

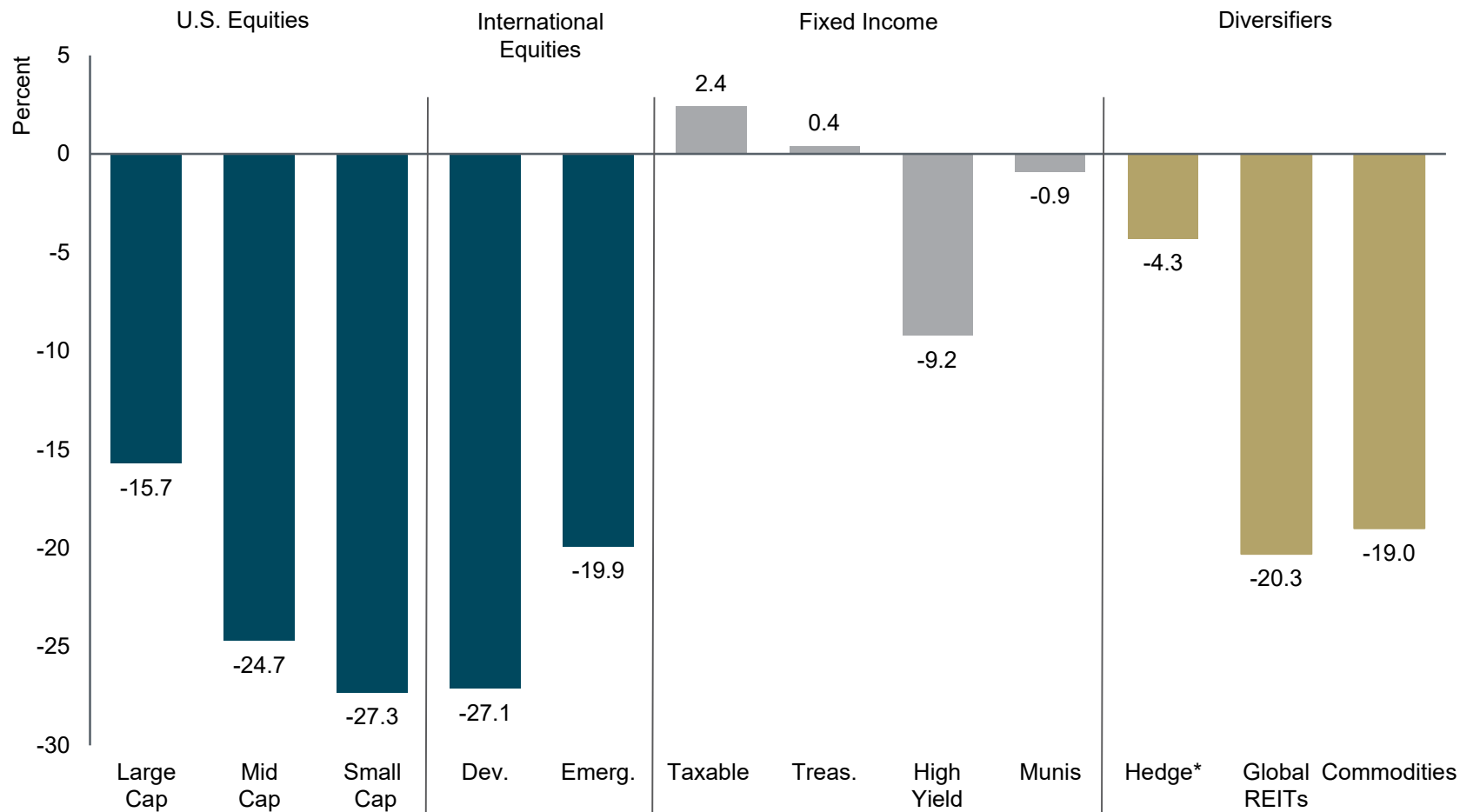


BNY MELLON
WEALTH MANAGEMENT

March 2020

Special Market Update

Market Performance Year-to-Date

