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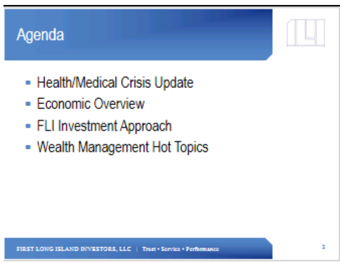
[Speaking: Karen Weiskopf]

Thank you for joining us for today's web seminar. I am Karen Weiskopf, Vice President of Marketing at First Long Island Investors. First and foremost, we hope everyone is healthy and doing well during this challenging time.

Today we have a great agenda planned. On the line we have many of the key members of the FLI team: Robert D. Rosenthal, our Chairman, CEO, and Chief Investment Officer, Ralph Palleschi, President and Chief Operating Officer, Philip Malakoff, Senior Vice President of Wealth Management and Director of Research, Bruce Siegel, Executive Vice President and General Counsel, and Stephen Juchem, Senior Vice President and Chief Financial Officer.

Before I hand it over, I will cover a few logistical items. First, all participants are in listen-only mode. Second, after the team delivers the presentation we all have time to answer questions submitted and you don't have to wait until the end to submit them. Please feel free to do so at any time using the dialog box labeled Questions. Third, at this point, everyone should see a slide with the heading Today's Speakers. If you're not seeing that, please let us know by typing something into the Chat area, and we will do our best to help troubleshoot. And finally, our General Counsel always asks that I remind you that today's session may discuss the performance of some strategies, and that past performance is not a guarantee of future results. In addition, given today's topic, it is important to note that anything discussed on this call should also not be considered medical advice.

I now hand it over to Bob.

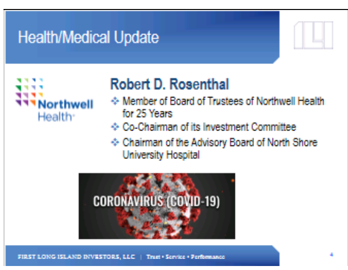


[Speaking: Robert Rosenthal]

Thank you, Karen.

I'd like to take this opportunity to thank everybody for joining our webinar this morning, which today is in lieu of our regular Breakfast Seminar. So we owe you each of you a breakfast. Given the pandemic, rather than just cancel our breakfast gathering, we decided to hold this webinar to discuss with you the two wars we are facing: the medical one, against COVID-19, and the economic war, resulting from the needed business shut down required to contain the virus.

Also, we want to take this opportunity to assure you that we are working safely and remotely using state-of-the-art technology. We're not skipping a beat in our representation of each of you, while still staying safe.



Now, I'd like to spend a few minutes giving you my insights and observations, serving as a Trustee of Northwell Health for 25 years and Chair of the Advisory Board of its largest hospital, North Shore University Hospital, which is one of its 19 hospitals. Northwell has 19 hospitals, 800 ambulatory facilities, 72,000 employees, a medical school with Hofstra University and the Feinstein Research Institute. So, we're certainly an integrated health system.

Out of the blue came the Corona 19 virus which evolved from Wuhan China. It is deadly. It is highly contagious, much more so than the regular flu. It attacks the older population, which is more at risk. Greater than 60% of those afflicted are male. And the majority of fatalities are people over the age of 65, especially with comorbidities of either high blood pressure, obesity, diabetes, or lung disease. Northwell has treated, among its 19 hospitals, more COVID patients than any other system in New York, and probably in the United States. We have a data center for COVID, having treated more than 60,000 COVID patients. You all know by now that there are symptoms for COVID: fever, dry cough, shortness of breath, aches, and gastro issues. But not all are necessary to have COVID-19. So please keep that in mind. About 90% of COVID positive patients never come to a hospital or an emergency room. They either have no symptoms, mild symptoms, or in some cases, a bad case of what appears to be the flu. About 80% of COVID positive patients admitted to a hospital do fine, you're treated and within several days released. Unfortunately, 30 to 35% of those that are admitted to the hospital ended up in the internal intensive care unit of the hospital where there's about a 70% survival rate and some in ICU require ventilators. Unfortunately, 60 to 80% of those people on ventilators do not recover. As I mentioned, Northwell has treated, over 60,000 COVID patients. And to give you a sense of scale in mid-April, at the peak of the epicenter of the COVID virus in the

New York Metro Area, 3500 COVID patients were in our hospitals. Today, it's in the nine hundreds. Things are getting better. Much better.

I'm sure you've all heard about the issue and some controversy regarding testing. What I can say, is testing is ramping up. There are now many different types of tests. Some are getting better and easier to take. Here's an evolution of this whole testing situation. We actually invest in some of the companies that have provided key tests, such as Abbott Labs. However Governor Cuomo, the governor of New York, in a recent press conference was urging people to get tested. So the testing capability in New York has grown to a point where he's urging people to get tested if there's clinical suspicion of them having the disease.

Now there's also antibody testing. Did you have it? Did you develop some antibodies, which may give you immunity, it's probable, but it's still not really known if you are immune to future infections or how long that immunity will last. Testing is not always positive, there can be false negatives, sometimes false positives. So sometimes people have to be tested repeatedly.

