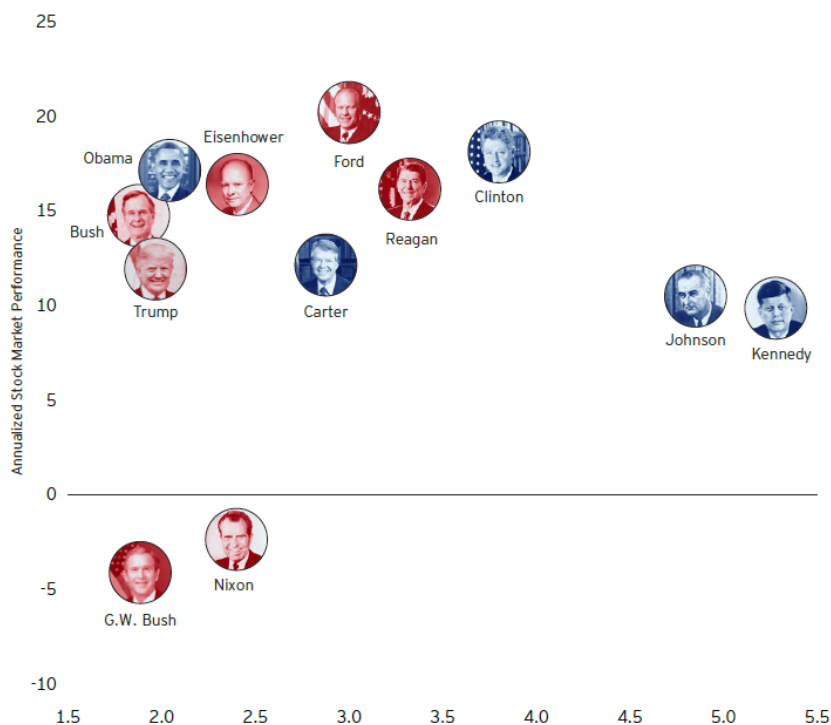
Let's talk about five investing truths that remain true regardless of who wins the presidential election, and why they happen even if you choose not to believe in them.

- 1) Monetary policy, or how the Fed controls interest rates, etc. matters more than who the President is. Interest rates are oxygen to the economy and they are currently at historical lows.
- 2) The stock market and economy do not care if you like the President. Separate your feelings from fact. Historically, neither political party can claim superior stock market or economic performance (see Republican Presidents in red and Democratic Presidents in blue on the graph to the right). Markets have done well under both parties over time.
- 3) Long-term investors are better off staying invested in quality companies that can grow earnings and dividends over time. Invest, don't speculate.
- 4) Keep funds you require for near-term needs in cash. The essentials you need for living your life are a certainty that you are very familiar with—prepare for the unambiguous and that which you can control in your life.
- 5) Trump tweeting and calling the press scoundrels is not new. Past presidents have done the same without tweeting! Expect market fluctuations either before, during, or after elections. Volatility is the price of admission to the equity markets and should always be expected. Also know that every man and woman who goes about their day is trying to improve their life and that is what really drives economic growth and innovation.

We welcome your questions at any time.

R&R Investment Partners

Presidential term stock market returns vs. economic growth (1957-present)



Source: Invesco, 2020 US Presidential Election, Page 3—Markets Have Performed Well Under Both Parties



Thomas Jefferson

"Nothing can now be believed which is seen in a newspaper. Truth itself becomes suspicious by being put into that polluted vehicle."

Source: Invesco, 2020 US Presidential Election, Page 11—No, This Is Not the Most Vitriolic Election

We are renaming our *Monthly Strategy Update* to *R&R Report*, which was the publication's original title. Why? Because although we periodically discuss our strategies, we also discuss investor behaviour, financial planning, and other important topics that relate to your wealth management needs.

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