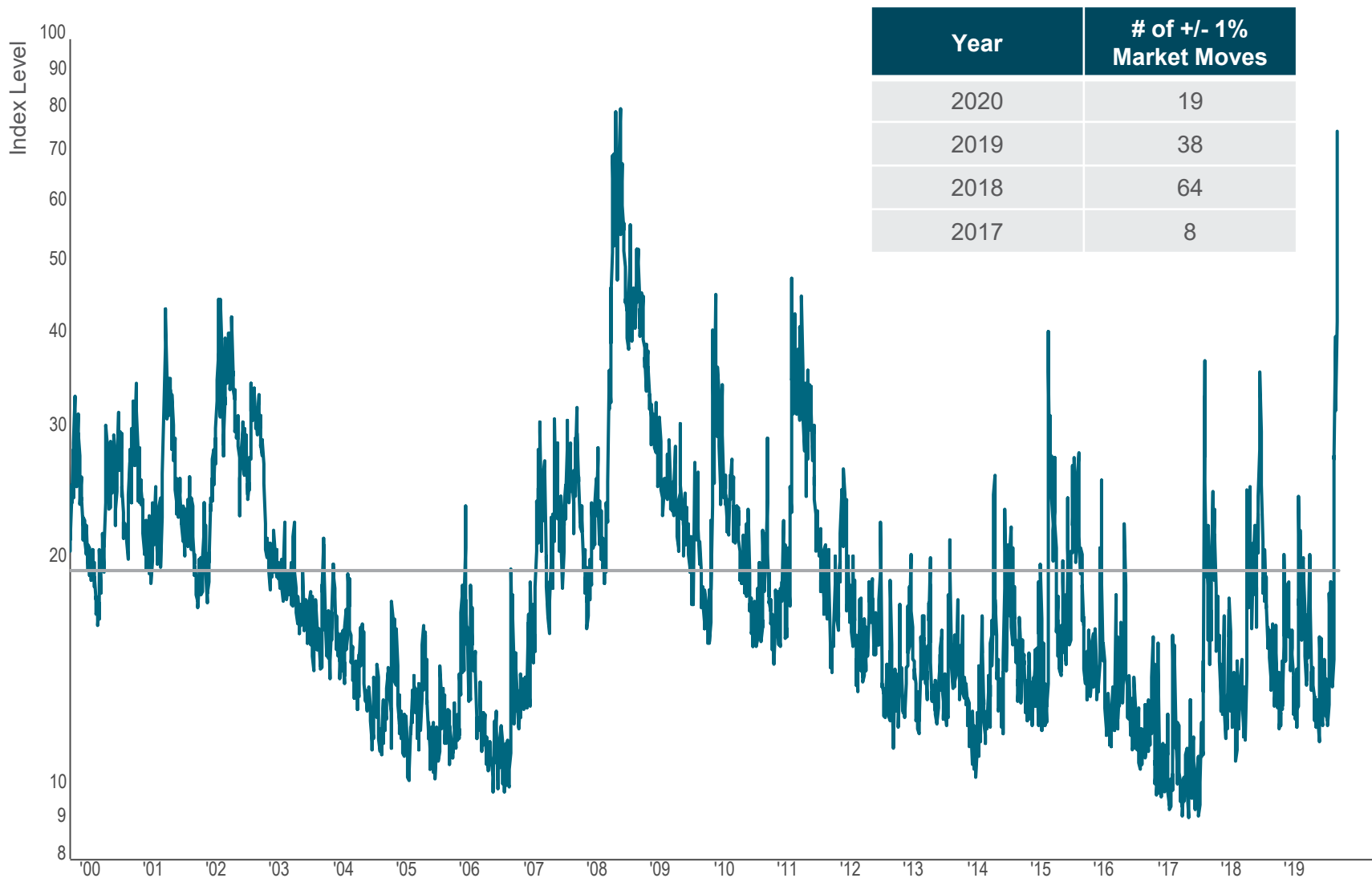


Returns as of 3/13/20 unless otherwise noted *Returns as of 03/12/20.

