

How Stocks Have Fared Since Donald J. Trump Was Elected President

Major Equity Index Total Returns (USD)

| Index | 11/8/16-5/22/20 | 3/8/18-5/22/20 | 2/19/20-5/22/20 |
|-----------------------------------|-----------------|----------------|-----------------|
| NASDAQ 100 | 103.68% | 38.36% | -2.87% |
| S&P 500 | 48.30% | 12.75% | -12.23% |
| S&P MidCap 400 | 18.80% | -8.20% | -18.79% |
| S&P SmallCap 600 | 12.54% | -16.00% | -23.31% |
| MSCI Emerging Markets Net TR | 9.05% | -13.39% | -18.09% |
| MSCI Daily TR Net World (ex U.S.) | 8.79% | -20.05% | -17.53% |

Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. With respect to the stock market, perhaps three of the most defining dates for the Trump administration in its first term have been election day (11/8/16), the day the first round of tariffs on imported steel (25%) and aluminum (10%) were launched (3/8/18) and the day the S&P 500 Index peaked following an impressive 10-year, 11-month bull market run (2/19/20), in our opinion.
2. The negative toll on the global economy and securities markets from the escalation and spread of the coronavirus (COVID-19) has been substantial. The pandemic ended the bull market in stocks on 3/12/20, as measured by the S&P 500 Index. The silver lining in this story, however, is that we have experienced a significant rebound in the stock market since the sell-off stopped on 3/23/20. Compare the returns in point 3 below, to those in the last column in the table.
3. The following total returns reflect just how much the major indices in the table were punished during the coronavirus-induced sell-off (2/19/20-3/23/20): -27.84% (NASDAQ 100); -33.79% (S&P 500); -41.81% (S&P MidCap 400); -41.27% (S&P SmallCap 600); -33.61% (MSCI Emerging Markets Net TR); and -31.16% (MSCI Daily TR Net World (ex U.S.)), according to Bloomberg.
4. The U.S. dollar, which can be a safe-haven destination for foreign investors, didn't strengthen under the Trump administration until the tariffs commenced on 3/8/18. From 11/8/16 through 03/8/18, the U.S. dollar declined by 7.85%, as measured by the U.S. Dollar Index (DXY), according to Bloomberg. From 3/8/18 through 5/22/20, however, the U.S. Dollar Index rose by 10.73%.
5. The U.S. Dollar Index stood at a reading of 99.86 on 5/22/20, which is relatively strong on an historical basis, according to Bloomberg. Its 20- and 30-year averages were 90.55 and 91.05, respectively, as of 5/22/20.
6. In general, both the trade tariffs and COVID-19 have created some headwinds for stocks, as indicated by the total returns in the table.

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 NASDAQ 100 Index includes 100 of the largest domestic and non-financial companies listed on The NASDAQ Stock Market based on market capitalization. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P SmallCap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI World (ex U.S.) Index is a free-float weighted index designed to measure the equity market performance of developed markets. The U.S. Dollar Index (DXY) indicates the general international value of the dollar relative to a basket of major world currencies.

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