BEYOND THE NEWS 2024 ELECTION EDITION

As the US presidential election season heats up, many investors like you — in the United States and abroad — wonder how the election will affect US markets. But while elections impact policy and society, historical statistics show that markets have ups and downs regardless of who's in office, and market behavior is almost impossible to predict.

THE BUILDUP?

Since 1945, the S&P 500's **median performance in the seven months leading up to Election Day has been a gain of 1.9%** with positive returns **70%** of the time. **In nonelection years, the median S&P 500 Index gain has been 4.6%** with gains two-thirds of the time.

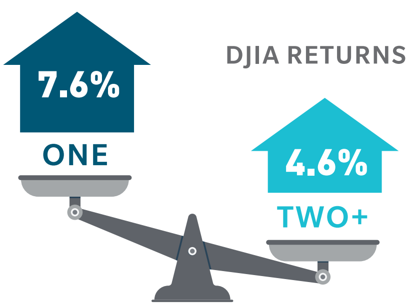
(SOURCE: BESPOKE)

IS THE FED POLITICAL?

While rates could change between now and Election Day, **since 1994**, when interest rate decisions were first made public in real time, **the US Federal Reserve has cut rates only once between May 1 and Election Day in a presidential election year:** an unscheduled meeting on 10/29/08 during the height of the global financial crisis.

(SOURCE: BESPOKE)

IS GRIDLOCK GOOD?



Since 1901, the Dow Jones Industrial Average (DJIA) has averaged an annualized **gain of 7.6% when one party has had full control** of the White House, Senate and House. When **one party has not had full control, the DJIA's annualized gain has been 4.6%**.

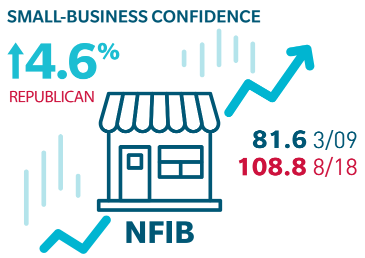
(SOURCE: BESPOKE)

CARE TO DEBATE?

Since **1976, every presidential election has included at least one debate between** the two major party candidates.

(SOURCE: WIKIPEDIA)

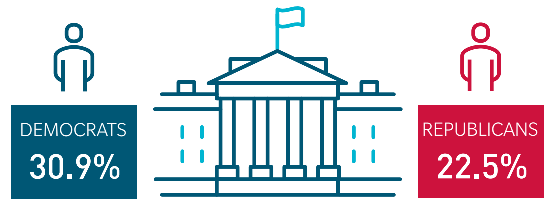
BUSINESSES PREFER...



The National Federation of Independent Business index of **small-business confidence has had an average reading 4.6% higher under Republican presidents than under Democrats** since its inception in 1986. The **record-high** reading of **108.8 for the index occurred in August 2018** (under Trump) while the **record- low** reading of **81.6** occurred in **March 2009** (under Obama).

(SOURCE: BESPOKE, NATIONAL FEDERATION OF INDEPENDENT BUSINESSES)

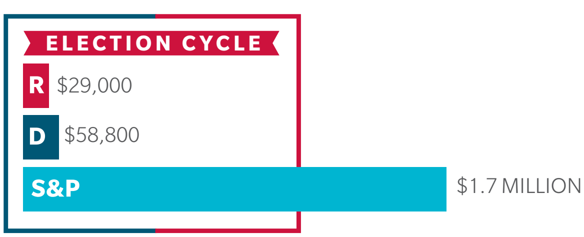
DEMOCRATS VS. REPUBLICANS



Since 1900, the **DJIA's** median performance during the administration of **Democratic presidents** has been a gain of **30.9%** compared with just **22.5%** for **Republican presidents**. On an **annualized** basis, however, the average performance of the **DJIA** under **Democrats** has been **7.7%** compared to **7.9%** under **Republicans**.

(SOURCE: BESPOKE)

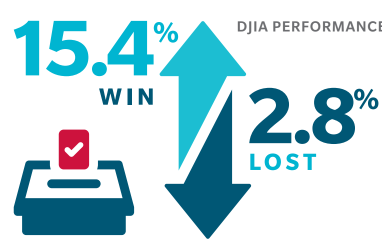
POLITICS AND INVESTING DON'T MIX



Since Eisenhower's inauguration in 1953, **$1,000** invested in the **S&P 500 only during Republican administrations** would have been worth **$29,000** on a total return basis (through 3/14/24) versus **$58,800 when a Democrat has** occupied the White House. **Staying invested** that entire time, though, would reward you to the tune of **$1.7 million**.*

(SOURCE: BESPOKE)

WILL THIS COINCIDENCE HOLD?



Since 1900, in every Presidential election when the **incumbent party has lost** the election, the DJIA's **average performance** in the year leading up to Election Day has been a **decline of 2.8%**. In years when the **incumbent party has won** the election, the DJIA's **average performance has been a gain of 15.4%**.

(SOURCE: BESPOKE)

TIP

These facts highlight the challenges of trying to make investment decisions based on election results. Rather than focusing on the election and letting emotions rule, consider sticking to your long-term plan and remember that company fundamentals matter, maybe not elections.

* These examples are for illustrative purposes only and are not intended to predict the returns of any investment choices. Rates of return will vary over time, particularly for long-term investments. There is no guarantee that the selected rate of return can be achieved. The index may have fees and expenses that are not taken into account in these illustrations. The performance of the investments will fluctuate with market conditions. Regular investing does not ensure a profit or protect against loss in declining markets. Investors should consider their ability to continue purchasing shares during periods of low price levels.

The **S&P 500 Index** is a market capitalization-weighted index of 500 widely held equity securities designed to measure broad US equity performance.

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