



ELECTION SPECIAL

MARKETS BOUNCE AFTER
THE VOLATILITY OF THE
PRIMARY SEASON



INVESTORS
WHO WERE
FULLY
INVESTED
MAKE BETTER
RETURNS THAN
THOSE IN CASH
IN ELECTION
YEARS

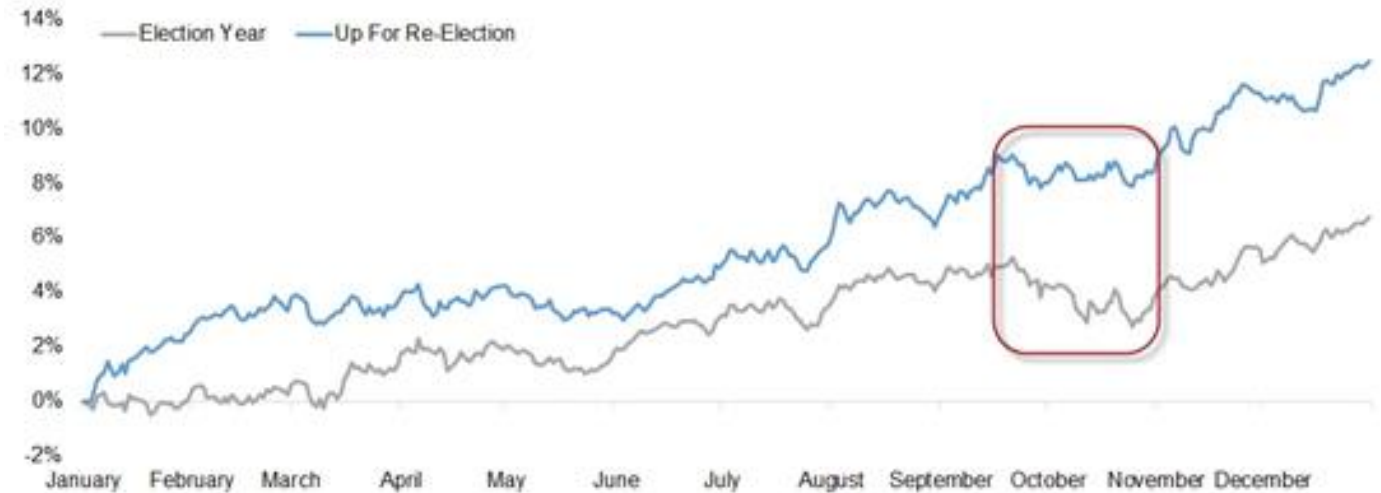
- ✓ Now is the weakest part (best time to allocate) of an Election Year. Upside S&P500 Index is 4%-6% to December 31, 2020
- ✓ Average positive performance in an Election year is 12.65%. Markets often bounce back after the primary season.
- ✓ Equity Funds see the highest inflows in the year immediately after the Presidential Election. This will also be the time we are getting iPhone 12 5G sales estimates and online e-commerce sales heading into Christmas.
- ✓ Democratic Sweep shows the strongest economic results but investors who are fully invested or made regular investments did better than those who stayed in cash in election years.
- ✓ Stocks trend higher regardless of which party is in the White House. There is nowhere else to make any positive returns.

RIGHT NOW IS
THE TIME TO
ALLOCATE TO
EQUITIES. IT IS
THE WEAK PART
OF THE ELECTION
YEAR BEFORE
4%-6% RISE IN
EQUITIES

Historically Election Years Have Had High Returns

S&P 500 Performance During Election Years (1950 - Current)

Now is The Weak Part Of An Election Year



Source: LPL Research, FactSet 10/01/20

All indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

The modern design of the S&P 500 index was first launched in 1957. Performance before then incorporates the performance of its predecessor index, the S&P 90.

