

TRENDING TODAY

Bi-weekly
eNewsletter

11.06.2020

Author: Joseph Eschleman, CIMA® President

**NO OUTCOME? NO SURPRISE.
NO PROBLEM!**



TOWERPOINT
WEALTH

info@towerpointwealth.com
Twitter: @twrpointwealth

1.916.405.9140

500 Capitol Mall, Ste. 1060 | Sacramento, CA, 95814

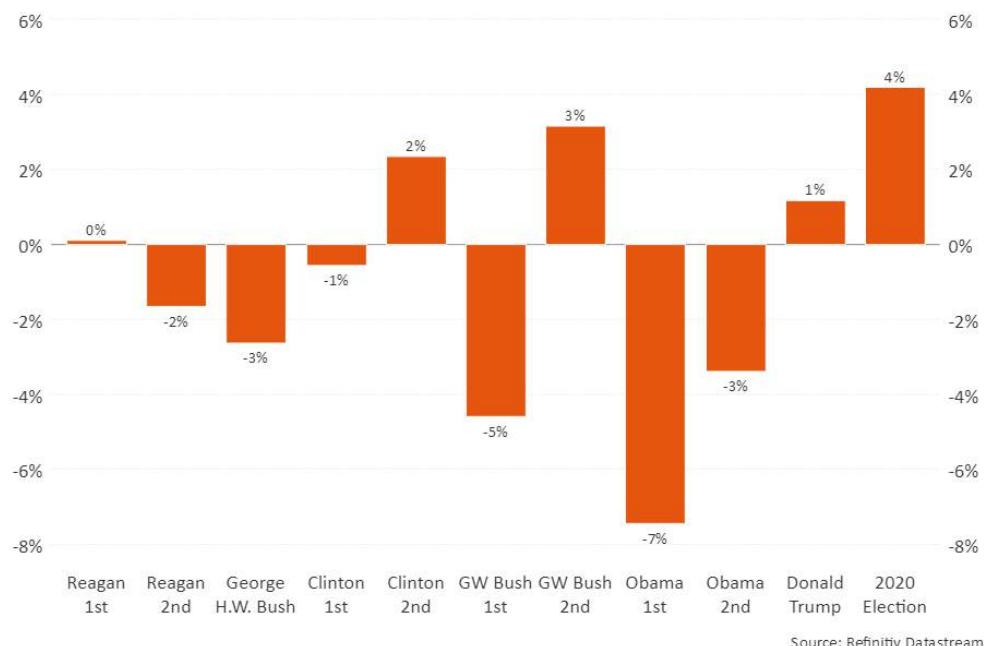
No Outcome? No Surprise. No Problem!

Trending Today - 11.6.2020

We expected it to be this way, right? Historically, the market has always gotten a bit crazy both before, and after, the election:

S&P 500 five day periods after presidential elections

Wall Street has often seen volatility in the aftermath of presidential votes

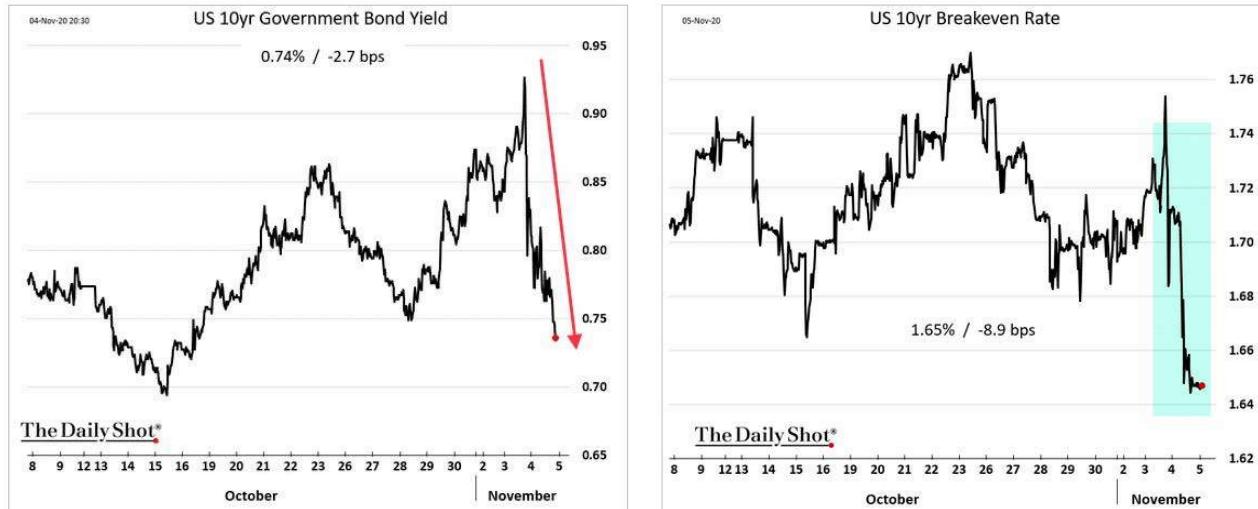


Source: Refinitiv Datastream

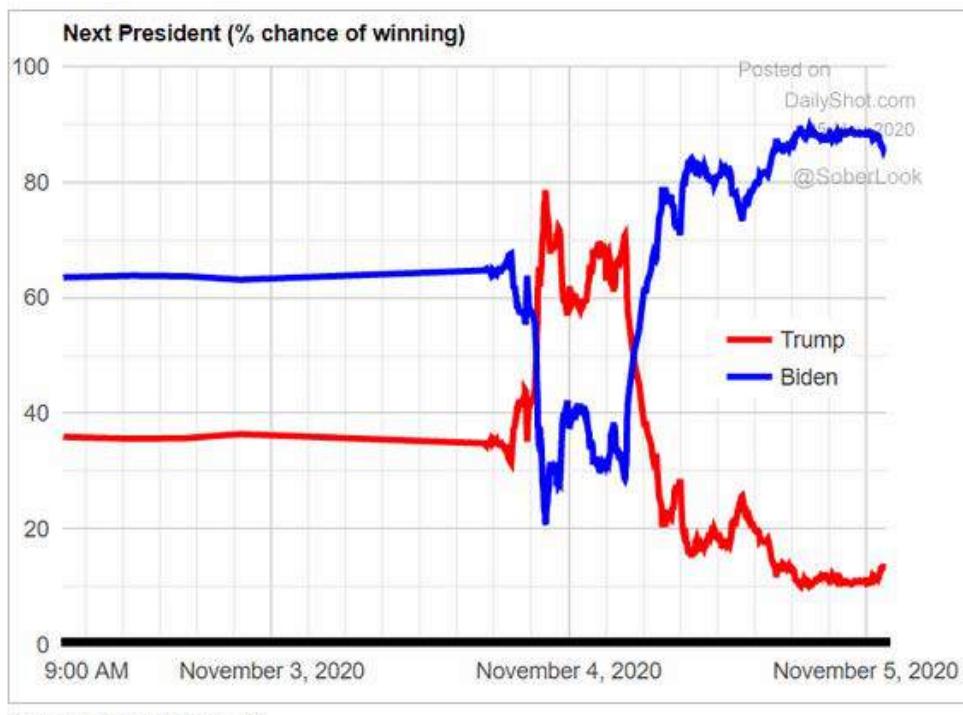
Since Election Day on Tuesday, the S&P 500 has rallied 4%, and has enjoyed its best start to the month of November ever, up 7.4% in four days.

At Towerpoint Wealth, we believe there are a few reasons for this big jump:

1. While investors do expect a fiscal stimulus package out of Washington D.C. in the near future, perhaps before January, the size of a deal reached in a divided Congress is likely to be much smaller than it would be under a Democratic-controlled Congress. However, sometimes bad news equals good news on Wall Street, and this had led investors to believe that more pressure will be on the U.S. Federal Reserve ("the Fed") to pump more funds into the financial system, theoretically supporting stock prices. Just yesterday, Fed Chair Jerome Powell said more stimulus is "absolutely essential" to economic recovery.
2. Assuming Republicans hold the Senate, the likelihood of significant increases in both regulations and income taxes is significantly decreased.
3. Interest rate and inflation expectations have recently dropped:



Additionally, as the **Chart of the Week** towards the bottom of this newsletter indicates, gridlock has historically been good for the equity markets. And while ballots are still being tallied, and Arizona, Georgia, Nevada, and Pennsylvania remaining in focus, it does appear that Joe Biden is on the brink of victory, and that we are much closer to having a clear winner, possibly by tomorrow or Sunday. The betting markets on the Presidency sure seem to agree:



