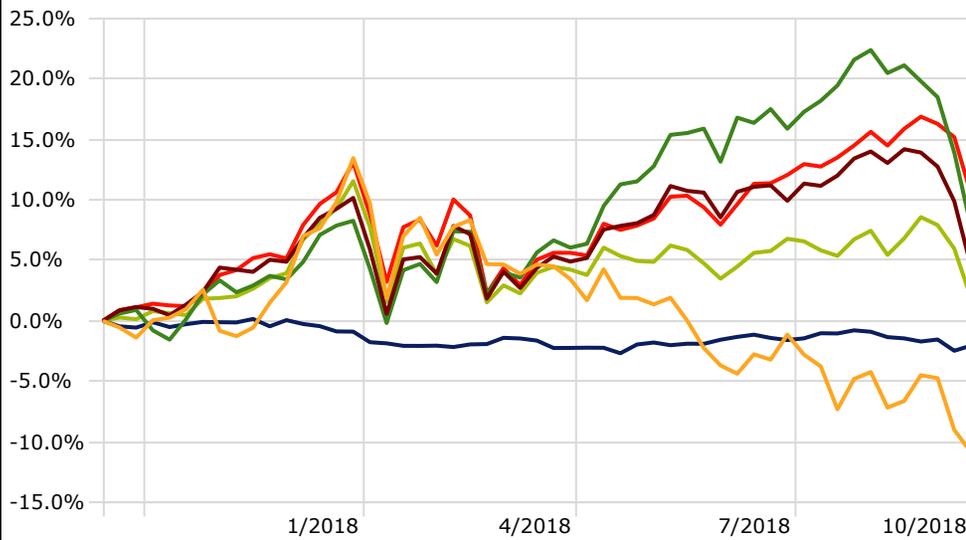




October 12, 2018

1 Year Market Returns

Time Period: 10/14/2017 to 10/13/2018



— 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: 10/13/2018

	1 Week	1 Month	3 Month	6 Month	1 Year
BBgBarc US Agg Bond TR USD	0.44	-0.75	-0.91	-0.42	-2.04
S&P 500 TR USD	-4.07	-4.60	-0.75	5.17	10.48
S&P MidCap 400 TR	-4.90	-8.15	-5.92	0.10	4.48
S&P SmallCap 600 TR USD	-5.40	-10.41	-7.39	1.99	7.74
MSCI ACWI NR USD	-3.84	-4.34	-3.53	-2.01	1.89
MSCI EM NR USD	-2.03	-3.52	-8.32	-14.81	-10.85

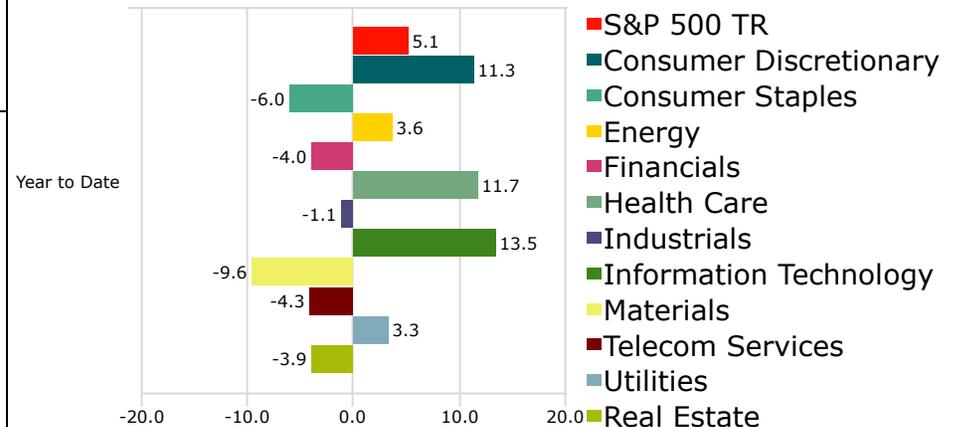
Market Commentary

Volatility returned to the market last week, sending the S&P 500 and MSCI EAFE down -4.07% and -3.93%, respectively. Emerging Markets fared better, down only -2.03%, and the Barclays U.S. Aggregate Bond Index rose 0.44%. This does not look like the beginning of a downturn, rather just a return to normal volatility. Movements of 1% in a day are fairly common, averaging 62 times per year for the past 30 years. Even with last week's volatility, we have only had 39 such movements this year.

Investors were worried about trade pressures, rising rates and an overheating economy. This will likely continue in the near term, but inflation (CPI) reported at a mild 2.3% year-over-year, and economic fundamentals continue to look good. Earnings season kicked off last week with a good start. So far, 6% of S&P 500 companies have reported, and 86% of these companies have reported actual earnings above mean estimates.

Looking ahead, a further 75% of S&P 500 companies will report their results over the next three weeks. We will be watching for any impact of tariffs on earnings. China had reacted to trade tensions by cutting interest rates and weakening the Yuan. They will report on third quarter GDP and inflation this week.

