

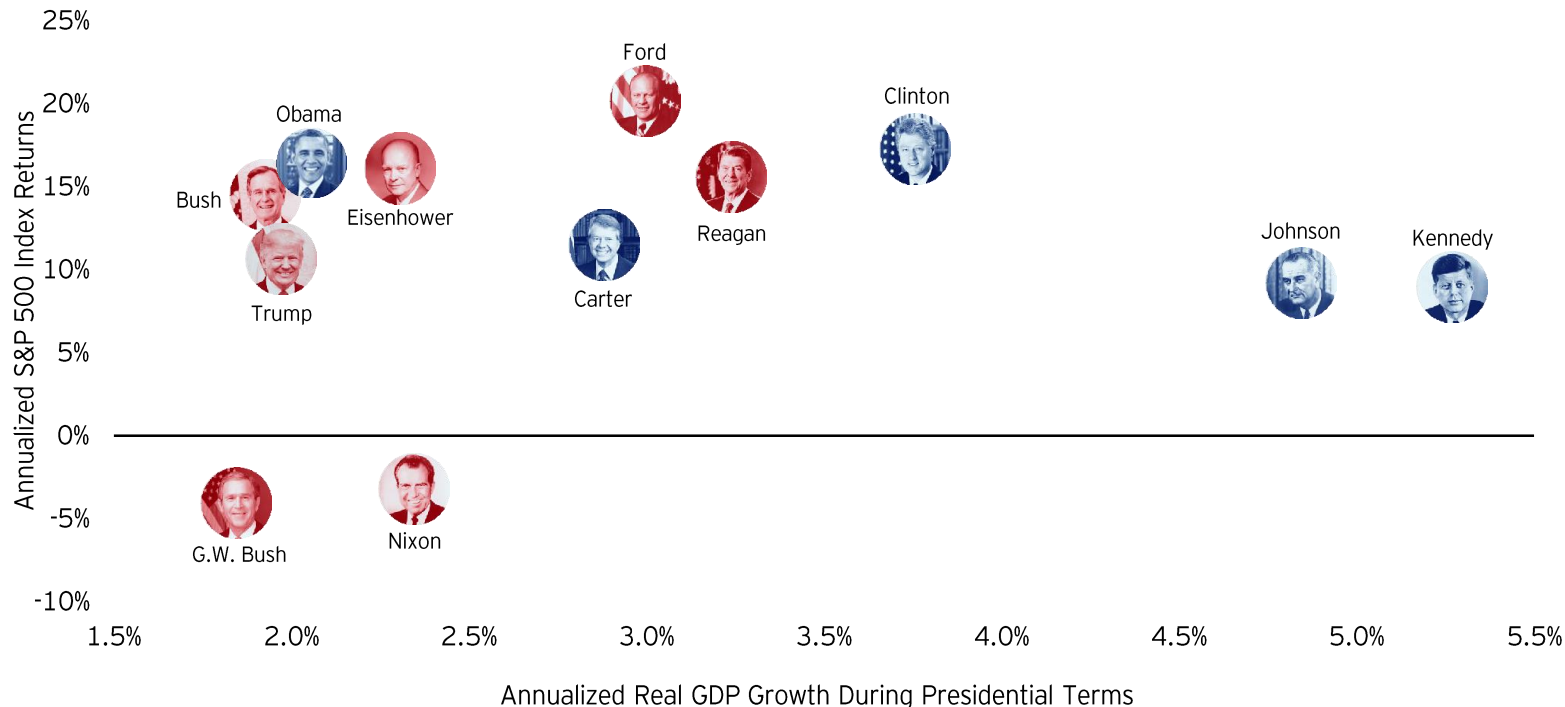
2020 US Presidential Election

10 TRUTHS NO MATTER WHO WINS

Truth #1: Stocks Have Performed Well Under Both Parties

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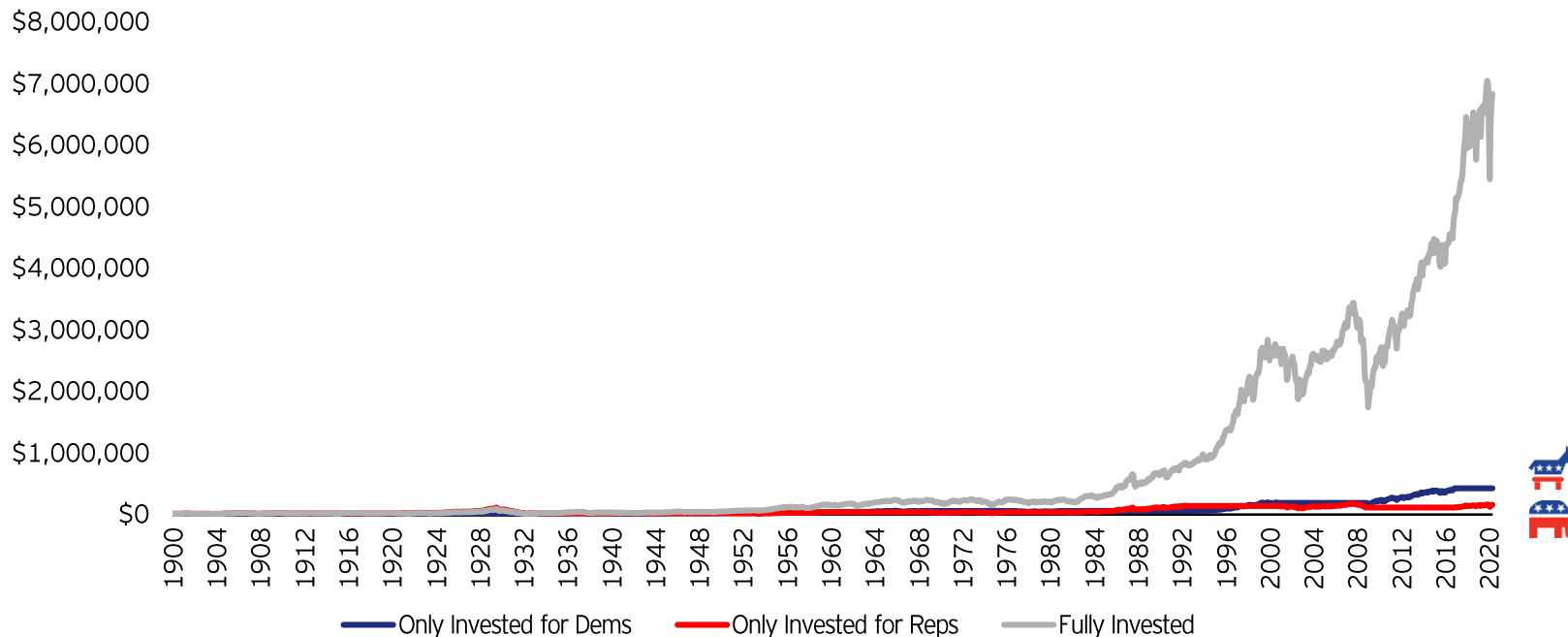
Presidential term stock market returns (vertical axis) vs. economic growth (horizontal axis) since 1957



Sources: Haver, Invesco, 6/30/20. Note: President Trump stock market performance data from 1/20/17-6/30/20, real