THE
SEDORIC GROUP
of Steward Partners

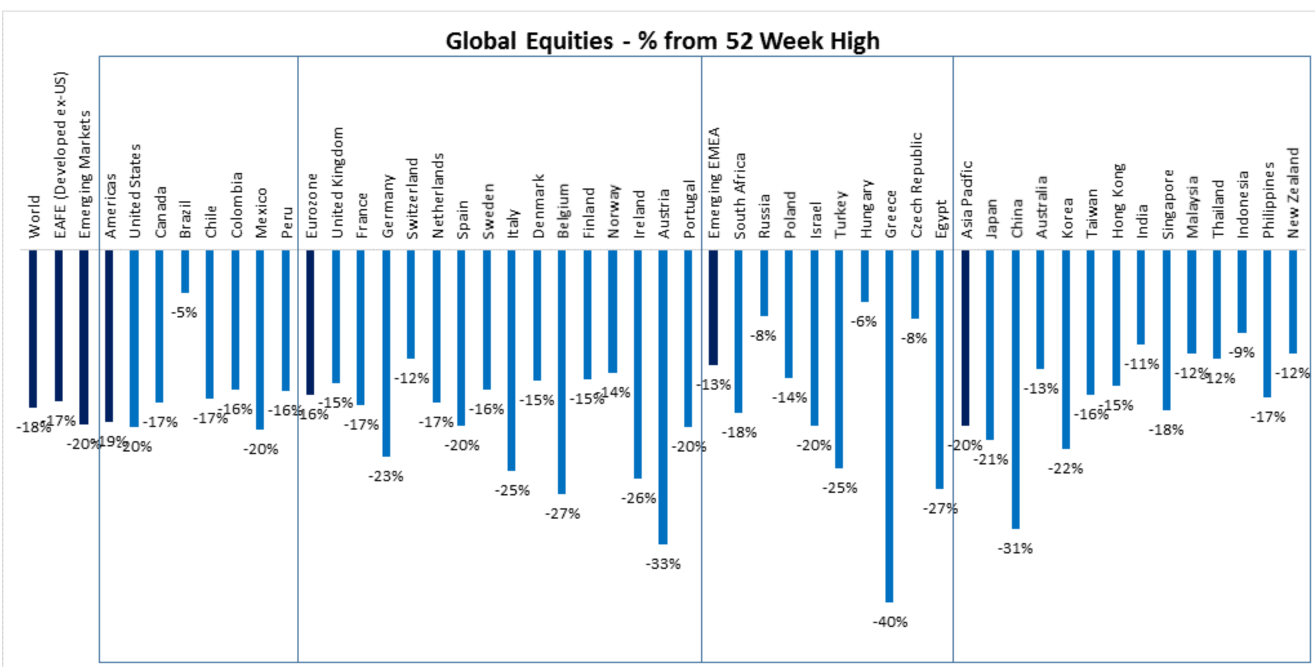
2019 Stakeholder Report

To treat the future with the respect it deserves, The Sedoric Group will not forecast the year ahead but will continue to focus on the elements of the financial planning and investment process we can control; provide contextual awareness to help our clients make informed and educated decisions; and provide honest and realistic guidance as we navigate a world of uncertainty. We thank you in advance for taking the time to read the following synopsis of 2018, some thoughts on the year ahead, our practice update, and a few tax season guidelines.

