

Election Outlook *by Carol*

The election outcome will likely be one of these scenarios: Trump or Biden win with a divided congress or with democrat majority in both the Senate and House.

1. Trump or Biden wins with divided congress implications: Not much likely to change in current policies or "status quo". Stock market will rally for a short period with a Trump win and stay subdued with a Biden win.

2. Biden wins with all Democratic congress implications: Significant policy changes including a corporate tax increase; minimum wage increase; increased regulation in industries, such as energy and financials; expansion of Obamacare.

Stock markets will have knee-jerk declines but will stabilize (similar to the reaction on Friday when Trump was hospitalized with Covid-19). Value should outperform growth and gold should rally on a weaker dollar.

3. A contested election will bring uncertainty and volatility to the markets. Important dates to note: December 8 - all states must resolve any election disputes; December 14 - electors in the electoral college cast their ballots for the presidency; January 6, 2021 - Congress counts the electoral votes and a winner is declared. Reference point: Bush vs. Gore drama ended on December 11 with Supreme Court ruling for Bush.

Portfolio considerations:

We will continue to hold more cash than normal to take advantage of the volatility while continuing to hold positions that we believe will stay strong in the long term, but might dip in the short term.

Thank You From All of Us at Asset Planning! ☺

We are glad so many of you were able to join us in our wine tasting event with Riverbench Winery. A special thanks to Jules Reuter for teaching all of us some wonderful facts about wine and making us laugh throughout the event.

We all love participating in events with our clients whether it's in person or with our new normal - virtually!



Will We See a Rotation in Assets Classes? *by Erin*

The 3 major asset classes are cash, stocks, and bonds. Asset classes are further divided into domestic versus international, small companies' versus large, value versus growth, and so on.

Historically throughout many market cycles value stocks have outperformed growth stocks. In fact, if you would have invested in value stocks in roaring 1920s, it would be worth 18 times more now than growth stocks.

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Check Your Passwords and Keep Your Accounts Safe *by Sandy*

Two-factor authentication. That means before you can enter your password, a text message with a series of numbers are sent to you and you must enter these numbers before accessing a site.

This is especially valuable for bank accounts, brokerage accounts and email accounts. When you are asked security questions as a secondary safe measure- do not use the correct answers.

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Will We See a Rotation in Asset Classes by Erin

The reasoning for the outperformance is value stocks tend to be well run companies with strong fundamentals. Whereas growth stocks tend to be more speculative, take on more debt, and don't pay out dividends in order to fuel their growth. In the 1990's we first experienced a large outperformance of growth stocks. However, in 2001 the Dot.com bubble burst as most of the tech start-ups firms went bankrupt.

The survivors of the Dot.com crash, are mainly the firms leading the large outperformance of growth stocks this market cycle. Growth stocks have done particularly well since 2006 as there is more widespread adoption of technology especially this year as the pandemic forced more things online. However, we urge clients to stayed diversified and not get caught up in trying to chase short term performance. As the pandemic unfolds, it may cause further economic pain which would spill over into tech. Investors could easily turn on higher risk growth companies with an uncertain path to profitability.

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Check Your Passwords... by Sandy

If the question is "what was the name of your high school?" - This information is easily found from your bio on Linked in or Facebook. Make up a name or chose a name from a different city. No one knows if you truthfully answer or not. The name of the street you grew up on, the make of your first car, your high school mascot are all things easily discovered about you. You might have to write down your new answers or use Dashlane Password manager to remember all of your passwords.

I use the password generator that makes up combinations of letters, numbers and symbols. I have used Dashlane for many years and it has a free and a paid version. If you have Apple devices linked through your iCloud account, it can also do many of these features for free. Such as generate passwords with symbols, letters, and numbers. It will store it with your passcode/Face ID. Hackers and cybercriminals are getting more aggressive and smarter than ever so you need to stay protected.



"EXPECT THE BEST. PREPARE FOR THE WORST. CAPITALIZE ON WHAT COMES." - ZIG ZIGLAR

Reminders by Melani

RMDs Waived This Year

We wanted to remind you that RMDs have been waived this year. If you are still planning on taking your RMD or a different distribution amount from your IRA please contact melani@assetplanninginc.com or give us a call.

Don't Miss Out!

Be sure to add connect@assetplanninginc.com as a contact in your email account. This is the email we use to send out our monthly newsletters, important information and exclusive client events. We don't want you missing out!

Cuteness Alert by Carol



Last quarter I mentioned the birth of my granddaughter. Here is the 3-month picture of Georgia (aka Gigi)

(Don't worry I will not inundate you every quarter with her pictures - maybe once a year - LOL)

Market Summary by Carol

2020 continued to be one of the most unpredictable years in memory. Markets rose to new highs in July/August despite the continuation of coronavirus cases and the shutdown of some industries. Stocks rallied thanks to a combination of even more accommodative Fed policy, hopes for a COVID-19 vaccine and a stronger-than-expected economic rebound. The market had a pullback in September as it became evident that there would be no economic stimulus bill in September and economic data began to imply a plateau in the economic recovery.

The following are the market returns as of September 30 YTD and 1-year rolling. Note, each client's portfolio is individually constructed and the benchmarks are a comparison tool. Portfolios that have higher weights in tech and large cap growth will have a higher return then a more conservative dividend, large cap value weight portfolio.

Benchmarks:	YTD Sept. 2020	Benchmarks:	Sept. 2019-Sept. 2020
60% Equity/40% Fixed	0.55%	60% Equity/40% Fixed	4.72%
50% Equity/50% Fixed	0.99%	50% Equity/50% Fixed	4.99%
Barclays US Agg Bond	5.06%	Barclays US Agg Bond	4.32%
S&P	4.09%	S&P	12.98%
DOW	-2.65%	DOW	3.21%
iShares (EFA)Foreign	-8.34%	iShares (EFA)Foreign	-2.39%