Russell Investments

MARKETS & ELECTION CYCLE

WHAT MATTERS TO INVESTORS

Traction Financial Partners, LLC

EMBRACE
THE POSS/BLE®

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Not a Deposit. Not FDIC Insured. May Lose Value. Not Bank Guaranteed. Not Insured by any Federal Government Agency.

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

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Standard Deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

Correlations measure the strength and direction of a linear relationship between two random variables. The value will range between -1 and 1. Rolling correlations are trailing correlations in overlapping cycles for a given period of time. The periods shift based on a chosen length (typically one month) resulting in a continuous stream of trailing correlations e.g., a three-year rolling value shifted by one month will show you the trailing three-year value for each month displayed. Correlations are useful for understanding the behavior of correlations over multiple time periods. Demonstrates patterns or longer -erm trends in the return data.

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Bond investors should carefully consider risks such as interest rate, credit, default and duration risk. Greater risk, such as increased volatility, limited liquidity, prepayment, non-payment and increased default risk, inherent in portfolios that invest in high yield (“junk”) bonds or mortgage-backed securities, especially mortgage-backed securities with exposure to sub-prime mortgages. Generally, when interest rates rise, prices of fixed income securities fall. Interest rates in the United States are at, or near, historic lows, which may increase a Fund’s exposure to risks associated with rising rates. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries.

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Date of first use: February 2024 RIFIS-25903

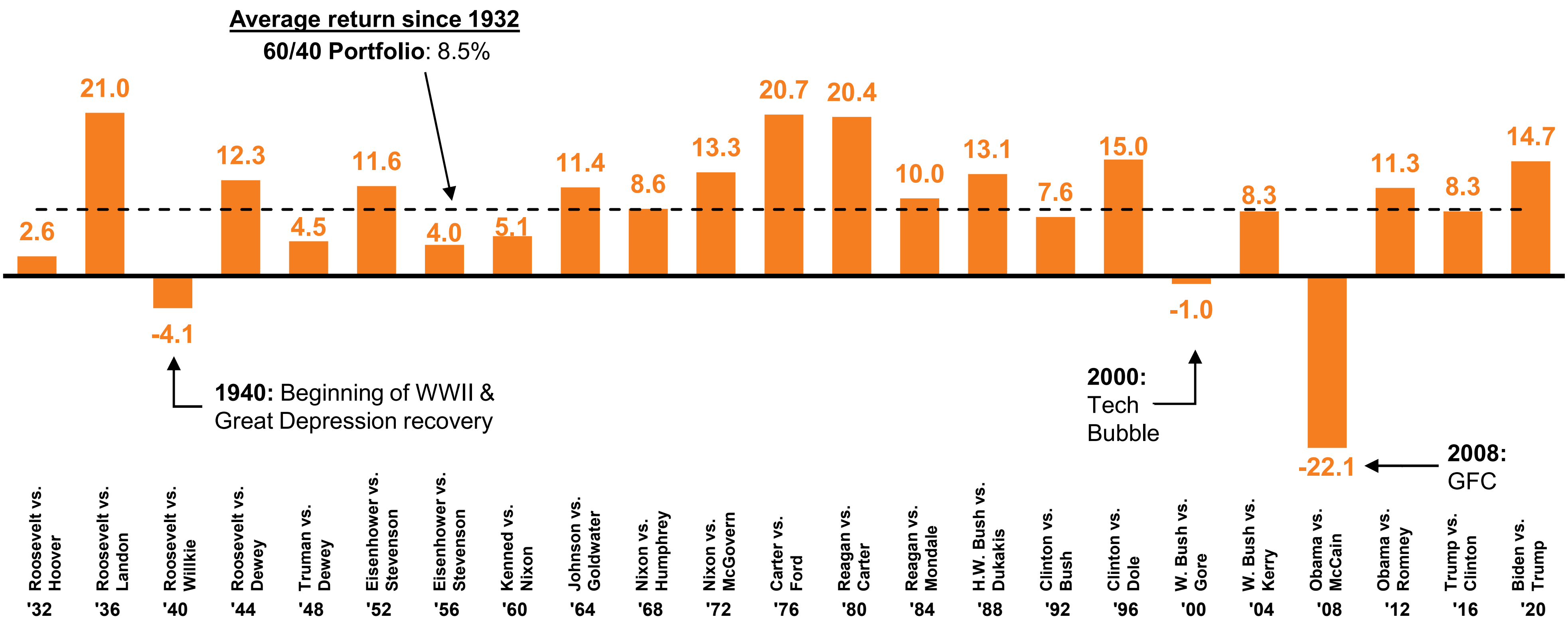
AGENDA

Election year results

Sticking to the plan has historically provided strong returns in election years

Election year returns

60/40 Portfolio



In **20** of the last **23** election years, a 60/40 portfolio finished in positive territory

