QUARTERLY NEWSLETTER • VOL. 1

FREEDOM STREET
PARTNERS

ALONG FREEDOM STREET

FROM THE EXECUTIVE TEAM

In the spirit of the new year and new opportunities, we are excited to introduce our quarterly newsletter! Our goal is to provide you with an informative and reliable resource to share our perspective on current events and the market as well as developments within our organization.

As we kick off 2019 and anticipate the year ahead, it's also the perfect opportunity to reflect on last year. It's easy to look back and think of the negativity that bombarded our newsfeeds such as the trade war with China, Brexit, rising interest rates, and political uncertainty. After all, one negative headline often overshadows the handfuls of positive stories.

The year ended the same way it began, with volatility. In January 2018, we saw the continuation of positive returns from 2017 with the market reaching all-time highs on the 26th, only to quickly reverse course with a sharp decline in early February. This reversal may have been surprising, but since 1932 the S&P 500 has experienced a 10% correction about every two years, and in February the market saw its first 10% correction in – you guessed it – two years. Fast forward to the summer, a time when the market usually experiences downturns, we experienced strong returns and even hit all-time highs in August. To close the year, we returned to the volatility we encountered at the beginning of the year with markets ending the year negative for the first time in a decade.

We know that fluctuations are normal. We also know that market fluctuations don't have to result in changing your long-term goals. In other words, the financial planning we do prepares you for the uncertainty that we saw at various points throughout the year. However, this should not change your long-term goals such as retiring comfortably, sending children to college, or buying that vacation home you've always wanted.

When planning effectively, short-term volatility has little impact on long-term goals and objectives. We stand by this philosophy and are fortunate that it allows our clients to maintain consistency, despite shifts in the market and messaging in the media.

continued on page 2

In this Issue

continued from page 1

2018 Accomplishments

We are pleased to announce that Freedom Street had a milestone year; **our assets under management (AUM) reached 538M, an increase of 73% from 312M at the end of 2017.** Achieving this growth was due to several factors:

increase of
73%
last year

- Partnering with Fred Reddell* to open our newest location in Charlotte, NC;
- Brian Elms, Rob Estes, and Margie Wiley* continued to successfully build their business throughout 2018;
- The successful affiliation with Chad Rushing, while adding a new presence in the Midwest (Illinois);
- Most importantly, the trust and loyalty of our clients and their introductions to friends and family.

Our growth has gained us recognition as one of the top 60 Raymond James branches. We ranked 59th out of 1,420 independent channel branches, achieving the status of **Raymond James Leaders Council Branch**** due to our 2018 production.

The growth we've experienced also allows us to expand the resources available to our clients. These resources include:

- Concierge Service from Raymond James
- New offices in Charlotte, NC and Pinckneyville, IL
- Further enhancements of our investment platform include:
  - *Tax Sensitive Portfolios*
    Built for non-qualified accounts while being mindful of a client's tax situation
  - *Foundation Portfolios*
    Built for accumulators or clients looking for a simplified approach to asset allocation
  - *Strategic Equity Portfolios*
    Built for clients who want individual stock exposure

As our practice grew, it was essential for us to recognize the areas where we excelled as well as those areas where we needed additional expertise. We were fortunate that two other Raymond James practices were going through this same exercise; Boston Harbor Wealth Advisors (Massachusetts) and Crux Wealth Advisors (California).

"Collaboration" itself can be misunderstood. It's not a style of working but rather, a procedure of working with others outside of their formal control to accomplish common goals. We understood that we couldn't be more successful for our clients if we worked in a silo, limiting our resources and creativity. Collaboration in its purest form was essential for us.

We began collaborating with both practices utilizing the "Better Together" philosophy. Meaning, we maximized the strengths of each practice and created a platform that has grown into a fantastic system for us to share best practices and resources. We call this platform, Life & Wealth Optimization.

Life & Wealth Optimization applies to all of our clients; prudent investors who want to optimize their financial independence and quality of life. It's a holistic and comprehensive wealth management process aimed at:

1. Achieving key goals
2. Increasing lifelong financial independence
3. Reducing stress
4. Enhancing the quality of life

Understanding and aligning our client's goals with their investments is at the foundation of each of our practices, regardless of location. The Life & Wealth Optimization platform allows us to be more productive by leveraging each other's strengths and has led to an enhanced client experience.

2019 Initiatives

Growth has been a prevalent theme for us over the last two years. Our team of four has grown to 16 individuals. The increased expertise provides us with the opportunity to outline areas we want to improve and refine.

We have two major initiatives for 2019:

1) *Improve our client experience*
We understand our client's desire to get the answers they need promptly. To better the experience without sacrificing the quality of service **we will invest in additional resources**, so clients have a **dedicated individual to answer and perform all service-related questions and requests**. We will also share more content and helpful resources through our website, social media, and client events.