GDP data from 12/31/2016 to 3/31/2020 as GDP is reported with a lag. Stock market performance is defined by the total return of the S&P 500 Index. Index definitions can be found on page 12. **Past performance does not guarantee future results.**

Truth #2: Investors Are Better off Ignoring Politics and Staying Fully Invested in Stocks

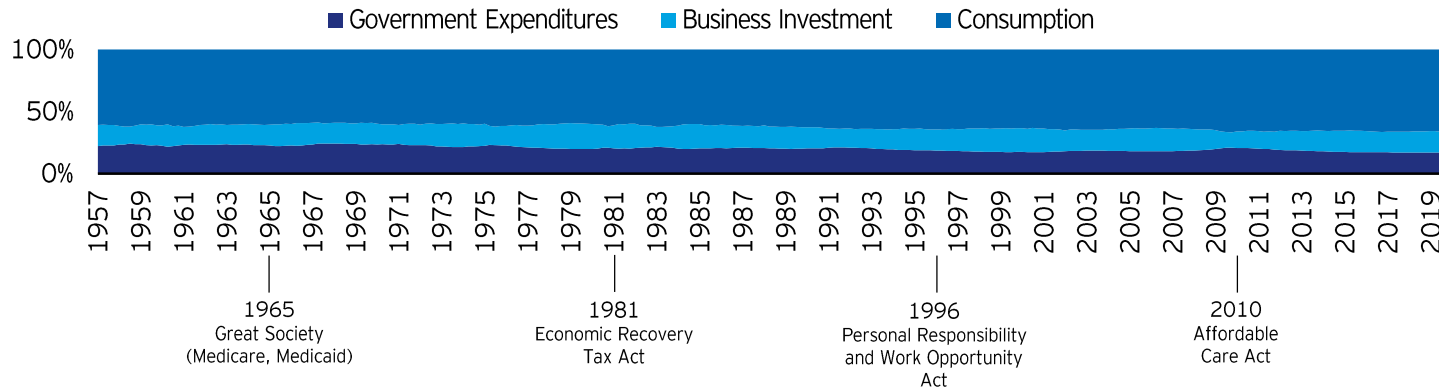
Growth of \$10,000 invested in the Dow Jones Industrial Average since 1896



