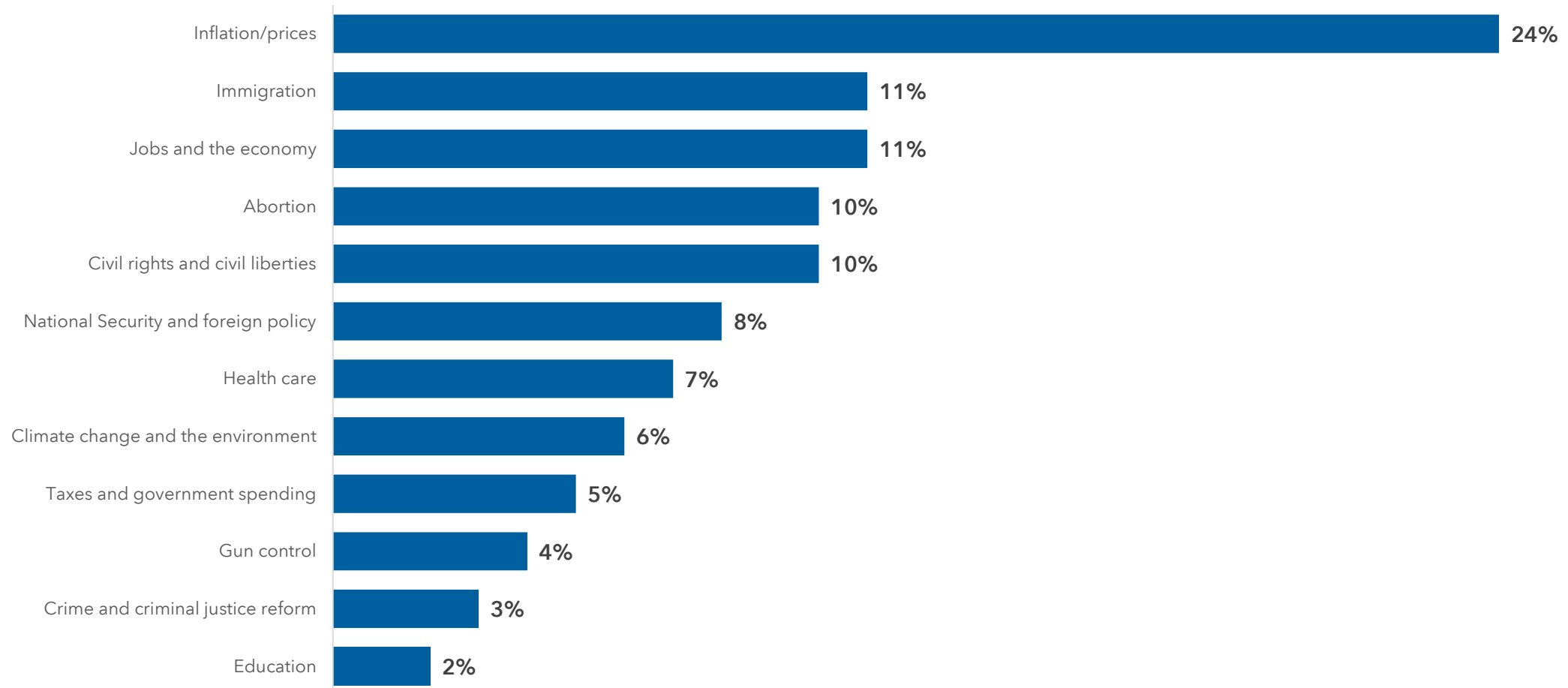


Election watch: Reagan Anderson



Candidates will need to address many key issues

Most important issue for U.S. voters



Source: YouGov. As of September 10, 2024.

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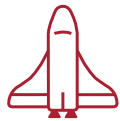
How U.S. elections could impact markets

Potential beneficiaries of a red wave



Banks/Financials

Weaker regulation, lower capital requirements for banks



Aerospace/Defense

Proposed increase in spending



Health care

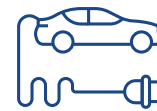
Proposed deregulation promotes competition and efficiency, but this could lower prices/profits



Oil and gas

Domestic drilling and mining will be encouraged and deregulated, but could result in lower price per barrel

Potential beneficiaries of a blue wave



Renewable energy, electric vehicles

Increased protection of Inflation Reduction Act (IRA), stronger environmental regulations