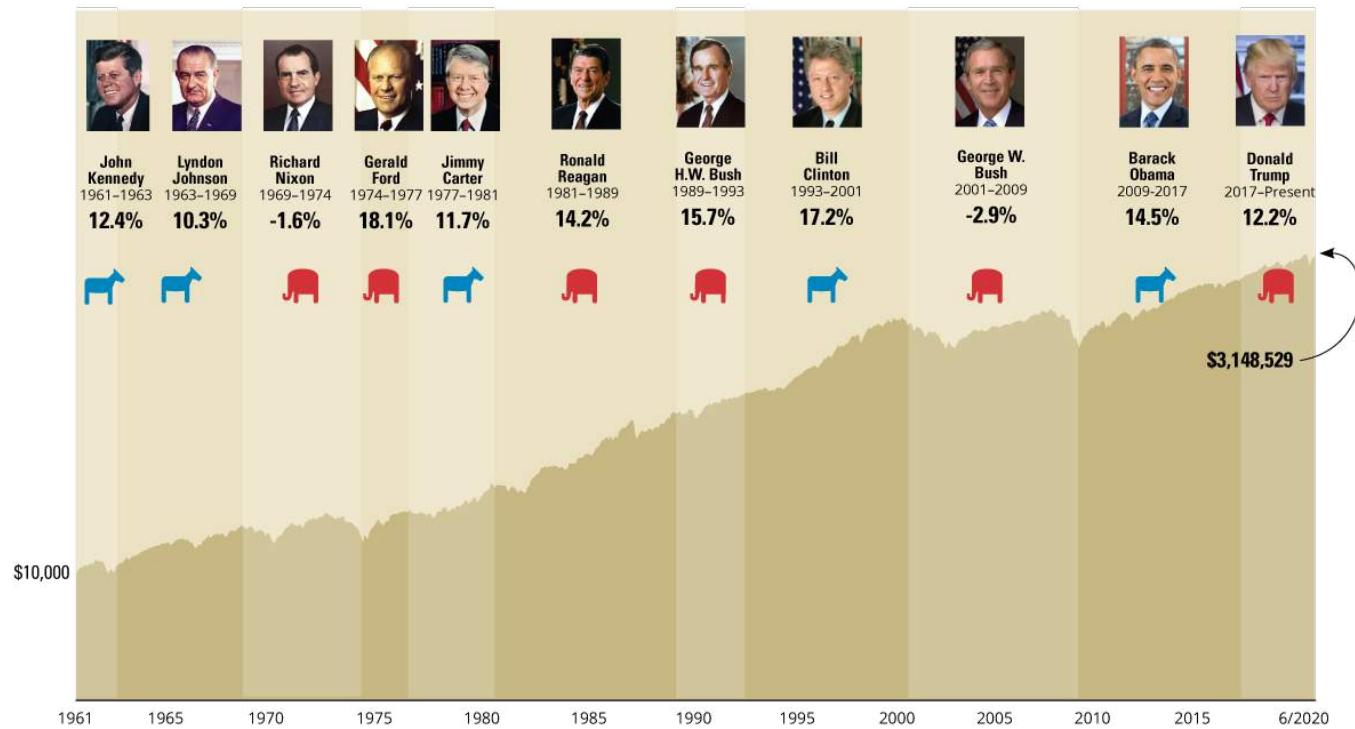
Source: ElectionBettingOdds.com

There are many reasons for us here at Towerpoint Wealth to be paying close attention to events out of our control, but no reason to be reactionary to any of them. In addition to the recent interest rate and inflation-expectation adjustments, some of the other post-election, split-Congress items bearing scrutiny include:

1. Renewed weakness in the financial sector
2. Growth stocks outperforming value stocks
3. Industrial and materials sector stocks lagging
4. The volatility of the U.S. dollar
5. Strengthening emerging market stocks
6. Continued strengthening of technology sector stocks
7. Potential weakness in tax-free municipal bond prices
8. Weakness in healthcare sector stocks
9. Weakness in renewable energy stocks

All of these moving parts and variables can make it tempting to consider second-guessing your investment strategy and philosophy. The constant struggle between the desire for growth and protection is natural, and the goal of managing a well-diversified portfolio is to be prepared for any market environment or political change.

Ultimately, when we put aside all of those "uncontrollables," we keep the following graph in focus (hopefully the trend is an obvious one):



What's Happening at TPW?