A very interesting area and one that Northwell is very much involved in is research. We're conducting at Northwell a number of FDA trials. Several therapies are being tested as we speak. One which is quite controversial and it is a 65-year old drug called Hydroxychloroquine. I am sure you've heard much about it. For 65 years it has been used for malaria patients, lupus, rheumatoid arthritis, but thus far, it has not proven to be efficacious for COVID-19. However, those tests, or that trial, is still ongoing. Another test or trial that has proven to be a bit more successful is Remdesivir which is made by Gilead. It has received emergency approval from the FDA, and Northwell has participated in the FDA trial. What makes Remdesivir somewhat efficacious is that it reduces the duration of disease from 15 days to 11 days on average. However, there is no statistical significance in reduction of fatalities.

A third area that is being tested in trial, at Northwell with the FDA, is plasma. Plasma from recovered patients. It too is being tested with some anecdotal evidence that it is efficacious but that has not yet been proven in a full FDA trial. One that has an interesting origin is a major test that's being controlled and conducted by Northwell with the FDA at Northwell at Mass General and at New York Presbyterian Hospital, and that's for Pepcid with the generic name Famotidine. Pepcid is an acid reflux drug that has been around for many, many years. You can get it over the counter. And it was seen that in China patients who did well with COVID-19 just so happened to have been on Pepcid. So, Northwell, along with some major funding from the founder of Renaissance Technologies, and under the auspices of the FDA, is conducting a large test using Pepcid. I can tell you anecdotally, some physicians are taking pepsin prophylactically. That's not advice. That's just an anecdotal statement.

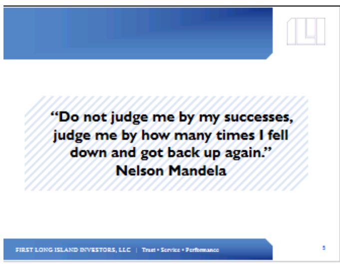
Another area that we're conducting testing on is blood clotting. It appears that one of the side effects of COVID-19 are blood clots, which can lead to heart attacks and strokes. So now most patients in hospital and when they leave the hospital having had COVID-19 are getting blood thinners. Those that you see Xarelto and Elliquis are advertised on TV. So those are some of the tests that Northwell is conducting in conjunction with the FDA and other fine medical centers around the country. But so far, honestly, no silver bullet.

Several vaccines are also under development. One that you may have read about most recently is from Moderna, which is a West Coast company, that is showing some early promise, but in a very small segment of the population, maybe 45 patients that are part of the test. It's very early, but no cigar yet. Pfizer, J&J, and others are also working on a vaccine. Let me just take a moment to point out that the government is doing something quite different here. Because of the need for the vaccine and the seriousness of the disease, in an unprecedented move, the Federal government is investing hundreds and hundreds of millions of dollars, with several of these major companies that are working on a vaccine, such that once they get through the first few phases of FDA approval (and there are four typically that are required) the government is investing monies to have those companies produce their vaccine in mass quantities, even though it hasn't been approved. Under the theory that if one of them ultimately has a vaccine that is efficacious and does the job, it won't take another six months to mass produce doses of the vaccine. It will have already been produced.

And that's through an unprecedented investment by the federal government with these companies. I think that demonstrates the commitment on the part of the government, at this point, and Congress to find a vaccine to rid us of this horrible disease.

The bottom line, there's no therapeutic answer yet. However, experience and conventional measures are leading to better outcomes. The ability of hospitals today to deal with COVID-19 patients versus three months ago is much, much better, and we're getting better outcomes. Epidemiologists expect a recurrence of the virus in the fall and winter, along with the regular flu. This presents a major challenge, but hospitals believe they will be ready. Having had this experience for the last three months, having much better testing and tracing. In our opinion, again this is not medical advice but you've heard a lot about it, what works best and should work for you, is hand-washing, use of masks, gloves, and social distancing. And if you're over 65, be careful. Consider sheltering in place and certainly use the PPE, the masks, and the gloves, and the hand-washing as much as you can to stay safe, because the population over 65 is vulnerable to this vicious virus.

Now, let's turn to our second war, the economic one. Let's turn to the next slide, please.



The quotes that we've used in our quarterly letter, and we use again here: "Do not judge me by my successes. Judge me by how many times I fell down and got back up again" from Nelson Mandela. In the past, we have been economically and investment challenged but survived.

The 1917 Spanish flu, World War II, Korean War, the Iraqi War, the energy crisis in the mid-seventies, hyperinflation in the early eighties, the crash of 1987, the collapse of long-term capital in 1998, the tech boom and bust of 2000-2001, and what we call the "decession", somewhere between a recession and a depression of 2008 and 2009. Each time we fell down, we got up, we thrived, markets recovered to new highs, and S&P achieved record earnings.

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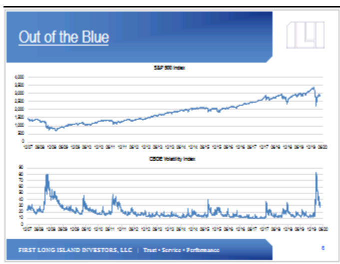


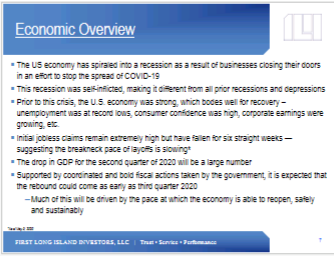
This slide shows you the top part of the slide is the S&P Index. And it shows you, over a long period of time-- 2007 to 2020. The downturn in 2008 and 2009 are hard to see, but it was there, we felt it. And now the severe downturn this year. And as you can see from the slide on top of the page, the S&P had a sharp, very quick drop in March and April of this year. Then it has recovered about 30%, or a little bit over 30% from its lows.

