

Election campaign enters overdrive: Choppy markets ahead

September 2020



A resilient portfolio is more important than ever. Explore additional insights, and find out how our solutions can help. [Start here.](#)

William W. Priest, CFA

Executive Chairman,
Co-Chief Investment Officer &
Portfolio Manager,
Epoch Investment Partners, Inc.

Kevin Hebner, PhD

Managing Director,
Global Portfolio Management,
Epoch Investment Partners, Inc.

Joe Biden is currently enjoying a seemingly comfortable lead in both national polls and on betting sites. However, polls at this stage have been wrong three times in the last 12 elections (1988, 2004, 2016)*.

39% of the electorate plan to vote by mail, while 15% to 20% have voted early in recent elections. This implies that, marking a historical first, a solid majority may cast their vote prior to election day.

Market volatility typically rises ahead of elections and this year should prove no exception. Moreover, if the election is close, it is possible that the period of elevated uncertainty lasts well beyond November 3. During the contested period in 2000, SPX volatility remained elevated, the SPX declined by 8% (almost entirely due to tech), the USD fell by 6%, and 10-year bond yields declined by 80 bps. During periods of rising volatility, high-quality companies with strong earnings visibility and sustainable free cash flow, typically hold their own.

Biden's campaign platform promises tax hikes (for corporates and high-income households), health care and pharmaceutical reform, a focus on green infrastructure and renewable energy, and increased regulation (e.g., energy, finance). If enacted, this could be positive for clean energy, infrastructure, construction materials, and lower-end retailers. On the other hand, his policies could prove negative for managed care organizations, pharmaceuticals, traditional auto, oil and gas, transport, defense, banks and consumer finance, real estate, and high-end consumer plays. The outlook for tech is uncertain, as it has not been a campaign focus.

* Source: Gallup Presidential Election Trial-Heat Trends, 1936-2008.

The final two months of the campaign promises a torrent of incendiary rhetoric and plenty of surprises for both voters and investors. For a few states, early voting begins in just a couple weeks (starting September 18 in Minnesota and South Dakota), while

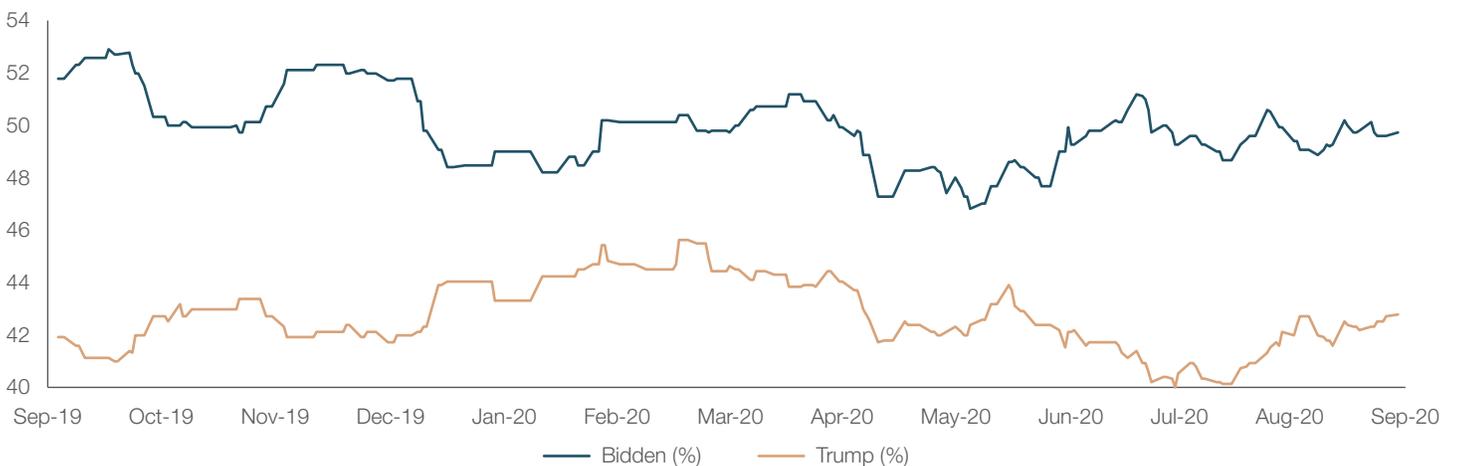


INVESTMENTS

North Carolina will be the first to send out absentee ballots, on September 4. The first presidential debate occurs on September 29 at Notre Dame University in Indiana, with the only VP debate taking place the following week in Salt Lake City, Utah. The two campaigns offer markedly different policy platforms, which suggests exceptionally choppy markets as we enter the final stretch.

