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# The Election And Your Investment Portfolio

William T. Knight, CFP®, AWMA®, PPC®  
Wealth Advisor  
Legend Financial Advisors, Inc.®





## **William T. Knight, CFP®, AWMA®, PPC®**

### **Wealth Advisor**

William T. Knight (Bill), CFP®, AWMA®, PPC® is a Wealth Advisor with Legend Financial Advisors, Inc.® (Legend). Bill thrives on servicing and developing client relationships. He takes a thorough approach to financial planning and investment management by tailoring each strategy to meet a client's individual financial goals.

Bill had previously been an intern with Legend from 2007 to 2010 and worked at the firm full-time from 2011 to 2014. Bill returned to Legend in 2020 and has been an integral part of the Advisory Team.

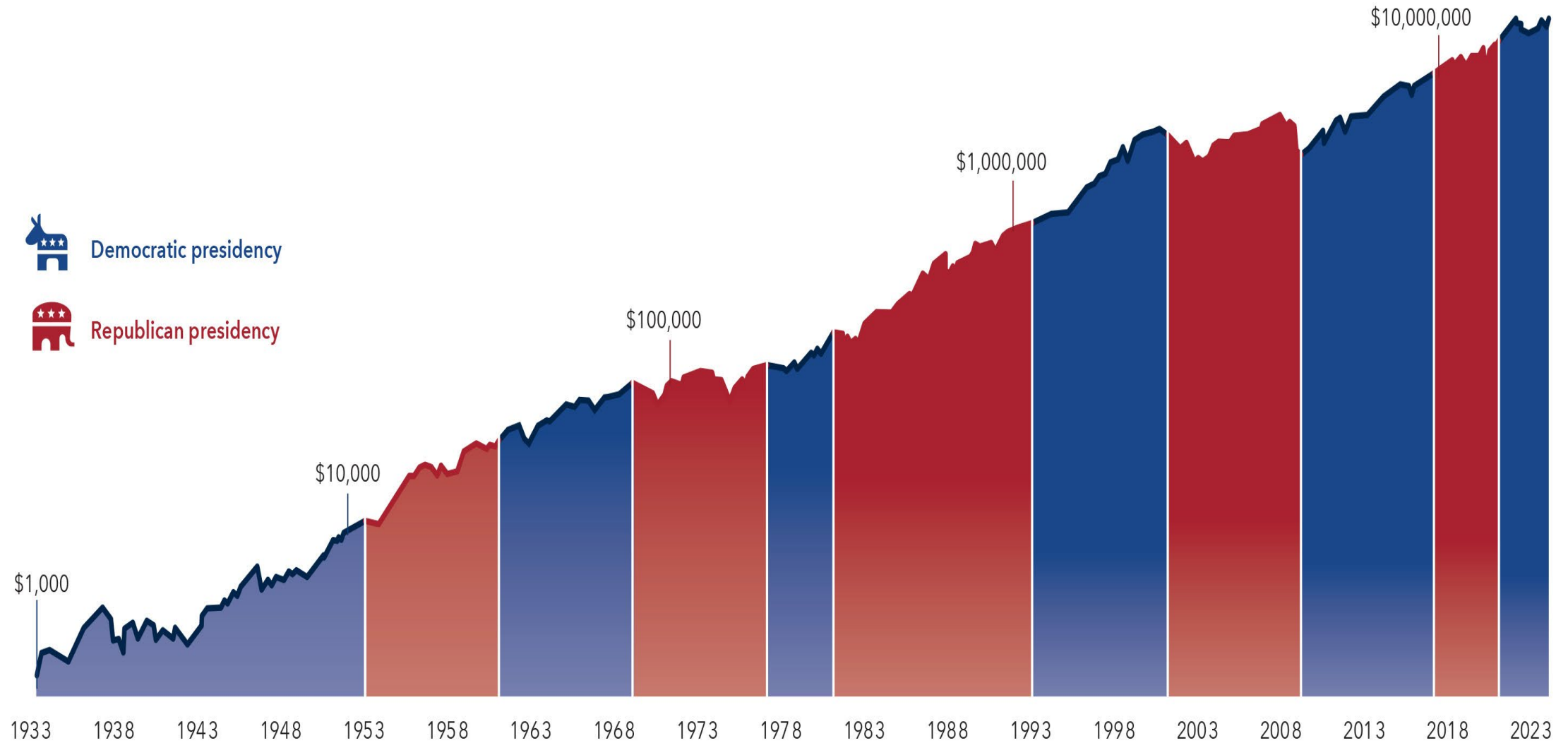
As a Wealth Advisor at Legend, Bill assists all types of clients with their financial planning and investment needs. Bill's primary responsibilities include meeting with clients, performing investment research, overseeing securities trades, creating financial planning analyses for clients and assisting in training and development of staff members. Bill is a member of the firm's Investment Committee. Bill is also experienced with the Bloomberg Investment Service, Morningstar Workstation, eMoney Advisor, Zacks Investment Research services as well as a number of other investment research and financial planning tools.

