

The Road to the 2026 U.S. Mid-Term Elections

The U.S Mid-Term elections are a significant political event held halfway through a four-year presidential term. Their primary purpose is to determine the party composition of Congress for the remaining two years of the presidency. This includes a voting election for seats in the House of Representatives and the Senate. Inherently, the election acts as an indirect measure of popularity and performance of the president and governing party. Its outcome will carry significant weight as the parameters for President Trump's administrative and legislative agenda will be affected by which party, Democratic or Republican, secures a majority in Congress.

In terms of the global economy, this event could prove influential, given that the United States accounts for approximately 70% of developed stock market capitalisation*. The legislation that is passed in Congress may impact geopolitical relations, international trade, regulatory environments, and market performance. However, it is worth noting that markets are influenced by a myriad of broader economic factors. While it is important to stay informed about the election, it is equally important to avoid impulsive reactions on the basis of short-term market volatility caused by a political event.

For personalised advice and a comprehensive strategy that considers all these factors, we recommend speaking to your Financial Broker.

*Source: MSCI.com,
August 2026



Behind the Ballot: Understanding the Election Process

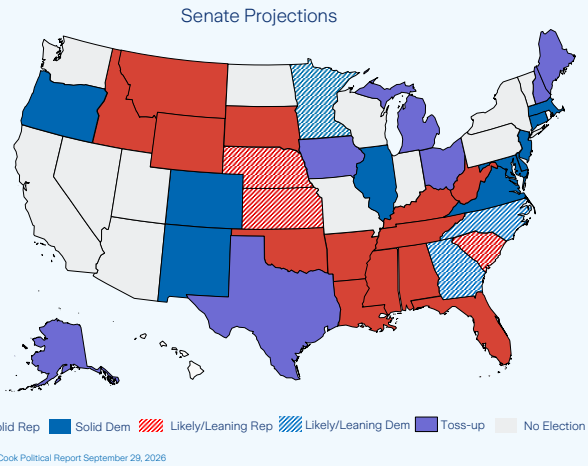
There are two elements to this election:

- 1. The Mid-Term Primary Election
- 2. The Mid-Term General Election

The primary elections determine which candidate is nominated to represent each political party for each Congressional race.

The general election is held on the same day in every state and determines who takes a seat in Congress

In the mid-term elections, all 435 seats of the House of Representatives, and 35 out of 100 seats of the Senate are up for re-election. Currently, the Republican party hold a slim majority in the Senate of 53 seats to 47, and also in the House with 219 seats to 212.



House Elections and Key Toss-Up Races

The entire 435-member lower chamber of Congress is up for re-election. The vast majority of seats in the House are uncompetitive; approximately 366 seats are distinctively 'red' or 'blue'.

The enigmatic 22 'toss-up' seats will be a significant factor in securing the 218-seat majority.

Prediction markets are signalling with growing confidence that this vote will go the Democrats way. However, it is still early days, and these polls could change at any moment in time.

US General Election date

3 Nov 2026

Controlling Congress

Controlling Congress requires a party to reach two distinct thresholds:

- a **51-seat** majority in the Senate and;
- a **218-seat** majority in the House.

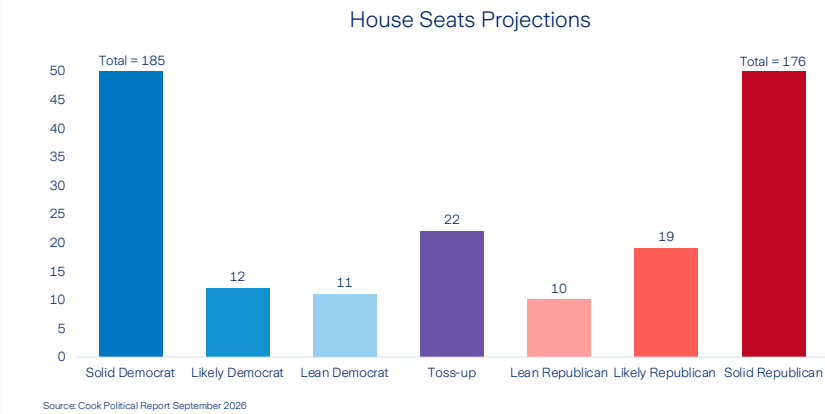
The House of Representatives and the Senate make up the legislative branch of government, meaning they have the ability to make and pass federal laws.

