



THE
PACIFIC
FINANCIAL
GROUP
INC.

Weekly Manager's Pulse

July 29, 2019

Enhanced by **RISKPRO**

TPFG Manager Commentary:

Both the S&P 500 and the Nasdaq Composite Index hit new highs last week. The Communications sector led the way, with Alphabet (GOOG) reporting better than expected earnings and a share repurchase. The S&P 500 finished up 1.66%, and small caps rose 2.36%. The Federal Reserve meets this week, and a 0.25% rate cut is widely expected. The European Central Bank left rates as-is, but indicated a cut could be possible later in the year. Second quarter GDP was stronger than expected at 2.1% vs 1.8%; higher consumer spending offset lower business investment. About 44% of S&P 500 companies have reported earnings so far, with more than three-quarters beating estimates.



Economic Review*

- 2Q19 real GDP at 2.1% q/q saar
- Flash July composite PMI at 51.6
- New durable goods orders +2.0% m/m
- New home sales at 646,000
- Existing home sales at 5.27 million

Strategic Partner: MFS Investment Management

MFS' investment approach has three core elements: integrated research, global collaboration and active risk management. For more than 90 years, MFS has actively managed investments — around the globe, across asset classes and through a myriad of economic and market environments. Founded on integrated research, fortified by collaborative thinking and supported by active risk management, our investment platform drives information flow and effective decision making.



Spotlight: RiskPro® PFG 30+ (PFSMX)

This Fund principally invests in mutual funds and ETFs managed by MFS. The Fund is also designed to overemphasize sectors and capitalization bands that are economically advantaged in an effort to capture a wide variety of market opportunities.

The fund is currently globally diversified, with broad exposure across global equities. Domestic exposure is at 60% and international exposure is at 35%, roughly in line with its benchmark. There is a significant overweight to Growth over Value, plus a small overweight to Europe vs Asia. Year to date the fund has done fairly well, with growth positions across large, mid, and small adding to returns. The fund does use a small commodities position, which has been slightly detractive. During the year, we switched some of the mutual fund positions to ETFs in order to lower expenses.

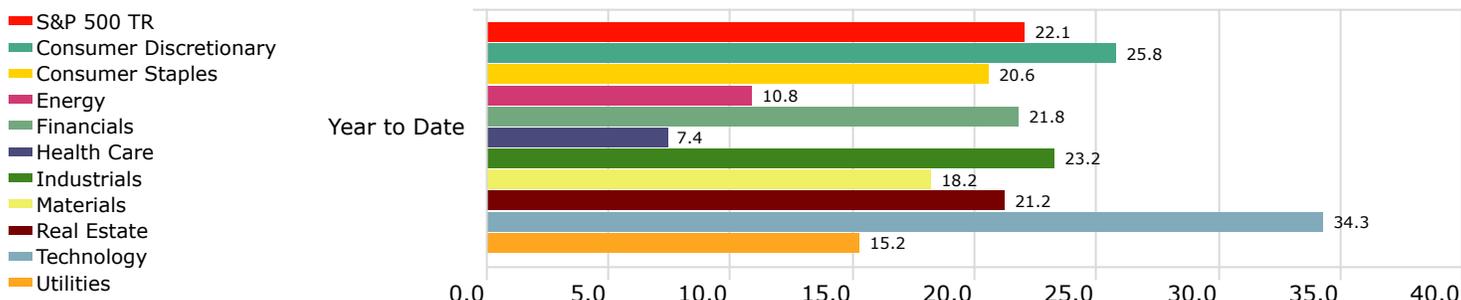
MFS is available in these models:

- Managed: Moderate, Moderate Aggressive
- Managed – Focused: Moderate, Moderate Aggressive, Aggressive

Trailing Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500 TR USD	1.66	3.98	3.44	8.81
S&P MidCap 400 TR	2.37	4.58	0.91	0.98
S&P SmallCap 600 TR USD	2.36	4.45	-0.69	-7.79
MSCI ACWI NR USD	0.77	2.49	2.02	3.86
MSCI EM NR USD	-0.77	0.58	-1.49	-1.24
BBgBarc US Agg Bond TR USD	-0.03	0.31	3.04	7.97

YTD S&P Sector Returns





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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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