HUGHES FINANCIAL SERVICES, LLC





Donkeys, Elephants, Bulls and Bears ...

The Impact of a Presidential Election on the Markets & Investors





PRESENTER



SCOTT HUGHES, CFP®, MBA Managing Partner & Financial Advisor

ABOUT HUGHES FINANCIAL SERVICES



Independent Registered Investment Advisor Comprehensive financial planning and wealth management

Fiduciary

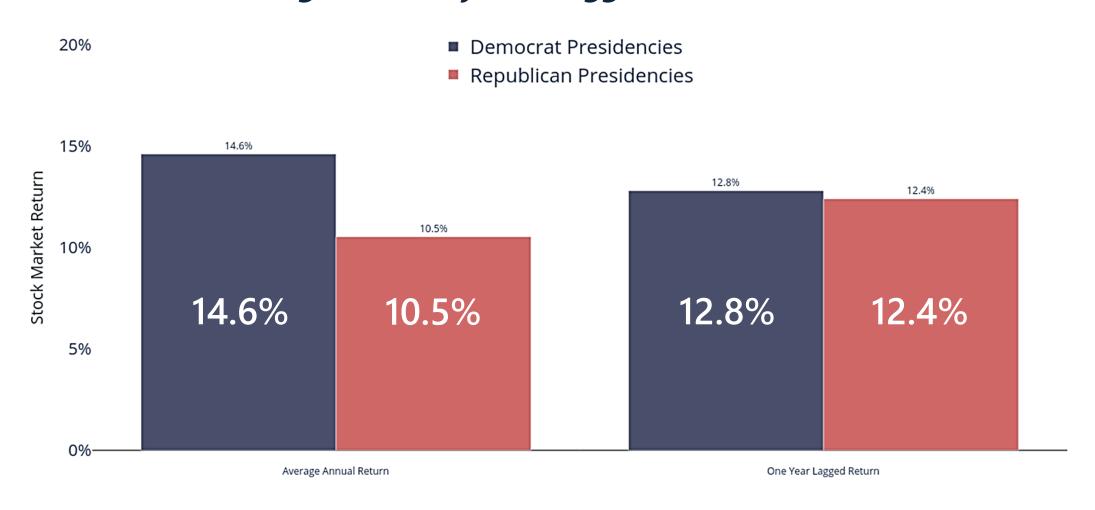
Professional certifications and continuing education

Over 80 years combined experience



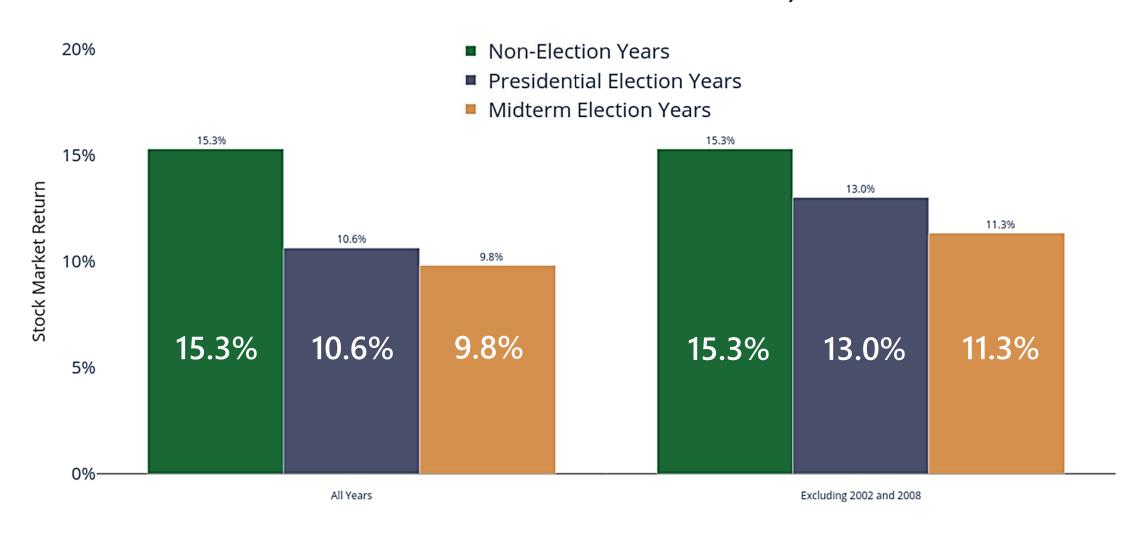
PRESIDENTIAL ELECTIONS AND STOCKS

S&P 500 Returns During Presidency and Lagged One Year, 1933-2019



STOCK MARKETS IN ELECTION YEARS

S&P 500 Total Returns In Election and Non-Election Years, 1933-2019



A lot of Republicans didn't feel good about the economy under Barack Obama and lost out on great stock market gains. Equally, a lot of Democrats have felt bad about the economy during Donald Trump's term and lost out on gains there too.

