

A panoramic view of the Seattle skyline under a clear blue sky. The Space Needle is prominent on the left. In the foreground, there are some trees and a building with a glass facade. In the background, the Olympic stadium is visible. The text is overlaid on a semi-transparent white box in the center-right of the image.

Vanilla Blue Chip Portfolio

Investing at its simplest

Blue Chip

“An informal term for the most reliable and valuable companies on the market. These are usually companies with a long track record of financial stability. They are usually leaders within their industry.”

The key characteristics of the Blue Chip Portfolio

- *Invests in established large cap companies*
- *With global revenue streams*
- *Are active participants in today's mega trends*

The stock selection framework

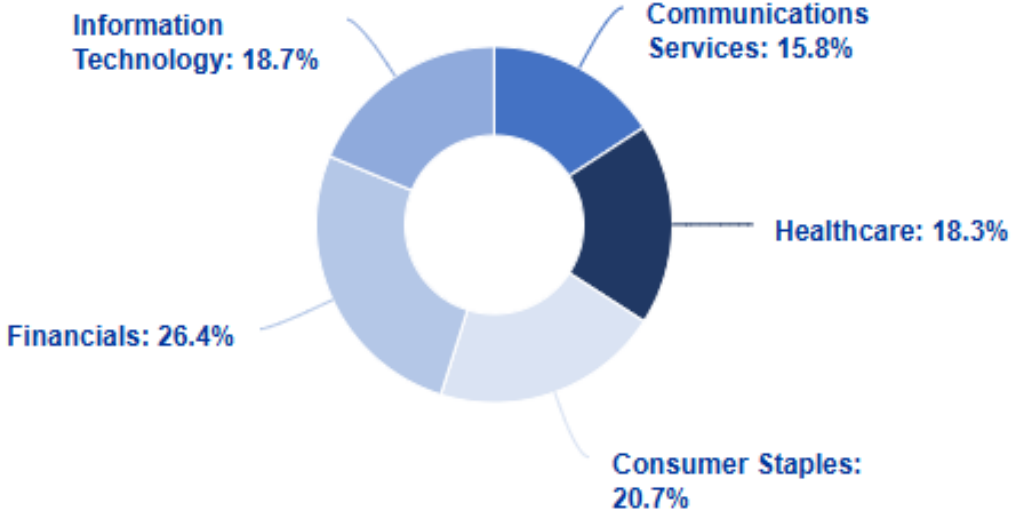
- *First identify the 4 most promising GIC sectors from the full set of 11 sectors*
- *Choose the top 4 sectors based on a blend of a Macro Economic and a Market Trend signal*
- *Within each sector, the top 5 stocks are selected based on their market cap and trending score*
- *The selection process has a discretionary override, allowing the investment team to be reactive to changes in the markets*
- *The portfolio is constructed using these stocks along with a core position in Berkshire Hathaway*



Current Holdings

Company	Ticker	Sector	Market Cap (\$bn)	Weights
Berkshire Hathaway Inc.	BRK-B	Financials	\$1,143.9	26.44%
Walmart Inc.	WMT	Consumer Staples	\$779.4	6.57%
Eli Lilly and Company	LLY	Healthcare	\$713.1	6.41%
Costco Wholesale Corporation	COST	Consumer Staples	\$443.3	5.58%
Alphabet Inc.	GOOG	Communication Services	\$1,965.5	5.10%
Meta Platforms, Inc.	META	Communication Services	\$1,444.5	4.89%
The Procter & Gamble Company	PG	Consumer Staples	\$375.1	4.26%
Broadcom Inc.	AVGO	Technology	\$927.8	4.02%
Microsoft Corporation	MSFT	Technology	\$3,161.8	4.00%
NVIDIA Corporation	NVDA	Technology	\$2,723.3	3.91%
Apple Inc.	AAPL	Technology	\$3,204.5	3.59%
The Coca-Cola Company	KO	Consumer Staples	\$306.8	3.53%
UnitedHealth Group Incorporated	UNH	Healthcare	\$364.7	3.39%
Johnson & Johnson	JNJ	Healthcare	\$371.6	3.34%
Taiwan Semiconductor Manufacturi	TSM	Technology	\$766.9	3.20%
Novo Nordisk	NVO	Healthcare	\$298.1	3.14%
Netflix, Inc.	NFLX	Communication Services	\$482.4	3.12%
AstraZeneca	AZN	Healthcare	\$218.6	2.06%
T-Mobile US, Inc.	TMUS	Communication Services	\$280.5	1.62%
The Walt Disney Company	DIS	Communication Services	\$164.2	1.03%
Colgate-Palmolive Company	CL	Consumer Staples	\$73.5	0.79%
			\$20,209.4	100.00%

