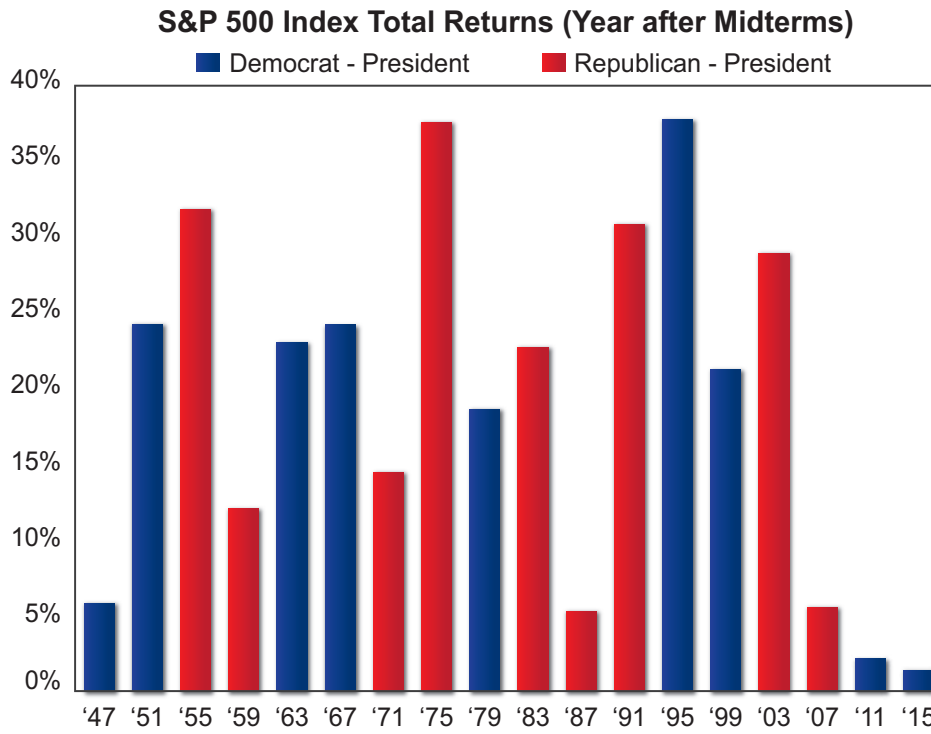


How Stocks Have Fared Following Midterm Elections



Source: Ibbotson & Associates/Morningstar. Past performance is no guarantee of future results.

View from the Observation Deck

1. Since 1945 (post World War II era), there have been 18 midterm elections in the U.S. The next one is scheduled for 11/6/18.
2. Midterm elections provide voters with an opportunity to express how they feel about the job the sitting president is doing.
3. While the Republicans currently control the White House, the House and Senate, there has been a lot of discussion in political circles about the potential for Democrats to win back the House. Some refer to it as the blue wave.
4. The incumbent's party has lost House seats in all but three of the midterm elections held over the last century, according to CNBC. Democrats need to pick up 23 seats to win back the House.
5. Voter participation in the midterms has been historically low. CNBC notes that less than 50% of eligible voters tend to vote. In 2014, that figure was just 36%.
6. As indicated in the chart, the S&P 500 Index posted a positive total return in each of the calendar years following the previous 18 midterm elections.
7. The total returns have ranged from 1.38% (2015) to 37.43% (1995). The average gain was 19.13%.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks (currently 505) used to measure large-cap U.S. stock market performance.

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