



Build a **SOLID RETIREMENT** plan

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 4 ANNUITY AND SAVINGS PLAN

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Presidential Elections and the Stock Market

Presidential elections can be divisive and unsettling. At times, the fate of the world seems to hang in the balance. But when it comes to investing your hard-earned money in the International Union of Operating Engineers (IUOE) Local 4 Annuity and Savings Plan, do elections really matter all that much?

U.S. voters will have their say on November 3rd, but by maintaining a long-term focus, you have the opportunity to position yourself for a brighter retirement future regardless of the outcome of the election. In fact, overreacting to short-term market volatility during presidential election cycles can be detrimental to your investment returns.

To register for a virtual education seminar hosted by MassMutual®, American Century Investments®, and Cammack Retirement Group on **Thursday, November 5, 2020 at 6:00 p.m., ET**, visit the **IUOE Local 4 Benefit Funds Office website at www.local4funds.org**.

There have always been tumultuous events

The current COVID-19 pandemic and economic, social and political challenges may seem unprecedented, but looking back in history shows that controversy and uncertainty have surrounded every presidential campaign.

Investor concerns may seem especially prevalent during presidential election years when campaigns spotlight the country's challenges. It's important to keep in mind that history has shown the stock market has weathered many presidential election years and serious events. Investment success has depended more on the strength and resilience of the American economy than on which candidate or political party holds office.

Investing with confidence

If you're nervous about the market, you're not alone. Presidential candidates often draw attention to the country's challenges and political campaigns tend to amplify negative messages. History shows that investors have moved their money from equities into cash leading up to elections and wait until after uncertainty has subsided to revisit riskier assets like stocks.

But market timing is rarely a winning long-term investment strategy, and it can pose a problem for portfolio returns. It's important to stay true to your investment course. Keeping in mind that past performance is no indication of future results, remember what we can learn from history: the stock market has weathered elections and many serious events in the past.



Democrat

Total ending value 10 years after the start of the Democratic presidency



Republican

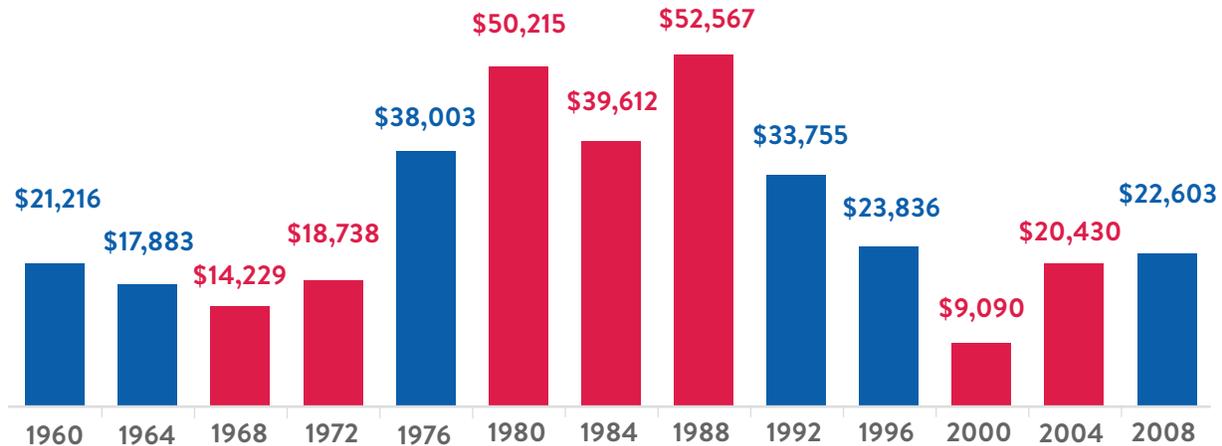
Total ending value 10 years after the start of the Republican presidency

