



## STRATEGIST HIGHLIGHT

Janus Henderson  
GROUP PLC

### PFG Janus Henderson Balanced Strategy:

- The PFG Janus Henderson Balanced Strategy seeks capital appreciation, with income as a secondary consideration.
- The PFG Tactical Income Strategy seeks current income. Fixed income instruments may be of any maturity and credit rating, including high-yield bonds.

### Allocation Changes:

- The PFG Janus Henderson Balanced Strategy shifted:
  - 2.80% into the Janus Henderson Contrarian Fund
  - 0.50% into the Janus Henderson Short Duration Income ETF
  - 2.10% out of the Janus Henderson Mortgage-Backed Securities ETF
  - 1.20% out of the Janus Henderson High Yield Fund
- The PFG Tactical Income Strategy shifted:
  - 3.00% into the Janus Henderson Contrarian Fund
  - 3.65% into the Janus Henderson Short Duration Income ETF
  - 2.90% into the Janus Henderson Dividend & Income Builder Fund
  - 0.15% out of the Janus Henderson High Yield Fund
  - 0.65% out of the Janus Henderson Mortgage-Backed Securities ETF
  - 4.25% out of the Janus Henderson Developed World Bond Fund
  - 0.30% out of the Janus Henderson Asia Equity Fund
  - 1.00% out of the Janus Henderson Global Technology and Innovation Fund
  - 3.20% out of the Janus Henderson Global Life Sciences Fund

### Janus Henderson Commentary:

- Janus Henderson is increasing their allocation to equities as the long-term relative attractiveness of equities versus other assets has improved as the yields on fixed income assets have fallen.
- While large growth stocks look expensive, valuations in other areas of the stock market offer better longer-term value compared to history.
- On the contrary, Janus Henderson is reducing the allocations to high yield and mortgage-backed securities as credit spreads have declined, along with lower US Treasury yields, in recent months.
- Indications from the Fed that we have now passed the final interest rate hike in this cycle have resulted in strong performance across both equity and fixed income over the last two months.
  - As a result, they allocated more to short duration given the decline in longer-maturity yields

CID 1352

## MODEL HIGHLIGHT



- The PFG Janus Henderson Balanced Strategy (+12.94%) and the PFG Tactical Income Strategy (+9.96%) both finished off the year in positive territory.
- One of the larger contributors to performance was the Janus Henderson Global Technology and Innovation Fund which was able to capture the strong performance in technology and other growth-oriented investments.
- On the fixed Income side, the Janus Henderson High-Yield Fund contributed most, as this fixed income asset class outperformed all others.

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

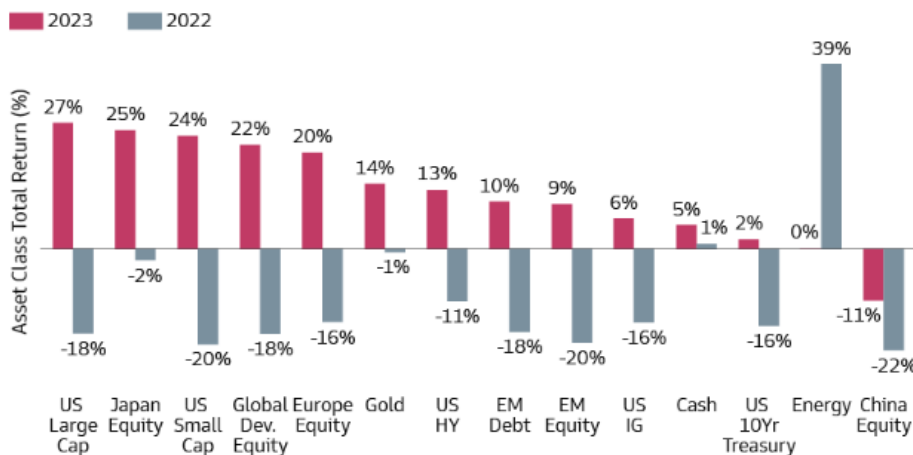
### Market News

- Equities ended the week, and the year, in positive territory. To close out 2023, large caps returned 26.3% with mid and small caps finishing 17.2% and 16.9% higher, respectively. All S&P 500 sectors, besides energy (-1.3%) and utilities (-7.1%), finished 2023 in the green, with technology (+57.8%) and communication services (+55.8%) leading the pack. Overall, the S&P 500 and NASDAQ finished the year 26.29% and 44.64% higher, respectively.
- U.S. Treasury yields fell further last week, especially after the Core PCE print showed another year-over-year and month-over-month decline. Ultimately, the 10-Year and 2-Year U.S. Treasury yields closed out the week at 3.88% and 4.23%, respectively.
- U.S. existing home sales grew 0.8% month-over-month versus an expected decline. Further, new home sales came in lower-than-expected, declining 12.2%. While there may be some optimism for future home buying as mortgage rates decline, elevated rates may continue to impact home buyers for the near-future.

### PFG Strategy News

- The American Funds Growth Strategy finished as one of the best performing mutual funds over the course of 2023. Its exposure to growth-oriented investments helped it ride the throughout the year.
  - The Strategy's biggest contributors included the American Funds Growth Fund of America Fund and the American Funds AMCAP Fund, although there were no underlying investments in this Strategy that did poorly, with all funds finishing at least 19% higher year-to-date.
- On the more conservative side, the PFG Fidelity Institutional AM Core Plus Bond Strategy not only finished the quarter on a strong note as yields have fallen, but added to an already positive yearly performance.
  - The Strategy's recent performance can be mostly contributed to names such as the Fidelity Corporate Bond ETF, Fidelity Advisor Strategic Income Fund, and the Fidelity Advisor Total Bond Fund.

## CHART OF THE WEEK:



The chart above illustrates how different 2023 was from what was experienced by investors in 2022. Investors, in most cases, regained what was lost in the downturn experienced throughout 2022, with Japanese equities and U.S. large-cap stocks improving the most.

Source: [https://www.gsam.com/content/gsam/us/en/advisors/market-insights/market-strategy/global-market-monitor/2023/market\\_monitor\\_122923.html](https://www.gsam.com/content/gsam/us/en/advisors/market-insights/market-strategy/global-market-monitor/2023/market_monitor_122923.html)

## THIS WEEK AHEAD

### Monday, January 01:

- Markets Closed – Happy New Year!

### Tuesday, January 02:

- S&P Final U.S. Manufacturing PMI
- Construction Spending

### Wednesday, January 03:

- U.S. Jobs Openings
- ISM Manufacturing
- Auto Sales

### Thursday, January 04:

- ADP Employment
- Initial Jobless Claims
- S&P Final U.S. Services PMI

### Friday, January 05:

- U.S. Employment Report
- U.S. Unemployment Report
- U.S. Hourly Wages
- ISM Services
- Factory Orders

**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.

**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>