Bill also works with clients with 401(k) and/or 403(b) Plans, helping them make important decisions about saving for retirement. As a Professional Plan Consultant® (PPC®), Bill's advanced study and training in this area provides expertise and understanding of ERISA requirements for employer-sponsored retirement plans and implement plan services with a Fiduciary standard of care. Some of the benefits of working with a PPC® include: mitigate risk by understanding the regulatory bodies that govern employer-sponsored plans; increase practice efficiency and effectiveness by implementing a prudent process; improve plan service models by identifying common shortfalls. As a result of being a PPC®, Bill has the distinction of being a retirement plan specialist.



# **The Election's Impact on Investment Decision-Making**

# Which Political Party Has Been Better For Investors?



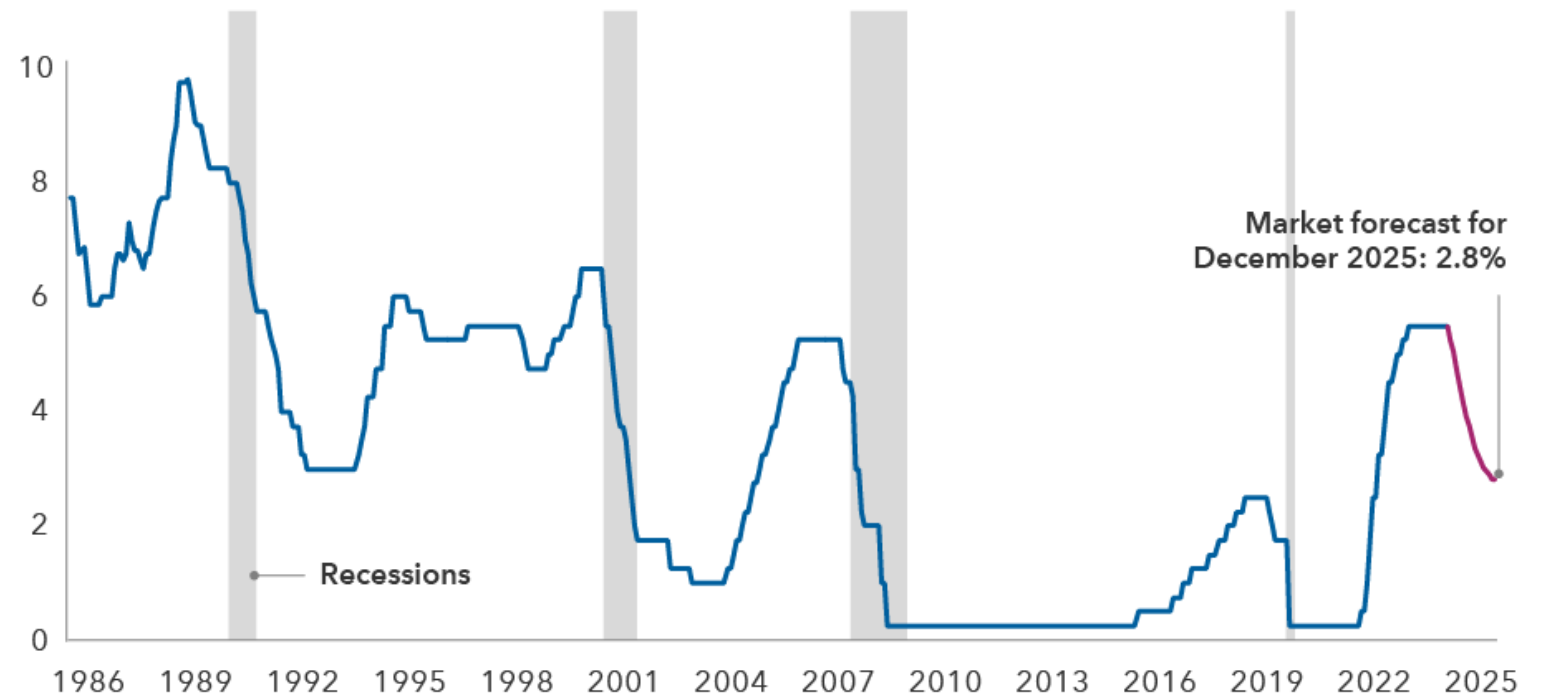




# **How Interest Rates Affect the Market**

# Interest Rates are Projected to Fall

U.S. federal funds target rate (%)

