



Market Update

Election Year and Market Impact Commentary

February 28, 2024

During election years, clients always ask **how will the election cycle impact markets?**

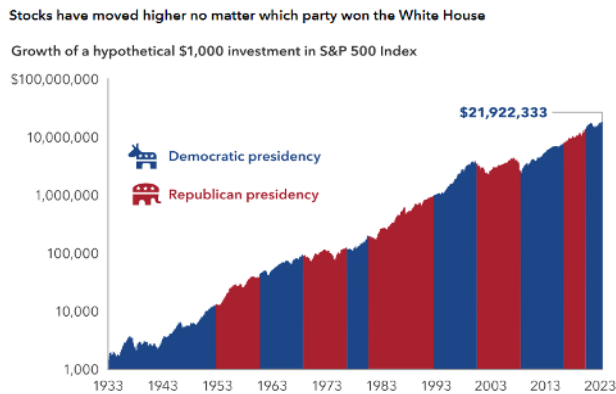
Getting caught up in the election cycle and theorizing about proposals voiced by different parties regarding taxation, health care and trade may be a waste of time from a market perspective. The investment uncertainty about what may come is unsettling to most. Investors think they need to make changes to their investment approach.

However, as an investor, elections historically do not matter. An investor's focus should continue to be on the fundamentals of the asset classes held. Market volatility will occur; but as demonstrated by Chart A, equities continue to move higher regardless of whom is elected for the job. Markets march on.

What does matter is staying invested and being in the market through the duration of all administrations. If you were an investor who only participated when one or the other was in office, over time your portfolio growth would be stunted significantly as illustrated in Chart B. Since 1953 to present, being invested the entire time and staying the course paid out.

For long-term investors, we recommend staying invested while following a disciplined, diversified approach.

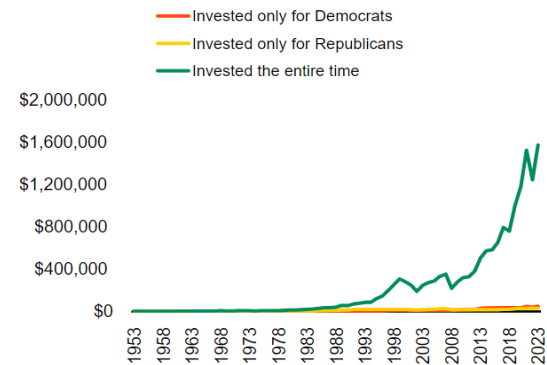
Chart A



Sources: Capital Group, RIMES, Standard & Poor's. Chart shows the growth of a hypothetical \$1k investment made on March 4, 1933 (the date of Franklin D. Roosevelt's first inauguration) through December 31, 2023. Dates of party control are based on inauguration dates. Values are based on total returns in USD. Past results are not predictive of results in future periods. The index is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

Chart B

It's time in the market that matters... not the president's political party
\$1,000 invested from 12/31/1953-12/31/2023



Source: Morningstar as of 12/31/23. Stock market represented by the S&P 500 Index from 1/1/70 to 12/31/23 and IA SBBI U.S. large cap stocks index from 1/1/54 to 1/1/70. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.