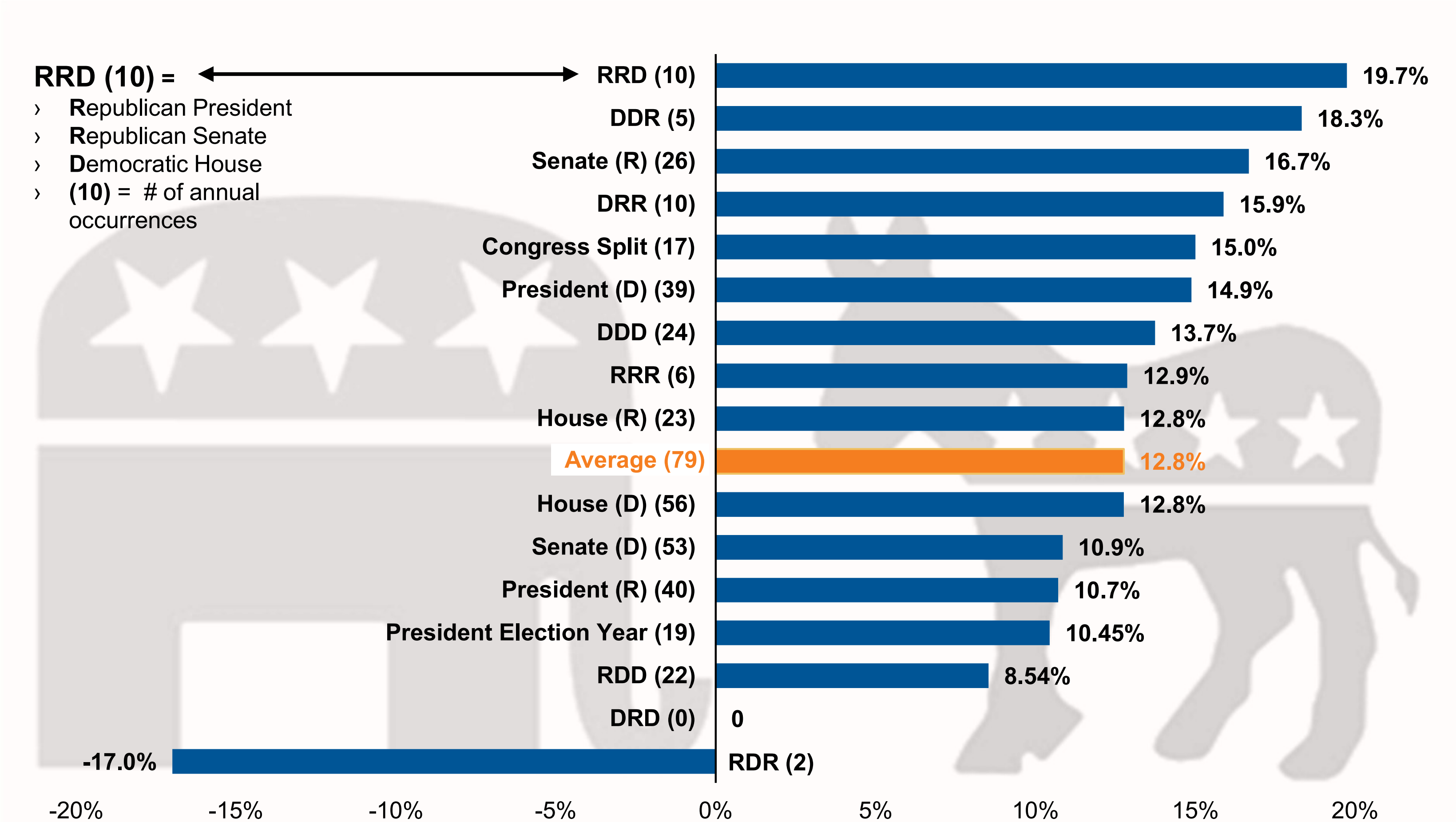
Election years, delivered an average annual return of **8.5%**

