

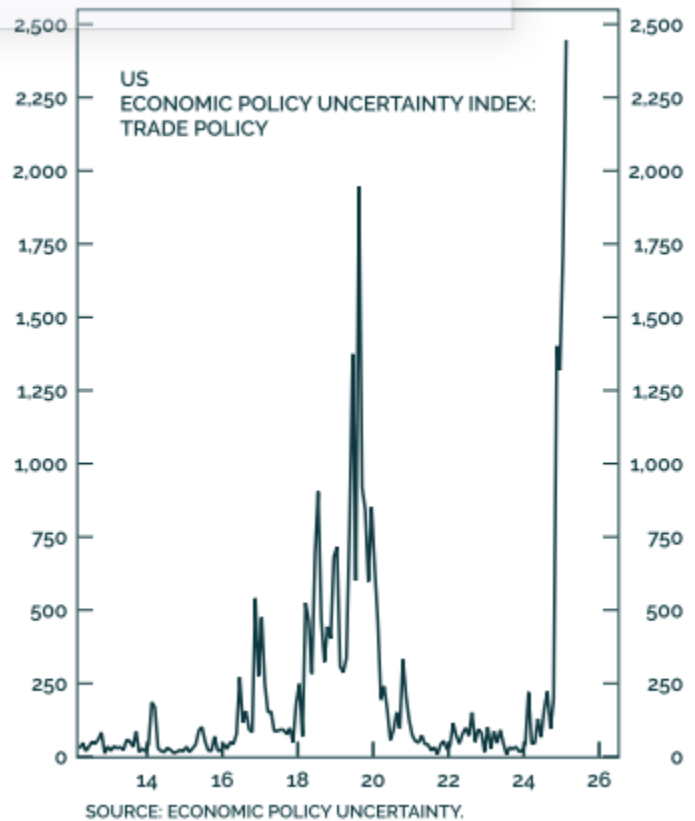
March 21, 2025

A Great Time to Be Tactical

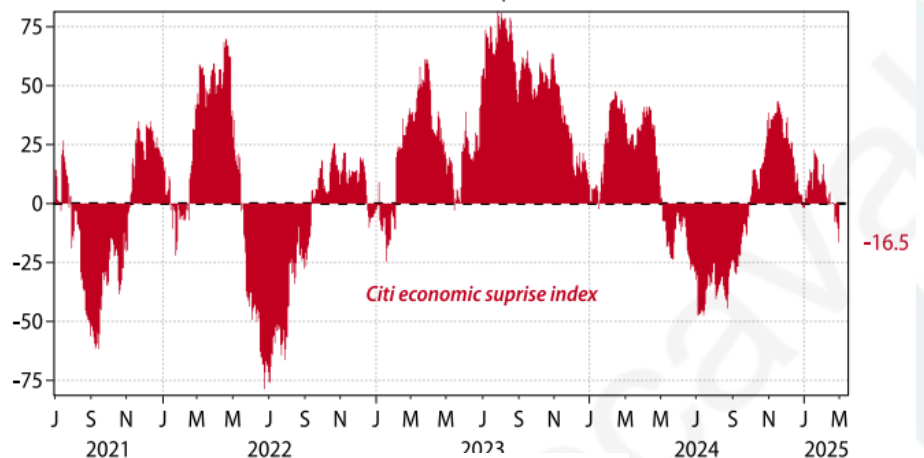
2025 has been no stranger to volatility. In our last commentary ([link](#)), we warned that with high valuations and economic uncertainty (Chart 1), it would not take a large catalyst to weigh on stocks. In the last three weeks risks have materialized, and major US indices have entered corrective territory (down 10%). As of writing, both the Nasdaq and S&P500 indices are below their 200 day moving averages. Additionally, the magnificent 7 stocks (which have powered the bull market) have been off about 20% from recent highs.

While tariffs and other rhetoric have fanned the flames of the current sell off, economic conditions have deteriorated since the beginning of February. Economic data has begun to miss expectations, and the Atlanta Fed GDP latest reading is now forecasting a contraction in Q1. Additionally, recent earnings reports have shown forward guidance deteriorating under the uncertainty. With the prospect of growth set to slow, investors no longer wanted to pay for stretched valuations. (Chart 2.)

