

DATE: June 20, 2023



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

Market News

- Equity markets rallied for another week, aided by favorable growth signals and inflationary data. The S&P 500 Index solidified a new year-to-date high, ultimately finishing 2.62% higher for the week. The technology sector (+4.4%) had another week of outperformance, aiding the NASDAQ to rise 3.26% higher for the week.
- The Federal Reserve announced that they would skip an additional rate hike this past week, holding the official fed funds rate in the 5.00% - 5.25% range. This marked the first pause since the Fed began their rate hiking cycle 15 months ago.
- Consumer Price Index (CPI) data indicated that inflation had risen 0.1% month-over-month, and that year-over-year inflation had fallen from the previous month's 4.9% reading to 4.0%, the slowest pace in over two years.
- Retail sales experienced their first year-over-year increase since January, rising 1.6% over the past 12 months.

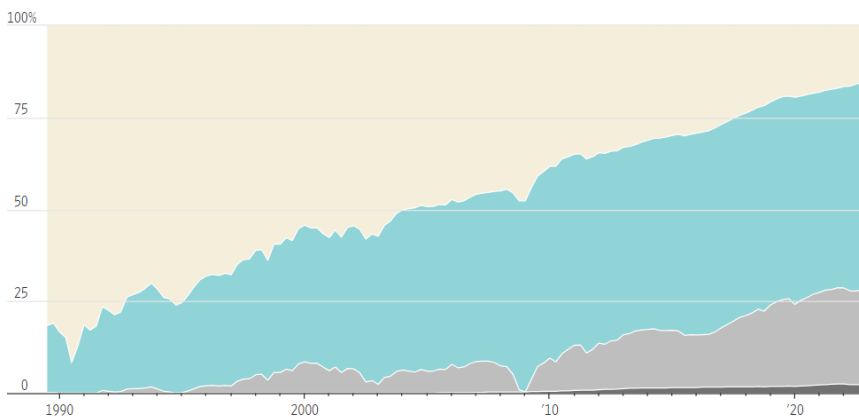
PFG Strategy News

- The Target PLUS models deliver a blend of Strategic and Tactical Asset Allocation implemented through a combination of actively managed mutual funds and low-cost passive and exchange-traded funds (ETFs).
- The Target PLUS models include the PFG MFS Aggressive Growth Strategy Fund, a top performer this past week, and a strong performer YTD. This Strategy's exposure to technology and other cyclical sectors has been a main driver in its returns this year, helping the fund capture the rally we have been experiencing in growth.
- The PFG Tactical Income Strategy, which can also be found in the Target PLUS models, has been a top performer in the more conservative risk tolerance. One of the positive performing holdings is the Janus Henderson High-Yield Fund, which normally invests at least 80% of its net assets (plus any borrowings for investment purposes) in high-yield/high-risk securities rated below investment grade. With elevated interest rates, high-yield bonds can be a good way of capturing the attractive income with lower volatility than equities.

CHART OF THE WEEK:

Corporate equities and mutual-fund shares, by generation

■ Silent ■ Baby boomer ■ Generation X ■ Millennial



Note: Generations are defined by birth year as follows: silent and earlier (before 1946), baby boomer (1946-1964), generation X (1965-1980) and millennial (1981 or later).

The chart to the above shows how the old "100 minus age" equity-allocation rule has fallen out of favor, especially within the last decade or so. Nearly 2/3 of U.S. adults over the age of 65 own equities through mutual funds, stocks, and other forms of investment.