Joe Biden is currently enjoying a seemingly comfortable lead in both national polls (**Figure 1**) and on betting sites. However, much can happen in the final two months. For example, at this point in the 2016 campaign, Hillary Clinton was ahead by 4.3 pts. In fact, polls at this stage have been wrong three times in the last 12 elections (in 1988 with Dukakis, 2004 for Kerry, and 2016 with Clinton). Moreover, 538 gives Trump a 29% chance of winning, which is exactly the same as their 2016 forecast was at this stage in the race. All this suggests it is far too early to discount President Trump's chance of upending the pundits for a second time.

Figure 1: Biden is ahead by 7 pts in the National poll average, but pundits warn that Biden's support is lukewarm while Trump's is steadfast and understated due to "shy" supporters



Source: Real Clear Politics, Bloomberg.

Policy matters: What issues are most important to voters?

According to a recent survey (**Figure 2**) voters prefer Trump on the Economy (#1 issue) and Crime (low down the list, but rising in importance), while Biden is preferred on Bringing the Country Together, Health Care, and others. These results suggest two key risks to the Biden campaign. First, that the economy comes roaring back this quarter. This is more than a hypothetical, as JP Morgan forecasts an eye-popping 27.5% (saar) growth in Q3. Second, rising voter concerns about crime and violence. Again, this already appears to be happening, as handgun sales and FBI firearm background checks are up dramatically from 2019.

Figure 2: Do you think Trump or Biden would be better on...

| | Trump (%) | Biden (%) | Importance* (%) |
|-------------------------------|-----------|-----------|-----------------|
| Economy | 48 | 38 | 51 |
| Bringing the Country Together | 26 | 49 | 43 |
| Strong Leadership Qualities | 39 | 43 | 34 |
| Health Care | 34 | 50 | 29 |
| COVID-19 | 33 | 49 | 27 |
| Foreign Policy | 39 | 49 | 21 |
| Race Relations | 29 | 53 | 21 |
| Crime | 43 | 39 | 15 |
| Immigration | 48 | 49 | 13 |

Source: NBC/WSJ poll conducted Aug 9-12. * Which one or two issues are most important in deciding your vote.

An additional and unique source of uncertainty is the pandemic. It now ranks fifth among voter issues, ahead of traditional voter concern such as foreign policy, and immigration. Moreover, the pandemic is likely to change how and when the electorate votes (**Figure 3**). Gallup estimates that 39% plan to vote by mail, while 15% to 20% have voted early in recent elections. Although the rules on both methods vary greatly from state to state, this implies that, marking a historical first, a solid majority may cast their vote prior to election day. An extra wrinkle is that mailed ballots don't need to be received until well after November 3 in some places, including several traditional swing states. (For example, mailed ballots must be received by November 10 in NY and DC, November 12 in Ohio, November 17 in Illinois and November 20 in California)

Swing states: Where the election will be decided

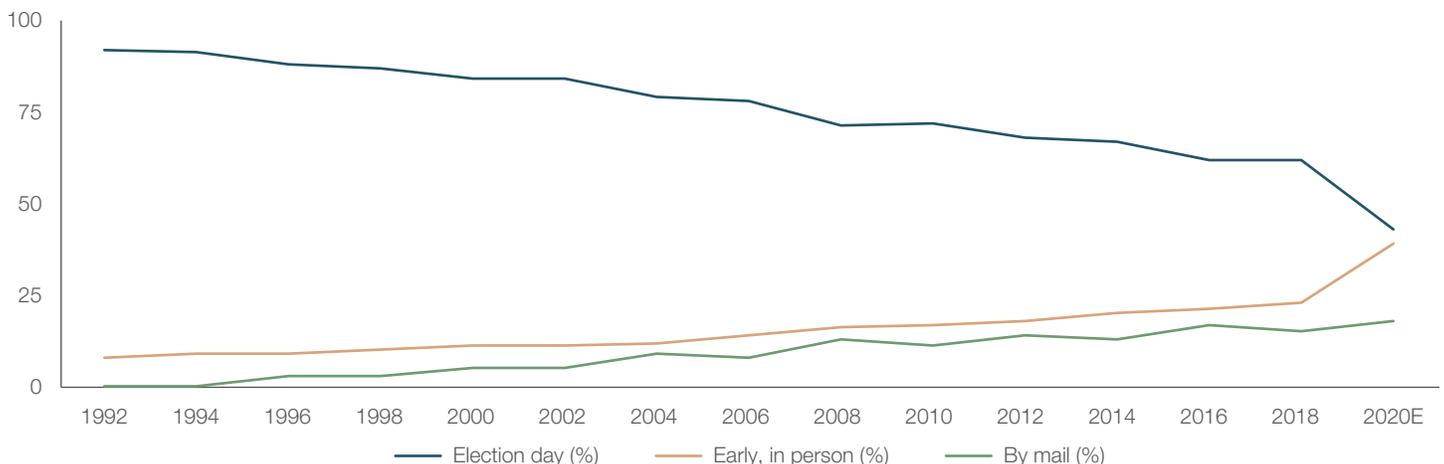
According to 270twin.com's consensus forecast (it aggregates the ratings of ten polling organizations), the Democratic party is currently expected to win 278 electoral college votes, against 169 for the Republicans. Toss-up states account for 91 votes, with key places to watch including Florida (29 votes), Ohio (18), Georgia (16), North Carolina (15) and Arizona (11). There are also six states that are currently leaning Democrat but could swing Republican. This group includes Pennsylvania (with 20 votes), Michigan (16), Wisconsin (10) and Minnesota (10).

