Sector Alpha

Q3 | 2025 Commentary

The Sector Alpha portfolio's performance can be attributed to the portfolio's specific sector-focused weighting amongst eleven sectors of the S&P 500 GICS sector lineup.

The Sector Alpha strategy's third-quarter performance reflects a market environment defined by both renewed optimism and persistent caution. As the quarter progressed, investor sentiment continued to oscillate wildly with leadership across technology and communications and continued drag of tariffs and trade policy realignment. Markets soon became dependent on the Federal Reserve to be somewhat of an emotional savior, as expectations of a downward adjusting monetary policy took hold.

While the complexity of the backdrop has persisted, volatility has largely remained in check. Economic growth has been on the rise and employment has headlined its way into the borderline negative. However, certain bright spots still do exist in the labor market. The portfolio's targeted five-sector emphasis sought to maintain stability, especially through the quick and sharp short-term drawdowns during the quarter. Sector wise, we saw the portfolio adjust with the late-quarter addition of utilities alongside real estate.

The government shutdown has adjusted some of the economic data release timing and figures. Increased wrangling in Congress over the proposed budgetary solution is not out of the question and will provide a sideshow to the real question of mid-term election market risk bubbling up in the weary eyes of investors. Luckily, at present, the combination of emerging domestic AI dominance, central bank re-emergence and the wealth "effect" created by tax cuts and market gains signals less need for caution at this moment before more data arrives in the coming weeks.

At Kingsview Investment Management, we sincerely appreciate your continued dedication to the Sector Alpha 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.