2) *Simplify our financial planning process*
Data collection is the first and sometimes the most daunting step in the financial planning process. To ease the stress that this can sometimes cause, **we are developing a streamlined data gathering process** for clients. **Our investment in additional resources will continue** to provide our clients with a **dedicated financial professional to design, monitor, and track their financial plan over time**.

Our goal is to *always* deliver the highest level of guidance and service in the industry. Our Life & Wealth Optimization platform also gives us the opportunity to achieve these goals more efficiently and effectively than previously possible. We are excited for our clients to experience our enhanced services and report back about our progress in the next quarter. ✦

**Fred Reddell, Margie Wiley, Brian Elms, and Rob Estes are all Financial Advisors with Raymond James Financial Services.*

***Membership is based on prior fiscal year production. Re-qualification is required annually. The ranking may not be representative of any one client's experience, is not an endorsement, and is not indicative of an advisor's future performance. No fee is paid in exchange for this award/rating*

Crux Wealth Advisors (California) and Boston Harbor Wealth Advisors (Massachusetts) are not registered broker/dealers and are independent of Raymond James Financial Services.

EMPLOYEE SPOTLIGHT

BECKY BLAIR • SENIOR OPERATIONS ADMINISTRATOR

With 15 years in the business, clients rely on Becky for exceptional customer service and strict attention to detail when handling their accounts and inquiries. In addition to her detail-oriented style, her warm and friendly personality ensures our clients will be treated as part of the family. Becky's administrative endeavors also help keep the office running smoothly.

Becky joined Raymond James in 2016 after serving as a Senior Branch Office Administrator and Financial Advisor at Edward Jones. Before that, she worked at American Funds/Capital Group as a Senior Shareholder Account Representative and Senior Recruiting Associate. Becky works with clients on a wide variety of matters from account opening, processing trade orders, and the transfers of funds.

In Becky's words

"People may be surprised to know that I was painfully shy as a child and teenager. One thing that helped me overcome my shyness was my mother's advice to always do my best. Even though your best may still result in falling short, knowing that you did all you could is most important. I truly believe that giving my best allowed me to develop self-assuredness in my life.

"Family has always been a priority to me, and that focus is another key component that has made me into the person I am today. My family is originally from Ireland, and my father had the good fortune to visit the country when he served in the military. He used to tell me how beautiful it was, which created a lifelong desire for me to visit. To this day, if I could travel anywhere in the world, it would be Ireland.

"I count my two beautiful children, as my greatest accomplishments in life, and they have been such a blessing to me. If I could design my perfect weekend, it would center around my family. I would spend quality time with my husband, Garry, and the rest of our family while playing cards and cooking." ✦

PRACTICING HAPPINESS

A HABIT OF CONTENTMENT CAN LEAD TO A LIFETIME OF JOY

Becoming a homeowner. Going on an exotic vacation. Seeing your grandchild graduate college. These are joyful occasions and no doubt worth celebrating. But what if lasting happiness doesn't stem from these unforgettable events? What if it's instead found in the humble, quiet moments of our day-to-day lives?

We anticipate the upcoming weekend, the next promotion, the planned vacation, the long-awaited retirement. While having plans to look forward to can add a dose of excitement to our routines, making a conscious decision to celebrate the small moments comprising our daily lives also can help us stay happy, grateful, and fulfilled.

According to a *Time* magazine article on happiness, "The reason we are so hooked on getting things done is that we believe the payoff that comes from achievements - an award or a larger savings account -will ultimately lead to the biggest payoff of all: happiness. But it doesn't." Delaying happiness in favor of future achievements can perpetuate forever, leaving us continually searching for what's next. However, there's good news: You can prioritize joy by taking simple steps. The following advice, gathered from psychologists, research studies, and even ancient philosophers, can help you start to cultivate a happier life whenever you're ready.

Immerse yourself in the present

While multitasking is a valued ability, research has shown that being completely immersed in a task can allow us to feel more satisfied and increase our productivity. Preventing our minds from wandering can be tricky at first, but it's a skill you can improve through practice. Some tips that may help you stay in the present include focusing your attention on any given chore or object for 10 minutes at a time, engaging in meditation, or spending a half or full day without your phone or computer. (We know, we know, but you can do it. At least for a few hours.)

Imagine losing what you love

It may seem counterproductive to make yourself happy by imagining the things you love most disappearing, but numerous psychologists recommend what's called negative visualization, according to a study in the *Journal of Personality and Social Psychology*. The practice of picturing - while not resigning yourself to - unfortunate scenarios can dramatically boost gratitude for current circumstances. In fact, the aforementioned study concluded that thinking about the absence of a positive event from our lives makes

continued on page 5

Rise and Shine

Start your day on the right foot with these fresh ideas

HAVE SOMETHING TO LOOK FORWARD TO, whether it's lunch with a friend or your favorite cup of coffee.

