



## Global Insight Monthly – August 2020

### Political Reality Checks

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Dear Clients,

As we get closer to the beginning of November, the upcoming election in the United States starts to become a main focus for market participants. 2020 has already had more than its fair share of headlines, but there is no doubt there will be plenty more to discuss over the next few months as the United States elects their president for the next four years. Political debates often cause plenty of emotion, but the real question for investors is: what role do elections play in market returns. The most recent Global Insight Monthly report from our Global Portfolio Advisory Committee discusses that very question.

The attached article (starting on page 4 of the document) goes over the various scenarios that could happen in November (ie. which party controls the presidency and both chambers of Congress), and also how each of those scenarios could affect potential market returns. While there are clearly some sectors that will be affected differently based on political leanings, the article also looks into other “checks and balances” in the US that play an important role in how much power government has to make unilateral decisions. These include the separation of powers into three co-equal branches; the powerful business lobby; and the Federal Reserve. The main thesis is the role that the Fed and economic cycle play have a much larger role in determining market direction, than the occupants of the White House and Congress.

We would also highlight the 1-page article “A long and winding road” on page 17, written by Jim Allworth. This is a good commentary on the relative value of equities from March until now, and what his view is going forward.

Please feel free to contact us directly if you have any questions.

Best regards,

Ord Private Wealth Management  
John, Tim, Liam & Kristen

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