THE PACIFIC FINANCIAL GROUP INC.

Enhanced by RISKPRO

Weekly Manager's Pulse

May 6, 2019

TPFG Manager Commentary:
Global equities were mostly up last week, led by U.S. Small Caps. The healthcare sector did well, led by Merck and CVS Health on better than expected earnings. Roughly 3/4 of the S&P 500 have reported earnings so far, and 75% of those have surprised to the upside. On average, companies are reporting earnings about 5.6% above estimates. A robust employment report for April added 263,000 jobs, dropping unemployment to 3.6%, the lowest level in 49 years. Inflation remains low, and the Federal Reserve confirmed current rate policy.

Economic Review*
- Fed funds rate unchanged at 2.25%-2.5%
- Unemployment rate fell to 3.6%
- Avg. hourly earnings rose 3.2% y/y
- PCE/Core PCE at 1.5%/1.6% y/y
- Consumer confidence rose to 129.2
- ADP/nonfarm payroll gains at 275k/263k
- Markit/ISM mfg. PMI at 52.6/52.8
- Markit/ISM non-mfg. PMI at 53.0/55.5

Strategic Partner: J.P. Morgan

J.P. Morgan is a global leader in asset and wealth management services. The Asset & Wealth Management line of business serves institutional, ultra-high net worth, high net worth and individual clients through its Asset Management and Wealth Management businesses. With client assets of $1.7 trillion, we are one of the largest asset and wealth managers in the world. (Assets as of March 31, 2018.)

Spotlight: RiskPro® 30+ (PFSEX)

Pacific Financial serves as the asset allocation strategist for this Fund by primarily investing in mutual funds and ETFs managed by J.P. Morgan. Pacific Financial uses a multi-cap approach to pursue capital appreciation through a blend of domestic and international equities. The strategy also incorporates a wide variety of sectors and styles to dynamically manage risk while optimizing return. In addition, it seeks aggressive growth with no limit to the maximum range of total returns over a forward-looking rolling twelve month period through the use of RiskPro®.

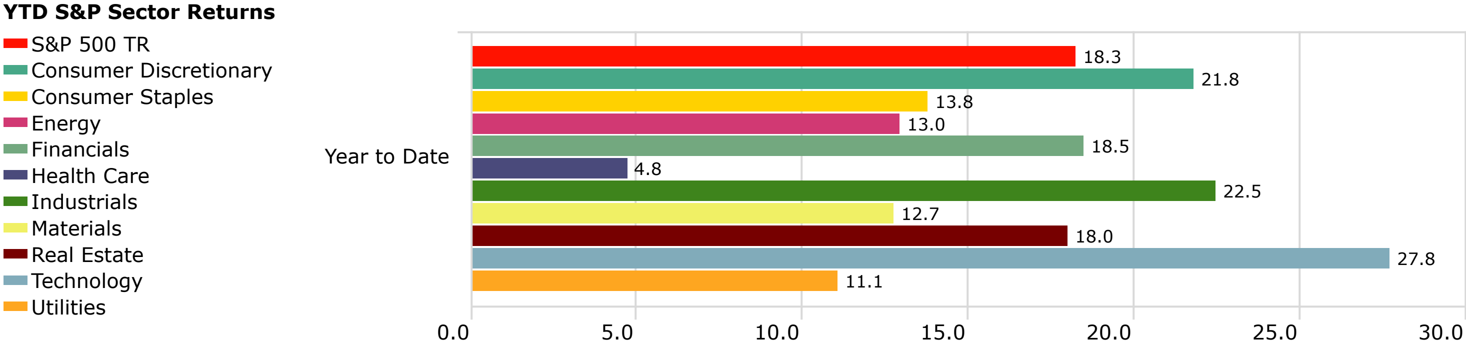
U.S. equities remain the preferred market due to a healthy U.S. consumer coupled with a subdued inflationary backdrop. International developed remains the least preferred market with no clear catalyst for growth on the horizon and several Eurozone economies in contractionary territory. A potentially weaker U.S. dollar from a dovish Fed, coupled with improving manufacturing data from China, should provide support for emerging market equities. As a result, a 9.75% cash position was reduced in early April and the proceeds were invested in U.S. large cap equities with a modest addition to emerging markets.

J.P. Morgan is available in these models:
- Managed: Aggressive
- Managed featuring Loring Ward: Aggressive
- Managed featuring Meeder: Moderate Aggressive

Trailing Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500 TR USD	0.22	2.64	9.37	14.28
S&P MidCap 400 TR	0.38	3.01	8.01	7.54
S&P SmallCap 600 TR USD	1.70	4.16	6.38	6.00
MSCI ACWI NR USD	0.26	1.65	7.45	6.03
MSCI EM NR USD	0.47	0.39	3.53	-2.50
BBgBarc US Agg Bond TR USD	-0.06	0.41	2.08	5.33

YTD S&P Sector Returns



Source: Morningstar Direct

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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