Justin Dyer ([00:00](https://www.rev.com/transcript-editor/shared/36IfNQ5VQunqDttfNpXKur2k9booL72noN5y-FeUiIyVmirhkzJjTSZuQaejlTwIuDa1E51lVoKVgqMOUmQMiNne_js?loadFrom=DocumentDeeplink&ts=0.18)):

You won.

Brandon Averill ([00:03](https://www.rev.com/transcript-editor/shared/0vSgzeynqI1Jk22htIZIT9-9gAVIuGpCw27FC4CsQinkpEWSYDFi1Q40-nEvbzGyd6yOMwotVoNKlT3LYCaUkFC-Yns?loadFrom=DocumentDeeplink&ts=3)):

Hey, everybody. Welcome back to another episode of AWM Insights. I think we got a good topic going here. We're going to kick off a little bit of a series. We hinted at it last week, but we're going to talk about the election, so we're definitely not going to steer away. Everybody else is going to be talking about it, so we figured we should be too. But one thing you're certainly not going to get right is the crystal ball. What we'd rather focus our attention on is, "Hey, we've got this big event happening this year." And really, how should we think about it in the context of our overall financial structure? How should we make decisions, or shouldn't make decisions with such a big event like this happening?

([00:42](https://www.rev.com/transcript-editor/shared/8tqAlPoVaVW8qbtStfBu9t8e74a_wmU-H9Dnj82UzbtqZJyY4k3gPIflcA1Rxepk5Ewv_1V7anRqgDm1g_GXjEtN3I4?loadFrom=DocumentDeeplink&ts=42.6)):

So I'd love to maybe just jump in there, Justin. Let's just start at a broad, high level. In a year of presidential election year, news is going to dominate the highlights. It's going to be natural to ask the question, "Should I change my investment philosophy? Should I make some different decisions around this?" However I view it, one party or the other being more beneficial to, at least, my perception of what may happen in financial markets. So I guess, high level, how should we think about this? How should we start framing our decision-making?

Justin Dyer ([01:18](https://www.rev.com/transcript-editor/shared/lGQtFxYuiiD6UYZd4_gd5HGEgAeDJHKWOZ62onYUnEte4fYwe88-L8vHaxI4D5McB9rY-gv7uxRk1ceLE57cnvJFZBI?loadFrom=DocumentDeeplink&ts=78.39)):

I would say this is one of the biggest behavioral events that an investor will be faced with, and it happens fairly often. So it's not anything new. Certainly, midterm elections may be are a little bit less out there front and center from a news cycle perspective, but as a presidential election year, we're going to hear this a ton over the next, how many months do we have until the election? What, 9 months, 10 months? Something like that. So it's going to create emotions. Whatever side of the political spectrum you're on, it's going to create emotion. So I'd even just start there. Hey, realize this is going to be a big behavioral catalyst, making you feel one way or the other. When it comes to investing, we talk a lot about behavioral psychology and whatnot on this podcast. This is going to be a big test of a lot of those principles that we've dove into quite a lot over the past weeks, months, years, etc.

([02:21](https://www.rev.com/transcript-editor/shared/NE_mtMd6BdVUbh2OiNtrNcdklXpZwzGeqje-Ro42XN-JdPN-vpOqpxmla1OYM23BwWH1-0f6auRP72FVylvTGXcmu6M?loadFrom=DocumentDeeplink&ts=141)):

The shorthand to cutting to the chase here is that you really need to remove the two. If you look at the data, and we're happy to send this out, make sure we have a conversation with you guys around this if you really want to drill in. There is no discernible data that supports making changes based on the election. Whatever political party you have an affinity for, there is no data that supports one is better than the other. The financial markets are these massive, massive ecosystems that take in all sorts of information on an instantaneous daily basis, digest that, and then come up with the price.

([03:03](https://www.rev.com/transcript-editor/shared/W7uO3JuDcB-ehOTO1E0mrTJgDGYsliwjEafz5LyzWgnFnBQzMdJHqEs2R5cbPKt-VobOaPeOVh08wYn34lRts1svbag?loadFrom=DocumentDeeplink&ts=183.72)):

The presidential election is just another piece of information. We're going to hear bits and pieces about one person being better than the other at the economy. In all reality, yes, there's influence, but, again, there's no data that points to one singular, certainly, political party being better for markets than the other. So really, really understand that we're going to have some really, really knee-jerk reactions or visceral reactions from an emotional standpoint over the next... During this period, during this year, but we really need to separate those two and really avoid making any knee-jerk reactions as a result of them.