So each time you've seen that we have had a falling down of market performance, and a recession, or "decession". In this case, we're near a depression. We've had a downturn, but if you stayed the course and were patient, we recovered.

The bottom slide shows volatility, otherwise known, as the VIX. And this is a measure of how volatile and horrible things can get, and how anxious we get as investors is reflected in this index. And as you can see, going back to 2008/9 there was a spike, almost 80 in the VIX, then things have been pretty quiet. And then we hit this current year. Where again there's a sharp increase in VIX, but as the market has recovered we have also seen a decrease in the VIX. And the VIX went from as high as a little bit over 80 to now below 30, which reflects the fact that investors are calmer. And you'll hear in later slides exactly why people are calmer at this point and what actions the government has taken.

So we entered the year with the best economy in 50 years, lowest unemployment, highest stock market, projected record earnings. And then out of the blue came this crash, this volatility from the COVID-19 virus. We will recover. Don't bet against America. As you can see from all the things that we've gone through in the past, we have recovered.

Please stay safe and well, and now I'd like to turn it over to my partner, Ralph.



[speaking: Ralph Palleschi]
Thank you, Bob. Next slide, please.

What I'd like to do is cover the economic overview as to where we are and what it is being done with the next couple of slides I'll show you. The U.S. economy obviously is in a recession as a result of businesses closing their doors in an effort to stop the virus. The recession was self-inflicted. We told people to stay home, self-distance, created numerous theories as to whether or not it was representing prior recessions or depressions and this one I think is a little different.

Prior to this, as Bob said, just previously, the U.S. economy was strong which bodes well for recovery. Unemployment was at record lows, consumer confidence was high, and corporate earnings were really growing very nicely.

The jobless claims that you've been reading about, which total now a little over 20 million have been extremely high, but if you looked at the numbers they have fallen for about 6 to 8 weeks, suggesting that the pace is starting to slow. And that's as of May 9, 2020. The drop in GDP, when it comes out, will be pretty alarming. You will see a pretty large number, but we know why.

And what I'll do on the next few slides just show you how the economy is being supported by some bold fiscal actions taken by the government.

And is expected that the rebound could come as early as the third quarter 2020. My guess is probably be a little later in the fourth quarter. For much of this will be driven by how we re-open the economy, if we do it safely, and how sustainable is it.

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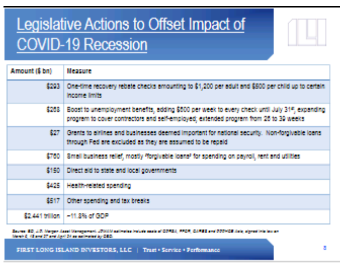
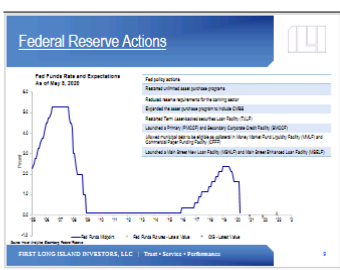
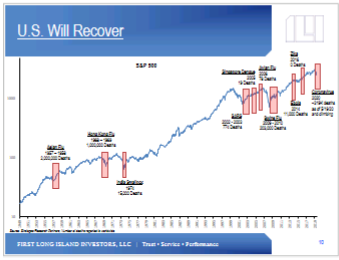


You can see on this slide the amount of stimulus that's been put in play. There were three phases put in March: one in early March, one in the middle of March, one at the end of March, and that was phases 1, 2, and 3. Then there was a phase 3.5 which was put in at the end of April.

So, we've had when you go through these: $293 billion which were the one-time checks that were sent out to the individuals and families. So if you had a family of four, you and your wife got $1200 each, and had two children, they got one thousand dollars, so family of four get $3400. Then it was about $268 billion, which was done to boost unemployment benefits, adding $600 a week to every check until July 31st. And they extended that program from 26 to 39 weeks. One of the issues of this program which is being debated now and which will probably come up in the next relief bill, is that some people, people that were making under $60,000 a year, are making more money from this stimulus package than when they were working, so there's no incentive for them to come back to work. There was $27 billion granted to airlines and business deemed important for national security. And these were non-forgivable loans to the Fed, and they're assuming to be paid, repaid I should say. $760 billion which was provided for the PPP program, which you've been reading about, which was the Payroll Protection Program. And that has going to businesses that had less than 500 employees. The whole purpose of that program was to reimburse companies for about eight weeks so they can keep people employed. That would cover 8 weeks of payroll, some rent, and some utilities. Another $150 billion was directed to state and local governments. That will probably be increased in the next one that's coming. There were $425 billion, which was health related - going to hospitals for therapeutic programs, diagnostics and other things. Another $517 billion, which was really other spending and tax breaks. So that was about $2.4 trillion, which represented about 11.8% of GDP.