CROSS A DREADED TASK OFF YOUR TO-DO LIST. The earlier you do it, the better, as your willpower is at its strongest in the morning.

FEEL A SENSE OF PURPOSE by thinking about how your day-to-day work impacts the lives of others. Ask yourself, "How is the work I'm doing helping someone down the road? What meaning can I find here?"

SAY THANK YOU. Help others feel appreciated and boost your own mood by actively practicing gratitude.

KISS (OR HUG) SOMEONE YOU LOVE. Psychologists believe that starting the day with affection can help foster a positive attitude and, in turn, a healthier lifestyle. What's more, a 10-year psychological study concluded that men who kiss their wives before work live five years longer, make 20-30% more money and are 50% less likely to get in a car accident.

Rest Easy

Follow these tips to end each day on a good note

LET GO OF WORK. Make a to-do list for the next day and include notes on how you'll tackle each task. Once done, make sure to disconnect.

TURN YOUR TUESDAYS INTO SATURDAYS. Studies show what we treasure most about weekends is extra time with those we love, so schedule weeknight plans instead of staying in.

PRACTICE. Instead of spending your night watching TV, a habit that's been linked to lower life satisfaction, try practicing something you enjoy, such as knitting, creative writing, or Sudoku.

REMEMBER THE GOOD. Write down at least three good things that happened during the day, including why they were good.

DIM THE LIGHTS. Ease into a good night's sleep by turning off your smartphone and computer screens an hour before bedtime. Using a smartphone for 10 minutes is the equivalent of taking an hour walk in bright daylight.

DON'T GO TO BED ANGRY. Instead, aim to go to bed feeling grateful.

continued from page 4

us feel even more grateful than reminiscing about a positive life event. Imagine never having met your partner or pretend you can no longer speak to your best friend. If doing so makes you feel even more grateful and relieved they're in your life, you're experiencing the benefits of effective negative visualization.

Embrace your social circle

The happier your relationships are, the happier your life will be. This may not come as a surprise, considering most of your cherished memories are likely filled with those you love. In addition to making you happier, a strong social circle can help you live longer. Author Dan Buettner partnered with the National Institute on Aging to study Blue Zones, areas where people disproportionately live beyond 100, at rates up to 10 times higher than other places. What they found is that in many of these zones, residents made it a priority to cultivate close relationships with those in their community, helping provide a sense of purpose and support that proved essential to their overall well-being. An active social life can even help lower risks of heart problems and high blood pressure, lead to fewer incidences of cancer, and deter osteoporosis and rheumatoid arthritis, according to research from the Yale Medical Group. Staying social can also lower your risk for for Alzheimer's and mental health issues by helping strengthen connections in your brain. So if you need a reason for a night out with friends, you have two: your happiness and well-being.

Sweat the big stuff

You've likely heard the famous quote by Erma Bombeck, "Worrying is like a rocking chair: It gives you something to do, but never gets you anywhere." If that's the case, why do we fixate on matters that are out of our control? One of the central beliefs of Stoicism – a revered ancient Greek school of philosophy – is that if there's something out there that concerns us, we should ask ourselves: Can I fix it? If the answer is "yes," the next step is to focus our energy in searching for a solution. If the answer is "no," then there's no point in dwelling on it. This can be applied to many aspects of our lives, from stressing about a sudden thunderstorm ruining an outdoor event to fearing the gyrations of a market cycle. If something concerns us and it's out of our control, the best we can do is prepare for the worst, while keeping in mind that no amount of worrying will change the outcome. Once you've taken precautions to assuage your fears, let go of the situation and focus on something else. ✦

From WorthWhile Magazine, Winter 2018

Sources: bakadesuyo.com; *Time* magazine; Journal of Personality and Social Psychology

TOP MULTIGENERATIONAL TRIPS

Let's discuss the best trips to take the whole family on. Multigenerational trips have become increasingly popular the last several years. An informal poll of Largay advisors yielded some great response on the best multigen adventures for your family.

Italy

Italy is great for everyone because there are so many different Italies. The history of major cities such as Rome, Florence, Milan and Venice are great for grandparents and students alike. Young adults will appreciate the romance and nightlife. There are perfect spots for coming together as a family in a villa. Rentals are typically weekly, and there are amazing countryside options in Tuscany and Umbria or the lake region in the north. Along the way, a great option to stop in medieval towns for a guided tour. From Puglia to Liguria, there is plenty to see. Sicily and the Aeolian Islands could make a trip until themselves.

