

SAGE

PRIVATE WEALTH GROUP

February 6, 2018

SAGE Investment Committee

When assessing recent market volatility, much attention has been focused on the positive labor market data announced late last week. In our opinion, recent wage gains have boosted many investors inflation outlook, spurring an increase of the theoretical risk-free rate, leading market participants to recalibrate their required rate of return. The SAGE Investment Committee believes that this swift inflation revision is overblown and that exaggerated selling can lead to mispricing opportunities for long-term investors. The following highlight the investment committee's thoughts surrounding market conditions as well as the prudent portfolio management guidelines in which SAGE diligently practices.

Considering the tremendous run-up in global equities, a drawdown of this magnitude is not unusual. Our investment committee believes that economic conditions remain favorable to support continued global growth.

We remain confident in the current asset mix across all our portfolio investment objectives. The SAGE Investment Committee will continue to monitor price volatility and determine any changes to effectively take advantage of potential mispricing.

Our rebalancing methodology has been and will continue to be strictly applied to all client portfolios. By incorporating this methodology, client portfolios have been rebalanced prior to this recent selloff, resulting in profit-taking in global equities with proceeds allocated to fixed income.

Although day-to-day market activity captures headlines, SAGE Private Wealth Group remains focused on providing service excellence to our clients. Through the SAGE Wealth Management Standard of Care we are committed on executing our clients' long-term financial plans as we work to grow and protect their investment legacy. We encourage you to speak with your Wealth Advisor to address questions or concerns regarding this information or any other financial related matter.

Thank you,

SAGE Investment Committee

We act with purpose, are intentional with our advice, and serve as a catalyst to help you create your lasting legacy.

Views expressed are not necessarily those of Raymond James and are subject to change without notice. Diversification and strategic asset allocation do not ensure a profit or protect against a loss. The process of rebalancing may carry tax consequences. Investing always involves risk and you may incur a profit or loss. No investment strategy can guarantee success.

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