**PFG Balanced**

We are rebalancing the portfolio to reduce equity risk by trimming the holdings in the Contrarian Fund. The proceeds will be switched into the lower risk Short Duration Income strategy at a time when we are concerned about the risks to global markets. Rising interest rates and the impact of high inflation have increased concerns about the outlook for growth and corporate earnings. While there has been a sizeable reset in the valuation of equity markets, there has been little evidence of investors pricing in a weaker outlook for equity earnings yet.

**PFG Tactical Income**

We are rebalancing the portfolio to reduce equity risk by trimming the holdings in the Contrarian Fund. The proceeds will be switched into the Flexible Bond strategy, increasing the defensiveness of the portfolio. Rising interest rates and the impact of high inflation have increased concerns about the outlook for growth and corporate earnings. While there has been a sizeable reset in the valuation of equity markets, there has been little evidence of investors pricing in a weaker outlook for stock market earnings yet. At the same time, sovereign yields have moved rapidly higher and higher quality fixed income now provides a more attractive defensive holding in multi-asset portfolios.

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