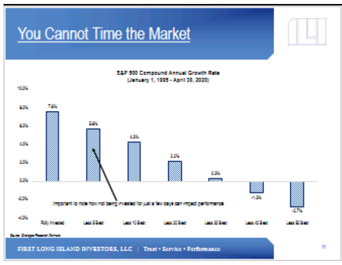


In addition to that, the Federal Reserve put through about a two trillion dollar program, which covered many different aspects. They restarted the quantitative easing program they put in place back in 2008. They reduced the reserve requirements for the banking sector. They expanded the asset purchase program to include collateralized mortgage backed securities. They restarted the term asset backed securities loan facility. They launched a primary and secondary corporate credit facility. They allowed municipal debt to be eligible as collateral in money market and commercial paper funding programs. And they launched the main street new loan facility and a main street enhanced loan facility. As recently as two days ago, Chairman Powell testified that the Fed still has a lot of tools left in their toolkit and they were willing to support whatever they need going forward.



What we did here is we wanted to show you how confident we were in that the economy would recover. If you go back to as late as 1949 and really starting in 1957 with the Asian flu, you can see the Asian flu generated two million deaths, the Hong Kong flu, which was '68 and '69, a million deaths all the way through the SARs, swine flu, the Avian flu, Ebola, then now we get to the coronavirus and as the 19th of this month there were 319 thousand reported deaths. But in each of those cases, as much as the epidemic or the pandemic took place, you can see that the S&P recovered. We're fairly confident that the S&P is going to recover here also. The only question would be when. Would it be a recovery starting in the third quarter of this year or will it be later. And a lot of that's going to depend on whether or not there is going to be a recurrence of the virus once people come out of their sheltering in place. And it also will depend, quite honestly, on what the results of the upcoming election will be in November.

So again, as Bob said before, let's stay safe. We're pretty confident that we're going to be OK. I want to turn it over now to my colleague, Phil Malakoff.



Thanks, Ralph.

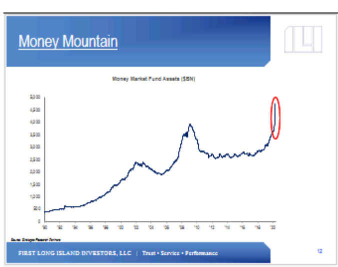
So to quickly sum up what Ralph just spoke about, given the outbreak of the virus, its effects on our economy and our government's fiscal and monetary response, we as investors are in a place we certainly could not have imagined just three short months ago. This sudden change in the environment has led to a range of emotions from investors.

One old investment axiom is that market fluctuations are controlled by two opposite emotions: fear and greed. Whichever is in control determines the market direction. Investors fear losing too much money and this fear tends to manifest itself when markets contract quickly, as we just experienced in the period from late February to late March. But also in 2008 to early 2009, 2000 to 2002, and the fall of 1987, to name just a few.

At First Long Island Investors, we spoke to a significant number of our clients in March. A small percent of whom were fearful and wanted to discuss reducing their equity holdings or totally eliminating them until "things calm down." At FLI, we spend much of our time developing, monitoring, studying, and recommending changes to your customized individual asset allocations. They are designed to meet your individual, long-term risk, cash flow, and investment goals.

Well-diversified allocations will include investments in our security, defensive, traditional equity, and private investment categories. They are designed, if properly allocated, to withstand wide market swings over time. One thing that we have learned throughout our 36 year history is that it is very, very hard to time the markets.

In the long run we believe that a proper, prudent asset allocation will be more important to your overall financial health and trying to time the market and the slide on the screen confirms that. As an investor, if you were fully invested in the S&P 500 Index from January 1, 1995 through the end of April of this year your annual return was 7.6%, as you can see in the column on the left. If, however, you were out of the market for only the five best performing days over that more than 25 year period, your returns dropped by a full 2%, to 5.6%. Miss only the 10 best in 25 years, and it drops by over 3%, to 4.3%. And you can see how much more returns fall by missing more of these positive days. Additionally, it's also important to remember that these returns compound over time, so that missing out on that 2% return in one year, or every year, compounds to over 45% in 20 years.



On the next slide we can see just how fear has influenced investors. This is a chart of what we call the money mountain and it shows how money market assets, or cash, has grown since 1990 when it was about $500 billion. Over the years, money market cash has risen in times of fear and subsequently fallen as market sentiment became more favorable. The chart shows that assets rose in 2000 to 2002 and again from 2007 to 2009. We mentioned those were periods where the market was going through some tough times.

Earlier this year, there was about $3.6 trillion in money market assets. That quickly rose over a nine week period, as fear about the global pandemic increased, reaching $4.7 trillion as we can see highlighted with the red oval. It is important to mention that money market funds are currently paying very little, if any, interest. So, investors have parked $1.1 trillion of cash, more than during the financial crisis in 2007/8/9 in money markets, which yield essentially zero, rather than other asset classes. They appear to have no faith in equities, bonds or other investments.

We, however, view this as a positive. I believe this is a contrarian indicator. In the past the peaks or accumulated cash and re-invested back into equity investments. During the financial crisis money market assets rose from under $2 trillion to almost $4 trillion in 2009. Three years later it was down to about $2.5 trillion. We believe that eventually much of the cash currently parked in money markets will find its way back into the equity markets as fear of the global pandemic recedes and when investors believe that the economy will return to normal, even if that is a new normal. Any positive news on a cure or a vaccine should go a long way towards changing the direction of the money mountain.

