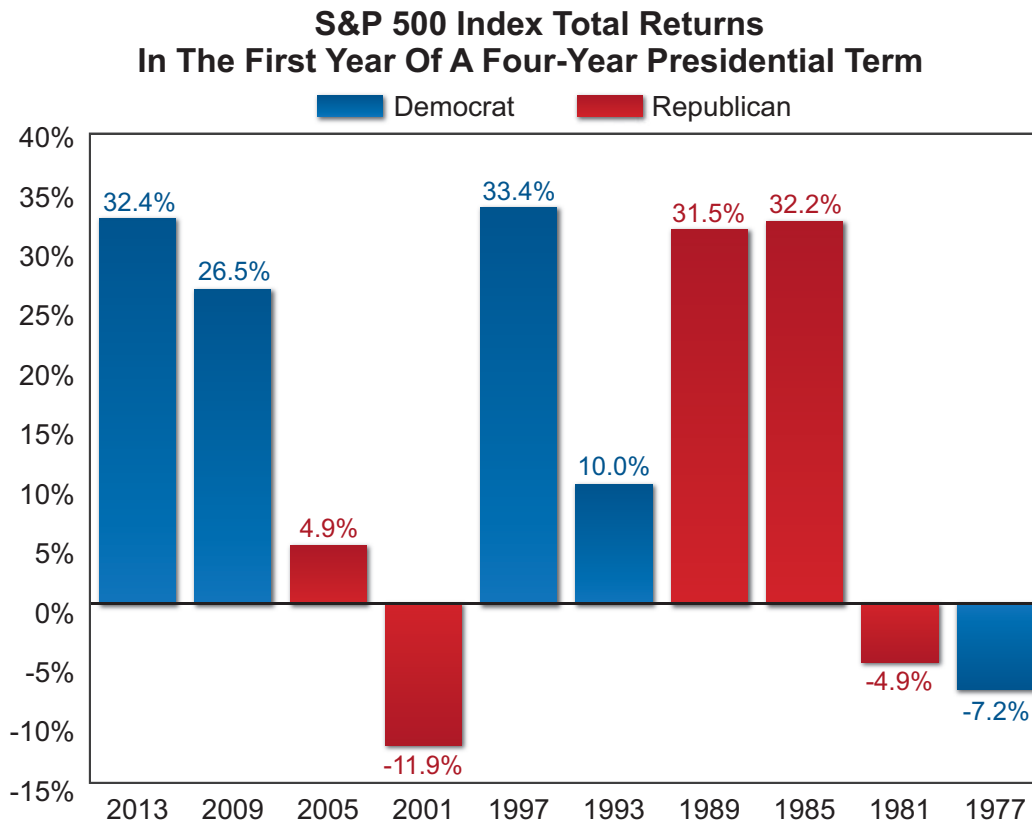


# Now That The Election Is Over



Source: Ibbotson Associates/Morningstar. Data shows first year returns of the last 10 presidential terms.

## View from the Observation Deck

1. Now that the election is over, where do the equities markets go from here? Today's blog post offers a snapshot of the S&P 500 Index's performance in the first year of the last 10 presidential terms.
2. As indicated in the chart, representation was equal, with five Democrats and five Republicans. The S&P 500 Index was up in seven of the 10 years. The average total return for the 10 years featured was 14.7%.
3. There were four years in which the total return on the S&P 500 Index exceeded 30.0% – two of them occurred when a Democrat was in the White house and two occurred when it was a Republican.
4. In two of the three years that the S&P 500 Index posted a negative total return, the U.S. economy had slipped into recession, according to data from the National Bureau of Economic Research. With respect to 1981, the recession lasted from July 1981 through November 1982. With respect to 2001, the recession lasted from March 2001 to November 2001.
5. The U.S. economy is currently in expansion mode. President-elect Donald J. Trump has put forth what could be interpreted as a pro-growth agenda, in our opinion.
6. The outlook for S&P 500 Index earnings looks encouraging. In dollar terms, Bloomberg's 2017 consensus annual earnings estimate for the S&P 500 Index was \$133.04 as of 11/17/16. That was up from an estimated \$118.91 for 2016, and up from the \$108.89 registered in 2015.

*This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and 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 used to measure large-cap U.S. stock market performance.*