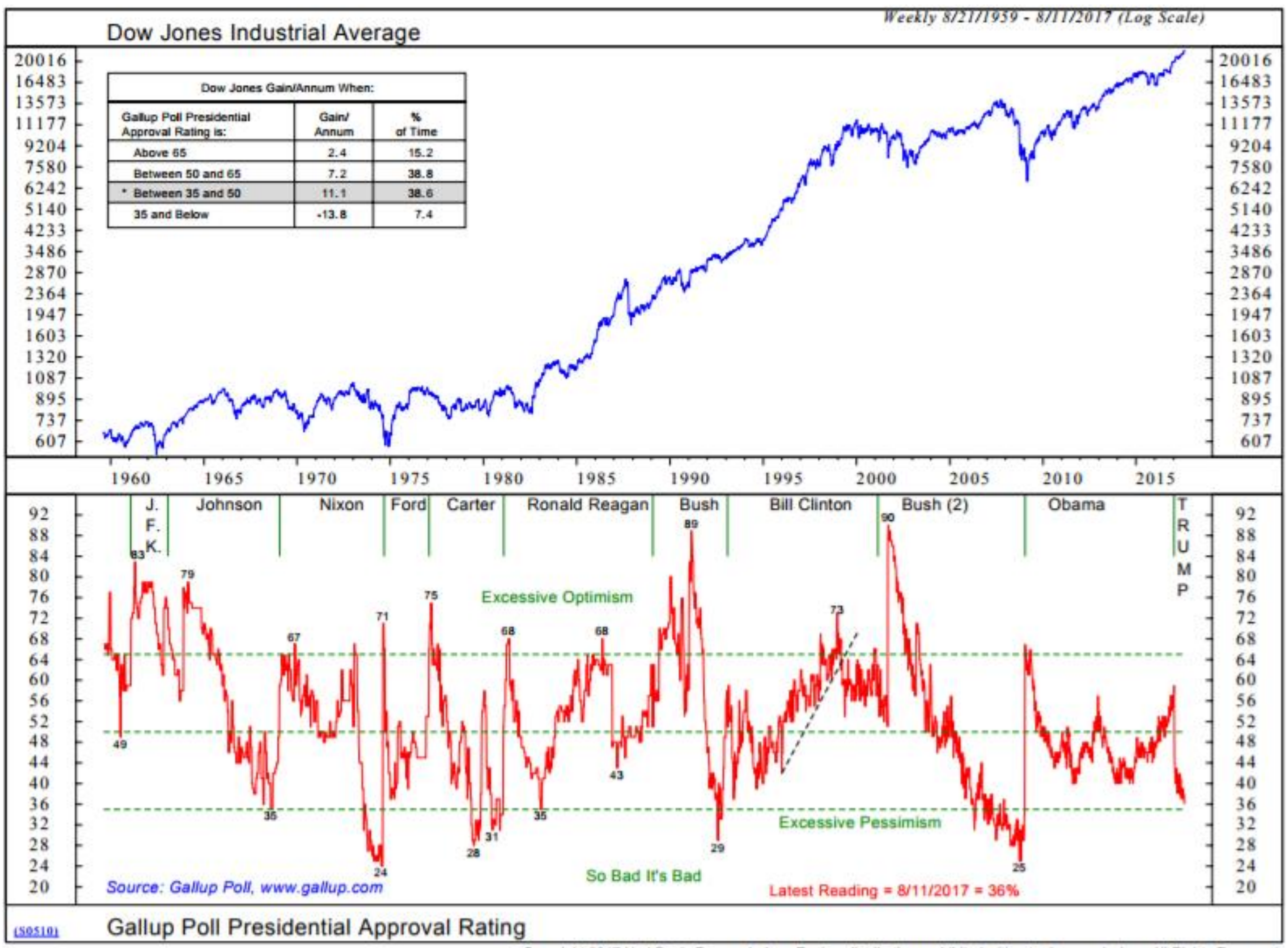
Low Presidential Approval Ratings? Your Portfolio Approves.

America has become much more polarized in the world of politics, as opposing parties don't seem to agree on many things and compromise has become rare. However, it can be a mistake to mix politics and investment management. Favorable equity returns have been experienced under both Democrat and Republican presidential administrations. Additionally, bear markets and recessions have occurred while both parties have been in the White House. Taking a partisan approach to portfolio management would have resulted in missing out on the huge bull market during the Obama Administration. The S&P 500 gained 216% during the eight years under President Obama. Moreover, equity returns have been strong since President Trump was elected last November. The S&P 500 is up over 17% since the day after the election. Bringing politics into the equation when making portfolio decisions is ill-advised.



See next page

What happens when a president is viewed unfavorably? Nearly every presidential administration has gone through periods of low approval ratings. With the country split along party lines, the approval rating for whomever is in office could be relatively low. The approval rating for President Trump is currently 36%, according to the latest Gallup Poll. Since 1959, the sweet spot for U.S. equity returns has been a presidential approval rating between 35% and 50%. Barack Obama's ratings fell largely within this range during his presidency, as has President Trump's in his first eight months in office. According to Ned Davis Research, since 1959, whenever a president's approval rating was between 35% and 50%, the Dow Jones Industrial Average has returned 11.1% on an annualized basis. Those returns are actually higher than periods of high presidential approval. The Dow Jones Industrial Average has returned 7.2% annualized when the presidential approval rating is between 50% and 65%, and 2.4% annualized when presidential approval rating is above 65%. However, a low presidential approval rating has been historically good for equity returns only up to a point. When the presidential approval rating drops below 35%, it becomes "so bad, it's bad." Keep in mind that this could be cause and effect. A falling equity market could lead to a poor presidential approval rating. The annualized return for the Dow Jones Industrial Average is -13.8% when the presidential approval rating falls below 35%. This is a relatively rare occurrence, though, as the presidential approval rating has fallen below 35% only 7.4% of the time since 1959. Instances of when the presidential approval rating dropped below 35% include the Watergate scandal under President Nixon, rampant inflation under President Carter, and the financial crisis during the later stages of President George W. Bush's time in office. Also, 35% isn't necessarily a magic number; and President Trump's approval ratings could fall below this and equity markets may not fall. The performance numbers cited above are averages. It is difficult to project where President Trump's approval rating goes from here, but up to this point, it has been "so bad, it's good." At least from the perspective of your portfolio.

This report is created by Tower Square Investment Management LLC

About Tower Square Investment Management®
Tower Square Investment Management LLC is an SEC registered investment adviser owned by Cetera Financial Group. Tower Square Investment Management provides market perspectives, portfolio guidance, investment research, and other investment advice to its affiliated broker-dealers, dually registered broker-dealers and registered investment advisers.

Disclosures
The material contained in this document was authored by and is the property of Tower Square Investment Management LLC. Tower Square Investment Management provides investment management and advisory services to a number of programs sponsored by affiliated and non-affiliated registered investment advisers. Your registered representative or investment adviser representative is not registered with Tower Square Investment Management and did not take part in the creation of this material. He or she may not be able to offer Tower Square Investment Management portfolio management services.

Nothing in this presentation should be construed as offering or disseminating specific investment, tax, or legal advice to any individual without the benefit of direct and specific consultation with an investment adviser representative authorized to offer Tower Square Investment Management services. Information contained herein shall not constitute an offer or a solicitation of any services. Past performance is not a guarantee of future results.

For more information about Tower Square Investment Management strategies and available advisory programs, please reference the Tower Square Investment Management LLC Form ADV disclosure brochure and the disclosure brochure for the registered investment adviser your adviser is registered with. Please consult with your adviser for his or her specific firm registrations and programs available.

No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The opinions expressed are as of the date published and may change without notice. Any forward-looking statements are based on assumptions, may not materialize, and are subject to revision.

All economic and performance information is historical and not indicative of future results. The market indices discussed are unmanaged. Investors cannot directly invest in unmanaged indices. Please consult your financial advisor for more information.

Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards.

While diversification may help reduce volatility and risk, it does not guarantee future performance.

Investors should consider the investment objectives, risks and charges, and expenses of the fund carefully before investing. The prospectus contains this and other important information about the fund. Contact your registered representative or the issuing company to obtain a prospectus, which should be read carefully before investing or sending money.

Tower Square Investment Management LLC
200 N. Sepulveda Blvd., Suite 200, El Segundo, CA 90245

Glossary

*The **Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.*

*The **S&P 500** is an index of 500 stocks chosen for market size, liquidity and industry grouping (among other factors) designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.*

Tower Square Investment Management LLC
200 N. Sepulveda Blvd., Suite 200, El Segundo, CA 90245