Looking back on 2018

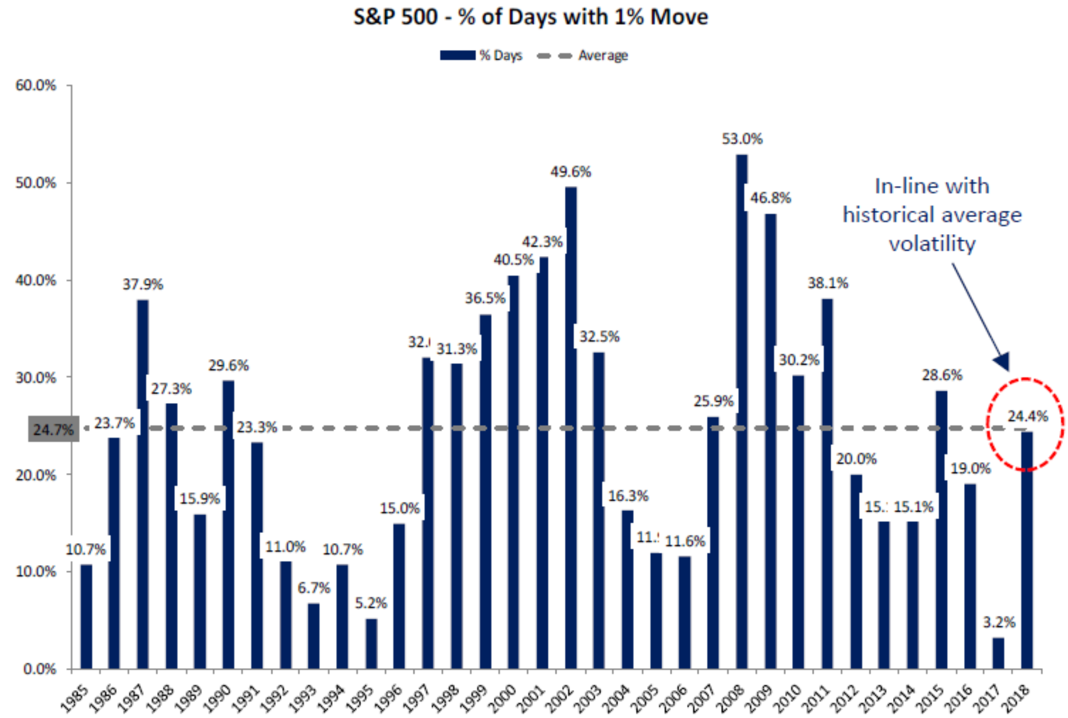
As we look back on 2018, we acknowledge the geopolitical turbulence spanning the globe. We've cautioned about the long-term impact of low interest rates and geo-political tensions, and how when combined with rich domestic equity valuations, lower returns were possible.

This proved to be true as 2018 ended with a dismal 4th quarter and represented the first year since 1972 where no asset class generated at least 5%. December also marked the end of the longest U.S. bull market in history as U.S. equity markets fell by more than 20% from their intra-year high. Overall, it was an ugly year for U.S. and foreign equity markets. See below:



Raymond James as of 12/26/2018

2018 also witnessed a resurgence of volatility with the majority of volatility occurring within the 4th quarter after a relatively benign start to the year.

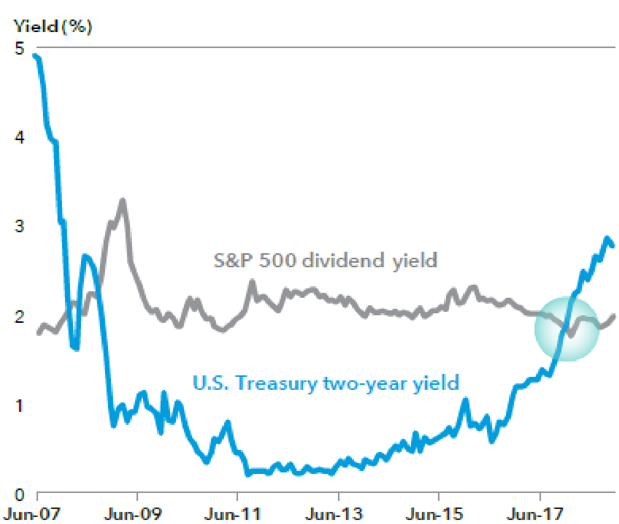


Data through 12/17/2018

Source: FactSet, RJ Equity Portfolio & Technical Strategy

Proper context: from an annual perspective volatility was in line with its historical average but felt more extreme because of how complacent markets were in 2017. Volatility has a long history of mean reversion – something we've been cautioning investors about.

The two-year Treasury out-yields S&P dividends[1]