Indices used: Large Cap: S&P 500; Mid Cap: S&P 400; Small Cap: Russell 2000; Developed International: MSCI EAFE (Net); Emerging Markets: MSCI EMF; Taxable Fixed Income: Barclays U.S. Aggregate; High Yield Fixed Income: BofA US HY TR; Treasuries: BofAML 3 Mo U.S. Treasury; Muni: S&P Intermediate High Quality; Hedge: HFRX Equity Hedge Index; Global Real Estate: FTSE EPRA/NAREIT; Commodities: Bloomberg Commodity. TR USD.

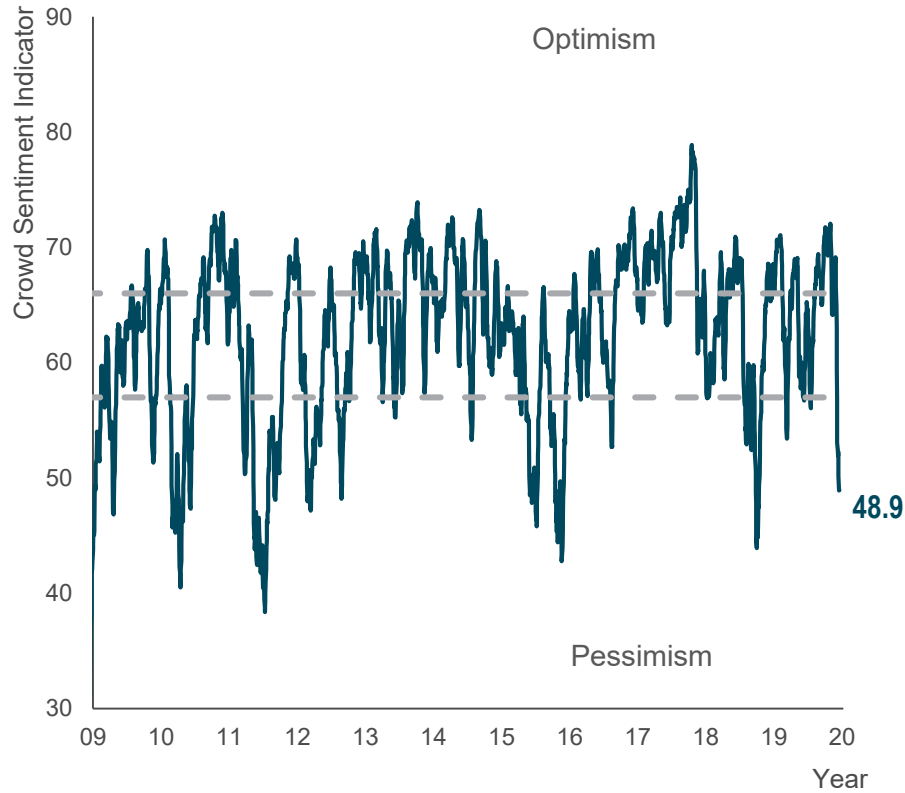
2 Sources: Bloomberg L.P. and Morningstar. Past performance is not indicative of future performance.