1960	1964	1968	1972	1976	1980	1984	1988
John F. Kennedy vs. Richard Nixon	Lyndon Johnson vs. Barry Goldwater	Richard Nixon vs. Hubert Humphrey	Richard Nixon vs. George McGovern	Jimmy Carter vs. Gerald Ford	Ronald Reagan vs. Jimmy Carter	Ronald Reagan vs. Walter Mondale	George H. W. Bush vs. Michael Dukakis
<ul style="list-style-type: none"> Cuba nationalizes U.S. assets American U-2 spy plane shot down in Soviet airspace 	<ul style="list-style-type: none"> Civil Rights Act passes after lengthy filibuster Gulf of Tonkin signals military involvement in Vietnam 	<ul style="list-style-type: none"> Vietnam protests and civil rights issues roil conventions RFK and Martin Luther King Jr. assassinated 	<ul style="list-style-type: none"> Watergate scandal surfaces Vietnam War drags on 	<ul style="list-style-type: none"> New York City threatens bankruptcy Economy mired in recession 	<ul style="list-style-type: none"> Iran hostage crisis drags on Olympic boycott underscores Cold War divide 	<ul style="list-style-type: none"> Budget deficits rising rapidly Stock market slides over 30% in less than four months 	<ul style="list-style-type: none"> Savings and loan crisis reaches apex Iran-Contra indictments

Presidential election results have had very little impact on long-term investors. History shows that markets have risen whether a Republican or Democrat has been in office.

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT MADE AT THE BEGINNING OF AN ELECTION YEAR

The chart below reflects that the political party affiliation of the presidential candidate that claims victory hasn't been a deciding factor in how a \$10,000 investment made at the beginning of an election year looked 10 years later.



Source: © 2018 Morningstar, Inc. All Rights Reserved, S&P 500 Fund

Performance shown is past performance. Past performance does not guarantee future results. You can lose money, including loss of principal, by investing in this fund. Investors should carefully consider investment objectives, risks, charges, and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from www.MassMutualfunds.com and should be read carefully before investing.

1992	1996	2000	2004	2008	2012	2016
Bill Clinton vs. George H. W. Bush	Bill Clinton vs. Bob Dole	George W. Bush vs. Al Gore	George W. Bush vs. John Kerry	Barack Obama vs. John McCain	Barack Obama vs. Mitt Romney	Donald Trump vs. Hillary Clinton
<ul style="list-style-type: none"> Los Angeles riots highlight racial tension Pending NAFTA ratification creates anxiety 	<ul style="list-style-type: none"> 19 American servicemen killed in Saudi Arabia bombing UN arms inspectors repeatedly thwarted in Iraq 	<ul style="list-style-type: none"> Tech bubble bursts; stock markets plummet Attack on USS Cole heightens terrorism concerns 	<ul style="list-style-type: none"> Oil prices soar Ongoing wars in Iraq and Afghanistan 	<ul style="list-style-type: none"> Subprime mortgage crisis Lehman Brothers collapse; world markets fall 	<ul style="list-style-type: none"> High-stakes negotiations lead to a deal to avert the "fiscal cliff" Superstorm Sandy kills 268 people and causes \$68 billion in damage 	<ul style="list-style-type: none"> Rise of populism affects elections around the world The U.K. votes to leave the European Union

Diversify to spread your risk

During times of market volatility, it's important to remember the fundamentals of a sound, long-term investment strategy. A good defense is diversification, which means to spread your money within a variety of investment types to help reduce your risk and enhance your return. While diversifying doesn't necessarily protect against loss in a declining market, it can be a sound investment strategy.

If you prefer a simplified approach to diversification over selecting individual investments, the IUOE Local 4 Annuity and Savings Plan offers American Century Collective Investment Trust Retirement Date portfolio options. These portfolios are managed by experienced professionals and are designed to provide a simple investment solution by offering a diversified portfolio of stock funds, bond funds and money market funds. These portfolios follow a pre-set asset allocation schedule that aims to deliver the appropriate trade-off between risk and reward potential based on your age and planned retirement date.

Investors often get nervous and move to cash in election years, but that's rarely a winning strategy. The key is to avoid trying to time markets around politics.

A Collective Investment Trust Retirement Date portfolio may not achieve its objective and/or you could lose money on your investment in the fund. You may experience losses near, at or after the target date. There is no guarantee of the fund's principal value, including at the target date, or that the fund will provide adequate income at and through your retirement.

We're here to help

We're all in this together. Creating a game plan for **what's happening now** — and **what's happening next** — can help you maintain investment confidence during a presidential election year.

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For up-to-date economic insights and market commentaries, visit www.retiresmart.com. MassMutual representatives are also available to assist you at no cost Monday through Friday from 8:00 a.m. — 8:00 p.m. at **1-800-743-5274**. You can also contact Cammack Retirement Group at 781-237-2291 or info@cammackretirement.com for assistance at no cost to help you reach your retirement planning goals.