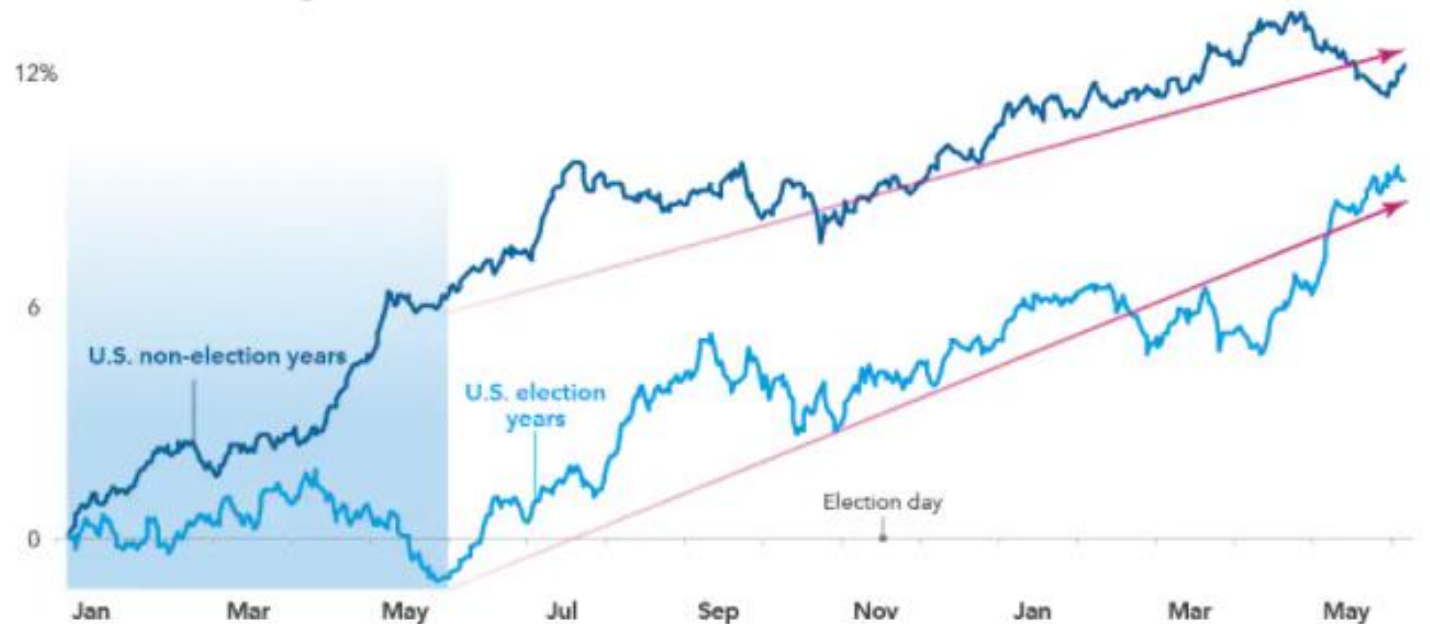
- ✓ The market uncertainty of the election year will clear up in November.
- ✓ This creates a historical dip in the market in September/October which in turn is a great investment opportunity.