Chart Source:

https://www.wsj.com/livecoverage/stock-market-today-dow-jones-06-20-2023/card/boomers-got-hooked-on-stocks-now-they-can-t-let-go-WBfw5SkJGxjhlEAEQek?mod=Searchresults_pos2&page=1

THE WEEK AHEAD

Tuesday, June 20:

- Housing Starts

Thursday, June 22:

- Initial Jobless Claims
- U.S. Current Account
- Existing Home Sales
- U.S. Leading Economic Indicators

Friday, June 16:

- S&P Flash U.S. Services PMI
- S&P Flash U.S. Manufacturing PMI

MODEL HIGHLIGHT



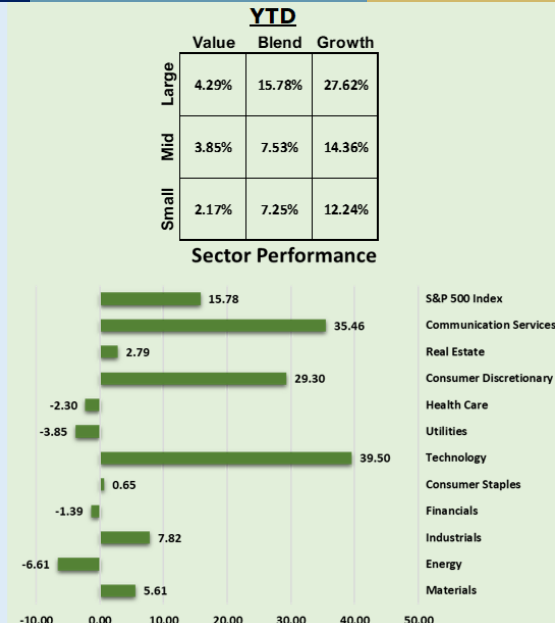
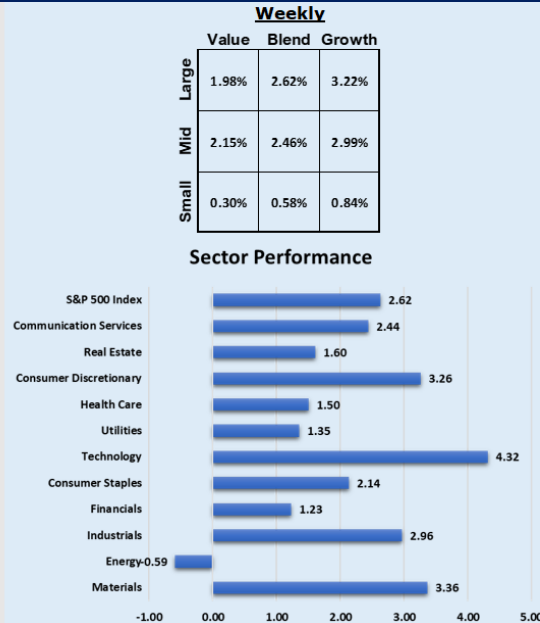
The Target PLUS models are designed to provide key enhancements to traditional target date investing, pairing best-in-class equity managers with best-in-class fixed income managers. While the models are constructed with a Strategic, long-term investing horizon in mind, they also provide some Tactical exposure, which can help buffer losses during volatile markets. The underlying holdings 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 elements can deliver greater diversification, improved risk management, and enhanced returns.



MANAGER'S PULSE

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	Weekly	YTD
Equities		
S&P 500 Index	2.62%	15.78%
Dow Jones Industrial Average	1.31%	4.60%
NASDAQ Composite Index	3.26%	31.35%
MSCI EAFE NR	2.88%	13.65%
Fixed Income		
U.S. Aggregate Bond Index	0.20%	2.22%
U.S. Corporates	0.46%	2.87%
U.S. High Yields	0.44%	5.31%
Rates		
	6/16/2023	6/9/2023
30-Year US Treasury	3.86%	3.89%
10-Year US Treasury	3.77%	3.75%
2-Year US Treasury	4.70%	4.59%
Prime Rate	8.25%	8.25%
30-Year Fixed Mortgage	6.77%	6.77%
Commodities (Levels)		
	6/16/2023	12/30/2022
Oil (WTI)	\$70.62	\$80.16
Gold	\$1,960	\$1,814
Silver	\$23.99	\$23.95
Copper	\$8,561	\$8,387
Corn	\$6.10	\$6.14



Important Disclosures

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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.

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>