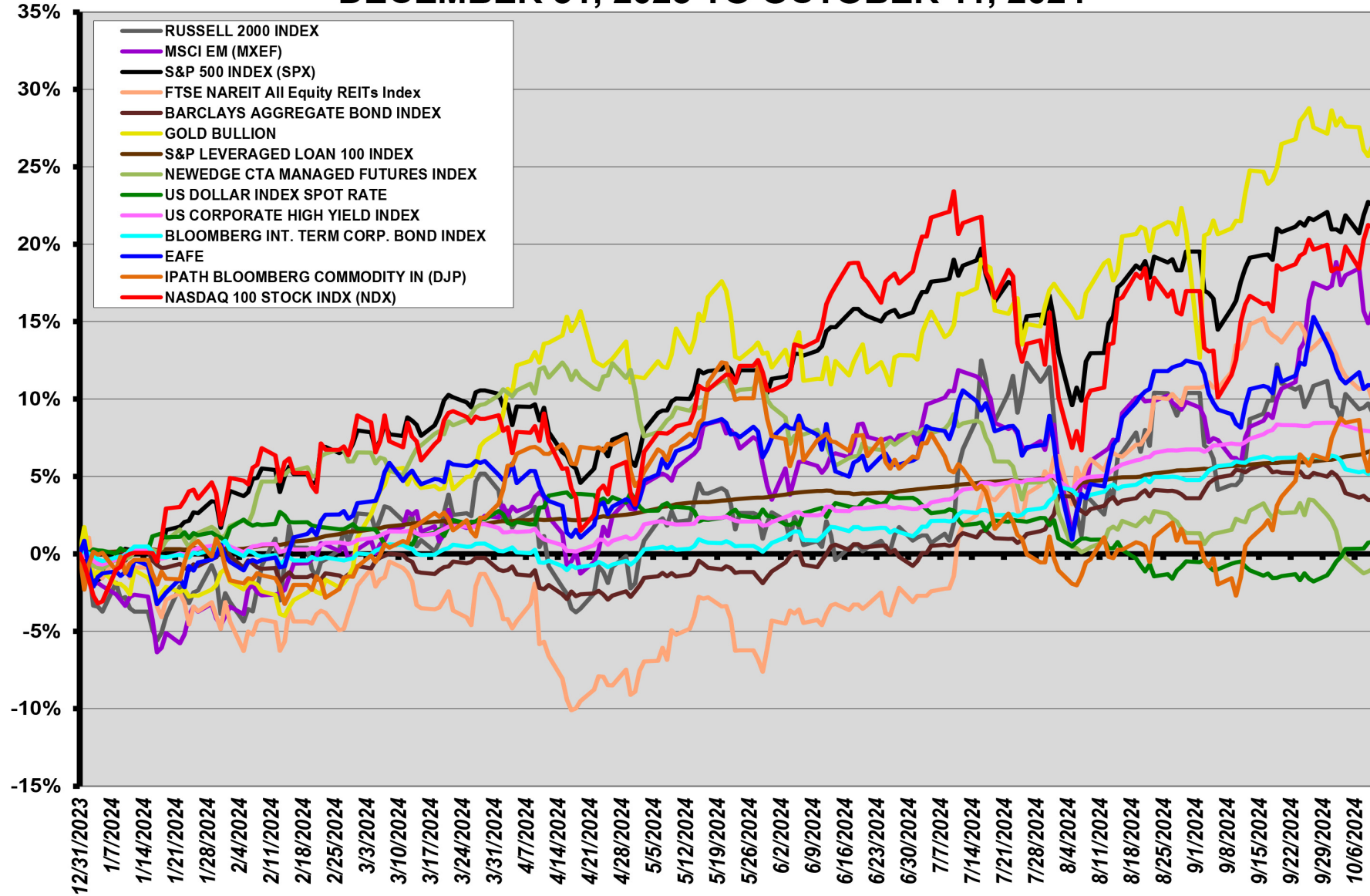


The background features a large, central green circle with several lighter green concentric circles around it. Additionally, there are curved green lines and bands in the corners, creating a layered, organic feel.