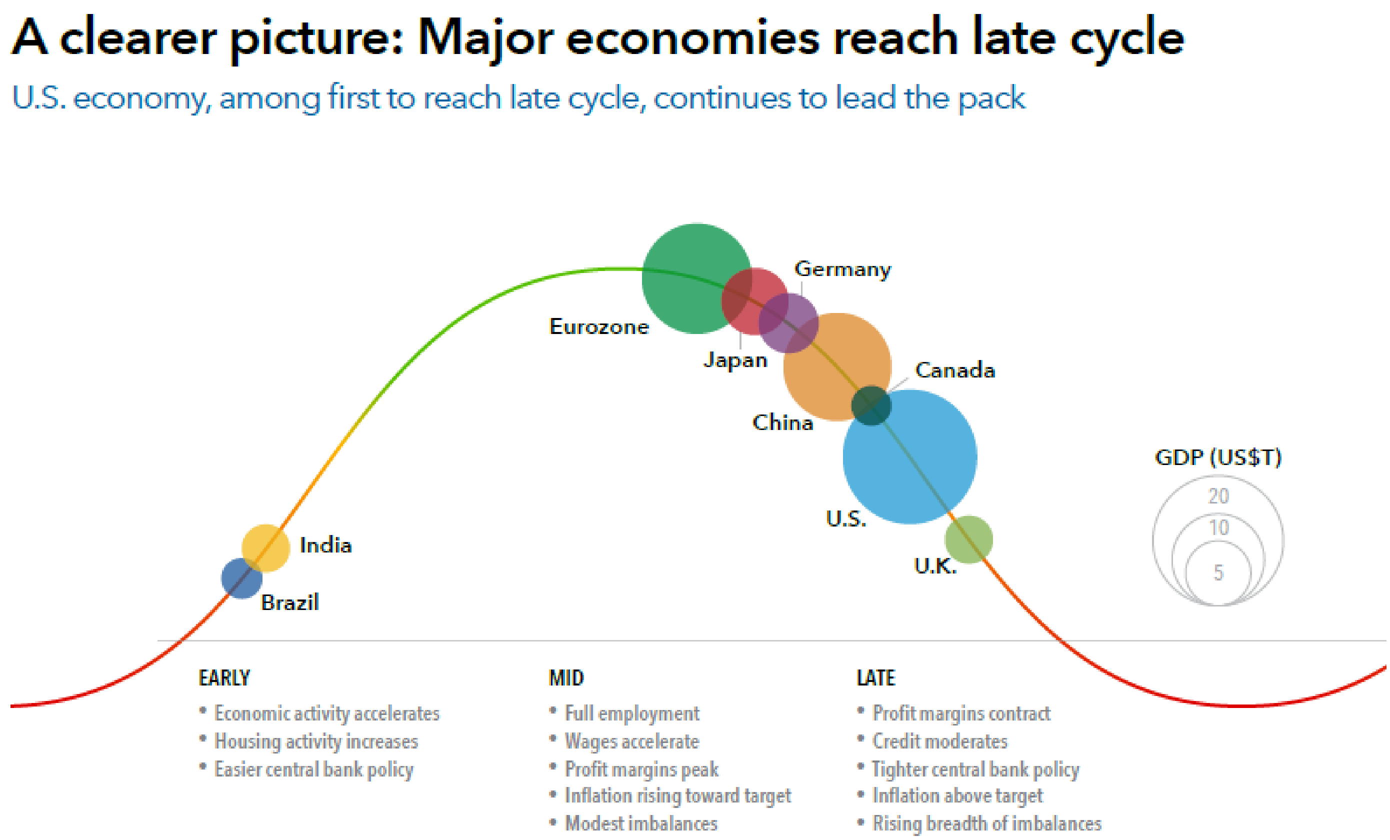
Less understood, but maybe more important, is the rise of interest rates. For the first time in years, there is now an alternative to stocks. Short-term government bonds are priced to pay over 2.5%, the highest rate since 2008. The rise in interest rates allows us to raise our outlook for conservative investment returns for the first time in a decade.

We proceed with caution within fixed income knowing global debt has surged since 2008, and corporate debt issuance fell by ~21% in 2018[1]. Debt is like kindling – incredibly useful, but too much of it in too dry of an environment can burn the house down.

Source: Capital Group Outlook 2019 as of 11/30/2018

It appears after what's been a historical run, 2018 may mark the recalibration of global markets as they digest the end of artificially low rates and easy money with an eye towards the future.

