



- U.S. Election
- COVID Second Wave
- Your Money

We are witnessing the final days of the US election, and if you are like me, you are paying too much attention to it.

Even while the world stage is dominated by the so called “battle for democracy” to the south, back in Canada the minority Liberal government survived one confidence vote that could have led to a federal election, and it appears we have the potential for additional confidence votes as opposition parties battle for attention on the national stage. It’s interesting how much attention we give to the US election while a potential federal election in Canada passed with almost no notice at all. We shouldn’t feel bad; much is being written about how Canadians are so focused on the US election and I am as guilty of that as anyone.

I explained to my wife Michelle that I watch out of professional interest as the events and outcome of the election are meaningful to my clients. That is true, but I would be watching it closely anyway. It is a fascinating look at democracy in action, and no matter which side you identify with, it is hard to find yourself without an opinion. We have many clients who are dual citizens who have an opportunity to vote and/or who have family living in the US for whom this election is very impactful. I feel for all of you as the rhetoric ramps up and the candidates and their parties become further polarized. For you it is not just something to witness but something you live.

Let’s consider potential scenarios around the US election:

**Biden wins:** markets appear to have priced this result in at this time. A Biden White House along with a Democrat Congress and potentially the Senate as well would be viewed positively by financial markets after the past four years of uncertain trade relationships and volatile behaviour from the White House. The potential for increased tax and regulation are viewed to be offset by more consistent trade relationships and better global relations. Markets are likely to remain relatively stable.

**Trump wins:** while this is not the expected outcome, nothing is certain. If the 2016 presidential election taught us anything it’s to expect the unexpected. Typically markets favour a Republican government with its generally more business-friendly policies. Lower taxation and regulation are generally seen as favourable, but in this instance the past four years have demonstrated that historic norms cannot be expected. This is not the expected outcome, so there is increased potential for market volatility but that may be mitigated by relief that the election is over, and markets will eventually stabilize.

**A contested election:** based on comments from Trump, the potential of a contested outcome is high if he is not the clear winner. Again, markets will typically price in uncertainty like this, but it’s also a fundamental principle that markets do not like uncertainty. If the election is contested, we can expect increased volatility. The only way to deal with this is to remain focused on the long-term nature of our investment strategies. The United States is a country governed by the rule of law and we should expect a reasonable outcome to be reached in a timely manner.

As I have mentioned in past communications, the outcome of this election may impact financial markets in the short term, but the long-term impact is generally recognized as neutral. By remaining focused on the long term, we avoid making rash decisions based on short term events like this. A well diversified portfolio is the best protection for investors during a time like this. As always, we expect volatility and the portfolio managers we work with position themselves to take advantage of it.

I am looking forward to this being over. Keep in mind that if Biden wins, the period between the election results in the handover of power is likely to be very interesting. Again, we will remain focused on long-term investment strategies and try to ignore the short-term volatility.

Once the election is behind us there will be other challenges to address: events related to the health impact of the pandemic, economic uncertainty resulting from the pandemic and the evolution of our economy and community after the vaccine is distributed. I suspect our perception of the importance of those events will be tempered by our experience over the past eight months, but we are still going to feel the impact. Keep in mind, for those receiving income payments we have positioned portfolios for volatility by setting aside cash for identified short-term cash needs. For those who do not require income payments, remain focused on the long term and we will get through volatility and emerge well positioned for growth. If you have any questions about your portfolio positioning or the potential impacts from the election and/or the pandemic, please reach out.

On November 3rd, I will be watching closely as results come in. I am hopeful that we will wake up on the 4th with a clear outcome, one way or another, and be able to move on. If not, we will deal with that as well. I look forward to being able to focus on the important work of managing volatility and ensuring you reach your financial goals without the geopolitical distraction of the U.S. election. Please let me know if you need anything.

Shawn Christianson, PFP, CIM, FCSI  
Investment Advisor  
Christianson Securities of Aligned Capital Partners Inc.  
7A Peruz Court  
Bedford, Nova Scotia B4A 4G2  
P: 902 405 4688 | F: 902 482 5119 |  
[schristianson@alignedcp.com](mailto:schristianson@alignedcp.com)  
[www.christiansonfinancial.ca](http://www.christiansonfinancial.ca)



This commentary is for general information only and is not intended to provide specific personalized advice. The opinions expressed are those of Shawn Christianson and not necessarily those of Aligned Capital Partners Inc. (ACPI).

Christianson Financial Ltd. and Christianson Securities of ACPI are separate legal entities. Christianson Securities is an investments trade name of Aligned Capital Partners Inc. (ACPI), a member of the Canadian Investor Protection Fund (CIPF.ca) and the Investment Industry Regulatory Organization of Canada (IIROC.ca). All non-securities related business conducted by your Advisor as a representative of Christianson Financial Ltd. is not in his capacity as an agent of ACPI. Investment products are provided by ACPI and include, but are not limited to, mutual funds, stocks, and bonds. Shawn Christianson is registered to advise clients resident in the provinces of NS, NB, ON, AB and BC.

Investment products are provided by Aligned Capital Partners Inc. ("ACPI"). Any advice which may be given in respect of non-securities services is given by your advisor solely, and no such advice is given in their capacity as an agent of ACPI. Accordingly, ACPI is not liable and/or responsible for any non-investment related business conducted by Christianson Financial. The Canadian Investor Protection Fund (CIPF) does not cover any non-securities related business conducted by Christianson Financial.