| DR. DAVID KELLY
Chief Global Strategist, JP Morgan Asset Management



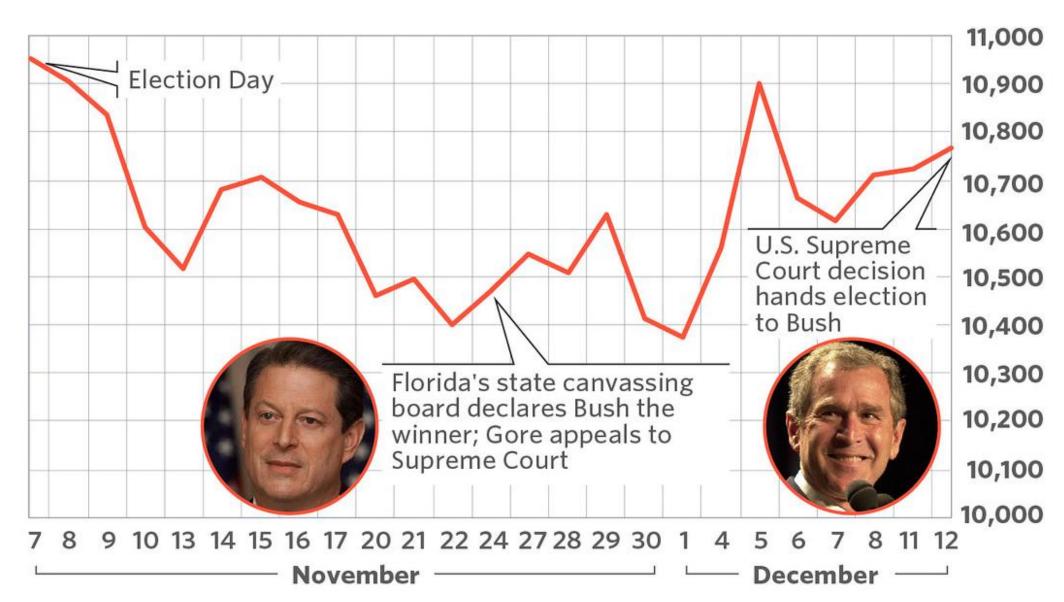






STOCK MARKETS AND ELECTORAL RECOUNTS

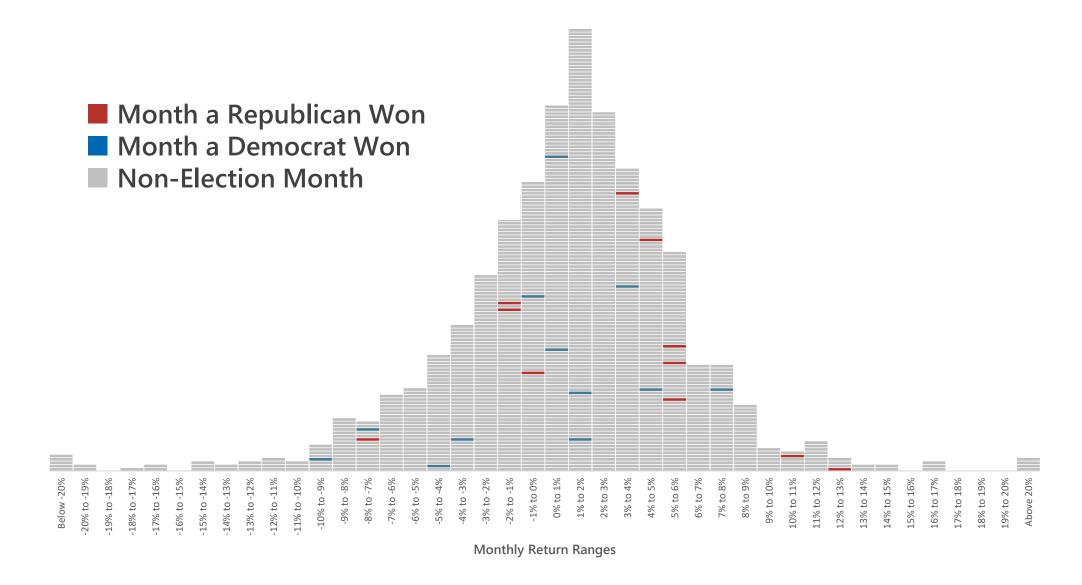
The Dow Over the Five Weeks It Took to Decide the 2000 Presidential Election





