**J.P. Morgan Global Multi-Asset Tactical Advisory Portfolios Trade Commentary | Pacific Financial
September 28, 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 | **0.75%** | downsidegrey_image.png | **1.0%** |  | **0.75%** |
| uslargecap_image.png | US Large Cap | upside4_image.png | 1.25% | upside4_image.png | 1.0% | upside4_image.png | 0.75% |
| 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 | 0.25% | downside4_image.png | 1.0% | downside4_image.png | 0.75% |
| emergingmarkets_image.png | Emerging Markets | upside4_image.png | -0.75% | downside4_image.png | -1.0% | downside4_image.png | -0.75% |
|  | **Total Fixed Income** |  |  | downsidegrey_image.png | **-1.0%** | downsidegrey_image.png | **-0.75%** |
| totalcorefixedincome_image.png | Core Fixed Income |  |  | upside4_image.png | -1.0% | upside4_image.png | -0.75% |
| 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 | **-0.75%** | upsidegrey_image.png |  | upsidegrey_image.png |  |

**Commentary**Persistent inflation and a tight 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 increased our U.S. large cap equities allocation directly from fixed income. This trade is an effort to reduce our tracking error and to reduce our underweight to equities. While we continue to prefer the U.S. over international markets, we added to international developed market equities directly from emerging markets equities to diversify our international equity underweight.

Within fixed income, we trimmed our exposure to extended credit. 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 | -0.75% |  |  |
| uslargecap_image.png | JPMorgan Large Cap Growth Fund-I | -0.75% | 1.0% | 0.75% |
| uslargecap_image.png | JPMorgan BetaBuilders U.S. Equity ETF | 8.0% | 6.75% | 1.5% |
| uslargecap_image.png | JPMorgan U.S. Equity Fund-I | 6.5% | 1.0% |  |
| uslargecap_image.png | JPMorgan Large Cap Value Fund-I | -0.75% | 1.0% | 0.75% |
| uslargecap_image.png | JPMorgan Equity Index Fund-I | -11.75% | -8.75% | -2.25% |
| international_image.png | JPMorgan International Equity Fund-I | -1.0% |  |  |
| international_image.png | JPMorgan International Rsrch Enh Eq ETF | -0.5% | -1.0% | -0.75% |
| international_image.png | JPMorgan BetaBuilders International Equity ETF | 1.75% | 2.0% | 1.5% |
| emergingmarkets_image.png | JPMorgan Emerging Mkts Rsrch Enh Eq I | -0.75% | -1.0% | -0.75% |
| totalcorefixedincome_image.png | JPMorgan Income Fund-I |  | -1.0% | -0.75% |

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