



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

Market News

- Equity markets rose early last week before losing some of the gains as sentiment turned bleaker, with mixed economic signals and uncertain monetary policy outlooks. Growth stocks outperformed value stocks, and the technology (+2.6%), consumer discretionary (+1.1%), and communication services (+1.0%) were the best performing S&P sectors.
- The University of Michigan's final reading of August's consumer sentiment fell from the previous month's two-year high, mostly after expectations of higher inflation following increases in gas prices.
- Initial jobless claims came in at 320,000 for the week, the lowest levels seen in three weeks.
- The 10-Year U.S. Treasury yield rose midway through the week to its highest since 2007 before lowering slightly week-over-week to 4.25%. Yields rose mostly on the back of services and manufacturing data reports that showed a more resilient economy.

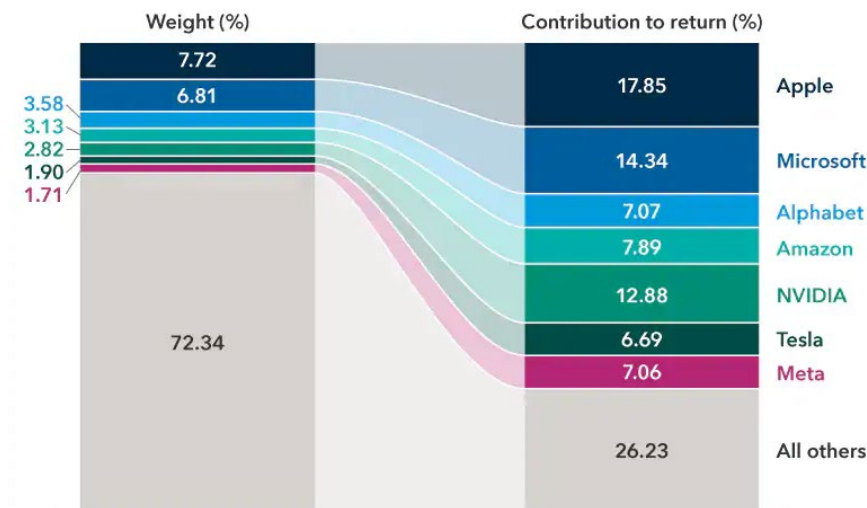
PFG Strategy News

- The Focus PLUS Aggressive and Moderate Growth models both include the PFG BR Target Allocation Equity Strategy, which has been a consistent top performer throughout this year.
- This fund's top underlying performers like the iShares U.S. Technology ETF, iShares S&P 500 Growth ETF, and iShares MSCI USA Quality Factor ETF have helped this Strategy take advantage of the growth rally this year, especially in the technology sector.
- As investor sentiment shifts, the PFG Invesco Equity Factor Rotation Strategy allocates based on leading economic indicators to anticipate shifts in business cycles. The strategy is currently positioned in a "recovery" regime with lower exposures to low volatility and quality factors and overweight in a Dynamic Multifactor strategy. However, as markets teeters back and forth, a tactical passive strategy can reposition quickly in a changing market environment. The PFG Invesco Equity Factor Rotation Strategy is in the Focus PLUS and Multi PLUS models.

CHART OF THE WEEK:

Outsized impact of the "Magnificent Seven" stocks to returns

S&P 500 Index



So far this year, seven companies have been the main drivers in the index's performance year-to-date, with forward price-to-earnings ratios on the top 20 stocks being roughly 42% higher than the overall market. Overall, these seven companies make up 27.67% of the S&P and are responsible for contributing 73.78% of its returns.

Source:
https://www.capitalgroup.com/institutional/insights/articles/risks-of-bad-breadth.html?sfid=332324634&cid=81038761&et_cid=81038761&et_csr=SFMC&et_alia=A-btn-LP-2-5ChartonBadBreadth

THIS WEEK AHEAD

Tuesday, August 29:

- S&P Case-Schiller Home Price Index
- Job Openings
- Consumer Confidence

Wednesday, August 30:

- ADP Employment
- GDP (Revision)
- Advanced U.S. Trade Balance (Goods)
- Advanced Retail Inventories
- Advanced Wholesale Inventories
- Pending Home Sales

Thursday, August 31:

- Initial Jobless Claims
- Personal Income & Spending (Nominal)
- PCE Index

Friday, September 01:

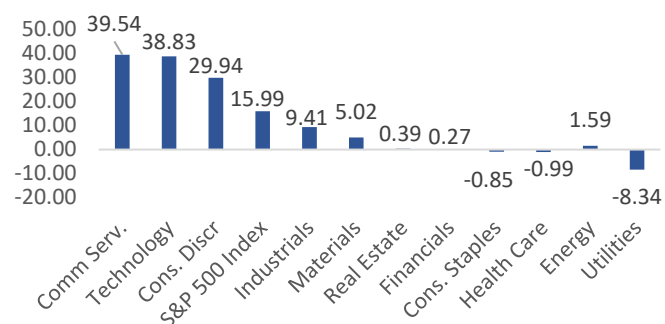
- U.S. Nonfarm Payrolls
- U.S. Employment Rate
- U.S. Hourly Wages
- ISM Manufacturing
- Construction Spending

	Weekly	YTD
Equities		
S&P 500 Index	0.84%	15.99%
Dow Jones Industrial Averag	-0.42%	5.08%
NASDAQ Composite Index	2.27%	30.59%
MSCI EAFE	-0.18%	7.87%
MSCI EM	2.85%	11.02%
Fixed Income		
Bloomberg US Aggregate	0.28%	0.41%
Bloomberg US Corporate	-0.23%	3.33%
Bloomberg US High Yield	0.42%	6.13%

Style Performance YTD

	Value	Blend	Growth
Large	4.38%	15.99%	27.82%
Mid	3.65%	6.85%	12.30%
Small	2.58%	6.27%	9.64%

Sector Performance YTD



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:

- Reduced weights to international and emerging markets on the equity side, and core on the fixed income side.
- Shifted more weight to U.S. large-cap on the equity side and high yield on the fixed income side.

Reasoning Behind Changes:

- With stronger than expected data continuing to point to a resilient U.S. economy, JP Morgan believes that the strength of the economy and lagged effects from the tightening in lending standards is likely to delay the onset of a recession, even if there is a heightened level of risk to growth.
- Specifically, the strength of the labor market in the U.S. remains a core driver of economic growth and as a result, JPM is leaning more into domestic equity and credit markets.
- JP Morgan believes economic growth overseas remains challenged amidst headwinds from China's ailing property sector and slowing growth in Europe.
- They are also taking profits in their overweight to growth equities by reducing exposure to U.S. large cap growth equities and reallocating to U.S. value and core equities, reducing the magnitude of a growth versus value bias in portfolios.
- Within fixed income, JPM has added to high yield fixed income and a diversified fixed income strategy directly from aggregate bonds, believing that high yield can outperform core fixed income in this more resilient economic environment given the incremental yield.

MODEL HIGHLIGHT



- Both the JP Morgan Tactical Aggressive and Tactical Moderate Strategies can be found in the Focus PLUS models. The JPM Strategies have continually been outperformers.
- Underlying investments such as JPMorgan U.S. Equity, which JPM just increased their weight in by an additional 3.50%, has been able to add to the Strategy's performance via its allocation to both growth-oriented equities and its weight to the technology, communications, and consumer discretionary sectors, which have all outperformed the other S&P 500 sectors.
- On the fixed income side, JPM added a collective 2.50% to the JPMorgan Income Fund and BetaBuilders High Yield ETF, both of which have managed to add to the Strategy's performance.

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.

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.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>