

Global equities pulled back last week as July FOMC meeting minutes indicated the Fed's asset purchases may begin scaling back at year end, potentially removing some policy support for capital markets. The S&P 500 touched a new all-time high last Monday, before giving back its gains and ending week down -0.55%. Energy stocks led the way down, falling -7.0% for the week; concerns on China's growth deceleration and weakening oil demand drove crude oil prices lower. U.S. retail sales slumped 1.1% in July, and consumer sentiment fell to a decade low at 70.2. Consumer sentiment usually tracks four fundamental factors: unemployment, home prices, stock prices, and inflation. Unemployment is naturally the most influential factor on sentiment, and has been steadily improving: U.S. jobless claims fell to a new pandemic low of 348,000 last week. Housing data was mixed, with July housing starts falling more than expected, but building permits rising more than expected.



### Economic Review\*

- July retail sales: -1.1%
- U of Michigan consumer sentiment: 70.2
- July housing starts: -7%
- July industrial production: +0.9%

### Spotlight: FOCUS PLUS™

The Focus PLUS models are designed for investors who seek concentrated exposure to strategies within our lineup. Each model in this series is uniquely constructed to include a blend of strategic managers using active security selection, and/or tactical strategies where asset allocation is proactively adjusted. TPGF adjusts these models to include strategies we believe are best positioned for the current market environment. We currently offer five models in this series that range from Conservative to Aggressive.

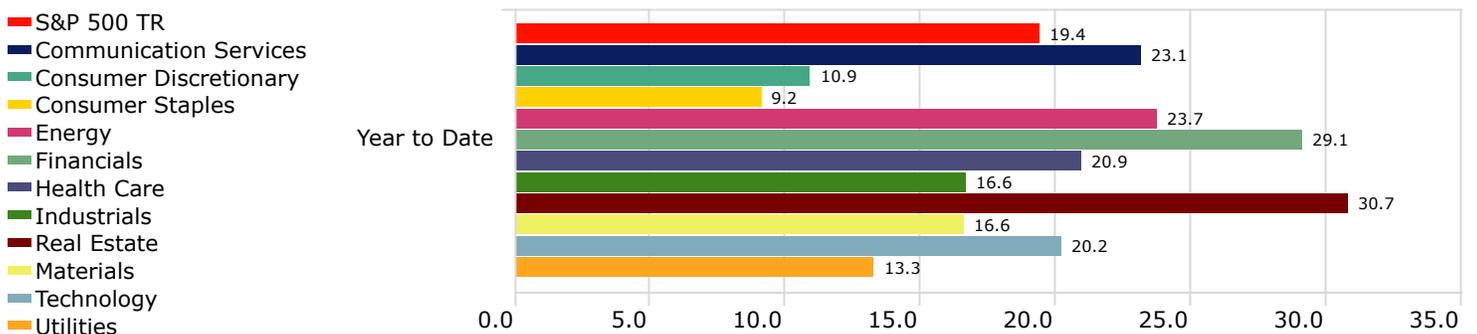
Despite recent inflationary pressures, growth for the remainder of the year should be supported by strong consumer activity, easy monetary and fiscal policy, and a recovery in the labor. In our Focus PLUS models, we increased exposure to tactical equity strategies earlier this year in an effort to partake in the continuing economic rebound. This should increase exposure to cyclical assets.

It is difficult for many investors to manage fixed income exposure given the low interest rate environment and potential for higher inflation. Investors who rely on broad index exposure for fixed income face additional challenges due to limited sector diversification. We believe tactical and active management provide better opportunities for investors, and employ both management strategies in our models. We increased exposure to tactically managed fixed income strategies earlier this year; this should provide further diversification by increasing exposure to various fixed income sectors, as well as protect against rising rates and higher inflation.

### Trailing Major Index Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500	-0.55	2.88	7.17	33.20
S&P MidCap 400 TR	-2.02	1.38	0.02	41.53
S&P SmallCap 600 TR USD	-2.11	0.92	-0.96	48.51
MSCI ACWI NR USD	-1.78	1.45	3.42	28.77
MSCI EM NR USD	-4.62	-6.65	-7.35	15.17
BBgBarc US Agg Bond TR USD	0.16	-0.09	2.09	-0.27

### YTD S&P Sector Returns





# Weekly Manager's Pulse

August 23, 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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