

NASCAR and performance

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Tom Backstrom,
Director for PCS
Training and
Development



If you're a fan at all of stock car racing, you know **it's all about performance**. But can NASCAR teach advisors something about investment performance?

Before a race, the "pole position," or the starting lineup spot at the front of the track grid, is determined in a time trial qualifying session. In the recent GEICO 400 (a 267 lap race around the 1.52 mile Chicagoland Speedway) the driver in the pole position was Jimmie Johnson. So, from a very recent performance perspective, **the casual viewer might expect him to be the winner** of the race. But, Denny Hamlin, the current lead of the Sprint Cup Series (the top racing series of NASCAR), could also be expected to have a good chance at the trophy. So-called experts on SPEED Channel or online racing news sites had their own theories - which added to the confusion.

There were **lots of reasons for me to change my expectations** of who would win the race that day - not least of which was the fact that the race lead changed 16 times that Sunday. The fans in official-looking racing jackets next to me kept me enthusiastically primed with statistics: which car had led around the last quarter mile, the last lap, the last 3, 5 and 10 laps.

And then there was the contagious chagrin of the less-informed fans when the leader of the last 10 laps took a pit stop for fuel and tires and eventually returned to the track in last place! The **crashes, followed by "caution laps"** where the cars slowed down but stayed on the track rather than heading to the garage, were also influential factors in my model designed to pick the sure winner.

Of course, true NASCAR fans will tell you that **very little of the above accurately calls the winner** of any individual race. Instead, they'll tell you that if I had stopped in the pits and talked to the crews, drivers and team owners, I would have gathered the best insights prior to the race and while it was happening.

Driver Brad Keselowski **may not have had the best pre-race performance** or even the best 1, 3, 5 and 10 laps. He even stayed on the track for 23 caution laps and headed to the pits for gas and tires. Yet the outcome of the GEICO 400 was a good one for him, his car, team, owner and legions of **fans that kept the faith throughout** - he was the winner.

So, next time you look at which investments have had the "best" recent performance or even the best annualized 1, 3, 5, and 10-year returns, remember that none of those things will determine whether you **attain the goals you set forth** when you put your money to work. Finding the right investments and becoming a faithful fan of your plan may be the best way to earn the checkered flag.

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