

Select Subsector

Q2 | 2026 Commentary

The second quarter of 2026 marked a strong recovery in equity markets as investor sentiment improved following the volatility experienced earlier in the year. Inflation continued to moderate, providing greater confidence that price pressures were gradually easing, although still above the Federal Reserve's long term objective. The Federal Reserve maintained a patient, data-dependent approach to monetary policy, while interest rates fluctuated as investors evaluated the timing and magnitude of potential policy easing. The U.S. labor market represents a source of economic strength, with monthly non-farm payroll reports reflecting steady job creation and relatively low unemployment throughout the quarter.

Geopolitical developments also kept focus. Tensions in the Middle East periodically contributed to higher energy prices and episodes of market volatility. Nevertheless, improving corporate earnings, resilient consumer spending, and confidence in the U.S. economic outlook supported a broad recovery in equity markets.

Select Subsector utilizes a unique approach to sector rotation. Rather than allocating across broad market sectors, the strategy expresses its outlook through a diversified portfolio of more narrowly defined industry groups. Throughout the second quarter, the model consistently maintained a slight expansionary outlook, reflecting labor market resilience and stable economic conditions. As a result, no significant portfolio changes were required during the quarter.

Throughout the quarter, the portfolio held exposure to industries that we believe benefitted from continued digital transformation and artificial intelligence investment, including semiconductor equipment and software. The portfolio held allocations to specialized areas of healthcare, including pharmaceuticals, medical devices, healthcare providers, and managed care, where long term demographic trends and innovation support durable growth opportunities. Additional allocation to insurance, aerospace and defense, communication services, and consumer leisure businesses provided diversification across industries with distinct economic drivers while maintaining participation in long-term secular growth themes.

Looking ahead, we are constructive on the outlook for U.S. equities while recognizing that evolving Federal Reserve policy, inflation trends, and geopolitical developments may generate periods of market volatility. The strategy's disciplined, model-driven approach is focused on adapting to changing economic conditions through objective labor market data while emphasizing carefully selected industry exposures that we believe are well positioned to benefit from favorable long term fundamentals.

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.

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. 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