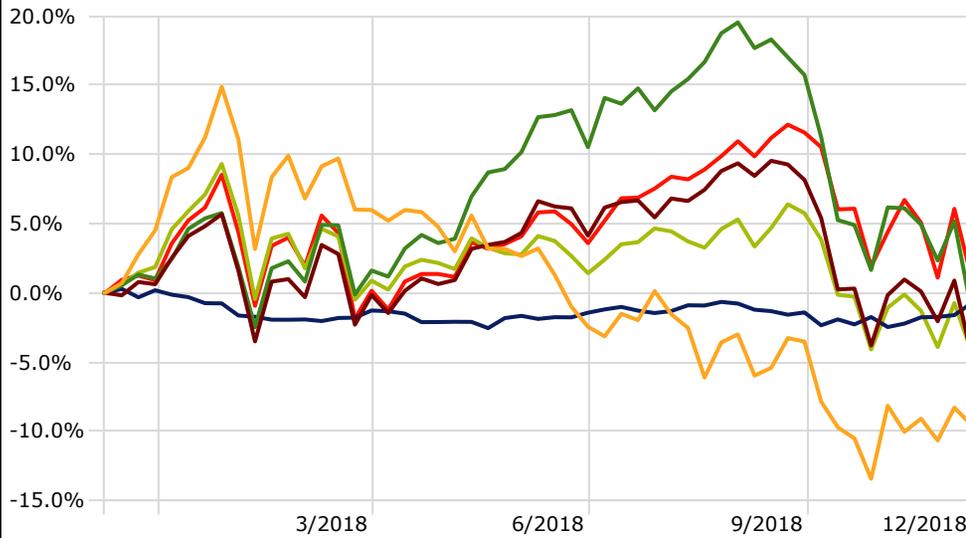




1 Year Market Returns

Time Period: 12/9/2017 to 12/8/2018



— 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: 12/8/2018

	1 Week	1 Month	3 Month	6 Month	1 Year
BBgBarc US Agg Bond TR USD	0.85	1.67	0.45	1.14	-0.76
S&P 500 TR USD	-4.55	-5.98	-7.84	-4.32	1.24
S&P MidCap 400 TR	-5.18	-6.22	-11.79	-10.27	-4.33
S&P SmallCap 600 TR USD	-5.97	-8.40	-15.97	-12.25	-1.11
MSCI ACWI NR USD	-3.43	-5.00	-7.25	-7.92	-4.14
MSCI EM NR USD	-1.33	-1.18	-3.76	-12.32	-9.51

See Disclosures:

Market Commentary

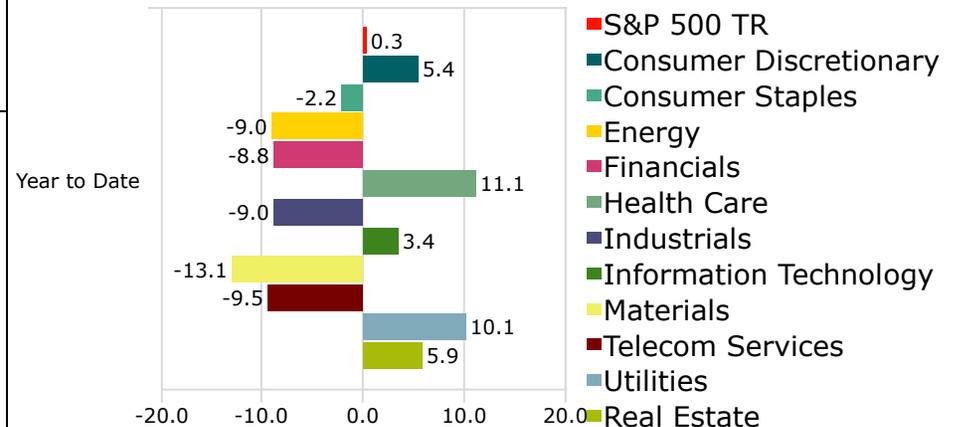
Stocks dropped sharply last week, led down by the Financials sector. The S&P 500 fell -4.55%, followed by Mid caps and Small caps, down 5.18% and 5.97% respectively. Emerging Markets held up relatively well.

It was a very volatile week, even though U.S. financial markets were closed on Wednesday to mourn the passing of former President George H.W. Bush. There was hope for easing trade tensions early in the week as the U.S. and China agreed to postpone tariff increases. This evaporated as the countries offered conflicting statements on a potential deal, and a high profile Chinese executive was arrested in Canada at the U.S.'s request.

Domestically, economic news was also mixed. Ten-year Treasury yields fell significantly to 2.85%, and parts of the yield curve inverted. Non-farm payrolls increased by 155,000, below estimates, but the labor market still appears to be strong. Unemployment stayed steady at 3.7%, and average hourly earnings maintained their growth at 3.1%. Consumer sentiment also remains high at 97.5.

Brexit will likely be in the news this week, as U.K. Prime Minister Theresa May delayed a parliamentary vote on the deal. The European Union will hold a summit later in the week. We should also see data on U.S. prices and retail sales.

Year to Date S&P Sector Returns



Year to Date

■ S&P 500 TR
■ Consumer Discretionary
■ Consumer Staples
■ Energy
■ Financials
■ Health Care
■ Industrials
■ Information Technology
■ Materials
■ Telecom Services
■ Utilities
■ Real Estate



THE
PACIFIC
FINANCIAL
GROUP
INC.