Spike in Volatility

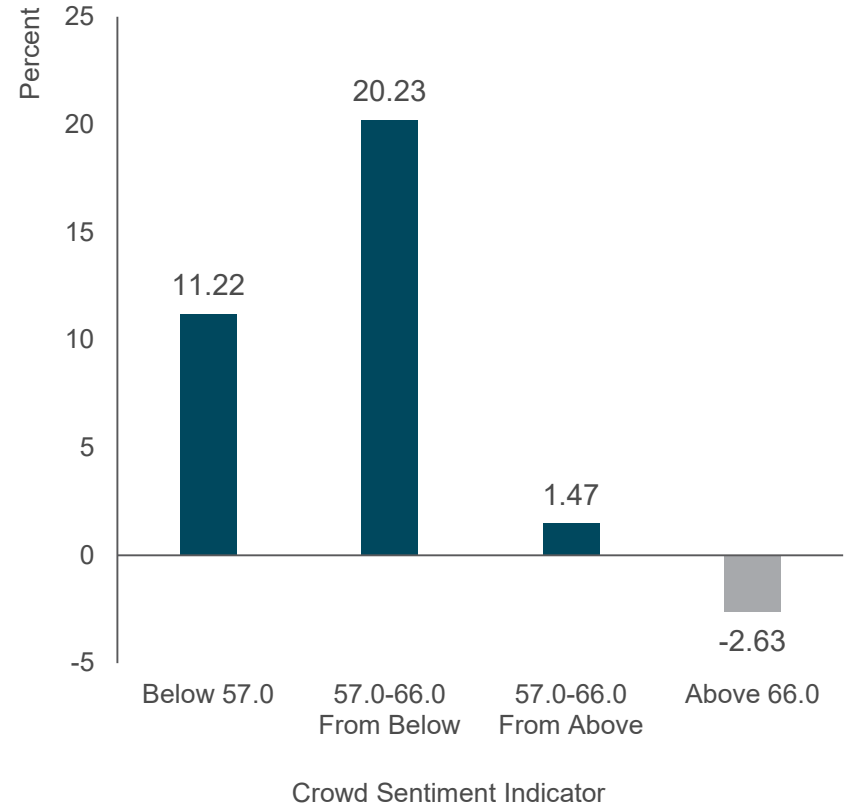


Investor Sentiment

NDR Crowd Sentiment Poll



