BMG ADVISORS

THE MARKET AT-A-GLANCE

Q2 2020 Review

We would like to take a moment and let you know that we have completed our 2020, 2nd quarter review of your account within our managed program. Based on extensive research, current market conditions, and trends, we are recommending minimal changes to your portfolio at this time. We are happy to discuss this in further detail with you 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 Process

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.
   - Utilize a clear and decisive risk analysis tool
   - Advisors personally review client's accounts for suitability
   - Our process includes a review of the investments being used in portfolio construction by one or more external systems (or software) to help provide validation for portfolio recommendations
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. We are constantly monitoring several factors, two of which are economic recovery and election-year volatility. We are concerned that the relatively swift rebound from the lows in March has increased the likelihood of a market correction in the near term. For now, this strategy will remain defensive unless a pullback presents buying opportunities. With interest rates projected to remain low, we will maintain duration and quality in the fixed income portion of the strategy.

MODERATE STRATEGY

Notes from the BMG Investment Committee:

The primary focus for the Moderate Strategy remains to seek returns while being mindful of risk. We are concerned that the relatively swift rebound from the lows in March has increased the likelihood of a market correction in the near term. For this quarter, this strategy will remain defensive with higher than normal allocations to bonds and cash equivalents. We have moved some of the cash position to limited duration bonds seeking to generate modest yield while still limiting risk. Sluggish economic recovery and election-year volatility could still present issues in the short-term. But, this strategy strives to both seize opportunity should there be a market correction and as well as capitalize on market growth.

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. Both growth and technology have lead year-to-date performance and this strategy seeks to benefit from that focus. We are concerned that the relatively swift rebound from the lows in March has increased the likelihood of a market correction in the near term. For this quarter, this strategy will remain defensive with higher than normal allocations to bonds and cash equivalents. Sluggish economic recovery and election-year volatility could still present issues in the short-term. But, this strategy strives to both seize opportunity should there be a market correction and as well as capitalize on market growth.

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. We are concerned that the relatively swift rebound from the lows in March has increased the likelihood of a market correction in the near term. For this quarter, this strategy will remain defensive with higher than normal allocations to bonds and cash equivalents. Sluggish economic recovery and election-year volatility could still present issues in the short-term. But, this strategy seeks to both seize opportunity should there be a market correction and as well as capitalize on market 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.