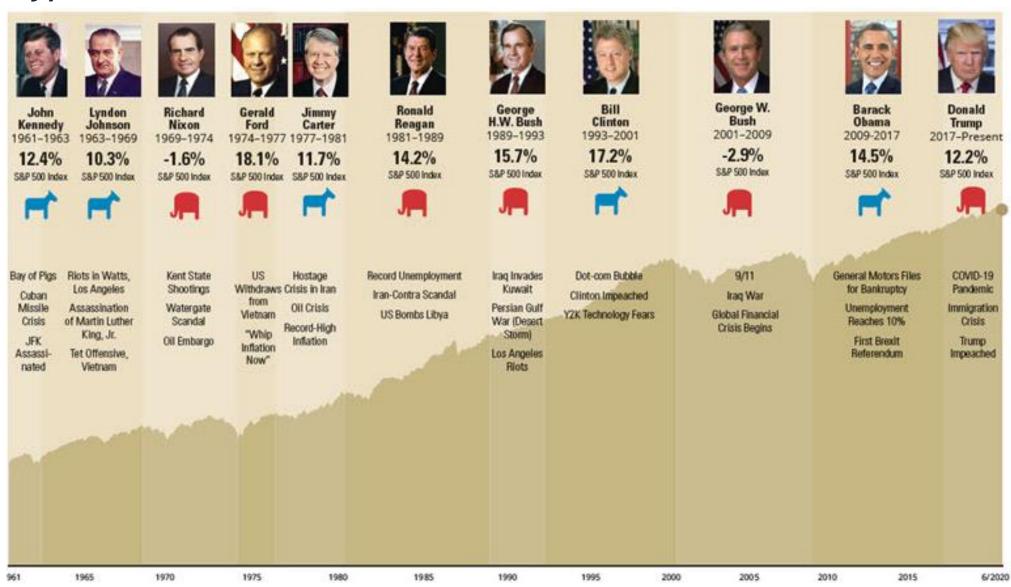
PRESIDENTIAL ELECTIONS AND S&P 500 RETURNS

Histogram of Monthly Returns, 1926 - 2019



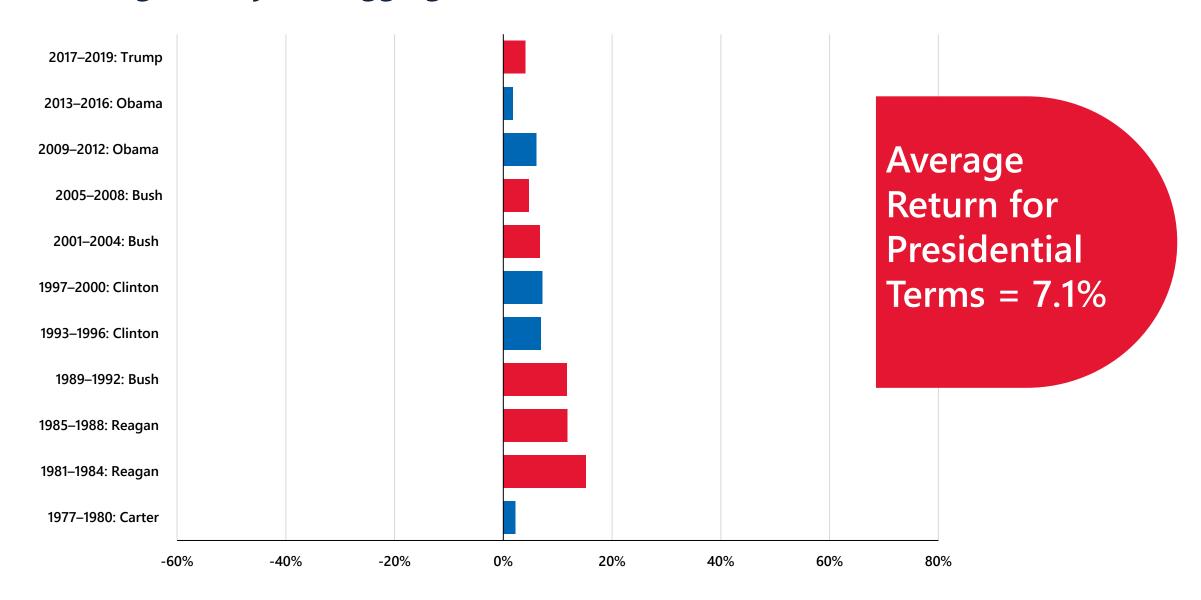
MARKET PERFORMANCE AND PARTY AFFILIATION