Each of the 3 negative occurrences were macroeconomic related

Source: The American Presidency Project & Morningstar Direct: 60/40 Portfolio: 60% U.S. Equity / 40% Bonds. U.S. Equity: Ibbotson U.S. Equity Index (1932 – 1969), S&P 500 Index (1970 – Present). Bonds: Ibbotson Intermediate Bond Index (1932 – 1975), Bloomberg U.S. Aggregate Bond Index (1976-Present). Cash: Citigroup 1-3 Month T-Bill Index. Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Politics and markets

U.S. stocks performance vs political makeup 1945-2023



- Markets dislike uncertainty more than any specific party
- Since the end of World War II, no party has consistently experienced superior market returns
- It is important to focus on the policies rather than the people

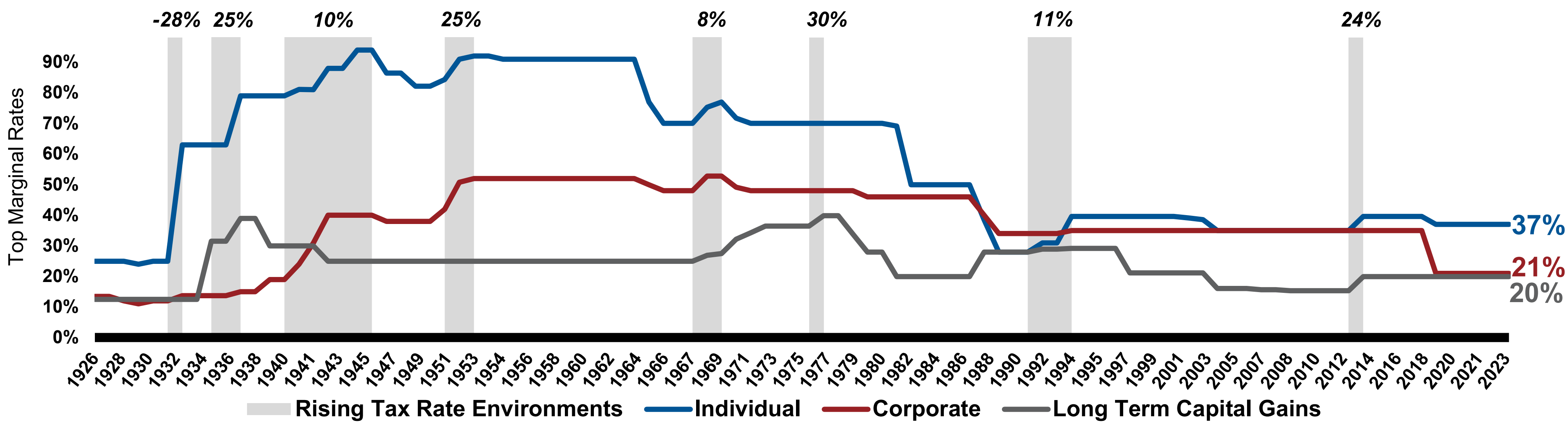
U.S. Stocks: S&P 500 Index. As of 12/31/2023. Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Historical impact of tax hikes

Tax Cuts & Jobs Act set to expire in 2025

Top U.S. Marginal Tax Rates

U.S. Equity Returns



PERIOD	TAXES INCREASED	ANNUALIZED RETURN
1931-1932	Corporate & Individual	**(-27.9%)**
1934-1936	Corporate, Individual & Capital Gains	**24.9%**
1939-1945	Corporate & Individual	**10.1%**
1950-1952	Corporate & Individual	**24.6%**
1967-1969	Corporate, Individual & Capital Gains	**8.0%**
1975-1976	Capital Gains	**30.4%**
1990-1993	Corporate, Individual & Capital Gains	**10.6%**
2012-2013	Individual & Capital Gains	**23.9%**