Although Biden is currently ahead in a number of swing states, before taking a victory lap it is worth remembering the experience of Clinton four years ago. To illustrate, Biden is currently leading in Florida by 5 ppts. However, in late-August 2016 Clinton was ahead by 3 ppts and ultimately lost the state narrowly to Trump. Similarly, for Pennsylvania (Clinton was leading by 9 ppts), Michigan (also 9 ppts) and Wisconsin (11 ppts), all won narrowly by Trump. This implies Biden's current lead in these four swing states may be less robust than many commentators attest. An additional factor that should weigh on Biden and his supporters is the considerable advantage Trump gains from being the incumbent.

One-term Presidents: The exception rather than the rule

During their first term, many presidents see their party suffer mid-term losses, but then bounce back to win re-election. The two most recent exceptions are Carter (reflecting the malaise and "crisis of confidence" in the late-1970s) and Bush 41 (due to the 1990-1991 recession), whose approval ratings continued to slip in the runup to the election. While Trump's approval rating was solid at the beginning of the year, suggesting a strong likelihood of re-election, it has fallen significantly during the last four months. Reflecting the pandemic, it is now tracking similar to the two single-term Presidents named above. However, Trump is a strong campaigner and has all the resources of the White House to employ, so two months could prove sufficient to move his approval numbers closer to the successful bids of Bush 43 and Obama.

Figure 3: Method of voting over time – 2020 may be the first ever that less than 50% vote in person on election day

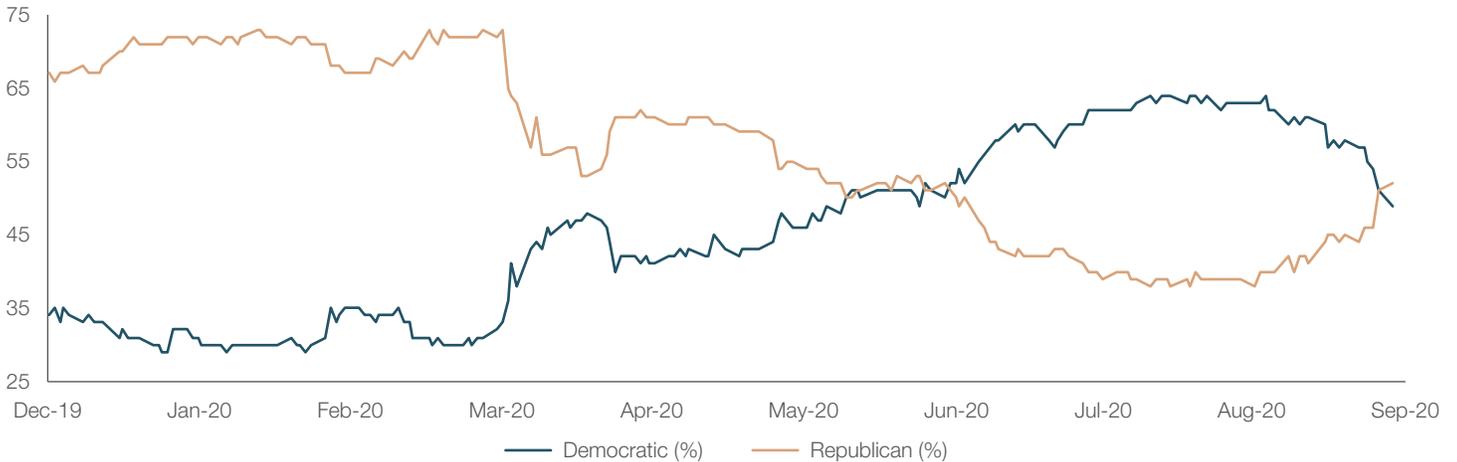


Source: U.S. Census Bureau, JP Morgan, Gallup, Epoch Investment Partners.

