

Blue Chips Elite

Q1 | 2022 Commentary

The Blue Chips Elite portfolio's performance can be attributed to the portfolio's sector weighting, and the quality of companies owned.

The equity market environment in 2022 has featured a narrowing group of standout names in an S&P 500 index facing massive selling pressure. Some companies in the healthcare, utilities and consumer staples names have been the select shelters in the storm, while various technology and consumer discretionary issues have experienced large drawdowns. As in the first quarter, the transitory nature of the equity market's behavior is expected to continue in a more magnified setting. Concerns over a less stimulative Federal Reserve and Treasury department are now exacerbated by geopolitical issues which affect multinational company profitability and corporate sentiment.

We still believe that as we progress through the equity challenge that has been a hallmark thus far in 2022, investors will be most rewarded by remaining diversified throughout the equity landscape. This follows the fundamental philosophy of the Blue Chips Elite portfolio.

Blue Chips Elite will continue to attempt to seek a favorable risk exposure by locating the most fundamentally strong companies in the S&P 500 and utilizing any weakness to add to those identified positions. We believe it is still likely that investor anxiety over Federal Reserve policy going forward will provide acute pullbacks and performance challenges. However, these may be historically significant buying opportunities for the names that the Blue Chips Elite model identifies as the most fundamentally strong and, in our estimation, likely to appreciate over time.

Technology does remain the dominant sector within the Blue Chips Elite's portfolio stock selection, followed by healthcare. Due to its technology-heavy allocation, the portfolio bounced back strongly in March, ahead of the broad market rally. Earnings reports are forthcoming and will highlight the true strength of the economic backdrop that is becoming a bit more cloudy.

There were some appreciable shifts within the featured selections last quarter, where JP Morgan (**JPM**), Home Depot (**HD**), Disney (**DIS**), and Paypal (**PYPL**) were removed in favor of names like NextEra Energy (**NEE**), Eli Lilly (**LLY**), Salesforce (**CRM**), and Accenture (**ACN**). In previous years, the portfolio's ability to quickly pivot between the eleven GICS sectors of the S&P 500 provided an attractive solution when the tenor of the economic cycle was transitioning. This year, while perhaps a bit more swift in the maneuvering, we are confident that Blue Chips Elite will continue to succeed in its long-term objective to investors.

The Blue Chips Elite portfolio returned -8.36% for the first quarter net of model fees, compared to its benchmark, the S&P 500, which returned -4.60% in Q1.

Kingsview Investment Management appreciates your continued support of the Blue Chips Elite portfolio. As the challenges of varying economic data and geopolitical conflict rise and fall over the coming months, the markets will likely continue to experience elevated volatility. We will search to find the true signals amidst the cacophony in an attempt to deliver the best risk-adjusted return in this challenging environment. We maintain it is best to remain diligent with your investment solutions by utilizing a time-tested, defensible methodology like what is seen in Blue Chips Elite. Should you wish to speak with one of our portfolio managers, please email investments@kingsview.com.

Performance & Risk Measures^{1,2,3}

As of: 3/31/2022

QTD NET OF MODEL PORTFOLIO RETURN	-8.36%
QTD NET OF MAX PORTFOLIO RETURN	-8.71%
QTD BENCHMARK RETURN	-4.60%
YTD NET OF MODEL PORTFOLIO RETURN	-8.36%
YTD NET OF MAX PORTFOLIO RETURN	-8.71%
YTD BENCHMARK RETURN	-4.60%
1 YR NET OF MODEL PORTFOLIO RETURN	13.87%
1 YR NET OF MAX PORTFOLIO RETURN	12.19%
1 YR BENCHMARK RETURN	15.63%
1 YR NET OF MODEL STD DEVIATION	17.68%
1 YR BENCHMARK STD DEVIATION	13.04%

In Summary

- We still believe investors will be most rewarded by remaining diversified throughout the equity landscape like the philosophy in the Blue Chips Elite portfolio.
- Technology does remain the dominant sector within the Blue Chips portfolio's stock selection, followed by healthcare.
- The Blue Chips Elite portfolio experienced a 33% turnover as four positions were sold and replaced.

Lead Portfolio Manager



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

¹Performance Net of Model Fees represents performance that has factored in an assumed fee of 0.60%. ²Performance Net of Max Fees that represents performance that has factored in an assumed fee of 2.10% (0.60% Model Fee plus 1.50% Advisor Fee). ³Benchmark S&P500.

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.

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 Blue Chips Elite 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 0.60% KIM model fee and the trading costs of the firm's Custodians (Raymond James, Charles Schwab, TD Ameritrade and Interactive Brokers). “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 advisory fees of 2.10%, the highest fee charged by KWM, which is inclusive of the 0.60% KIM model fee and the trading costs of the firm's Custodians (Raymond James, Charles Schwab, TD Ameritrade and Interactive Brokers). 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 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 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.

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. 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.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS