

# Strategic Allocation - Sector

Strategy Update: May 19, 2022



Investment Professional Use Only

## Position Summary\*

March 17, 2022		April 18, 2022		May 19, 2022	
Natural Resources	FNARX	Natural Resources	FNARX	Energy	FSENX
Energy	FSENX	Energy	FSENX	Natural Resources	FNARX
Gold Miners	FSAGX	Healthcare	FSHCX	Consumer Staples	FDFAX
Industrials	FCYIX	Utilities	FSUTX	Utilities	FSUTX
Defense & Aerospace	FSDAX	Gold Miners	FSAGX	Healthcare	FSHCX
Healthcare	FSHCX	Consumer Discretionary	FSPCX	Insurance	FSPCX

**Next Trade – June 20**

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

## Sector Environment

	Trailing 3 Months		Trailing 1 Year	
Communication Services (XLC)	-19.9%		-23.7%	
Consumer Discretionary (XLY)	-11.8%		-8.4%	
Consumer Staples (XLP)		2.7%		14.3%
Energy (XLE)		15.1%		59.1%
Financials (XLF)	-11.3%		-3.2%	
Health Care (XLV)		-0.4%		8.9%
Industrials (XLI)	-5.3%		-5.4%	
Materials (XLB)		1.1%		4.2%
Real Estate (XLRE)		-1.0%		11.9%
Technology (XLK)	-12.5%			2.0%
Utilities (XLU)		3.6%		10.0%

Performance through April 30, 2022

## Commentary

For the third straight cycle, SA Sector-Growth had two exchanges in the latest reallocation. Removed from the portfolio were Gold Miners and Consumer Discretionary – the latter held for just one month. Added to the mix were Consumer Staples and Insurance. Insurance has been the brightest spot in the Financial sector, but it has not been held in SA Sector for over three years. Overall, the holdings are still tilted towards defensive sectors and away from growth-based areas of the market. In fact, the strategy has not bought a tech position since January. The longest held position, Natural Resources, has been part of the blend since January and has risen over 25% since that time.