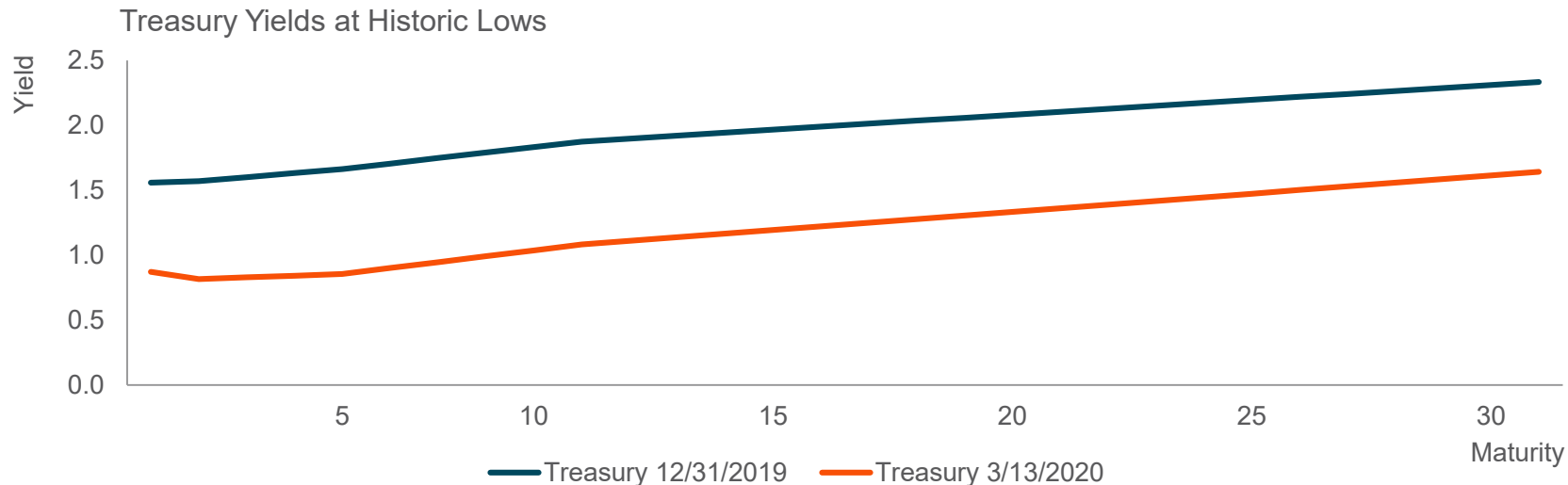
S&P 500 % Gain per Annum*



As of 03/10/20. Source: Ned Davis Research

U.S. and Global Economic Outlook

