

Multi-Strategy

Q3 | 2024 Commentary

The calming, yet, in our view, anticipatory market behavior of 2024 has been a welcome sight thus far this year. Noticeably, many overblown fears of an impending relapse into previously challenging economic and geopolitical situations have lost their impact on the overall mood of most investors. Whether it was the double-dip recession that never developed, the bank failures that never materialized, or the labor source destruction that never arrived, our sanguine and constructive outlook on stability being the one wind of change that was due to arrive has served our allocations presciently.

As we noted last quarter, the “comfortably rangebound” domestic currency and open market interest rates that followed a similarly predictive path have effectively comforted market participants and equity prices have rested at, or near, all-time highs. We believe the fourth quarter of 2024 should continue to benefit from these same prevailing conditions as we closely monitor the strength of the Federal Reserve’s engineered “soft landing” and its ability to stand the test of time as new inflationary and employment data arrive each month.

Equities: Equity markets have carried the performance return responsibility since late last year and have convinced some of the biggest naysayers of the last several months that a higher “repricing” of major stock indices was affirmed and warranted given the current economic backdrop. As this rally has materialized, we have noted in our previous quarterly commentaries that the light market sell-offs that are met by heavier buying interest are signs that overstretched conditions, especially to the downside, may be supported with enthusiasm for higher prices in the future.

At the same time, equity market all-time highs seemingly arrive weekly and can provide some tangible confirmation to those who are looking to just outright “chase” high prices in hopes that more easy money from the Federal Reserve will be forthcoming. While we believe there is likely to be more positive than negative flows for equities going into the fourth quarter, looming political events and market shocks from ulterior sources should not be discounted when coming out of a period that has been significantly positively sloped month after month.

Fixed Income: The rangebound fixed income pricing that settled over major bond markets during the last quarter has delivered a calming effect to risk-averse investors who sought the volatility profile that is now being delivered to them. Previous Federal Reserve commentaries have justified their recent action of lowering interest rates and we anticipate their movements should be more predictable as the economy achieves further stabilization.

Performance & Risk Measures

As of: 9/30/2024

STRATEGY		QTD	YTD	1-YR	3-YR	5-YR	SINCE INCEPTION 12/31/2016
CONSERVATIVE	NET OF MODEL FEE ¹	6.18%	6.66%	14.12%	0.31%	1.55%	2.59%
	NET OF MAX FEE ²	5.79%	5.47%	12.44%	-1.18%	0.04%	1.07%
10% S&P 500/90% BLOOMBERG AGGREGATE BOND		5.28%	6.14%	13.90%	-0.05%	1.91%	3.09%
MODERATE CONSERVATIVE	NET OF MODEL FEE ¹	6.49%	10.73%	20.15%	3.03%	5.18%	5.07%
	NET OF MAX FEE ²	6.10%	9.50%	18.39%	1.50%	3.62%	3.51%
30% S&P 500/70% BLOOMBERG AGGREGATE BOND		5.42%	9.56%	18.62%	2.62%	5.07%	5.79%
BALANCED	NET OF MODEL FEE ¹	6.64%	13.14%	23.83%	4.69%	7.34%	6.87%
	NET OF MAX FEE ²	6.25%	11.89%	22.02%	3.14%	5.75%	5.29%
50% S&P 500/50% BLOOMBERG AGGREGATE BOND		5.55%	13.05%	23.50%	5.29%	8.21%	8.46%
MODERATE AGGRESSIVE	NET OF MODEL FEE ¹	6.62%	15.99%	27.82%	6.31%	9.38%	8.90%
	NET OF MAX FEE ²	6.23%	14.71%	25.96%	4.73%	7.76%	7.29%
70% S&P 500/30% BLOOMBERG AGGREGATE BOND		5.69%	16.61%	28.53%	7.94%	11.34%	11.09%
AGGRESSIVE	NET OF MODEL FEE ¹	6.29%	20.66%	34.14%	8.44%	13.91%	12.29%
	NET OF MAX FEE ²	5.90%	19.34%	32.19%	6.84%	12.23%	10.63%
90% S&P 500/10% BLOOMBERG AGGREGATE BOND		5.83%	20.25%	33.71%	10.58%	14.43%	13.68%

¹“Net of Model Fee” represents performance that has factored in an assumed fee of zero for data after March 24, 2021, 0.40% from April 1, 2020 through March 23, 2021 and 0.60% prior to April 1, 2020. ²“Net of Max Fee” represents performance that has factored in an assumed fee of 1.50% (zero Model Fee plus 1.50% Advisor Fee) for data after March 24, 2021, 1.90% (0.40% Model Fee plus 1.50% Advisor Fee) from April 1, 2020 through March 23, 2021 and 2.10% (0.60% Model Fee plus 1.50% Advisor Fee) prior to April 1, 2020.”