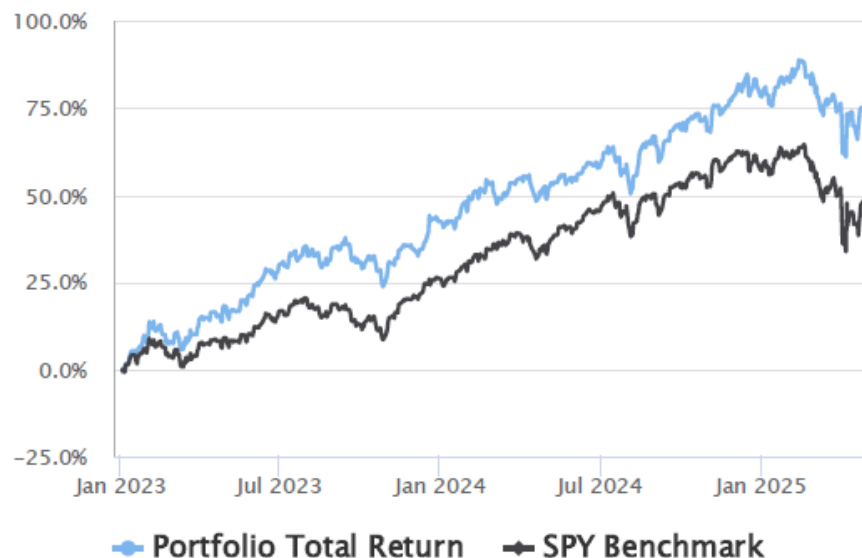
Equity Sector Allocations





Risk/Return Analytics (USD)

Portfolio Performance vs. Benchmark



Statistics

Number of Allocations	21
1M Return	0.75%
3M Return	-3.63%
6M Return	4.89%
1Y Return	18.35%
3Y Return	N/A
Overall Volatility	15.67%
Maximum Drawdown	8.73%

	▲ Jan	◆ Feb	◆ Mar	◆ Apr	◆ May	◆ Jun	◆ Jul	◆ Aug	◆ Sep	◆ Oct	◆ Nov	◆ Dec	◆ YTD
2023	9.41%	-1.35%	5.94%	3.48%	2.24%	7.46%	4.28%	-0.38%	-3.23%	-3.36%	6.63%	5.88%	42.62%
2024	1.93%	5.94%	2.88%	-3.30%	3.87%	1.76%	0.68%	5.05%	2.12%	-1.18%	5.70%	0.25%	28.55%
2025	2.72%	0.90%	-5.21%	0.75%									-1.01%

A healthcare professional, likely a radiologist or technician, is seated at a workstation in a radiology department. She is wearing a white lab coat and has her hair tied back. She is holding a physical X-ray film up to a large monitor on the left, which displays a chest X-ray. In the background, another monitor shows a similar chest X-ray. To the right, a large monitor displays a grid of axial CT scan slices of a head, with several slices highlighted in yellow. The room is dimly lit, with light coming from a window in the background. The overall atmosphere is professional and focused on medical analysis.

Trends in Healthcare

INSIDER
MONKEY

GE HealthCare (GEHC) Launches AI-Powered Ultrasound for Early Cancer Detection

Niloy Chakrabarti

March 24, 2025 • 4 min read



In This Article:

079950.KQ +1.88% ☆

We recently compiled a list of the [Top 8 Trending AI Stock Updates On Wall Street Today](#). In this article, we are going to take a look at where GE HealthCare Technologies Inc. (NASDAQ:GEHC) stands against the other AI stocks.

Artificial Intelligence (AI) & Machine Learning in Diagnosis and Care



Trends in Communication Services

INDIA TODAY NORTHEAST MALAYALAM BUSINE:

News / Technology / News / Netflix adds 9.33 million subsc...

