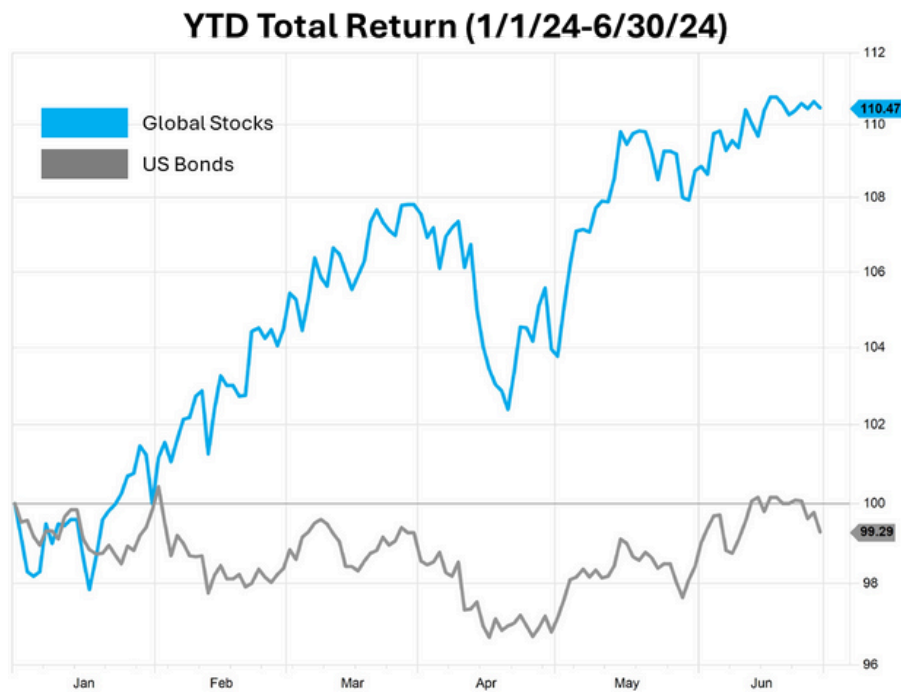


## The Market

Global stocks are up just over 10% year-to-date (through 6/30) on the back of a resilient economy and AI exuberance. Bonds are roughly flat as higher interest rates keep returns in check. Both markets are aware that there is an election this year. And though elections are significant from a societal standpoint, they do not tend to have an impact on long-term market returns.

One of the hot topics is of course inflation which is causing people to feel less well off despite a slowing rate of change. Even though incomes and portfolios have increased as well, it just doesn't feel good to pay a lot more for the same things we bought a few years ago. Nowhere is this felt more than housing.



From an economic perspective we are more or less through the post-Covid adjustments. However, the stimulus that got us through has led to elevated asset prices and higher inflation. With a relatively expensive stock market we can be patient. The highest interest rates in 20 years also offer an opportunity to de-risk portfolios and earn more stable returns.

## The Election

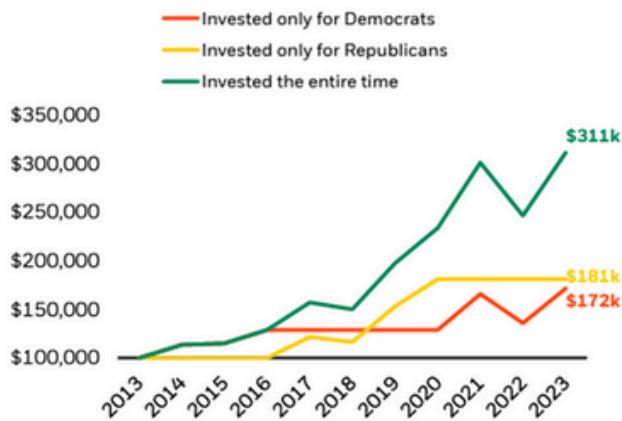
Elections are a very important part of our society and political discourse. That said, the data shows that investment returns are remarkably similar over long periods of time regardless of which political party holds the white house.

