**J.P. Morgan Global Multi-Asset Tactical Advisory Portfolios Trade Commentary | Pacific Financial
June 29, 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 |  | 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 | -1.0% | 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 is forcing central banks to be more aggressive than anticipated, posing more headwinds for economic growth. We expect volatility to remain elevated as the Fed continues tightening financial conditions through a combination of policy rates increases and balance sheet runoff.

Within equities, we further reduced our headline equity exposure. We continue to prefer the U.S. over international markets given the strength of the consumer. Further, prolonged geopolitical tensions continue to weigh on global energy supply chains, which raises the probability of a recession in Europe. As a result, we reduced our exposure to international developed equities as a funding source for cash.

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 an overweight to cash as a way to reduce volatility in portfolios without adding interest rate risk.

**Impacted Funds**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Aggressive Growth** | **Moderate** | **Conservative** |
|  | JPMorgan Prime Money Market Fund-Institutional | 1.0% | 1.0% | 0.75% |
| international_image.png | JPMorgan International Equity Fund-I | -1.0% | -1.0% |  |
| international_image.png | JPM INT RESEARCH ENHANCHED EQ ETF |  |  | -0.75% |

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