

Major indexes were mixed last week, with value slightly underperforming growth-oriented stocks. Several data reports weighed on sentiment throughout the week, with a disappointing retail sales report indicating a drop of 1.1% in December seeming to have the most influence on performance. Industrial production also fell -0.7% in December, the biggest drop since September 2021 and more than expectations of only -0.1%. Ultimately, the Dow Jones Industrial Average (DJIA) suffered the most losses of domestic indexes, finishing the week -2.66% lower. The S&P 500 Index (-0.65%) also finished lower for the week, while the tech-heavy NASDAQ (+0.55%) finished with modest gains. Lastly, further economic releases indicated easing inflationary pressures, as the Producer Price Index (PPI) fell 0.5% in December, the largest drop since the start of the pandemic.



Economic Review*

- Dec. retail sales fell 1.1%, below the cons. -0.8%
- Industrial production fell 0.7%, below the cons. -0.1%
- Headline PPI fell 0.5%, Core PPI rose 0.1%
- Housing starts fell 1.4%, above the cons. -4.7%

Spotlight:

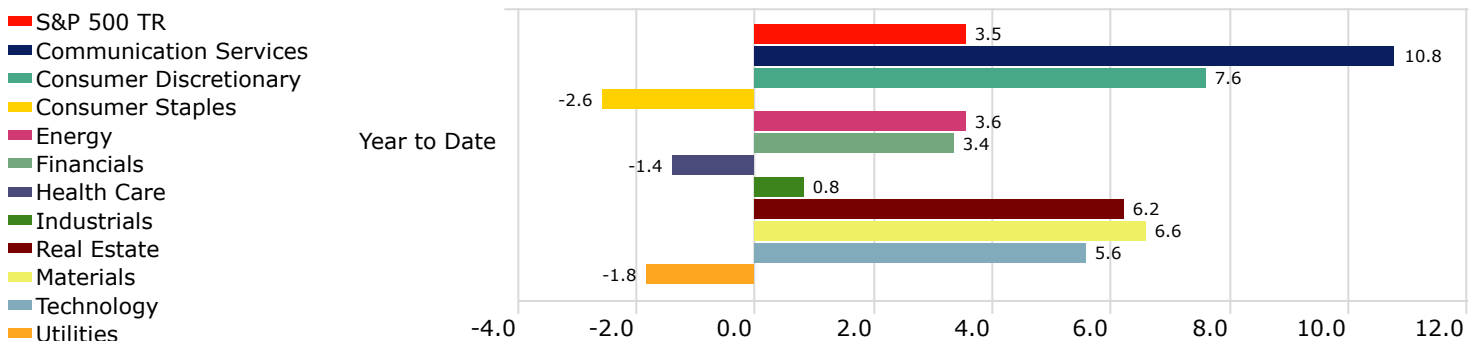


The Target PLUS models are designed to provide key enhancements to traditional target date investing. The first enhancement is to pair best-in-class equity managers with best-in-class fixed income managers, rather than using the same manager for each as most Target Date Funds do. Another enhancement is, given today's low interest rate environment, to only use fixed income strategies that utilize Tactical management or incorporate Active bond picking in their underlying holdings. We believe these types of strategies have the potential to offer enhanced returns, given the broader fixed income universe they are able to choose from. While the models are constructed with a Strategic, longterm investing horizon in mind, another key enhancement is to provide some Tactical exposure, which can help buffer losses during volatile markets. In addition, the underlying holdings within the models provide both Active management, via individual stock or bond selection, and Passive investing, via lower-cost, passive exposure to a specific index or benchmark. We believe the combination of these Strategic, Tactical, Active and Passive elements can deliver the desired portfolio outcome with greater diversification, improved risk management, and enhanced returns.

Trailing Major Index Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500	-0.65	4.08	8.85	-9.90
S&P MidCap 400 TR	-0.86	6.71	13.44	-1.44
S&P SmallCap 600 TR USD	-1.24	6.58	11.60	-4.36
MSCI ACWI NR USD	-0.25	5.65	13.40	-10.70
MSCI EM NR USD	0.63	9.15	20.37	-15.05
Bloomberg US Agg Bond TR USD	0.15	1.96	7.55	-8.60

YTD S&P Sector Returns





Weekly Manager's Pulse

January 23, 2023

Disclosure

The information provided herein is the opinion of The Pacific Financial Group, Inc. ("TPFG") a registered investment adviser, and may change without notice at the discretion of TPFG. Spotlight contains models managed by TPFG and represent TPFG's opinion and evaluation of its models. 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.

The indices are presented as broad-based measures of the equity, fixed income and consumer markets. The indices are provided for comparative and illustrative purpose to provide a comparison of the model against the broader based equity, fixed income and consumer market. The indices are not intended to reflect the investment objectives of the model as the securities held within the model will differ in market volatility, concentration, investment objectives and diversification among others from those of the indices. The indices are not managed, and returns do not reflect the deduction of fees, expenses, transaction costs or taxes that actual client accounts are subject to. Investors cannot invest directly in an index. Returns are not annualized for periods less than 1 year.

Trailing Major Index Returns and YTD S&P Sector Returns are sourced from Morningstar Direct.

* Sourced from JPMorgan Asset Management, publicly available at <https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/market-updates/weekly-market-recap/>

All other economic and market data sources may include, and is not limited to:

Edward Jones, publicly available at <https://www.edwardjones.com/us-en/market-news-insights/stock-market-news/stock-market-weekly-update>

Goldman Sachs, publicly available at <https://www.gsam.com/content/gsam/us/en/advisors/market-insights.html>

T. Rowe Price, publicly available at <https://www.troweprice.com/personal-investing/resources/insights/global-markets-weekly-update.html>

CID 773