Senate control: The more important election?

While Presidents wield a great deal of executive power, 50 Senate votes are required if they want to really move the needle and have their favored policies signed into legislation. According to betting sites, the House is highly likely to remain Democratic (the odds have been holding steady at just over 80%), but the Senate is a much closer race (**Figure 4**). The consensus, again as compiled by 270towin.com, sees both parties with 47 Senate seats, while six are categorized as toss-ups (Colorado, Georgia, Iowa, North Carolina, Maine, Montana). This is yet another reason to expect uncertainty to rise as we approach November 3.

Figure 4: A tight battle to control the senate

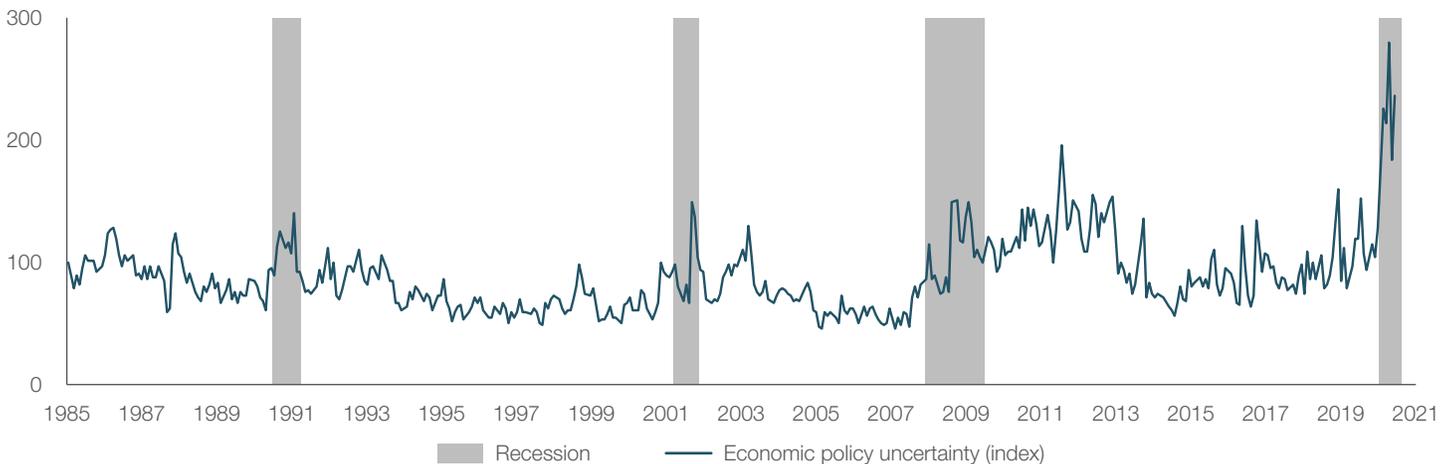


Source: PredictIt, Bloomberg.

Market volatility typically rises ahead of elections: And this year should prove no exception

The level of economic policy uncertainty is already close to a record high (**Figure 5**), reflecting elevated unease regarding the outlook for health care, regulatory and entitlement policies. This index was designed by professors at Stanford, Chicago, and Northwestern University, and uses three types of inputs (frequency of newspaper references, disagreements among forecasters, and expiration of provisions). Further, the authors have demonstrated that the uncertainty index can foreshadow declines in GDP, capex, and employment.

Figure 5: Economic policy uncertainty is close to its highest level since inception



Source: Bloomberg, Epoch Investment Partners, NBER.

In addition to policy uncertainty already being elevated, SPX volatility typically increases in the months before a presidential election (**Figure 6**). And markets are expecting an even bigger increase than normal this year. The spread between implied SPX volatility three months out (so after the election) and one month from now, is the highest it has been since at least 2006. A similar 3 month – 1 month spread for currency volatility is also at a multi-decade high. This demonstrates that investors are expecting increasingly choppy markets, which is important because, during periods of rising volatility, high-quality companies with strong earnings visibility and sustainable free cash flow typically outperform. Moreover, it is possible that the period of elevated uncertainty lasts well beyond Nov 3.

Hanging chads: What if results are delayed, similar to 2000?