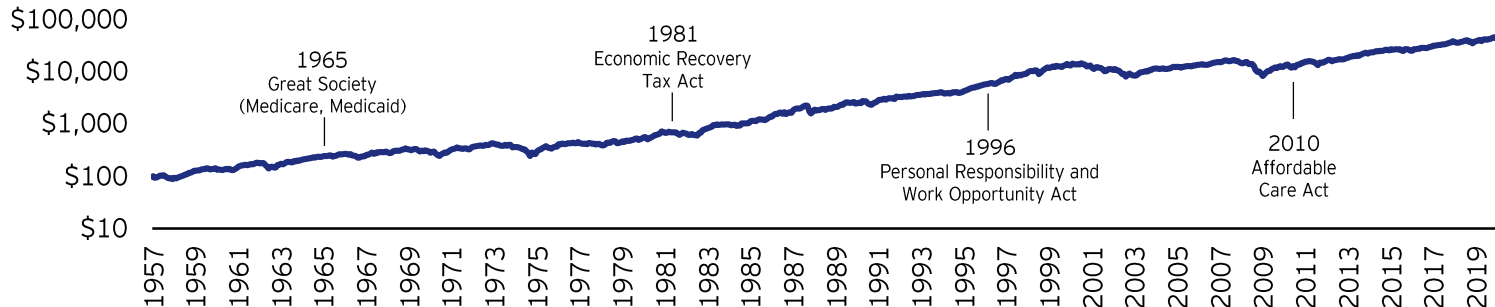
Sources: Haver, Invesco, 6/30/20. For illustrative purposes only. Index definitions can be found on page 12. Past performance does not guarantee future results.

Truth #3: Politicians Don't Radically Re-Engineer the Economy

Breakdown of the major components of the economy as a % of GDP since 1957



Growth of \$100 invested in the S&P 500 Total Return Index since 1957

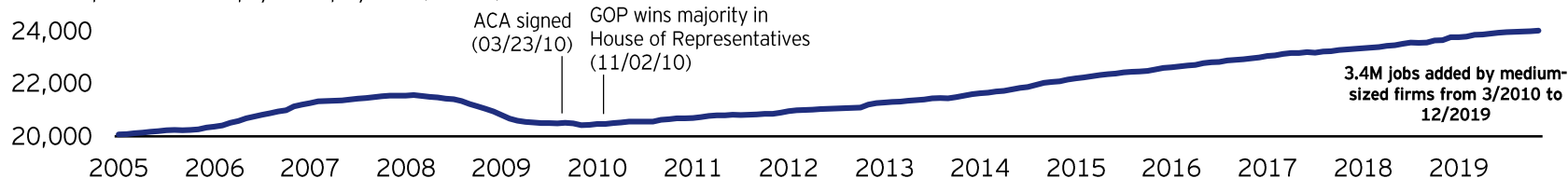


The S&P 500 Index
returned 10% on an
annualized basis
since 1957.

Example 1: Patient Protection and Affordable Care Act of 2010

Employers with 50 or more full-time employees are considered "large businesses" and therefore required to offer employee health coverage or pay a penalty.