Netflix adds 9.33 million subscribers after banning password sharing

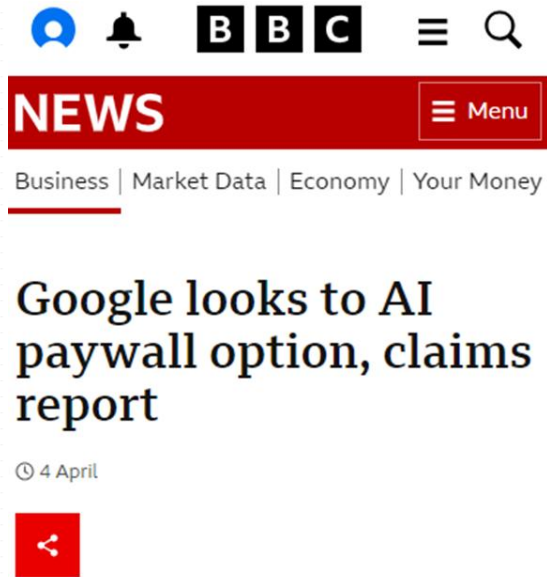
Netflix added a staggering 9.33 million new subscribers to its platform in the first quarter of 2024, marking a significant surge in its global user base. This growth comes in the wake of the streaming giant's aggressive crackdown on password sharing.

Streaming Services
are one of the big
trends in
Communication
Services

An aerial photograph of the Apple Park building, a large circular structure with a glass facade, surrounded by lush green trees. In the background, a cityscape and mountains are visible under a clear sky. A semi-transparent white rectangular box is centered over the building, containing the text "Trends in Information Technology" in a blue, sans-serif font.

Trends in Information Technology

Generative AI is one of the mega trends within Information Technology

A screenshot of a BBC News article. At the top, there are navigation icons for a speech bubble, a bell, the BBC logo, a hamburger menu, and a search icon. Below this is a red header with the word "NEWS" in white, and a "Menu" button. Underneath the header, there are links for "Business | Market Data | Economy | Your Money". The main headline reads "Google looks to AI paywall option, claims report". Below the headline, it says "4 April" and there is a red share icon.

Meta is another company trying to make it big in Generative AI

WSJ

Meta Releases Latest AI Model, Seeking to Build Out Rival to ChatGPT

Social-media company is unveiling Llama 3, a follow-up to its large language model that will be available to the public

By [Salvador Rodriguez](#) [Follow](#) and [Joanna Stern](#) [Follow](#)

Updated April 18, 2024 3:17 pm ET

[↶](#) [AA](#) [🎧](#)





Trends in Consumer Staples

Walmart, the world's largest retailer is bringing drone delivery to the masses.



The world's largest retailer is bringing drone delivery to the masses.

Walmart on Thursday announced that later this month, customers in the fast-growing Dallas-Fort Worth area will be able to order drone delivery directly through the company's app, with orders arriving in as little as 30 minutes.

Since introducing drone delivery in 2021, Walmart says it has completed more than 30,000 deliveries. As of January, the firm's DFW service – operated in partnership with industry titans Zipline and Wing, the drone delivery arm of Google parent Alphabet – covers an estimated 1.8 million households.

