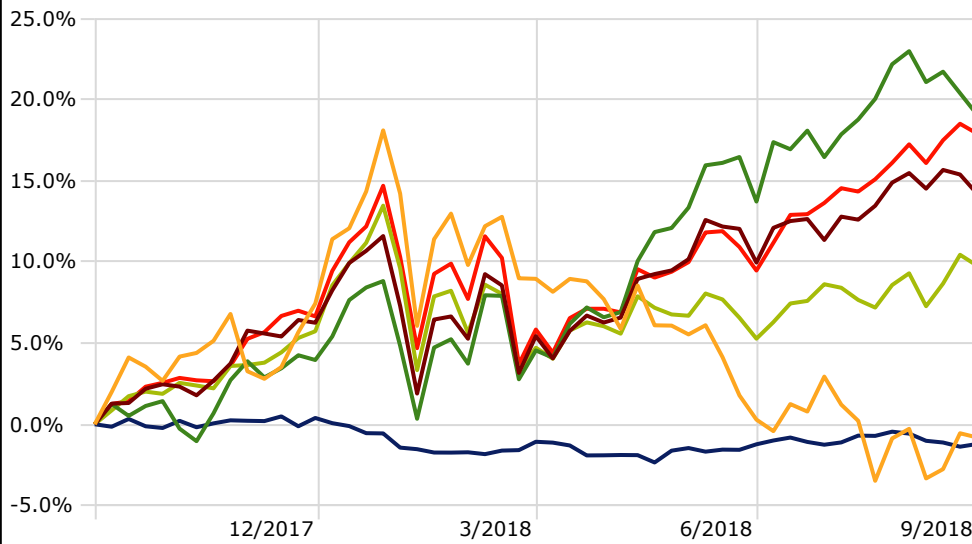




September 28, 2018

1 Year Market Returns

Time Period: 9/30/2017 to 9/29/2018



— S&P 500 TR USD — S&P MidCap 400 TR — S&P SmallCap 600 TR USD
— MSCI EM NR USD — BBgBarc US Agg Bond TR USD — MSCI ACWI NR USD

Trailing Returns

As of Date: 9/29/2018

	1 Week	1 Month	3 Month	6 Month	1 Year
BBgBarc US Agg Bond TR USD	0.17	-0.51	0.02	-0.14	-1.22
S&P 500 TR USD	-0.51	0.16	7.71	11.41	17.91
S&P MidCap 400 TR	-1.02	-1.33	3.86	8.32	14.21
S&P SmallCap 600 TR USD	-1.09	-2.79	4.71	13.90	19.08
MSCI ACWI NR USD	-0.60	-0.32	4.28	4.91	9.77
MSCI EM NR USD	-0.26	-1.85	-1.09	-8.84	-0.81

Market Commentary

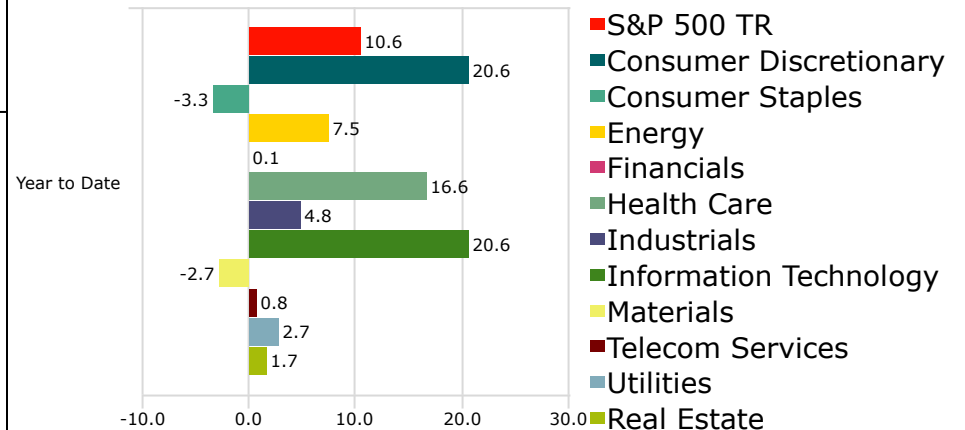
Equities were broadly lower last week, with the S&P 500 down -0.51%, U.S. small caps down -1.09%, and Emerging Market equities down -0.26%. Declines in EM through the quarter were mostly due to weakening currencies. EM fundamentals continue to be strong, with solid earnings growth, so most of the volatility seems to be country-specific. Countries with large current account deficits were hardest hit.