Brandon Averill ([03:44](https://www.rev.com/transcript-editor/shared/PnvyraqQCGAbbL9NW9J10FOT02oWB7s3yzQjBosJqRJpZABZ6Nj9s4_ZcMgFpr1g36zQp4o_odNUKTlT-_YUvwGmN_A?loadFrom=DocumentDeeplink&ts=224.55)):

I think we definitely want to acknowledge, this is not going to be an easy thing to do, right? We're looking at a decision that the country's going to make that's going to dictate the next four years from a ruling perspective. So it's extremely natural to think, "Hey, depending on what the policy changes could be, it's got to affect markets. It just has to." But as we've talked about time and time again, it really does come back to being an evidence-based investor. That is what success is built on over long periods of time. When we start to look at how we build your guys' long-term investment plan aligned to your priorities, we need to remove the emotion from it and just remind ourselves, "You hit on this." But really, what the market is, the market's a very powerful information processing machine. Millions of trades are coming in day in and day out.

Justin Dyer ([04:37](https://www.rev.com/transcript-editor/shared/jBpqXfpcu45CEy8i3J01L-wsvHTWga9xhUkFXbHZlrAILoGaUwlCi-BznRUBsY0Ifn-qvjsUVTSQQiItq2FLnrAgc70?loadFrom=DocumentDeeplink&ts=277.14)):

That's right.

Brandon Averill ([04:38](https://www.rev.com/transcript-editor/shared/SGTQufyjbb9-kO2JfRrGXtZigt5QVchZAh42wF8N2dm7UYiY_uYLKTFQt3vcxGC7_PcKXcpncjAiIxcA7WYMp0wo9xE?loadFrom=DocumentDeeplink&ts=278.19)):

The collective knows better than the individual. So not let our egos get into play here, not let us think that we can outsmart things, but rather focus on what we know over time. That's that if we continue to participate in the power of financial markets, especially here in the US and then even abroad, we're going to be rewarded as long-term investors, allowing ourselves to get distracted. The evidence definitely doesn't support there being some tradeable event to get excess returns. That is absent completely. But really, what it actually shows, in the other hand, is because there is no evidence that you can find consistency. You can actually just hurt yourself quite a bit. I think we've seen recent history play that self out.

([05:23](https://www.rev.com/transcript-editor/shared/KbCiIRDoofJBWzKqDdH_SlAgsycwIY2RqX-8-roAQuQihYRB1dpzfnxgiI0Ae6CO8v3qPuUY2bIVkCa-8F1DJzNP0pY?loadFrom=DocumentDeeplink&ts=323.49)):

The last two elections have not come without contention. There have been surprises. The first election, Trump, two elections ago, being elected, I think, was a surprise to a lot of people.

Justin Dyer ([05:36](https://www.rev.com/transcript-editor/shared/3c06kt0XLj1F41svhJeFnZTSY_ONrOv5K1_G8XdnbgNnqH2-NtP_B4Pwyz0Gp_kM8H-PGWd9ySBIYW8whs1SzIQTg2A?loadFrom=DocumentDeeplink&ts=336.57)):

That's right, and market.

Brandon Averill ([05:37](https://www.rev.com/transcript-editor/shared/LIi4jl_WfMG2E6mn6dkm5567ET1Q09GqvTZvssVWxOv05QZG3Wqzg2mkWvqkC0-0oR2P1zzGsVPnfF_7kTAWyLF_-Zc?loadFrom=DocumentDeeplink&ts=337.11)):

Yeah, markets. Markets were completely surprised. So I think you look at the knee-jerk reaction, sure, short-term moves, no way to predict those, but you start to unfold. Wow, looking back over the last eight years, it's been a pretty good eight-year run for financial markets when you eliminate the noise.

