November's elections are less than four months away, and if history is any guide, many investors will experience growing anxiety between now and then.

At the root of that anxiety is uncertainty about whether or not control of the presidency, and perhaps Congress, will change hands. Such a change could trigger policy and legislative changes impacting the economy—or more specifically, certain sectors of the economy.

Facing this uncertainty, some investors will be tempted to move to the sidelines until after the votes have been counted and the future seems more clear. I'd caution folks about taking that approach because it could cost you gains.

Historically, broad stock markets are generally flat in the year of an election cycle, although actively managed portfolios have the potential to beat markets. In the year after the opposition party wins the presidency, markets tend to rise—and they rise a bit more sharply when the incumbent party remains in power. (Bonds, by the way, tend to slightly outperform after elections no matter which party takes office.)

So which sectors are most sensitive to the results of this year's elections? Two that could be impacted are healthcare and energy. President Trump has been supportive of the fossil fuel industry, and has sought to chip away at Obamacare. A President Biden would presumably put pressure on both areas.

But the stock market is constantly uncovering and interpreting forward-looking information, and thus it's continually re-pricing stocks. Whatever Washington does to impact healthcare, energy and other sectors, the market will largely have priced it in by the time it happens.

Furthermore, neither presidential candidate will be able to make sweeping changes unless they control the presidency, the Senate and the House of Representative. And markets are not currently pointing to such a scenario.

My advice to investors is to be cognizant of the election news, and understand which sectors might be affected by the election results, but don't overreact. Make sure that your portfolio is properly allocated—that you own the right balance of different sectors, and that your risk is in line with your goals and risk tolerance. If it's costing you sleep, you may want to shift from riskier assets into more defensive ones.

The bottom line is that selling out or making impulsive moves—perhaps influenced by your politics—is not in the best interest of your portfolio. Please don't hesitate to contact me if you'd like to review your investments.