

DATE: May 22, 2023



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

Market News

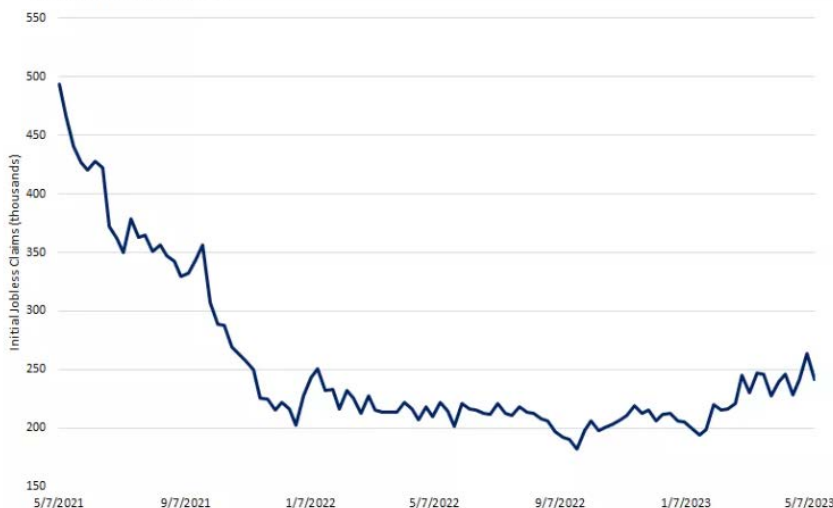
- Equity markets finished higher for the week, with investors seeming relatively optimistic surrounding a debt ceiling resolution. The S&P 500 Index rose above the 4,200 level in intraday trading for the first time since last summer.
- Economic data indicated that retail sales had increased less than consensus expectations at 0.4% in April, and the slowest year-over-year increase of 1.6% since early 2020. Industrial production came in higher than expected at 0.5% in April.
- The labor market also showed signs of resilience last week, as the weekly jobless claims came in at 242k, a number below consensus expectations and lower from the previous week's report.
- Sovereign yields rose higher last week on the back of debt ceiling negotiations and stronger-than-expected data. Ultimately, the 10-Year and 2-Year U.S. Treasury yield finished at 3.70% and 4.28%, respectively.

PFG Strategy News

- The Focus 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 Aggressive Strategy and the Janus Henderson Balanced Strategy.
- 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 Janus Henderson Balanced Strategy is tactically managed, proactively adjusting its fixed income and equity exposure between 30-70% dependent on the outlook. Two of the strategy's top performers YTD are the Janus Henderson Contrarian Fund and the Janus Henderson Small/Mid Cap Growth Alpha ETF.

CHART OF THE WEEK:

Initial Jobless Claims



The chart to the left helps to display the labor market's resilience, showing initial jobless claims data over the past few months. Although initial jobless claims have risen since the lows seen last year, they still remain historically low.

Chart Source:
<https://www.edwardjones.com/us-en/market-news-insights/stock-market-news/stock-market-weekly-update>

THE WEEK AHEAD

Tuesday, May 23:

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

Wednesday, May 24:

- Minutes of Fed's May FOMC Meeting

Thursday, May 25:

- GDP (Second Reading)
- Initial Jobless Claims
- Pending Home Sales

Friday, May 26:

- Durable Goods Orders
- Durable Goods Minus Transportation
- Personal Income and Spending
- PCE Index
- Advanced U.S. Trade Balance in Goods
- Advanced Retail Inventories
- Advanced Wholesale Inventories
- Consumer Sentiment (Final)

MODEL HIGHLIGHT



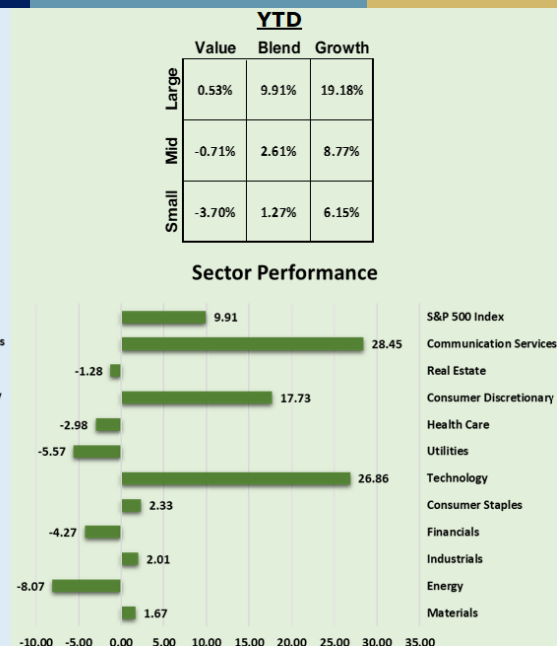
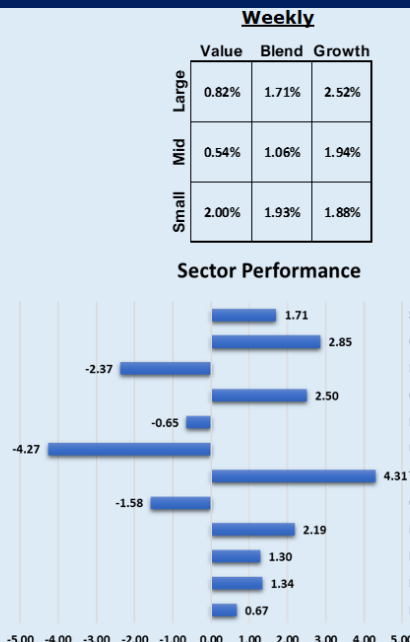
The Focus PLUS models are designed for investors who seek concentrated exposure to strategies through our Strategy PLUS offering. Each model is uniquely constructed to highlight strategies that we believe are best positioned for the current market environment. Holdings include both Tactical and Strategic strategies. Underlying holdings within the models provide Active management via individual stock or bond selection, as well as Passive investing which provides investors lower-cost, passive exposure to a specific index or benchmark. We believe the combination of these Strategic, Tactical, Active and Passive elements can deliver the desired portfolio outcome with greater diversification, improved risk management, and enhanced returns.



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MANAGER'S PULSE

| | Weekly | YTD |
|------------------------------|-----------|------------|
| Equities | | |
| S&P 500 Index | 1.71% | 9.91% |
| Dow Jones Industrial Average | 0.50% | 1.69% |
| NASDAQ Composite Index | 3.08% | 21.37% |
| MSCI EAFE NR | 0.36% | 11.35% |
| Fixed Income | | |
| U.S. Aggregate Bond Index | -1.37% | 1.88% |
| U.S. Corporates | -1.44% | 2.07% |
| U.S. High Yields | -0.42% | 3.71% |
| Rates | | |
| | 5/19/2023 | 5/12/2023 |
| 30-Year US Treasury | 3.95% | 3.78% |
| 10-Year US Treasury | 3.70% | 3.46% |
| 2-Year US Treasury | 4.28% | 3.98% |
| Prime Rate | 8.25% | 8.25% |
| 30-Year Fixed Mortgage | 6.57% | 6.57% |
| Commodities (Levels) | | |
| | 5/19/2023 | 12/30/2022 |
| Oil (WTI) | \$71.86 | \$80.16 |
| Gold | \$1,962 | \$1,814 |
| Silver | \$23.66 | \$23.95 |
| Copper | \$8,222 | \$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-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>