MWP Trade Log | Tactical Mutual Fund Mutual Fund Portfolio

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MWP Tactical Mutual Fund

Overview

LPL Research has made changes to the Tactical Mutual Fund models on the Model Wealth Portfolios (MWP) platform. These changes primarily target the equity allocations, taking the large-cap exposure to around benchmark levels and reducing the value-style overweight. The technical analysis picture for large-cap equities has improved and large-cap equities have historically performed better during periods of economic uncertainty due to stronger balance sheets. While attractive valuations are still supportive of small-cap equities over intermediate to long time frames, bank stress and recent deterioration in technical trends suggest caution is prudent in the short-term. We still slightly favor value-style stocks based, in part, on relative valuations, but our technical analysis work suggests the recent trend toward growth outperformance may continue in the short-term.

Across all investment Objectives (IOs), we increased exposure to large-cap equities by adding to a large-cap growth strategy and a large-cap value strategy. In order to fund this in most IOs, we reduced the allocation to small and mid (SMID)-cap value and growth -style equity strategies in proportions that moved the large-cap equity exposure toward benchmark levels and reduced the overweight to value-style equity exposure.

We expect risk levels to decrease slightly in all IOs following these trades. All IOs continue to have overweight allocations to equities and underweight allocations to cash. Most IOs are also underweight fixed income given the small allocation to alternative investments. The interest rate sensitivity of the core bond allocations is around neutral relative to the benchmark, and in IOs with larger bond allocations there is a small allocation to preferred securities.

Summary of Changes

				Investment Objective									
				Aggressive Growth		Growth		Growth with Income		Income with Moderate Growth		Income with Capital Preservation	
Asset Class	Category	Name	Ticker	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
Equities	Large Growth	Edgewood Growth Instl	EGFIX	10.5%	12.5%	8.5%	10.0%	7.0%	8.0%	3.0%	4.0%		
	Large Value	MFS Value I	MEIIX	14.0%	18.5%	12.0%	16.0%	7.5%	10.5%	5.0%	7.0%	2.0%	4.0%
	Mid Growth	MFS Mid Cap Growth I	OTCIX	6.0%	4.5%	4.0%	3.0%						
	Mid Value	JHancock Disciplined Value Mid Cap I	JVMIX	7.0%	4.5%	6.0%	3.0%	5.0%	3.0%	4.0%	2.0%	3.0%	2.0%
	Small Value	Columbia Small Cap Value I Inst	CSCZX	9.5%	7.0%	8.0%	6.5%	6.0%	4.0%	5.0%	4.0%	3.0%	2.0%
	Total			47.0%	47.0%	38.5%	38.5%	25.5%	25.5%	17.0%	17.0%	8.0%	8.0%
Total				47.0%	47.0%	38.5%	38.5%	25.5%	25.5%	17.0%	17.0%	8.0%	8.0%

Increase: Green **Decrease:** Red

***LPL Research** is your financial professional's partner. Our mission is simple: Provide investment research to support you and your financial professional as you work toward your investment goals.*