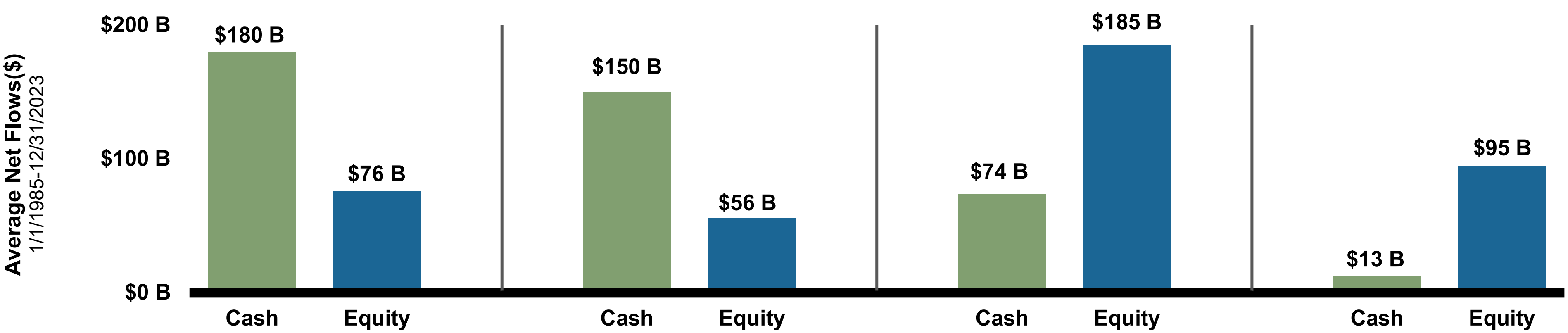
- Since 1926, markets have been positive in all but one increasing tax rate environment.
- The Tax Cuts & Jobs Act (TCJA) is set to expire in 2025, this could facilitate future tax code changes.

Morningstar Direct, Tax Policy Center, St. Louis Federal Reserve. U.S. Equity Returns: S&P 500 Index (1/1/1935-12/31/2023) and Ibbotson SBBI U.S. Large Stock Index in prior years. Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Staying invested tends to payoff

History says don't let election years dictate your investment plan

Starting point January 1st of:	Pre-Election Year	Election Year	Post-Election Year	Mid-Term Election Year
Avg. 4-Year Forward Return	Return 10.8%	Return 11.3%	Return 11.9%	Return 11.7%
Avg. 4-Year Forward Risk	14.7% Risk	14.0% Risk	14.8% Risk	14.8% Risk

