



# Weekly Manager's Pulse

August 3, 2020

## TPFG Manager Commentary:

Over 60% of S&P 500 companies have reported earnings so far, with good results. Eighty four percent of reporting companies have beat their earnings estimates, the highest rate since at least 2008 and well above the five year average. Technology in particular has done well, with strong results from Apple (AAPL), Amazon (AMZN), and Facebook (FB) leading the NASDAQ up 3.7% for the week. In contrast, Energy continues to take a beating with Exxon Mobil (XOM) and Chevron (CVX) missing their targets. Risks remain as GDP fell -32.9% at an annualized rate last quarter, the deepest decline in the post-war era. Consumer confidence, personal spending, and business investment also reported sharp pullbacks. We will be looking forward to details of a fourth phase of stimulus from the U.S. Congress, as well as manufacturing data and continuing earnings results.

### Economic Review\*



- Durable goods orders +7.3% m/m
- Consumer confidence at 92.6
- 2Q real GDP -32.9% q/q saar
- Personal income -1.1% m/m

- Headline PCE 0.8% y/y
- Core PCE 0.9% y/y
- Consumer spending +5.6% m/m
- Consumer sentiment at 72.5

### Strategic Partner: J.P. Morgan



J.P. Morgan is a global leader in asset and wealth management services. The Asset & Wealth Management line of business serves institutional, ultra-high net worth, high net worth and individual clients through its Asset Management and Wealth Management businesses. With client assets of \$1.9 trillion, we are one of the largest asset and wealth managers in the world. (Assets as of March 31, 2020.)

### Spotlight: PFG JP Morgan Tactical Aggressive Strategy (PFSEX)

Pacific Financial serves as the asset allocation strategist for this Fund by primarily investing in mutual funds and ETFs managed by JPMorgan. Pacific Financial uses a multi-cap approach to pursue capital appreciation through a blend of domestic and international equities. The strategy also incorporates a wide variety of sectors and styles to dynamically manage risk while optimizing return. In addition, it seeks aggressive growth with no limit to the maximum range of total returns over a forward-looking rolling twelve month period through the use of RiskPro®.

This is a global equity strategy, dynamically managed to take advantage of opportunities across geographic regions. The model was shifted from a slightly defensive position to fully invested by quarter-end. The largest contributors to performance were large-cap growth holdings. International and emerging market positions detracted, as well as a hedged equity holding that is designed to protect against market downturns rather than participate in rallies. The strategy is now positioned with a preference for US equities over international, with an overweight to small and large-cap stocks.

### The PFG JP Morgan Tactical Aggressive Strategy (PFSEX) is available in these Strategy PLUS™ models:

- Focus PLUS™: Aggressive, Moderate Growth
- Focus PLUS™ Meeder: Moderate Growth
- Multi PLUS™: Aggressive, Moderate Growth

### Trailing Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500 TR USD	1.75	5.64	12.87	11.96
S&P MidCap 400 TR	0.78	4.61	13.67	-3.54
S&P SmallCap 600 TR USD	1.63	4.11	12.65	-8.68
MSCI ACWI NR USD	0.75	5.29	13.38	7.20
MSCI EM NR USD	1.76	8.94	17.84	6.55
BbgBarc US Agg Bond TR USD	0.30	1.49	2.61	10.12

### YTD S&P Sector Returns



Source: Morningstar Direct



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## Disclosure

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Indices represent the broader market as relevant to the sector or market covered by the index. Indices are unmanaged and cannot be invested in directly. Indices do not consider the costs, fees, trading, or performance that an investor would otherwise experience when investing. Returns are not annualized for periods less than 1 year.

Returns data sourced from Morningstar Direct.

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

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