6 Meridian

Viewpoint / *August*

Chart of the Month

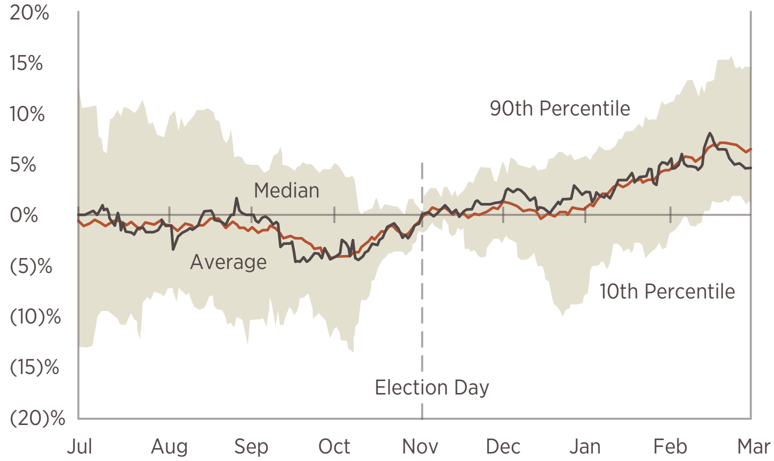
Two years ago, as American voters were preparing to head to the polls to elect the next president of the United States, we wrote about market returns throughout the presidential cycle. Fast forward to today, year two of the presidential cycle, and the public is soon to be inundated with a new round of political ads centered on the November midterm elections.

Historically speaking, year two of a presidential cycle has tended to be the weakest period of a president's four-year term in office, yet returns have been positive on average. Part of the speculation on the seasonality of this is attributed to the uncertainty surrounding the midterms and whether the balance of power may shift in one direction or the other. Markets appreciate clarity, and as election results become final, businesses feel they have cleared the uncertainty hurdle. We found our chart this month to be an interesting tell on how the U.S. equity market has fared in both the lead-up to and exit from the election date.

As midterm elections are only every four years, we're not exactly dealing with a robust sample size. This data looks at 13 midterm election years since 1974, and as the chart illustrates, the S&P 500, on average or median, tends to move sideways leading into election day. Once the election is over, markets have historically found their stride again with returns improving through year-end and into the early months of year three of the presidential cycle.

We are not here to make a call on whether history will repeat itself, but knowing what has happened during seasonal periods in the past may help frame expectations in the short period ahead. We are also not suggesting that election outcomes drive market results. Over time, market returns are influenced more by a growing economy, growing earnings and the prevailing interest rate environment. So, as mailers, phone calls, and radio and television ads get ramped up this election season, adding noise to an already noisy world, stick to the plan you have made. When uncertainty rises, a thoughtful plan can provide clarity and help keep the focus on what matters most.

S&P 500 Returns Around Midterm Elections Since 1974



SOURCE: Goldman Sachs Global Investment Research

Protecting What You've Built

As fraud tactics become more sophisticated, protecting your financial information requires more than vigilance. It requires a proactive approach. A few simple habits can go a long way toward reducing risk and safeguarding your family's financial life. Taking preventive steps can help protect your privacy and assets. Read the full article: **6meridian.com/protect-financial-information.** Key reminders:

1. Stay informed about emerging fraud and scam tactics.
2. Regularly monitor accounts and credit activity.
3. Use strong passwords and multi-factor authentication.
4. Be cautious with unsolicited requests for personal or financial information.

	SOURCE: BLOOMBERG 2026	July	YTD	2025	ETFs/Benchmarks
Stocks	UNITED STATES	-0.1%	10.1%	17.8%	SPDR S&P 500 ETF (SPY)
	INTL DEVELOPED	1.6%	11.8%	31.4%	ISHARES MSCI EAFE ETF (EFA)
	EMERGING MARKETS	-5.9%	18.3%	33.3%	ISHARES MSCI EMERGING MARKETS ETF (EEM)
Bonds	US INVESTMENT GRADE	-1.3%	-0.6%	7.2%	ISHARES CORE U.S. AGGREGATE BOND ETF (AGG)
	US MUNICIPALS	-1.7%	0.2%	3.7%	ISHARES NATIONAL MUNI BOND ETF (MUB)
	INTL INVESTMENT GRADE	-0.9%	0.7%	3.1%	ISHARES COARE INT'L AGGREGATE BOND ETF (IAGG)
	GLOBAL HIGH YIELD	0.0%	0.5%	14.6%	ISHARES GLOBAL HY CORP BOND UCITS ETF (HYLD)
	EMERGING MARKETS $	-1.7%	0.7%	13.4%	ISHARES JP MORGAN USD EM BOND ETF (EMB)
Other	COMMODITIES	7.7%	31.1%	6.3%	ISHARES GSCI COMMODITY DYNAMIC ROLL ETF (COMT)
	GOLD	1.0%	-6.3%	64.6%	GOLD NEW YORK SPOT ($/OZ)
	OIL	21.8%	47.5%	-19.9%	CRUDE OIL WTI/GLOBAL SPOT NYMEX

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