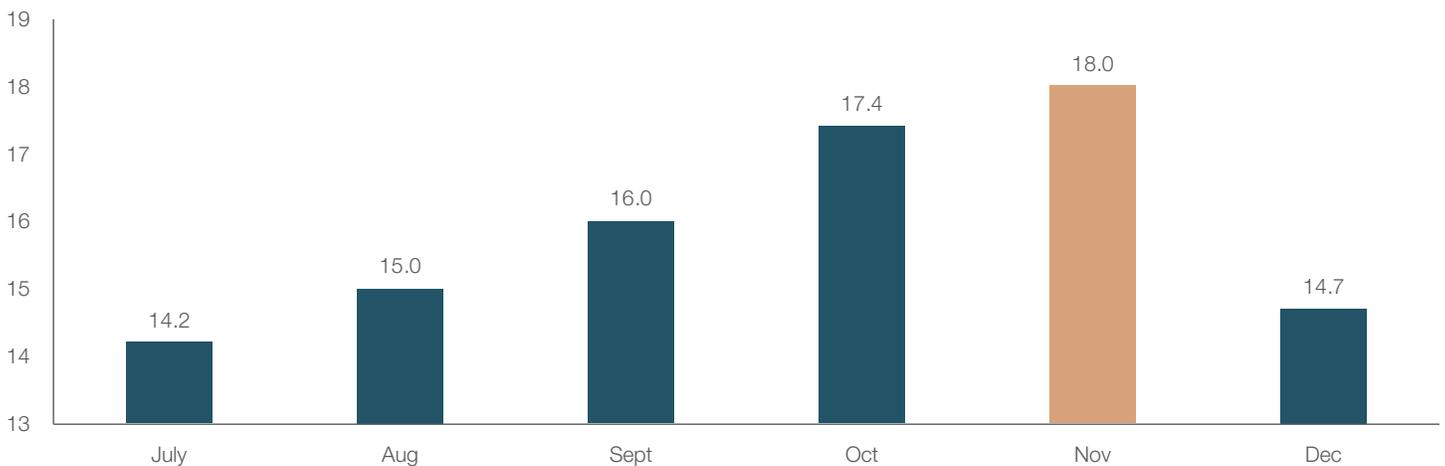
The election two decades ago was a closely fought battle, with uncertainty about the winner remaining for six weeks after the election was held. In the interim, SPX volatility remained high, the SPX declined by 8% (**Figure 7**), the U.S. dollar fell by 6%, and 10-year bond yields declined by an impressive 80 bps. It should also be noted though that almost the entire SPX decline was due to tech, suggesting the election was an important catalyst for the “priced for perfection” tech trades of the late-1990s to unwind. This may be especially relevant to today’s situation, which many pundits compare to the tech bubble.

Three scenarios: A blue sweep would be most impactful

While there are eight potential government configurations, given that the House is likely to remain Democratic, we only consider three here. The first scenario is a continuation of the status quo. In such a partisanly divided government, most action would necessarily take the form of executive orders, appointments, and repealing regulations. Additional fiscal stimulus would be unlikely, even though Trump’s campaign platform promises to “Cut taxes to boost take-home pay and keep jobs in America.” Deregulation would focus on further easing of financial, energy and other regulations, while foreign policy would continue to emphasize unilateralism, and feature intensified strains with China. The reaction from investors to this outcome would likely be positive, pushing risk assets and the U.S. dollar higher, as markets unwind the fear of rising taxes and increased regulations, as the Biden campaign has pledged.

The second scenario involves a Biden win, but with a Republican Senate. A split congress means domestic gridlock, featuring less legislation and more executive orders. Fiscal policy would be similar to the status quo, although the regulatory outcome would be more like the Democratic sweep scenario (focused on energy, the environment and finance). Foreign policy would be more predictable, and less unilateral. Overall, this outcome would likely prove moderately positive for equities.

Figure 6: Average SPX volatility (%) for election years since 1928



Source: BoA.

The third scenario is a Democratic sweep, which betting sites are putting a 44% probability on. This outcome would feature a progressive agenda, with more spending, more taxes, and more regulation. The tax hikes would focus on corporations and high-income individuals but would likely be smaller and later than the campaign’s proposal, due to the swoosh-shaped recovery and the weak, 90% economy. One concern is the risk of MMT-style deficits, which could drive 10 year yields

significantly higher, undermining equity markets (especially long-duration stocks) and housing prices. Other top priorities would include healthcare and pharmaceutical reforms, as well as energy and the environment. Foreign policy would remain tough against China, especially on trade, but would be considerably more multilateral. Finally, equities would likely fall moderately, say by 5%, on concerns about higher taxes and increased regulation. Given this scenario would likely prove most impactful to markets, the next few sections provide a bit more detail on Biden's campaign platform.