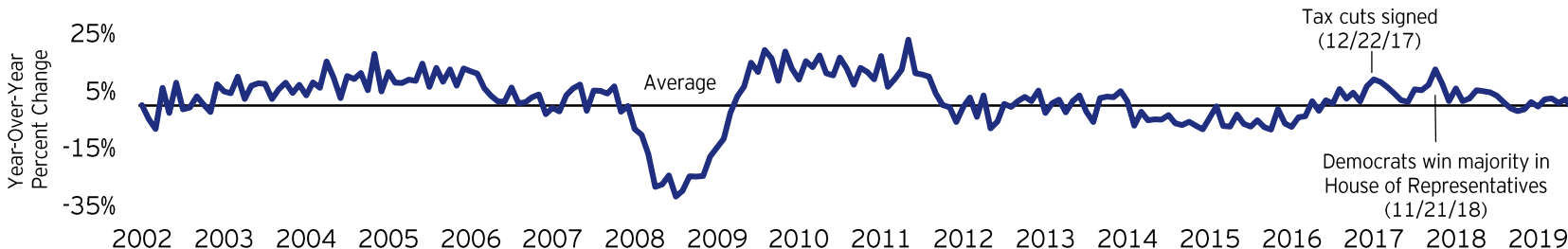
Nonfarm private medium payroll employment (50-499)



Example 2: Tax Cuts and Jobs Act of 2017

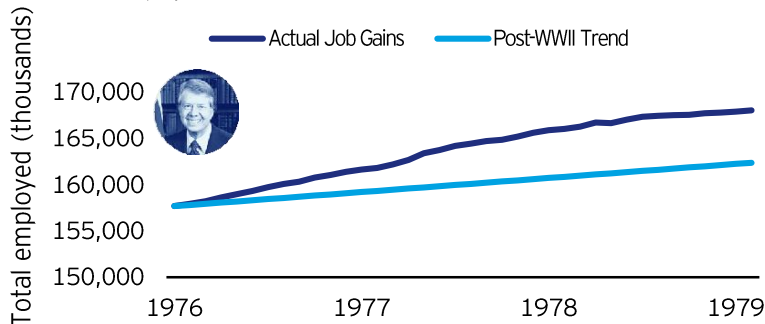
Section 179 allows taxpayers to deduct the cost of certain property (such as machinery and equipment purchased for use in trade or business) as an expense when the property is placed in service.

US capital goods new orders (nondefense ex-aircraft & parts)

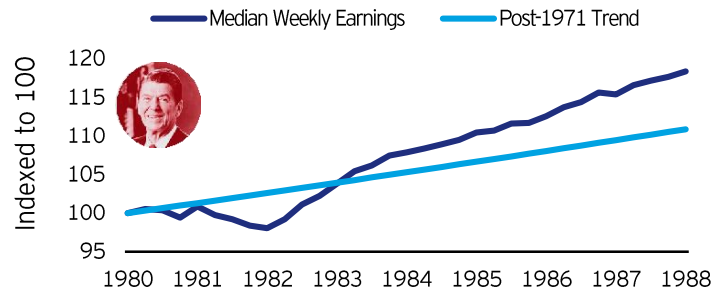


Truth #5: The Historical Narrative Isn't Always as We Remember It and the Predictions Aren't Always Accurate

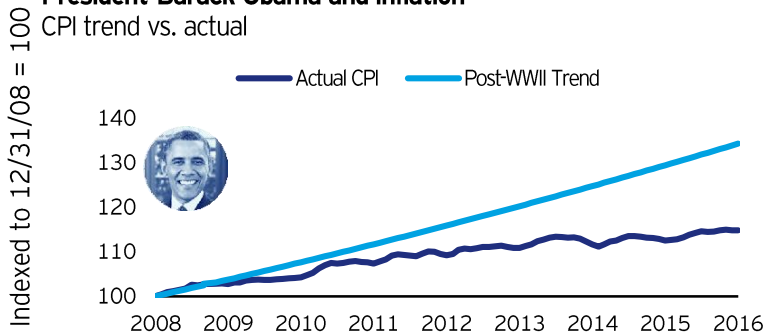
President Jimmy Carter and Jobs
Nonfarm payrolls



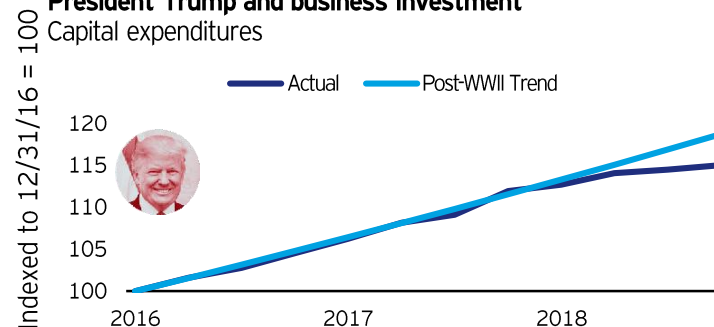
President Reagan and income gains
Median weekly earnings growth