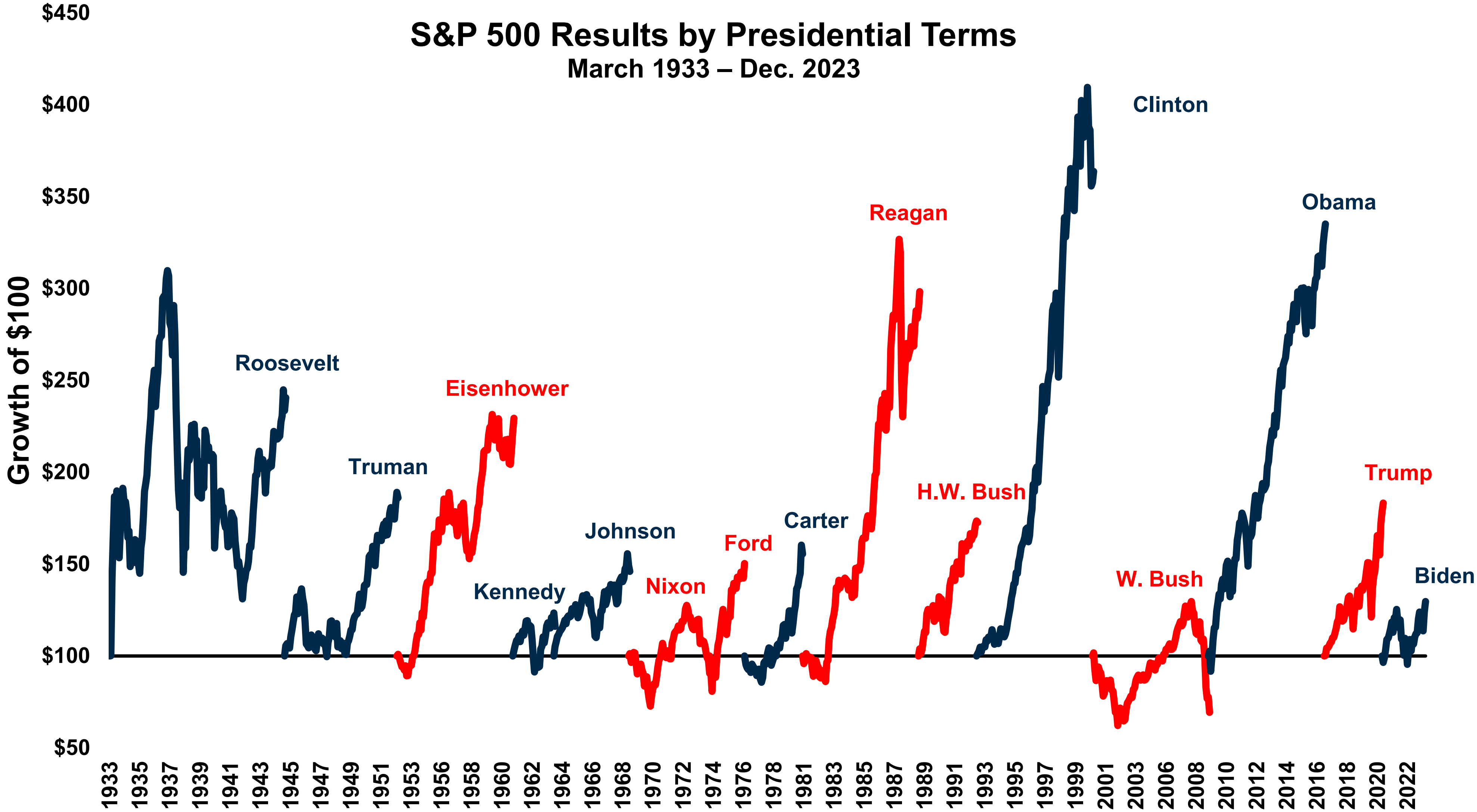


- Historically, average 4-year forward returns have been similar yet resilient across each election segment
- Despite strong returns, uncertainty around elections drove investors to prefer cash vs equities

Source: Morningstar Direct and Investment Company Institute (ICI). Average 4 Year Forward Return & Risk (Standard Deviation) (1/1/1985-12/31/2023): S&P 500 Index, figures are based on 4-year annualized averages starting on January 1 for each election segment. Average Net Flows: Morningstar data from 1/1/1993-12/31/2023, Equity: Mutual Funds and ETFs across U.S. equity, international equity, and sector equity category groups, Cash: Funds within the money market category group, ICI data from 1/1/1985-12/31/1992: US Equities: Long-Term Mutual Fund Flows, Cash: Money Market Accounts. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Stock market during presidential terms