MARKETS OFTEN BOUNCE AFTER THE VOLATILITY OF PRIMARY SEASON

Markets Rebound After Primary Season

Markets often bounce back after the volatility of primary season

S&P 500 Index average cumulative returns since 1932



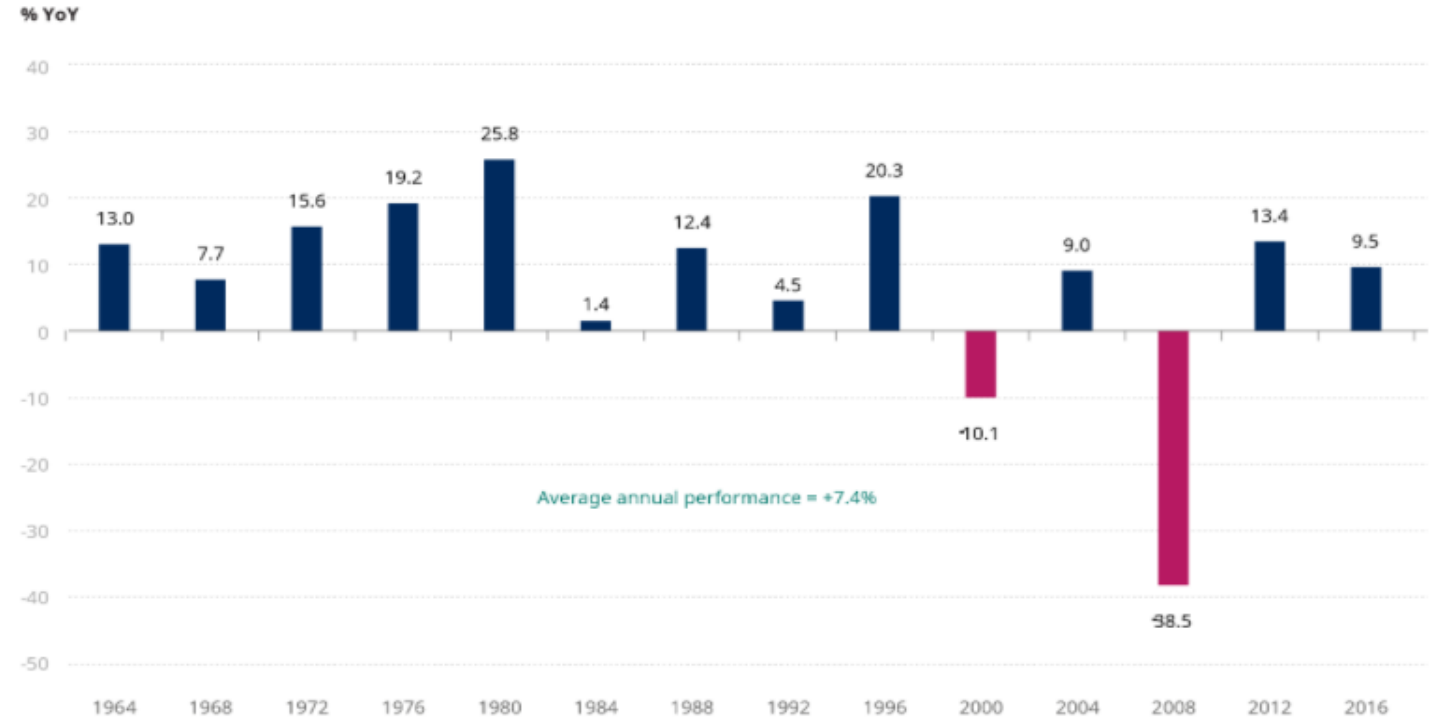
Sources: Capital Group, RIMES, Standard & Poor's. Includes all daily price returns from 1/1/32-12/31/19. Non-election years exclude all years with either a presidential or midterm elections. All results in USD.

- ✓ The trend is for markets to continue an upward trajectory regardless of an Election.
- ✓ A dip in September/October gives an opportunity for investing.

S&P 500 INDEX
IS UP 6.7%
OCTOBER 9,
2020. IT COULD
ADD ANOTHER
4%-6% BY
DECEMBER 31.

Potential For Further Upside This Year

S&P 500 performance in US presidential election years (1964-2016)



Source: Refinitiv Datastream, Cazenove Capital

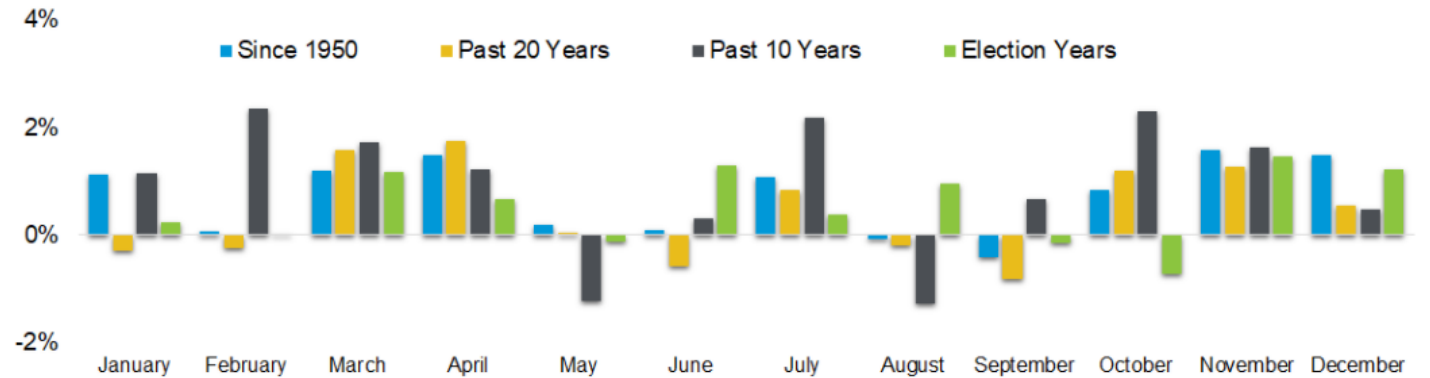
- ✓ Barring the financial crisis and the dotcom bubble bursting Election years have proved lucrative for the S&P 500.
- ✓ Average annual performance shows there is still more to come.

NOVEMBER
AND
DECEMBER
HAVE GOOD
PERFORMANCE
IN AN ELECTION
YEAR
(ALLOCATING
NOW)

Coming Months Historically Perform Very Strongly

September Is Historically Weak

S&P 500 Index Average Monthly Returns (1950 - 2019)



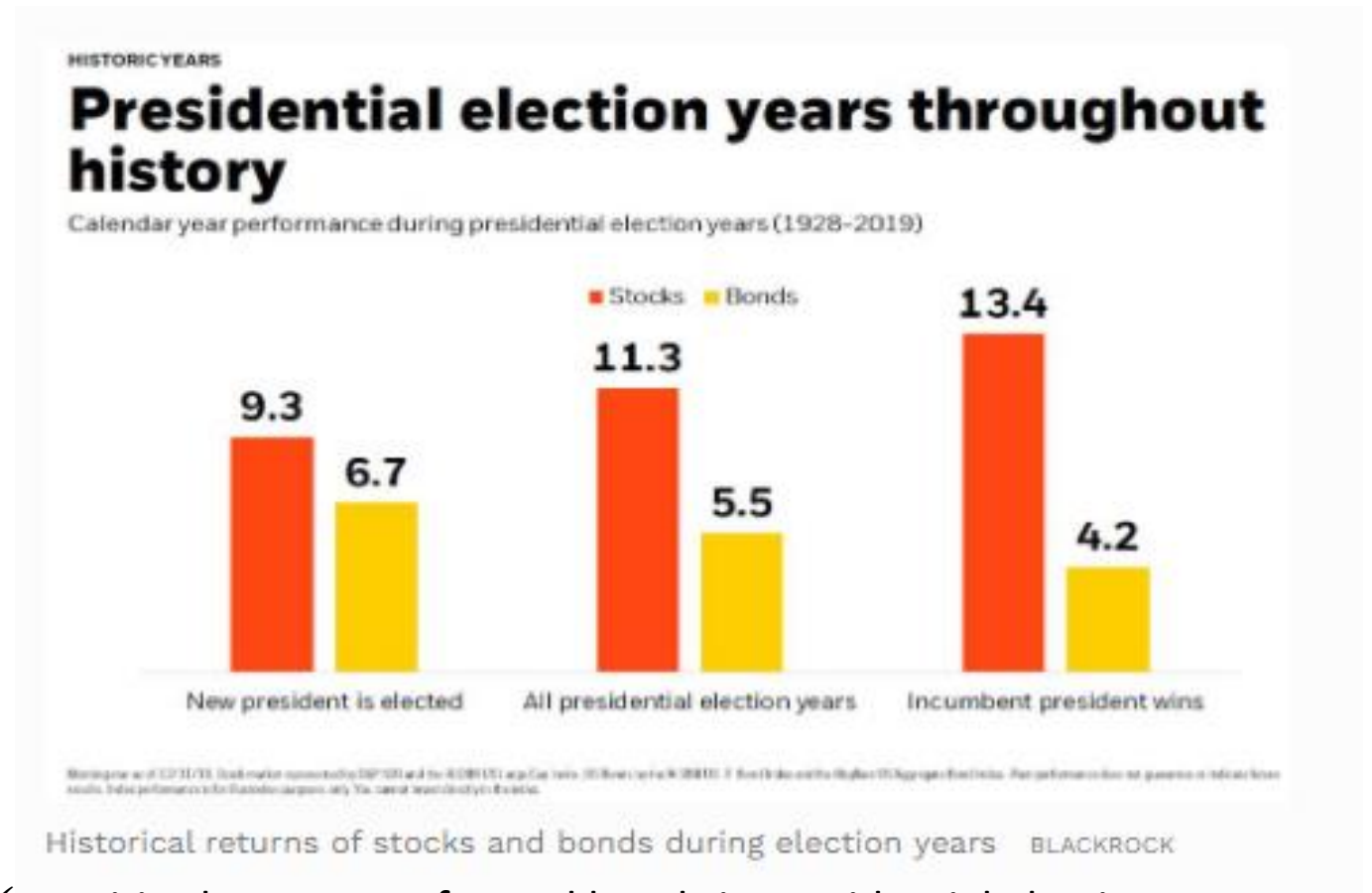
Source: LPL Research, FactSet 08/27/20 (1950 - Current)

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- ✓ The above data shows November and December have strong positive returns regardless of Elections.
- ✓ Investing now will give a chance to benefit from the strong months to come.

PRESIDENTIAL ELECTION YEARS (EQUITIES - BONDS)

Stocks Outperform Bonds in Election Years

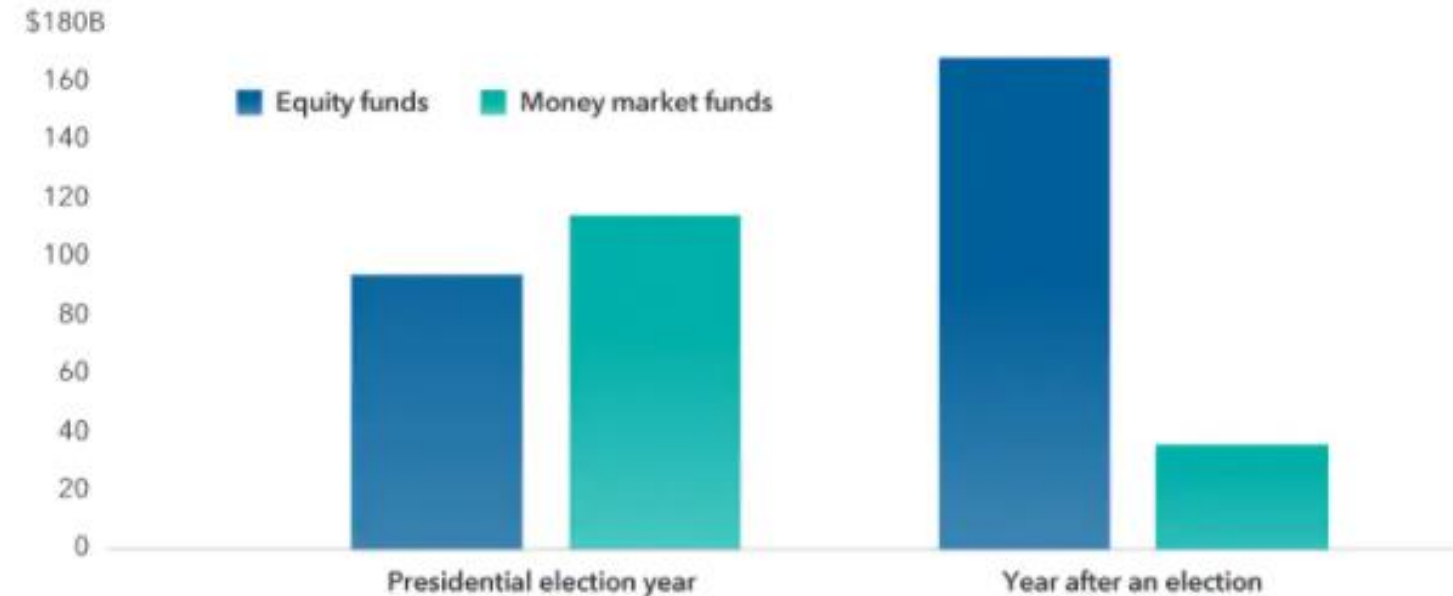


- ✓ Equities have outperformed bonds in Presidential Election years regardless of the outcome.
- ✓ There is little to no real return on investments outside of Equities.

EQUITY FUNDS
SEE THE
HIGHEST NET
INFLOWS IN
THE YEAR
IMMEDIATELY
AFTER THE
PRESIDENTIAL
ELECTION.

Equity Inflows Increase After Election Years

Investors have tended to be more cautious leading up to elections
Average net fund flows by year of presidential term (1992-2019)



Source: Morningstar. Values based on USD. Equity funds include U.S. and international equity funds.

- ✓ This inflow into equities will only push prices higher, meaning investing now will be more beneficial.
- ✓ People increase their investment into equities once the outcome of the election has been decided.

DEMOCRATIC
SWEEP OF THE
WHITE HOUSE
AND CONGRESS
SHOWS THE
STRONGEST
RESULTS.

