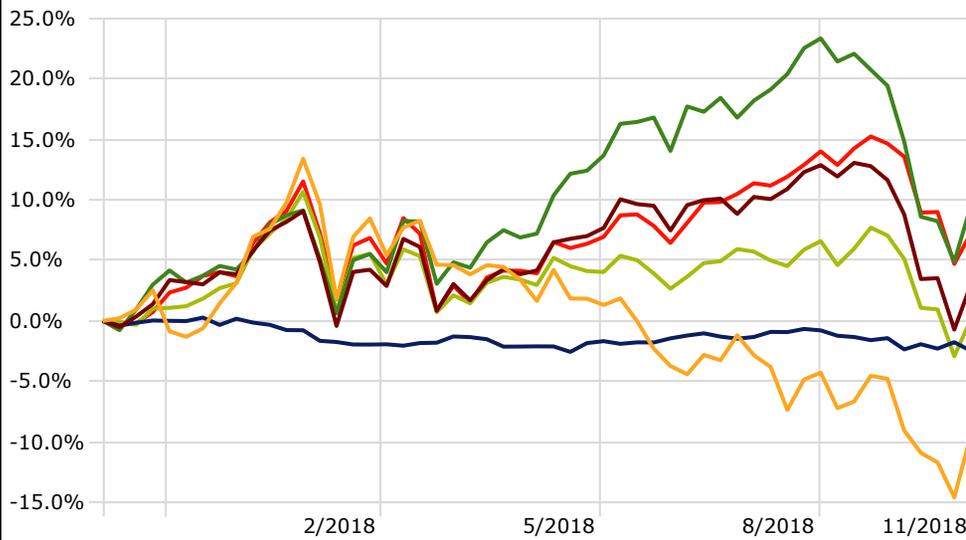




## 1 Year Market Returns

Time Period: 11/4/2017 to 11/3/2018



— 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: 11/3/2018

	1 Week	1 Month	3 Month	6 Month	1 Year
BBgBarc US Agg Bond TR USD	-0.73	-0.55	-1.17	-0.37	-2.48
S&P 500 TR USD	2.45	-6.81	-3.68	4.55	7.26
S&P MidCap 400 TR	3.78	-6.98	-6.53	0.24	3.04
S&P SmallCap 600 TR USD	4.44	-6.76	-7.31	3.46	9.54
MSCI ACWI NR USD	3.15	-6.32	-5.28	-1.99	0.14
MSCI EM NR USD	6.09	-3.63	-6.71	-10.95	-9.36

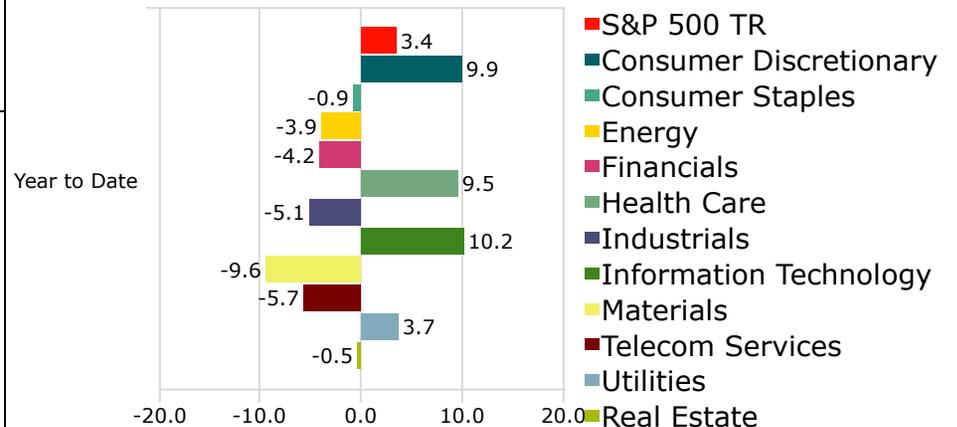
## Market Commentary

Markets were strongly positive last week. The S&P 500 was up 2.45%, Small Caps were up 4.44%, and Emerging Markets rebounded by 6.09%. Economic data continues to be solid, and October looks more like a normal correction rather than the start to a bear market. The volatility was likely from trade and political uncertainty. De-escalation could benefit the markets, with U.S. President Donald Trump and Chinese leader Xi Jinping likely to meet later this month. A G20 summit in Argentina could also reduce uncertainty, if trade negotiations are fruitful.