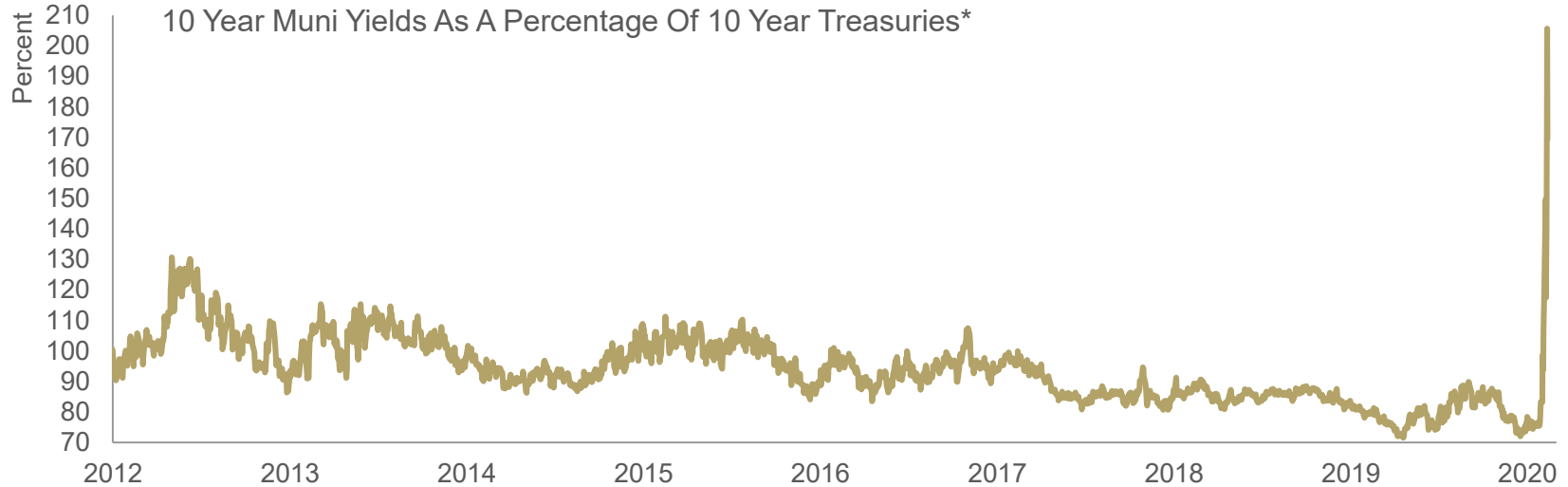
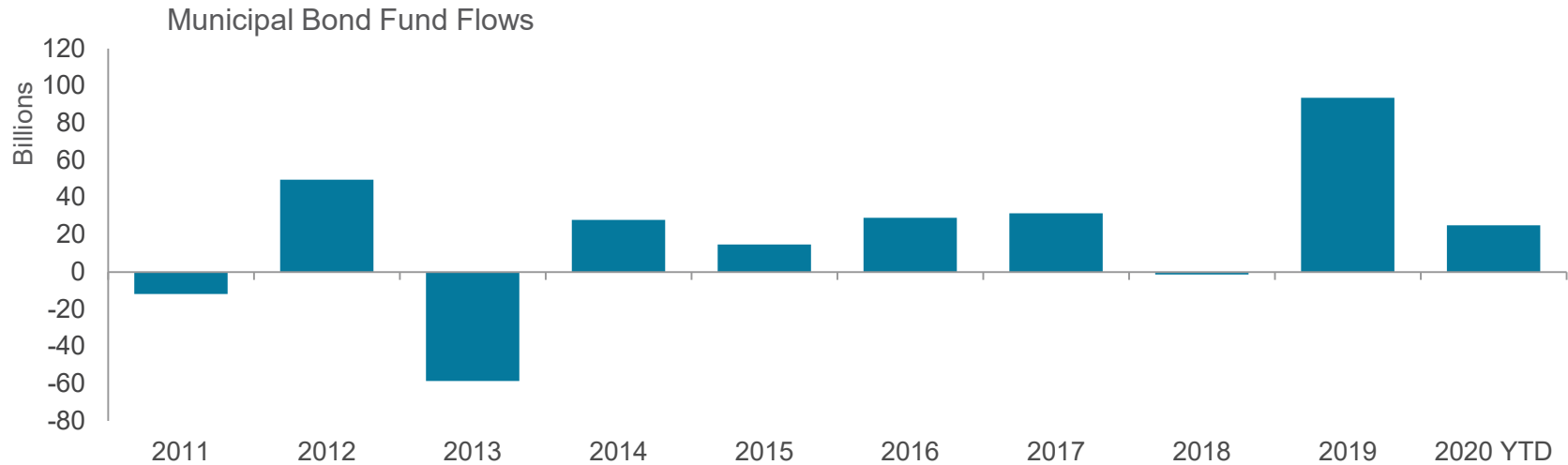
What is the Bond Market Signaling?