Weekly Manager's Pulse

December 10, 2018

J.P. Morgan

We value the trust you place in us with your choice to utilize our services in management of your client investment accounts. A major part of our duty and responsibility to you is our commitment to perform on-going due diligence and review of strategists and investment vehicles to deliver superior solutions and help you meet your promise to your clients. As part of this process, we will be shifting investments in portfolios that employ Ivy Investments to corresponding investments with J.P. Morgan Asset Management. The most significant effect on your client's portfolios will be a reduction in the internal costs which will naturally increase the potential return margins. As a matter of course these new investment tools have been additionally screened in regards to the risk profile parameters of each portfolio where they will be applied in order to stay within stated criterion. As one of the largest asset and wealth managers in the world, with assets under management of \$1.7 trillion (as of December 31, 2017), J.P. Morgan Asset Management provides global market insights and a range of investment capabilities that few other firms can match. As always if you have questions regarding this investment vehicle change please don't hesitate to reach out to our field consulting team at (866) 583-8734 or <https://www.tpfg.com/territory-map/> for their related email address.

Separately Managed Accounts

Income

Treasury markets rallied as investors sought safety in market volatility, with the 10 Year Treasury closing at 2.85%. The yield curve continues to flatten, which is common during rate hiking cycles. Longer duration holdings in MBS and municipals performed well, while dividend paying equities and preferred securities detracted from performance. We remain diversified across multiple income-producing securities with modest interest rate risk.

Balanced

Bonds, led by Treasuries, finished the week in positive territory, while stocks suffered a sell off. The asset allocation in the portfolio, with a preference for stocks over bonds, was a detractor to performance. Defensive equity holdings and municipal exposure were the top performers in the strategy. Overall, we maintain a preference for equities, as most economic readings point to continued growth.

Equity

Stocks pulled back last week on concerns over future growth, with the S&P 500 falling 4.55%. Utilities and Real Estate fared the best, while Financials and Industrials trailed. Sector exposure and small caps detracted, while value exposure provided a boost. At this time we believe we are well positioned for the intermediate term as we expect the expansion to continue.

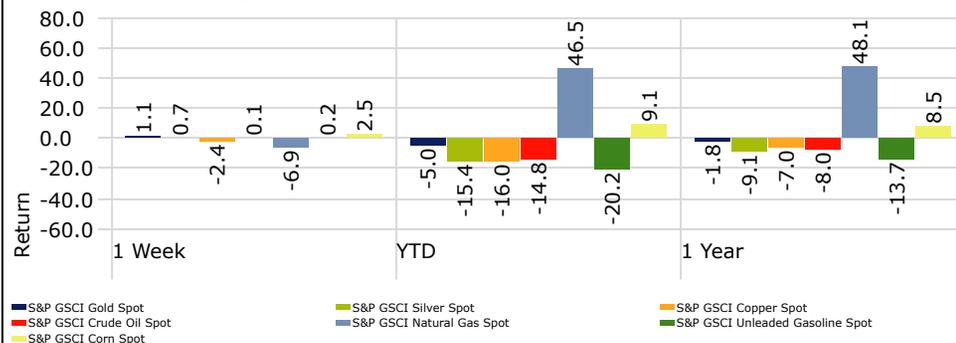
Economic Data *

- Markit manufacturing PMI at 55.3
- ISM manufacturing PMI at 59.3
- Markit non-manufacturing PMI at 54.7
- ISM non-manufacturing PMI at 60.7
- Unemployment at 3.7%
- Average hourly earnings at 3.1% y/y
- Prelim. consumer sentiment at 97.5

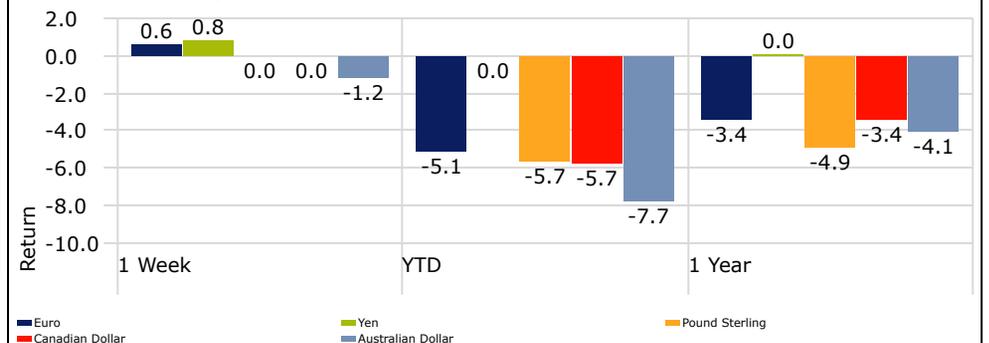
Treasury Yields

	3 Month Treasury	2 Year Treasury	5 Year Treasury	10 Year Treasury	30 Year Treasury
12/7/2018	2.40%	2.72%	2.70%	2.85%	3.14%

Select Commodity Returns



Select Currency Returns vs. US Dollar



See Disclosures:



Weekly Manager's Pulse

December 10, 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/us/en/asset-management/qim/adv/insights/weekly-market-recap>