

BLUE CHIPS ELITE

TARGETED CONCENTRATION, HIGH CONVICTION

As of December 31, 2023 | Updated Annually

Diversification has long been thought to be a means of risk mitigation.¹ By spreading their chips across the table, investors may have more likelihood of success, but with the possibility of lower returns relative to specific targeted indexes or asset classes. The Kingsview Investment Management (KIM) Blue Chips Elite portfolio believes that in order to provide enhanced return, a targeted selection of high conviction, but effectively diversified, stocks can provide an investor with true alpha in a market where indexing has historically dominated.

PORTFOLIO CONSTRUCTION

Portfolios that feature increased position exposure provide diversified stock selection that fundamental investors have accepted as industry standard. In doing so, returns tend to track that of the index which represents the portfolio's benchmark.

The more positions within the index a portfolio owns, the lower the probability a portfolio has of outperforming that tracking index or benchmark.

The KIM Blue Chips Elite portfolio provides for the investor searching for alpha (outperformance of a stated benchmark given a similar level of risk), a fleet of high quality names based on a proven, repeatable process that may be the superior way to achieve their goal.

The KIM investment committee takes a top-down approach to stock selection and employs a broad, multi-faceted fundamental analysis in an attempt to select the strongest stocks in any environment utilizing a proprietary quantitative screening process. Throughout the market cycle, the Blue Chips Elite portfolio is continuously allocated across 12 high conviction companies.

Stock Market Performance

S&P 500 Index, recent period



The KIM Investment Committee believes a fundamental perspective paired with quantitative execution will result in long-term outperformance. We aim to provide investors long term growth with the knowledge that their portfolio attempts to invest exclusively in high quality companies.

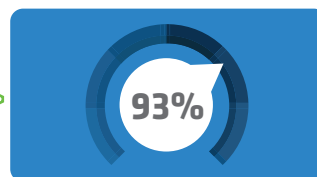
PORTFOLIO PROCESS

The Blue Chips Elite portfolio adheres to a strict set of portfolio mandates that allows the KIM Investment Committee to make prudent allocation decisions regardless of market cycle, which includes:



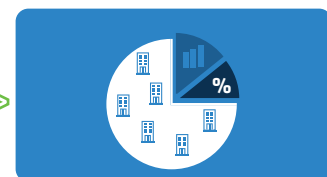
MONITOR

Monthly stock attributes are analyzed alongside quarterly earnings data and used to determine the individual strength (or weakness) of the most financially viable names in the S&P 500.



SCORE

Statistics are analyzed to create a "strength score" quotient in aggregate and are expressed via targeted stock concentration.

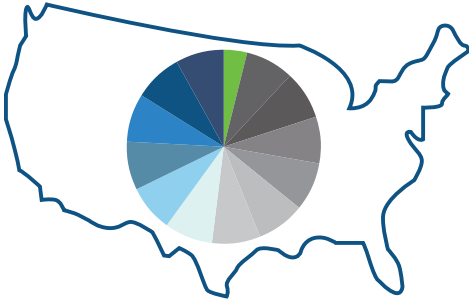


SELECTION

12 companies are selected and equally weighted in the portfolio, with changes being made (at most) on a monthly basis as underlying stock fundamentals change.

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OWN WHAT YOU KNOW

For nearly a century, U.S. equities have run the gamut of superior investment returns. Historically, having a hometown bias has not only provided investors ownership in companies they trust, it has provided enhanced returns in the process.

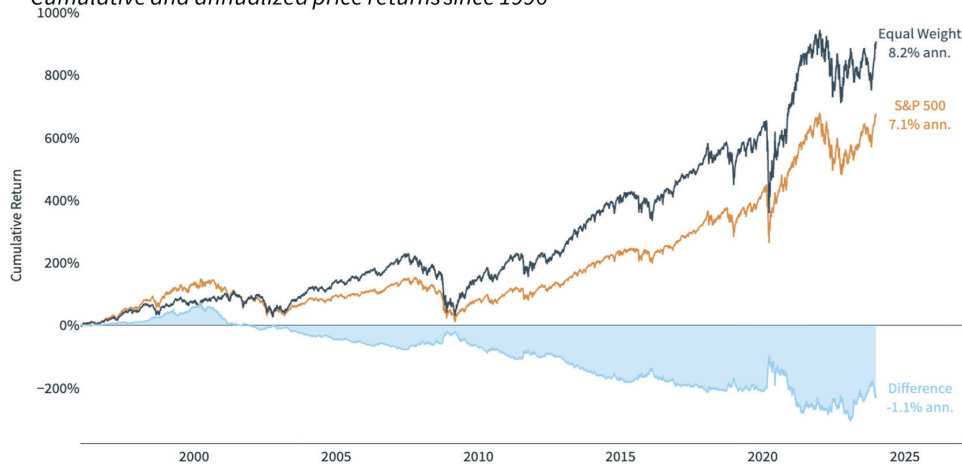
The KIM Blue Chips Elite portfolio is designed to maximize exposure to best of breed domestic large cap growth stocks. Investors may take solace in knowing their U.S. stock exposure is managed by a team of experienced professionals with the goal of creating an optimal U.S. growth portfolio.

CASE STUDY

The winning equity group of the last decade has been large cap equity names. Those who have avoided cap-weighted exposure through a more equally weighted process have been rewarded with outperformance amid a comparable drawdown profile. Similar to the approach of the Blue Chips Elite strategy, the equal weighted featuring of equity names has factored out the “noise” that has been seen with just the largest market capitalization names and, as the graph shows, garnered the investor a much more favorable risk/return profile than the overall S&P 500.

S&P 500 Equal Weight Historical Performance

Equal weight index compared to market cap weighted index
 Cumulative and annualized price returns since 1996



Latest data point is Dec 29, 2023

Source: Clearnomics, Standard & Poor's
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The **S&P 500 Total Return Index** is the total return version of the S&P 500 Index which includes the effects of reinvested dividends. The S&P 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.