

# Sector Alpha

Q1 | 2025 Commentary

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

Last quarter's infrequent equity sell-offs layered into a heavier tone that has fully taken shape in 2025, with market fatigue and the anticipation of geopolitical changes now abruptly on the horizon. Certainly, the incoming administration's policies' effectiveness remains a bit in doubt, and the quick nature of amendments to said policies and the gauging of their economic impact put a reversal into the equity market uptrend by the time the first quarter concluded. With the Federal Reserve in play but perhaps approaching a scenario where their hands could be tied on policy action, the previous expansion in the labor market and inflation indicators that will be impacted are now at risk of being brushed aside to digest the prevailing, but abruptly changing, economic environment. So far, volatility and nervous selling has been the reaction in major markets as investors realign their tolerances for risk.

The portfolio's steady five sector approach helped to limit downside exposure compared to overall S&P 500 volatility, because of the defensive nature of the sector allocations held within the portfolio. With the current risk environment now overcoming the upside reward that was first seen towards the end of 2024, we believe our positions remain appropriate for the current environment. More specifically, economically insulated GICS sectors like healthcare (**XLV**) and consumer staples (**XLV**), have aligned well with more sensitive, but opportunistic areas, like real estate (**XLRE**). Other sectors that continue to be considered for investment will be monitored closely for fundamental re-strengthening as some of the economic uncertainty works itself out in the coming months.

At Kingsview Investment Management, we appreciate your continued support of the Sector Alpha portfolio. Global economic strains and other international developments have thrust markets into challenging efforts to align price and risk. The impacts long term shall be worked out over time as history has dutifully guided, but short term emotions remain heightened and overly sensitive to daily news and data flow.

Should you wish to speak with one of our portfolio managers, please email [investments@kingsview.com](mailto:investments@kingsview.com).



## Lead Portfolio Manager

**Scott Martin, CIMA®**

*Chief Investment Officer*

Scott D. Martin is Chief Investment Officer at Kingsview Wealth Management, a Registered Investment Advisor in Chicago, and an Index Specialist with Monarch Funds. Previously, he served as Chief Market Strategist at United Advisors, LLC, where he co-chaired the investment committee and developed portfolio strategies.

His career began at Astor Asset Management, where he comanaged ETF-based programs and he was author of the weekly "Astor Long/Short Balanced Update" newsletter. A frequent speaker, Mr. Martin has been featured in The Wall Street Journal, Investor's Business Daily, and Yahoo! Finance. He holds the Certified Investment Management Analyst® designation. He is a former columnist with TheStreet.com and is a volunteer with The Anti-Cruelty Society of Chicago. Mr. Martin graduated from Denison University with a double major in Economics and French.

**Kingsview Wealth Management (“KWM”)** is an investment adviser registered with the Securities and Exchange Commission (“SEC”). Information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and unless otherwise stated, are not guaranteed.

**Kingsview Investment Management (“KIM”)** is the internal portfolio management group of KWM. KIM asset management services are offered to KWM clients through KWM IARs. KIM asset management services are also offered to non KWM clients and unaffiliated advisors through model leases, solicitor agreements and model trading agreements. KWM clients utilizing asset management services provided by KIM will incur charges in addition to the KWM advisory fee.

This material has been prepared by Kingsview Wealth Management, LLC. It is not, and should not, be regarded as investment advice or as a recommendation regarding any particular security or course of action. Opinions expressed herein are current opinions as of the date appearing in this material only. All investments entail risks. There is no guarantee that investment strategies will achieve the desired results under all market conditions and each investor should evaluate their ability to invest for the long term. This information does not address individual situations and should not be construed or viewed as any type of individual or group recommendation. Be sure to first consult with a qualified financial adviser, tax professional, and/or legal counsel before implementing any securities, investments, or investment strategies discussed.

The firm claims compliance with GIPS®. For a complete list and description of the firm's composites and / or a presentation that adheres to the GIPS standards, contact [gips@kingsview.com](mailto:gips@kingsview.com). For purposes of compliance with the Global Investment Performance Standards (GIPS®), the “firm” refers to only Kingsview Investment Management.

For the purpose of complying with the Global Investment Performance Standards (GIPS) standards, Kingsview Wealth Management “KWM” and Kingsview Investment Management “KIM, the firm” are separate and distinct entities. Kingsview Wealth Management is an independent investment advisor registered under the Investment Advisors Act of 1940. KWM manages assets across a wide scope with many independent advisors and does not claim compliance with the GIPS Standards. Kingsview Investment Management “KIM” is a subset of Kingsview Wealth Management where KIM retains the sole investment decision making ability on accounts it is managing under KIM, and all composites and models under KIM are maintained consistent with the GIPS Standards, and KIM does wish to claim compliance with the GIPS Standards. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS**