

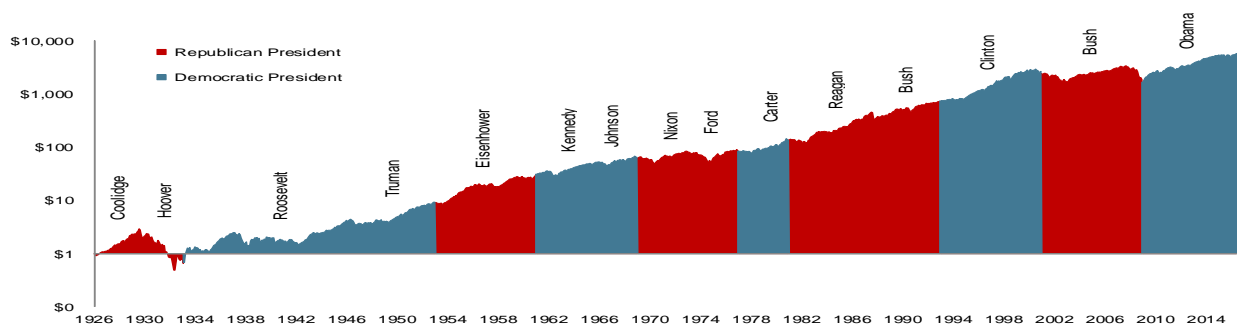
## Presidential Elections and the Stock Market

Next week, Americans will head to the polls to elect the next president of the United States. While the outcome is unknown, one thing is for certain: There will be a steady stream of opinions from pundits and prognosticators about how the election will impact the stock market....Investors would be well-served to avoid the temptation to make significant changes to a long-term investment plan based upon these sorts of predictions.

### Long-Term Investing:

#### *Bulls & Bears ≠ Donkeys & Elephants*

Predictions about presidential elections and the stock market often focus on which party or candidate will be “better for the market” over the long run. **Exhibit 2** shows the growth of one dollar invested in the S&P 500 Index over nine decades and 15 presidencies (from Coolidge to Obama). This data does not suggest an obvious pattern of long-term stock market performance based upon which party holds the Oval Office. The key takeaway here is that over the long run, the market has provided substantial returns regardless of who controlled the executive branch.



*Equity markets can help investors grow their assets, but investing is a long-term endeavor. Trying to make investment decisions based upon the outcome of presidential elections is unlikely to result in reliable excess returns for investors. (Emphasis added) (Excerpt from Dimensional Fund Advisors, Quarter Market Review Third Quarter 2016)*

We still believe the market will be positive, especially during the last quarter of the year. Trying to time the short-term market movement can often do more harm than good to a portfolio. It is important to remember that as investors, not traders, we need to look at the long term outlook.

We are available to discuss any questions or concerns about the market or your portfolio. Please do not hesitate to contact us. We are here to help.

Regards,

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