Figure 7: The SPX declined by 8% during the period of elevated uncertainty following the 2000 election



Source: Bloomberg, Epoch Investment Partners.

Build back better: Tons of plans – which are priorities?

“Joe’s vision” (as shown on joe Biden.com/joes-vision) is certainly not lacking in breadth and coverage, with detailed plans presented on taxes, health care, clean energy, green infrastructure, racial equity, immigration, and much more. However, it is easy to get lost in the mass of detail, raising a challenge for understanding which policies would be prioritized in the early years of a Biden presidency. This is an especially knotty problem when, for most administrations, “Personnel is Policy” and so far, we only know his choice for VP.

Still, in broad strokes we think the following are the four most important items of his platform:

- 1. Tax hikes:** Focused on corporations and high-income individuals
- 2. Health care and pharmaceutical reform:** Including an expanded Affordable Care Act, and allowing Medicare to negotiate drug prices and linking the cost of domestic drugs to international prices
- 3. Green infrastructure and renewable energy:** Pledging to spend \$2 tn over four years
- 4. Increased regulation:** Especially regarding energy, the environment, and finance, but with surprising little attention being paid to tech

More detail on these four priorities and their market implications are provided below. As we will see, they would likely prove positive for clean energy, several subsectors within health care, infrastructure, construction materials, and lower-end retailers. On the other hand, they could prove negative for managed care, pharmaceuticals, traditional auto, oil and gas, defense, banks and consumer finance, and high-end consumer plays. The outlook for tech is uncertain, as it has not been a campaign focus. Moreover, even if antitrust is pursued more aggressively, the historical experience suggests in most cases it could prove to be a positive catalyst, benefiting shareholders. With that, we now provide a more detailed analysis of Biden’s policies.

Tax policy: Major reforms require a trifecta win

In terms of corporate taxation, Biden's plan has three main components. First, hiking the corporate tax rate from 21% to 28% (reversing half the Trump cut), which would shave about \$10 off 2021 EPS for the S&P 500. Next, introducing a minimum corporate tax of 15% on reported book income. Third, doubling the GILTI (global intangible low tax income) rate to 21%, which would hit foreign subsidiaries of U.S. firms (especially tech). Biden would also like to repeal certain tax breaks for fossil fuels and real estate. Overall, his corporate tax plan could hit sectors such as Utilities, Energy, and Telcos especially hard.

Regarding individuals, Biden has promised to raise the top individual tax rate from 37% to 39.6%. Further, for those with income over \$400k, he would impose an additional social security tax (12.4%) and phase out qualified business deductions and cap itemized deductions. Additionally, for capital gains at death he would tax unrealized gains (that is, ending the stepped-up basis). For lower-income families, Biden has promised to provide tax credits for childcare and caregiving.

The Biden tax plan is highly progressive, increasing taxes for the top 1% of earners by 13% to 18% of after-tax income, while indirectly increasing taxes for most other groups by 0.2% to 0.6%. The Tax Policy Committee estimates Biden's hikes would increase revenues by \$4tn over 2021 to 2030 (1.6% of GDP), with 75% borne by the top 1%. Similarly, according to the Tax Foundation, his policies would lead to 7.8% less after-tax income for the top 1% of taxpayers, and 1.1% less for the top 5%.

Joe's vision: Healthcare, pharmaceuticals, and the pandemic

A key component of Biden's plan is to expand the Affordable Care Act (ACA), significantly increase its subsidies and create a public option (similar to Medicare). This plan is less aggressive than that proposed by members of the progressive wing of the Democratic Party, and Biden emphasizes that, "If you like (your private insurance), you're able to keep it." He has also proposed lowering the Medicare age to 60 and ending surprise billing.

This plan could prove negative for managed care organizations (MCOs) that are tied to commercial insurance like Anthem and Cigna, but could benefit government-focused MCOs Molina Healthcare and Centene. Also, MCOs benefited greatly from the 2017 tax reform, and could suffer under a Biden-administration reversal.

Regarding the pharmaceutical industry, Biden proposes to allow Medicare to negotiate drug pricing directly, introduce external reference pricing (that is, base U.S. prices on those paid in other nations) and restrain drug price growth to inflation in parts B and D. He would also restrict launch prices and not allow tax deductions for direct-to-consumer advertising. These plans would certainly be negative for some pharmaceutical companies.

Concerning the pandemic, Biden has promised to make tests free and widely available, and to force insurers to cover all costs of preventing and treating COVID-19. He has also pledged to put public health officials at the forefront of crafting policy and to support U.S. production of PPE, APIs, pharmaceuticals, and other medical devices. Potential beneficiaries of this plan include Thermo Fisher Scientific and Danaher.