# **What's Working and What Isn't?**

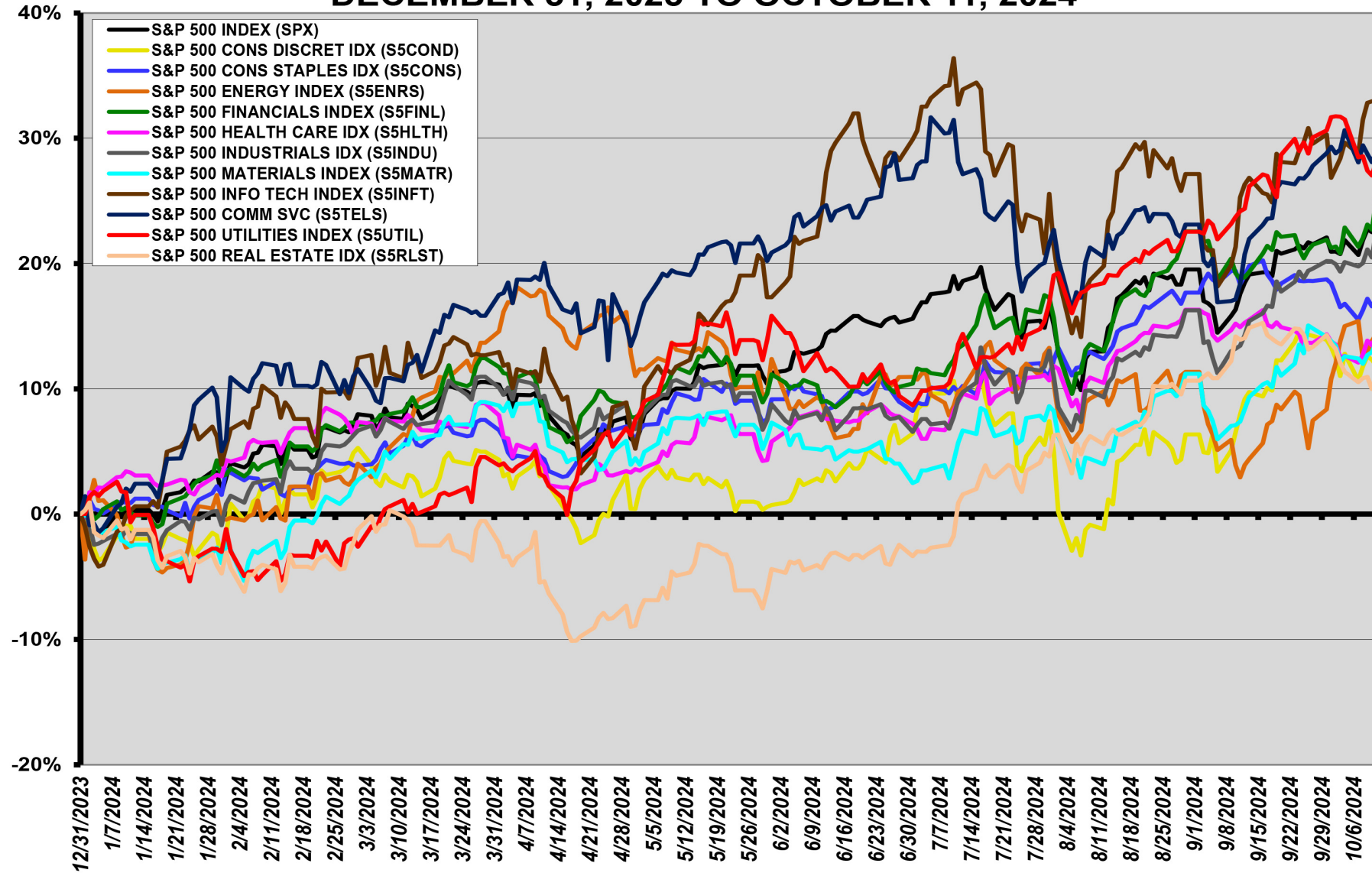
# INDEXES

## DECEMBER 31, 2023 TO OCTOBER 11, 2024





