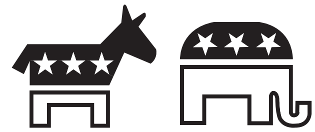
It's An Election Year — What Does This Mean For The Market?



In presidential election years since 1945...

The S&P 500® rose in

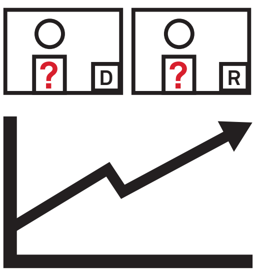
76%

of these years*

and gained an average of

6.1%**

* The S&P 500 has risen in 70% of years since 1945, including election and non-election years.
** The S&P 500 has risen 8.7% on average in the years since 1945, including election and non-election years.



For election years following second terms...

The S&P 500 rose only 50% of the time and actually **fell an average of**

3.3%

Why? In general, Wall Street hates uncertainty, and since WWII, incumbents running for reelection were approved **80% of the time.** Without an incumbent in the race, both candidates are **unknown quantities.**

But it doesn't have to be that way.

The S&P 500 did do well in some election years following second terms, **rising**

11.8% **in 1952.** Departing: President Harry S. Truman

7.7% **in 1968.** Departing: President Lyndon B. Johnson

12.4% **in 1988.** Departing: President Ronald Reagan

Can the stock market predict who the next president will be?

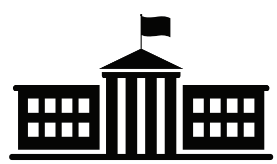
Past performance is never an indicator of future performance, but looking at the data for every election since 1944...

If the S&P 500 posted gains over the period from July 31 to October 31, **the party currently controlling the White House won the election**

82% of the time.

If the S&P 500 declined, the opposing party won

86% of the time.



Since 1945 once a president is in office, the average return of the S&P 500 has been:

6.3% if they're Republican

11.1% if they're Democrat

(Many variables besides party affiliation affect these average returns, so we present this data without drawing conclusions.)

Source: Sam Stovall, S&P Global Market Intelligence, S&P Dow Jones Indices. Data: 12/31/45-12/31/15, with the exception of data following "Can the stock market predict who the next president will be?" which spans 7/31/44-12/31/15. Infographic is provided for illustrative purposes. The launch date of the S&P 500 was Mar. 4, 1957. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance. The back-test calculations are based on the same methodology that was in effect when the index was officially launched. Past performance is not an indication or guarantee of future results. It is not possible to invest directly in an index. Please see the Performance Disclosure at http://www.spindices.com/regulatory-affairs-disclaimers/ for more information regarding the inherent limitations associated with back-tested performance. Infographic is provided for illustrative purposes and may reflect hypothetical historical performance. The materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable.

S&P Dow Jones Indices

An S&P Global Division

PERFORMANCE DISCLOSURE
S&P Dow Jones Indices defines various dates to assist our clients in providing transparency on their products. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the Index is set at a fixed value for calculation purposes. The Launch Date designates the date upon which the values of an index are first considered live; index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public Web site or its datafeed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of Introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Past performance of the Index is not an indication of future results. Prospective application of the methodology used to construct the Index may not result in performance commensurate with the back-test returns shown. The back-test period does not necessarily correspond to the entire available history of the Index. Please refer to the methodology paper for the Index, available at www.spdji.com for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Another limitation of using back-tested information is that the back-tested calculation is generally prepared with the benefit of hindsight. Back-tested information reflects the application of the index methodology and selection of index constituents in hindsight. No hypothetical record can completely account for the impact of financial risk in actual trading. For example, there are numerous factors related to the equities (or fixed income, or commodities) markets in general which cannot be, and have not been accounted for in the preparation of the index information set forth, all of which can affect actual performance.

Additionally, it is not possible to invest directly in an Index. The Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the Index and calculates the Index levels and performance shown or discussed, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. For example, if an index returned 10% on a US $100,000 investment for a 12-month period (or US$ 10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US$ 1,650), the net return would be 8.35% (or US$ 8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US$ 5,375, and a cumulative net return of 27.2% (or US$ 27,200).