The Federal Reserve raised rates for the third time this year, hiking the Fed Funds rate by 0.25%. Another rate hike remains likely by year end, and the "dot-plot" raised the long term estimate to 3.25% - 3.50%. Inflation continues to be mild; U.S. Core Personal Consumption Expenditures (PCE) came in at 2.0%, as expected. Wage growth was offset by a stronger U.S. Dollar, and U.S. consumer confidence hit an 18 year high.

In other news, Italy released their budget, which allowed for increasing deficits. Italy already has a high debt burden, and this added volatility to Italian bonds and equities. Brent crude oil hit a 4-year high, as OPEC signaled it wouldn't increase output, and supply concerns remain over U.S. sanctions on Iran.

Looking ahead, we expect U.S. economic data to continue to be positive. Markit and ISM will report U.S. manufacturing PMI's, while ADP and BLS will release employment data.

Year to Date S&P Sector Returns





Weekly Manager's Pulse

September 28, 2018

Managed Strategist

Conservative

Fixed income exposure, led by high yield and unconstrained bond funds, provided a boost. Equity and alternative exposure detracted.

Moderate Conservative

Fixed income exposure led performance due to unconstrained bond funds. Performance within equity was mixed, as growth holdings performed well, while mid and small cap holdings detracted.

Moderate

A tilt to growth in the equity holdings was beneficial to the strategy, while mid and small cap holdings detracted slightly.

Moderate Aggressive

Exposure to technology, along with growth contributed the most to the overall performance. Mid caps, small caps, and international exposure detracted.

Aggressive

An overweight to technology and growth benefited the strategy as both led performance last week. International exposure detracted slightly.

SMA, Retirement & Annuity

Income

Treasury yields were largely unchanged as the Fed hiked interest rates a quarter point, as expected, with the 10 Year finishing the week at 3.05%. A multi-sector bond manager with exposure to emerging markets and non-agency MBS led performance. Real estate exposure detracted slightly.

Balanced

Equity markets pulled back slightly, as bonds finished in positive territory. A large cap growth ETF with a technology focus led performance, while small cap exposure detracted. Fixed income holdings were mixed, with non-agency MBS exposure contributing to performance, while preferred securities detracted slightly.

Equity

The S&P 500 finished the week down -0.51% with Financials detracting the most, weighed down by the Fed rate hike. Telecom and Health Care were among the strongest performers. An overweight to growth and allocations to Technology and Health Care contributed to performance, while multi-cap exposure detracted.

Retirement

No adjustments were made in retirement accounts last week.

Annuity

No adjustments were made in annuity accounts last week.

Economic Data *

- FOMC raised rates by 0.25%
- Consumer confidence at 138.4
- Consumer sentiment at 100.1
- Final estimate 2Q18 GDP at 4.2% q/q saar
- PCE at 2.2% y/y
- Core PCE at 2.0% y/y

