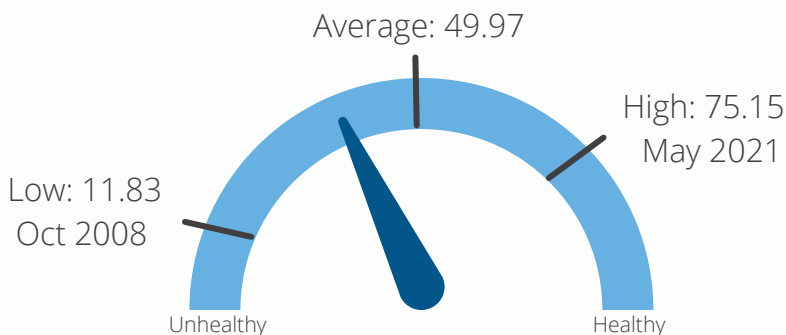




# April 2023 Monthly Recap

## Market Health Indicator\*

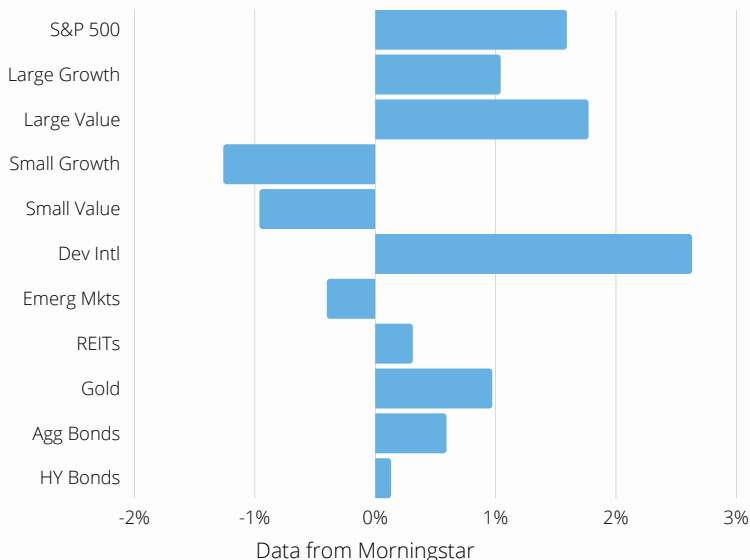


**Current Score: 37.25**

Slightly down from 37.46 last month, still indicating areas of caution and uncertainty in the markets and economy

## Market Data

### Monthly Index Performance



## Talking Points

Inflation dropped for a ninth consecutive month, from 6% to 5%, marking the lowest reading since May 2021

The labor market remained strong as the US economy added 236,000 jobs and unemployment fell from 3.6% to 3.5%

GDP growth slowed from 2.6% to 1.1%, missing the target of 2% as business investments and inventories declined

US Manufacturing PMI increased to 50.2, returning to expansion territory (over 50) as expectations of future sales increased

The CBOE Volatility Index (VIX) closed at its lowest monthly level since mid-2021, dropping to 15.78 in April

\*The Market Health Indicator is a monthly indicator created in September 2021 that is designed to measure market health on a scale of 0 - 100, analyzing various market segments such as economics, technicals, and volatility using data back to January of 2000. Higher scores indicate healthier market conditions.



# Model Updates

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<b>Dynamic Growth</b>	Increased exposure to large-cap stocks (both growth and value) as well as developed international, while reducing exposure to mid/small-cap and REITs. Larger companies have experienced stronger momentum than smaller companies in recent months amid economic uncertainties. This results in a small reduction in risk, with the model remaining slightly overweight value.
<b>Dynamic Growth PLUS</b>	The model remained fully invested throughout the month as markets skewed slightly positive with little volatility. The equal-weight S&P 500 is still the largest holding as other asset classes attempt to find their footing from a negative 2022. Its holdings are inline with the Dynamic Growth model weights while it continues to monitor market conditions on a daily basis.
<b>Tactical Growth</b>	There was a very small increase to the bond hedge (from 25.06% to 25.50%) as market conditions remained relatively unchanged. The underlying asset class rankings for the model were unchanged, with a slight reduction to each with the increase in bonds. Including gold, the model is approximately 44% hedged, highlighting uncertain market conditions.
<b>Tactical Growth PLUS</b>	The model remained fully invested inline with the Tactical Growth model (small increase to bonds while decreasing all other asset classes). On the equity side, there is a blend of large, mid, and Nasdaq-focused stocks for the US, along with developed international exposure. The model continues to monitor markets daily, and can act quickly if conditions change.
<b>Dividend Focus</b>	There were no changes in the model from last month. The model remains invested in large-cap blue-chip companies with a focus on quality and stability. The current estimated dividend yield is 3.64% compared to 1.51% for the S&P 500.
<b>Growth Focus</b>	There were no changes in the model from last month. The model remains overweight in technology, consumer cyclical, and health care for sector exposure. For market cap exposures, the model is somewhat evenly blended among smaller and larger companies.



# Model Updates

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<b>Sector Rotation</b>	There were no changes in the model for the month. Maintained exposure to technology, health care, financials, and real estate. This results in a somewhat varied risk profile with a blend of growth/value and cyclical/defensive sectors, indicating mixed signals from markets and the economy with the model looking for more definitive momentum to tilt more firmly in one direction.
<b>All Weather</b>	Increased exposure to energy stocks while slightly reducing exposure to gold and bonds (both shorter and longer duration). Results in a small increase to risk as the shifts increase market exposure. Overall, the model is approximately 46% equity / 12% gold / 42% fixed-income, displaying a somewhat moderate-conservative risk profile.
<b>Dynamic Income</b>	Increased exposure to more traditional / investment-grade bonds while reducing higher-yielding and short-term bonds. These shifts result in a slight decrease in credit risk and a slight increase in interest rate risk. With the adjustments, the model continues to move toward a healthy blend of varying credit quality and duration as interest rates attempt to stabilize.
<b>Tactical Income</b>	Reduced exposure to high-yield bonds and hybrid holdings (preferred stocks and convertible bonds) while increasing exposure to corporate investment-grade and aggregate US bonds. This results in a decrease to credit risk, though the model still holds a modest amount of higher-yielding bonds. The model maintains a healthy exposure to short-term bonds for stability as well.
<b>Dynamic Short-Term Income</b>	Increased exposure to short-term high-yield and corporate investment-grade bonds while reducing floating rate and ultra short-term bonds. This shift slightly increases credit risk to achieve a higher yield, though the model is still overweight ultra short-term bonds to insulate against other potential fixed-income risks. The current estimated yield is 5.33%.
<b>Income Focus</b>	Increased exposure to Nasdaq and equity premium covered calls and reduced exposure to gold covered calls. These updates create a slightly more risk-on stance. Outside these small shifts, there were no changes to the ranking order of the other holdings in the model. The model remains overweight covered-call holdings overall. Estimated yield is 10.78%.