

TPFG Manager Commentary:

Global equities were mixed as shutdown-delayed economic data became available. The S&P 500 was up 0.46%, while Small Caps fell -0.82%. The MSCI EAFE index rose 0.58%, but Emerging Markets fell -0.65%. The MSCI China Free index rose 3.4%, after the U.S. delayed tariff increases. GDP grew at 2.6% q/q, slower than the previous quarter, but above expectations. Year-over-year, consumption and business fixed investment contributed the most to GDP growth, at 1.8% and 0.9%, while housing remained flat. Job creation data continues to be strong, while global manufacturing data continues to slow.



Economic Review*

- U.S. 4Q18 GDP rose 2.6% q/q
- PCE 1.7% / core 1.9% y/y
- Consumer sentiment at 93.8
- Housing starts at 1.078mm
- Jobless claims at 225k
- Markit/ISM mfg PMI at 53.0/54.2
- Consumer confidence at 131.4
- Pending home sales rose 4.6% m/m
- Case Shiller HPI rose 0.2% m/m

Strategic Partner: Toews

In an attempt to achieve market returns and avoid extreme losses, we build portfolios with two imperatives. First, we assume worst case scenarios will potentially happen, and manage products designed to capitalize on significant market declines. We simultaneously assume that best case scenarios will potentially happen. That means that our portfolios are positioned to attempt to gain if markets stretch higher, but are built to attempt to protect if markets fall.



Spotlight: Toews Balanced Portfolio

Our primary objective is to participate in market gains, but to attempt to avoid significant losses. Our research shows that virtually all market declines of significance are preceded by periods of negative, more moderate price decreases. Our strategy attempts to exit markets during the preliminary phase of the decline, before large losses are realized. When our strategy indicates that markets are rising, assets are fully invested and we attempt to track market indices. During significant long-term declines, Toews seeks to achieve similar returns to that of money market or fixed income instruments and attempts to avoid the majority of losses.

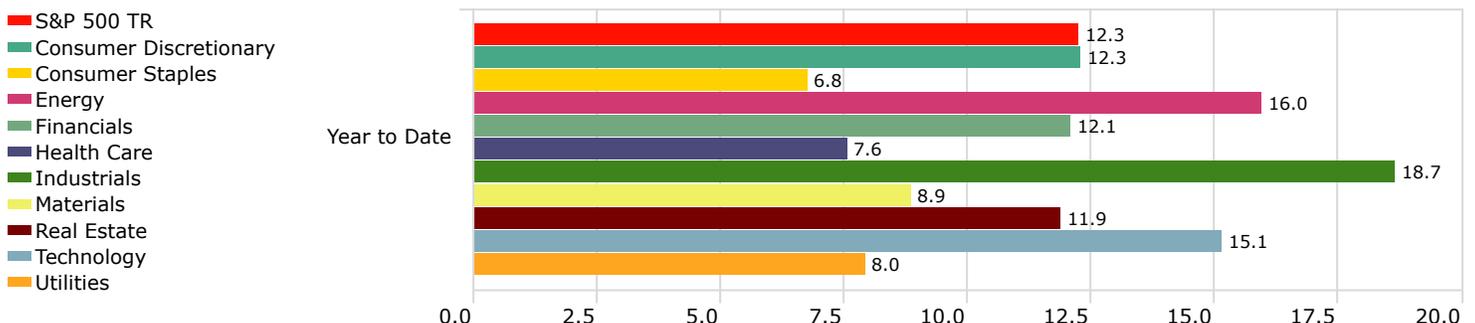
Toews is available in these models:

- EPIC Models: Dynamic Fixed Income - High Income, Toews Balanced Portfolio, Growth

Trailing Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500 TR USD	0.46	3.82	2.12	6.81
S&P MidCap 400 TR	-0.38	4.71	2.92	5.32
S&P SmallCap 600 TR USD	-0.82	4.96	2.05	8.26
MSCI ACWI NR USD	0.37	3.09	3.45	0.80
MSCI EM NR USD	-0.65	0.26	6.18	-9.61
BBgBarc US Agg Bond TR USD	-0.40	-0.01	2.66	2.68

YTD S&P Sector Returns





Weekly Manager's Pulse

March 4, 2019

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. 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/gim/adv/insights/weekly-market-recap>

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