



I wonder what Augusta National Golf Club will look like in November....

Usually we are accustomed to seeing the one of the famed, major golf tournaments the first weekend of April when Augusta National Golf Club is in full bloom.

Not this year.

There may be a leaf or two bounding down the fairways chasing the golfers as the scenery will be foliage over flowers.

Like most sports trying to manage with the pandemic, traditionally the first major golf tournament of the year had to reschedule so the tournament will be held November 9th-15th, becoming the last event for 2020.

Definitely different, but a lot will stay the same.

Oh, and you guessed it! I'm going to figure out a way to tie in golf with portfolio management.... Hopefully you non-golfers will understand as well!

One of the many aspects about the Augusta National Golf Club is while the course looks beautifully inviting it is one of the most challenging courses to play.

The course itself forces the golfer to really think through each shot. Distance, angles, surfaces, and approaches, and just some of the variables golfers will negotiate through their rounds.

These many variables do have some similarity to the daily grind of the markets. The variables within the markets are so numerous that investors must understand the potential risks and rewards before making their move.

As I explored in a previous "On Pointe" the markets themselves are seasonal producing different climates investors must face.

Much like the weather in of itself could be the greatest challenge these golfers face.

Especially in fall.

Knowing the weather conditions is a key to how you'll manage your game. With investing, I try to assess the markets trends to help me determine the direction of the markets.

For example, if you have the wind at your back you might be able to take a more risky shot rather than if you encounter a strong breeze in your face.

With the wind at your back it might be a better time to try and "go for it" so you can hopefully find that elusive birdie.

However, if the conditions are less favorable it might be best to play a conservative shot. Perhaps you'll want to lay-up on hole #13 "Azalea" so you don't roll into Rae's Creek, thus turning a potential birdie opportunity into a bogey or worse!

A good example might be trying to invest in your favorite tech stock when the markets are in a negative trend. Sometimes even what we might think is the best of investments can succumb to the trends of the markets no matter how much research you dedicate to your investments.

In my experience whether you're investing or playing golf, it is all about risk and reward.

The weather conditions are just one of many factors golfers will encounter.

Shot selection is at a premium when it comes to this golf course.

Not only knowing which club to hit with but how you should hit the ball to put yourself in the best position possible. Whether you "fade" your tee shot or your forced to "punch" out of a hazard you're going to need to understand when and how to use these very different shots.

In the world of investing it could be the difference of purchasing an individual stock, an ETF, mutual fund, or an annuity. Each of these investments are very different, have their own different risks and potential rewards.

But some securities do better in certain environments, just like golf shots.

One last similarity is the interplay with the caddie and the player.

You may not know this but the golfer's caddie is paramount to a golfer's success. Not dissimilar to the relationship between an investor and their financial advisor.

Not only do most caddies have many years of experience but they also know the golfer inside and out. They know the golfer's strengths, weaknesses, personality, and mindset. Most have already been through a variety of different scenarios and circumstances on many courses to help guide their player.

While I can extrapolate many more similarities the point of this is to understand risk and reward.

While most investors seek "pars and birdies" it's unfortunate that bogeys or worse do lurk from tee to green so I've found it's best to play smart and to take each hole one shot at time.

Take care and enjoy the golf!

Need a caddie to guide you through retirement? Let's chat!

The best way to determine a good fit is to have a conversation with us. No statements or lengthy presentations just start with a conversation and we'll see where it goes.

We accept appointments between 1-3pm EST Monday-Fridays * or suggest a more suitable time. Email Info@alphapointecap.com to reserve your 30 minute time slot today, indicate date, time, number, and the topic you'd like to discuss and we'll confirm your appointment.

*NYSE Holidays and Advisor availability are subject to change.