Chart 1



US Citi economic surprise index



However, despite the longer-term fundamental concerns, we believe there is tactical opportunity. Our portfolios have been underweight equity to start the year (specifically the largest stocks relative to popular indices). Therefore, we started a tactical position in MAGS, which tracks the “Magnificent 7” stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla). We believe the sell-off is overdone in the near term and want to take advantage of deeply oversold conditions. It’s our belief, based off short-term technical factors, we could get a dead cat bounce, and the best way to gain exposure to this is in the most oversold areas. We plan to monitor the position closely. We exited equity positions in energy and real estate to shift our focus to this opportunity. (Chart 3).

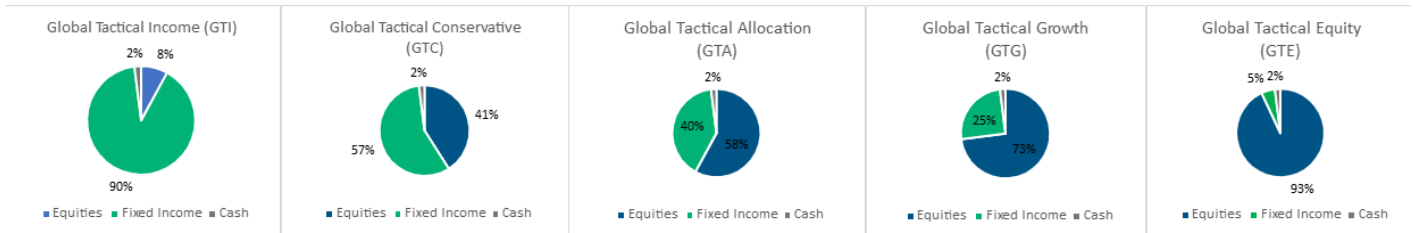


Chart 3. Source: StockCharts.com

Additionally, based off our short-term preference for growth equities, we took the opportunity to add exposure to our Momentum equity fund and reduce fixed income exposure. Within in our Fixed Income funds, we lowered our exposure to duration by shifting from longer term treasuries to intermediate term treasuries. Overall, our portfolio is more neutral to the prospects of risk assets.

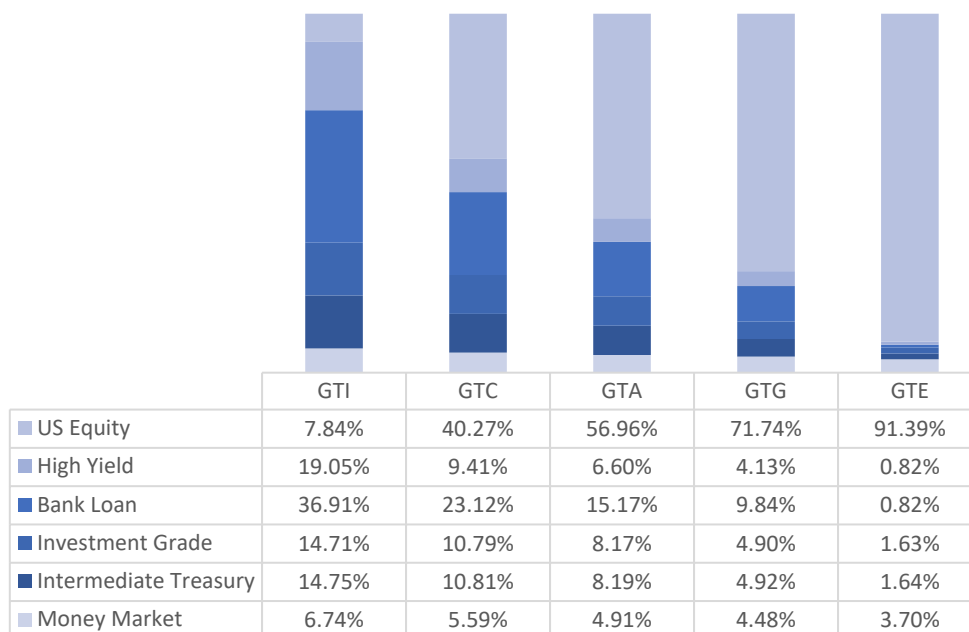
We continue to believe tactical allocation will be more important to navigate current markets. Volatility provides opportunity and we believe staying nimble will help clients reach long-term objectives. We will adapt as the facts change and focus on catalysts for investment regime change.

