**With Christopher Hyzy**
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**Please see important information at the end of this program. Filmed on February 8, 2018.**

The recent market volatility, which saw some of the largest daily and intra-day price swings in history, caught some investors by surprise. While the declines were dramatic, we believe stocks were overdue for a pullback following the record gains we've seen through 2017 and into January of this year.

In fact, if we look back over history, market pullbacks like these of five percent or more happen, on average, three times a year, and we hadn't seen such a move since June of 2016.

While it's normal to feel uneasy when the markets are this turbulent, there are a few points we think are important to keep in mind.

First, we believe the main factors driving the volatility so far this year are primarily short-term in nature. In many cases, they represent the normal adjustments of a healthy and expanding global economy, including rising interest rates. This recent pullback represents more of a technical correction in an otherwise broader long-term uptrend in the markets. What's occurring today is a repricing of risk—forcing this correction to gather speed. Portfolios are being repositioned for this higher-volatility backdrop. It is not driven in a change to economic fundamentals in our view.

Second, we think the positive backdrop for equities remains firmly in place. Economic growth is strong, both in the U.S. and overseas. Corporate profits are healthy and we're expecting a 16 percent gain in earnings growth in the U.S. Global financial conditions are favorable, consumer spending and business investment are strong*,* and we're finally seeing rising wages here in the U.S. and in other economies around the world.

Finally, we continue to believe that periods of volatility represent buying opportunities for investors, as many asset prices become more attractively valued. We suggest viewing any continued pullbacks in the markets in this light.

We believe investors who stay the course, don't over-react to daily volatility and maintain a long-term perspective are best positioned to capture new growth opportunities as they emerge. It is time like these in which a diversified allocation across multiple assets classes can limit overall portfolio volatility the most.

If you're working with an advisor, now could be an ideal time to review your long term goals and make any adjustments to your investment strategy.

**IMPORTANT INFORMATION**

**Information as of 2/082018 and subject to change.**
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