Looking Ahead



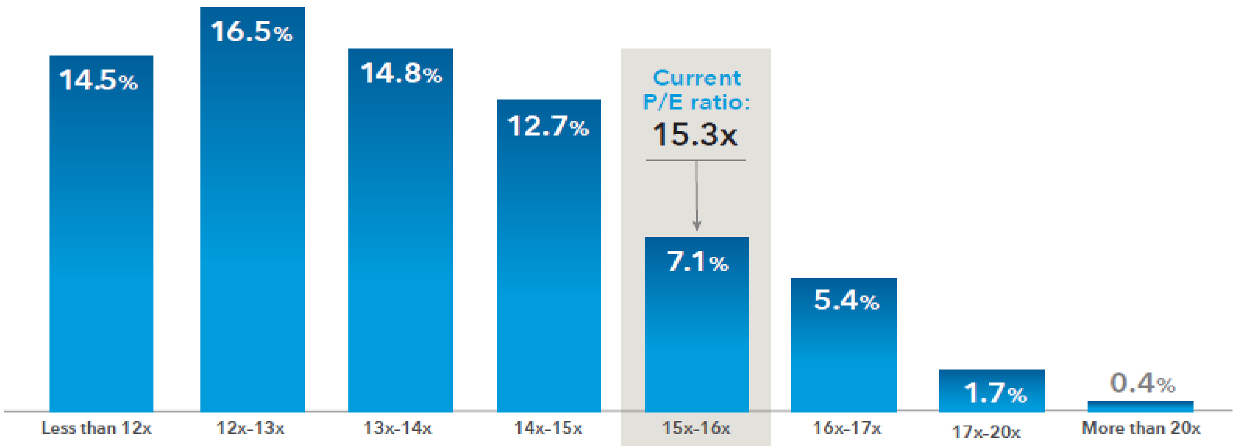
Source: Capital Group, FactSet. GDP data are in USD and are latest available through 9/30/18. Country positions within the business cycle are forward-looking estimates by Capital Group economists.

It's hard to find anyone who would deny the U.S. is likely in the later stages of the economic cycle: unemployment is at its lowest level in 49 years, wage growth is finally showing signs of improvement, inflation appears stable, the Federal Reserve continues to hike short-term interest rates, and the yield curve is flattening (inverted in some segments). The Eurozone having instituted their economic recovery efforts a few years after the U.S. appears more in the middle stages of recovery while emerging markets are more bifurcated. It's important to remember market cycles can go on for a long-time, and as investors, market valuations are just as important as where any economy may be within their respective cycle.

What will the next five years bring for U.S. equity investors?

Moderate your expectations: When stocks are pricey, future returns have been muted

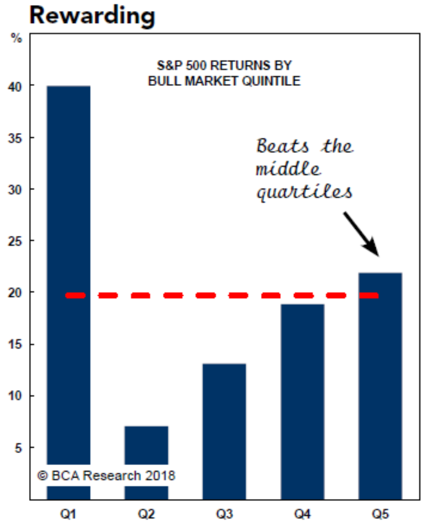
Future equity returns tend to contract as P/E ratios rise



Sources: Standard & Poor's, Thomson Reuters. Chart shows the average subsequent five-year S&P 500 total return by forward price-to-earnings ratio, using monthly data from 1/31/85 to 11/30/18. Current P/E ratio as of 11/30/18. Based in USD.

Entry point is one of the most important determinants of investment returns over time. Buying "high" reduces long-term returns and buying "low" improves long-term returns. Early in 2018, the S&P was priced within a P/E range of 17-20x. Today, the forward P/E is around 15x. ***No specific indicator is perfect, and all has their faults. Forward P/E ratios involve current price (P) over projected earnings (E). If earnings fall short of projections by a wide margin, markets are apt to underperform.

