



## We elected Who as President?

*What are the markets going to do now???*

*“The **Weakest Link** is fascinating television program. They ask a bunch of people questions and they keep getting rid of the dumbest person, so just the smartest person is left. It is kind of the opposite way we elect a president”*

*Jay Leno*

Every four years, we take a small amount of time out of our day to choose the next President of the United States.

Voting is a simple, uncomplicated act - but the months preceding it are anything but. And, right now, we are knee-deep into the dreaded “campaign season.” And this election has been the most contentious I have ever experienced!

If you're like me, you're probably tired of all the campaigning - and we still have nearly five months to go before Election Day! But, as rancorous and



exasperating this has been so far, I hope you know how important the political process is. Being an informed, engaged citizen is crucial to maintaining the stability of our Republic. That means asking some pretty tough questions, like: “Which candidate best represents my opinions and values?” Getting the answers can be both frustrating and time-consuming.

Fortunately, there's one question you *don't* have to ask.

**“How will the election affect the markets?”**

This is a question I get every four years. This year, I thought I'd make life a little easier for you by answering it now. That means you have one less question to worry about!

So how does the election affect the markets? The answer is:

**Not much.**

Since 1833, the Dow Jones® has gained an average of almost 6% every presidential election year. That number increases to 9.5% for the S&P 500®. Of course, there can be some huge exceptions - in 2008 the Dow sank nearly 34%!

But there's a danger in using averages to try and predict what will happen. Take the “Presidential Election Cycle Theory” for instance. There was a time when many people believed that stocks are always the weakest in the year *following* a presidential election. This was the case for Franklin Roosevelt, Truman and Eisenhower. But in George H.W. Bush's first year, the market rose 25.2%. In Bill Clinton's - 19.9% and Barack Obama - 15.4%.

It's clear that the “Presidential Election Cycle Theory” just doesn't really work as a true indicator. And that's true for actual election years as well. An average merely shows you what has hap-

## Client Profile:

# Randy & Lori Marquardt

Meet Randy and Lori Marquardt; our friends since 2014. Randy and Lori both grew up in Rhinelander, WI where they enjoyed spending time outdoors - water skiing, snow skiing, fishing, and playing golf. If you haven't been able to tell from the photo, they are **big** Packer fans. Randy and Lori's paths crossed when Lori was working in their hometown grocery store. She was a



cashier and Randy stopped by one afternoon to pick up a few items. Once he got home from his errand, he told his mom about this really cute girl at the store. His mom encouraged him to go back to the store that day and ask for her phone number. Well, Randy followed mom's advice and went back to purchase a pack of gum so he could stand in Lori's line. As luck would have it, she was interested in Randy, so she gave him her phone number. Fast forward to today and they recently celebrated their 31<sup>st</sup> wedding anniversary!

Randy attended Cardinal Stritch (WI) University, and earned his MBA from Troy University (AL). For the past 25 years, he has been employed with Osmose Utility Service and is now their V.P.

of Supply Chain. Lori attended Green Bay Technical College and has spent her career as a Dental Hygienist while raising their two children. Through Randy's work, the Marquardt's have had several moves and they have now settled right here in Peachtree City along with their dog, Badger. Their oldest son Anthony has just completed four years in the US Army, and is now moving to Texas with his wife Lauren, and will be heading back to college. Their youngest son Max, a rising junior at Starr's Mill H.S. plays varsity basketball. Both of their sons were active in sports growing up and Randy would always be out there coaching them in both baseball and basketball. Congratulations, also, to Max, on receiving his confirmation this month at Holy Trinity Catholic Church.

What do the Marquardt's like to do in their spare time? Both Randy and Lori enjoy playing golf and belong to the Canongate Golf Club. They also love to travel - their favorite destination is Hawaii and they enjoy going on cruises. In fact they have one planned later this month that will include their sons, daughter-in-law Lauren, and Lauren's parents. The entire family will have a blast as they set sail to the Dominican Republic and Grand Turk. Looking forward to hearing about their trip and posting a picture on Facebook for everyone to see!

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**“Men are like bank accounts. Without a lot of money they don't generate a lot of interest!”**

~ Rita Rudner





He's Here !!

☆☆ Hayes Miller Rubin ☆☆

Sandye and I are very proud to announce the arrival of our very first grandchild, **Hayes Miller Rubin**, who made his entrance into our world on Monday, May 9th at 9:16 pm, weighing in at 8 pounds, 7 ounces and measuring 20 inches long!

Mom (Allison) and Dad (Ryan) are both doing great! And the baby is AWE-SOME. This is probably not a big surprise to those of you who are already grandparents . . . but, for us "first-timers" it is a thrill beyond imagining!



## Election . . .

*Continued from Page 1*

pened, not what's *going* to happen. As you've heard me say countless times: "Past performance in no way is indicative of future results!"

**"Okay,"** you might be saying, **"so there's no hard and fast rule on how election years affect the markets. But surely, if the Republicans win, the market will react favorably?"**

My answer:

**Not really.**

As worked up as we often get about our political beliefs, neither party tends to have that much impact on the markets compared to the other. Historically, the Dow has gone up an average of 9% every year a Democrat lives in the White House. With Republican presidents, the number is 6%. The difference is small, and can be attributed to a whole range of factors, of which politics is way down on the list.