Recent Portfolio Changes

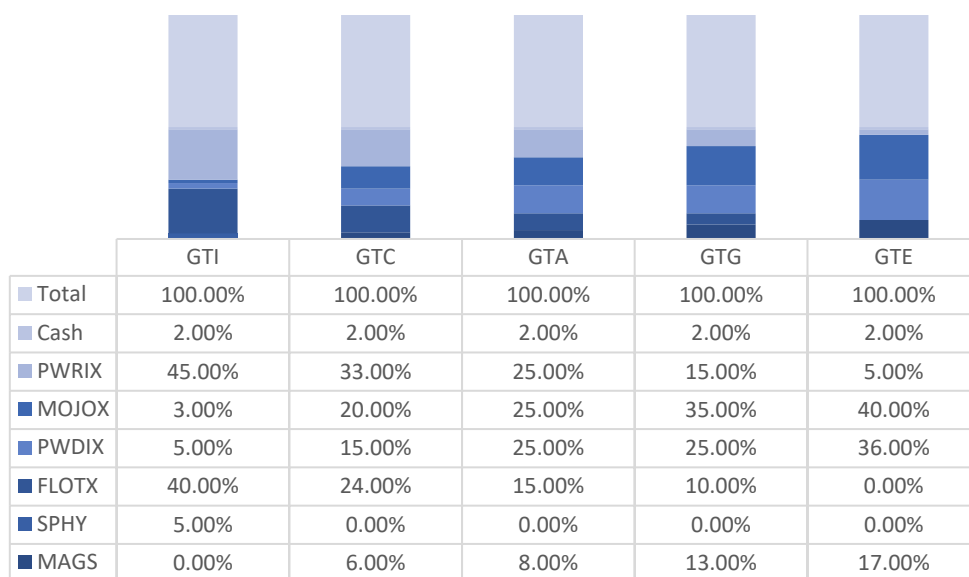


Changes to Holdings 3/6/2025											
		GTI	Change (%)	GTC	Change (%)	GTA	Change (%)	GTG	Change (%)	GTE	Change (%)
Equities		8%		41%		58%		73%		93%	
PWDIX	Donoghue Forlines Dividend Fund	5%	0%	15%	0%	25%	0%	25%	0%	36%	-10%
MAGS	Magnificent Seven ETF	0%	0%	6%	6%	8%	8%	13%	13%	17%	17%
XLE	Energy Select Sector Fund	0%	0%	0%	-3%	0%	-5%	0%	-10%	0%	-12%
MOJOX	Donoghue Forlines Momentum Fund	3%	3%	20%	3%	25%	5%	35%	5%	40%	15%
Fixed Income		90%		57%		40%		25%		5%	
FLOTX	Donoghue Forlines Risk Managed Income Fund	40%	0%	24%	-3%	15%	-5%	10%	-5%	0%	-5%
PWRIX	Donoghue Forlines Tactical Income Fund	45%	0%	33%	0%	25%	0%	15%	0%	5%	0%
SPHY	High Yield Bond ETF	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Alternatives		0%		0%		0%		0%		0%	
XLRE	Real Estate Select Sector Fund	0%	-3%	0%	-3%	0%	-3%	0%	-3%	0%	-5%
Cash		2%		2%		2%		2%		2%	
CASH-USD		2%	0%	2%	0%	2%	0%	2%	0%	2%	0%

Global Tactical Model Exposures as of 3/17/2025



Global Tactical Model Allocations as of 3/17/2025



Portfolio Performance as of February 28, 2025

Name	Model	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Global Tactical Allocation (gross)	Moderate	3.70	10.57	6.33	6.05	5.07	6.53
Global Tactical Allocation (net of 3%)		2.92	8.12	3.46	3.08	2.05	3.42
<i>DJ Moderately Conservative</i>		1.56	7.71	2.01	3.78	3.97	5.59
Global Tactical Income (gross)	Income	2.06	6.95	3.02	2.01	2.53	2.67
Global Tactical Income (net of 3%)		1.30	4.58	0.23	-0.85	-0.41	-0.31
<i>Bloomberg Global Aggregate</i>		2.01	2.98	-2.83	-1.95	0.45	0.02
Global Tactical Conservative (gross)	Conservative	2.90	9.23	5.05	4.86	—	3.71
Global Tactical Conservative (net of 3%)		2.13	6.81	2.21	1.93	—	0.72
<i>DJ Conservative</i>		1.08	6.41	0.91	1.32	—	1.97
Global Tactical Growth (gross)	Growth	4.10	11.57	7.12	7.47	—	6.99
Global Tactical Growth (net of 3%)		3.33	9.10	4.22	4.47	—	3.89
<i>DJ Moderate</i>		2.04	9.34	3.80	6.56	—	6.64
Global Tactical Equity (gross)	Aggressive Growth	5.38	13.77	8.79	9.36	—	6.50
Global Tactical Equity (net of 3%)		4.59	11.25	5.85	6.29	—	3.44
<i>DJ Moderately Aggressive</i>		2.25	10.96	5.63	9.31	—	7.19

You can get more information by calling (800) 642-4276 or by emailing.

