

Dear Valued Investor:

The world's oldest annual marathon was run on April 17 as amateur athletes from around the world descended on Boston, Massachusetts for the 121<sup>st</sup> running of the Boston Marathon. While elite athletes grab the headlines, over 25,000 entrants finished the marathon. Training for and running a marathon takes fortitude and patience, and many casual marathon runners aim simply to reassure themselves that they possess those qualities. No less of a test, investing to meet long-term goals can certainly try one's fortitude and patience, but like a marathon, is achievable with the help of a good plan.

After an extended period of low volatility, markets have been in a bit more challenging environment over the last several weeks. The S&P 500 has retreated modestly since its last high on March 1, and long-term interest rates have declined over the same period, pushing bond prices higher. These kinds of consolidations can be reassuring and health for markets from a longer-term perspective, as what may have initially been overly optimistic expectations of the timing and impact of pro-growth policies in Washington, D.C. adjust to a still likely positive outlook but with a more realistic timeline.

Policy will continue to dominate the headlines, but prospects of better economic and earnings growth will be the foundation of any potential market advances. With improving business and consumer confidence, a more stable U.S. dollar, and a rebounding manufacturing sector, real economic growth in 2017 has the potential to come in near 2.5%, after averaging 2.1% during the current expansion. Earnings for S&P 500 companies could grow in the high-single digits in 2017, helped by steady economic growth, stable profit margins, and rebounding energy sector profits. Policy hopes could be dashed, but we continue to believe corporate American will get a tax cut within the next 9 to 12 months.

In some respects, some policy risks have declined as President Trump has become more focused on his primary legislative agenda. While the president retains his emphasis on fair trade, trade tensions with China have abated some after the president shifted his emphasis from currency manipulation to enlisting China's cooperation on the North Korean threat. The president's tone on renegotiating NAFTA has also moderated. A more balanced approach to trade policy may have reduced one potential market concern.

Despite a steady economic and earnings backdrop supporting markets, there are still several risks that need to be carefully monitored. A policy mistake by a major government or central bank, geopolitical threats in the Korean Peninsula and Middle East, and elevated stock valuations are among the challenges markets face that may contribute to bouts of increased volatility. Don't forget that opportunities can come from volatility. I encourage you to stick to your long-term plan and stay invested. Investing is a marathon, not a sprint.

As always, if you have any questions please contact me.

**Rick Fisher**, CFP®

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual security. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly.

Economic forecasts set forth may not develop as predicted.

Investing in stock includes numerous specific risks including: the fluctuation of dividend, loss of principal and potential illiquidity of the investment in a falling market.

Investing in specialty market and sectors carries additional risks such as economic, political, or regulatory developments that may affect many or all issuers in that sector.

The S&P 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

This research material has been prepared by LPL Financial LLC.

Securities offered through LPL Financial LLC. Member FINRA/SIPC.

Tracking # 1-601408