President Barack Obama and inflation
CPI trend vs. actual



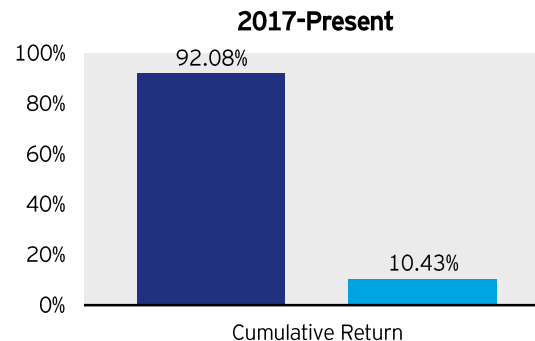
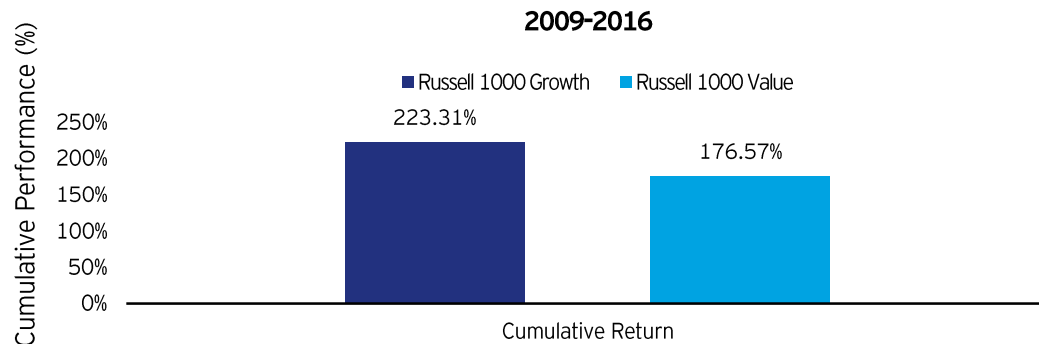
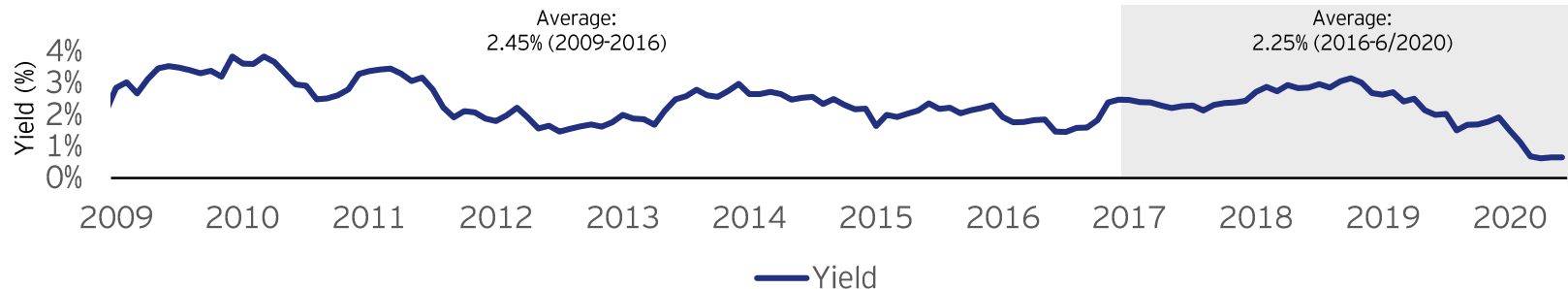
President Trump and business investment
Capital expenditures



