BMG ADVISORS

THE MARKET AT-A-GLANCE

Q1 2020 Update

We would like to take a moment and let you know that we have completed our 2020, 1st quarter review of your account within our managed program. Based on extensive research and current market conditions and trends, we are recommending a few changes to your portfolio. We are happy to discuss these changes with you further in the office or over the phone. As we completed our quarterly due diligence, we are committed to identifying opportunities, reviewing risk/return, cost, and yield in all recommendations made. Thank you for the opportunity to work with you and please let us know as we can assist further.

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Our Investment Policy

1. Focus on managing investment costs in the following areas:
    - Internal investment expenses/fees
    - Sales charges and/or commissions
    - Investment advisory fees
2. Focus on maintaining investment risk commensurate with client risk profile.
    - In addition to personally reviewing our client's accounts to help ensure they are suitable, our process includes a review of the investments being used in portfolio construction through a variety of other resources.
3. Finally, we are deeply concerned about retirement income and inflation risk as we build client portfolios; while we can't control market performance or inflation, our focus remains steadfast as we attempt to improve income and overall return potential while managing risk and cost.

INCOME STRATEGY

Notes from the BMG Investment Committee:

The primary focus of the Income Strategy is long-term income preservation and income generation. While this strategy is one of our more conservative, unprecedented volatility in March had an impact as all asset classes were swept up in global pandemic fear. We took action and moved this strategy to a defensive posture in mid March. This move reduced equities and added cash equivalents and short-term investment grade bonds, seeking to preserve assets and create opportunity. For Q1, this strategy remains defensive but we continue to look for opportunities. One example is technology which performed very well though the recent downturn and was added to the strategy. Consumer Staples were also added as the possibility of a prolonged recession rise. With interest rates projected to remain low, additional duration and quality were added this quarter as well.

MODERATE STRATEGY

Notes from the BMG Investment Committee:

The primary focus for the Moderate Strategy remains to seek returns while being mindful of risk. This strategy was already postured slightly defensive last quarter; we had reduced exposure to equity volatility and increased bond quality and duration. The strategy was well positioned as the Federal Reserve took drastic action and significantly lowered interest rates. Changes within this strategy will be minimal. For Q1, we moved our healthcare sector from small cap to medical devices. The allocation portion was also moved to a fund with a greater focus on equities.

GROWTH STRATEGY

Notes from the BMG Investment Committee

The primary focus of the Growth Strategy is long-term growth and we continue to focus on domestic growth across all capitalizations. Aware this is one of our more equity-sensitive strategies; we took action and moved this strategy to a defensive posture in mid-February. By temporarily raising cash equivalents and short-term bonds at the first sign of the downturn, we sought to preserve value and create opportunities to move the strategy into oversold sectors like financial services.

This strategy continues to be overweight in healthcare and technology. Both sectors have done relatively well during the rapid downturn however, we have repositioned small cap healthcare into the medical device sector seeking better forward growth. Bank loans underperformed and were moved to a more conservative core bond position that compliments the current equity risk.

AGGRESSIVE GROWTH STRATEGY

Notes from the BMG Investment Committee

The Aggressive Growth strategy seeks to find great return through increased risk and is not suitable for every investor. As with our Growth strategy, we moved to a defensive posture in mid February. By temporarily raising cash equivalents and short-term bonds at the first sign of the downturn, we sought to preserve value and create opportunities to move the strategy into oversold sectors like financial services. Changes for Q1 include adding specific exposure to semiconductors and financial services. We believe these sectors show great opportunity for growth as the economy improves.

This strategy continues to be overweight in healthcare and technology. Both sectors have done relatively well during the rapid downturn, however, we have repositioned small cap healthcare into the medical device sector seeking better forward growth.

DISCLOSURES

Securities and Advisory Services offered through LPL Financial, a Registered Investment Advisor. Member FINRA/SIPC.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

Stock and mutual fund investing involves risk including loss of principal.

Value investments can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

The prices of small and mid-cap stocks are generally more volatile than large cap stocks.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

The market value of corporate bonds will fluctuate, and if the bond is sold prior to maturity, the investor's yield may differ from the advertised yield.

Bond yields are subject to change. Certain call or special redemption features may exist which could impact yield.

Government bonds and Treasury bills are guaranteed by the US government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

Because of their narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.