The Towerpoint Wealth family enjoyed an afternoon of teambuilding and camaraderie on the Sacramento river earlier this week, taking a quick voyage on the Sacramento Brew Boat up and back to the iconic Virgin Sturgeon restaurant for lunch.

While on their adventure, they also helped our newest family member and wealth advisor, Matt Regan, celebrate his birthday!



TPW Service Highlight – Morningstar Portfolio "Instant X-Ray"

Often enough, clients ask us what stocks they have exposure to within the various mutual funds and exchange traded funds (ETFs) that comprise their portfolio. We now have a sophisticated tool available to us that not only does a deep-dive in evaluating your specific asset allocation and sector weightings, but also the actual individual underlying holdings you have exposure to.

Think you are properly diversified? There is only one way to find out for sure - ask us to run a *Morningstar* portfolio Instant X-Ray report, and we will dissect your portfolio to uncover concentrated positions, areas of unexpected overlap, and provide detailed insights into your portfolio's diversification, illuminating what is truly driving your portfolio's risk and performance.

Morningstar Direct® | Print Date: 10/30/2020

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John Doe Asset Allocation

Portfolio Aggregation

Data as of
10/28/2020
Currency
USD
Risk-Free Rate
USTREAS-T-BI Auction Ave 3 Mon
Benchmark
S&P 500 TR USD**Common Equity Holdings Analysis (Top 25)**