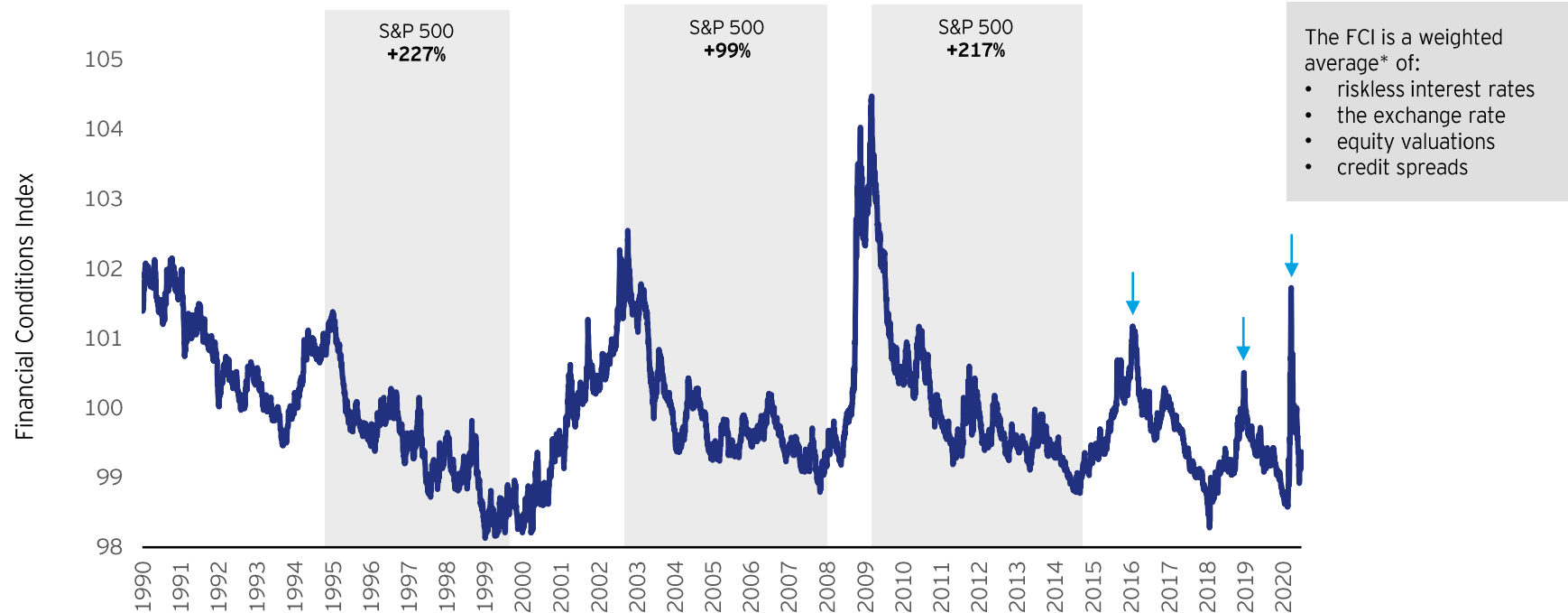
Sources: Bureau of Economic Analysis, Bureau of Labor Statistics and Haver Analytics, 3/31/20. Note: Long-term trends are all averages since the end of World War II in 1945 except for Median Weekly Earnings, which is an average of the change since 1971, when data collection began on that statistic. Capital expenditures are not yet available for 6/30/20.