As of 3/13/2020. Source: Bloomberg

6 *As of 3/13/2020. Source: Bloomberg/Barclays Live

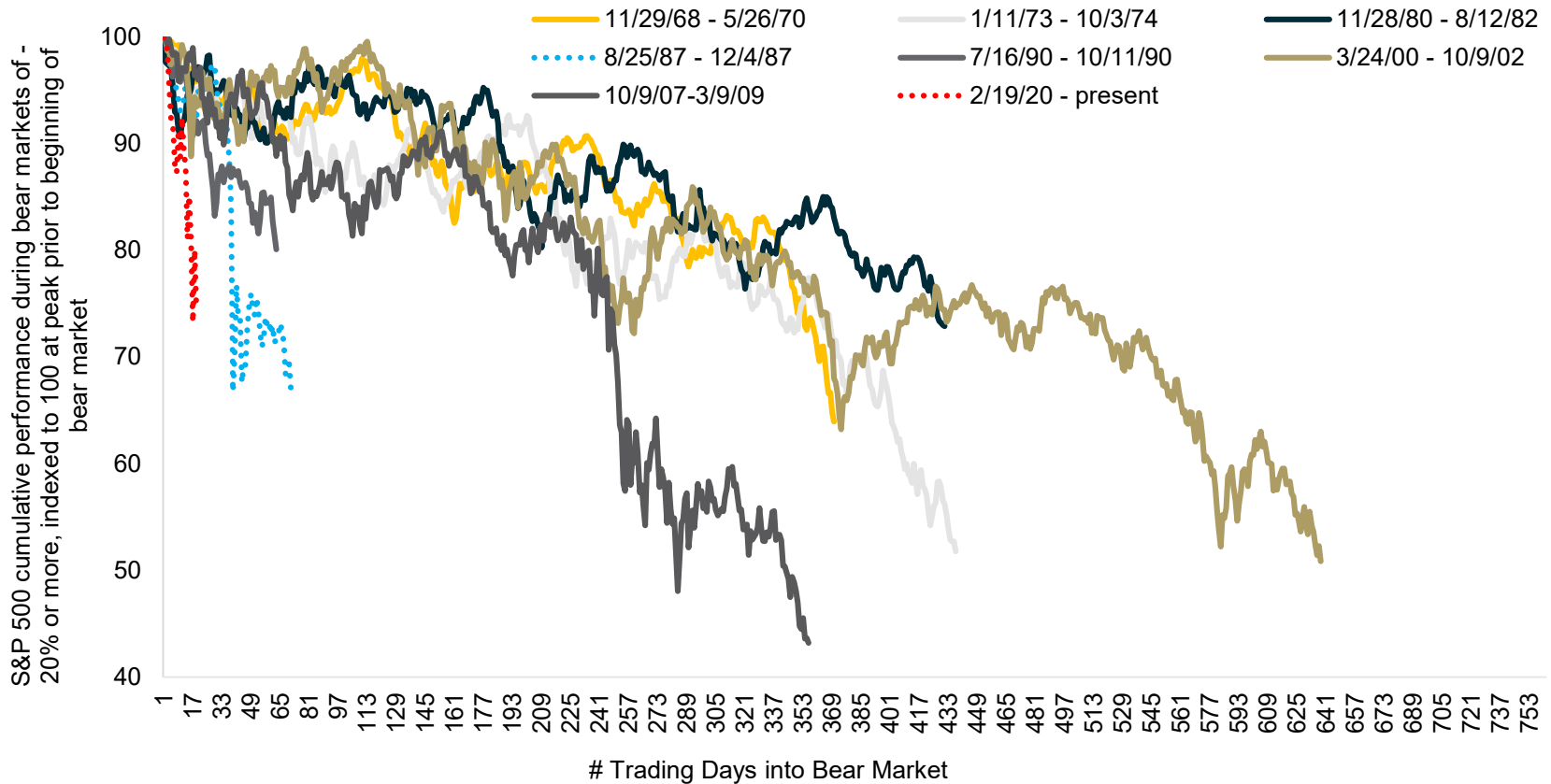
Municipal Bond Market Volatility Creating Opportunities



