CLIENT UPDATE 3-18-2020

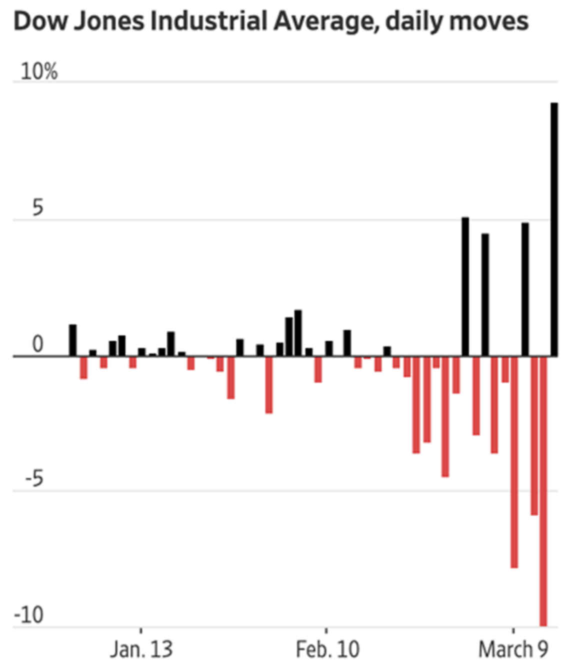
Greetings:

First and foremost we hope you and your family, friends, and co-workers all remain safe and healthy during this unprecedented time. We are continuing to actively monitor the financial and economic impact of the COVID-19 virus around the world.

In an effort to do our part, Medallion Wealth Management's operations are now effectively working remotely. Calls, trades, virtual meetings, mail, management and support will remain fully functional. In this ever-changing atmosphere, we will continue to stand ready to help you navigate though these difficult times.

The recent market volatility has been unnerving for many investors. It can sometimes be difficult to keep perspective when the news is disseminated so quickly and from multiple sources. In moments like these, although it is challenging, it is also extremely important to consider your financial objectives outside of the headlines, and remain composed. As evidenced by the extreme market swings day to day, hour to hour and even minute to minute, emotions and quickly evolving data are having an extreme impact.

The graph that follows (Source: FactSet) evidences how extreme the volatility has been. Just last week the Dow Jones Industrial Average (Dow) closed down 9.99% on one day, the most since Black Monday in 1987, and locked in a point loss of 2,352, its largest point loss ever. On Friday of the same week the Dow also had one of its largest point gains ever, rising 9.3% in the last 30 minutes of trading.

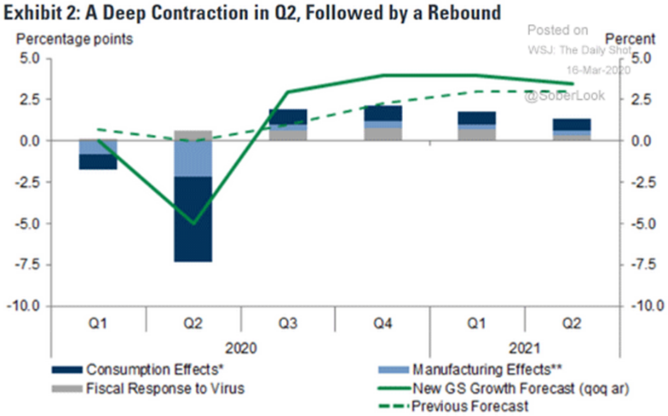


So far, the current effects on the market are less severe than the effects of the 2008 crisis. A significant difference between the current situation and the situation in 2008 is that the financial crisis came from systematic bad practices within the financial system, whereas today, our banks are on very good footing. Further, the coronavirus is a health crisis which, however dire, will pass.

It is important to note that while the immediate future is relatively uncertain, it is believed that within the next three to six months the situation will resolve itself. In contrast, the financial crisis was a period of great uncertainty where both the short and long-term behavior of the market and the economy were complete mysteries and required remedial measures for years afterward.

The coronavirus has begun to affect most businesses—some more than others, such as the travel, hospitality and entertainment industries. Likely we are headed into a recession, but it appears feasible that any recession we may have could be short-lived. January and February 2020 numbers were positive, and as mentioned before, the banking system is fundamentally sound, unlike in 2008. According to Goldman Sachs, their recent data indicates Q3 and Q4 may still emerge as positive quarters.

Exhibit 2: A Deep Contraction in Q2, Followed by a Rebound



* Includes cutbacks to consumption categories requiring face-to-face interaction.
** Includes international spillovers to goods trade and supply chains.

Source: Goldman Sachs Global Investment Research

While the coronavirus has sent us into a bear market, it is important to remember that typically the market rebounds from epidemics quite quickly, particularly when the underlying fundamentals are strong to begin with. As illustrated in the next chart, you can see that, despite any poor performance that initially occurred following outbreaks, stocks managed to experience gains within one year or sooner.

Epidemic	Month end*	6-month performance, S&P 500	12-month performance, S&P 500
SARS	April 2003	14.59%	20.76%
Avian (Bird) flu	June 2006	11.66%	18.36%
Swine flu (H1N1)	April 2009**	18.72%	35.96%
MERS	May 2013	10.74%	17.96%
Ebola	March 2014	5.34%	10.44%
Measles/Rubeola	December 2014	0.20%	-0.73%
Zika	January 2016	12.03%	17.45%

Source: Broadridge 1/27/2020

Try to look past the negativity and focus on the positives: the U.S. economy remains among the most resilient in the world and has a history of bouncing back from adversity; interest rates are low; and the decline in oil prices show further support to us as consumers. While this virus represents a new challenge, there is nothing new about market volatility. It is times like this that a long-term orientation is important. Our focus remains on keeping you on the path to help you reach your long-term financial goals.

We continue to use our vast resources and substantial experience to position our clients in the best manner possible during and through these unique times. We thank you for the opportunity to guide you and we wish you and your family good health and peace of mind today, and in the future. We will continue to communicate with you as this global situation unfolds and evolves.

MEDALLION WEALTH MANAGEMENT

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