Truth #6: The Economic Environment and Market Leadership Can Be Slow to Change

10-year Treasury bond yield since 2009



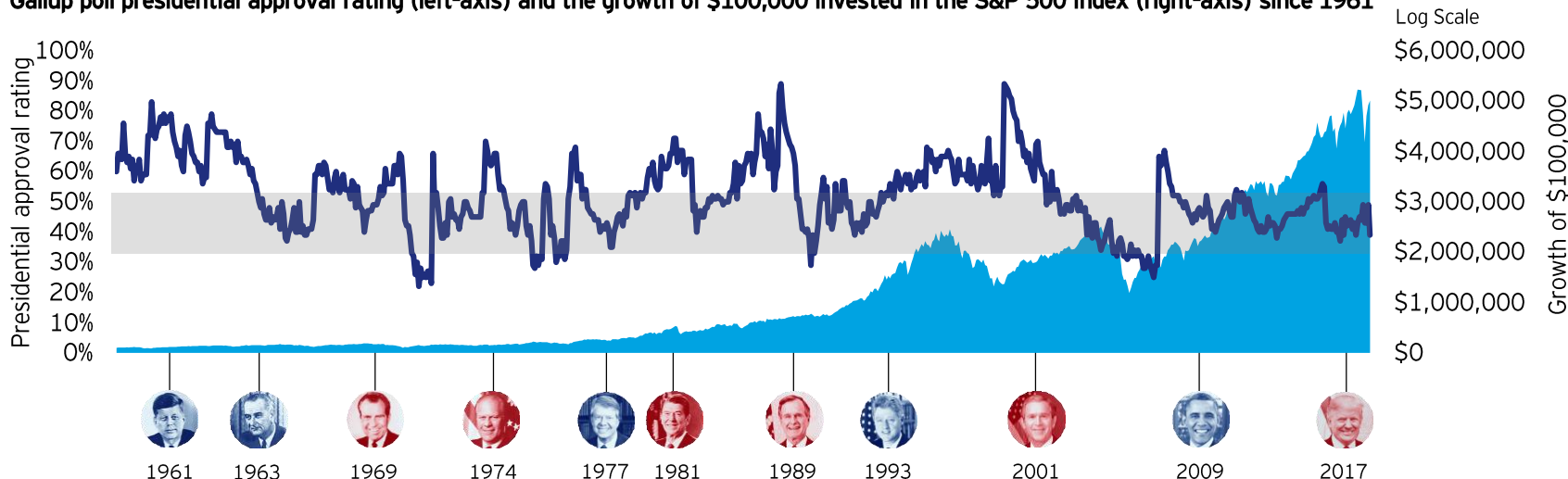
Stock market returns during periods of easing financial conditions since 1990



Sources: Goldman Sachs, Bloomberg L.P., 6/30/20. *Weights correspond to the direct impact of each variable on GDP. See index definitions on page 12. An investment cannot be made in an index. Past performance does not guarantee future results.

Truth #8: Stocks Don't Care If We Don't Like Who's President

Gallup poll presidential approval rating (left-axis) and the growth of \$100,000 invested in the S&P 500 Index (right-axis) since 1961



Presidential approval rating

>65

50-65

35-50

<35

Gain/annum

5.4%

4.2%

15.3%

-19.7%

% of time

13.9%

36.2%

36.8%

6.6%

Newspaper Laments

Even though early presidents were staunch defenders of a free press, they were still upset by newspaper coverage.



George Washington

Newspapers filled "with all the invective that disappointment, ignorance of facts, and malicious falsehoods could invent to misrepresent my politics."

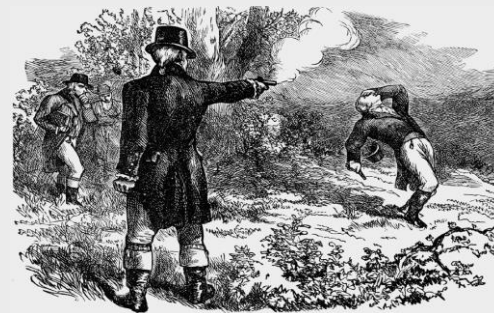


Thomas Jefferson

"Nothing can now be believed which is seen in a newspaper. Truth itself becomes suspicious by being put into that polluted vehicle."

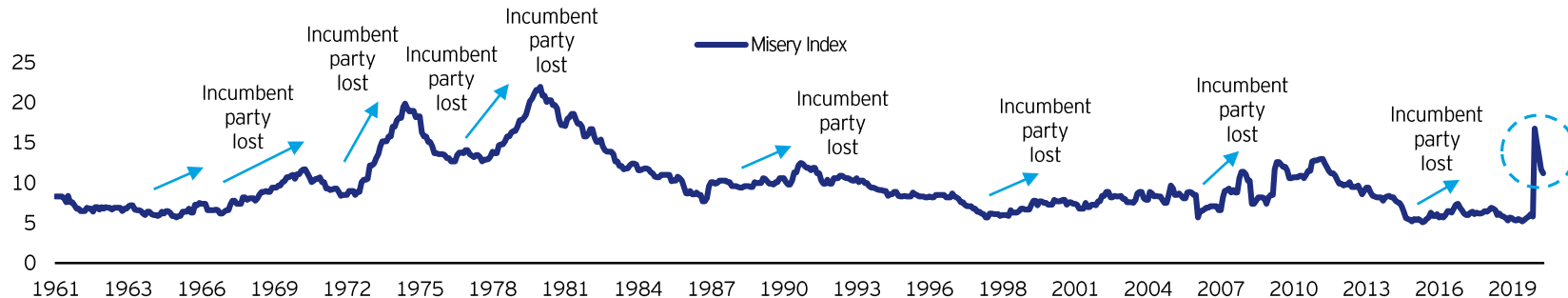
A Deadly Duel

While political debates and sound bites make for contentious TV today, fortunately, nothing in recent memory compares to the personal vendetta between sitting Vice President Aaron Burr and former Treasury Secretary Alexander Hamilton that led to a duel with pistols.

