

WEALTH SOLUTIONS GROUP

The logo for BAIRD, featuring the word "BAIRD" in a white, serif font inside a dark blue parallelogram shape that is tilted to the right.

BAIRD

Private Wealth
Management

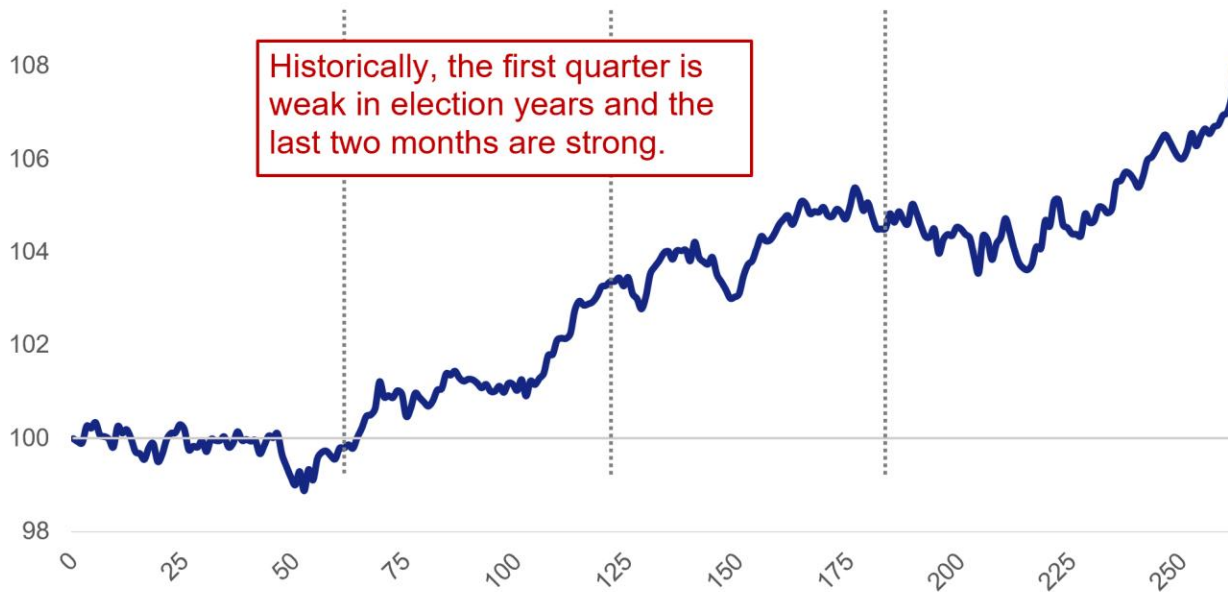
Election-year Concepts

R.W. Baird & Co.

