**J.P. Morgan Global Multi-Asset Tactical Advisory Portfolios Trade Commentary | Pacific Financial
September 12, 2022**

|  |  |  |
| --- | --- | --- |
| **Allocation Shifts** | **Legend** |  |
| upside4_image.png | Post-trade-overweight |
| downside4_image.png | Post-trade-underweight |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Aggressive Growth** | **Moderate** | **Conservative** |
|  | **Allocation and Shifts** | **OW/UW** | **Tactical Shift** | **OW/UW** | **Tactical Shift** | **OW/UW** | **Tactical Shift** |
|  | **Total Equity** | downsidegrey_image.png | **1.0%** | downsidegrey_image.png | **1.0%** | downsidegrey_image.png | **0.75%** |
| uslargecap_image.png | US Large Cap | upside4_image.png | 0.25% | upside4_image.png |  | upside4_image.png |  |
| usmulticap_image.png | US Multi-Cap |  |  |  |  |  |  |
| usmidcapcore_image.png | US Mid Cap Core | downside4_image.png |  | downside4_image.png |  |  |  |
| ussmallcapequity_image.png | US Small Cap Equity | downside4_image.png |  | downside4_image.png |  | downside4_image.png |  |
| reits_image.png | REITs | downside4_image.png |  | downside4_image.png |  | downside4_image.png |  |
| international_image.png | International | downside4_image.png | 0.75% | downside4_image.png | 1.0% | downside4_image.png | 0.75% |
| emergingmarkets_image.png | Emerging Markets | upside4_image.png |  | upside4_image.png |  | upside4_image.png |  |
|  | **Total Fixed Income** |  |  |  |  | downsidegrey_image.png |  |
| totalcorefixedincome_image.png | Core Fixed Income |  |  | upside4_image.png |  | upside4_image.png |  |
| highyield_image.png | High Yield |  |  | downside4_image.png |  | downside4_image.png |  |
| totalemd_image.png | EMD |  |  | downside4_image.png |  | downside4_image.png |  |
|  | **Cash** | upsidegrey_image.png | **-1.0%** | upsidegrey_image.png | **-1.0%** | upsidegrey_image.png | **-0.75%** |

**Commentary**Persistent inflation and a strong labor market are forcing central banks to be more aggressive than anticipated. We expect volatility to remain elevated as the Federal Reserve maintains a hawkish stance and continues to tighten financial conditions. We remain defensive across our portfolios.

Within equities, we further increased our allocation to a more defensive U.S. equity strategy that is well-positioned to generate incremental yield during periods of heightened volatility. While we continue to prefer the U.S. over international markets, we increased our allocation to international developed market equities amidst attractive valuations and in an effort to reduce our tracking error. We continue to maintain an underweight to international developed equities. These trades were funded directly from U.S. large cap equities and cash/ultra-short fixed income respectively and slightly reduced our underweight to equities.

Within fixed income, we continue to maintain a modest underweight to duration relative to our benchmark, acknowledging that there is room for rates to potentially move higher as monetary policy becomes more restrictive. We maintain a slight overweight to cash/ultra-short fixed income as a way to reduce volatility in portfolios without adding interest rate risk.

**Impacted Funds**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Aggressive Growth** | **Moderate** | **Conservative** |
|  | JPMorgan Ultra-Short Income ETF | -1.0% | -1.0% | -0.75% |
| uslargecap_image.png | JPMorgan Equity Index Fund-I | -0.75% | -1.0% | -0.75% |
| uslargecap_image.png | JPMorgan Equity Premium Income Fund-I | 1.0% | 1.0% | 0.75% |
| international_image.png | JPMorgan International Rsrch Enh Eq ETF | 0.75% | 1.0% | 0.75% |

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