

The S&P 500 and NASDAQ indexes continued to set record highs thanks to a slew of positive economic news. U.S. nonfarm payrolls rose by 943,000, beating expectations and dropping the unemployment rate to 5.4%. Hiring continues to be strong despite Delta variant and supply chain concerns, and continuing jobless claims hit a new pandemic-era low. April and May employment figures were also revised significantly higher. The ISM Manufacturing index came in below expectations, due to a decline in new orders, but remains firmly in growth territory. The ISM Services index surprised with the largest jump since 1967 to 64.1, well above expectations of 60.5. Earnings season is wrapping up for the second quarter, showing earnings growth of 84% year-over-year and 5% quarter-over-quarter.



### Economic Review\*

- ISM Manufacturing PMI at 59.5
- ISM Services PMI at 64.1

-Unemployment decreased to 5.4%

### Spotlight:



With increased interest in passive, low-cost investing, our Index PLUS models offer investors the addition of an active component that compliments the passive, low-cost structure. Working with two of the largest players in the Index space, we have added a tactical ESG allocation and a tactical business-cycle sector rotation to our models. Combining these tactical strategies with a passive allocation provides a twist on purely passive equity investing. We currently offer three models in the Index PLUS series that range from Moderate to Aggressive, purposely excluding Conservative and Moderate Conservative due to our belief that passive fixed income is not attractive in this low interest rate environment.

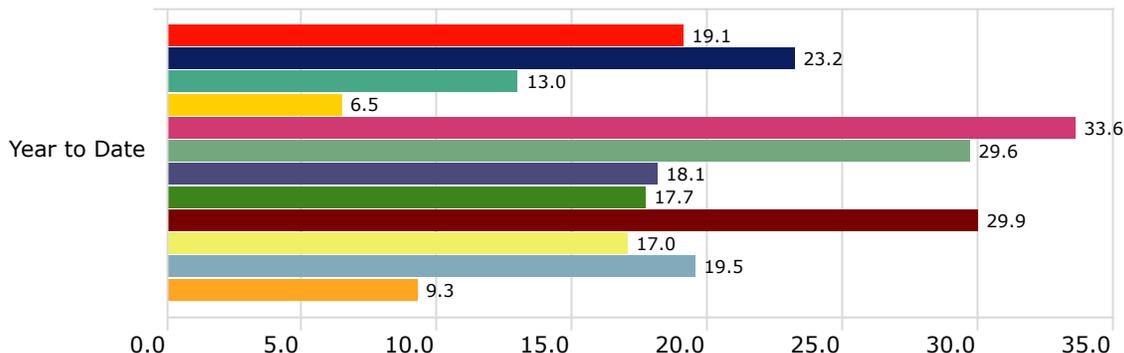
The U.S. economic expansion accelerated in the second quarter and the S&P 500 remains near all-time highs. Despite recent inflationary pressures, growth for the remainder of the year should be supported by strong consumer activity, easy monetary and fiscal policy, and a recovery in the labor. Our Index PLUS models benefitted from higher exposure to domestic equity relative to international, as U.S. equity markets outperformed. Additionally, an overweight to technology and semiconductors in a tactical strategy was a strong contributor to performance.

### Trailing Major Index Returns

|                            | 1 Week | 1 Month | 3 Month | 1 Year |
|----------------------------|--------|---------|---------|--------|
| S&P 500                    | 0.96   | 2.24    | 5.97    | 34.53  |
| S&P MidCap 400 TR          | 0.53   | 1.47    | -0.50   | 43.78  |
| S&P SmallCap 600 TR USD    | 1.14   | 0.56    | -0.10   | 53.28  |
| MSCI ACWI NR USD           | 0.98   | 1.18    | 4.24    | 31.31  |
| MSCI EM NR USD             | 1.18   | -3.74   | -2.81   | 18.98  |
| BBgBarc US Agg Bond TR USD | -0.42  | 0.20    | 1.45    | -1.29  |

### YTD S&P Sector Returns

- S&P 500 TR
- Communication Services
- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Health Care
- Industrials
- Real Estate
- Materials
- Technology
- Utilities





# Weekly Manager's Pulse

August 9, 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/>

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