



Rosso
Financial
Group

Growing Wealth Responsibly

RossoFinancialGroup.com

732-820-4690

800 The Plaza, Suite 6/7

Sea Girt, NJ 08750

Epidemics in Prospective

Over the last few weeks, stock markets have been extremely volatile. The Coronavirus has dominated the headlines in the US and around the world. While the epidemic is serious and market reaction has been erratic, we try to offer some historical prospective.

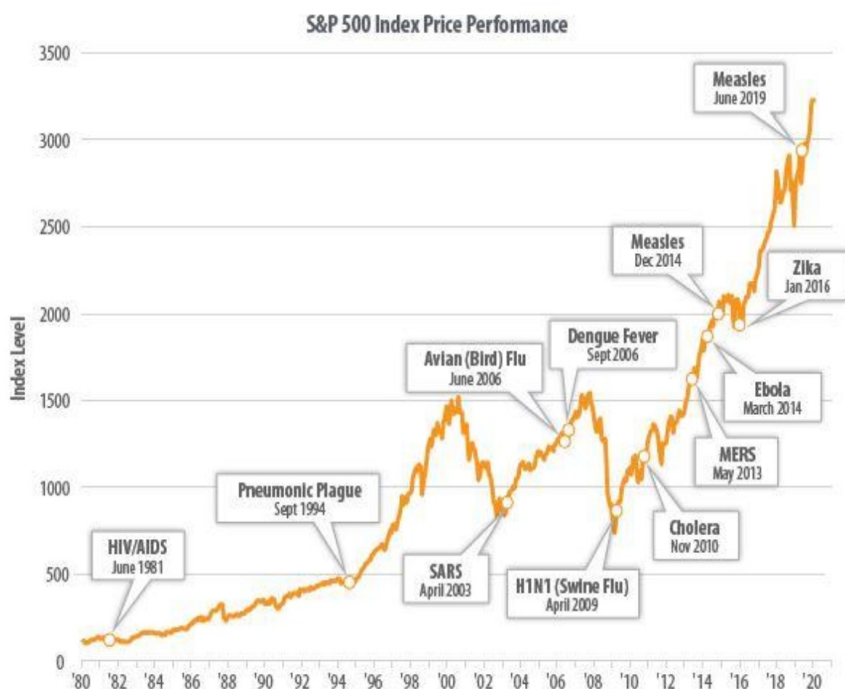
Looking at the chart below, we see that of the last 12 epidemics to hit the US, the S & P was higher 6 months later in 11 of those cases. The one situation where it was not higher was in June of 1981 during the HIV/AIDS epidemic. Unfortunately, at that time, the Mortality Rate for HIV/AIDS was very high. Although the Coronavirus is serious, the mortality rate is much lower (3.4% globally*).

If you are concerned about market volatility and its affect on your portfolio, meet with your financial advisor Now is a very good time to make sure your portfolio is in line with your risk tolerance and your goals.

Epidemics and Stock Market Performance

Since 1980

There are many factors that can impact stock market returns, but one concern of investors today is how the stock market will be impacted by a major epidemic or outbreak. Below we look at the historical performance of the S&P 500 Index during several epidemics over the past 40 years. We believe looking at the market's overall resiliency through several major epidemics can give us perspective on the benefits of investing for the long-term.



Epidemic	Date	S&P 500 6-Month % Change	S&P 500 12-Month % Change
HIV/AIDS	June 1981	-6.6%	-16.5%
Pneumonic Plague	Sept 1994	8.2%	26.3%
SARS	April 2003	14.6%	20.8%
Avian (Bird) Flu	June 2006	11.7%	18.4%
Dengue Fever	Sept 2006	6.4%	14.3%
H1N1 (Swine Flu)	April 2009	18.7%	36.0%
Cholera	Nov 2010	13.9%	5.6%
MERS	May 2013	10.7%	18.0%
Ebola	March 2014	5.3%	10.4%
Measles	Dec 2014	0.2%	-0.7%
Zika	Jan 2016	12.0%	17.5%
Measles	June 2019	9.8%	N/A*
Average Price Return		8.8%	13.6%

Observations

- 6-month change of the S&P 500 Index following the start of the epidemic was positive in 11 of the 12 cases, with an average price return of 8.8%.
- 12-month change of the S&P 500 Index following the start of the epidemic was positive in 9 of the 11 cases*, with an average price return of 13.6%.

Source: Bloomberg, as of 2/24/20. Month end numbers were used for the 6- and 12-month % change. *12-month data is not available for the June 2019 measles. **Past performance is no guarantee of future results.**

The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. Returns are based on price only and do not include dividends. This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

March 2020

*worldometer.com <https://www.worldometers.info/coronavirus/coronavirus-death-rate/#who-03-03-20>

Commentary reflects the opinions of the author and is not offered or endorsed by Regal Advisory Services or Regal Securities. Commentary should not be construed as a recommendation to buy or sell a particular security or engage in a particular investment strategy.

Rosso Financial Group and Regal Securities/Regal Advisory Services are unaffiliated companies.

Advisory services offered through Regal Advisory Services, Inc., a registered investment advisor. Securities offered through Regal