

Select Subsector

Q3 | 2024 Commentary

The Select Subsector portfolio's performance can be attributed to the strategy's specific sector-focused weighting amongst ten sectors of the S&P 500 GICS® sector lineup and their varying subsectors.

Equity markets again gained the performance return notoriety for the quarter and since late last year have all but chased away the overconfident "bears" of Wall Street who overstated the grim realities of a Covid-recovering economy at the ready of Federal Reserve policy intervention. As the stock rally has materialized and firmed, a unique setup has developed where investor confidence becomes contagiously palpable, thus reinforcing the extent that higher prices seemingly beget more higher prices. Such a situation is, in our opinion, supported by company fundamentals that are slowly, but steadily improving, and buoyed with buying interest that is anticipatory of even better times to come. Those investors who are able to stomach some of the limited, but difficult to navigate waters, may be handsomely rewarded as the market maintains its current biorhythm.

Last quarter's ten sector and subsector approach was effective in limiting exposure to overall S&P 500 drawdown, and, as a result, we believe was able to achieve appreciable upside while taking less market-related risk because of our mantra of "building a better S&P" featuring the active, methodical sector and subsector rotation of Select Subsector. As we remain within the uptrend that has been established by most major market averages, more attention has been placed on the economically benefitting sectors and subsectors like medical devices (**IHI**), healthcare providers (**IHF**) and homebuilders (**XHB**). While a more broad-based, traditional distribution of sector returns still feels imminent in the coming quarters, we expect the upward sloping equity markets will provide the required returns to those who are taking on investments other than risk-free assets in their portfolio.

At Kingsview Investment Management, we appreciate your continued support of the Select Subsector portfolio. 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.



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 co-managed ETF-based programs and earned recognition as one of the "Best ETF Managers" of 2008 by Forbes. 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 and has been named one of Chicago's Notable Financial Advisers by Crain's Chicago Business. Mr. Martin graduated from Denison University with a double major in Economics and French.

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