Justin Dyer ([05:55](https://www.rev.com/transcript-editor/shared/516GA3WTopidGo-xNrX2AY0s0h7jHEWYIrxx5rE7W9EFbMkk28kKz6BLzUrHv7OOUvvJGLX5pM_cl4Ku3M66WgUcwDg?loadFrom=DocumentDeeplink&ts=355.23)):

Yeah, I've said it a number of times, I think maybe on the most recent podcast, but markets climb a wall of worry. I'm not saying you should be worried about the presidential election. I'm not. It's just a proverbial term to use here that markets climb despite adversity, let's call it, or challenging news cycles and/or stories across administrations from both political parties. Markets continue to trend up. That's a different way of saying exactly what I just repeated. You have to remember that investors are investing in companies, not a political party, and that doesn't change really, regardless of who's in political power and whether you have a divided Congress or not.

([06:41](https://www.rev.com/transcript-editor/shared/qDB--aCo1lLQErsTZY212xFaw2tJhcjP7BPjFQGiwj8QctFwBGtpEJPn8-Q2kH3V0h1l0GgWrw3sxFd8jqEUxSBqNXM?loadFrom=DocumentDeeplink&ts=401.49)):

These are all things that really, really, really do excite individuals. It's good. Be politically engaged, but vote in the ballot or with your ballot, not necessarily your portfolio. It's a great topic or a great frame of reference for this whole period. They're really two different things. Certainly they are related, and yes, there will be policies that come out from the next administration, whoever it is, that potentially impact the markets, but guess what? They probably impact a very small segment of the market and create opportunity elsewhere, and predicting that is really just impossible to do.

Brandon Averill ([07:16](https://www.rev.com/transcript-editor/shared/47Tz26L9QVEa6A1DEQteagnqLZ6Xk7y63mFBb32WjPUfQ1iojxVALCloknyevriuSMdBBwbbM1o1t78rU-iI9MoIn1Q?loadFrom=DocumentDeeplink&ts=436.29)):

Yeah, and I think you could just, even, think logically about the nuance. There will be winners, and there'll be people that heard a little bit from these different policy changes, but at the end of the day, I don't care which president ends up getting elected. It is not their intent to torpedo the financial markets.

Justin Dyer ([07:32](https://www.rev.com/transcript-editor/shared/vg3VGa_oFs6Xz4qpu9HHHlp-EoSOH_hB1Ueo3XnOnZ88b7kdmgS_mLECafZ6eSGPYpAbrOAIXWQmtWPItMYAeQJOWUE?loadFrom=DocumentDeeplink&ts=452.67)):

No.

Brandon Averill ([07:32](https://www.rev.com/transcript-editor/shared/r9IeTzkZoSEhNTDu1v6ScLhoFC1FdqDPeM_dL13o3FcoT7ZwMozo3qLzK1lHK0n7_M24T6Lx9KwUcw8xE8WJSuYlELM?loadFrom=DocumentDeeplink&ts=452.82)):

That would not be a good move. So at the end of the day, the goals are aligned. We want the economy to continue to grow. They want financial markets to do well over time. There's, of course, going to be volatility, but just keep in mind that, "Hey, somebody may go miss, but at the end of the day, we're as a collective going to vote with our dollars in the financial markets, and it's going to bring out that evidence over time that it's still a growth building machine." So we gave you guys a little bit of a high level just how we're starting to think about markets, how we'd like to communicate with you guys. Hopefully, help you to remove some of that emotion from the decision-making this year. We'll get a little more granular in some of the future episodes and pull out some of those numbers.

([08:17](https://www.rev.com/transcript-editor/shared/vlFJq-nR-XDdmBIAoqqkiKhhP-2RjE-_e8yjTZocKQclzUQN43MbewIF_2bRa9HR65A-DcHg9bIxX1R_OWBm4ugoMMg?loadFrom=DocumentDeeplink&ts=497.58)):

I know we talked high-level about, "There is no evidence around that." But we'll get into some of the numbers and show you guys that, "Hey, that is actually true when we look back at returns." Etc. We will quote some of that stuff, and then we'll continue down this path throughout the year just to keep you refreshed. But if you have any questions along the way, we, of course, would love to hear those. So shoot us a text, 714-504-7689. We'd love to address them. Until next time, own your wealth, make an impact, and always be a pro.