

# Lyons Tactical Allocation Portfolio

*A Different Approach to Tactical*



## “Take Me Higher”

Diana Ross or Creed – pick your flavor – March 2021 was all things “take me higher”. Higher bond yields, higher inflation (fears, for now), higher taxes (looming), higher prices from supply chain constraints, and ultimately, higher stock prices were the flavors of the month for financial markets. The bond yield backup continued in early March and so did the selloff in stocks with high valuations, high growth, and high momentum – basically any stock investors had been high on for months. The NASDAQ Composite hit correction territory, while the S&P 500’s decline from February highs was half as ugly, reflecting the rotation from growth/momentum to value/cyclicals. Perhaps more importantly, the concentration of de-risking in one segment of the market demonstrated relatively favorable sentiment for the equity asset class overall. Bond yields’ upward trajectory stabilized, as did the de-risking. Interestingly, both indexes closed the month rallying roughly 6.8% from their selloff lows (intraday). The S&P 500 logged a 4.38% gain and the NASDAQ recovered to a successfully flat finish of +0.48%.

Weakness in bonds spanned the various segments of the fixed income asset class. Such weakness paired with equity market fluctuation creates a varying short-term correlation dynamic, which generally is an unfavorable landscape for the tactical space. LTAP performed among the top 5% of its peers for the month, however, gaining 5.58% in March compared with 2.02% for the benchmark and 1.92% for the Morningstar Tactical peer group. Strength is largely attributed to our all-equity allocation and our stock selection emphasis on companies leveraged to economic reopening & resurgence. A third of our selections outpaced the S&P 500. Winners outnumbered losers 23 to 2, with one of our runaway performers of the first quarter, Ubiquiti Inc. (NYSE:UI), returning to earth’s atmosphere in late March after climbing to a 40% YTD gain.

As we enter the second quarter, our tactical risk model continues to generate positive signals. We maintain an all-equity allocation accordingly. We have elected to make no changes to our portfolio constituents based on our expectations for continued tailwinds behind reopening and the digital revolution. We will continue to maintain diligence in executing our differentiated approach to tactical.

## Mutual Fund Wins Investors Choice Award

We are pleased to announce that the mutual fund version of Lyons Tactical (CLTAX) has been recognized by [Investors Choice Awards 2021: Americas Top Performers](#). The annual Investors Choice Awards honor investment managers that have achieved outstanding risk adjusted absolute returns. CLTAX has been acknowledged for outstanding investment management in the Best Equity Fund Under \$100m. This latest award follows three Lipper Fund Awards received by CLTAX in prior years, reflecting the value our tactical strategy brings to investors.

## Net-of-Fees Performance as of March 31, 2021

Annualized if greater than 1 year, unless noted otherwise

	Since Inception					
	Month	1 Year	3 Years	5 Years	Annualized	Cumulative
Lyons Tactical Allocation Portfolio	5.58%	44.21%	13.77%	13.08%	12.79%	192.47%
Lipper Flexible Portfolio Funds Index	2.02%	42.13%	10.67%	10.58%	8.36%	104.53%
+/- Benchmark	+3.56%	+2.08%	+3.10%	+2.50%	+4.43%	+87.94%

VISIT: [Lyons Tactical Allocation](#)

### Allocation History As of March 31, 2021

March: Offense

Apr: Offense

Track record in months: 108

Months on offense: 95

Defensive shifts: 1

Months on defense: 13



March 2021 Commentary

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### DISCLOSURE

<sup>1</sup> This statement applies generally to initial purchases of a position. Additional shares of a particular stock purchased at subsequent quarterly rebalances may still remain in short-term holding status (owned for less than one year) at the time of this publication.

*Broadridge MarketPlace is an investment manager database that serves as an objective, third-party supplier of information. Broadridge MarketPlace's Best Money Manager ranking is a comprehensive survey of institutional money manager performance. To be eligible for recognition as a Broadridge Best Money Manager, performance must be calculated on an asset size, which is at least \$10 million in size for traditional US asset classes or \$1 million for international and alternative investments. Classifications must fall into one of the categories that Lipper ranks (minimum of 20 contenders). All performance data must be calculated net of all fees. For additional information regarding the criteria used by Broadridge MarketPlace, see Minimum Criteria for Inclusion in Best Money Managers listed in the Disclosure of Lyons Wealth's separate Lipper ranking history document.*

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Lyons Wealth Management ("LWM") began formally tracking its strategy performance as of April 31st, 2012. Portfolio composite returns are preliminary and are presented on a time-weighted, size-weighted total return basis using monthly portfolio valuations. The composite returns for each LWM portfolio presented herein include all eligible LWM accounts. To be eligible for inclusion in the LWM composite, an account must be fee paying, fully discretionary, and not part of a broker wrap program. New portfolios that are managed to the Tactical Allocation Portfolio investment strategy and meet the composite definition will be added to the composite when fully invested. The composite is not representative of all accounts managed by LWM. All returns are expressed in U.S. Dollars and are presented net of all fees and expenses. The returns reflect the reinvestment of all dividends and interest. The return information presented herein has not been audited or otherwise verified by an independent accounting firm, and past performance of any LWM portfolio does not guarantee future results.

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