

Volume Factor Global Unconstrained (VFGU)

Q1 | 2026 Commentary

As markets entered the first quarter of 2026, global capital flows suggested that the broadening process observed late in 2025 was continuing, although not in a straight line. What began as a steady rotation toward diversification, quality, and global participation was temporarily disrupted by geopolitical conflict, which altered the near-term trajectory of capital flows without invalidating the underlying trend.

Volume Factor analysis continues to emphasize a simple premise: markets do not change direction due to headlines; they evolve through capital behavior. During Q1, capital flows reflected a pause in rotation rather than a reversal, as investors briefly re-concentrated exposure before gradually resuming broader participation.

In Q1, geopolitical tensions and war-related developments introduced a new layer of complexity into capital allocation decisions. Initial reactions favored perceived safety, liquidity, and familiarity, reinforcing short-term concentration in established leadership. However, as uncertainty stabilized, capital flows began to reassert a more diversified pattern.

This sequence is consistent with historical precedent. Periods of external shock often create temporary compression in leadership, but unless accompanied by systemic distribution, they tend to delay rather than derail broader rotation trends.

From a Volume Factor perspective, capital-weighted volume and breadth indicators did not confirm cause for widespread liquidation. Instead, they reflected repositioning, suggesting that institutional investors remained engaged while recalibrating exposures in response to evolving geopolitical and macro conditions.

Beneath the surface, Q1 volume trends continued to confirm a key structural theme: participation is expanding beyond narrow leadership. Capital flows increasingly favored:

- Mid- and small-cap growth exposures
- Multifactor and quality-based strategies
- Global and non-U.S. equities
- Income-oriented allocations as stabilizers

One of the defining characteristics of Q1 was the reduction of concentration risk without a corresponding exit from equities. Rather than abandoning growth entirely, capital flows suggested a more nuanced shift:

- From mega-cap dominance to broader growth participation
- From pure momentum towards quality and multifactor discipline
- From U.S.-centric exposure towards global diversification

This evolution reflects a market increasingly focused on balance-sheet strength, earnings durability, and diversification, rather than singular thematic exposure.

A notable development in Q1 was the renewed relevance of global equity exposure. After an extended period of U.S. market dominance, capital began to selectively re-engage:

- Developed international markets
- Emerging markets ex-China
- Currency-hedged global exposures

While geopolitical conflict introduced short-term volatility, it also reinforced the importance of geographic diversification, policy dispersion, and currency awareness, all of which support a more globally balanced capital allocation framework.

Another important theme emerging in Q1 was the role of income and quality as stabilizers within an evolving cycle. Rather than signaling defensive positioning, allocations to dividend and quality strategies reflected:

- A preference for cash flow durability
- Increased emphasis on balance-sheet strength
- A shift toward sustainable earnings profiles

From a volume standpoint, these areas showed steady accumulation rather than aggressive inflows, reinforcing the idea that capital was layering exposure, not rotating abruptly.

Throughout the quarter, the Volume Factor Global Unconstrained strategy maintained an offensive but adaptive posture, aligned with areas demonstrating sustained volume confirmation and improving participation.

The Q1 lineup reflects a market that is:

- Broadening across capitalization tiers
- Diversifying geographically
- Balancing growth with quality and income
- Repositioning rather than retreating

This positioning remains consistent with the core mandate: follow capital where it is being committed, not where narratives may suggest.

Behind the scenes, VFGU's Volume Factor Risk Overlay continued to monitor signs of institutional distribution. Despite geopolitical disruption and episodic volatility, capital-weighted volume, flows, and breadth measures have yet to trigger systemic deterioration. However, the risk-overlay stands ready to move defensively should the internal conditions merit action. As the global environment continues to evolve, the Volume Factor Global Unconstrained strategy remains anchored in its discipline: identify where capital is flowing, align with it, and protect against significant retreats.

We at Kingsview Investment Management appreciate your continued trust in the Volume Factor Global Unconstrained portfolio.

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

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 Volume Factor Global Unconstrained investment process. It does not reflect any investor's actual experience with owning, trading or managing an actual investment account.

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 adviser 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