Late-Cycle Blow-Offs Can Be Rewarding

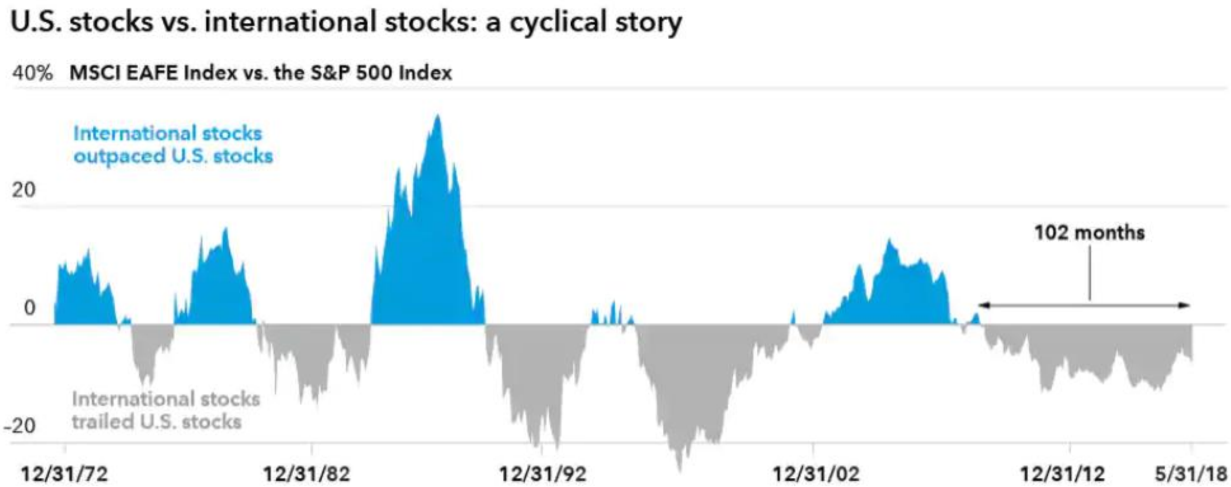


ANNUALIZED RETURNS; DASHED LINE DENOTES AGGREGATE RETURN. QUINTILES DEFINED BY LENGTH OF BULL MARKET IN DAYS.

Just because we're late in the cycle and believe investors should moderate expectations doesn't means we vacate equity markets. Rather, it's a time for discipline, no matter the allure. Late cycles are sometimes prone to what's called a 'Melt-up' - a breakout to the upside that draws in investors out of fear of missing out (FOMO). It's often associated with a euphoric aura and the public perception that making money in markets is easy and without risk. It's no surprise this often represents the last stage of a bull market.

Source: BCA Research Outlook 2019 – Cumulative returns to the S&P 500 in the last nine bull markets

Rolling three-year returns of MSCI EAFE Index vs. the S&P 500



Sources: Capital Group, MSCI, RIMES. Data represents rolling three-year returns of MSCI EAFE Index vs. the S&P 500 Index through 5/31/18.

To borrow a line from American Funds 2019 Outlook, "Stop us if you've heard this one before: Equity valuations outside the United States look incredibly attractive on a historical basis." They have looked this way for a while, but outside of 2017's banner year continue to lag. A strong dollar and brewing trade war created headwinds in 2018 for foreign equities, but also opportunities for disciplined investors. Foreign equities yield nearly 60% higher dividend rates than U.S. equities and the last time U.S. equity markets were as expensive as they are today was during the tech bubble which was followed by a lost decade for U.S. equities. There is a reason Albert Einstein once said, "Compound interest is the eighth wonder of the world." The challenge for most investors is whether they have the discipline and patience to benefit from it.

With respect to the certainty and simplicity our species crave, forecasting global markets in the near-term is a near impossible task. It is so challenging that the IMF (International Monetary Fund) in its April forecast for the following year failed to predict 1 of the 220 recessions that occurred between 1999 and 2014. Instead of trying to isolate a single data point in attempt to answer an impossible question, we continue to concentrate our efforts on the various elements of the planning and investment process that precede success outcomes. We are confident that there are myriad factors that create vulnerabilities in markets. The historic low interest rate era from 2008 through 2018 has created a tumultuous and vulnerable landscape. The reaction to this action is ahead of us.

Practice Update

As your lives evolve, so will we. Part of the emphasis for joining Steward Partners and being an independent fiduciary is our ability to add additional tools and services to enhance the value of our relationship. By now the vast majority of our clients have experienced firsthand some of our enhanced planning capabilities and convenient technologies. We're now better equipped to tailor the planning and investment process in a way that's in alignment with the emotive side of the goal planning process while also using enhanced analytics to review, and in some cases, refine our investment strategies. We're excited to say, what you've seen is only the beginning.

In 2019, we're prepared to roll out a powerful tool called Riskalyze to help drive even further alignment between our clients and their portfolios. Riskalyze uses scientific theory to objectively pinpoint an investor's risk number, and then allows us to provide contextual awareness about what a 'normal' range of returns should look like given an investors unique allocation. We'll spare the additional financial jargon regarding its other valuable features but are confident you'll see why this investment in you is so important.

Also new in 2019, for your added convenience and to assure accurate modeling and risk management, we've employed an account aggregation service for existing clients active retirement plans only. This will provide us with a daily feed of current external retirement plan balances and asset allocation and you'll be able to view your investment assets in their entirety within your Raymond James online account.

