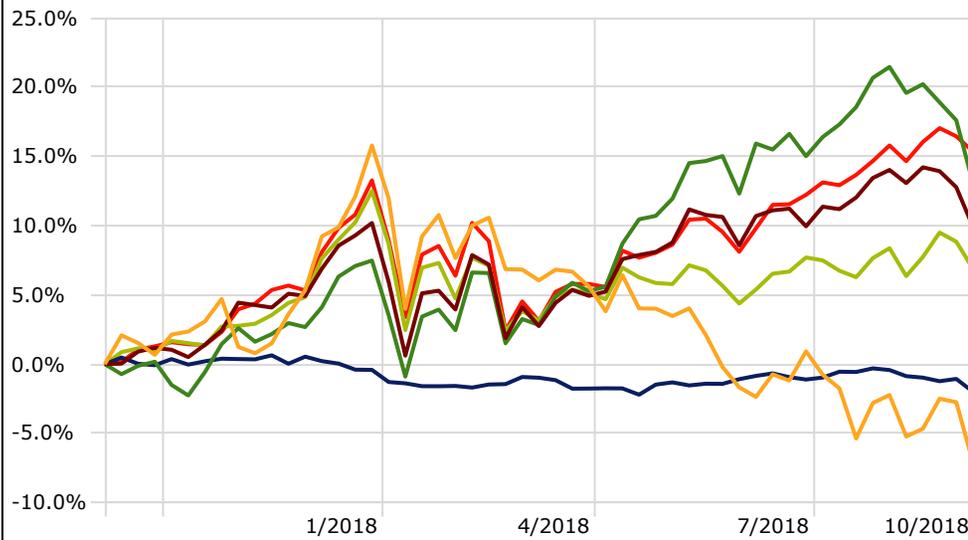




October 5, 2018

1 Year Market Returns

Time Period: 10/7/2017 to 10/6/2018



— 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: 10/6/2018

	1 Week	1 Month	3 Month	6 Month	1 Year
BBgBarc US Agg Bond TR USD	-0.94	-1.48	-1.16	-1.03	-2.00
S&P 500 TR USD	-0.95	0.39	5.05	11.87	15.35
S&P MidCap 400 TR	-2.54	-3.00	-0.71	6.97	9.91
S&P SmallCap 600 TR USD	-3.86	-5.70	-2.47	9.96	13.07
MSCI ACWI NR USD	-1.81	0.27	1.41	3.61	6.88
MSCI EM NR USD	-4.49	-1.53	-4.86	-12.41	-7.11

Market Commentary

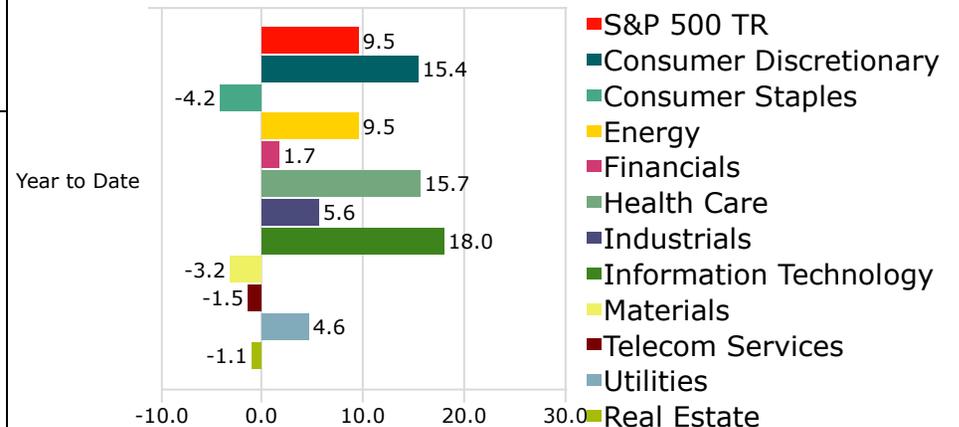
Equities fell last week, as strong economic data battled with rising interest rates. The S&P 500 ended the week down -0.95%, followed by Small Caps at -3.86% and Emerging Markets at -4.49%. Ten-year Treasury rates hit 3.2% on Wednesday, the first time since 2011.

U.S. economic news continues to be solid. Unemployment fell to 3.7%, the lowest rate since 1969. Weekly jobless claims also fell to a 49 year low. U.S. manufacturing data indicates the economy is still expanding strongly, with the ISM Manufacturing PMI index at 59.8, the 21st consecutive month above 55. The ISM Services Index also hit a record high of 61.6. Business activity appears to be strong and broad-based.

Internationally, trade tensions seem to be affecting China's economy. Chinese exports have slowed, leading their Caixin/Markit Purchasing Manager's Index (PMI) to fall over the last few months. Canada joined the U.S. and Mexico on a new trade agreement. The U.S.-Mexico-Canada Agreement (USMCA) could replace NAFTA, but will still need congressional approval.

Looking ahead, this week will see an updated reading on inflation, with U.S. consumer price index (CPI) data released on Thursday. Both Germany and China will report on their trade balance. Earnings season will kick off with third quarter U.S. banking results later in the week.

