

Blue Chips

Q3 | 2025 Commentary

As the third quarter of 2025 came to a close, equity markets demonstrated both resilience and restraint, balancing between optimism for a soft landing and the realities of a still-fragile economic landscape. The summer's rally began to fade as investors reassessed the pace of earnings growth and the Federal Reserve's path forward. With inflation remaining somewhat sticky and geopolitical risks still flaring in key regions, markets entered the fall period with a tone of guarded confidence.

Within this evolving environment, the Blue Chips strategy remained steadfast in its focus on durable fundamentals—companies demonstrating strong balance sheets, consistent free cash flow generation, and leadership within their industries. While valuations in several defensive and technology names became extended, opportunities emerged to selectively realign capital into positions that offer both quality and attractive forward growth potential.

During the quarter, we exited positions in Kinder Morgan (KMI), Southern Company (SO), Thermo Fischer Scientific (TMO), and Walmart (WMT). Over the previous quarters, these companies were showing more moderating growth trends in net revenue as gross margin suffered contractionary pressures. The fresh capital we raised was allocated into new positions that we believe are better positioned for the coming quarters—Meta Platforms (META), Phillip Morris (PM), International Business Machines (IBM), and Booking Holdings (BKNG). These additions reflect a continued emphasis on innovation, profitability, and sector leadership. Phillip Morris is a controversial multinational company with a long history of maintaining a reasonable valuation due to steady net income measurements. Meta remains a foundational player in enterprise and AI-driven ecosystems, IBM provides a value-oriented exposure with consistent cash flow, and Booking Holdings benefits from sustained travel demand and robust pricing power across its global platforms.

Looking ahead, we continue to monitor evolving trends in capital markets, interest rate expectations, and corporate earnings revisions. While short-term volatility is likely to persist, we believe the current backdrop favors disciplined active management and patient capital allocation. Our focus remains on identifying businesses that can compound value through cycles, regardless of shifting headlines or political noise.

At Kingsview Investment Management, we sincerely appreciate your continued dedication to the Blue Chips strategy. While more and more episodes (both market related and otherwise) submit a challenge to investor resolve, our principles — research, conviction, and long-term perspective — continue to guide us through all variants of times. Quality and consistency have historically outlasted uncertainty and we are confident that staying true to our process will continue to serve our investors in the future.

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 comanaged ETF-based programs and he was author of the weekly "Astor Long/Short Balanced Update" newsletter. 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. He is a former columnist with TheStreet.com and is a volunteer with The Anti-Cruelty Society of Chicago. Mr. Martin graduated from Denison University with a double major in Economics and French.

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