# U.S. SECTORS DECEMBER 31, 2023 TO OCTOBER 11, 2024

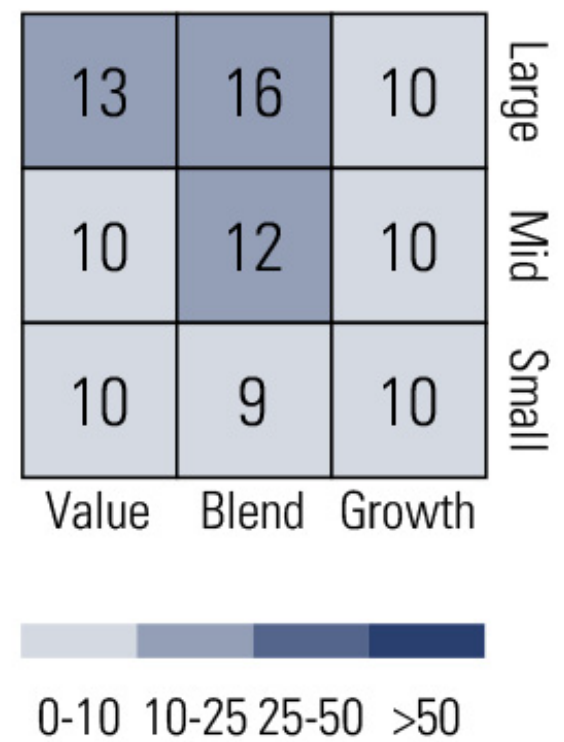
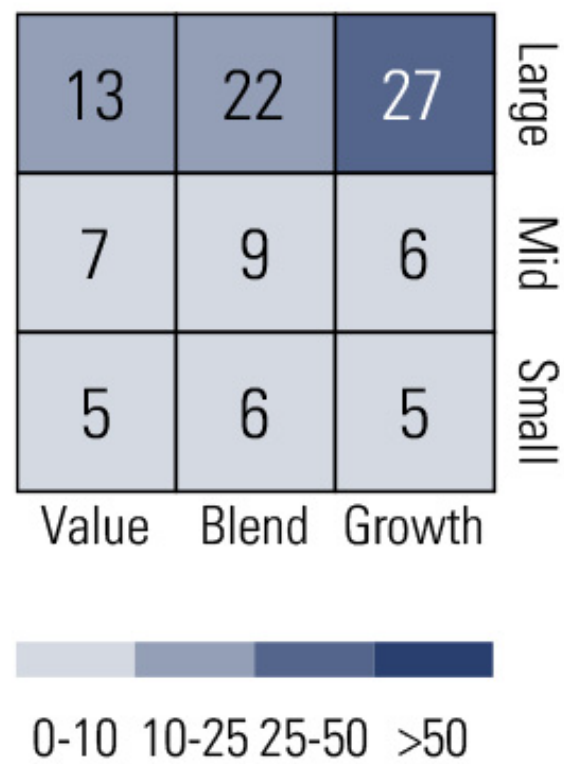




