

## A Standout Week for the Strategy

*Week of June 22 to 26, 2026*

Every so often a week comes along that is worth stopping to talk about, and last week was one of those. Our sector strategy finished the week up about 1.3 percent. Over those same five trading days, the benchmark I think makes the most sense to compare against, a plain balanced fund that holds 60 percent stocks and 40 percent bonds, actually lost about 1.4 percent. Put those two together and the strategy came out ahead by roughly 2.7 percentage points in a single week.

A gap that size does not come around very often. I went back through every week since late 2000, which is more than 1,300 weeks of real history, and a week this good against the balanced fund has only happened about one time in seventy. Another way to say it is that last week landed in the best one and a half percent of every week we have on record. For the folks who like a little statistics, it was a bit more than two standard deviations above average, and standard deviation is simply a measure of how far a result strays from the everyday norm. The plain English version is that this was a real outlier, and not some ordinary little wiggle.

Here is the part I find most interesting. Most of the time, when this strategy pulls way out ahead of a balanced fund, it is because it is playing defense. The system steps aside into cash when sectors break down, so during the worst weeks of 2008 and 2020 it was sitting safely on the sidelines while everything else was falling apart. Last week was a very different kind of win. The strategy was fully engaged, with nine of its eleven sectors invested in the market, and it climbed while the balanced fund slipped.

So what was actually going on underneath? Last week the giant companies, the small handful of household names that dominate the popular indexes, hit a rough patch and dragged those indexes lower with them. The average stock, on the other hand, held up just fine. Because our strategy spreads its money evenly across all eleven sectors instead of piling into a few giants, it stayed in step with that healthy average stock rather than the stumbling giants. The balanced fund leans the other way, heavy in those same big names, and its bond holdings did not earn enough to make up the difference.

I want to be straight with you about what this does and does not mean. One terrific week is still only one week, and I am not going to sit here and pretend it tells us anything about the next one. What it does do is show the quiet value of spreading your bets evenly and sticking to a plan. Some weeks that even handed approach shelters you in a storm, and other weeks, like this one, it simply keeps your money in the right places while the crowd is staring somewhere else. Either way, I will keep running the same playbook, week after week, and I will keep showing you exactly how it does.