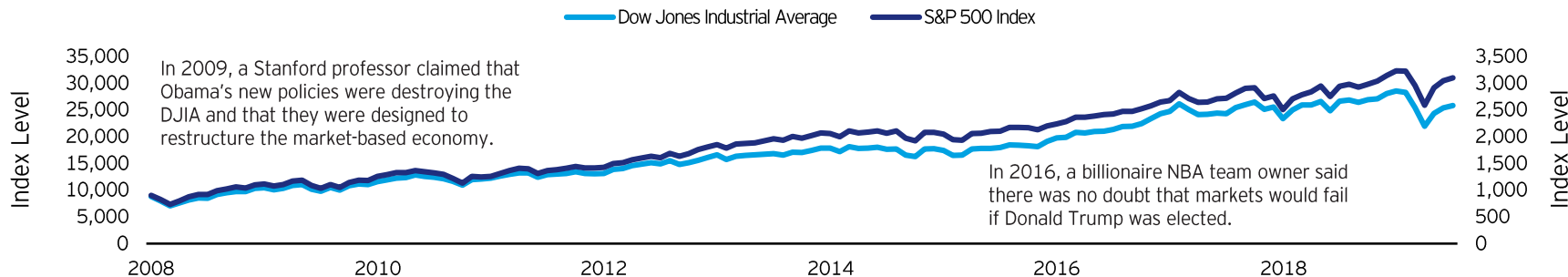


Truth #10: The Misery Index Tends to Be Better at Predictions Than the Pundits

Unemployment rate plus the inflation rate



Stock market performance



Sources: Bloomberg L.P., Haver Analytics, S&P, as of 6/30/20. Notes: From Johnson (D) to Nixon (R) in 1968, from Ford (R) to Carter (D) in 1976, from Carter (D) to Reagan (R) in 1980, from Bush (R) to Clinton (D) in 1992, from Clinton (D) to Bush (R) in 2000, from Bush (R) to Obama (D) in 2008, and from Obama (D) to Trump (R) in 2016. **Past performance does not guarantee future results.**

Index Definitions

Consumer Price Index (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

The Dow Jones Industrial Average is a price-weighted index of the 30 largest, most widely held stocks traded on the New York Stock Exchange.

The S&P 500 Index is a market-capitalization-weighted index of the 500 largest domestic US stocks.

The Russell 1000 Value is an unmanaged index considered representative of large-cap value stocks. The Russell 1000 Value Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co.

The Russell 1000 Growth is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000 Growth Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co.

The Misery Index is an economic indicator calculated by adding the current unemployment rate and the inflation rate.

Indexes are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. **Past performance does not guarantee future results.**

Disclosures

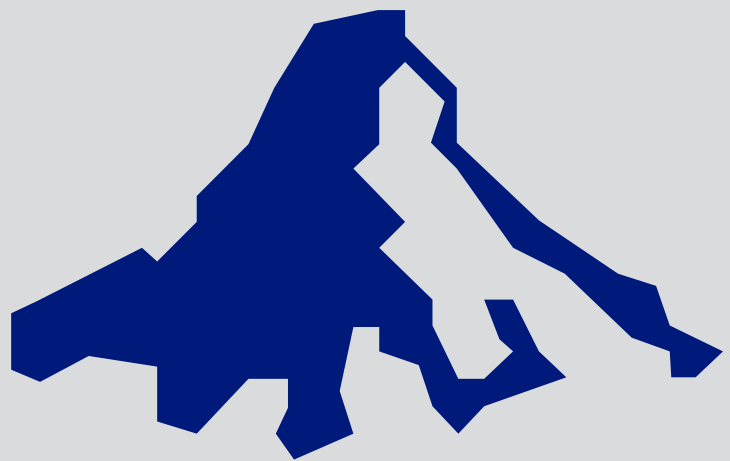
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