Year to Date S&P Sector Returns





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Weekly Manager's Pulse

October 12, 2018

Managed Strategist

Conservative

Fixed income exposure, including investment grade and unconstrained bond funds, provided a boost. Equity and alternative exposure detracted.

Moderate Conservative

Fixed income exposure led performance, with unconstrained bond funds among the top performers. Equity exposure detracted due to declines in mid and small cap holdings.

Moderate

Last week's performance was led by fixed income exposure, with investment grade and low duration holdings contributing the most to the overall performance. Mid and small cap holdings, along with exposure to the technology sector, detracted.

Moderate Aggressive

Fixed income positions, along with moderate allocation managers contributed the most to the overall performance. Mid caps, small caps, and exposure to the technology sector detracted.

Aggressive

Emerging markets and international exposure led performance last week. An overweight to technology, as well as exposure to mid and small caps detracted.

SMA, Retirement & Annuity

Income

Treasury yields moved higher during the first half of the week but then moderated after soft inflation data, with the 10 Year Treasury finishing at 3.15%. Intermediate term and multi-sector bond managers held up well as yields fluctuated, contributing to performance. Preferred securities and a conservative allocation manager detracted.

Balanced

Equity markets sold off sharply mid-week while bond yields fluctuated. A tilt towards equities in the asset allocation detracted. A large cap defensive manager and a large cap growth ETF held up the best in the volatility. Small caps and moderate allocation managers detracted.

Equity

Equity markets experienced the first bout of volatility since February, with the S&P 500 falling 4.07%. Defensive sectors such as Utilities and Consumer Staples fared the best, while Industrials and Materials lagged. Large cap growth ETFs held up better in the pullback, supporting performance. Sector allocations to Health Care and Technology also provided support.

Retirement

No adjustments were made in retirement accounts last week.

Annuity

No adjustments were made in annuity accounts last week.

Economic Data *

- PPI at 2.6% y/y
- CPI at 2.3% y/y
- Import prices increased 0.5% m/m
- Prelim. consumer sentiment at 99.0

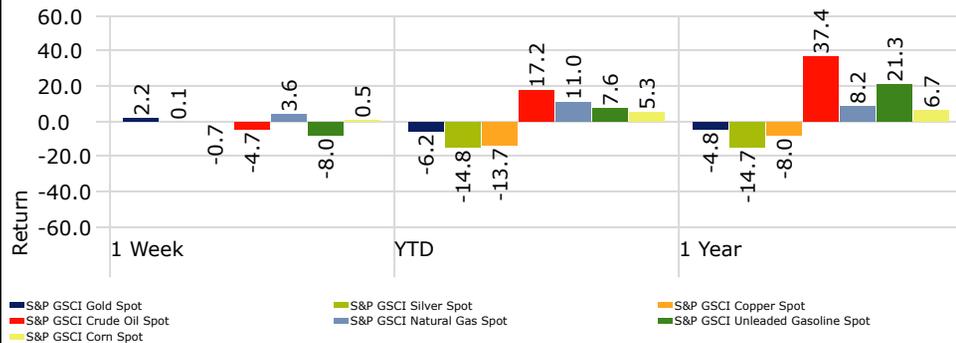
Manager Spotlight - Ivy Investments

Ivy is a global organization recognized for inventive, actively-managed investing strategies that help investors best meet their long-term goals. Their roots date to 1937 and, over the years, they've built a time-tested investment process within an authentic and demanding culture - one that values preparedness, collaboration and accountability. Ivy's approach seeks consistently to deliver highly competitive, long-term results. Their motivation is understanding that it's not their money their managing; it's investors'.

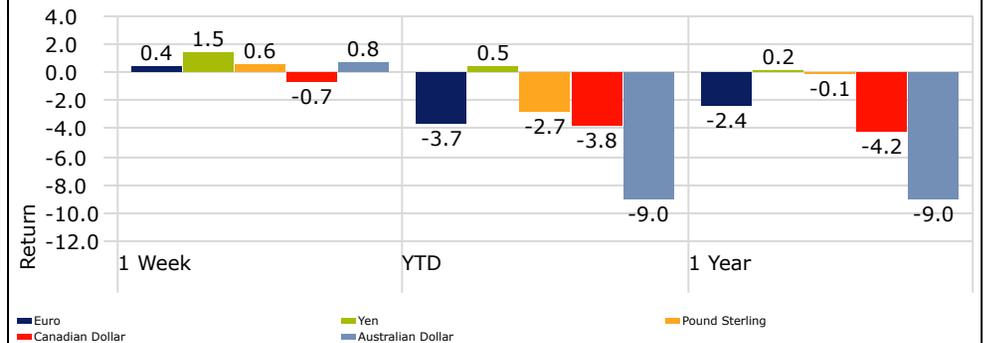
Treasury Yields

	3 Month Treasury	2 Year Treasury	5 Year Treasury	10 Year Treasury	30 Year Treasury
10/12/2018	2.28%	2.85%	3.00%	3.15%	3.32%

Select Commodity Returns



Select Currency Returns vs. US Dollar



See Disclosures:



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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