Expect volatility early in election years

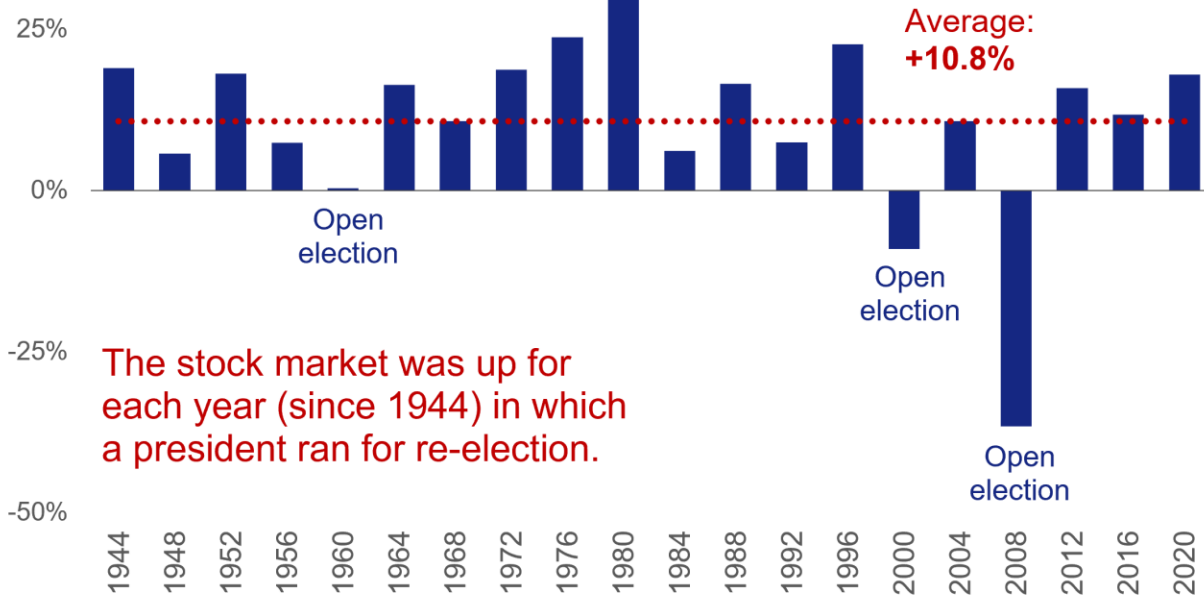
S&P 500 in election years

Average price return, presidential election years 1944 - 2020



The market has been up in election years

S&P 500 performance in election years



Selloffs are inevitable

History happens to presidents

President	Largest decline of term (Dow Jones)	Date of decline
Joe Biden (D)	-21%	Sept. 2022
Donald Trump (R)	-37%	Mar. 2020
Barack Obama (D)	-21%	Mar. 2009
George W. Bush (R)	-46%	Nov. 2008
Bill Clinton (D)	-19%	Aug. 1998
George H.W. Bush (R)	-21%	Oct. 1990
Ronald Reagan (R)	-26%	Oct. 1987
Jimmy Carter (D)	-23%	Mar. 1978
Gerald Ford (R)	-25%	Dec. 1974
Richard Nixon (R)	-34%	May 1970
Lyndon B. Johnson (D)	-25%	Oct. 1966
John F. Kennedy (D)	-27%	Jun. 1962
Dwight D. Eisenhower (R)	-19%	Oct. 1957
Harry Truman (D)	-24%	Jun. 1949
Franklin D. Roosevelt (D)	-52%	Apr. 1942
Herbert Hoover (R)	-86%	Jul. 1932

The economy matters

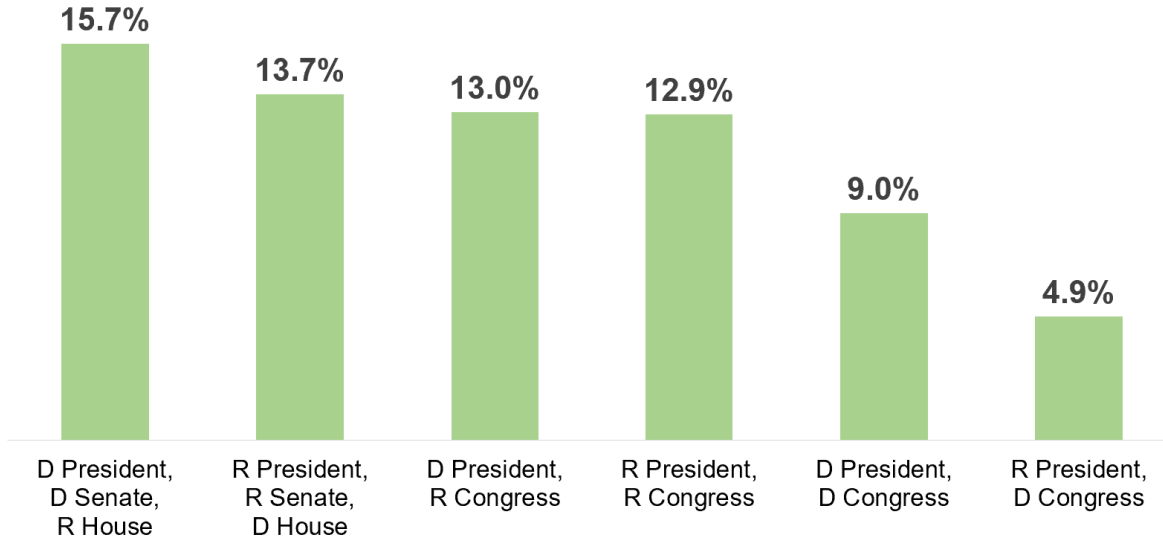
A recession in the two years before an election has been a determining factor for re-elections