Narrow Path to Senate Majority

With the election approaching the Cook political report has deemed only 13 seats as competitive. The rest are safely allocated as 'red' or 'blue' states with very little chance of changing. There are 34 Democrat seats and 31 Republican seats not up for re-election.

To meet the majority threshold, the Democrats will need a minimum net gain of 4 seats, bringing their seat count from 47 to 51. They will need to maintain favour in blue leaning states like Michigan, Georgia and New Hampshire, and further convince 'toss-up' states such as Maine or Ohio.

Republicans can only afford to lose a maximum of 3 seats, in the event of a tie, Vice President JD Vance has the deciding vote.



Which party is considered most effective in addressing major national issues?

Issue	Unsure	Republicans	Democrats
Immigration	18%	47%	35%
Foreign Conflicts	20%	40%	40%
Jobs and the Economy	18%	44%	38%
Cost of Living	20%	42%	38%
Healthcare	18%	32%	50%

Source Financial Times August 2026

Public Opinion on Key Domestic Issues

In the aftermath of a turbulent 2 years characterised by geopolitical tensions in the Middle East, restrictive immigration policies and AI progression, survey statistics show that voters are more confident in the Democratic party's ability to handle 3 out of 5 main domestic issues.

Immigration

Survey results have shown a significant number of voters have more confidence in the Republican party to manage immigration issues.

U.S. Border Patrol encounters with migrants crossing into the United States from Mexico have fallen to their lowest level in more than 50 years, according to the Pew Research Centre.

Geopolitical Tensions

Donald Trump's decision to engage in conflict with Iran has proved unpopular. The dispute has increased defence spending and inflationary pressures. Brent Crude oil is averaging above \$100 per barrel at the end of September.

With no resolution in sight, this issue may impact voters' decision.

Artificial Intelligence

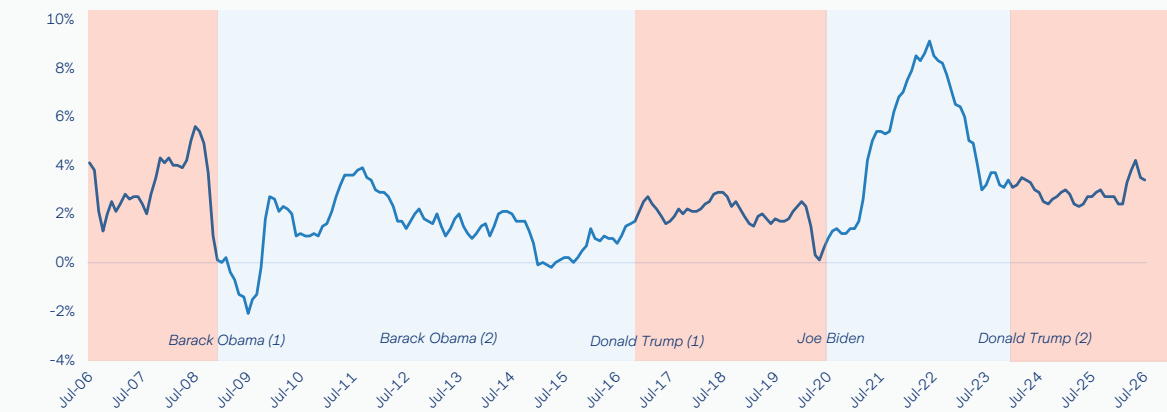
Donald Trump's endorsement of AI capabilities was well-received but there has recently been dissatisfaction with the amount of capital being injected into the cause, as well as the environmental and social ramifications of multiple new data centres.

