

DATE: May 15, 2023



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

### Market News

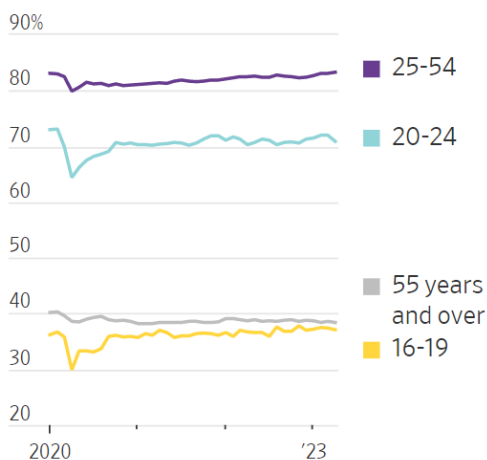
- Equity indexes recorded another week of mixed results, with the tech-heavy NASDAQ finishing +0.44% higher, and the S&P 500 Index and the DJIA finishing -0.24 and -1.04% lower, respectively. The gains in tech were aided by strong gains in Alphabet, Inc. (GOOGL) after debuting its new AI powered search platform.
- Economic reports indicated headline inflation had grown 4.9% year-over-year in April, a reading that was slightly below consensus expectations. Core CPI, excluding food and energy, came in at 5.5% year-over-year. The U.S. Producer Price Index came in at 2.3% year-over-year, a decline since the previous month's year-over-year reporting. Lastly, core services inflation excluding shelter data, which rose by its slowest pace in the past nine months, improving meaningfully. These reports help to show a continued easing of inflationary pressures.
- Last week's initial jobless claims data showed claims had risen to 264k from the previous rating of 242k.
- Global sovereign yields rose slightly higher last week as markets continued to absorb central bank tightening. The 10-Year and 2-Year U.S. Treasury yields finished at 3.46% and 3.98%, respectively.

### PFG Strategy News

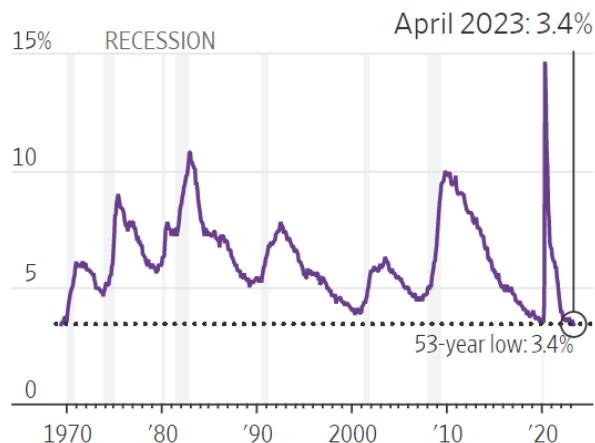
- The Target PLUS models were one of the outperforming model sets last week, and this year thus far. Key contributors to the models' performance include the PFG American Funds Growth Strategy within the more aggressive models, and the PFG Tactical Income Strategy within the more conservative models.
- The PFG American Funds Growth Strategy's investment in the American Funds Growth Fund, which seeks opportunities in traditional growth stocks alongside cyclical companies with significant potential for capital growth, which has continued to be a tailwind for this Strategy YTD.
- The PFG Tactical Income Strategy seeks income with exposure to tactical high yield strategies, investment grade credit, and dividend paying equities. Two of the Strategy's top contributors include the Janus Henderson Developed World Bank Fund, which seeks total return through current income and capital appreciation in developed markets, and the Janus Henderson High-Yield Fund, an active high-yield strategy seeking to generate risk-adjusted returns while mitigating drawdowns.

## CHART OF THE WEEK:

### Labor-force participation rate, by age



### Unemployment rate



The charts above illustrates the path of the declining unemployment rate since the onset of the pandemic, which ended at 3.4% in April. The charts also indicate that 93.3% of people, ages 25-54 years old, are either employed or searching employment, the highest rate since 2008.

Chart Source:

[https://www.wsj.com/articles/april-jobs-report-unemployment-rate-economy-growth-2023-a500d302?mod=economy\\_more\\_pos19](https://www.wsj.com/articles/april-jobs-report-unemployment-rate-economy-growth-2023-a500d302?mod=economy_more_pos19)

## THE WEEK AHEAD

### Monday, May 15:

- Empire State Manufacturing Survey

### Tuesday, May 16:

- U.S. Retail Sales
- Industrial Production
- Capacity Utilization
- Business Inventories
- Home Builder Confidence Index

### Wednesday, May 17:

- Housing Starts
- Building Permits

### Thursday, May 18:

- Philadelphia Fed Factory Survey
- Initial Jobless Claims
- Existing Home Sales

## MODEL HIGHLIGHT



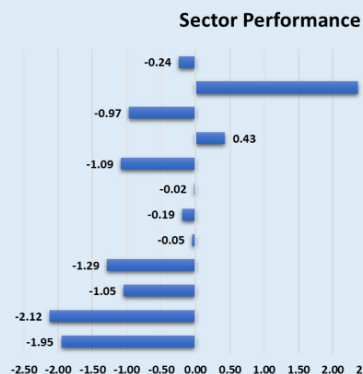
The Target PLUS models are designed to provide key enhancements to traditional target date investing, pairing best-in-class equity managers with best-in-class fixed income managers. While the models are constructed with a Strategic, long-term investing horizon in mind, they also provide some Tactical 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.

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	Weekly	YTD
<b>Equities</b>		
S&P 500 Index	-0.24%	8.07%
Dow Jones Industrial Average	-1.04%	1.19%
NASDAQ Composite Index	0.44%	17.74%
MSCI EAFE NR	-0.67%	10.95%
<b>Fixed Income</b>		
U.S. Aggregate Bond Index	-0.23%	3.30%
U.S. Corporates	-0.17%	3.56%
U.S. High Yields	-0.05%	4.15%
<b>Rates</b>		
	5/12/2023	5/5/2023
30-Year US Treasury	3.78%	3.76%
10-Year US Treasury	3.46%	3.44%
2-Year US Treasury	3.98%	3.92%
Prime Rate	8.25%	8.25%
30-Year Fixed Mortgage	6.48%	6.48%
<b>Commodities (Levels)</b>		
	5/12/2023	12/30/2022
Oil (WTI)	\$70.87	\$80.16
Gold	\$2,020	\$1,814
Silver	\$23.86	\$23.95
Copper	\$8,240	\$8,387
Corn	\$6.10	\$6.14

**Weekly**

	Value	Blend	Growth
Large	-1.05%	-0.24%	0.53%
Mid	-1.15%	-0.73%	0.00%
Small	-1.37%	-1.04%	-0.75%



**YTD**

	Value	Blend	Growth
Large	-0.28%	8.07%	16.25%
Mid	-1.24%	1.54%	6.70%
Small	-5.59%	-0.65%	4.19%



## Important Disclosures

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.

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-marketweekly-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-weeklyupdate.html>