



PRESIDENTIAL ELECTIONS AND THE STOCK MARKET: A HISTORICAL PERSPECTIVE

Now that the calendar has officially turned to 2024, we have entered Wall Street’s version of the Olympics. Every 4 years, Wall Street pundits and political strategists present on television, podcasts, and other forms of media to breathlessly tell investors what it will mean for their portfolios if the Republican or Democratic candidate for president wins. Many investors will then proceed to worry, adjust specific stock holdings in their portfolios, or make wholesale changes to their asset allocation.

With all of the attention that this topic draws every 4 years, we thought it would be helpful to look back and see what has actually happened in the recent past. Specifically, has it mattered to the stock market which party won the White House? Have the returns been significantly better or worse with a Republican or a Democrat in charge? Or do other things going on in the world (economic conditions, wars, etc.) matter more?

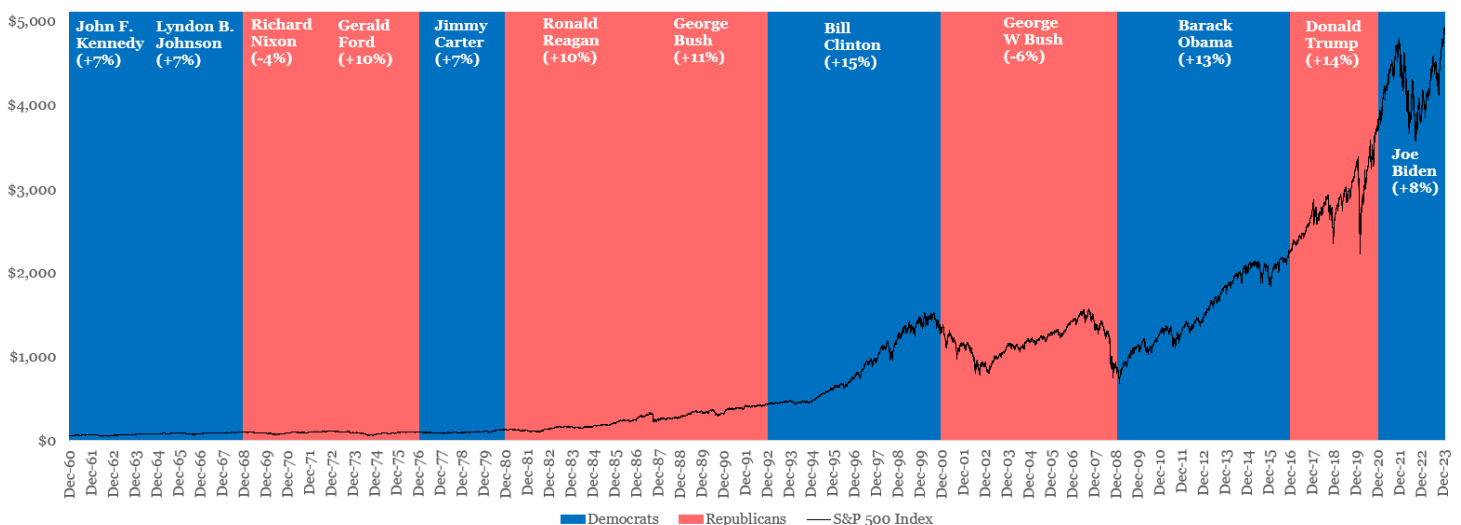
To answer this question, we reviewed data going back to January of 1961 when John F. Kennedy was inaugurated as president.

What the data show is that the president and their party does not have a meaningful relationship to the performance of stocks. Except for the presidencies of Richard Nixon and George W. Bush, every president had positive stock market performance during his administration. Presidents Clinton, Obama, and Reagan had the highest overall returns during their stints in office. The chart below has more details.

In brief, the data show that sound investment principles matter far more than politics. Sticking with your long-term strategy and approach is what helps you meet your investment goals. Politics may (or may not) be interesting to you; either way, you should not let them drive your investing decisions.

At Compass, we are here to help guide you through all of the noise, whether it comes from the political arena or elsewhere. Our long-term focus and investing discipline have historically delivered strong returns for our clients, no matter who lives at 1600 Pennsylvania Avenue. We look forward to talking with you soon.

Presidential Cycles & the S&P 500 Index



* The returns by President are annualized numbers based on their term.
** Information comes from Facts First, Bloomberg, and The White House Historical Association



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AUM

\$2.0 billion

INCEPTION

1988

COMPASS PHILOSOPHY

As an independently-owned firm, Compass provides customized investment services to individuals, foundations/endowments, trusts, and retirement plans. Our objective is to preserve and enhance the real purchasing power of our clients' wealth over time.

Our clients value working directly with a seasoned and experienced team of portfolio managers to help them navigate their investments relating to:

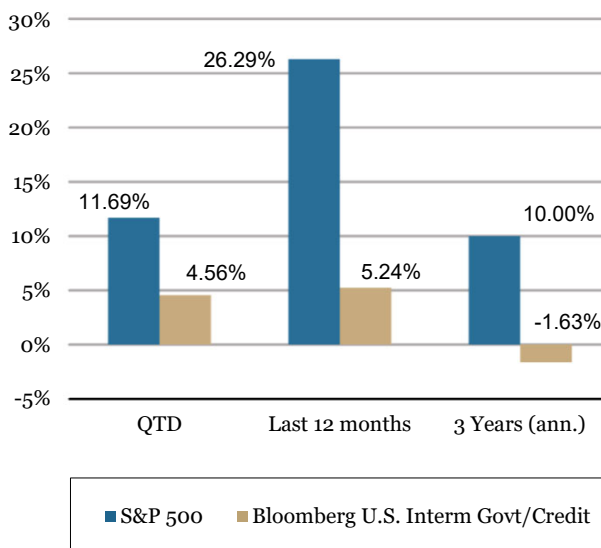
- Building a quality portfolio
- Divorce
- Retirement
- Inheritance
- Sale of a business
- Trust distribution

Our experienced team is always available to provide financial advice and review your financial assets.

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MARKET INDICES

Total Return as of 12/31/2023



For more information regarding our company or results, please contact us at investors@compasscap.com.