

TPFG Manager Commentary:

Global equities were mostly positive last week, with the S&P 500 and U.S. Small Caps up 0.56% and 0.42%, respectively. Financials led the way while Health Care struggled. International stocks were also positive, with the MSCI EAFE index up 0.30% and Emerging Markets up 0.40%. Earnings season has begun for 1Q19, with U.S. Financials doing well. J.P. Morgan and Wells Fargo handily beat their estimates. We expect earnings growth to slow from the year prior as tax-reform effects wear off. Margins could also face some pressure from rising wages and raw material costs, but the pessimism could be overdone; we could see some earnings beats over the quarter and we're off to a good start.



Economic Review*

- CPI rose 1.9% y/y
- PPI rose 2.2% y/y
- Jobless claims at 196,000
- Core CPI rose 2.0% y/y
- Core PPI rose 2.4% y/y
- Preliminary consumer sentiment at 96.9

Strategic Partner: BNY Mellon

The BNY Investment Strategy & Solutions Group (ISSG) designs, develops and manages asset allocation strategies to help clients achieve their specific investment objectives. ISSG combines a multi-faceted approach to risk with a forward-looking, long term perspective on economics and markets to identify opportunities while harnessing the broad and deep expertise of a global network of specialized investment affiliates to deliver sophisticated investment solutions.

Spotlight: BNY RiskPro® Alternative 0-15 Model Portfolio



The Model Portfolio is a dynamic, diversified multi-asset, fund of funds portfolio. The Model Portfolio attempts to minimize drawdown while delivering some modest capital appreciation and staying within the RiskPro Tolerance Range (a proprietary, volatility-based measure) of 0 to 15. The Model Portfolio is intended to provide an active sleeve of risk mitigation that is more economically robust, diversified, and adaptive -- when compared against a conventional bond portfolio -- through the use of inflation-hedging equities and diversifying alternatives strategies in addition to multiple fixed income strategies.

BNY recently added an allocation to liquid real assets (primarily global natural resources) which tend to perform well in periods of increasing inflation and accelerating inflation expectations. Additionally, they added a floating rate component which helps to offset the impacts of increasing interest rates in comparison to high yield bonds, which tend to have fixed interest rates. They continue to maintain an allocation to absolute return/diversifying strategies. This helps to offset the impact of rising real interest rates, characterized by periods when interest rates are increasing, but inflation (and the expectation for future inflation) is not increasing.

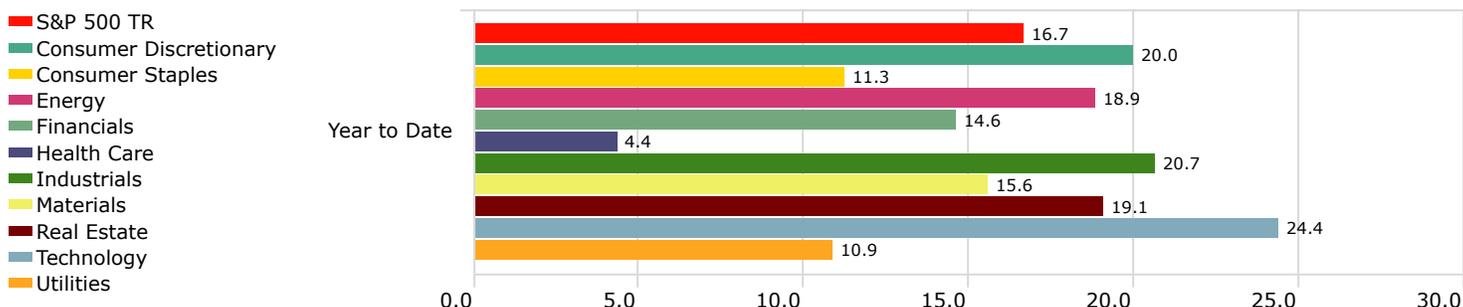
BNY Mellon is available in these models:

- Managed Models: Managed (Conservative, Moderate Conservative, Moderate); Managed - Focused (Conservative), Managed featuring Meeder (Moderate Conservative, Moderate); Managed featuring TPGF (Moderate Conservative)
- EPIC Models: BNY Alternative 0-15

Trailing Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500 TR USD	0.56	4.33	12.58	11.34
S&P MidCap 400 TR	0.87	4.26	11.92	5.71
S&P SmallCap 600 TR USD	0.42	2.51	7.95	2.90
MSCI ACWI NR USD	0.48	3.90	10.76	4.05
MSCI EM NR USD	0.40	3.74	9.18	-5.18
BBgBarc US Agg Bond TR USD	-0.12	0.81	2.34	4.30

YTD S&P Sector Returns





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Weekly Manager's Pulse

April 15, 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>

CID.TPFG.144