BMG ADVISORS

4th Quarter 2023 Strategy Update

We are pleased to announce that we have completed our strategy review for your account within our managed program. After extensive research and analysis, the Investment Committee instituted a few changes this quarter. What follows are the strategy-specific notes for your portfolio. Through our due diligence process, we are committed to identifying potential opportunities, reviewing risk/return, cost, and yield in all recommendations made. Please contact us if you have any questions; we are always happy to discuss this in further detail. Thank you for the opportunity to work with you and Plan Your Story!

Jennifer Malone, CFP®, CMFC (LPL Financial Advisor)
Adam Hawley, CPFA (LPL Financial Advisor)
Chase Coffman (LPL Financial Advisor)
Steve Minshull, AIF® (LPL Financial Advisor)
Austin Kuehl, CPFA, ABFP™ (LPL Investment Adviser Rep.)
Jorie Neech (LPL Investment Adviser Rep.)
Joslyn Boyd (LPL Investment Adviser Rep.)
Kim Hayes, CFP® (Operations Manager)
Gabe McCubbin (Director, Financial Planning & Investments)

4700 Belleview Ave, Ste 410
Kansas City, MO 64112

4400 W 109th St, Ste 100
Overland Park, KS 66211

Our Investment Process

Focus on managing investment costs in the following areas:
- Internal investment expenses/fees
- Sales charges and/or commissions
- Investment advisory fees

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

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.

Market Commentary

This quarter, we finally got confirmation from the Federal Reserve (FED) of ending their interest rate hiking cycle. The markets responded quite favorably, leading to what pundits described as an "everything rally." We have been concerned about the possibility of a mild recession in late 2024, but data continues to surprise us, signaling a growing possibility that a recession could be avoided and a "soft landing" for the U.S. economy could be achieved. We expect 4 quarter-point rate cuts in 2024, starting in early summer.

Lawmakers in Washington continue to struggle with agreement on a new budget, and several "kick the can" resolutions have passed while the details are ironed out. The market has so far shrugged off this gridlock. Globally, there continues to be a risk that conflicts in Ukraine and the Middle East will expand.

Recent Q4 reports show the U.S. economy remains surprisingly strong, inflation is trending lower, and unemployment is also historically low. Looking forward, this makes us cautiously optimistic about equity returns for 2024. We agree with most analysts that equity markets could be positive but perhaps below average. For fixed income, Q4 was the beginning of a return to normal, with bonds now offering attractive yields and diversification. Bond returns could be limited in 2024 as the market has, in our view, priced in too many FED cuts in 2024. This could lead to a pullback if expectations are not met; however, higher yields should offer some protection.

Income with Moderate Growth Strategy

The primary focus of the Income with Moderate Growth Strategy is long-term capital preservation and income generation.

No changes this quarter.

Growth Strategy

The primary focus of the Growth Strategy is long-term growth.

No changes this quarter.

Growth with Income Strategy

The primary focus for the Growth with Income Strategy is to seek returns while being mindful of risk.

No changes this quarter.

Aggressive Growth Strategy

The Aggressive Growth strategy seeks the possibility of increased return through increased risk and is not suitable for every investor.

No changes this quarter

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 U.S. 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.