Telecommunications

Expansion of broadband funding



Homebuilders, industrials

Increased immigration should keep wage inflation low

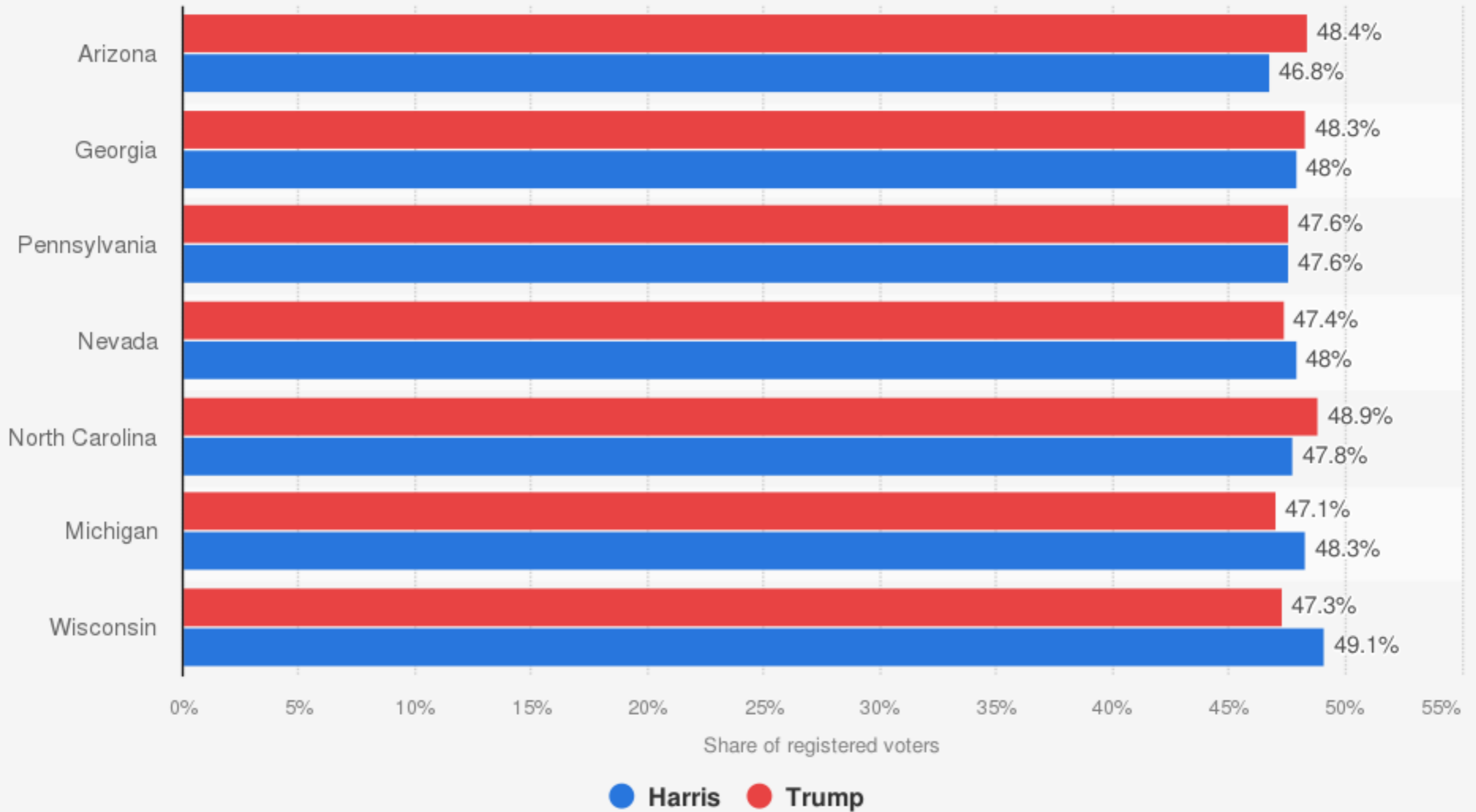


Tech, manufacturing

Continued stimulus support from IRA and CHIPS Act

Source: Capital Group. CHIPS Act refers to the Creating Helpful Incentives to Produce Semiconductors Act, passed by U.S. lawmakers in 2022 to encourage domestic manufacturing of computer chips.

Swing state election polling of Kamala Harris vs. Donald Trump in the United States as of September 2024



Sources

RealClearPolitics; Various sources
© Statista 2024

Additional Information:

United States; Various sources; RealClearPolitics; August 7 to September 6, 2024; At least 800 registered voters in each state; Michigan, Nevada, North Carolina, Pennsylvania, and Wisconsin.; Online survey