Next slide, please.

During my conversations with clients during the depths of the market sell-off, I was asked numerous times “so what changes are you guys making?” Simple answer is that we were able to add great, secular growth companies to our growth strategies, and high quality, inexpensively valued companies, to our value strategies.

For many of these companies we had admired them from afar and felt that their valuations or the risk reward metrics didn't quite meet our stringent criteria. The sell-off gave us the opportunity to purchase high quality companies - companies taking market share and growing businesses; companies both broadening and lengthening their revenue runaways; companies with high recurring sales; companies with strong management teams; and companies with clean balance sheets and more attract valuations, so that's what we did.

While we are not thematic investors, there are certain areas that we are drawn to. Online shopping is one and the global pandemic has hastened the transition from bricks and mortar retailers to online sales. Over 100,000 stores are expected to close in the next five years, more stores than closed during the last recession.

E-commerce sales have accelerated and are expected to grow to 25% of total retail sales next year, up from 15% in 2019, according to UBS. One beneficiary of this trend is Amazon.com but we are also seeing traditional retailers, such as Williams Sonoma and Lowe's, becoming omni-channel as they are making online sales a more important part of their business models. I think it's important to note that we have owned these three companies for many years, as well as most of the companies I will mention shortly. It's nice to see that one of the positives of this volatile time is that the high quality companies that we own are becoming even better recognized by the market.

Cloud computing, or data storage, as provided by Microsoft, Amazon.com, Alphabet, and Chinese company Alibaba have seen and should continue to realize strong earnings growth from the conversion to off-site data storage. I recently read that more data has been created in the last five years than in all previous years combined, making this a very important growth area.

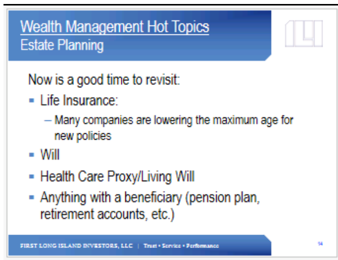
While the world has been moving away from cash and checks as a medium of exchange to digital or electronic payments for many years, the global pandemic should accelerate that change as many people will not want to touch currency in the future. Mastercard, Visa, and PayPal are beneficiaries of this ongoing transition.

During the pandemic we've witnessed the importance of pharmaceutical, biotech, and medical companies and the human race is depending on these companies to develop treatments and solutions. But, even before COVID-19 entered our vernacular, these companies were exploring new technologies to improve health care efficiencies as our aging population strained health care budgets. Companies such as Abbott Labs, Intuitive Surgical, and Johnson & Johnson, are important contributors to these efforts.

Other areas of focus include 5G technology, which will alter the way we utilize mobility in the future, social media, which has become an important way for companies to reach their target markets, and online search, which is also an important advertising option.

Last, but certainly not least, we focus on companies that are dividend growers. A dividend grower is a company which has a corporate culture of not just paying a dividend for many, many years, but for each and every one of those years actually increasing the amount of the dividend that they pay. For a company to do so, it must have consistent earnings growth, a strong balance sheet, and a desire to be shareholder friendly. And these are qualities that we find attractive and companies, which we want to own for long periods of time. Companies, such as Automatic Data Processing, AbbVie, and QUALCOMM exhibit these traits.

I'd now like to hand it over to Bruce Siegel, to discuss some important wealth management topics.



Thank you, Phil.

Several clients have come to us and asked what if anything should they be doing about estate planning now that we're sitting through a pandemic. Well, there are several things that you should revisit now. One is life insurance. Many companies are, not unexpectedly, lowering the maximum age for new insurance policies being that older people are more at risk of dying from the Coronavirus. First Long Island Investors is licensed in the insurance area, so we can help you if you need to acquire a new policy, or to consider whether you need to revise an existing insurance plan, and we'll consult with you as to whether or not it makes sense for you to acquire more insurance or change your existing policies.

Whenever there's a life event, you should look at your will and your trust (because some people have trusts under their wills or otherwise), and Coronavirus is effectively a life event. First Long Island Investors has three lawyers on board, but we don't draft documents. What we do is interface with your estate planning counsel and if you don't have an estate planning lawyer, we can help refer you to several ones that we've worked with in the past. And we've done this for many clients over the years.

When you go to an estate planning lawyer it may be the first time you've seen that lawyer, maybe you've seen a lawyer 5 or 10 years ago, and they basically are often just transactional-oriented. We're your wealth manager 365 days a year and so we feel that we can add a lot of value to an estate plan by working with your lawyer and the family to help come up with what you want to do.

Healthcare proxies and living wills are something you also should consider. Many people's living wills talk about not doing invasive procedures. Well, as Bob mentioned, one of the procedures they use is an intubation if you need that for responding to the Coronavirus. So, perhaps, while you didn't think you would have wanted an invasive procedure, you may feel differently now that the intubation is a way to deal and treat with Coronavirus. Another thing to consider is anything that has a beneficiary that doesn't pass under will or trust. That includes pension plans, retirement accounts, and the aforementioned insurance.