Earnings continue to be strong. About three-quarters of the S&P 500 companies have reported so far, with 78% of those beating estimates. Earnings growth is tracking at a robust 24.9%. An employment report from the Bureau of Labor Statistics showed strong job growth, with the economy adding 250,000 jobs in October, well above consensus expectations. Unemployment remains steady at 3.7%, the lowest in 5 decades. This was matched with wage gains of 3.2%, the highest since 2009. The Federal Open Market Committee (FOMC) also meets this week, but will likely leave rates alone for now. We continue to expect a rate hike in December.

Looking ahead, U.S. midterm elections will be held on Tuesday. It is expected that Democrats will win back the House of Representatives, while Republicans will keep the Senate. As a result, tax cuts, regulatory reform, and increased government spending are likely here to stay in the near term. This week will also see data on producer prices.

## Year to Date S&P Sector Returns



## Managed Strategist

These models hold at least a 50% allocation to Loring Ward's Global Equity strategy, which seeks to maximize long-term growth potential and is designed for investors with a long-term investment horizon. The funds within the Loring Ward model are sub-advised by DFA. DFA's approach to investing is centered around Nobel prize winning research that suggests investors will be rewarded for overweighting small-cap and value-oriented securities in their allocations.

### Moderate featuring Loring Ward

Approximately half of this model is allocated to Loring Ward's Global Equity strategy. Other strategists used in this model include: TPGF, JPMorgan and PIMCO. The current allocation offers a blend of approximately 41% domestic equity, 21% international equity exposure and 38% fixed income. Relative to the benchmark, the Morningstar Moderate Target Risk Index, an overweight to domestic equities relative to international equities has contributed to performance this year, whereas an overweight to value stocks has detracted.

### Moderate Aggressive featuring Loring Ward

Approximately half of this model is allocated to Loring Ward's Global Equity strategy. Other strategists used in this model include: TPGF, and JPMorgan. The current allocation offers a blend of approximately 66% domestic equity, 23% international equity exposure and 11% fixed income. Relative to the benchmark, the Morningstar Moderate Aggressive Target Risk Index, an overweight to domestic equities relative to international equities has contributed to performance this year, whereas an overweight to value stocks has detracted.

### Aggressive featuring Loring Ward

Approximately 55% of this model is allocated to Loring Ward's Global Equity strategy. Other strategists used in this model include: TPGF, IVY, and Wilshire. The current allocation offers a blend of approximately 3% fixed income, 68% domestic equity, and 29% international equity exposure. Relative to the benchmark, the Morningstar Aggressive Target Risk Index, an overweight to domestic equities relative to international equities has contributed to performance this year, whereas an overweight to value stocks has detracted.

## Separately Managed Accounts

### Income

Treasury yields moved higher on a strong jobs report, with the 10 Year Note finishing the week at 3.22%. Allocations to dividend paying equities, real estate and preferred securities provided the strongest contributions to performance. Longer duration holdings detracted slightly due to the move in yields. We continue to favor a diversified approach to income generation with the largest allocation non-agency MBS.

### Balanced

Stocks rallied last week, while bonds pulled back modestly. An asset allocation that favors equities provided a boost. Multi-cap equity exposure also contributed to performance, as small cap stocks outperformed. A lower sensitivity to changes in interest rates provided support to the strategy. Overall, we continue to favor risk assets, with an allocation of approximately 60% equity and 40% fixed income.