Costa Rica

It's close and fairly easy to reach. There's good service into two airports, one near the beach and one closer to the rainforest and Arenal volcano and its accompanying hot springs. There are fabulous treetop lodges full of activity -- horseback riding, waterfall hikes, birdwatching -- and spa treatments -- coffee exfoliation, mango coconut wraps -- in equal force. The Pacific coast has the great beaches of the Papagayo Peninsula, and there's river rafting throughout, sometimes even right up to your lodge.

Australia/New Zealand

It's quite possible that most of your family might only go to this part of the world once. You might as well all go together. Marvel at the beauty of the Great Barrier Reef, tour the Sydney Opera House behind the scenes and sea unique wildlife in Australia. Golf your way through New Zealand, and take time to cruise Milford Sound and trek Middle-Earth in between courses. After all that, somebody is definitely making a return trip.

On a cruise

The ship itself has shows, plenty of dining options, activities for kids, even babysitting in some cases. The places the ship takes you are breathtaking, especially wildlife destinations such as Alaska and the Galapagos. You'll see incredible animals in their natural environments along with gorgeous scenery. A Mediterranean cruise or select family-oriented European river cruises take you in the heart of cities rich in culture. Your travel advisor will help you find the cruise line that fits your family best.

On safari

A safari is a wonderful experience at any age, and something every traveler should experience at least once. Game drives make for a perfect all-inclusive day out, and everybody loves observing wildlife in action. Africa has so many beautiful natural wonders, from Victoria Falls to Ngorongoro Crater to the Okavango Delta. Those lucky enough to spot all of the Big Five will never forget it. Even if you don't see them all, you'll have invaluable memories with your family. By the time your grandkids tell their grandkids about it, the story will be embellished enough that you did see all five. ✦

From our partners at Largay Travel, an independent third-party.

NEVER AS GOOD AS IT LOOKS, NEVER AS BAD AS IT SEEMS

FROM OUR INVESTMENT COMMITEE

MARKET POSITIVES

- **Domestic economic indicators**: Job growth, consumer confidence, retail sales, and gross domestic product (GDP) continue to improve.
- **Lower oil prices**: Dropping prices may result in a small boost to consumers while providing cheaper input costs for infrastructure in developing nations.
- **Valuation**: Current market valuations are attractive for buyers with a price to earnings ratio (P/E) of ~17x. Investors monitor this ratio as a fundamental gauge to determine if the market is "expensive" or "cheap." The long-term P/E average for the S&P 500 is 16.5x.
- **Earnings growth**: Expected to rise between 5-10% in 2019.

MARKET NEGATIVES

- **Global tensions**: Investors continue to pay close attention to the ongoing trade war between the U.S. and China as well as the uncertainty surrounding Brexit. It has been two years since the U.K. voted to leave the European Union and there is still no deal in place.
- **Growth concerns**: Chinese and European economic indicators have slowed over the last few months. Europe maintains historically low interest rates aimed at encouraging business investment, while the Chinese government provides liquidity and stimulus.
- **Policy Changes**: During the 4th quarter of 2018, the Federal Reserve made remarks that were interpreted as though they plan on moving forward with regular interest rate increases in 2019. With recent global slow down worries, the market did not digest these statements very well, putting the Federal Reserve under scrutiny.
- **Recession concerns**: Financial professionals look at the yield curve to help gauge the market's sentiment on the long-term health of the economy. However, the yield curves referenced in the media have never been reliable indicators.

As you've scanned through the market positives and negatives, you may be wondering what this means for you in the short- and long-term. The beginning of the new year is a great time to have this conversation.

It's easy to have feelings of uncertainty when bad news has its way of lurking around every corner. After all, volatility returned as a frequent theme in 2018. However, blocking the noise is a crucial step toward making sense of the current climate.

It's imperative to take a step back, evaluate the market's behavior and anticipate the year ahead based on trends and data. Before jumping ahead to 2019, let's take a closer look at 2018.

2018 In Review

The year started with the S&P 500 poised to move higher on the strength of corporate tax cuts and deregulation. The S&P 500 hit a new high in January and quickly sold off and hit a low in mid-February, resulting in a decline of almost 12%. It took until the end of August for the S&P 500 to close above the highs posted in January. From the end of August until the beginning of October, the S&P hit a new all-time high. October 4 was the beginning of the current equity sell off and increased volatility. Valuations were slightly stretched, trade tariffs didn't make progress, and overall market breadth started to lose steam. From the market high in October to the intra-day low on December 26, the S&P declined -20%.