Our outlook on the bond market last quarter as opportunistic was rather erudite and those invested in long fixed income strategies were mostly rewarded for that exposure. While we are still confident in fixed income as a total asset class to own, reactions to the new Fed mantra of resilient accommodation could have an adjustment period. As a reminder, our preference is for the Federal Reserve to be neither contractionary nor expansionary in their policy but attempt to arrive at a steady level target rate percentage when it comes to their involvement in large-scale market events.

Lead Portfolio Manager



Scott Martin, CIMA®
Chief Investment Officer and
Lead Portfolio Manager

At Kingsview Investment Management, we appreciate your continued support of the Multi-Strat portfolio series. The presidential and congressional elections are just weeks away and markets are likely to get jumpier with each passing day leading into those events. Other political developments around the world could also lead to near-term, but not structural, outbursts of emotional concerns and triggers which are due to pass through periodically as well.

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

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Any performance shown since inception is based upon composite results of the stated portfolio. Portfolio performance is the result of the application of the KIM Multi-Strategy investment process. It does not reflect any investor's actual experience with owning, trading or managing an actual investment account.

"Net of Model Fee" portfolio performance is shown net of the trading costs of the firm's Custodians (Raymond James, Charles Schwab, TD Ameritrade and Interactive Brokers) and a zero KIM model fee after March 24, 2021, a 0.40% KIM model fee from April 1, 2020 through March 23, 2021, and a 0.60% KIM model fee prior to April 1, 2020. "Net Model Fee" portfolio performance DOES NOT include the advisory fee charged by a KWM investment advisor representative.

"Net of Max Fees" portfolio performance is shown net of the trading costs of the firm's Custodians (Raymond James, Charles Schwab, TD Ameritrade and Interactive Brokers) and advisory fees of 1.50% after March 24, 2021, advisory fees of 1.90%, which is inclusive of a 0.40% KIM model fee, from April 1, 2020 through March 23, 2021, and advisory fees of 2.10%, which is inclusive of a 0.60% KIM model fee prior to April 1, 2020. Performance does not reflect the deduction of other fees or expenses, including but not limited to custodial fees and fees and expenses charged by mutual funds and other investment companies. Performance results shown include the reinvestment of dividends and interest on cash balances where applicable. The data used to calculate the portfolio performance was obtained from sources deemed reliable and then organized and presented by KWM.

Actual performance of client portfolios may differ materially due to the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the reinvestment of dividends, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: The KIM Multi Strategy Conservative model performance is compared to a blended index comprised of a 90% weighting in the Bloomberg Total Bond Index (AGG) and a 10% weighting in the S&P 500 Total Return Index (SPTR). The KIM Multi Strategy Moderate Conservative model performance is compared to a blended index comprised of a 70% weighting in the Bloomberg Total Bond Index (AGG) and a 30% weighting in the S&P 500 Total Return Index (SPTR). The KIM Multi Strategy Balanced model performance is compared to a blended index comprised of a 50% weighting in the Bloomberg Total Bond Index (AGG) and a 50% weighting in the S&P 500 Total Return Index (SPTR). The KIM Multi Strategy Moderate Aggressive model performance is compared to a blended index comprised of a 30% weighting in the Bloomberg Total Bond Index (AGG) and a 70% weighting in the S&P 500 Total Return Index (SPTR). The KIM Multi Strategy Aggressive model performance is compared to a blended index comprised of a 10% weighting in the Bloomberg Total Bond Index (AGG) and a 90% weighting in the S&P 500 Total Return Index (SPTR).

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.

The Bloomberg US Aggregate Bond Total Return Index is an index designed to provide a measure of the performance of the U.S. investment grade bonds market, which includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the index must have at least 1 year remaining to maturity. In addition, the securities must be denominated in US dollars and must be fixed rate, nonconvertible, and taxable.

The index results do not reflect fees and expenses and you typically cannot invest in an index. The index / indices used by KWM have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized indices. Indices are typically not available for direct investment, are unmanaged and do not incur fees or expenses.

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