BMG ADVISORS

THE MARKET AT-A-GLANCE

Quarter 3 Update

We would like to take a moment and let you know that we have completed our 3rd quarter review of your account within our managed program. Based on our review, research, and current market conditions 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 reviewing risk/return, cost, and yield in all recommendations made. Thank you for the opportunity to assist you and please let us know as we can assist further.

Jennifer Malone, CFP®, CMFC, Andrew Rogers, CFP ®,
Adam Hawley & Steve Minhsull
LPL Financial Advisors
BMG Advisors

4700 Belleview Ave, Ste 410
Kansas City, MO 64112
816-792-5072

Our Investment

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

Our Thoughts & Plans

With interest rates on the rise, we will continue to focus on limiting exposure to this risk with shorter duration fixed income positions. Short term and intermediate bonds yields are still attractive. The yield is comprised mostly of corporate and government debt, bank loans and mortgage-backed securities. We are increasing a small allocation to higher rated bank loans as increasing interest rates may lead to some volatility.

MODERATE STRATEGY

Our Thoughts & Plans

We believe the economy is still growing and GDP has continued to rise. Those are both positive indicators and support a small overweighting of value funds in the strategy, despite interest rates trending upward. Additionally, the new tax law may provide higher growth for small domestic companies as they typically have higher effective tax rates and are more sensitive to changes to the tax code. Large domestic companies have had solid growth over the last year and some of the tax incentives may be priced in at this point. We are moving some of the moderate allocation from multi-sector bond and adding to higher rated bank loans. Also, we are moving our international small/mid cap value to foreign large cap value as we monitor U.S. trade policy.

GROWTH STRATEGY

Our Thoughts & Plans

We are focusing on domestic growth, adding mid-cap domestic securities focused on technology, industrials and healthcare; and have rotated out of multi-asset income strategy for this allocation. We believe there will be headwinds on the emerging markets sector with trade uncertainty looming and have reallocated emerging markets more toward foreign large value.

AGGRESSIVE GROWTH STRATEGY

Our Thoughts & Plans

We continue to prefer U.S. equities, primarily in technology, healthcare, consumer discretionary, industrials and financials. In this strategy, we will be moving from emerging markets to foreign large cap value, as well as moving semiconductors to a small/mid growth focused strategy to continue looking for more diversified growth within the model.

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.