



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

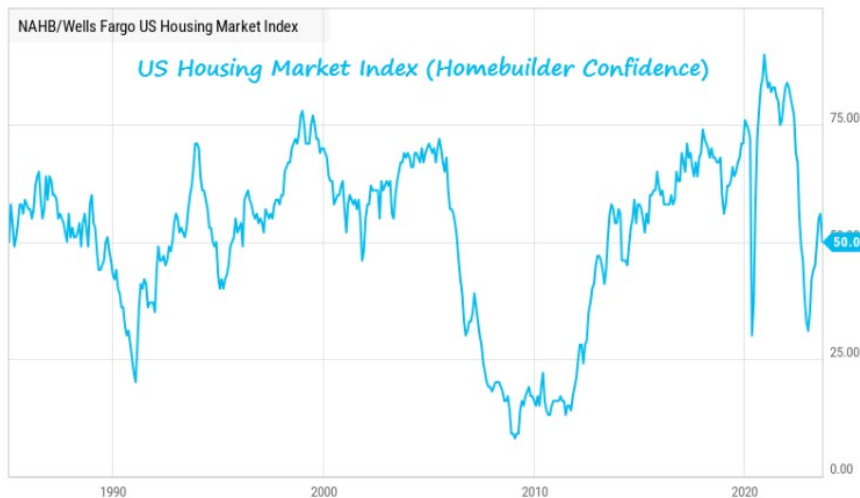
Market News

- Equity markets ended higher for the week, aided by hopeful signs on the inflation front, a lower-than-expected JOLTs job openings print, and a lower Q2 GDP revision. Small-caps outperformed both mid and large-caps, and growth outperformed both blend and value stocks. Ultimately, the Russell 2000 (+3.67%), NASDAQ (+3.27%), and S&P 500 (+2.55%) all finished higher for the week.
- Employers added a higher-than-expected 187k jobs in August, but also reported that the previous two months' gains were revised lower by 110k. The unemployment rate rose 0.3% to 3.8%, the highest rate in almost a year and a half. Lastly, the labor force rate hit 62.8% as 736k people reentered the job market, the highest level since the pandemic began.
- Atlanta Federal Reserve President Raphael Bostic helped boost investor confidence after stating that he believed the current level of interest rates was on track to bring inflation to the Fed's 2.0% target and were "appropriately restrictive." Currently, the CME Group's FedWatch tool shows a 93.9% probability the Fed will skip at their September meeting.

PFG Strategy News

- As growth-oriented equities continue to outperform week after week, aggressive Strategies within the Target PLUS models with a high allocation to the style (such as the PFG American Funds Growth Strategy, PFG Fidelity Instl. AM Equity Sector Strategy, and PFG BR Target Allocation Equity Strategy) have continued to see solid gains.
- The PFG JP Morgan Aggressive Growth Strategy, which is also in the Target PLUS models, has continued to take advantage of the strong performance seen in technology and communication services, as this Strategy is overweight to both sectors.
- The PFG Tactical Income Strategy has been able to produce consistently positive returns on the fixed income side, especially with its exposure to high-yield fixed income which has performed well year-to-date.

CHART OF THE WEEK:



The chart above illustrates the trends in homebuilder confidence, which fell for the first time this year in August. Not only has demand for housing been falling, but so too has supply, with active listings of homes in the US that are on the market falling to the lowest level on record at 19.5%. With the falling supply, prices have rebounded and are actually up 1.9% year-over-year. With the combination of fewer homes for sale and fewer buyers being able to afford to buy, activity has moved lower, with US Existing Home Sales falling to 17% over the past year.

Source: <https://billello.blog/2023/the-week-in-charts-8-30-23>

THIS WEEK AHEAD

Tuesday, September 05:

- Factory Orders

Wednesday, September 06:

- U.S. Trade Deficit
- S&P Final U.S. Services PMI
- ISM Services
- Fed Beige Book

Thursday, September 07:

- Initial Jobless Claims
- U.S. Productivity (Revision)
- Unit-Labor Costs (Revision)

Friday, September 08:

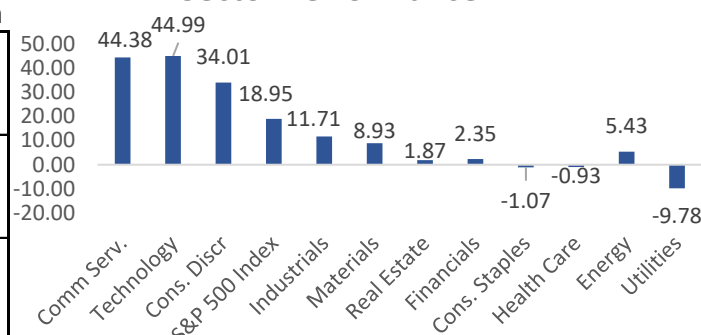
- Wholesale Inventories
- Consumer Credit

	Weekly	YTD
Equities		
S&P 500 Index	2.55%	18.95%
Dow Jones Industrial Average	1.57%	6.73%
NASDAQ Composite Index	3.27%	34.86%
MSCI EAFE	2.53%	10.60%
MSCI EM	2.85%	11.02%
Fixed Income		
Bloomberg US Aggregate	0.48%	0.89%
Bloomberg US Corporate	-0.23%	3.33%
Bloomberg US High Yield	0.95%	7.14%

Style Performance YTD

	Value	Blend	Growth
Large	6.41%	18.95%	32.20%
Mid	6.53%	10.07%	16.33%
Small	6.39%	10.17%	13.61%

Sector Performance YTD



STRATEGIST HIGHLIGHT

Janus Henderson GROUP PLC

Janus Henderson Themes:

- 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.

Most Recent Allocation Changes:

- There were no changes for August month-end.

Relevant Commentary from Janus Henderson:

- Janus Henderson believes the portfolios are appropriately positioned for the market environment that is expected in the near term.
- Sentiment has become somewhat overoptimistic recently and economic data has been positively surprising in a very strong way. Exuberant sentiment trends to lead to fragility in market moves and expectations for the economic outlook are now much improves, leaving less room for disappointment.
- Peak, or near peak, earnings expectations and elevated valuations leave little scope for markets to smoothly digest any setbacks.
- The Fed appears increasingly concerned about the potential impact of previous monetary policy tightening and, as a result, is approaching the end of its hiking cycle, particularly as inflation continues to moderate.
- Historically, government bonds tend to perform better once the last interest rate increase has passed.
- Overall, Janus Henderson remains somewhat underweight risk assets, preferring to maintain greater levels of diversification right now by owning more defensive fixed income assets.

MODEL HIGHLIGHT



- The PFG Janus Henderson Balanced Strategy and the PFG Tactical Income Strategy, which can both be found in the Target PLUS model set, have been a consistent performers this year.
- The Strategies were able to capture solid gains last week and thus far this year with its investment in the Janus Henderson Contrarian Fund, which seeks long-term growth of capital, investing in companies whose stock is trading at a significant discount to Janus Henderson's estimate of fair value and has future upside potential. This fund is overweight technology and consumer discretionary, two of the best performing sectors this year.
- Last week, PFJHX's investment in the Janus Henderson Small/Mid Cap Growth Alpha ETF helped capture the strong performance seen in small and mid-cap equities.

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>