

A MESSAGE FROM DAVE FULTON, CEO OF CLEARSTEAD

SPECIAL UPDATE: COVID-19

Executive Summary

- Clearstead is prepared for COVID-19, with a long-standing disaster recovery and business continuity plan to ensure client services proceed without interruption.
- Market volatility, while unsettling, can create opportunities on which we are prepared to capitalize.
- Many industries have been hurt and are expected to struggle in the near future amid uncertainty, most notably energy and travel companies; other industries are likely to experience disruption of global supply chains.
- We are following our investment process and rebalancing portfolios as needed.

Clearstead is Here for Our Clients

We continue to monitor the COVID-19 situation on behalf of our clients and employees, have taken steps to protect the health of our employees, and have implemented new travel policies. To ensure client service is maintained at the highest level, all employees have been updated and are familiar with Clearstead's Business Continuity Plan. Additionally, we have the infrastructure and technology to serve our clients should it be necessary for the entire Clearstead team to work remotely.

Clearstead's Perspective

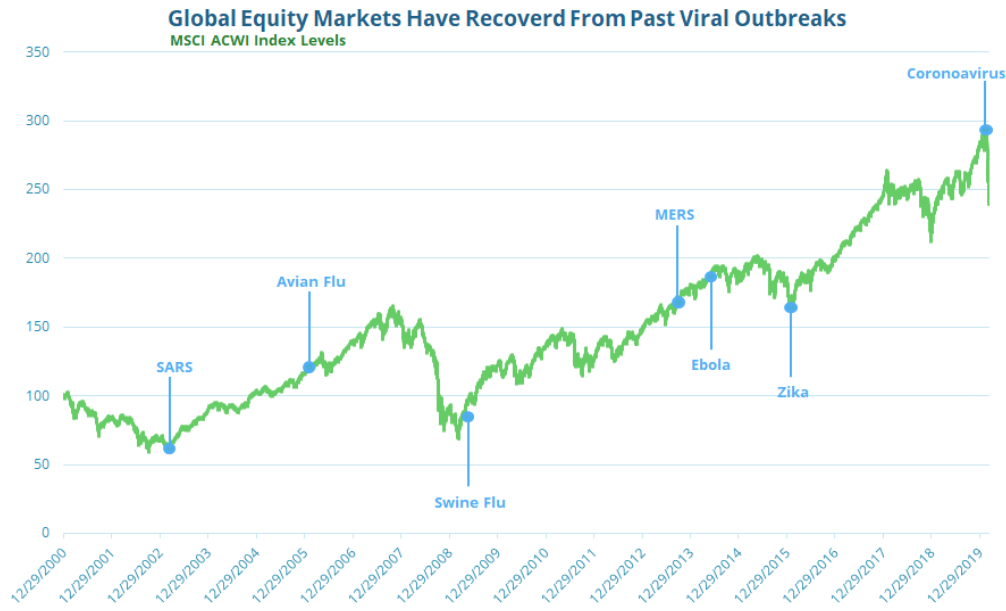
We want to communicate five points about this period in markets.

First, long-term investors often are challenged during periods of market stress. Intellectually, we understand that since 1950 the S&P 500 has had an average price return of 9.1%, but that the variability around that average is vast (+45.0% to -38.5%)¹. We also know that over the past 50 years, the average intra-year drawdown from peak to trough for the S&P 500 is -15.7%². Yet though it may be tempting to time the market, we are deliberate investors who follow a strategy based on fundamental research and disciplined portfolio management. This process guides us through challenging times so we can participate in long-term gains.

Second, over the span of market history investors have experienced other health scares and have recovered from temporary downturns.

¹ www.macrotrends.net

² Clearstead - Bloomberg data S&P 50 Total Return Jan-1970 to Feb-2020



Source: Clearstead, CDC, Bloomberg 3/10/2020; MSCI ACWI Index total return index levels in USD, indexed to 100 on 12/31/2000. Past experience is no guarantee of future results.

Third, as we entered the COVID-19 scare, the fundamentals of the US economy were sound. Robust employment, low inflation, and a confident consumer provided a base from which to continue the longest economic expansion in US history. We recognize COVID-19 likely will affect the economy in 2020 and company earnings may be weaker than forecast. Nonetheless, we do not believe this portends a prolonged economic downturn.

Fourth, in the spring of 2019 our investment research led us to recommend that, where appropriate, client portfolios should remain fully invested but become more defensive. Recent market activity has altered valuations, however, and our research is beginning to indicate opportunities to become less defensive.

Fifth, our disciplined process leads us to rebalance portfolios and ensure that we are within targeted asset allocation parameters. As in prior periods in which values of asset prices have risen beyond expectations, today our research indicates we should harvest gains in investment-grade fixed income, and recommend that proceeds be used to:

- Build cash reserves.
- Prepare for capital calls from private strategies seeking opportunistic investments.
- Identify opportunities in equities and alternative investments where fundamentals appear more attractive.
- Be prepared to invest as economic conditions shift.

Experience has taught us to be long-term investors and to view market declines as an opportunity to rebalance existing portfolios and inject new capital into financial markets.

As always, thank you for your support – we are grateful. Please call me with thoughts or questions.

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