

Sector Alpha

Q1 | 2024 Commentary

The Sector Alpha portfolio's performance can be attributed to its specific sector-focused weighting amongst five sectors of the S&P 500 GICS sector lineup.

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.

In the first quarter, the five-sector approach within the strategy helped limit volatility and still allow what we believe is adequate upside participation of the major market averages. Areas like healthcare and real estate, while in our opinion fundamentally favorable, exhibited more than expected downside capture during the first quarter. With only a few favored sectors delivering a large part of the return for the overall markets and several sectors displaying more unusual volatility swings, we expect some return to a more balanced, broad-based distribution of returns may lie ahead. We feel more sectors may see upside and should be applicable for upside capture investment as time passes. Overall, we are pleased with the portfolio's commitment to being actively managed, which we believe will keep us from being unnecessarily concentrated in areas of the market that are not currently positively sloped.

At Kingsview Investment Management, we appreciate your continued support of the Sector Alpha 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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