December is a month where most investors look for what's referred to as a "Santa Claus Rally." This is a time when stock prices generally rise. However, this December was far from that as the S&P 500 fell -9%, resulting in the worst December dating back to The Great Depression.

continued on page 8

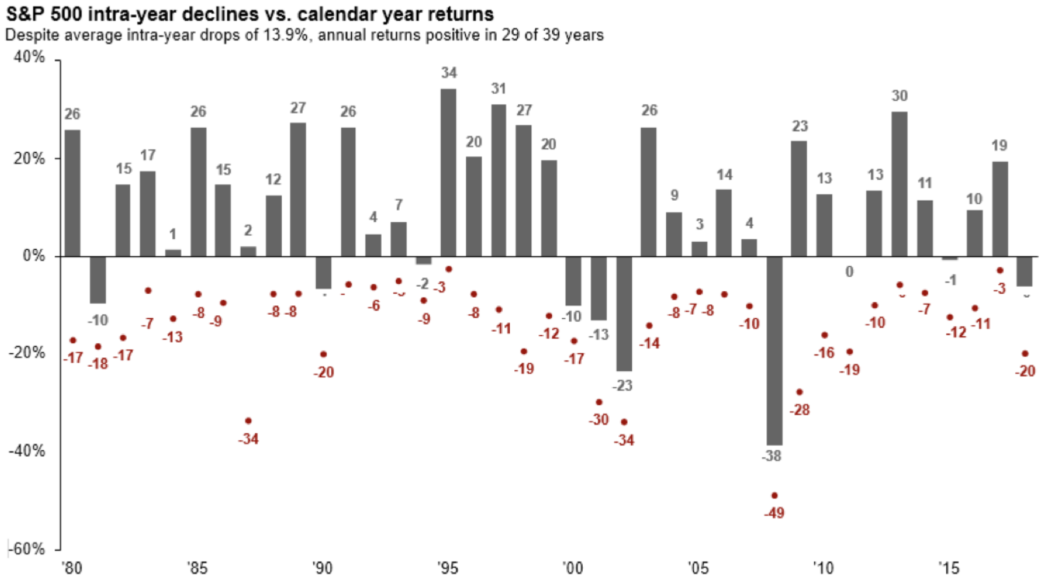


Chart 1. Source: FactSet, Standard & Poor's, J.P. Morgan Chase Asset Management. Returns are based on price index only and do not include dividends. Calendar year returns from 1980 to 2018

Pullbacks in the market create an uneasy feeling for many of us, but intra-year selloffs are healthy. These sell-offs help bring equilibrium to the market. In **Chart 1** above, we can see the volatility that the market has historically experienced. Since 1980 the average intra-year sell-off is -15%, but the average annualized return is 10%. Given that these types of intra-year selloffs are normal we advise individuals not to panic and to focus on their long-term financial goals.

2019 Outlook

The sharp declines in domestic and international equities have given us an attractive risk/reward scenario. Earnings, economic data, and current valuations are supportive of upside for equities. However, in the short-term, equity markets have a lot to shake off. Market volatility was the reoccurring theme throughout 2018, and we believe it will likely persist through 2019.

Since 2008, the Federal Reserve has given us the courtesy of pumping liquidity into the market, but liquidity constraints are starting to show as the Fed and other foreign central banks move towards tighter monetary policies. Earnings growth will fall throughout 2019. This decline is due to the corporate tax cuts that dramatically increased earnings in 2018. Meaning, earnings growth is merely coming back down and normalizing at the rate of 5% - 10%.

Until China and the U.S. can make amends, trade tariffs will continue to be a headwind for the market. Equity valuations have come down and are very attractive at these levels, which should entice investors who are looking to put cash to work. The U.S. dollar had quite the run in 2018, but it has recently lost momentum. This should act as a tailwind for international equities and domestic multinational companies.

A healthy U.S. economy, positive earnings, equity valuations, and a more accommodative Fed should provide support for the market to move higher. **However, our opinion is the market will likely remain range bound until trade negotiations make progress**.

Economy

The 2019 economic landscape appears to be dominated by a handful of key themes from 2018. Trade policies and geopolitical tensions will continue to add uncertainty until actual resolutions have occurred. Tighter job market conditions and increasing wages should continue to be a focal point for the Federal Reserve. Even if the stock market signals to the Fed that it isn't happy, the Federal Reserve still has a dual mandate policy (Employment and Inflation) that they must consider when determining to raise or lower interest rates.