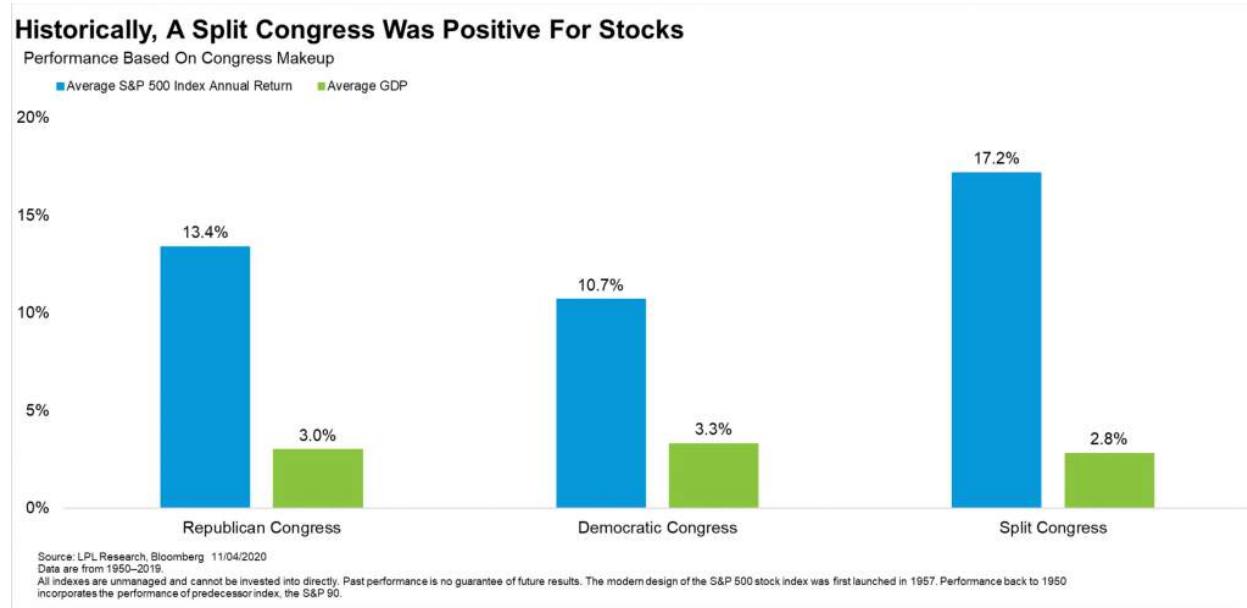
Name	Tick/ISIN	% Investment Mkt Value	% Portfolio Mkt Value	Market Cap (mili)	Style Box	Sector
Microsoft Corp	MSFT	0.88	1,547,784.73		■■■ Large Growth	■■■ Technology
iShares Morningstar Large-Cap Growth ETF	JKE	6.96	0.29		■■■ Large Growth	
iShares Russell 1000 Growth ETF	IWF	9.52	0.27		■■■ Large Growth	
Vanguard Growth ETF	VUG	9.69	0.24		■■■ Large Growth	
Calamos Market Neutral Income I	CMNIX	2.74	0.08		■■■ Large Blend	
Amazon.com Inc	AMZN	0.75	1,608,361.68		■■■ Large Growth	■■■ Consumer Cyclical
iShares Morningstar Large-Cap Growth ETF	JKE	6.13	0.26		■■■ Large Growth	
iShares Russell 1000 Growth ETF	IWF	8.07	0.23		■■■ Large Growth	
Vanguard Growth ETF	VUG	8.16	0.20		■■■ Large Growth	
Calamos Market Neutral Income I	CMNIX	2.06	0.06		■■■ Large Blend	
Apple Inc	AAPL	0.66	1,972,264.45		■■■ Large Blend	■■■ Technology
iShares Russell 1000 Growth ETF	IWF	11.29	0.32		■■■ Large Growth	
Vanguard Growth ETF	VUG	10.86	0.26		■■■ Large Growth	
Calamos Market Neutral Income I	CMNIX	2.45	0.08		■■■ Large Blend	
Facebook Inc A	FB	0.40	800,032.95		■■■ Large Growth	■■■ Communication Services
iShares Morningstar Large-Cap Growth ETF	JKE	3.84	0.16		■■■ Large Growth	
iShares Russell 1000 Growth ETF	IWF	3.80	0.11		■■■ Large Growth	
Vanguard Growth ETF	VUG	3.83	0.09		■■■ Large Growth	
Calamos Market Neutral Income I	CMNIX	1.16	0.04		■■■ Large Blend	
American Tower Corp	AMT	0.37	102,753.14		■■■ Large Growth	■■■ Real Estate
Vanguard Real Estate ETF	VNO	8.52	0.24		■■■ Mid Blend	
iShares Morningstar Large-Cap Growth ETF	JKE	2.17	0.09		■■■ Large Growth	
iShares Russell 1000 Growth ETF	IWF	0.64	0.02		■■■ Large Growth	
Vanguard Growth ETF	VUG	0.65	0.02		■■■ Large Growth	
Calamos Market Neutral Income I	CMNIX	0.18	0.01		■■■ Large Blend	
Crown Castle International Corp	CCI	0.27	67,973.01		■■■ Large Growth	■■■ Real Estate
Vanguard Real Estate ETF	VNO	5.52	0.15		■■■ Mid Blend	
iShares Morningstar Large-Cap Growth ETF	JKE	2.20	0.09		■■■ Large Growth	
iShares Russell 1000 Growth ETF	IWF	0.39	0.01		■■■ Large Growth	
Vanguard Growth ETF	VUG	0.43	0.01		■■■ Large Growth	
Calamos Market Neutral Income I	CMNIX	0.11	0.00		■■■ Large Blend	
iShares Russell 1000 Value ETF	IWD	0.03	0.00		■■■ Large Value	
Alphabet Inc A	GOOGL	0.27	1,062,389.58		■■■ Large Growth	■■■ Communication Services
iShares Morningstar Large-Cap Growth ETF	JKE	2.31	0.10		■■■ Large Growth	
Vanguard Growth ETF	VUG	2.68	0.07		■■■ Large Growth	
iShares Russell 1000 Growth ETF	IWF	2.06	0.06		■■■ Large Growth	
iShares Russell 1000 Value ETF	IWD	0.66	0.02		■■■ Large Value	
Calamos Market Neutral Income I	CMNIX	0.72	0.02		■■■ Large Blend	
Johnson & Johnson	JNJ	0.26	361,158.53		■■■ Large Value	■■■ Healthcare
iShares Morningstar Large-Cap Value ETF	JKF	6.30	0.16		■■■ Large Value	
iShares Russell 1000 Value ETF	IWD	2.29	0.08		■■■ Large Value	
Calamos Market Neutral Income I	CMNIX	0.65	0.02		■■■ Large Blend	
iShares Russell 1000 Growth ETF	IWF	0.32	0.01		■■■ Large Growth	
Equinix Inc	EQIX	0.26	65,592.49		■■■ Large Growth	■■■ Real Estate
Vanguard Real Estate ETF	VNO	5.35	0.15		■■■ Mid Blend	
iShares Morningstar Large-Cap Growth ETF	JKE	2.13	0.09		■■■ Large Growth	

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Chart of the Week

The odds right now seem to favor a Biden presidency, a Republican Senate, and a Democrat House. The chart below, from LPL Financial Research, shows how a split Congress has been historically good for the stock market.