Hypothetical \$10,000 Investment in S&P 500 Index in 1961



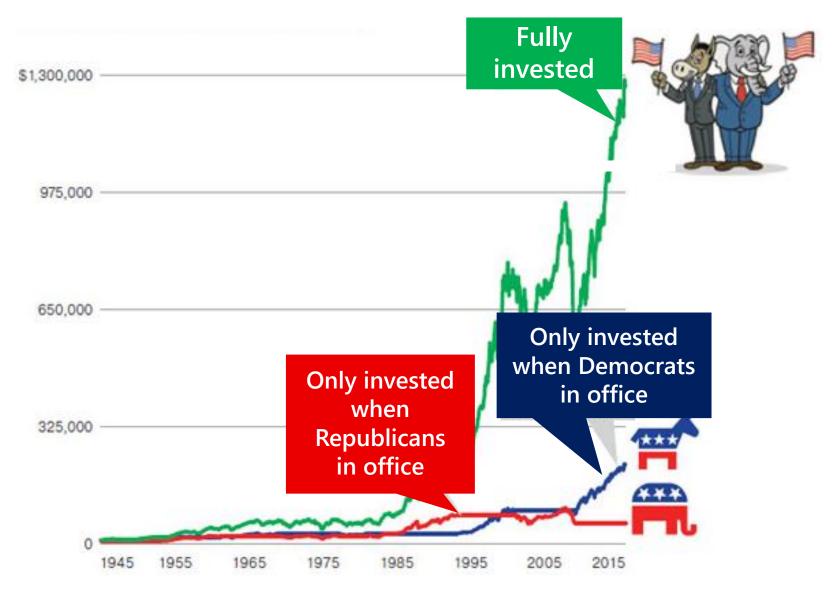
ANNUALIZED RETURNS DURING PRESIDENTIAL TERMS

Bloomberg Barclays US Aggregate Bond Index, 1977-2019



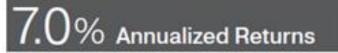
WAITING FOR "YOUR TEAM" TO WIN BEFORE YOU INVEST?

Growth of \$10,000 Since 1945 in the Dow



Gains for Stocks (DJIA) 1901-2014

Divided Government





Unified Government

4.6% Annualized Returns





"Don't let your political beliefs affect your investment decisions."