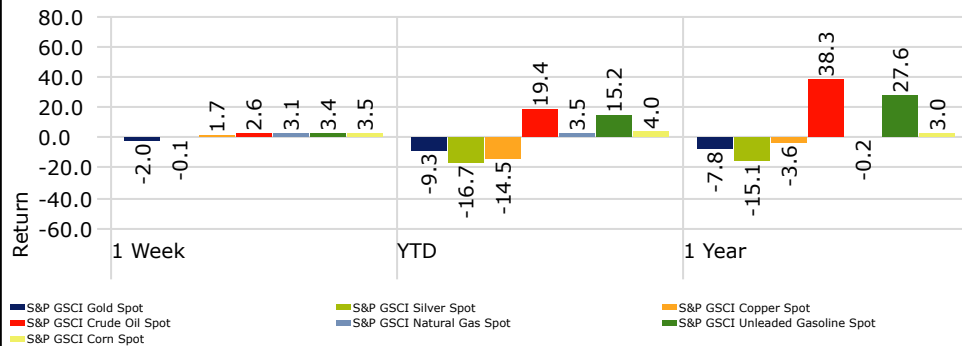
Manager Spotlight - J.P. Morgan

J.P. Morgan is a global leader in asset and wealth management services. The Asset & Wealth Management line of business serves institutional, ultra-high net worth, high net worth and individual clients. With client assets of \$2.8 trillion and assets under management of \$2.0 trillion, they are one of the largest asset and wealth managers in the world. (Assets as of Dec. 31, 2017.)

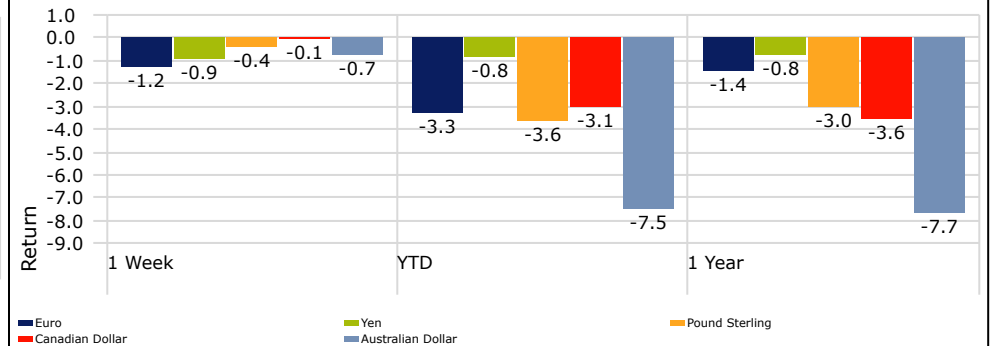
Treasury Yields

	3 Month Treasury	2 Year Treasury	5 Year Treasury	10 Year Treasury	30 Year Treasury
8/31/2018	2.11%	2.62%	2.74%	2.86%	3.02%

Select Commodity Returns



Select Currency Returns vs. US Dollar



See Disclosures:



Weekly Manager's Pulse

September 28, 2018

Disclosure

The information provided herein is the opinion of The Pacific Financial Group ("TPFG") and may change without notice at the discretion of TPFG. Managed Strategist, SMA, Retirement and Annuity, are strategies managed by TPFG and represent TPFG's opinion and evaluation of its managed strategies. Manager Spotlight represents a summary of selected strategist used within the TPFG offerings. Market Commentary reflects TPFG's opinion of the general markets which may include one or more specific segments of national or global markets. Given that market conditions can change rapidly, the opinions, conclusions and/or observations expressed in the Market Commentary may change without notice. All information is believed to be accurate but has not been independently verified and TPFG makes no warranties as to the accuracy of the information or any representations made or implied. The information should not be construed or interpreted as an offer or solicitation to purchase or sell a financial instrument or service. The information is for informational purposes only and should not be relied on or deemed the provision of tax, legal, accounting or investment advice. Past performance is not a guarantee future results. All investments contain risks to include the total loss of invested principal. Diversification does not protect against the risk of loss. Investors should review all offering documents and disclosures and should consult their tax, legal or financial professional before investing.

Indices represent the broader market as relevant to the sector or market covered by the index. Indices are unmanaged and cannot be invested in directly. Indices do not consider the costs, fees, trading, or performance that an investor would otherwise experience when investing. **Currency Returns** represent the noted currency against the U.S. Dollar as a percent change to purchase a unit of the foreign currency with a U.S Dollar. **Treasury Yield** is the return on investment, expressed as a percentage, on the U.S. government's debt obligations. Returns are not annualized for periods less than 1 year. Returns data sourced from Morningstar Direct.

*Sourced from JPMorgan Chase, publicly available at https://am.jpmorgan.com/blob-gim/1383452890099/83456/weekly_market_recap.pdf?segment=AMERICAS_US_ADV&locale=en_US