KINGSVIEW INVESTMENT MANAGEMENT

Blue Chips

Q1 | 2024 Commentary

The Blue Chips portfolio's performance can be attributed to the portfolio's sector weighting, and the quality of companies owned.

The "risk on" trade in equity markets that began late last year has stymied some experts thus far in 2024, carrying on most of the momentum that, to many, came out of nowhere towards the end of 2023. Yet, as we identified in the fourth quarter's writing – meaningful rallies have the hallmark of coming out of potentially oversold, overstretched or overhyped conditions that may be propagated by media and influencers who shape the investor mindscape. Real data and fundamentals, however, tend to be the harbinger to continue such rallies as well, acting more as a confirming aspect to turnaround stories that have otherwise been at least partially discounted and put out of mind.

As higher equity prices were attained, additional demands from investors on the Federal Reserve became a touch unrealistic and erroneously focused on more liquidity and accommodation to be provided to what we believe was an already functioning market. In our review of the most recent quarterly earnings reports, most of our holdings were (and may continue to be) selected for ownership in the portfolio because of strong net revenue growth and profitability improvements that attempt to continue to build on what we saw as Covid effects have waned and financing rates have stabilized.

Over the long run, it is imperative to keep a close eye on company fundamentals in the S&P 500. In doing this, we have confidence in our current expressions in the portfolio. In summary, when gathering metrics like gross revenue, net income change percentage, and profit margin, such factors become determinants in those specific company portfolio decisions.

The Blue Chips holdings during the recent period maintained their opportunistic tone with the addition of Intel (**INTC**) as a replacement for Booking Holdings (**BKNG**) because of net profit delta on the technology leader that may compliment a rebounding valuation story as it catches up to its peer group. Also added to the portfolio due to similar trending analytics were companies like Apple (**AAPL**) and Allstate (**ALL**), which were included at the expense of flattening earnings growth in Coca-Cola (**KO**) and Walmart (**WMT**). Lastly, Disney (**DIS**) has, in our estimation, shown notable net income improvement and arrived at an attractive valuation level and thus replaced Proctor & Gamble (**PG**). Remaining positions are growth focused with a small value tilt, and, in large part, are, in our opinion, showing strong revenue growth trends that are delivering net income numbers which suggest continued ownership in the specific portfolio names.

Lead Portfolio Manager

Scott Martin, CIMA®

Chief Investment Officer

Scott D. Martin is Chief Investment Officer of Kingsview Wealth Management, a Registered Investment Advisor (RIA) based in Chicago, Illinois. He also serves as Contributor to the Fox News Channel and is a Contributor to The Futures Institute at the Chicago Mercantile Exchange (CME).

At the company, he and his team were named one of the "Best ETF managers" of 2008 by Forbes and he was author of the weekly "Astor Long/Short Balanced Update" newsletter, which received the NAAIM President's Award for excellence in financial newsletter writing.

A frequent speaker and lecturer, Mr. Martin has been featured in print and broadcast media such as The Wall Street Journal, Investor's Business Daily, and Yahoo! Finance.

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At Kingsview Investment Management, we appreciate your continued support of the Blue Chips portfolio. As an investor in today's landscape, it is important to understand your own personal risk-on versus risk-off viewpoints, but also be ready to absorb short-term fluctuations as you attempt to achieve long-term outperformance. We are proud of this strategy's ability to assist with that goal.

Should you wish to speak with one of our portfolio managers, please email investments@kingsview.com.