Several tax policies will have to be revisited after the election

Scheduled tax changes in 2026

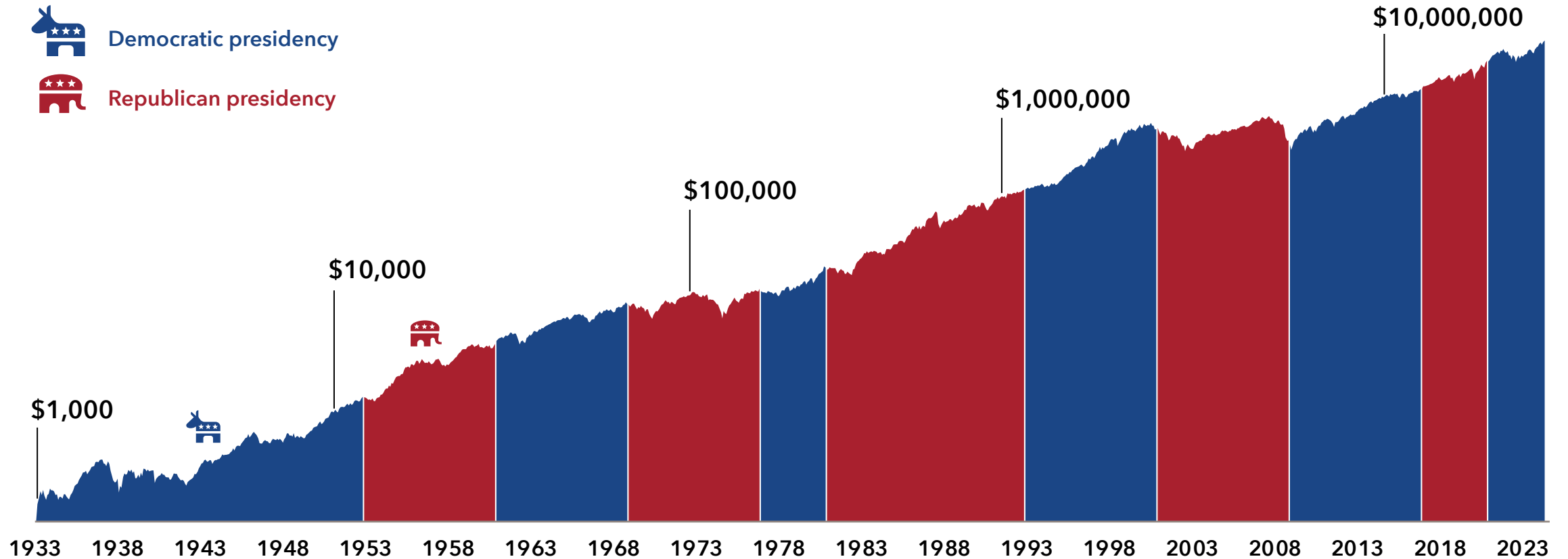
Scheduled change	Implications	Potential action items
Lifetime gift tax exemption cut in half	Individual lifetime exclusion drops to around \$7 million	Plan for lifetime gifting
Expiration of income tax cuts	Tax brackets revert to pre-TCJA levels	Consider accelerating income including Roth conversions
AMT exemption decrease	More people subject to AMT	Consider exercising incentive stock options
Charitable giving deduction	Deduction limit for cash contributions to public charities decreased to 50% of adjusted gross income	Consider making cash charitable contributions prior to sunset

Tax deduction	Scheduled change
SALT deduction	No \$10K cap
Mortgage interest deduction	Revision of interest deduction on up to \$1 million of indebtedness
Investment fees and tax preparation deduction	Miscellaneous itemized deductions allowed again

Source: Capital Group. This material does not constitute legal or tax advice. Investors should consult with their legal or tax advisors. AMT = Alternative Minimum Tax. TCJA = Tax Cuts and Jobs Act. SALT = state and local tax deductions.

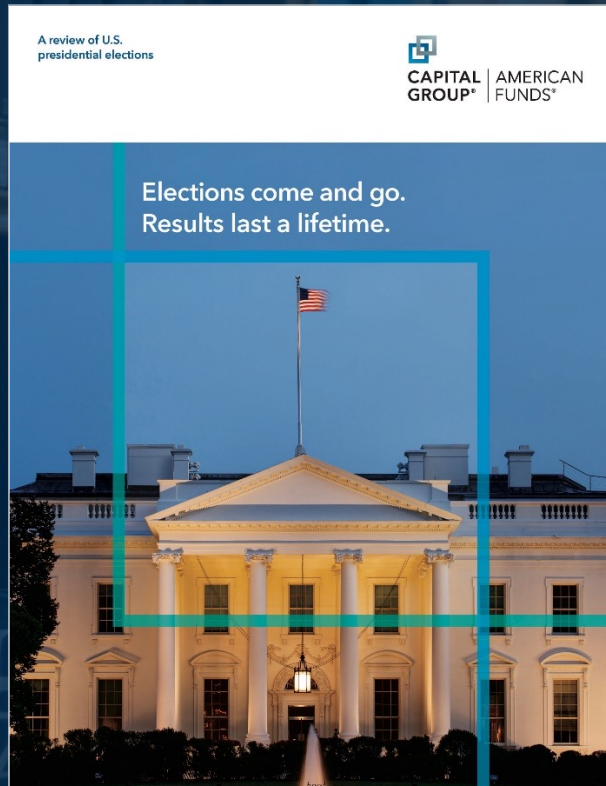
Stocks have trended higher regardless of which party was in office

Growth of 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, 2024. Dates of party control are based on inauguration dates. Values are based on total returns in USD. Past results are not predictive of results in future periods.

Capital Group: Your source for election year insights



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