

MWP Trade Log | Tactical Mutual Fund

Mutual Fund Portfolio

A Publication of LPL Research

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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 increasing the exposure to large-cap growth style equities funded by reducing the exposure to large-cap value style equities.

The LPL Research Strategic and Tactical Asset Allocation Committee (STAAC) recently recommended increasing allocations to large-cap growth style equities and reducing the allocation to large-cap value style equities. This move reflects the STAAC's belief that growth style large-cap equities, driven by superior earnings prospects and resilience in a slow growth economy, may benefit from lower inflation and stabilization of interest rates. From a technical analysis perspective, the growth style recently reasserted its leadership status and continues to outperform across the board compared to value.

Across all Investment Objectives (IO), we reallocated from value to growth style equities by trimming allocations to large-cap value mutual funds (Tickers: MEIIX and DODGX) and adding to large-cap growth mutual funds (Tickers: EGFIX and LSGRX). The trims and adds were done in proportions designed to maintain the ratio between remaining large-cap value and large-cap growth fund pairings –favoring tilting exposures toward the funds that have lagged year-to-date but that we believe have the potential to outperform as we approach the end of the interest rate hiking cycle.

We expect risk levels to increase following these trades. All IOs continue to have benchmark weight allocations to equities and are underweight cash, most IOs are above benchmark weight fixed income, and a small allocation to alternative investments remains. Within the equity allocations, there continues to be overweight to domestic equities, large-cap equities, an underweight to emerging market equities, and there is now an overweight exposure to growth style equities relative to value. The interest rate sensitivity of the core bond allocations is around neutral relative to the benchmark, and in all IOs there continues to be an allocation to preferred securities.

Summary of Changes

Asset Class	Category	Name	Ticker	Investment Objective (IO)									
				Aggressive Growth (AG)		Growth (G)		Growth with Income (GWI)		Income with Moderate Growth (IMG)		Income with Capital Preservation (ICP)	
				Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
Equities	Large Growth	Edgewood Growth Instl	EGFIX	14.5%	18.5%	12.0%	15.5%	8.5%	11.0%	6.0%	7.0%	2.0%	3.0%
		Loomis Sayles Growth Y	LSGRX	12.0%	14.5%	9.0%	12.5%	7.0%	9.5%	4.0%	6.5%		
	Large Value	Dodge & Cox Stock I	DODGX			13.0%	11.5%	11.0%	8.5%	7.0%	6.0%		
		MFS Value I	MEIIX	21.5%	15.0%	18.5%	13.0%	12.5%	10.0%	9.0%	6.5%	4.0%	3.0%
	Total			48.0%	48.0%	52.5%	52.5%	39.0%	39.0%	26.0%	26.0%	6.0%	6.0%
Total				48.0%	48.0%	52.5%	52.5%	39.0%	39.0%	26.0%	26.0%	6.0%	6.0%

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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Equities	Large Growth	Edgewood Growth Instl	EGFIX	14.5%	18.5%	12.0%	15.5%	8.5%	11.0%	6.0%	7.0%	2.0%	3.0%
		Loomis Sayles Growth Y	LSGRX	12.0%	14.5%	9.0%	12.5%	7.0%	9.5%	4.0%	6.5%	3.0%	3.0%
	Large Value	Dodge & Cox Stock I	DODGX	13.0%	13.0%	13.0%	11.5%	11.0%	8.5%	7.0%	6.0%	2.0%	2.0%
		MFS Value I	MEIIX	21.5%	15.0%	18.5%	13.0%	12.5%	10.0%	9.0%	6.5%	4.0%	3.0%
	Mid Growth	MFS Mid Cap Growth I	OTCIX	4.5%	4.5%	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	0.0%	0.0%
	Mid Value	JHancock Disciplined Value Mid Cap I	JVMIX	4.5%	4.5%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%
	Mid Blend	CRM Mid Cap Value Instl	CRIMX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%
	Small Growth	American Century Small Cap Growth Inv	ANOIX	4.5%	4.5%	5.0%	5.0%	3.0%	3.0%	2.0%	2.0%	0.0%	0.0%
	Small Value	Columbia Small Cap Value I Inst	CSCZX	3.5%	3.5%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%
		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%
	Small Blend	Invesco Main Street Small Cap Y	OSCYX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%
	Large Foreign	Dodge & Cox International Stock I	DODFX	7.0%	7.0%	6.0%	6.0%	4.0%	4.0%	2.0%	2.0%	3.0%	3.0%
		Goldman Sachs GQG Ptnrs Intl Opps Inv	GSINX	5.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%	0.0%	0.0%
	Emerging Markets	Harding Loevner Emerging Markets Advisor	HLEMX	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%
Total				95.0%	95.0%	80.0%	80.0%	60.0%	60.0%	40.0%	40.0%	20.0%	20.0%
Fixed Income	Preferred Securities	Principal Spectrum Pref&Cptl Scs Inclnst	PPSIX	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	3.0%	3.0%	4.0%	4.0%
	Intermediate High Quality Bond	Baird Aggregate Bond Inst	BAGIX	0.0%	0.0%	5.0%	5.0%	9.0%	9.0%	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%	17.0%	17.0%	26.0%	26.0%
	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				3.0%	3.0%	14.0%	14.0%	35.0%	35.0%	55.0%	55.0%	75.0%	75.0%
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%
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%
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

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

Investment Objectives

Aggressive Growth (AG): 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 (G): 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 (GWI): Emphasis is placed on modest capital growth. Certain assets are included to generate income and reduce overall volatility.

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

Income with Capital Preservation (ICP): 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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