It is often said that bull markets don't die of old age, but instead, they're killed by the Federal Reserve. This sums up how significant the actions of the Federal Reserve are to the market. If the current economic expansion continues through mid-2019, it will be the longest economic expansion on record. An economic

continued on page 9

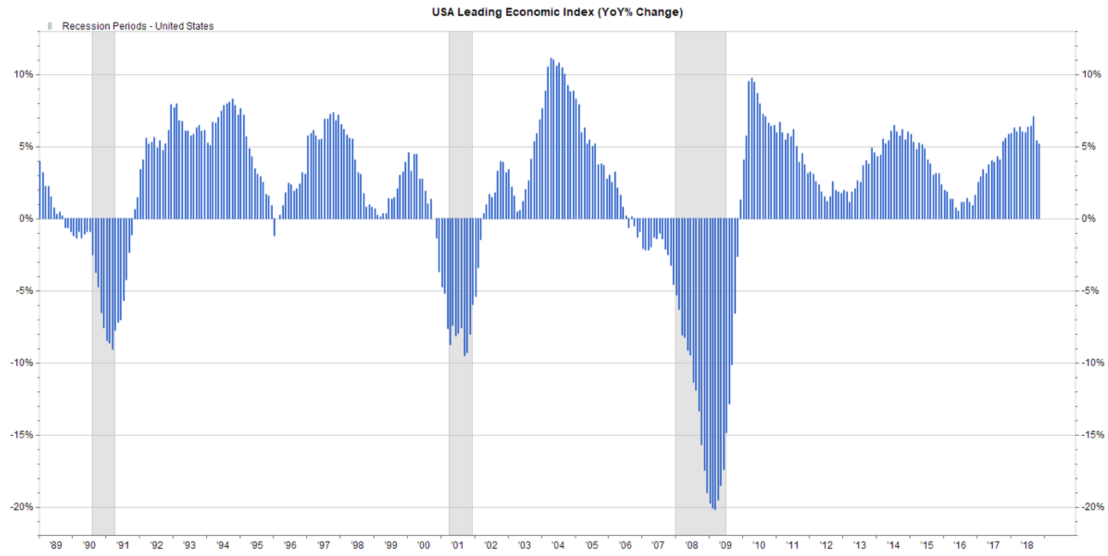


Chart 2. Source: FactSet, Index of Leading Economic Indicators. March 1988 through December 2018.

cycle consists of four stages: Expansion, Peak, Recession, and Recovery. Most economic cycles last between five and ten years, so a lot of investors are asking, when is the recession coming? We often hear from individuals that "we are due for a recession sometime…" This is completely false, as the market is never "due" for a recession. While there are economic indicators signaling weakness, this doesn't mean the market has thrown in the towel. A handful of economists have increased the recession odds for 2019 or 2020. However, we believe this expansion could go another couple of years, but we also understand that a recession in the near term is not out of the question.

When characterizing the direction of the economy, we often reference The Conference Board Leading Economic Index (**Chart 2** above) as a visual for investors to reference. The index consists of **ten leading indicators*** that attempt to characterize the overall direction of the economy. Going back 30 years, the Year over Year percentage change has turned negative generally 6 to 12 months before a recession. Based on the latest reading of 5.17%, we still appear to be positioned firmly in the "expansion" stage.

The LEI index consists of:

- Average manufacturing workweek
- Initial Unemployment Claims
- New Orders for Consumer Goods
- Vendor Performance
- Plant and Equipment Orders
- Change in Unfilled Durable Orders
- Sensitive Material prices
- Stock Prices (S&P 500)
- Real M2 Money Supply
- The Index of Consumer Expectations

Fed Policy

The Federal Reserve increases or decreases interest rates to control inflation or what can also be referred to as "normalizing" interest rates. Their effort in normalizing rates was a focal point through 2018. As the Fed attempts to wind down their multiyear quantitative easing program, it appears market participants will closely watch this throughout 2019. In **Chart 3** on the next page, we can see a 30-year history of the federal fund's target rate.

There has been a lot of discussion around the direction of further rate hikes throughout 2019. We believe that economic fundamentals still appear healthy in the United States. While growth estimates have been revised slightly lower from the recent highs, new estimates are still healthy. If employment numbers and inflation stay on their current course, we should expect a couple more rate hikes from the Fed in 2019. With that said, recent talks around global growth (excluding the U.S.) weakness has probably caught the Fed's eye and could impact their decisions to hike further. While current market volatility has been a result of the global growth topic, this Fed is likely to consider the data behind changes in global growth forecasts versus the resulting volatility. More than likely, they will want to see a rebound and more stability in global growth before jumping the gun. If we don't see global growth stabilize, we certainly expect the Fed to take a more cautious approach to rate hikes.

