

US equities moved higher as third quarter earnings continued to beat lofty expectations and plans for federal tax increases appeared to have stalled. Companies contributing to the earnings rally last week include Intel Corporation (INTC) and Abbott Laboratories (ABT), beating expectations by 54.05% and 48.94%, respectively. With consensus beats for third quarter earnings and jobless claims, the S&P 500 reached an all-time high of 4,450 and the 10-year Treasury yield touched a high of 1.69%. Further indications of strong investor sentiment was reflected in the CBOE Volatility Index (VIX), falling to its lowest level since the beginning of the pandemic. Lastly, an unexpected decline of 431k barrels in US crude oil inventories drove oil prices to a new seven-year high, with WTI and Brent closing at \$83.76 and \$85.53, up 1.80% and 0.79% respectively.



Economic Review*

- Markit flash svc. PMI at 58.2, +2.7 m/m

- Markit flash mfg. PMI at 59.2, -1.3 m/m

Spotlight: TARGET PLUS™

The Target PLUS models are designed to provide key enhancements to traditional target date investing. The first enhancement is to pair best-in-class equity managers with best-in-class fixed income managers, rather than using the same manager for each as most Target Date Funds do. Another enhancement is, given today's low interest rate environment, to only use fixed income strategies that utilize Tactical management or incorporate Active bond picking in their underlying holdings. We believe these types of strategies have the potential to offer enhanced returns, given the broader fixed income universe they are able to choose from. While the models are constructed with a Strategic, long-term investing horizon in mind, another key enhancement is to provide some Tactical exposure, which can help buffer losses during volatile markets. In addition, the underlying holdings within the models 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 Strategic, Tactical, Active and Passive elements can deliver the desired portfolio outcome with greater diversification, improved risk management, and enhanced returns.

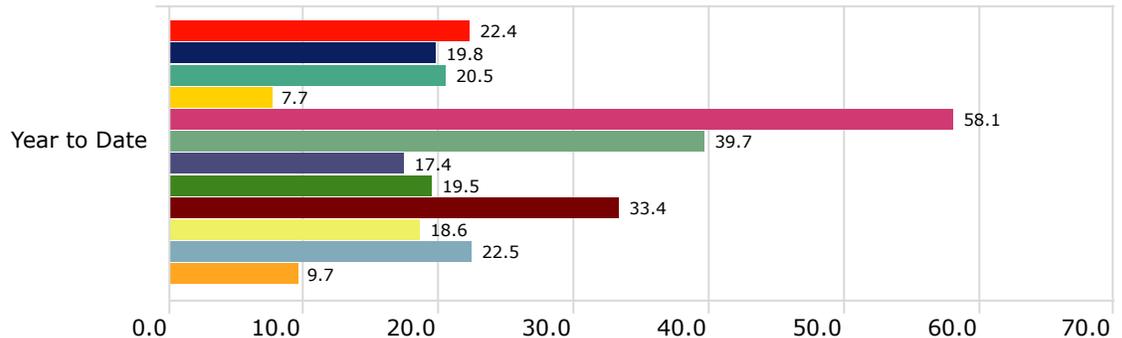
We are pleased with the performance of these models over the past quarter. Our Aggressive and Moderate Growth models outperformed their benchmarks, and the Moderate, Moderate Conservative, and Conservative models posted performance in-line, but slightly below, their benchmarks. The primary driver of returns over the quarter came from strategies with Active security selection taking place in the underlying holdings. In addition, a tactical high yield sleeve performed well relative to the broad bond market as interest rates rose in August and September.

Trailing Major Index Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500	1.66	3.50	4.42	33.55
S&P MidCap 400 TR	1.78	5.02	5.88	41.42
S&P SmallCap 600 TR USD	1.27	4.41	5.83	50.51
MSCI ACWI NR USD	1.28	2.62	3.08	29.91
MSCI EM NR USD	0.75	2.58	-1.94	16.11
Bloomberg US Agg Bond TR USD	-0.37	-1.66	-1.46	-0.98

YTD S&P Sector Returns

- S&P 500 TR
- Communication Services
- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Health Care
- Industrials
- Real Estate
- Materials
- Technology
- Utilities





Weekly Manager's Pulse

October 25, 2021

Disclosure

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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.

* Sourced from JPMorgan Asset Management, publicly available at <https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/market-updates/weekly-market-recap/>

All other economic and market data sources may include, and is not limited to:

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-weekly-update.html>

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