

# MWP Trade Log | Tactical Mutual Fund

## Mutual Fund Portfolio

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### MWP Tactical Mutual Fund

#### Overview

The LPL Research Tactical Model Portfolio Committee (MPC) has made changes to the Tactical Mutual Fund models on the Model Wealth Portfolios (MWP) platform. These changes primarily target changing the mutual fund used to gain exposure to mid-cap blend equities in the most conservative Investment Objective (IO) only.

The Tactical MPC made these changes following guidance from the LPL Research Investment Manager Committee (IMC), which recommended changing the mutual fund this model uses to gain exposure to mid-cap blend equities. The existing mid-cap blend equity fund in the model recently saw the departure of its longest-tenured portfolio manager (PM), which we believe makes its past performance less reliable and creates uncertain performance expectations. After reviewing the returns and portfolio posture of the recently appointed PMs, we did not gain confidence in the fund going forward. The replacement mid-cap blend mutual fund has a deep team of long-tenured PMs, has delivered solid risk-adjusted returns, and seeks high-quality companies. It also aims to limit downside participation, which we believe makes it a prudent selection in this model's most conservative IO.

In the Income with Capital Preservation (ICP) IO only, we eliminated the existing mid-cap blend equity mutual fund (Ticker: CRIMX) and initiated a replacement mid-cap blend equity mutual fund (Ticker: TMCPX).

We don't expect risk levels to change following these trades and to continue to be fairly neutral relative to benchmark levels. 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 an overweight to domestic equities, an underweight to emerging market equities, an overweight to large-cap equities, and an overweight exposure to growth style equities relative to value. The interest rate sensitivity of the core bond allocations remains 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	Mid Blend	CRM Mid Cap Value Instl	CRIMX									3.0%	0.0%
		Touchstone Mid Cap Y	TMCPX									0.0%	3.0%
Total												3.0%	3.0%
Total												3.0%	3.0%

Increase: Green Decrease: Red

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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	16.0%	16.0%	13.5%	13.5%	9.5%	9.5%	6.0%	6.0%	2.0%	2.0%
		Loomis Sayles Growth Y	LSGRX	12.0%	12.0%	10.5%	10.5%	8.0%	8.0%	5.5%	5.5%	3.0%	3.0%
	Large Value	Dodge & Cox Stock I	DODGX	15.0%	15.0%	12.5%	12.5%	9.5%	9.5%	7.0%	7.0%	3.0%	3.0%
		MFS Value I	MEIIX	15.0%	15.0%	13.0%	13.0%	10.0%	10.0%	6.5%	6.5%	3.0%	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%	0.0%
		Touchstone Mid Cap Y	TMCPX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%
	Small Growth	American Century Small Cap Growth Inv	ANOIX	6.0%	6.0%	6.0%	6.0%	4.0%	4.0%	2.0%	2.0%	0.0%	0.0%
	Small Value	Columbia Small Cap Value I Inst	CSCZX	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%
		Undiscovered Managers Behavioral Val I	UBVXS	3.5%	3.5%	3.0%	3.0%	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%
<b>Total</b>				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%
<b>Total</b>				3.0%	3.0%	14.0%	14.0%	35.0%	35.0%	55.0%	55.0%	75.0%	75.0%
Nontraditional	Macro: Global Discretionary	Campbell Systematic Macro I	EBSIX	0.0%	0.0%	4.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Multi-Strategy/Fund of Funds	BlackRock Systematic Multi-Strat Instl	BIMBX	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	<b>Total</b>				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%
	<b>Total</b>				2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
<b>Total</b>				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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