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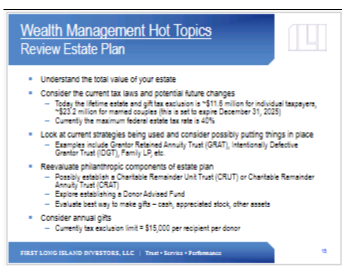


So, as we talked about reviewing your estate plan, as your wealth manager, I mentioned we kind of understand the whole picture. We know the total value of your estate, and that's why we feel we're an integral part of that team with your estate planning attorney.

So, what is the current tax law and what changes might occur? Currently, the total lifetime gift and estate tax exclusion is approximately $11.6 million per individual, so if you're married you can leave $23 million without paying a tax. However, the law was designed to expire at the end of 2025, it's called a sunset, and that enabled the Congress to pass a bigger increase in the exclusion because it didn't take as much money out of the economy, because it was ending in 2025. Well, we think with the all the spending that Ralph talked about for this response to the pandemic, that tax rates are going to go up, including estate and gift tax. And that could either be raising the maximum rate above the 40%, or it likely will reduce the lifetime exclusion. We can't guess as to which amount it will be reduced to, but it would probably reduce to something lower than the current $23 million for married couple. So, that's why you need to consider what you should do today, including either possibly making gifts or there's a trick called a grantor retained annuity trust where you can basically give the upside above a hurdle rate to the next generation and the current low interest rate environment makes the hurdle rate very low. So, a grantor retained annuity trust, referred to more simply as a GRAT, is an interesting tool that you can use.

People also do intentionally defective grantor trusts, family limited partnerships. The IDGT, the intentionally defective grantor trust, is very interesting because you can make a gift to a trust to get the assets out of your estate. Part of the thing about an intentionally defective trust is you get stuck paying the income taxes. And I say stuck, but for the next generation where you're trying to make a gift, the asset grows gift and estate tax free because you put it into trust, and it also grows income and capital gains tax free because you get to pay the tax for the next generation, which is another good estate plan that's not considered a gift.

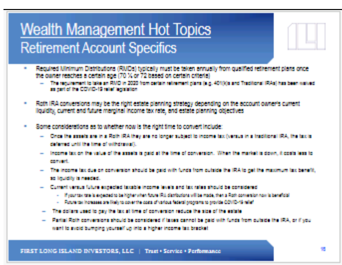
Philanthropic components of your estate plan is something that people have been talking about. People are saying they want to make gifts to hospitals or to food banks because of the response to the pandemic. So, one of the things you can do is a charitable remainder trust. It could be a unitrust or an annuity trust. And these are vehicles that you can keep the income to yourself or a family member for a term of years or for life. And then upon the ending of that term of years, or a person's life, the assets go to a charity.

People are considering establishing either a foundation, or the more simple donor advised fund, and First long Island Investors is managing donor advised funds at two charities, and so we can help you if you want to establish a donor advised fund.

Another issue is, how do you make a gift? People sometimes make cash gifts, but if you're making any substantial gift you should consider using appreciated stock, because that way you don't have to pay the capital gains tax to sell the stock to come up with the cash. And that appreciated stock can either be donated to a charity or should you set up a foundation or a donor advised fund, you can gift the appreciated stock to either of those vehicles.

Finally, the annual exclusion gift is over and above the lifetime exclusion is $15,000 per recipient for each donor. So again, if you're a married couple, you can gift $30,000 to any of your kids, grandkids, in-law's, son-in-law, daughter-in-law per year.

With that I'll pass it over to Steve Juchem, our Senior Vice President and Chief Financial Officer.



[Speaking: Stephen Juchem]
Thank you, Bruce.

Many of our clients have been asking us about their retirement accounts, to whether there are any actions they can take in response to COVID-19. Some items to consider as part of an overall income and estate tax plan are listed on this slide.

The first bullet addresses recent changes to the rules for RMDs. R-M-D stands for Required Minimum distribution. By way of background, retirement account owners were always required to take annual RMD's beginning at age 70.5 from their traditional IRAs, pensions, and 401(k) plans. The amount that the annual RMD equals about 4% of the account value at first, but each year, the percentage increases slightly so that more and more of the account value is required to be distributed each year. These required minimum distributions are included in your taxable income. The age when a retirement account owner must begin taking RMD's, was recently changed from age 70.5 to age 72. Starting these distributions a little later, at age 72, allows for a little bit more tax deferral, which is always good. So, anyone who has not yet started taking RMDs, can now wait until age 72 to begin taking them. Additionally, one of the many items included in the COVID economic relief package is the suspension of required minimum distributions for this year. Under the new rules, anyone who was required to take an RMD this year is no longer required to take it this year. This gives the ability to reduce your taxable income in 2020 and save on your income taxes as long as you don't need the RFD for any spending needs.

The rest of this slide discusses Roth IRAs. A big benefit of Roth IRAs is that distributions from a Roth IRA are not subject to income tax. Roth IRAs are also beneficial because, unlike traditional IRAs, they are not subject to the RMD rules during the account owner's lifetime. This allows a Roth

IRA account owner to avoid income tax on account earnings for as long as he or she lives. Please note, however, that inherited Roth IRAs are subject to the RMD rules.