President	Recession?	Re-elected?
Obama	No	Yes
W. Bush	No	Yes
Clinton	No	Yes
Reagan	No	Yes
Nixon	No	Yes
Johnson	No	Yes
Eisenhower	No	Yes
Truman	No	Yes
Roosevelt	No	Yes
Roosevelt	No	Yes
Roosevelt	No	Yes

President	Recession?	Re-elected?
Trump	Yes	No
H.W. Bush	Yes	No
Carter	Yes	No
Ford	Yes	No
Hoover	Yes	No
Taft	Yes	No

The market's trend is apolitical

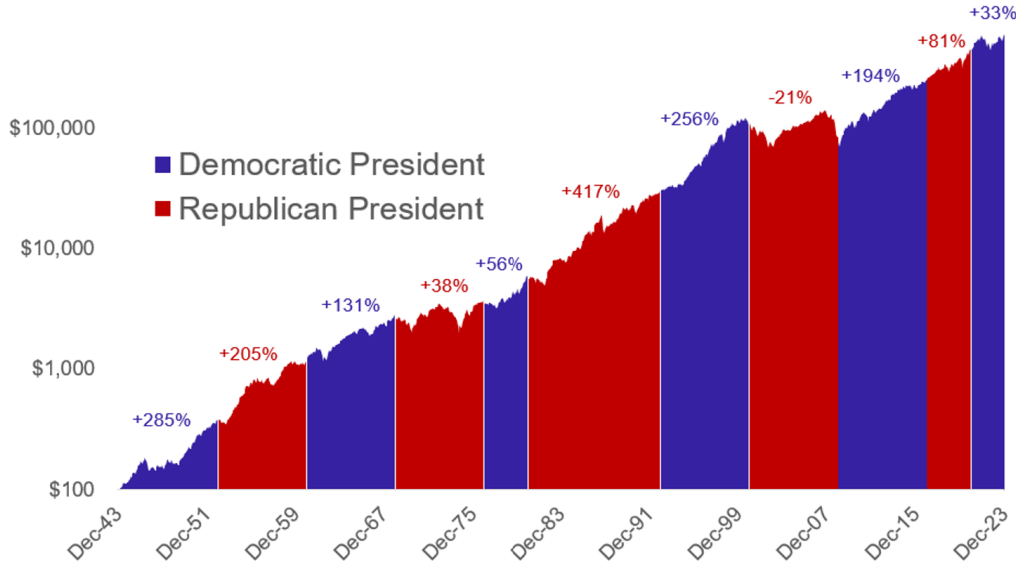
Average annual S&P 500 performance by partisan control



1933 – 2023, excluding 2001-02 (due to Sen. Jeffords changing parties in mid-2001)

The market's trend is apolitical

Growth of \$100 in the S&P 500 since Dec. 1943



The market's trend is apolitical

The market in the 4 years after a presidential election

Average annual performance, 1789 - present: S&P 500, Dow Jones, and Cowles Commission