Year to Date S&P Sector Returns





Weekly Manager's Pulse

October 5, 2018

Managed Strategist

Conservative

Diversified holdings in fixed income, including exposure to corporate credit and short duration instruments, contributed to performance. Alternative exposure, led by long-short managers, also provided a boost.

Moderate Conservative

Fixed income exposure, including short duration MBS, provided support to the portfolio. Equity exposure detracted due to declines in small cap and growth holdings.

Moderate

Alternatives and fixed income provided the best opportunities while equity exposure detracted due to growth and small cap holdings. A modest allocation to large cap value contributed to performance.

Moderate Aggressive

Performance of diversified equity holdings were mixed. Large cap value holdings led, while small cap and emerging markets detracted. Fixed income holdings were broadly supportive.

Aggressive

Risk off sentiment pushed equity markets lower. Large cap value holdings provided support, while small cap and emerging markets weighed on returns.

SMA, Retirement & Annuity

Income

A strong ADP payroll report pushed Treasury rates higher across maturities with the 10 Year finishing the week at 3.23%, the highest level this year. The move pushed sovereign debt yields higher across the globe. Floating rate and shorter duration holdings provided support, while longer duration and real estate holdings detracted.

Balanced

Stocks and bonds both pulled back last week due to concerns over rising rates and the impact on future profits. Shorter duration MBS holdings provided support in the fixed income holdings. Mid and small cap exposure detracted as those sectors declined further than the large caps.

Equity

Despite strong economic readings across manufacturing, services and employment, stocks pulled back on interest rate concerns, with the S&P 500 declining -0.95%. Large cap value stocks, including energy and utilities, led the market. Multi-cap exposure detracted, as mid and small caps declined more than large caps. Low volatility and financial holdings provided support to the portfolio.

Retirement

No adjustments were made in retirement accounts last week.

Annuity

No adjustments were made in annuity accounts last week.

Economic Data *

- Markit/ISM manufacturing PMI at 55.6/59.8
- Markit/ISM non-manufacturing PMI at 53.5/61.6
- Unemployment rate fell to 3.7%
- Average hourly earnings up 2.8% y/y
- ADP/nonfarm payrolls up 230K/134K
- Trade balance widened to -\$53.2B

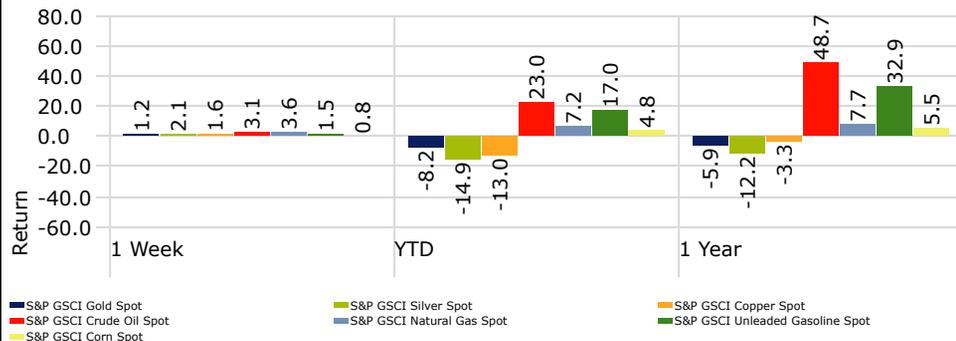
Manager Spotlight - PIMCO

For more than four decades, PIMCO's mission has been grounded in a holistic investment process designed to apply rigorous topdown and bottom-up analysis to identify investment opportunities and risks. Since the firm's founding in Newport Beach in 1971, the team has grown into more than 2,150 dedicated professionals, with offices in 11 countries and trading operations in North America, Europe, and Asia.

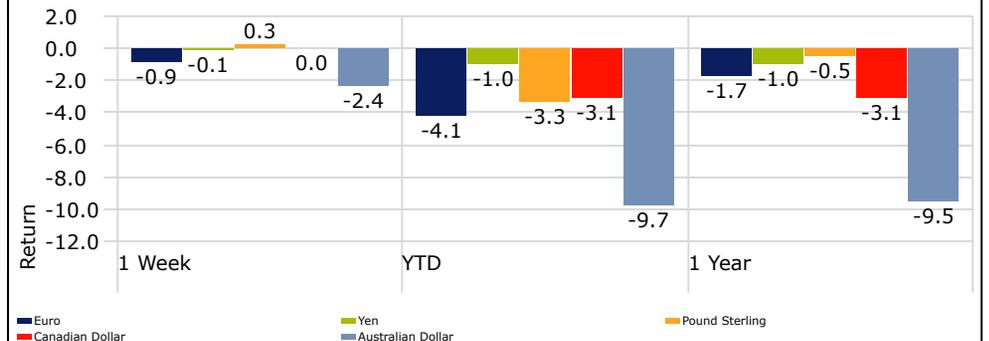
Treasury Yields

	3 Month Treasury	2 Year Treasury	5 Year Treasury	10 Year Treasury	30 Year Treasury
10/5/2018	2.23%	2.88%	3.07%	3.23%	3.40%

Select Commodity Returns



Select Currency Returns vs. US Dollar



See Disclosures:



Weekly Manager's Pulse

October 5, 2018

Disclosure

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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