



STRATEGIST HIGHLIGHT

J.P.Morgan Asset Management

JP Morgan Themes:

- The PFG JP Morgan Tactical Aggressive Strategy seeks aggressive growth.
- The PFG JP Morgan Tactical Moderate Strategy's primary objective is capital appreciation with a secondary objective of income.

Most Recent Allocation Changes:

- The PFG JP Morgan Tactical Aggressive Strategy had no changes.
- In the PFG JP Morgan Tactical Moderate Strategy, JP Morgan reduced its allocation to intermediate core bond fixed income by 2.50% and shifted it into multisector bond.

JP Morgan Market Views:

- There were no changes to the equity allocations.
- U.S. data continues to show persistent economic resiliency despite some macroeconomic headwinds. While JPM remains mindful of rising risks on the horizon, they believe the stability of the U.S. consumer and strong private sector balance sheets will continue to delay the onset of a recession. As such, we maintain our headline positioning and continue to lean into credit markets within fixed income.
- Within fixed income, JPM added to a flexible credit strategy directly from core bonds.
- JPM believes a diversified allocation to extended credit has the potential to outperform core fixed income in this more resilient economic environment given the meaningful pick-up in yield.
- This trade maintains our overweight to duration relative to the benchmark.

MODEL HIGHLIGHT



- The PFG JP Morgan Tactical Moderate Strategy and The PFG JP Morgan Tactical Aggressive Strategy can both be found within the Multi PLUS model set.
 - The PFG JP Morgan Tactical Moderate Strategy is a multi-asset 60/40 single ticker model in the Multi PLUS Moderate Conservative and Moderate models providing tactical and active approach to equities and fixed income.
 - Whereas the PFG JP Morgan Tactical Aggressive Strategy is a 100% equity single ticker model in the Multi PLUS Moderate Growth and Aggressive models providing tactical and active approach to equities.
- The PFG JP Morgan Tactical Moderate Strategy shifted 2.50% into the JPMorgan Income Fund, which has been one of the better performing fixed income underlying funds as of late.
 - The JPMorgan Income Fund seeks to maximize income for a prudent level of risk using a flexible, well-diversified fixed income approach.
 - The diversified approach of the fund had provided an attractive yield with a lower volatility than high yield and other extended sectors.
- On the equity side, the PFG JP Morgan Tactical Moderate Strategy has also been able to take advantage of the strong performance seen in equities this year through its investments in funds such as the JPMorgan BetaBuilders US Equity ETF, JPMorgan Growth Advantage Fund, and the JPMorgan US Equity Fund.

TALKING POINTS: This weeks' conversation starters for advisors to educate and inform your clients

Market News

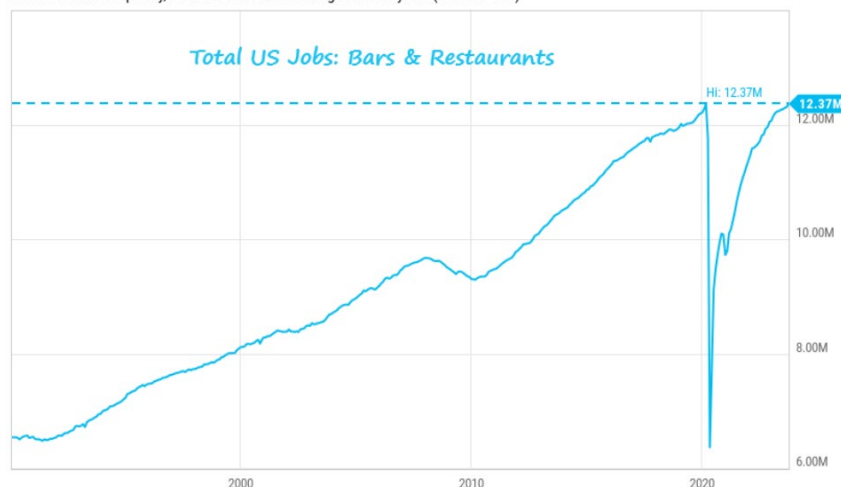
- The S&P 500 and DJIA ended somewhat mixed for the week, with the S&P 500 Index (+0.52%) and NASDAQ (+1.62%) finishing higher on the week, while the Dow Jones Industrial Average (-0.24%) finished lower.
- While some investors awaited a decrease in the nonfarm payrolls, which would help to indicate that the Fed policymakers have done their job and could forego another rate hike, the Labor Department reported that employers had added roughly 336k jobs in September, a number that nearly doubled consensus estimates.
- Labor reports also indicated that the unemployment rate maintained its level at 3.8%, while average hourly earnings rose 0.2% in the month, which brought the year-over-year gain to 4.2%. This is the lowest level in just over two years.
- Other economic indicators showed that while activity picked up in the manufacturing sector in September, activity had slowed dramatically in the healthier and larger services sector.
- The 10-Year US Treasury yield touched 4.89% last week, a level not seen in 16-years, before settling down to 4.78% to end the week.

PFG Strategy News

- The PFG BR Target Allocation Equity Strategy Fund can be found in the Multi PLUS Model suite. The tactical, 100% equity strategy has been able to retain solid returns throughout the year so far.
- Underlying investments like the iShares US Technology ETF, iShares S&P 500 Growth ETF, and iShares MSCI USA Quality Factor ETF have been the top contributors to the Strategy's overall performance.
- The PFG Invesco Equity Factor Rotation Strategy has also had one of the better track records over the past few months, and year-to-date, than some of the other Strategies in the more aggressive models.
- The Strategy continues to navigate the changing investor sentiment in the markets, shifting allocations based on leading economic indicators to anticipate shifts in business cycles. The strategy is currently positioned in an "expansion" regime.

CHART OF THE WEEK:

US Leisure and Hospitality, Food Services and Drinking Places Payrolls (L:USLHFSSM)



The chart above shows the increase in payrolls in US leisure and hospitality, food services, and drinking places payrolls since the onset of the pandemic. With the 61k jobs that were added in September, the total number of jobs moved to 12.37 million in sector. This locks in a new high since February 2020, right before the pandemic hit and disrupted the industry.

Source: <https://bilello.blog/2023/the-week-in-charts-10-8-23>

THIS WEEK AHEAD

Tuesday, October 10:

- NFIB Optimism Index
- Fed Gov. Jefferson Speaks

Wednesday, October 11:

- Producer Price Index
- Minutes of Fed's September FOMC Meeting

Thursday, October 12:

- Initial Jobless Claims
- Consumer Price Index

Friday, October 13:

- Import Price Index
- Consumer Sentiment

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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.

Net of Fees Performance returns for each model are net of fees which assume the maximum annual management fee of 2.0. Actual fees charged are negotiable and may vary based on a variety of factors, including the size of a client's account, services rendered, or investments within the model. Actual fees charged are disclosed and agreed to by the client at the time of entering into an investment management agreement or in the fund's prospectus as applicable. TPFG's fees do not include the internal expenses which may be assessed by a fund or investment vehicle held within the model.

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

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

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