# **Strategies for Navigating Volatility and Managing Risk**

# Equity Style Box

Source: MORNINGSTAR\*



# Rebalance

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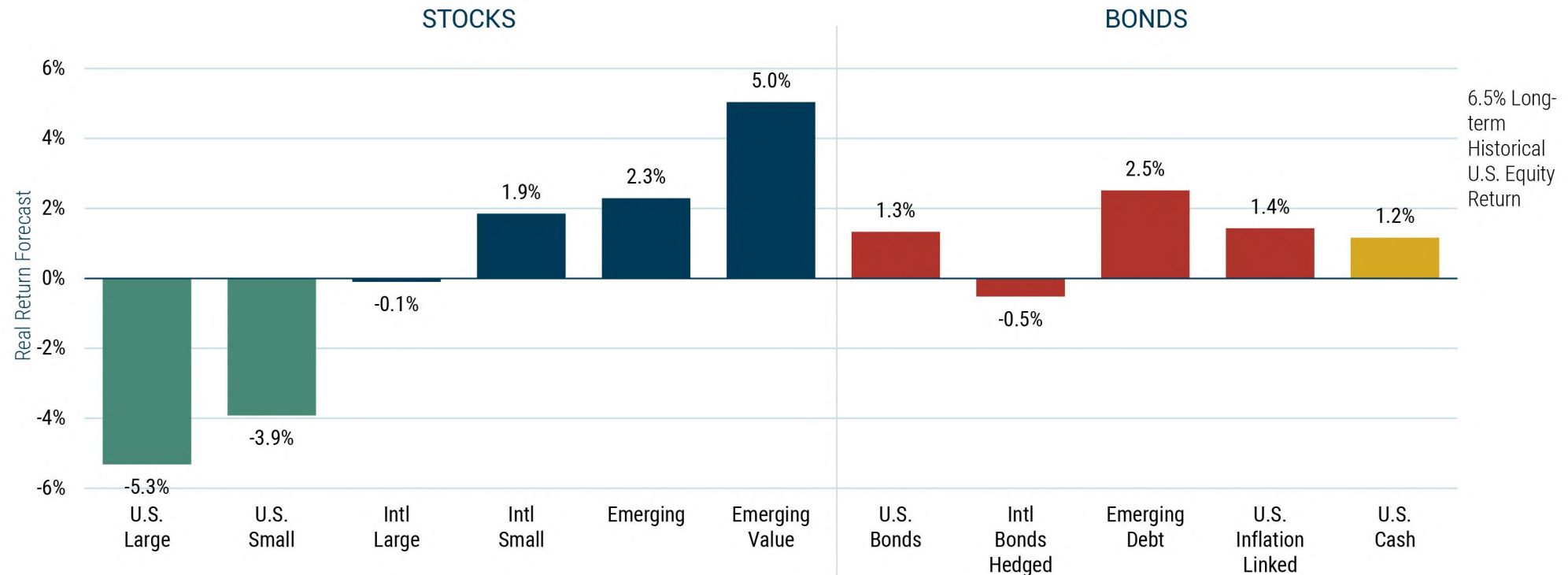


# **Opportunities for Growth & Diversification**

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# 7-YEAR ASSET CLASS REAL RETURN FORECASTS\*

As of August 31, 2024



Source: GMO

\*The chart represents local, real return forecasts for several asset classes and not for any GMO fund or strategy. These forecasts are forward-looking statements based upon the reasonable beliefs of GMO and are not a guarantee of future performance. Forward-looking statements speak only as of the date they are made, and GMO assumes no duty to and does not undertake to update forward-looking statements. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results may differ materially from those anticipated in forward-looking statements. U.S. inflation is assumed to mean revert to long-term inflation of 2.3% over 15 years.

# Correlation Matrix 08/31/2021 – 08/31/2024

## Correlation Matrix 3 Year

	1								
1		2							
2	0.90		3						
3	0.89	0.99		4					
4	0.86	0.85	0.84		5				
5	0.97	0.87	0.86	0.88		6			
6	<b>0.69</b>	<b>0.69</b>	<b>0.67</b>	0.81	0.71		7		
7	0.85	0.82	0.81	0.94	0.87	0.80		8	
8	0.97	0.87	0.85	0.90	0.96	0.79	0.91		9
9	0.87	0.87	0.87	0.78	0.86	<b>0.63</b>	0.89	0.88	

## Investment Key

- 1 Vanguard 500 Index Institutional Select (USD, VFFSX)
- 2 Vanguard Explorer Adm (USD, VEXRX)
- 3 Vanguard Extended Market Index Instl (USD, VIEIX)
- 4 Vanguard International Growth Adm (USD, VWILX)
- 5 Vanguard PRIMECAP Adm (USD, VPMAX)
- 6 Vanguard Total Bond Market Index I (USD, VBTIX)
- 7 Vanguard Total Intl Stock Index I (USD, VTSNX)
- 8 Vanguard Wellington™ Admiral™ (USD, VWENX)
- 9 Vanguard Windsor™ Admiral™ (USD, VWNEX)