Tax Season Is Upon Us

Last year's tax bill is bound to create some unexpected consequences. While we may hope for the best, we plan for change and preach the importance of tax flexibility and planning for all our clients. The more in alignment one's balance sheet and tax planning is with one's goals, the more durable a plan becomes.

This being a transitional year for you and our practice, **you will need two sets of tax documents to file – one from Wells Fargo Advisors and one from Raymond James**. If you have previously received tax documents electronically from Wells Fargo, they will be sent via mail instead.

Raymond James will mail composite Forms 1099 in three main groups – the first mailed by 2/15, the second mailed by 2/28, and the third by 3/15. We expect most of you will be part of the first or second mailing.

If you have elected to receive tax documents electronically, you can view or print these documents through Raymond James Client Access by navigating to **My Accounts** > **Statements** and clicking the **Tax Reporting** link in the Other Documents section of the page.

For those who seek to conquer the tax code yourselves, Raymond James has established partnerships with H&R Block®, TurboTax®, and TaxACT®. to import data from their Raymond James accounts.

Please know we are here to assist you and your accounting relationships during this busy time of year.

Lastly, we're grateful for your ongoing support and trust during these past twelve months and as we look ahead. We're thrilled with the culture, expertise, and caliber of the professionals we associate with, and how our independent collective advocacy will help us remain in front of your evolving goals and lifestyles. We look forward to the obstacles and opportunities of 2019.

Sincerely,

Tom Sedoric
Partner, Executive Managing Director
Wealth Manager

D. Casey Snyder, CFP®
Partner, Senior Vice President
Wealth Manager

Erika Luczynski
Partner, Vice President
Wealth Management Associate

Brittany Long
Partner, Vice President
Senior Registered Client Administrative Manager

Steward Partners Global Advisory, LLC and The Sedoric Group maintains a separate professional business relationship with and our registered principals offer securities through Raymond James Financial Services, Inc. Member FINRA/SIPC. Investment advisory services are offered through Steward Partners Investment Advisory, LLC.

The indices are presented to provide you with an understanding of their historic long-term performance and are not presented to illustrate the performance of any security. Investors cannot directly purchase any index. Past performance is no guarantee of future results. Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging markets. The MSCI Europe, Australasia and Far East ("MSCI EAFE") Stock Index is an unmanaged group of securities widely regarded by investors to be representations of the stock markets of Europe, Australasia and the Far East. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not *approved, reviewed or produced by MSCI. Dividends are not guaranteed and are subject to change or elimination. The graphs and tables making up this report have been based on unaudited, third-party data and performance information provided to us by one or more commercial databases. While we believe this information to be reliable, The Sedoric Group bears no responsibility for any errors or omissions. Additionally, please be aware that past performance is not a guide to the future performance of any manager or strategy, and that the performance results displayed herein may have been adversely or favorably impacted by events and economic conditions that will not prevail in the future. Therefore, caution must be used in inferring that these results are indicative of the future performance of any strategy, fund, manager, or group of managers. Any investment, including those in dividend paying equities, involves risks, including the risks of losing some or all of the invested capital. You cannot invest directly in an index. Index results assume the re-investment of all dividends and interest. Moreover, the information provided is not intended to be, and should not be construed as, investment, legal or tax advice. Nothing contained herein should be construed as a recommendation or advice to purchase or sell any security, investment, or portfolio allocation. Please consult your Advisor directly for investment advice related to your specific investment portfolio. The report herein is not a complete analysis of every material fact in respect to any company, industry or security. The opinions expressed here reflect the judgment of the author as of the date of the report and are subject to change without notice. Statistical information has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. 0118-01208 i Ranking algorithm based on industry experience, interviews, compliance records, assets under management, revenue and other criteria by SHOOK Research, LLC, which does not receive compensation from the advisors or their firms in exchange for placement on a ranking. Investment performance is not a criterion. ii MSCI Emerging Markets Index: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The Index consists of the following 23 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI. The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market.*

https://www.bloomberg.com/news/articles/2017-09-19/norway-wealth-fund-says-reached-1-trillion-in-value iv

http://www.nasra.org/files/Issue%20Briefs/NASRAInvReturnAssumptBrief.pdf v https://am.jpmorgan.com/blob-gim/1383407651970/83456/MI-GTM_1Q181.pdf?segment=AMERICAS_US_ADV&locale=en_US. C18-024982

[1]*https://www.barrons.com/articles/its-been-a-rough-20-years-for-stocks-the-next-20-should-be-a-lot-better-51546648966*