Markets have generally trended up regardless of party



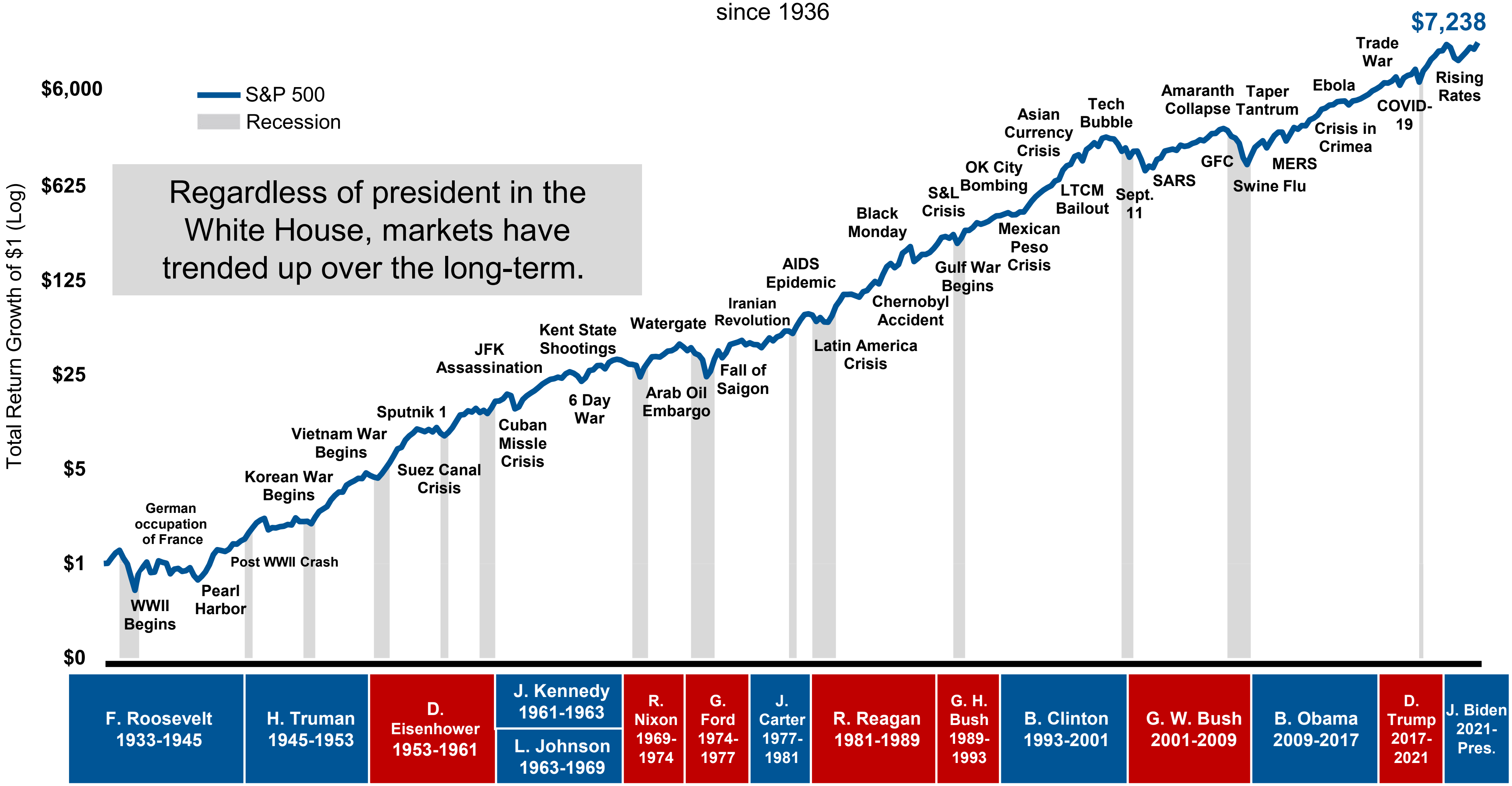
Source: Morningstar. Based on monthly returns. Terms based on Inauguration Date. Growth represents S&P 500 Price Returns to February 1970 with Total Returns used thereafter. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

