

Strategic Allocation - Sector

Strategy Update: July 1, 2024



Investment Professional Use Only

Position Summary*

April 15, 2024		May 16, 2024		June 17, 2024	
Natural Resources	FNARX	Semiconductors	FSELX	Semiconductors	FSELX
Semiconductors	FSELX	Brokerage	FSLBX	Technology	FSPTX
Brokerage	FSLBX	Natural Resources	FNARX	Pharmaceuticals	FPHAX
Energy	FSENX	Environmental & Alt Energy	FSLEX	Brokerage	FSLBX
Communication Services	FBMPX	Construction	FSHOX	Environmental & Alt Energy	FSLEX
Construction	FSHOX	Utilities	FSUTX	Communication Services	FBPMX

Next Trade – July 18

*Allocations shown are for the Growth Risk Profile and are equally weighted

Sector Environment

	Trailing 3 Months	Trailing 1 Year
Communication Services (XLC)	5.2%	33.0%
Consumer Discretionary (XLY)	-0.6%	8.3%
Consumer Staples (XLP)	1.0%	6.3%
Energy (XLE)	-2.7%	16.0%
Financials (XLF)	-2.0%	24.0%
Health Care (XLV)	-1.0%	11.6%
Industrials (XLI)	-2.9%	15.4%
Materials (XLB)	-4.5%	8.7%
Real Estate (XLRE)	-1.9%	5.6%
Technology (XLK)	8.8%	31.1%
Utilities (XLU)	4.6%	7.7%

Performance through June 30, 2024

Commentary

For consecutive months, the model had three exchanges, after several months of just one or two. Removed from the model were Natural Resources, Construction, and Utilities – all leaning to the defensive, value side of the equity space. Added to the portfolio were Technology, Communication Services, and Pharmaceuticals – all on the growth end of the spectrum. With these trades, the only defensive holding is Environmental & Alternative Energy which is really more in the middle between value and growth. The model has not been this focused on growth since the beginning of the year. The Semiconductor fund, the second longest-held, was purchased in mid-January and is up just over 50% since that time.