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To: Hab Barton
Subject: Roadhouse = Successful Investing



Wisdom from a Legend

The original Roadhouse movie with Patrick Swayze is cinematic art. If I remember correctly, it won 19 Oscars, the most ever.

It also has an important reminder for investors, maybe the most important reminder of all time. When Swayze uttered the following iconic line, I have to think it was put there to secretly remind us about the nature of what we do:

“Expect the unexpected.”

On the surface, Swayze was talking about razor blades on boots, goons attacking delivery trucks, small town corruption, and so on. Yet it probably applies even more to investors than to bar bouncers. Would you like a real life recent example of the unexpected? Okay, but it involves politics.

The example that follows is, in my opinion, a restating of the facts and not partisan one way or the other. I picked this example for no other reason than I would have never expected this. However, this is politics so roughly 100% of you will find some slant I did not intend.

Let's consider the Energy Select Sector Fund, XLE. XLE tracks energy company stocks. Its top holdings are things like Exxon stock, Chevron stock, and so on. This fund suffered an overall massive loss during the Trump presidency. Under the Biden presidency to date, this fund has seen massive gains.

Put another way, oil and gas stocks thrived under Biden and plummeted under Trump.

Given each administration's rhetoric towards oil and gas, did anyone expect that outcome? That is not a rhetorical question and I'll answer for you: No, no one expected that. Expect the unexpected.

Let me be clear. I am not assigning blame, praise, or anything in between for these outcomes.

As to what actually caused it, well maybe energy stock prices, and all stock prices, are affected by a thousand different factors in a thousand different ways. *Elections are part of the equation but never the entire equation itself. In the end, we are investing in companies and not politicians.*

Again, why did I select this XLE example? Because of the ten thousand surprising events of the last few years, this one surprised me more than most. I would have bet on the opposite outcome, BUT I would have not bet more than five dollars. I learned long ago what I *think* might happen is useless. Expect the unexpected.

Should the elections not go the way you hope, some of the things you fear will come to pass. Other outcomes will surprise you. The severity of each thing will likely be more or less than you thought it would be. I am not saying these things are irrelevant. **I am saying your financial and investment planning needs to be as agnostic as possible, ready for any and all outcomes.** Expect the unexpected.

If heaven forbid you have never seen the original Roadhouse and this letter has not convinced you to go watch it, I can do nothing else for you. Should you choose to watch, put the kids to bed first. It gets rough.

Next month I'll talk more about the unanticipated, the pain of uncertainty, and where to find more certainty.

For now, let me just briefly discuss humanity and why I rarely if ever argue politics. (no one ever wins a fight).

E pluribus unum

I'll never ask anyone to abandon their political beliefs or to not fight for what is most important to them. That's not what this is about. I will suggest that we all at least consider the humanity of the other "side" no matter how far apart we may seem.

If that seems impossible, let's visit the story of Immaculée Ilibagiza. She is a survivor of the Rwandan Genocide, an event that was horrific beyond imagination. As a member of the Tutsi tribe, Immaculée was targeted for murder by the Hutus and the Hutu lead government. It's estimated 800,000 Tutsis were slaughtered in just a few months by the Hutus.

Yet, in an interview I recently heard from Immaculée, she refuses to lump all Hutus in the same basket. She instead urges us to see people as individuals and reject extreme tribal tendencies.

Immaculée even points out that if it were not for the other "side" in this case, she would not have survived the genocide. It was in fact a member of the enemy Hutu tribe that hid her for 91 days and kept her alive. She says all this, knowing Hutus killed her parents, grandparents, siblings, and nearly every friend she ever had growing up.

It's up to you to decide how you approach things. But the story of Immaculée cements for me that my strongly held core beliefs do not have to separate me from

people that view things differently. I don't feel I am compromising my beliefs, even for a moment, by simply acknowledging someone else is still a person.

To be honest, I try to approach things this way for my own selfish reasons as much as anything. I don't want to become bitter, AND I don't want to compromise on what's most important to me. This path has been the one that works for me.

Inflation has finally gone too far

We've all felt the pain of high inflation in recent years. Nothing is immune, not even the world's most beautiful timepiece, the Casio F-91W. It went from \$11 to \$16 in just two years. Obviously, it is still worth the price, but it hurts.

What should we be thinking about as inflation stubbornly persists? Kevin Grogan discusses investing strategies for continual inflation in this video: [Investing strategies for Inflation](#)



Video of the Month: Spirit of the Radio



Sometimes I attempt to tie the video of the month in with the newsletter's overall theme. No such attempt was made this time.

You cannot name a better band than Rush. You probably have 20 bands you like better than Rush, and maybe I do too, but none of them are better than Rush.

For the 3-4 of you out there that are also Rush fans, I hope you enjoy: [Spirit of the Radio live from Toronto](#)

Loud Bartons

We recently had a quick Barton family vacation in New Orleans. For the first time I can remember since college, my room got a noise complaint. Pictured below are the culprits. They showed no remorse.



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