## Degree of Correlation



# Correlation Matrix 08/31/2021 – 08/31/2024

Correlation Matrix 3 Year

1																				
1																				
2	-0.22																			
3	-0.17	0.78																		
4	-0.60	0.47	0.48																	
5	-0.58	0.59	0.54	0.95																
6	0.04	0.67	0.42	0.42	0.46															
7	-0.25	0.58	0.29	0.45	0.58	0.49														
8	-0.50	0.67	0.53	0.84	0.90	0.59	0.78													
9	-0.34	0.66	0.56	0.63	0.68	0.44	0.53	0.74												
10	-0.23	0.85	0.66	0.63	0.70	0.63	0.74	0.80	0.77											
11	0.10	0.45	0.10	-0.07	0.03	0.53	0.32	0.20	0.07	0.22										
12	-0.17	0.33	0.32	0.46	0.39	0.59	0.17	0.44	0.27	0.26	0.20									
13	-0.37	0.59	0.45	0.64	0.68	0.51	0.46	0.73	0.90	0.74	0.06	0.27								
14	-0.03	0.82	0.65	0.17	0.34	0.46	0.39	0.35	0.33	0.56	0.38	0.16	0.22							
15	-0.35	0.20	0.13	0.51	0.57	0.26	0.58	0.65	0.40	0.39	-0.13	0.25	0.42	0.13						
16	-0.63	0.56	0.52	0.98	0.95	0.49	0.48	0.87	0.67	0.67	-0.02	0.48	0.70	0.24	0.56					
17	-0.28	0.97	0.76	0.57	0.68	0.64	0.63	0.74	0.77	0.90	0.39	0.31	0.70	0.75	0.27	0.64				
18	-0.23	0.92	0.73	0.62	0.71	0.64	0.66	0.79	0.82	0.95	0.26	0.31	0.77	0.66	0.34	0.68	0.95			
19	-0.21	0.84	0.61	0.57	0.65	0.56	0.59	0.68	0.61	0.87	0.25	0.22	0.62	0.64	0.24	0.62	0.88	0.90		
20	-0.26	0.73	0.60	0.67	0.69	0.49	0.59	0.72	0.73	0.86	0.02	0.26	0.70	0.47	0.39	0.70	0.78	0.88	0.88	

## Investment Key

- American Beacon AHL Mgd Futs Strat Y (USD, AHLYX)
- BNY Mellon Dynamic Value Fund I (USD, DRGVX)
- Delaware Healthcare I (USD, DLHIX)
- DoubleLine Total Return Bond I (USD, DBLTX)
- Frost Total Return Bond Inst (USD, FIJEX)
- Global X Copper Miners ETF (USD, COPX)
- Guggenheim Floating Rate Strats Instl (USD, GIFIX)
- Guggenheim Macro Opportunities Instl (USD, GIOIX)
- Invesco QQQ Trust (USD, QQQ)
- Invesco S&P 500® Equal Wt Cnsm Disc ETF (USD, RSPD)
- iPath® Bloomberg Cmtty TR ETN (USD, DJP)
- iShares Gold Trust (USD, IAU)
- iShares Semiconductor ETF (USD, SOXX)
- iShares US Insurance ETF (USD, IAK)
- PIMCO Enhanced Short Maturity Active ETF (USD, MINT)
- PIMCO Total Return Instl (USD, PTTRX)
- Schwab Fundamental U.S. Large CompanyETF (USD, FNDX)
- Vanguard Mid-Cap ETF (USD, VO)
- Vanguard S&P Small-Cap 600 Value ETF (USD, VIOV)
- Virtus KAR Small-Cap Growth I (USD, PXSGX)

## Degree of Correlation





# Summary

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1. Falling interest rates are generally positive for most asset classes
2. Be aware of the type of equity exposure in your portfolio
3. Consider rebalancing
4. Consider diversification





**QUESTIONS  
AND  
ANSWERS**



## Contact Us

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