Clean energy and green infrastructure: Biden's new climate plan

Biden has promised to invest \$2.0tn over four years into a range of climate and environmental initiatives. He also pledged to reform and extend clean energy tax credits and create a nationwide clean energy standard. Among his goals from this spending spree are to achieve a carbon neutral power sector by 2035, and to decarbonize the transport sector. The latter would involve accelerated adoption of zero-emission vehicles by establishing new fuel economy standards and developing 500,000 electric vehicle charging stations.

Biden would also upgrade 4 million commercial buildings and pass legislation requiring all new commercial buildings be net-zero by 2030, with the objective of cutting the carbon footprint of the national building stock by 50% by 2035. Additionally, he would invest \$400bn over 4 years into clean energy technologies and seek to achieve cost parity for green hydrogen with traditional hydrogen by 2030. He would also repeal traditional energy tax incentives, rejoin the Paris climate agreement, and reinstate many of the environmental regulations that were rolled back under Trump. The long-term goal is net-zero emissions for the economy by 2050.

Biden's ambitious plan would clearly create a headwind for some traditional energy companies. However, potential beneficiaries include Jacobs (engineering and construction), Reliance Steel (materials), Martin Marietta Materials (construction materials) and Linde (longer-term Green Hydrogen play as well as CO₂ Capture and Sequestration).

Tech: So far, Biden has said little about privacy or antitrust

While Biden's corporate tax hikes are likely to present a headwind for the sector, tech executives have been heartened by the choice of Kamala Harris, who is viewed as a friend of the industry. Antitrust is always political and if pursued more aggressively would likely target Google, Facebook, Amazon, and Apple. (Although the historical experience, starting all the way back with Standard Oil, strongly suggests shareholders actually benefit from actions to breakup companies.) Biden has also called for more content regulation, including repealing Section 230, which would end online platforms' immunity from liability over material their users post. This would especially affect companies like Facebook and Twitter. Finally, Biden has pledged to close the "digital divide," by increasing subsidies for lower income and rural households.

Finance: Higher taxes and increased regulatory burdens

The banking sector rose by 25% in the month after the 2016 election on expectations of tax cuts and lighter regulation. A Biden victory could have the opposite effect, although of a much smaller magnitude. Virtually all financials would face higher tax bills, and Biden has pledged to institute a "financial risk fee" on large banks (likely a 7 bp fee on covered liabilities). Other headwinds include the likelihood of enhanced capital requirements for banks and greater consumer enforcement with tougher fiduciary duty rules, which would especially impact sub-prime lenders.

Retail and the consumer outlook: High end at risk, but value stores could do well

Biden's campaign raises several negatives for the retail sector. The higher corporate tax rate is a particular headwind for retailers due to their relatively high U.S. income mix. Some retailers might also be negatively impacted by a higher minimum wage (has been \$7.25 since 2009). Additionally, the increased tax burden on the relatively rich might hurt retail/consumer discretionary companies that are focused on that market segment. On the other hand, several of Biden's policies could help lower-income households and increase their purchasing power. This suggests Walmart, Dollar General, Dollar Tree and TJX could be positioned well on a relative basis given the value nature of their businesses.

Real estate: Higher effective tax rates and costly green regulations

In addition to higher corporate tax rates, several tax benefits are likely to be eliminated (specifically 1031 Exchange, which allows capital gains taxes to be deferred or avoided on certain transactions). Further, potential regulations to make buildings more eco-friendly could prove costly. The Office and Retail segments are likely to be especially hard hit.

Transport: Higher corporate tax rate and costly environmental regulations

Similar situation to real estate. The higher corporate tax rate could be a major headwind due to some transports getting almost 100% of their net income from domestic U.S. operations. Additionally, Biden has pledged to impose environmental regulations on the sector which will increase the cost of operations. Further, his green plan could further reduce demand for coal and crude by rail, as well as oil related products (e.g. steel). Companies negatively impacted include NSC (rail) and truckload names.

Defense: Less of a priority for Biden

Defense spending over the next five years will probably decline in real terms, which will hurt some companies in this sector.

Cannabis: Likely to defer legalization to the states

Control of the Senate is key, so that legalization legislation can get to Biden's desk. While he would likely sign whatever Congress can pass, the most likely outcome is the bi-partisan STATES Act to defer legalization to the states.

A “Pro-American Worker” trade strategy” (whatever that means)

The relationship with China will deteriorate regardless of the election outcome. (See our December 2019 paper, “*Cold War 2.0: The Platform, the Players, and the Stakes*”) However, Biden will probably work well with allies and a softening on tariffs could prove a significant boost for corporate earnings in a few sectors. One risk is that Biden has pledged to levy a “carbon adjustment fee” on goods coming from countries that fail to meet climate and environmental obligations.