**"So you're saying it doesn't really matter who ends up getting elected?"**

Obviously, it matters a great deal who our president is . . . but *not* when it comes to the markets. And that's a good thing! Here's why:

Our Founding Fathers created a system of government where no branch (executive, legislative, or judicial) was to dominate the other. The fact that neither political party has

that much influence on the markets shows that our system of checks and balances probably extends to investing, too.

Also, the markets are driven by far more than just one person or event. They're controlled by free trade, supply and demand, innovation, international conflict and consumer confidence. The markets are like life. The course our lives take isn't determined by one gigantic decision, but by the millions of small decisions we make every day. I don't know about you, but I find that comforting.

**"So what's the takeaway from all this?"**

The takeaway is that when it comes to investing, we control our own destinies, not politicians. A way to potentially reach your financial goals is by having a sound investment strategy, making informed decisions, and taking emotion out of investing. *Not* by worrying about the election.

So this year, as you watch the debates, chat amongst your friends, and decide who you want the next president to be, you can do so with the knowledge that whatever happens, the markets will likely go their *own* way . . . and so will you.

*Ray*

Data for this column was taken from Anne Kates Smith, "How the Presidential Election Will Affect the Stock Market," Kiplinger.com, March 1, 2016. <http://www.kiplinger.com/article/investing/T043-C008-S003-how-presidential-elections-affect-the-stock-market.html>

Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict.

All indices are unmanaged and investors cannot actually invest directly into an index. Unlike investments, indices do not incur management fees, charges, or expenses. Past performance does not guarantee future results

The S&P 500 Index is a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. The Dow Jones Industrial Average is a price-weighted average of 30 actively traded blue-chip stocks.



# DUNLAP & ASSOCIATES

## WEALTH MANAGEMENT

1401 Georgian Park Drive  
Suite 210  
Peachtree City, GA 30269

Phone: (770) 632-2674  
Toll Free: (800) 416-7870  
FAX: (770) 632-5970  
Email: ray@raydunlap.com

Check out our updated  
Website!!  
[www.raydunlap.com](http://www.raydunlap.com)

### Office Hours:

8:00 am - 5:00 pm  
Monday - Thursday  
8:00 am - 12:00 noon  
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## Linda's News & Notes

If you haven't heard yet, Allison's baby boy, Hayes Rubin, has arrived (see page 3 inside)! And **Ray** (Gramps) and **Sandye** (Gigi) couldn't be more ecstatic! We'll be sure to post pictures on our company Facebook Page for all to see! And, while you are on Facebook, please "follow us" us so we can keep you updated. And remember, although you "follow us" us, on Facebook, it doesn't mean that we are "friends" so we won't be able to see your FB page, it just enables us to land on your newsfeed. **Frank & Mary Beth Wright** (Jacksonville Beach) enjoyed driving their RV to St. George Island to do a little fishing and enjoy the sand. **Calvin & Peggy Scott** (Villa Rica) visited Washington DC so they could enjoy those beautiful cherry blossoms. **Betty & Roger Daniel** (Carrollton) went on a Caribbean escape to Antigua! **Jim & Kim Mashburn** (Peachtree City) will be heading to Germany for 2 weeks to celebrate their 25<sup>th</sup> wedding anniversary where they will be taking a River Cruise. **Doug & Linda Bartlett** (Peachtree City) had a great time in St. Augustine celebrating Linda's birthday! **Bill & Marian Headington** (Rainbow City, AL) will be taking a cruise to Portugal and Barcelona! **Joe & Jerri Martin** (Atlanta) have been playing a trip to Dublin for quite some time and are so excited to finally be heading there. **Tom & Lynn Brooks** (Peachtree City) enjoyed a 15-day cruise traveling down the west coast of Mexico with stops in Costa Rica and Guatemala. Congratulations **Phil & Lisa Hanna** (Fayetteville) - they recently sold their Fayetteville home and are building a new home in Charlotte, NC. **Bob & Kimberley Goldberg** (Williamson) are beaming because their sons **Seth & Simon** are members of the Starr's Mill HS boys tennis team and recently won First Place Team in the Blue Angels Invitational Tennis Tournament in Pensacola. **Phil & Christine Castagna** (Peachtree City) are so excited ...their daughter Samantha is getting married this summer; and our very own **Debbie & Don Martin** (Peachtree City) are also eagerly awaiting a summer wedding for their daughter, Sarah. We'd like to extend a warm welcome to our new clients and a thank you to clients that have referred them to us! **Pete & Leslie Wacker** (Newnan) referred by **Barbara Pitkanen, John Todd** (Sharpsburg), **Jon & Catherine Katz** (Atlanta) neighbors of Ray & Sandye, **Ryan & Lori Proctor** (Atlanta) referred by **Jim & Penny Hyman**. We hope everyone has a safe and fun summer and we look forward to seeing all

Linda