Trending Today

In addition to voting and boating, a number of trending and notable events have occurred over the past few weeks:

- [Click HERE for an up-to-date and live election map](#)
- [Oregon becomes the first state to decriminalize *all* drugs](#)
- [Sir Sean Connery, most famous for his role as James Bond, dead at the age of 90](#)
- [Coronavirus cases are rising in the Sacramento region, once again threatening to close businesses in the area](#)
- [The Senate confirmed Amy Coney Barrett as the 115th Associate Justice on the U.S. Supreme Court](#)
- [The Los Angeles Dodgers defeated the Tampa Bay Rays to win the 2020 World Series, their first title since 1988](#)
- [Click HERE for a number of truly FUNNY memes as the seemingly endless wait for results takes place in each of the remaining battleground states](#)

As always, we sincerely value our relationships and partnerships with each of you, as well as your trust and confidence in us here at Towerpoint Wealth. We encourage you to reach out to us at any time (916-405-9140, info@towerpointwealth.com) with any questions, concerns, or needs you may have. The world continues to be an extremely complicated place, and we are here to help you properly plan for and make sense of it.

- Steve, Jonathan, Lori, Joseph, Raquel, Nathan, and Matt



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Towerpoint Wealth Original Content



THE YEAR-END FINANCIAL PLANNING CHECKLIST FOR YOUNG PROFESSIONALS

There is no denying it, and the [math clearly supports it](#) — the earlier you get your financial affairs in order and leverage the time you have, the more time you will have to work your way of mind and economic opportunity you will have in the future. While virtually everyone is aware of this, many young professionals do not exhibit the discipline to hold themselves accountable to a financial plan. To help you stay on track for success, we have assembled a checklist highlighting key issues for your focus, to help you conduct a straightforward personal assessment.

This checklist is not only intended to provide you a great opportunity to reflect on what you have accomplished financially throughout the year, but also afford you a simplified platform from which to reassess and refine longer-term financial goals for the upcoming year.

HERE ARE 10 FINANCIAL PLANNING TIPS FOR YOUNG PROFESSIONALS TO GET THE NUMBERS WORKING IN THEIR FAVOR

- Establish Sensible Spending and Saving Habits
- Assess Your Financial Health
- Reassess Your Investment Portfolio
- Check Your Credit Report
- Execute Essential Legal Documents

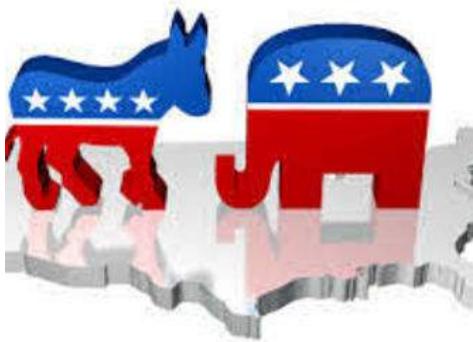
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The Election and the Markets

ELECTION 2020 



The Election and Your Portfolio

This week's Presidential Election may be one of the most politically charged elections in our country's history. Emotions are running high as many are divided about which party is best f...

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How Political Parties in Power Influence Markets

When political questions are in the headlines, especially during election seasons or times of uncertainty, one may ask what impact the party in power has on the markets. But whether the W...

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FIDELITY INSTITUTIONAL INSIGHTS

What If Election Results Are Delayed or Contested?

Election uncertainty is no reason to abandon financial plans.

KEY TAKEAWAYS

- The election outcome may be delayed by mail-in voting and lawsuits.
- The U.S. political system has rules that ensure these obstacles will be overcome and offices filled.
- Markets may be volatile if the election is unresolved.
- Short-term volatility is not a reason to abandon a long-term financial plan.

While polls continue—as they have for months—to show former Vice President Joe Biden leading President Trump, financial markets are suggesting the vote could be close and that the outcome of presidential and congressional elections may not be known for weeks. In addition, the behavior of financial markets prior to the release of the world's outcomes is not known on election day, some investors and traders have been building hedging strategies using derivatives, gold, and options.

What If Election Results Are Delayed or Contested?

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Six Takeaways from Election Night 2020

Well, we still don't know who the president-elect is. Is there a less-surprising outcome for 2020? Click [HERE](#) to read a good NPR article discussing six clear takeaways from one of the str...

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