Happy Fall from The Foutch Group

Happy Fall! We hope our newsletter finds you well. As the hot summer days will soon turn into cool fall nights, we hope you have enjoyed the summer season with family, friends, and loved ones.

Coronavirus Related Updates

While we still find our nation dealing with the Coronavirus, we appreciate your patience during this challenging time. As our office remains closed for client visits, we remain busy with portfolio reviews over the phone. If you have not scheduled a review, please call us at the office at 270-651-2663. In the meantime, we look forward to returning to normal and spending time with you in person again.

Newsletter Highlights

In our fall edition, please find a personal message from Lisa regarding her upcoming retirement, an introduction to Erika Toohey as she joins The Foutch Group, and an article entitled: "Investing in an Election Year."

Thank you!

As always, we sincerely appreciate your trust and partnership. We look forward to speaking with you soon!

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Congratulations Lisa!

As of October 2, 2020, I will be retiring from Baird. I have had the distinct privilege of working with some of the finest people I know. You have all been considerate, thought provoking, funny, kind, and loyal. In turn, you will continue to work with some of the hardest working people I know – Dan, Barrett, Lori, and Erika Toohey, who will be the newest member of The Foutch Group. The Foutch Group has always strived to provide appropriate investment advice and superior service. That will not change. Thank you for allowing me to work with you over the years.

- Lisa

Erika Toohey Joins The Foutch Group!

We are pleased to welcome Erika Toohey as a member of The Foutch Group. Erika will serve as a Client Assistant for The Foutch Group, specializing in operational and service-related matters. Erika graduated magna cum laude from Western Kentucky University. In her spare time, she enjoys spending time with her husband, Judge Gabe Pendleton, and their two dogs. Also, she enjoys cheering on her Kentucky Wildcats. Erika looks forward to speaking with you soon!

BAIRD BairdOnline

Baird Online and Baird 360 Wealth

Baird Online and Baird 360 wealth allow clients to view their Baird accounts and any outside investment account, checking or savings account, and potential loans in one place. Please call us at 270-651-2663 for assistance in registering your accounts online.

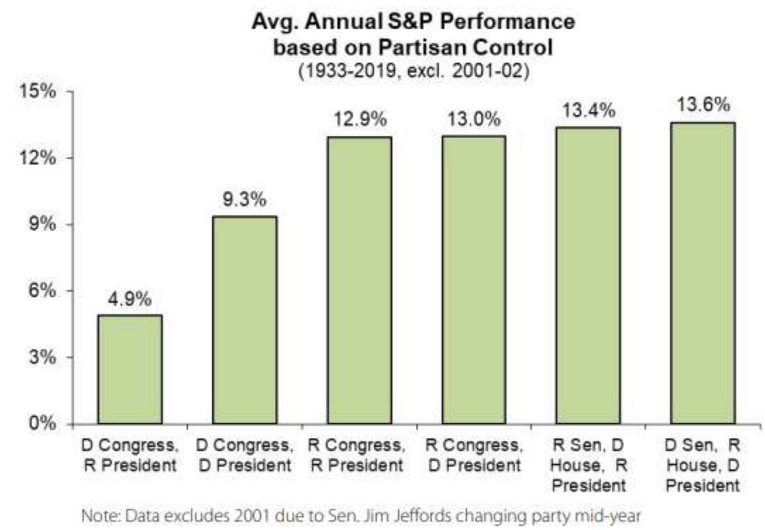
What impact could the 2020 election have on your portfolio?

There are many things that don't mix well – orange juice and toothpaste, water and a keyboard, flies and Chardonnay. But there's one thing that never, ever mixes well – investing and elections. This is because politics matter far less to reaching our goals than the investing, saving, and planning decisions we make when crafting a long-term financial strategy.

Not only is it impossible to predict who will win an election, it's even less possible to predict how the market will react. Why? Because elections are about more than one person or variable. It's about local races and national races, it's about the president and Congress, it's about governors and judges.

Not only that, the market isn't concerned with politics as much as policies. What are the policies of the potential winner? What are the odds they can enact those policies? If they can, how will that affect one of the world's most complex economies?

See how hard this is? And we've only barely scratched the surface on why you should never make investment changes based on an election. But let's put all that aside and look at pure data. How has the market reacted to various political regimes in U.S. history? Take a look at this chart, courtesy of Strategas:



You might notice a few things:

1. The market has averaged positive performance through every possible party combination. The market has persevered through peace and war, high tax and low tax, pro-nationalism, and pro-globalization. Political party is not fundamentally different – even the worst combination averaged ~5%. This is not a guarantee of future performance of course – it's just a look at the evidence we have at our disposal.
2. The stock market is influenced by a ton of factors, only a handful of which are directly attributable to the president or Congress. Take the one outlier: the lower-returning R President/D Congress period. This grouping included both the 1973-1974 oil crisis and the 2008 Great Recession, two of the worst crises in market history, as well as the 1958 and 1990 recessions. While certain U.S. policy decisions may have colored these events, a tremendous amount of geopolitical and financial complexity led to the ultimate outcomes. From nonpolitical central banks and foreign national activity to shifting consumer behaviors and technological advancements, the stock market does its best to reflect every possible morsel of information it can get at any given time. If we removed just one year, 2008, from the R President/D Congress grouping, the average return would rise to 7%. Political actions are one very small piece of the pie.

Article by Ross Mayfield and Michael Antonelli

https://www.bairdwealth.com/insights/Investing-in-an-Election-Year