Not to completely sound like financial planners, but it's time in the market, not timing the market that matters. The chart below shows simulated portfolios if you based your decision to invest in the stock market on which party held the presidency over the last 70 years. The difference is staggering.

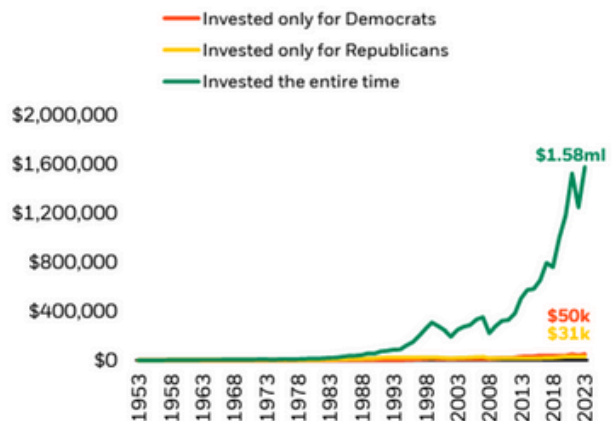
We have found that most people get up in the morning to make a better life for their families every day, democrat or republican, and investing accordingly can remove a lot of unforced errors based on the data.

## It's time in the market that matters... not the president's political party

**Last 10 years, \$100,000 invested 12/31/2013, depending on which party held the presidency**



**Last 70 years, \$1,000 invested 12/31/1953, depending on which party held the presidency**



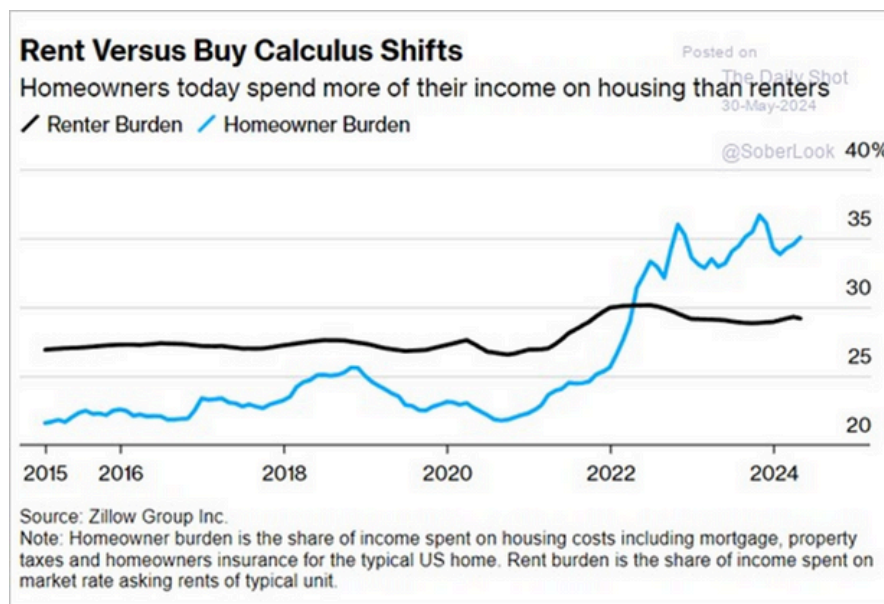
Morningstar as of 12/31/23. Stock market represented by the S&P 500 Index from 1/1/70 to 12/31/23 and IASBBI U.S. large cap stocks index from 1/1/54 to 1/1/70. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

<https://darrowealthmanagement.com/blog/stock-market-performance-by-president-in-charts/>

## Inflation

Inflation is coming down (now around 3% across all goods and services); however, slowing inflation is poor consolation when the whole level of prices has increased 20% or so in the last few years.

Nowhere is this more evident than the housing market where for the first time in our careers, it actually makes more economic sense to rent than own a home. We understand home ownership is still important to many (there is more to a home than just the costs) and have spent a considerable amount of time in recent years helping our clients and their families.



To end on a positive note, while there will certainly be volatility heading into the back of the year, this is one of those times where it isn't a bad thing to have good returns as markets gradually return to normal. Enjoy the summer!

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