DR. DAVID KELLY
Chief Global Strategist, JP Morgan Asset Management

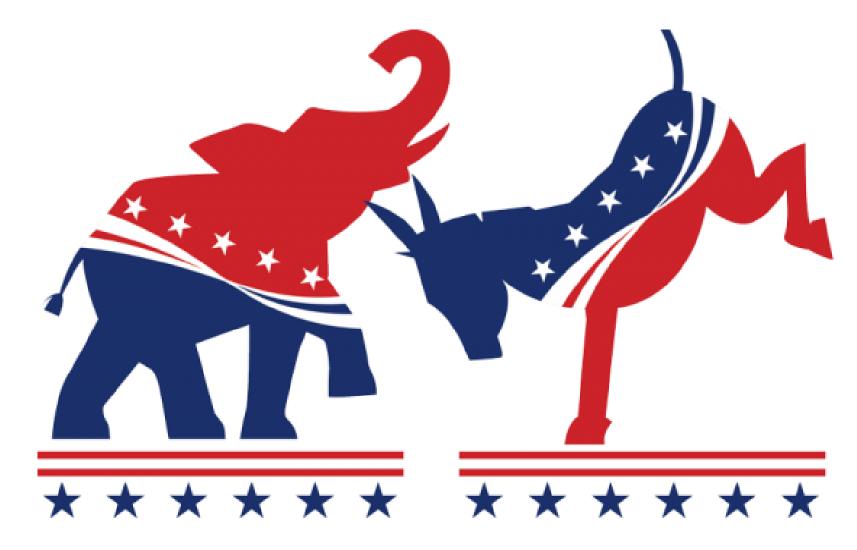




Despite all the headlines, despite all the noise, despite all the speculation, the election should play no role. No role whatsoever. We have looked at this going back to the 1850's.

There is no difference that is measurable between having a Democratic President or a Republican President. There is no difference in how the Senate or House work out. Everything that goes on is speculation and what you typically see is some dislocations right before and right after an election, but goes back to normal after 100 days.

BILL MCNABB
CEO & Chairman, Vanguard Group



TAX PLANNING AFTER THE ELECTION

WHAT SHOULD AN INVESTOR DO?

Managing Your Money Before, During & After An Election

- Headlines are supposed to grab your attention zoom out a bit
- Focus on what you can control
- Diversification is a powerful tool
- Address concerns and questions with your financial advisor

WHAT SHOULD AN INVESTOR DO?

7 Issues to Watch in 2020 and 2021

- Estate Tax
- Higher Tax Rates
- Roth Conversion Changes
- Itemized Deductions
- Stretch IRAs
- Step-Up in Basis
- Capital Gains

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Bull markets and bear markets come and go, and it's more to do with business cycles than presidents.

JEREMY SEIGEL

Professor of Finance, Wharton School of the University of Pennsylvania Author, *Stocks for the Long Run*

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INVESTMENT STRATEGIES

What Are Your Options?



Hughes Financial Services' 20minute virtual educational Lunch & Learn webinar sessions from the spring and summer have covered a wide variety of topics that can have an impact on your financial situation.

On demand recordings of all these sessions are available 24/7 and easily accessed from our website.



PREVIOUS LUNCH & LEARN RECORDINGS AVAILABLE AT WWW.H4FS.COM

- >> Use the Events Tab and Workshops & Webinars Link
- Roth IRAs: To Convert or Not to Convert
- Cybercrime 2020: How to Identify & Protect Yourself Against COVID-19 Scams
- Estate Planning Steps to Take During the COVID-19 Pandemic
- Fundamentals of Investing 101
- Value in the Vault: A Guide to the HFS Client Portal
- What is a Vital Documents File & Why You Need One
- Charitable Giving Strategies During COVID-19 & Beyond
- An Economy Under Attack: What the Experts Are Telling Us
- Hands Off Uncle Sam! Strategies to Reduce Your Tax Bill
- Halftime Report: An Economic & Market Update
- Five Financial Mistakes Made in Retirement & How to Avoid Them
- Fundamentals of Investing 102: Make Your Money Work For You
- Your Savings Alone Won't Pay for College: Financial Strategies to Get on Track for College with an update on the impact of COVID-19
- Maximize the Value of your HFS Portal, Part 2: Spending & Budgets
- Yes You Can ... Raise Financially Aware Kids & Grandkids
- Donkeys, Elephant, Bulls and Bears: The Impact of a Presidential Election on Markets & Investors

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If you have questions about this presentation, please contact us at: (703) 669-3660 or clientservices@h4fs.com

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We offer our clients an impressive wealth of expertise in retirement and estate planning, investment and risk management, insurance, and education planning. Our advisers hold a variety of professional designations and certifications and are well versed in a number of financial disciplines. Our combined education and experience allows us to proudly offer you independent financial advice that you can trust.

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Investing involves risk including the potential loss of principal. No investment strategy, such as asset allocation and rebalancing, can guarantee a profit or protect against loss in periods of declining values. Please note that rebalancing investments may cause investors to incur transaction costs and, when rebalancing a non-retirement account, taxable events will be created that may increase your tax liability. The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 actively traded "blue chip" stocks, primarily industrials, but includes financials and other service-oriented companies. The components, which range from time to time, represent between 15% and 20% of the market value of NYSE stocks.

SOURCES: Forbes.com; Dimensional Funds Advisors; Clearnomics; S&P 500; hulbertratings.com; getty images

