

ProCap

Q1 | 2024 Commentary

ProCap's first quarter performance can be attributed to the portfolio's unique breakdown of weightings amongst sector-specific equities, short and long-term fixed income, and alternatives like gold.

The beat that supported the notable rally in the equity and fixed income markets towards the end of 2023 was begun by the Federal Reserve and fully carried on by investors in the first quarter of this year. The strong pivot in the Fed's message to be a legion of support to the markets into the current year has extended the comforting degree of calm we previously noted in the monetary efforts they supply. We still believe, and as the data appears to show, the best near-term outcome from all the interest rate activity of recent years is for there not to be immediate rate cuts, but moreso, a steady rate environment where lending modules and borrowing costs can be sufficiently predictable for all market participants.

Economic conditions have meandered a bit since the stabilizing pattern seen in the fourth quarter of 2023, with hiring pacing the environment at roughly +250k jobs per month and generating economic growth in the neighborhood of 2.5%-3.0% annually. Yes, while inflation data is no longer falling, the massive reduction in the inflation rate since the Fed began their record march upward on short-term interest modules is still noteworthy and a perceivable accomplishment of their goal of stable prices and maximum employment. Concerns do remain focused, at times, on the overbought nature of stock prices, but that is observed in concert with trillions of investible dollars sitting and rotating on and off the sidelines which may provide a backstop to any meaningful pullback that occurs. Our view has steadied to the upside approach to the investible marketplace and belief that investors who will be most rewarded are those that ascribe to this outlook.

The ProCap program continues to demonstrate its ability to react quickly to changes in economic strength or weakness and how that plays into current prices through corporate valuations. During the first quarter, ProCap's varying expressions (equity / fixed income / alternatives) yet again helped to reduce excessive volatility in its participating asset classes while still attempting to deliver appreciable upside to our investors. We believe the focus on being actively managed within our selections has shown itself well in previously similar periods.

At Kingsview Investment Management, we appreciate your continued support of the ProCap 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.



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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