

Commentary

[Volatile market periods are no time to deviate from your long-term investing plan, but] ... should rather be used as a reason to analyze and assess... The benefit of gaining reliable market and economic perspective is essential in preparing for market pullbacks. Rather than act on emotion, it's important to put these events in context to determine what they mean.

--Guggenheim Investments, 2018

Despite some newfound volatility, the market ended the quarter relatively unchanged. More conservatively allocated portfolios underperformed the more aggressively allocated ones. We executed one trade in the international equity space to take advantage of prevailing trends. We will continue to look for sectors and areas of the market to deploy client capital in the most responsible manner.

Volatility is never enjoyable for investors, and the market served up plenty of it in the first quarter of 2018. Many major equity indexes declined, and reports of market dips roiled CNBC and news feeds. Some of the chatter revolved around a spike in the CBOE® Volatility Index, which is often referred to as Wall Street's "fear index." It's an interesting nickname, as it speaks to the emotions that can impact investors.

So, let's put that volatility in context. During a market pullback, there can be a temptation to react, to sell off assets or bail on your long-term investing plan. History tells us, however, that managing our emotions and staying the course is more important than ever during challenging markets. It also tells us that market drawdowns can present attractive buying opportunities to capture potential growth.

Our Strategic Series portfolios are designed to do just that for the long-term investor. Using a targeted asset allocation strategy that rebalances periodically, the portfolios can help you consistently manage risk. Within that overlay, the portfolios aim to find pockets of opportunity through sector rotation, driven by momentum trends. The Strategic Series portfolios are designed to play out not during a single quarter, but over a three- to seven-year time frame.

Strategic Description

The NewSquare Strategic Series is a suite of actively managed portfolios for investors who want to manage portfolio risk with diversification, but also seek growth opportunities through supplemental investments in momentum-driven sectors. The portfolios invest in exchange traded funds, or ETFs, which offer cost effectiveness and tax efficiency. Investors can lock in an asset allocation ratio of equity/fixed income blends—Strategic 40/60, Strategic 60/40, or Strategic 80/20. Within that framework, the Strategic Series uses relative performance analysis to emphasize areas of each asset class with the potential to outperform.

(Continued on page 2)

Please see important disclosure on page 2

NewSquare Capital, LLC, a registered investment advisor. The views expressed are those of the author at the time written and are subject to change at any time based on market, economic, and other conditions. This is not an offer or solicitation for the purchase or sale of any security and should not be construed as such. References to specific securities and issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities.

Outlook

A recent Guggenheim Investments report, “Putting Pullbacks in Perspective,” found that since World War II, the S&P 500® has dropped more than 5% more than 100 times. More than 90% of those drops were between 5% and 20%. On average, however, the index took three or fewer months to recover. Larger pullbacks generally take longer on the way down, and the way back up.

The worst thing an investor can do during a brief market pullback is to slam on the "sell" button. If you do, you end up capturing most of the loss and virtually none of the recovery. Despite what some experts might claim, no one knows if the recent jitters will lead to a more sustained drawdown over the rest of 2018 and beyond, or if this loss is the short-term, quick-to-recover kind.

What you can do is analyze and assess. Review your personal financial plan with your advisor—and your chosen core allocation levels in the Strategic Series portfolios—and make sure you feel comfortable that everything matches your time horizon, risk tolerance and investment objectives. Then, stick with it. Your plan should be optimized for your lifetime, not for a quarter.

NewSquare Capital, LLC is a U.S. registered investment advisor specializing in global asset allocation strategies. The firm manages the NewSquare Portfolios, a proprietary family of investment strategies implemented primarily with ETFs. The NewSquare Portfolios include the Strategic Series, Macro Series, Relative Strength Series, Income Series, and Focused Series of investment strategies. All client assets are independently custodied with Charles Schwab or TD Ameritrade.

All investing involves risk, including possible loss of principal. While diversification through an asset allocation strategy can help manage overall portfolio risk and volatility, it does not promise any level of performance or guarantee against loss of principal. All performance figures, including the comparative indexes, are total return figures. Index performance is provided as a reference to broad market segments. Indices do not have fees or other costs and it is not possible to invest directly in an index. This communication may include forward-looking statements that are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied.

In general the ETF-based NewSquare Portfolios seek to outperform their benchmarks by raising and lowering asset class exposures, fixed income sector or industry sector exposures, country exposures, currency exposures, and various alternative asset class exposures to anticipate relative price movements. To this end, the portfolios may utilize fixed income ETFs, U.S. equity ETFs, international ETFs, currency strategy ETFs, and alternative class ETFs (including real estate, commodities, hedge fund strategies, private equity strategies, and potentially others) to adjust exposures where appropriate. There are risks involved with investing in ETFs, including possible loss of money. Index-based ETFs are not actively managed. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Both index-based and actively-managed ETFs are subject to risks similar to stocks, including those related to short selling and margin maintenance. Some NewSquare Portfolios invest directly in individual securities (typically stocks and bonds) that pursue more traditional strategies.

In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations. Emerging markets and frontier markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Investments in smaller companies, in narrowly focused sectors, and in individual foreign countries typically exhibit higher volatility. Real estate investments are subject to changes in economic conditions, credit risk and interest rate fluctuations. Commodity-related investments are speculative and involve a high degree of risk. Commodity markets have historically been extremely volatile, creating the potential for losses regardless of the length of time an investment is held. Bonds and bond funds will decrease in value as interest rates rise. Investment return and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost and potentially subject to capital gains taxes. Tax-exempt fixed income strategies invest in securities designed to pay income that is exempt from certain income taxes, but a portion of the income may be subject to federal or state income taxes or the alternative minimum tax. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make them less attractive as investments and cause them to lose value.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by NewSquare Capital), or any non-investment related content, made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this commentary serves as the receipt of, or as a substitute for, personalized investment advice from NewSquare Capital. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. NewSquare Capital is neither a law firm nor a certified public accounting firm and no portion of the commentary content should be construed as legal or accounting advice. A copy of the NewSquare Capital's current written disclosure statement discussing our advisory services and fees is available upon request. If you are a NewSquare Capital client, please remember to contact NewSquare Capital, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. Any offer to invest in the firm's investment strategies can be made by a written agreement only. The information in this document is intended for U.S. residents only. Before investing, an investor should carefully consider the portfolio objectives, risks, charges, and expenses. For more information on NewSquare Capital and its investment strategies, visit www.newsquarecapital.com.