Best regards,

John A. Forlines III

Chief Investment Officer



Past performance is no guarantee of future results. Performance prior to January 1, 2018 was earned on accounts managed at a predecessor firm, JAForldines Global. The person primarily responsible for achieving that performance continues to manage accounts at Donoghue Forlines in a substantially similar manner. The material contained herein as well as any attachments is not an offer or solicitation for the purchase or sale of any financial instrument. It is presented only to provide information on investment strategies, opportunities and, on occasion, summary reviews on various portfolio performances. The investment descriptions and other information contained in this Markets in Motion are based on data calculated by Donoghue Forlines LLC and other sources including Morningstar Direct. This summary does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. The views expressed are current as of the date of publication and are subject to change without notice. There can be no assurance that markets, sectors or regions will perform as expected. These views are not intended as investment, legal or tax advice. Investment advice should be customized to individual investors objectives and circumstances. Legal and tax advice should be sought from qualified attorneys and tax advisers as appropriate. The calculation and presentation of performance has not been approved or reviewed by the SEC or its staff.

The Donoghue Forlines Global Tactical Allocation Portfolio composite was created July 1, 2009. The Donoghue Forlines Global Tactical Income Portfolio composite was created August 1, 2014. The Donoghue Forlines Global Tactical Growth Portfolio composite was created April 1, 2016. The Donoghue Forlines Global Tactical Conservative Portfolio composite was created January 1, 2018. The Donoghue Forlines Global Tactical Equity Portfolio composite was created January 1, 2018.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Individual portfolio returns are calculated monthly in U.S. dollars. These returns represent investors domiciled primarily in the United States. Past performance is not indicative of future results. Performance reflects the re-investment of dividends and other earnings.

Net 3% Returns

For all portfolios, net 3% returns are presented net of a hypothetical maximum fee of three percent (3%). Actual fees applicable to an individual investor's account will vary and no individual investor may incur a fee as high as 3%. Please consult your financial advisor for fees applicable to your account.

Fee Schedule

The investment management fee schedule for all portfolios is: Client Assets = All Assets; Annual Fee % = 0.00%. Actual investment advisory fees incurred may vary and should be confirmed with your financial advisor.

Each portfolio includes holdings on which Donoghue Forlines may receive management fees as the advisor and/or subadvisor or from separate revenue sharing agreements. Please see the prospectuses for additional disclosures.

The investment management fee schedule for the composites is: Client Assets = All Assets; Annual Fee % = 0.00%. Actual investment advisory fees incurred may vary and should be confirmed with your financial advisor.

The DJ Moderately Aggressive Portfolio Index is a member of the Dow Jones Relative Risk Index Series and is designed to measure a total portfolio of stocks, bonds, and cash, allocated to represent an investor's desired risk profile. The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. The DJ Moderately Conservative index measures the performance of returns on its total portfolios with a target risk level of Moderately Conservative-investor will take 40% of all stock portfolio risk. Its portfolios include three major asset classes: stocks, bonds and cash. The weightings are rebalanced monthly to maintain the target level. The index is subset of the global series of Dow Jones Relative Risk Indices. The DJ Conservative index measures the performance of returns on its total portfolios with a target risk level of Conservative-investor will take 20% of all stock portfolio risk. Its portfolios include three major asset classes: stocks, bonds and cash. The weightings are rebalanced monthly to maintain the target level. The index is subset of the global series of Dow Jones Relative Risk Indices. The DJ Moderate index measures the performance of returns on its total portfolios with a target risk level of Moderate investor will take 60% of all stock portfolio risk. Its portfolios include three major asset classes: stocks, bonds and cash. The weightings are rebalanced monthly to maintain the target level. The index is subset of the global series of Dow Jones Relative Risk Indices.

Index performance results are unmanaged, do not reflect the deduction of transaction and custodial charges or a management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. You cannot invest directly in an Index. Economic factors, market conditions and investment strategies will affect the performance of any portfolio, and there are no assurances that it will match or outperform any particular benchmark.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. For a compliant presentation and/or the firm's list of composite descriptions, please contact 800-642-4276 or info@donoghueforlines.com.

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