Trump’s campaign promises: “Fighting for you!”

Having discussed Biden’s platform in some detail, we now turn to President Trump. On August 23, his re-election campaign released a set of core priorities for a second term. (donaldjtrump.com) His policies, such as tax cuts and deregulation, are by now well-known to readers, so we won’t elaborate further. With the House likely to remain Democratic and the outlook for Senate control roughly 50:50, it will be challenging for Trump to pass legislation on most of these priorities. This suggests an even greater reliance on executive orders if he wins a second term. (Trump has averaged 50 executive orders per year, compared to 35 for Obama, 36 for GW Bush, 32 for Clinton and 42 for GHW Bush.)

Jobs

- Cut taxes to boost take-home pay and keep jobs in America
- Enact fair trade deals that protect American jobs
- “Made in America” tax credits
- Continue deregulatory agenda for energy independence

End our reliance on China

- Allow 100% expensing deductions for essential industries like pharmaceuticals and robotics who bring back their manufacturing to the U.S.

Eradicate COVID-19

- Develop a vaccine by the end of 2020, return to normal in 2021
- Make all critical medicines and supplies for healthcare workers in the U.S.

Health care

- Cut prescription drug prices, lower healthcare insurance premiums
- End surprise billing, cover all pre-existing conditions
- Protect our veterans and provide world-class healthcare and services

Innovate for the future

- Build the world’s greatest infrastructure system
- Win the race to 5G and establish a national high-speed wireless internet network

America first foreign policy

- Stop endless wars and bring our troops home, get allies to pay their fair share
- Maintain and expand America’s unrivaled military strength

Implications for investors

Market volatility typically rises ahead of elections, and this year should prove no exception. Moreover, if the election is close it is possible that the period of elevated uncertainty lasts well beyond Nov 3. During the contested period in 2000, the SPX declined by 8% (almost entirely due to tech). During periods of rising volatility, high-quality companies with strong earnings visibility and sustainable free cash flow, typically.

Biden's campaign platform promises tax hikes (for corporates and high-income households), healthcare and pharmaceutical reform, a focus on green infrastructure and renewable energy, and increased regulation (e.g., energy, finance). If enacted, this could be positive for clean energy, infrastructure, construction materials, and lower-end retailers. On the other hand, his policies could prove negative for MCOs, pharmaceuticals, traditional auto, oil & gas, transport, defense, banks & consumer finance, real estate, and high-end consumer plays. The outlook for tech is uncertain, as it has not been a campaign focus.

This paper has focused on the upcoming election, but Epoch has always believed that, regardless of geography or sector, investors should focus on companies that: (a) have an ability to produce free cash flow on a sustainable basis; and (b) possess superior management with a proven track record of allocating capital wisely, including investing today for future value creation. We are confident that these companies are the most probable winners and the ones most likely to provide attractive opportunities for investors. Crucially, we believe these principles are as relevant in the runup to November 3 and regardless of who is inaugurated as President on January 20.

The information contained in this insight is distributed for informational purposes only and should not be considered investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. The information contained in this insight is accurate as of the date submitted, but is subject to change. Any performance information referenced in this insight represents past performance and is not indicative of future returns. Any projections, targets or estimates in this update are forward-looking statements and are based on Epoch's research, analysis and assumptions made by Epoch. There can be no assurances that such projections, targets or estimates will occur and the actual results may be materially different. Other events that were not taken into account in formulating such projections, targets or estimates may occur and may significantly affect the returns or performance of any accounts and/or funds managed by Epoch. To the extent this insight contains information about specific companies or securities, including whether they are profitable or not, they are being provided as a means of illustrating our investment thesis. Past references to specific companies or securities are not a complete list of securities selected for clients and not all securities selected for clients in the past year were profitable.



For more information

800-624-6782

nylinvestments.com/funds

New York Life Investments engages the services of Epoch Investment Partners, Inc., an unaffiliated, federally registered investment advisor.

"New York Life Investments" is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company. The MainStay Funds® are managed by New York Life Investment Management LLC and distributed by NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302, a wholly owned subsidiary of New York Life Insurance Company. NYLIFE Distributors LLC is a Member FINRA/SIPC.

| | | | | |
|-----------------------|---------------|----------------|-------------------|--------------------------------------|
| Not FDIC/NCUA Insured | Not a Deposit | May Lose Value | No Bank Guarantee | Not Insured by Any Government Agency |
|-----------------------|---------------|----------------|-------------------|--------------------------------------|