continued on page 10

**Per: https://www.conference-board.org/data/bcicountry.cfm?cid=1*

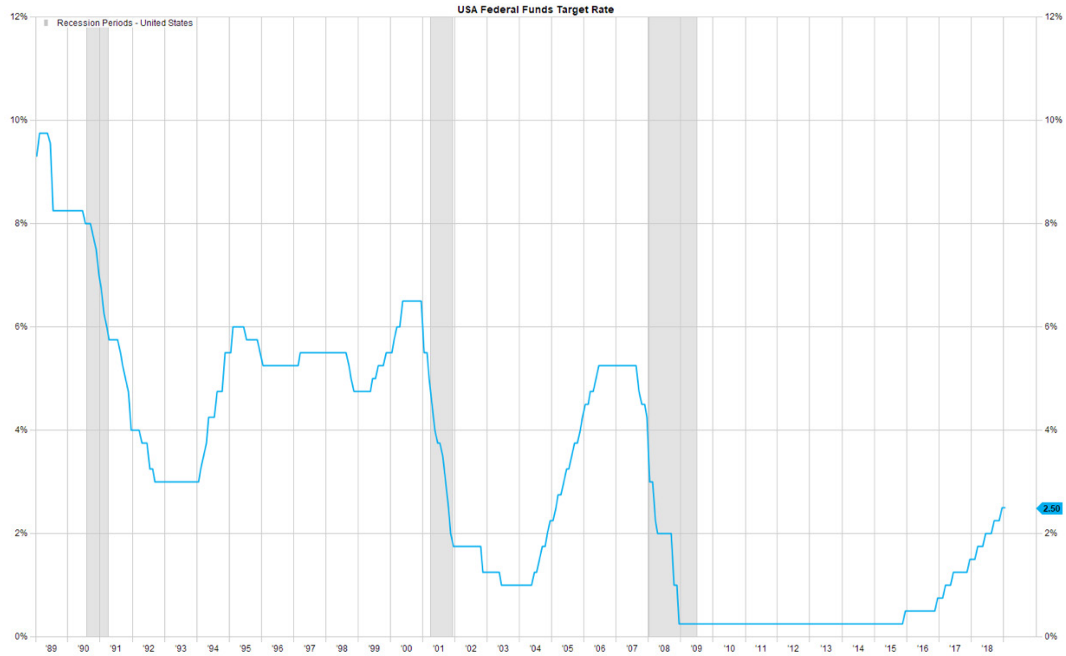


Chart 3. Source: FactSet, U.S. Federal Funds Target Rate. January 31, 1988-December 31, 2018.

Next Steps

Downturns are always unnerving, but there are several steps you can take to help reduce the impact of heightening market volatility on your portfolio. One of the most important investing principles is to stick with your long-term investing goals. We do not change our processes or policies just because the market is down, and your investment plan shouldn't either. Here are some considerations you can take:

1. **Put together a financial plan**. Investors who develop and stick to a plan are more likely to reach those goals than those that don't have a plan. If you need help, we are here to help. Give your advisor a call to schedule time to review or implement a plan.
2. **Risk Tolerance**. Volatility is generally a wake-up call for those who haven't been engaged in their portfolios. Our advisors will walk you through an in-depth analysis to help determine your risk tolerance. Once a risk score is identified, they can narrow-in on where your current investment allocation is in relation to your personal risk score. From there, they will help you build and implement an investment plan that is tailored to your needs.
3. **Don't Panic**. Focus on your long-term goals. When markets decline and volatility increases, it can appear to be a sure bet to sell investments in favor of cash. However, when investments rebound, they typically do so quickly, and missing out on those returns can dramatically impact portfolio returns. We recommend making shifts in your portfolio due to changes in your financial plan, such as life events (a new job, a family change, retirement, etc.) ✦

APPROACH VOLATILITY BY TAKING A STEP BACK

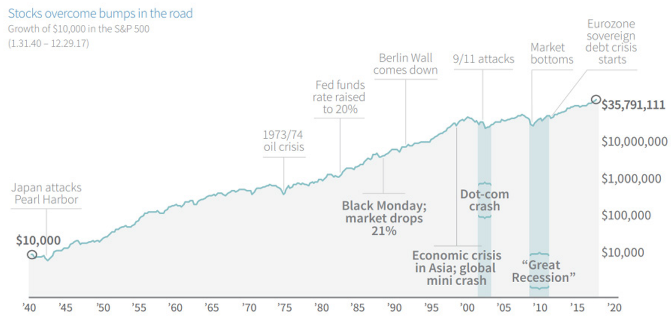
WHEN MARKETS REACT, CONSIDER A BROADER HISTORICAL PERSPECTIVE BEFORE CHANGING YOUR FINANCIAL COURSE.

Periods of market volatility – especially pullbacks – can trigger emotional responses in investors. It happens. And it's normal. Volatility can also appear as rapid upswings causing sometimes-unbridled euphoria that can also impact judgment. That's why the best response to market volatility is to contact your advisor for a heartfelt conversation about what the numbers really mean.

