



October 15, 2024

Dear Fellow Investors,

It was a solid quarter for equity markets, with positive returns for each of the past three months. Results were fueled by the Federal Reserve cutting interest rates during a period of low unemployment and positive earnings growth. This created a favorable environment for stocks, though concerns about the economy and escalating geopolitical turmoil persist. Headlines have been dominated by world events and national politics. History suggests Presidential elections are not nearly as important to the financial markets as the media plays them up to be, with virtually no consistent performance pattern under Democratic or Republican Presidents.

In fact, performance is sometimes totally counter to what was expected. As you can see in the table to the right, the S&P 500 Index on average performed slightly better the year after the election than the year preceding it.

Another thing we notice about past elections and the stock market is that historical data supports the notion that elections matter far less than is perceived. The stock market is primarily concerned with the economy's performance and companies' profitability, not the identity of the next president.

The news flow over the next several weeks will be saturated with politics (and most likely post-election drama also). Everyone has a political view, but as investors we find it best to remain extraordinarily dispassionate while managing portfolios. We can never underestimate the ability of

U.S. companies to adapt to whatever changes a new administration and Congress might institute. Following election gossip can be fun and entertaining, but we will be paying considerably more

<u>Election</u>	<u>President</u>	<u>Performance 12 Months</u>	
		<u>Before</u>	<u>After</u>
<b>1964</b>	Lyndon Johnson [D]	14.70%	8.30%
<b>1968</b>	Richard Nixon [R]	11.80%	-5.70%
<b>1972</b>	Richard Nixon [R]	20.00%	-7.90%
<b>1976</b>	Jimmy Carter [D]	15.50%	-11.30%
<b>1980</b>	Ronald Reagan [R]	25.70%	-3.30%
<b>1984</b>	Ronald Reagan [R]	3.80%	14.10%
<b>1988</b>	George H.W. Bush [R]	9.40%	22.20%
<b>1992</b>	Bill Clinton [D]	7.40%	10.80%
<b>1996</b>	Bill Clinton [D]	19.70%	33.00%
<b>2000</b>	George W. Bush [R]	4.50%	-21.90%
<b>2004</b>	George W. Bush [R]	7.60%	6.40%
<b>2008</b>	Barack Obama [D]	-35.80%	8.20%
<b>2012</b>	Barack Obama [D]	13.10%	24.40%
<b>2016</b>	Donald Trump [R]	1.70%	21.50%
<b>2020</b>	Joe Biden [D]	7.50%	39.90%
<b>Average Annualized</b>		8.40%	9.30%

attention to time-tested fundamental drivers of earnings growth, business moats, capital allocation and valuation.

As always, we appreciate your trust and welcome a discussion of your portfolio and your needs.

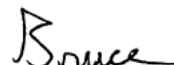
Sincerely,



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