



# Purple Wave 2020: A look at the post-election landscape

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IN THE  
AFTERMATH OF A  
HISTORICAL  
PRESIDENTIAL  
ELECTION, HERE  
IS SOME  
CONTEXT AND  
COMMENTARY ON  
OUR  
EXPECTATIONS  
AND PORTFOLIO  
POSITIONING.

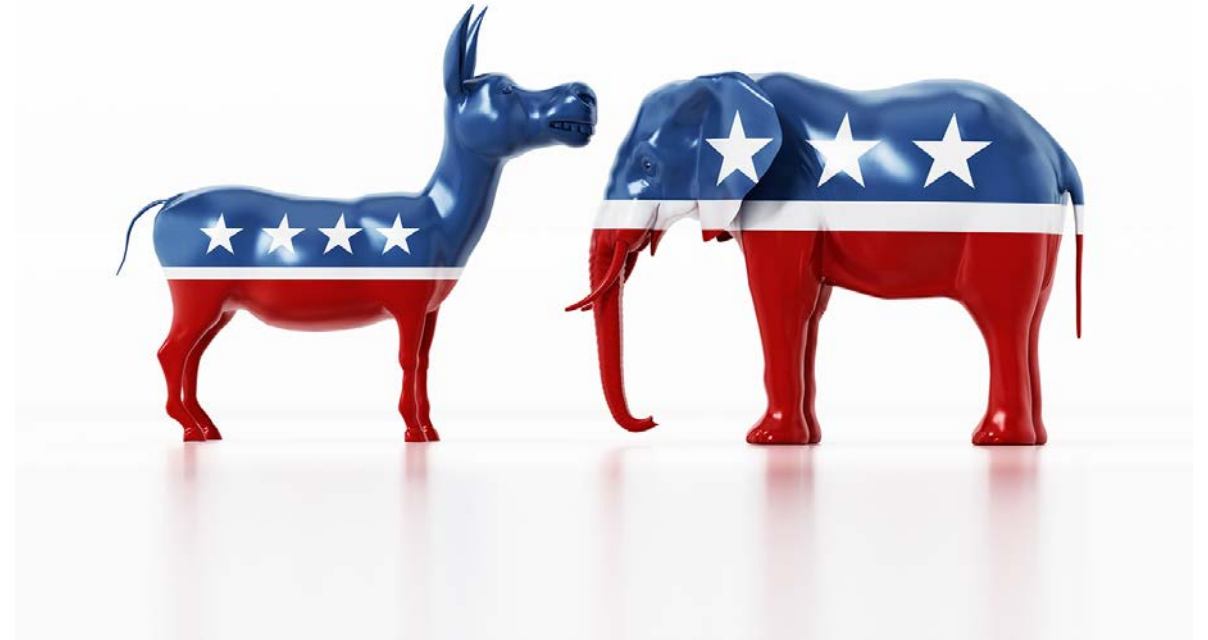
## Purple Wave 2020: When red and blue waves collide

### Equal blend of red and blue ballots: A divided government

- Despite expectations of a “blue wave,” we saw a nearly equal blend of red and blue. Though election results remain to be certified, it appears as though Joe Biden and Kamala Harris will be formally elected as President and Vice President.
- The Democrats will retain control of the House, though by a slimmer margin.
- Senate control is pending a runoff election in Georgia in January.
- If control of the Senate remains with the Republicans, a split government will have a significant impact on the ability of the new administration to move its policies forward, and may result in slower economic growth potential.

### Contested election

- The Presidential election remains contested, and a final decision will likely take some time, potentially resulting in uncertainty and volatility.
- Political division and polarization may continue to cause Congressional gridlock.



POTENTIAL  
INVESTMENT  
OPPORTUNITIES  
THAT MAY ARISE  
FROM NEW  
POLICIES

## Environmental and impact investing

- The Biden Administration's Green New Deal calls for \$2 trillion in new spending over four years to reduce carbon by deploying clean energy innovations.
- This initiative could create significant investment opportunities in infrastructure, energy production, construction, agriculture, water, and revitalization.
- Welcoming the first female, Black, multi-racial Vice President may help bring greater focus to investment on companies that prioritize diversity & inclusion.

## Small cap and emerging markets

- Increased stimulus and tighter regulations from a Democratic administration, including potential anti-trust actions, may bring growth back to the small cap end of the spectrum.
- A Biden administration will steer away from many of the Trump administration's protectionist trade policies, with export-driven emerging market economies likely ranking among the most significant beneficiaries.

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## Healthcare

- Biden has already built a bipartisan COVID task force and outlined an ambitious plan for healthcare that federalizes the fight against the pandemic and increases public healthcare benefits.
- Federal healthcare spending on public health initiatives and research will likely be increased, creating investment opportunities. At the same time, the Biden plan may create healthcare losers as well, as he intends to push for greater competition and lower prices throughout the healthcare system.

As always for us as long-term investors, political upheaval may cause short-term uncertainties and fluctuations, but we keep our focus on broader, long-term perspective and maintaining a thoughtful and disciplined process.