Pullbacks Throughout History

Pullbacks can make investors want to pull up stakes and pull out – a common reaction and a common mistake, especially for long-term investors. The right knowledge can help us avoid this mistake, and when we are willing to learn, there's no better teacher than history.

By looking at the market over a long period of time, we're provided with a true testament of resiliency. Each decline along the way felt terrible. And declines today feel just as bad. But when we track the overall growth the market has achieved, we learn a lesson in persistence, patience and commitment.



Source: Morningstar; Past performance may not be indicative of future results. There is no assurance these trends will continue. The market value of securities fluctuates and you may incur a profit or a loss. This analysis does not include transaction costs which would reduce an investor's return. The S&P 500 is an unmanaged index of 500 widely held stocks. An investment cannot be made directly in this index.

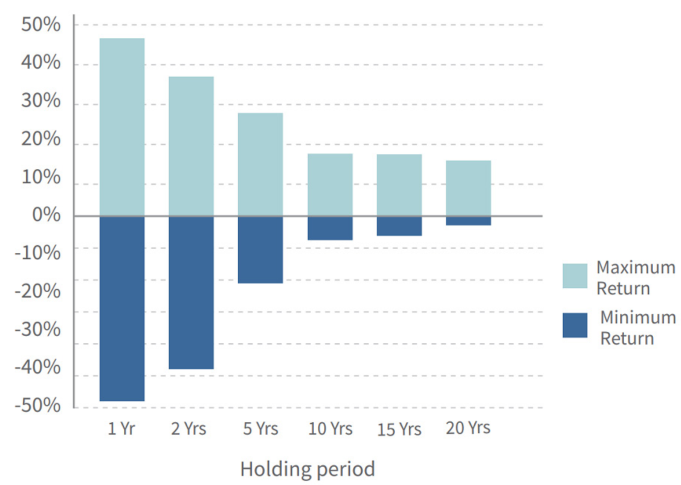
Remember:

- The stock market is cyclical.
- You will likely encounter numerous pullbacks and/or corrections as a long-term investor.
- A study of the stock market shows its resilience.
- The upturns have always been stronger than the downturns in the long run.

Over Time, Returns Have Been Positive

For every action, there's a reaction. While Newton applied this law in the physical world, it also holds true in the realm of human emotion. When we perceive that things aren't going our way, we react. And when coping with seemingly unpredictable returns, knowledge and time can once again be our allies. As shown in the chart below, returns over short periods of time have been typically unpredictable. But things tend to become less volatile when you expand the time horizon to five years or more using rolling returns.

Rolling returns show the behavior of returns for holding periods like those experienced by long-term investors. In the chart below, we see positive returns over every 20-year period in the S&P 500. Remembering your long-term time horizon can help when facing short-term disappointments.



As of 12/31/2017. Source: Morningstar and PGIM Investments, S&P 500 TR USD Index. This example is for illustrative purposes only and is not indicative of the performance of any investment. It does not reflect the impact of taxes, management fees, or sales charges. The S&P is a weighted, unmanaged index composed of 500 stocks believed to be a broad indicator of stock price movements. Investors cannot buy or invest directly in market indexes or averages. Past performance is no guarantee of future results.

Remember:

- Returns have been less volatile over longer holding periods.
- Returns over time have been positive.
- Dollar-cost averaging can help take advantage of volatility.

Especially during declines, your advisor can act as a sounding board for your concerns. By talking about current events in light of your overall financial plan, your advisor can help provide reassuring perspective to help you stay the course, even when the market seems relatively tumultuous. ✦

MILESTONES

OUR TEAM'S LATEST ACCOMPLISHMENTS

Val Rivera and her family trip to Honduras.

Scott Danner and the Chesapeake Rotary Club presenting checks to charity from their Annual Wine Festival. They have raised over $1,500,000 in just seven years.

Scott, welcoming Fred Reddell to Freedom Street.

Becky Blair's great niece, Madison, arrived in August!

Andrew's son, Gavin, got his leaner's permit this past December.

Reed and his family took in their first Imagine Dragons concert.

Ryan, Becky, and Val prepping for the NFL draft!

Raymond James is not affiliated with the above organizations and/or charitable causes.

FREEDOM STREET PARTNERS

516 Innovation Drive, Suite 205
Chesapeake, VA 23320
T: 757.977.0998
T: 757.977.0997

1889 Governor's Pointe Drive
Suffolk, VA 23436
T: 757.529.2617
F: 757.745.7777

2000 Hillpoint Blvd N, Suite 200
Suffolk, VA 23434
T: 757.809.2130
F: 866.457.2130

208 S Walnut Street
Pinckneyville, IL 62274
T: 618.357.5226
F: 618.357.9010

1901 Roxborough Road, Suite 118
Charlotte, NC 28211
T: 704.594.5990
F: 866.843.6727