### Equity

After a pullback in October, stocks rallied last week, with the S&P 500 posting a gain of 2.45%. Material and Financials were among the strongest sectors. The strategy benefited from mid and small cap exposure, as those market caps outpaced large caps. An allocation to Financials also provided a boost, while a growth overweight detracted slightly. The recent volatility is within the normal range for the market, as such we are maintaining our exposure. The multi-cap exposure currently stands at approximately 64% large cap, 22% mid cap and 14% small cap.

## Economic Data \*

- Personal Consumption Expenditure/Core 2.0% y/y
- Unemployment reate steady at 3.7%
- Average hourly earnings rose +3.1% y/y
- ADP private payroll gains +227k
- Markit/ISM mfg. PMI 55.7/57.7
- Trade balance widened to \$-54.0B

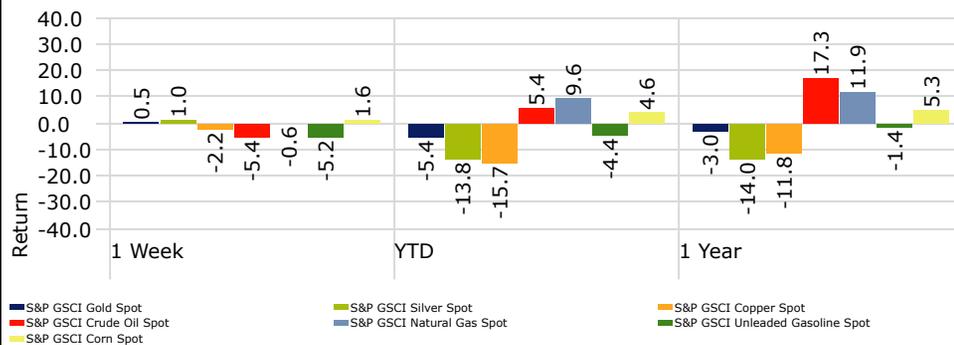
## Manager Spotlight - Meeder Investment Management

Meeder Investment Management is an investment firm that supports financial advisors working to grow and protect client wealth. Over 40 years of responding to the needs of financial advisors and institutional investors, we have grown to manage, advise, and administer more than \$13 billion in assets (as of 9/30/17). We specialize in customized investment solutions that incorporate our proprietary multi-discipline/multi-factor approach to investing.

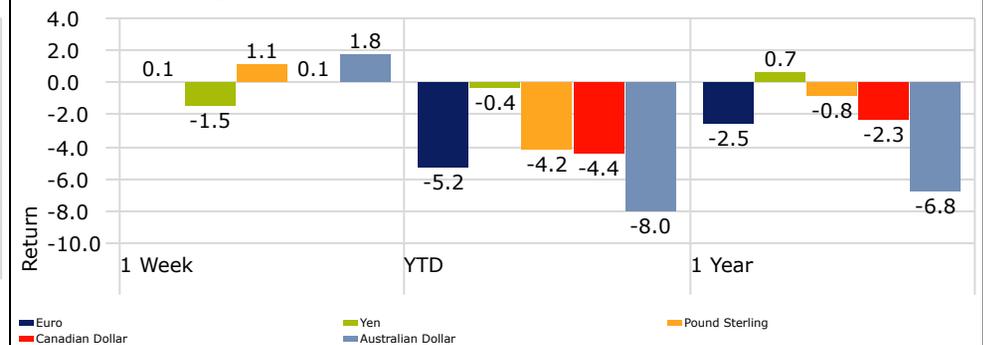
## Treasury Yields

	3 Month Treasury	2 Year Treasury	5 Year Treasury	10 Year Treasury	30 Year Treasury
11/2/2018	2.33%	2.91%	3.04%	3.22%	3.46%

## Select Commodity Returns



## Select Currency Returns vs. US Dollar





# Weekly Manager's Pulse

November 2, 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-gjm/1383452890099/83456/weekly\\_market\\_recap.pdf?segment=AMERICAS\\_US\\_ADV&locale=en\\_US](https://am.jpmorgan.com/blob-gjm/1383452890099/83456/weekly_market_recap.pdf?segment=AMERICAS_US_ADV&locale=en_US)