Republican
presidents

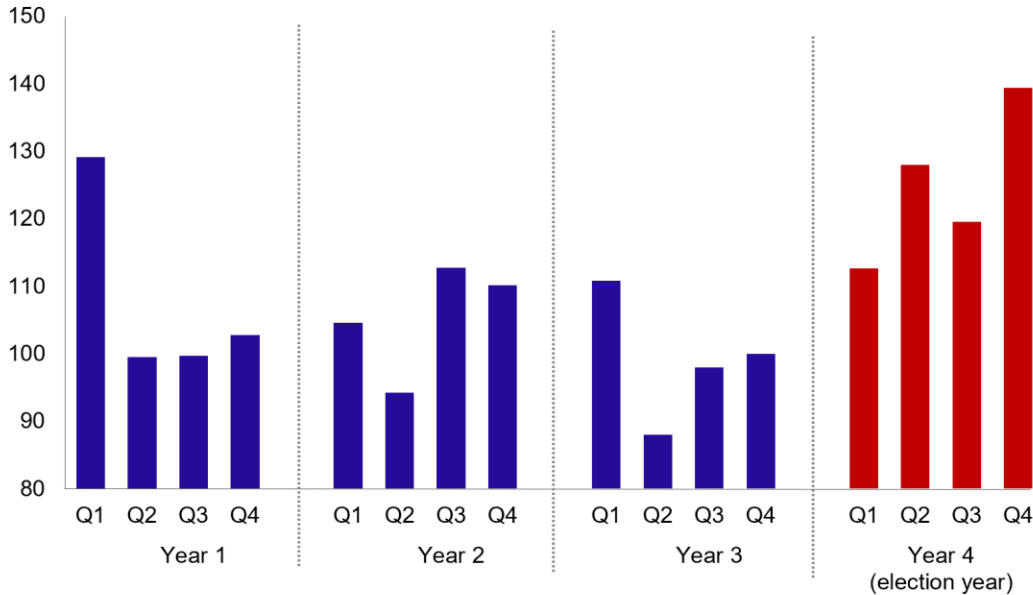


Democratic
presidents

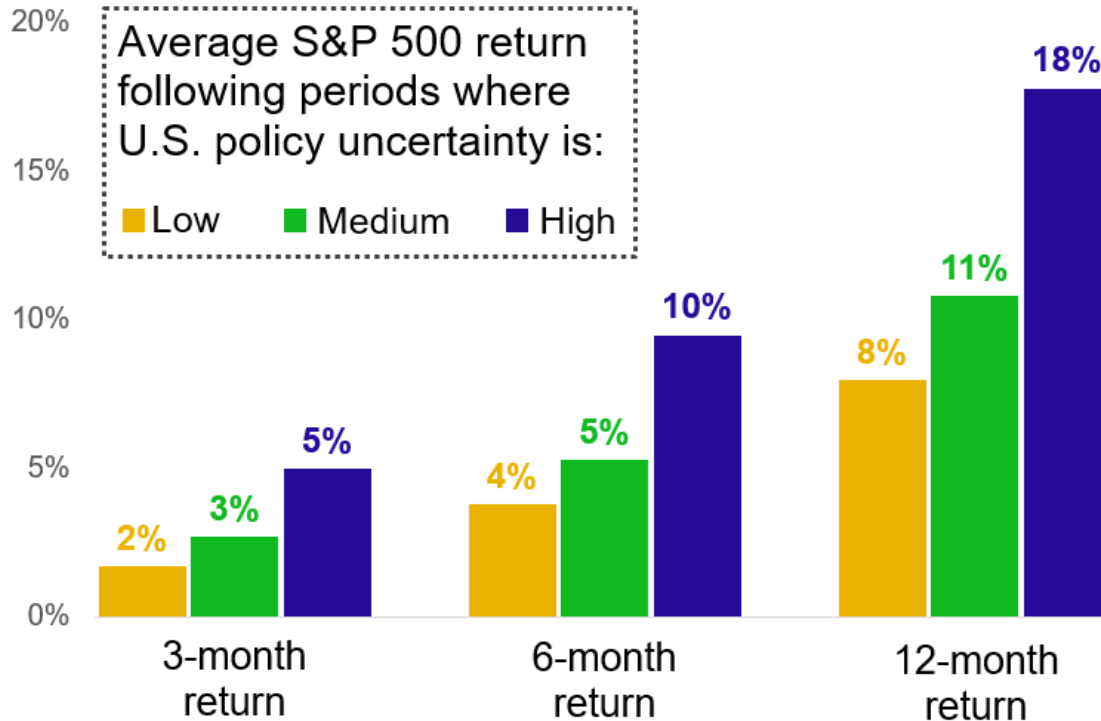
Uncertainty is higher in election years

Policy uncertainty through the 4-year election cycle

Quarterly average, policy uncertainty levels 1985 - 2023



Uncertainty has portended strong returns



Trading on election results is hard

180 The economic and geopolitical environment matters far more than who holds office.

160

Trading on election returns can be counterintuitive and difficult to time.

140

120

100

80

60

40

20

0

2016

2017

2018

2019

2020

2021

2022

2023

President Trump: **-50%**

President Biden: **+228%**

S&P 500 Energy sector
11/8/2016 to 11/8/2023

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