Democratic Sweep Shows Most Positive Outcome

	Democratic Sweep	Republican Sweep	Biden Wins Dems Keep House Republican Keep Senate (baseline scenario)	Dems Keep House Republicans Keep Senate (current scenario)
Average Annual GDP Growth				
2020-2024	4.20%	3.10%	3.50%	3.20%
2020-2030	2.90%	2.40%	2.60%	2.40%
Nonfarm Job Growth (millions)				
2020-2024	16.5	9.3	11.6	9.8
2020-2030	21.7	12.9	16.4	13.9
Average Unemployment Rate				
2020-2024	5.40%	6.40%	6.20%	6.50%
2020-2030	4.70%	5.60%	5.30%	5.50%
S&P 500 Avg. Annual Growth Rate				
2020-2024	3.80%	3.20%	3.40%	2.20%
2020-2030	4.20%	4.20%	4.40%	4.00%
Corporate Profits Avg. Annual Growth Rate				
2020-2024	8.60%	7.10%	8.20%	7.60%
2020-2030	5.50%	5.30%	5.70%	5.50%
Federal Debt-to-GDP Ratio				
2020-2024	114.20%	112.30%	112.90%	111.50%
2020-2030	120.90%	118.90%	116.80%	117.00%

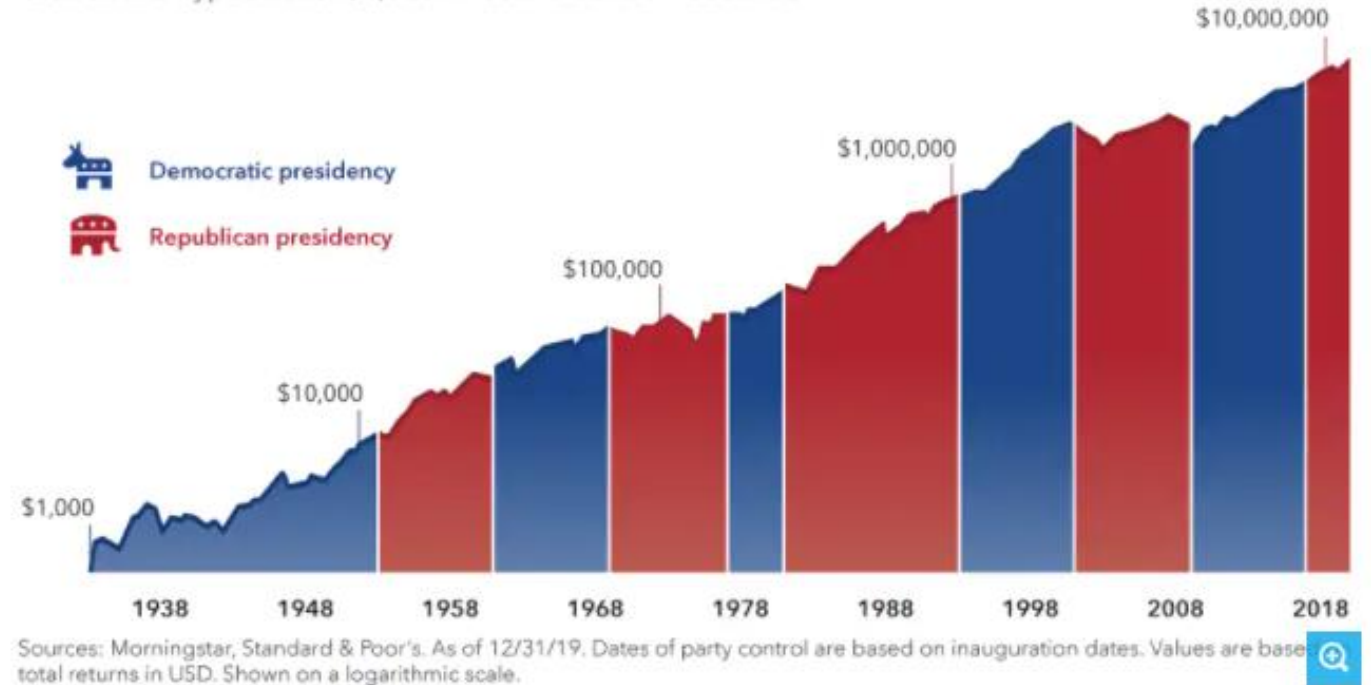
Source: Moody's Analytics

- ✓ Although a Democratic sweep would have the best upside, any outcome shows positivity for the future, which leads to an upside for investing opportunities.

STOCKS HAVE
TRENDED
HIGHER
REGARDLESS OF
WHICH PARTY
HAS BEEN IN
OFFICE

Being Invested is Better Than Holding Cash

Stocks have trended higher regardless of which party has been in office
Growth of a hypothetical \$1,000 investment in S&P 500 Index



- ✓ Being invested longer is better than waiting for the outcome of the Presidential Election.

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