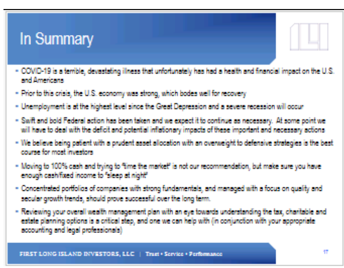
If you have traditional IRAs you may want to convert some or all of them to a Roth IRA, under certain circumstances depending upon several factors, including your current liquidity, your income tax rate, and your estate planning objectives. When traditional IRA assets are converted to a Roth IRA income tax will be due based on the value of the amount converted. If the asset values have recently declined, then it will cost less to convert. And, if you were taking RMDs, but you elected to skip this year's RMD, you may be able to convert some of your Traditional IRA to a Roth without increasing your marginal tax rate for your tax bill above what you usually pay. After conversion, the assets will be in the Roth IRA, and then distributions are no longer subject to income tax. The income tax due on the amount converted should be paid with funds from outside the IRA in order to derive the maximum tax benefit.

An analysis of current versus future income tax rate is important in the decision whether to convert to a Roth IRA. Your future tax rate may be projected to go up if your income is expected to rise in the future for any reason, or there may be changes to future tax rates for all taxpayers. As Ralph mentioned earlier, there was a lot of COVID relief that cost a lot of money and future tax rates are expected to be higher. So, converting to a Roth IRA maybe even beneficial if you can pay the tax now, at currently lower tax rates.

Another benefit of a Roth conversion is that paying the tax now, when you convert, reduces the value of your taxable estate. As Bruce mentioned earlier, estate tax rates are also projected to potentially rise, so the amount of the tax that you pay on your Roth conversion will reduce the amount of your estate and translate into future estate tax savings.

And remember, that converting to a Roth is not an all or none decision. You can convert only part of your traditional IRA to a Roth if you choose. You can also spread the conversion over several tax years, converting a portion of your traditional IRA to a Roth each year. With good tax planning this may help to keep you from pushing yourself into a higher tax bracket.

So to summarize, the RMD rules have been suspended for 2020. This may be a good time to convert to a Roth IRA. Now I'll pass it back to Bob to close out our webinar on the next slide with a brief summary.



[Speaking: Robert Rosenthal]
Thank you, Steve.

In summary, without question COVID-19 is a terrible devastating illness that, unfortunately, has had a health and financial impact on the United States, all Americans, and for that matter over 180 countries around the world.

Prior to this crisis, the US economy was strong and vibrant, which bodes well for recovery.

Unemployment is at the highest level since the Great Depression and a severe recession not will occur, but is occurring. Don't be surprised, the next unemployment rate that will be published by the Bureau of Labor Statistics in the first week of June will be substantially higher than the last one because the way they calculate unemployment is mid-month to mid-month, so the last unemployment report did not capture all of the people that had gone on the unemployment rolls.

Swift and bold Federal action has been taken and we expect it to continue as necessary. At some point we will have to deal with the deficit and potential inflationary impacts of these important and necessary actions but the Federal Reserve, and Congress for that matter, has made it clear that it will do whatever is necessary to bridge that gap, or the valley, or the Grand Canyon as I called it in our quarterly report, to get us back to financial health.

We believe being patient with a prudent asset allocation, with an overweight to defensive strategies, is the best course for most investors. As Phil showed earlier, trying to time the market doesn't work for most investors. And we don't believe it's a prudent course of action.

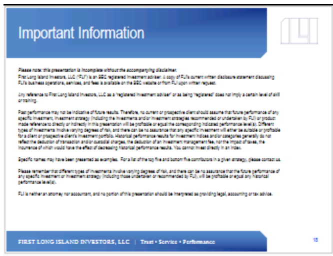
So moving to 100% cash and trying to time the market is not our recommendation. It never has been – we're long-term investors. But you should make sure that you have enough cash or fixed income, which is highly liquid, so that you sleep at night.

Concentrated portfolios of companies with strong fundamentals and managed with a focus on quality and secular growth trends should prove successful over the long term. It always has.

Reviewing your overall wealth management plan with an eye towards understanding the tax, charitable, and estate planning options is a critical step. One we can help with in conjunction with your appropriate accounting and legal professionals.

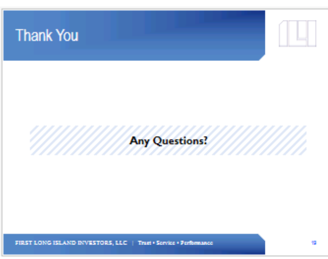
Let me conclude by saying, stay safe, stay healthy.

Hospitals are now going back to being semi-normal. So don't put off your regular exams or your checkups or whatever. It's critical that you continue with that to remain healthy. And hospitals are back in that business as well. And with that, I turn it over to Karen for Q & A. Thank you.



[Speaking: Karen Weiskopf]
Thank you so much to Bob and all of our presenters. We'll now be answering questions from our audience and I've gotten some already. Please continue to send them in and we'll get to as many as possible. Our first question asks about valuation, and is curious where the FLI team sees valuation today and how you expect that to shift in the near term.

[speaking: Robert Rosenthal]
Karen, I'll answer that. This is Bob.