U.S. stock market growth & election cycles

Resilient over the long-term

S&P 500 Growth of $1

since 1936

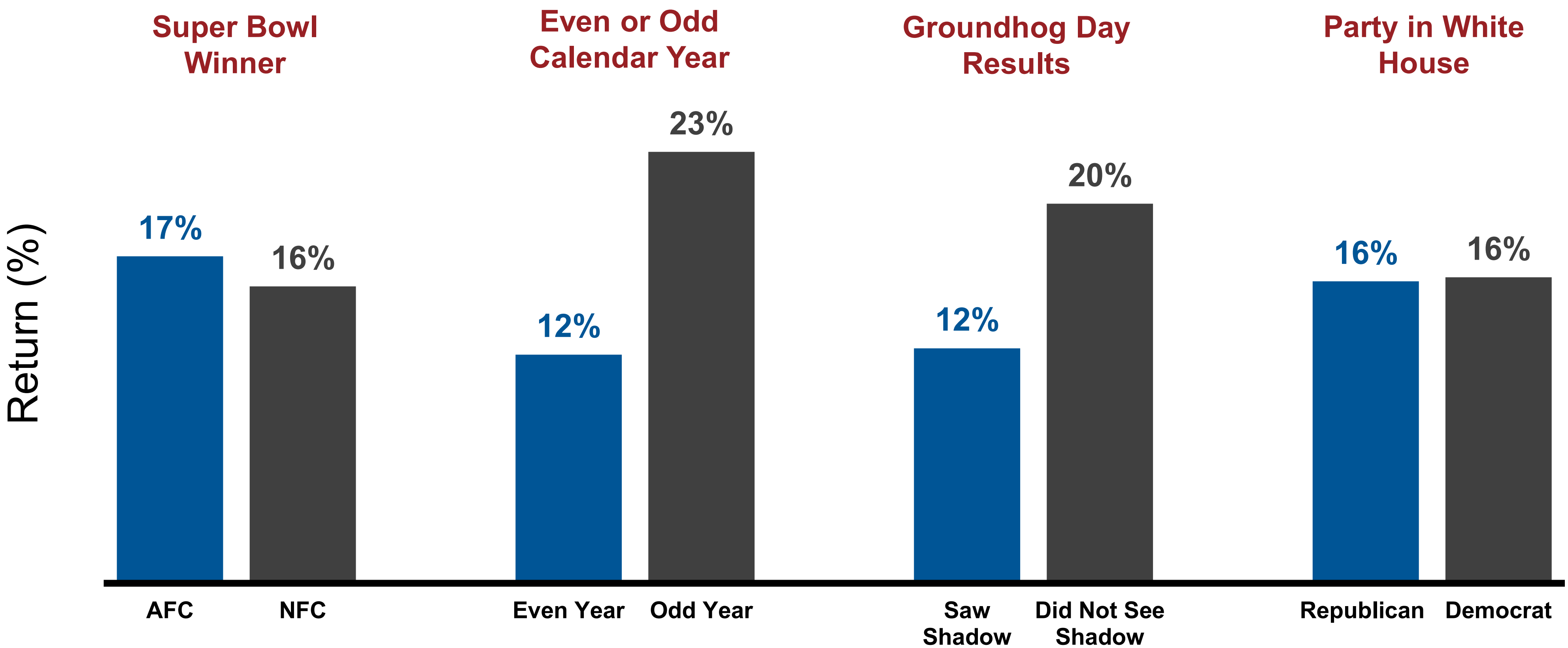


U.S. Stocks: S&P 500 Index as of 12/31/2023. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

What drives stock market returns?

Be careful what you draw conclusions from

Last 50 years - Median calendar year stock market returns based on:



- Elections may influence investors to take action in their portfolios based on results.
- Endless comparisons can be made on what factors contribute to stock market returns.
- Historically markets have produced positive returns regardless of party in office.

Source: Morningstar and USA Today. Stocks represented by S&P 500 Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Index definitions

Bloomberg U.S. Aggregate Bond Index: An index, with income reinvested, generally representative of intermediate-term government bonds, investment grade corporate debt securities, and mortgage-backed securities. (specifically: Bloomberg Government/Corporate Bond Index, the Asset-Backed Securities Index, and the Mortgage-Backed Securities Index).

Citigroup 1-3 Month T-Bill Index: An unmanaged index that tracks short-term U.S. government debt instruments.

Ibbotson SBBI U.S. Large Cap Stock Index: Measures the performance of U.S. large cap stocks.

Ibbotson SBBI Intermediate Bond Index: The index measures the performance of a single issue of outstanding US Treasury note with a maturity term of around 5.5 years. It is calculated by Morningstar. Returns for 1934 to 1986 are obtained from the CRSP Government Bond File and returns for 1987 to 2014 are calculated from The Wall Street Journal prices.

The S&P 500® Index: A free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. The stocks included in the S&P 500® are those of large publicly held companies that trade on either of the two largest American stock market exchanges: the New York Stock Exchange and the NASDAQ.

MORNINGSTAR CATEGORY DEFINITIONS:

U.S. Category Group: A term used to group funds with similar categories and investing styles; can be used for more broad-based analysis. The category group is determined by the investment's Morningstar Category assignment. Each Morningstar category is mapped to one of eleven category groups below. Methodology document of Morningstar Category Definitions - United States can be referred to for more detail.

THANK YOU!

ANY QUESTIONS?