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				Aggressive Growth		Growth		Growth with Income		Income with Moderate Growth		Income with Capital Preservation	
Asset Class	Category	Name	Ticker	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
Equities	Large Growth	Edgewood Growth Instl	EGFIX	10.5%	12.5%	8.5%	10.0%	7.0%	8.0%	3.0%	4.0%	2.0%	2.0%
		Loomis Sayles Growth Y	LSGRX	13.0%	13.0%	10.0%	10.0%	6.0%	6.0%	5.0%	5.0%	4.0%	4.0%
	Large Value	Dodge & Cox Stock I	DODGX	14.0%	14.0%	14.0%	14.0%	12.0%	12.0%	8.0%	8.0%	2.0%	2.0%
		MFS Value I	MEIIX	14.0%	18.5%	12.0%	16.0%	7.5%	10.5%	5.0%	7.0%	2.0%	4.0%
	Mid Growth	MFS Mid Cap Growth I	OTCIX	6.0%	4.5%	4.0%	3.0%	3.0%	3.0%	2.0%	2.0%	0.0%	0.0%
	Mid Value	JHancock Disciplined Value Mid Cap I	JVMIX	7.0%	4.5%	6.0%	3.0%	5.0%	3.0%	4.0%	2.0%	3.0%	2.0%
	Small Growth	American Century Small Cap Growth Inv	ANOIX	6.5%	6.5%	5.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%
	Small Value	Columbia Small Cap Value I Inst	CSCZX	9.5%	7.0%	8.0%	6.5%	6.0%	4.0%	5.0%	4.0%	3.0%	2.0%
		Undiscovered Managers Behavioral Val I	UBVSX	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
	Large Foreign	Baillie Gifford International Alpha I	BINSX	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		Dodge & Cox International Stock I	DODFX	5.5%	5.5%	4.5%	4.5%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%
		Goldman Sachs GQG Ptnrs Intl Opps Inv	GSINX	3.0%	3.0%	3.0%	3.0%	3.5%	3.5%	3.0%	3.0%	2.0%	2.0%
	Emerging Markets	Acadian Emerging Markets Investor	AEMGX	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		Harding Loevner Emerging Markets Advisor	HLEMX	3.0%	3.0%	2.0%	2.0%	3.0%	3.0%	2.0%	2.0%	0.0%	0.0%
	Preferred Securities	Principal Spectrum Pref&Cptl Scs Inclnst	PPSIX	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	3.0%	3.0%	4.0%	4.0%
	Total			98.0%	98.0%	83.0%	83.0%	65.0%	65.0%	46.0%	46.0%	27.0%	27.0%
Fixed Income	Intermediate High Quality Bond	Baird Aggregate Bond Inst	BAGIX	0.0%	0.0%	4.0%	4.0%	6.0%	6.0%	17.0%	17.0%	27.0%	27.0%
		JPMorgan Core Bond I	WOBDX	0.0%	0.0%	7.0%	7.0%	12.0%	12.0%	14.0%	14.0%	23.0%	23.0%
	Intermediate/Long High Quality Bond	PGIM Total Return Bond Z	PDBZX	0.0%	0.0%	0.0%	0.0%	7.0%	7.0%	13.0%	13.0%	15.0%	15.0%
		PIMCO Investment Grade Credit Bond I-2	PBDPX	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
	Total			0.0%	0.0%	11.0%	11.0%	30.0%	30.0%	49.0%	49.0%	68.0%	68.0%
Nontraditional	Multi Strategy/Fund of Funds	BlackRock Systematic Multi-Strat Instl	BIMBX	0.0%	0.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	Total			0.0%	0.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cash	CASH	CASH	Cash	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
	Total			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Total				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Increase: Green **Decrease:** Red **No Change:** Black **Totals:** Grey

The cash portion of this portfolio is represented by money market instruments.

Investment Objectives

Aggressive Growth: Emphasis is placed on aggressive growth and maximum capital appreciation. This investment portfolio has a very high level of risk and is for investors with a longer time horizon. This portfolios' considered to have the highest level of risk.

Growth: Emphasis is placed on achieving high long-term growth and capital appreciation. This portfolio is considered to have higher-than-average risk.

Growth with Income: Emphasis is placed on modest capital growth. Certain assets are included to generate income and reduce overall volatility.

Income with Moderate Growth: Emphasis is placed on current income with some focus on moderate capital growth.

Income with Capital Preservation: Emphasis is placed on current income and preventing capital loss. This is considered the lowest-risk portfolio available, and is generally for investors with the shortest time horizon.

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The portfolio composition is as of the date listed and is subject to change. An investor's actual holdings may differ from the model due to the timing of cash flows and account level investment restrictions. Please note that due to rounding, total may not add to 100%.

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Not Insured by FDIC/NCUA or Any Other Government Agency	Not Bank/Credit Union Guaranteed	Not Bank/Credit Union Deposits or Obligations	May Lose Value