October 28, 2025

SAM Tactical ETF

Overview

The LPL Research Tactical Model Portfolio Committee (MPC) has made changes to the Tactical Exchange-Traded Fund (ETF) model portfolios on the Strategic Asset Management (SAM) platform. These changes primarily target eliminating exposure to sector-specific equities and increasing exposure to large cap value equities to align with LPL Research's (LPLR) Tactical Asset Allocation (TAA) guidance.

The LPL Research Strategic and Tactical Asset Allocation Committee (STAAC) recently downgraded the financials sector, driven by deteriorating relative strength across the sector and increased credit stress that has contributed to recent underperformance. These trades serve to more tactically align the model portfolio in a sector agnostic stance and further effectuate the top-down asset class positioning of the TAA.

In all Investment Objectives (IO) with an allocation, we eliminated communication services (Ticker: XLC), financial services (Ticker: XLF), and healthcare (Ticker: XLV) equity sector ETFs. Proceeds were used to add to a large cap value equity ETF (Ticker: SPYV).

We don't expect risk levels to materially 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, are underweight cash, and overweight fixed income. Within the equity allocations, there is a neutral weight to domestic, emerging, and developed market equities. Domestic equity allocations continue to have an overweight exposure to growth-style equities (from a top-down, asset allocation perspective), and an underweight to small cap equities. The interest rate sensitivity of the core bond allocations remains near neutral relative to the benchmark.

SAM Trade Log | Tactical Exchange-Traded Fund (ETF)

LPL Financial

				Investment Objective (IO)									
				Aggressive Growth (AG)		Growth (G)		Growth with Income (GWI)		Income with Moderate Growth (IMG)		Income with Capital Preservation (ICP)	
Asset Class	Category	Name	Ticker	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
Equities	Large Growth	SPDR® Portfolio S&P 500 Growth ETF	SPYG	32.5%	32.5%	28.0%	28.0%	21.0%	21.0%	15.0%	15.0%	7.5%	7.5%
	Large Value	SPDR® Portfolio S&P 500 Value ETF	SPYV	21.5%	29.5%	16.0%	24.0%	12.0%	18.0%	9.0%	11.0%	5.5%	5.5%
	Small Blend	SPDR® Portfolio S&P 600™ Sm Cap ETF	SPSM	11.0%	11.0%	9.0%	9.0%	7.0%	7.0%	3.5%	3.5%	3.0%	3.0%
	Small Growth	SPDR® S&P 600 Small Cap Growth ETF	SLYG	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.5%	2.5%	0.0%	0.0%
	Sector - Communications	The Comm Svcs Sel Sect SPDR® ETF	XLC	3.0%	0.0%	3.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Sector - Financial	The Financial Select Sector SPDR® ETF	XLF	3.0%	0.0%	3.0%	0.0%	2.0%	0.0%	2.0%	0.0%	0.0%	0.0%
	Sector - Healthcare	The Health Care Select Sector SPDR® ETF	XLV	2.0%	0.0%	2.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Large Foreign	SPDR® Portfolio Developed Wld ex-US ETF	SPDW	12.0%	12.0%	10.0%	10.0%	8.0%	8.0%	5.0%	5.0%	4.0%	4.0%
	Emerging Markets	SPDR® Portfolio Emerging Markets ETF	SPEM	7.0%	7.0%	6.0%	6.0%	4.0%	4.0%	3.0%	3.0%	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	Intermediate High Quality Bond	iShares Core US Aggregate Bond ETF	AGG	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		SPDR® Portfolio Intmdt Term Trs ETF	SPTI	0.0%	0.0%	8.0%	8.0%	17.0%	17.0%	26.0%	26.0%	35.5%	35.5%
	Intermediate/ Long High Quality Bond	SPDR® Portfolio Interm Term Corp Bd ETF	SPIB	0.0%	0.0%	3.5%	3.5%	9.0%	9.0%	13.5%	13.5%	18.0%	18.0%
	Mortgage-Backed	SPDR® Portfolio Mortgage Backed Bond ETF	SPMB	0.0%	0.0%	6.5%	6.5%	12.0%	12.0%	18.5%	18.5%	24.5%	24.5%
	Total			3.0%	3.0%	18.0%	18.0%	38.0%	38.0%	58.0%	58.0%	78.0%	78.0%
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				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:** Gray

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

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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