We spend a lot of time focusing on valuation as an investment committee. We actually discuss it on a weekly basis. Our view is that it's very hard to predict this year what earnings will be for any given company. For that matter, the market in general. 80% of companies that are reporting earnings now are withdrawing guidance because it's just too difficult to gauge when the economy will re-open in its entirety. So, we're focusing on what we think earnings will be in 2021 and 2022, and the calendar is going pretty quickly. So, 2021 is only 6 months or so from where we are today. In our view, in looking at what we believe the economy will be for the types of companies that we invest in, we do not believe that we are in nosebleed territory. As a matter of fact, based on projected earnings that we see, and these are projections, for 2021 we're probably trading at around a 19 multiple, or most a 20 multiple, based on what we expect to happen next year. A 19 or 20 multiple may seem a bit high, and it is higher than what the average has been in the past, but we've never had interest rates basically at zero for a long period of time. In our view, based on history and in our study of the markets, there is a direct correlation between interest rates and price-earnings ratios for the types of very solid, high-quality, growing companies that we invest in. So from a valuation standpoint, we're not intimidated by where the market is now and we expect that it will trend higher as we get into 2021 and 2022.

[speaking: Karen Weiskopf]
Great. Thank you. Our next question asks if there's any truth to the rumor that capital gains taxes may be reduced or excused in the stage four bill.

[speaking: Stephen Juchem]
This is Steve. I'll comment on that. I haven't heard that it will be part of the next bill. It is one of the items of the wish list ways to help stimulate the economy, but until we actually see the legislation there's really no way to know for sure what will be in that next bill.

[speaking: Robert Rosenthal]

It's Bob, let me just add to that. Right now, there is a negotiation between the Republicans and the Democrats based on the rather large $3 trillion bill proposed by Speaker of the House Pelosi. The Republicans on the other side of the aisle want to at least reduce payroll taxes to give an incentive to people to come back to work, or, for that matter, the people that are working. As it was mentioned earlier, given the extent of insurance that's been added to the State level by the Federal level it's now, in some cases, better for people to stay out of work, collecting unemployment from both the State and the Federal governments as opposed to going back to work. A tax payroll holiday, which is what the president is proposing and most Republicans think it would be an incentive for people to go back to work, would also give some more after tax income to people who are working. So that's another tax issue that's being debated between Republicans and Democrats and only time will tell which, if any, will be implemented.

[speaking: Karen Weiskopf]
Great. Thank you. Our next question is even though RMDs are not required this year, should people be increasing their retirement distributions given the expectation that tax rates could increase?

[speaking: Stephen Juchem]
This is Steve. I'll comment on that. It is always a good idea to consider whether taking an RMD would help to improve your situation, but we feel that by deferring the RMD it is beneficial to save on your taxes currently and as I discussed earlier it does give you the opportunity to use that reduction in your income to convert part of your Traditional IRA to a Roth IRA. Do remember that if you don't take an RMD it does stay in the IRA and the value of your IRA will be that much higher in future years and future RMDs based on the value of your IRA each year. So, you're really just kicking the can down the road. It is a little bit of a benefit to defer the RMD, but it's not a black and white decision, and it's not an all or none decision, so it's really up to each individual client to discuss with their tax professional what's best for them.

[speaking: Karen Weiskopf]
Excellent. We have time for one more quick one which I think Bob is for you. You mentioned a multiple of 19 to 20. Can you explain a little bit more of exactly what that means? And maybe I think the sort of how a multiple is calculated may be helpful.

[speaking: Robert D Rosenthal]
Sure. The S&P, typically people look at S&P earnings. The S&P 500 represents 500 of the largest companies that are on the stock exchanges in America. Before the pandemic hit, we were at approximately an estimate of $165 earnings for the S&P and we were trading at 18 multiple or so. 18 or 19 multiple, which again, was a little bit higher than what the historical average has been. But, again, we believe there is a direct correlation between how low interest rates are and how high PE's can go, or how would support a higher price earnings ratio. So, price is to earnings - it's obviously a calculation of what the price of a stock is, divided by, what the earnings are. And, you know, we believe that the current valuation, although it may be slightly ahead of itself in this run back from the bottom, will continue to grow into itself as the economy is restored. I was commenting to my colleagues earlier today and yesterday that it appears as if the country is actually opening up at a pace slightly faster than what the federal government had anticipated. So that's good news. As long as we don't have a spike in viruses and if we do have a spike in viruses we believe the testing and tracing is in place to try and contain that. So again, the price earnings ratio that we see going out to 2021 and 2022 is reasonable given the interest rate levels that we have and that assumes that we go back to some sort of normalcy in terms of our economy. Obviously everybody is holding out for a vaccine and we're hopeful that a vaccine is created. If a vaccine is not created that's efficacious then we would look to therapeutics being developed that would assist doctors and hospitals in the treatment of COVID-19 patients. But again, we're hopeful that a vaccine will happen within the next year or two. Hope that answers the question.

[speaking: Karen Weiskopf]

I think that does. And I think that takes us to the end of the hour here. On behalf of the entire FLI team, I want to thank everyone for joining us. We hope you found this session insightful. If you have any friends or colleagues who can benefit from joining future events like this, albeit online or in person, please let us know and we can include them.

For our clients on the line, I want to remind you that our investment committee is always available to discuss your individual asset allocation. Just give us a call. We know that times like these carry some additional worry, and our team is here to discuss your individual situation, needs, and goals. We hope to be able to see you all in person again soon, but in the meantime, as Bob mentioned, please know that we are completely available. We wish you continued good health and ask that you please do your part, and continue to practice social distancing. I hope everybody has a fantastic day. Thank you so much.