As of 3/11/2020. Source Investment Company Institute and Lipper

7 *As of 3/13/2020. Source: Bloomberg

History of Bull and Bear Markets

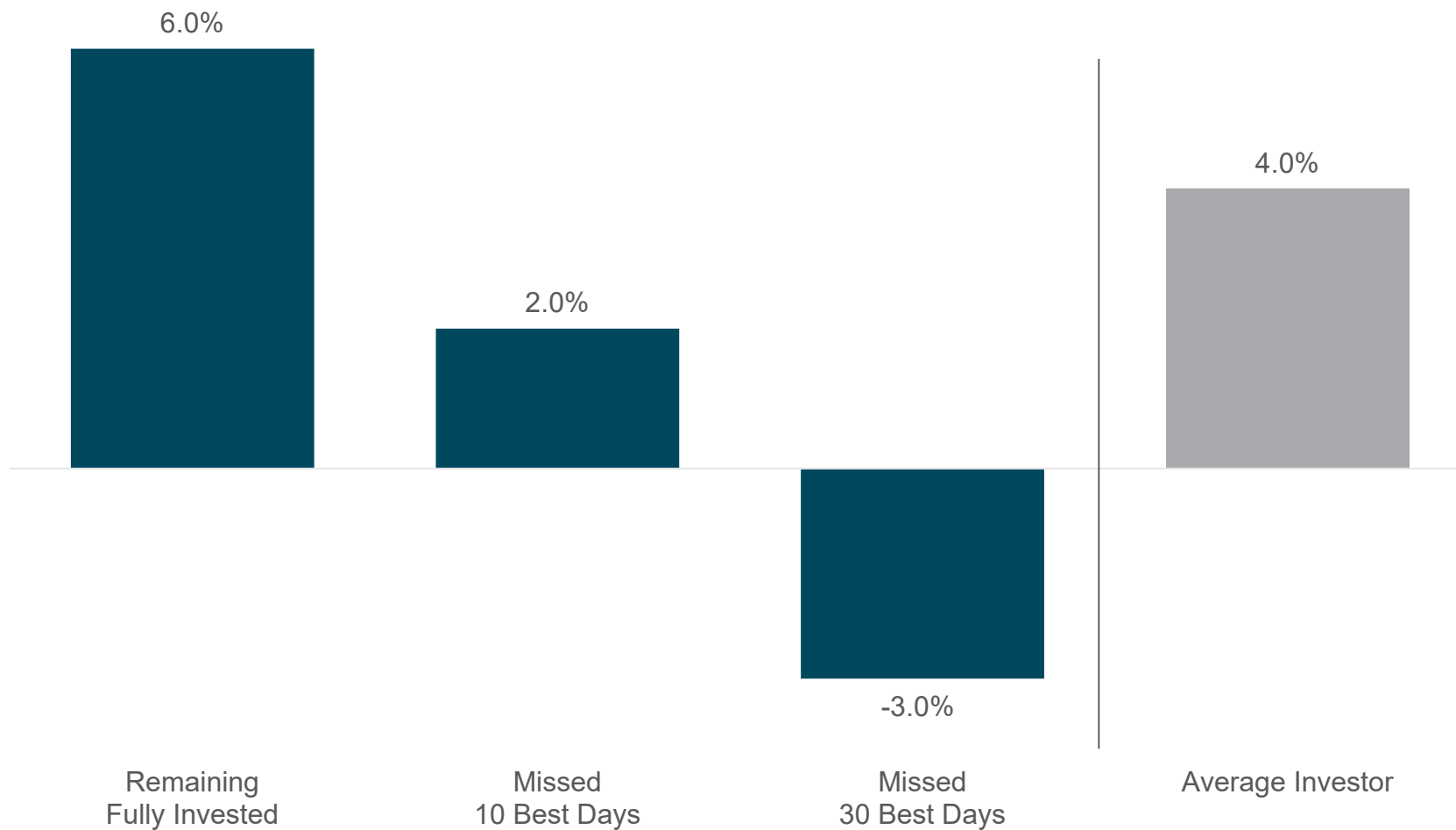


*Dashed lines correspond to non-recessionary bear markets, all others correspond with recessions.

As of 03/16/20. Source: Recessionary dates used by NBER (National Bureau of Economic Research). # of trading days 8 calculated assuming 252 trading days per year. Bloomberg.

Danger of Market Timing

S&P 500 Returns over 20 Years (3/13/2000 – 3/13/2020)



Intended for illustrative purposes only. Does not represent actual client results. Past performance is no guarantee of future results.
9 Average equity investor based on Dalbar study. S&P 500 Gross of Expenses. Sources: Morningstar Direct and Dalbar



Asset Class Positioning: Investment Strategy Committee Recommendations

	Underweight	Small Underweight	Neutral	Small Overweight	Overweight
Equity			◆		
Large Cap					◆
Mid Cap			◆		
Small Cap			◆		
International Developed Large Cap	◆				
International Developed Small Cap			◆		
Emerging Markets		◆			
Private Equity			◆		
Private Equity-Real Estate			◆		
Fixed Income		◆			
Treasuries	◆				
Investment-grade Corporate			◆		
Tax-exempt		◆			
High Yield			◆		
Diversifiers				◆	
Real Estate (REITs)		◆			
Long/Short Hedge				◆	
Absolute Return Hedge				◆	
Managed Futures			◆		
Commodities	◆				



Key Takeaways

Near-term Weakness Followed by Rebound in Second Half of Year, but Risk of Recession Rising

Fear-induced Bear Market Driven by the Virus,
Not Due to a Dramatic, Long-term Change in Fundamentals

Virus, U.S. Presidential Election, Energy Sources of Above Normal Volatility in 2020

Diversification and Downside Protection Critical

Reward for Action Versus Inaction

Active Wealth Critical in a Volatile,
More Challenging Return Environment

Q&A

ACTIVE WEALTH



DISCLOSURE APPENDIX

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