Inflation Trends and Cost-of-Living Concerns

Following a period of falling inflation, Consumer Price Index (CPI) inflation has edged higher in recent months under Trump's administration. Higher energy prices linked to the closing of the Strait of Hormuz, along with broader economic factors have contributed to the increase.

Cost-of-living concerns may sway voter behaviour. In the polls, Democrats were voted to be most capable of managing such issues.

U.S. Inflation (CPI) Across Presidential Administrations



Redrawing of Electoral Boundaries

An interesting element of this election is the redrawing of electoral boundaries, which usually only takes place every 10 years.

This year alone, the electoral boundaries for 10 states were redrawn.

Under new maps, Republicans are in a position to gain approximately 16 House seats, compared with +6 gain for Democrats.

Illustrative projections are intended as a guide only, not as a definitive projection of election results.

Electoral Boundaries Redrawn

Source: NBC News June 2026

Up to 5 seats gained | 1 seat gained | Up to 5 seats gained

Party Funding by Organisation

\$1.06bn Rep

\$158m Both

\$474m Dem

Money matters, but doesn't guarantee results – in politics or in markets.

Source: www.economist.com, August 2026

Misleading Voting Projections

It is important to remember that polling projections often do not tell the real story.

In 2024, only **7%** of pollsters used phone-only polls. As a result, there has been a transition from randomised poll response rates to online, opt-in methods.

Typically, the type of people who engage in these opt-in surveys are:

College-educated

Politically motivated

Aged 18-29

Source: www.ft.com, August 2026

How will this affect return on investment?

Over the past 8 decades, it is clear that there is no distinctive trend or correlation between investment returns and a certain political party.

This election is important in terms of the future legislative powers of Trump's administration, but there is no indication that either a Democratic or Republican majority will produce better, or worse, results for the stock market.

Two bar charts showing Real GDP % Change Year on Year and US Stock Market Returns Change Year on Year. The charts compare performance across different presidential administrations and years.

Source: U.S. Bureau of Economic Analysis, Real Gross Domestic Product [GDP1], retrieved from FRED, Federal Reserve Bank of St. Louis; Macrotrends. Divided Government references periods where no party had control of all 3 government institutions. January 1948 to January 2026

4

Trust in the expertise of Zurich

As one of the largest pension providers in Ireland, as well as an active investor, Zurich is well positioned to provide market context, insight, and information. This helps to inform our key stakeholders, customers, and policyholders and provide input into the investment and pension decision making process for their employees, business, and personal financial affairs. Through the lens of our top-down active investment process, we continue to have a strong emphasis on the economic cycle and the path of monetary policy.

What this means for you:

- Focus on your long-term financial goals, not the latest headline.
- Recognise that periods of uncertainty are a normal part of investing.
- Let Zurich manage your investments through political and market changes, so you can stay focused on your long-term financial goals.

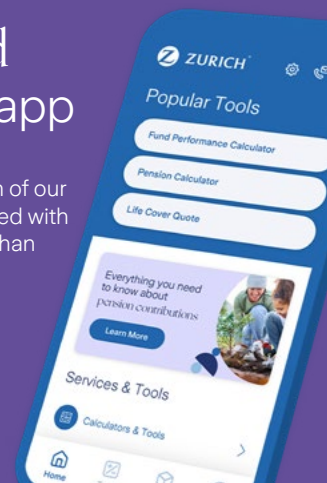
For more information on Zurich's savings and investment options

-  **Talk to your Financial Broker or Advisor**
-  **Call our Financial Planning Team on 0818 202 102**
-  **Email us at customerservices@zurich.com**
-  **Visit our website at zurich.ie**

New and improved Zurich Ireland Life app

We're delighted to announce the launch of our new and improved mobile app. It's packed with interactive tools that will make it easier than ever for you to access the services and information you need.

 Download on the **App Store**  GET IT ON **Google Play**



Warning: The value of your investment may go down as well as up.
Warning: This product may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.
Warning: Past performance is not a reliable guide to future performance.

Zurich Life Assurance plc
Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.
Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie
Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.

GR: 21673 Print Ref: ZL IS 21673 0926

