BMG ADVISORS

THE MARKET AT-A-GLANCE

Q4 2019 Update

We would like to take a moment and let you know that we have completed our 2019, 4th 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.

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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. In 2020 we expect interest rate changes to be minimal with the added volatility of an election year. Changes within this strategy will look to accomplish the following objectives: continue to increase fixed income quality as well as duration and actively work to minimize downside risk in equities. With this in mind, we have increased our position in investment grade bonds and government debt. We have also added a specific allocation of low volatility equities to help hedge against potential market fluctuations. These changes resulted in a decrease of internal expenses for 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. In 2020 we expect interest rate changes to be minimal with the added volatility of an election year. Changes within this strategy will look to accomplish the following objectives: continue to increase fixed income quality as well as duration and actively work to reduce risk in equities. With this in mind, we have increased our position in investment grade bonds and government debt. We have also added a specific allocation of low volatility equities to help hedge against potential market fluctuations. Domestic equities have outperformed international, however, diversification is important. We will maintain a position in international equities but will move to a small/mid capitalization to better position ourselves to take advantage of more favorable risk adjusted returns. These changes resulted in a decrease of internal expenses for the strategy.

GROWTH STRATEGY

Notes from the BMG Investment Committee

The primary focus of the Growth Strategy is very much as its name suggests, long-term growth. We are still focused on domestic growth across all capitalizations with an emphasis in technology and healthcare. Domestic equities have outperformed international, however, diversification is important. We will maintain a position in international equities but will move to a small/mid capitalization to better position ourselves to take advantage of more favorable risk adjusted returns.

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. We continue to prefer U.S. equities, primarily in technology, healthcare, consumer discretionary, industrials and financials. Domestic equities have outperformed international, however, diversification is important. We will maintain a position in international equities but will move to a small/mid capitalization to better position ourselves to take advantage of more favorable risk adjusted returns.

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.