



### What does an election year mean for the market?

Happy spring to each of you! We hope that you have had a wonderful winter season and are ready for some warmer weather. Though, for us and our local clients here in Utah, it was a fairly mild winter – so we'll see what that means for our spring and summer!

The first quarter of 2024 has been met with some volatility, but overall it has been a net positive for the market, extending the gains that were had in 2023.

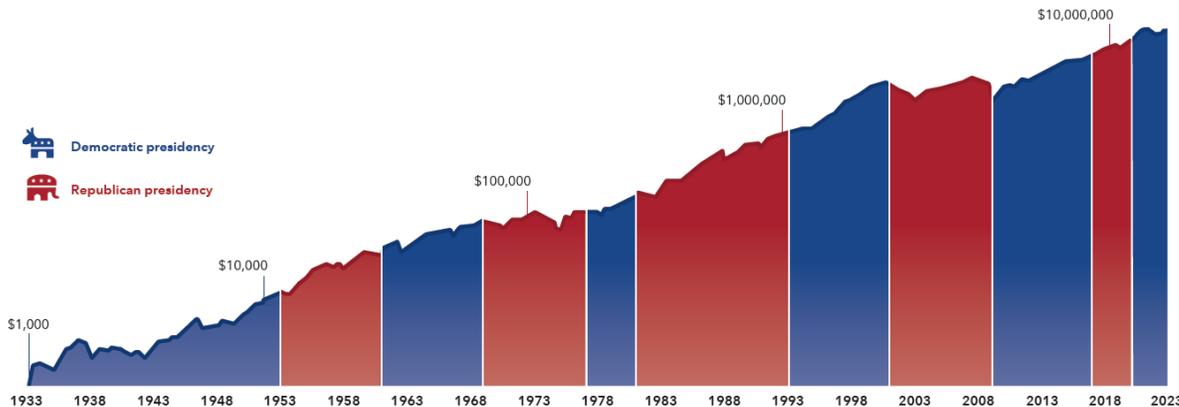
As we noted in our last newsletter, it was believed by many that the Federal Reserve (the Fed) was done raising interest rates at the beginning of this year and so far that has held true. Several analysts are now speculating when the Fed will begin to cut interest rates, with many hypothesizing the first interest rate decrease will take place in June or July.

While interest rates and artificial intelligence may be capturing the headlines recently, we wanted to take a moment and acknowledge the fact that 2024 is also an election year. While this will likely see increased media attention as we draw closer to the primaries and certainly the general election in November, we wanted to highlight some historical observations with regards to elections and the markets.

While elections are often characterized by debates, contention and diverse views on moral values, government policies and economic priorities – it is interesting to note that at least historically, it has made essentially no difference which political party is in office when it comes to long-term investment returns.

As pointed out in a piece by one of our longstanding partners, Capital Group, "What should matter more to investors is staying invested. A \$1,000 investment in the S&P 500 made when Franklin D. Roosevelt took office would have been worth over \$19 million as of June 30, 2023. During this time there have been eight Democratic and seven Republican presidents." This is illustrated in the graphic below.

Growth of a hypothetical \$1,000 investment in S&P 500 Index



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 June 30, 2023. Dates of party control are based on inauguration dates. Values are based on total returns in USD. Shown on a logarithmic scale. Past results are not predictive of results in future periods.

We reiterate this sentiment and remain convicted that over the long-term the stock market will continue to trend in an upward direction, while experiencing bumps along the way, just as it has done over the past several decades.

While many news outlets and media sources will seek to overwhelm us all with information this year surrounding the upcoming election, we urge you to consider the chart above and how resilient markets have been over time.

We firmly believe that the best way to approach long-term investing is with a diverse portfolio and a disciplined approach. If you have any questions about your portfolio or wish to review your financial plan, please don't hesitate to reach out to us. Thank you for your continued trust and partnership.

Best Regards, Mark, Brad T., Drew, Brad H., Renee & Erin

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