Enhancing Scents with AI: The Story Behind Palmolive Aroma Essence



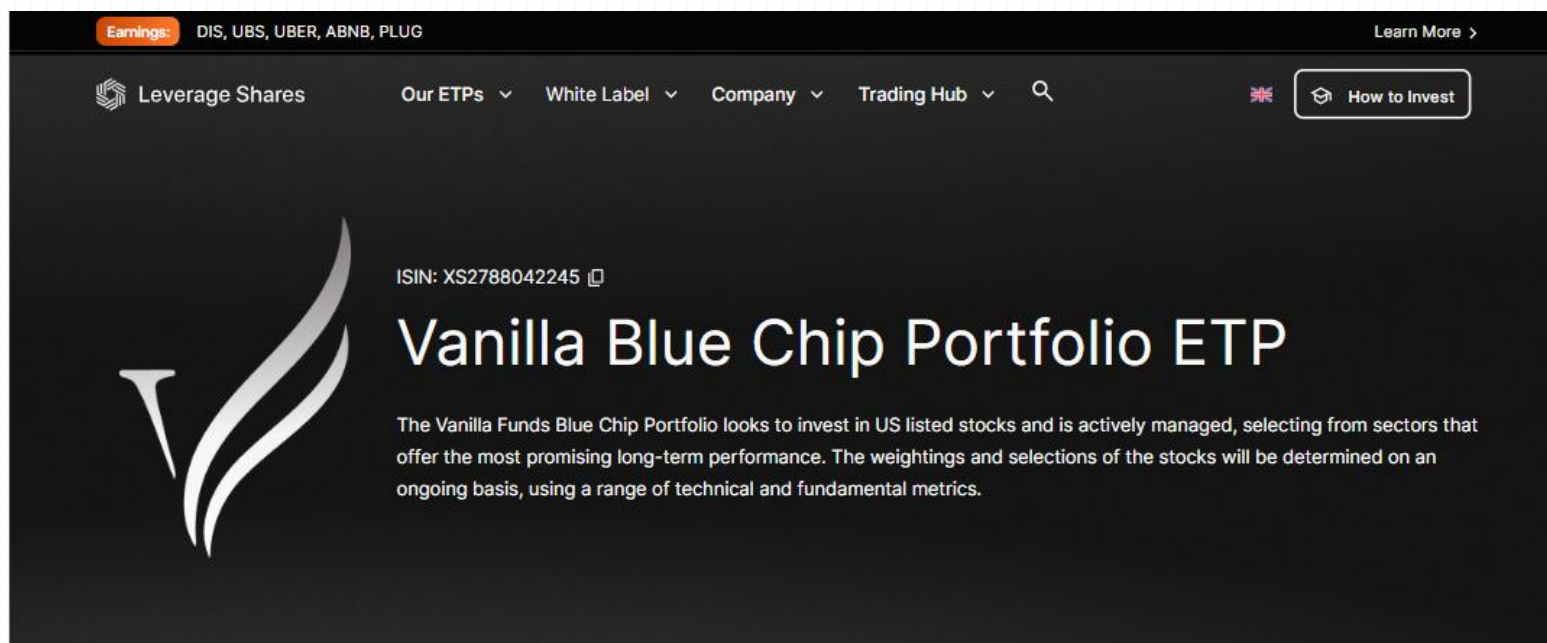
Colgate-Palmolive news article – 3rd July 2024

Perfecting the art of scent creation has always been a complex task, balancing science and experience to achieve the desired emotional impact.

Recent developments in machine learning and artificial intelligence are enabling new opportunities for fragrance creation and development, unlocking the principles of achieving the ideal fragrance for any desired mood.

“The algorithm predicts a certain percentage of the enhancement of the specific emotion that the fragrance was created for,” said Rafael Giganti, the Senior Director of Fragrance Development at Colgate-Palmolive. “And our panel tests confirmed these predictions.”

Listed on The London Stock Exchange

A screenshot of the Vanilla website's product page for the Vanilla Blue Chip Portfolio ETP. The page has a dark background with white text. At the top, there is a navigation bar with 'Earnings: DIS, UBS, UBER, ABNB, PLUG' on the left and 'Learn More >' on the right. Below the navigation bar, there are several menu items: 'Leverage Shares', 'Our ETPs', 'White Label', 'Company', and 'Trading Hub', each with a dropdown arrow. A search icon is also present. On the right side of the navigation bar, there is a 'How to Invest' button with a magnifying glass icon. The main content area features the Vanilla logo on the left. To the right of the logo, the ISIN 'XS2788042245' is displayed. The title 'Vanilla Blue Chip Portfolio ETP' is prominently displayed in a large, white, sans-serif font. Below the title, there is a paragraph of text describing the ETP's investment strategy: 'The Vanilla Funds Blue Chip Portfolio looks to invest in US listed stocks and is actively managed, selecting from sectors that offer the most promising long-term performance. The weightings and selections of the stocks will be determined on an ongoing basis, using a range of technical and fundamental metrics.'



Vanilla Blue Chip Portfolio

Stock Selection
Methodology

US Equity Sector Selection

The Stylized Facts



The Multi-Model Approach

- To make informed investment decisions, we begin by identifying the four most promising GICS sectors from the full set of eleven.
- This first step ensures we're narrowing our focus to the sectors with the highest potential based on a wide spectrum of economic and market data.
- Our selection framework combines a Macro Economic Machine Learning Model and a Market Trend signal.
- This dual approach allows us to harness both deep economic insights and real-time market dynamics.
- By combining predictive analytics with trend-following techniques, we're able to identify the top four sectors that are best positioned for growth.



The Stylized Facts

Sector	Style	Opportunities	Risks	Key Drivers
Technology (XLK)	Growth	High revenue and earnings growth from innovation	Valuation volatility, especially with rising interest rates	Digital transformation, AI, cloud computing, consumer tech
Consumer Discretionary (XLY)	Growth, Cyclical	Strong growth during economic expansions	Vulnerable to economic downturns and inflation impacts	E-commerce, travel recovery, lifestyle trends
Consumer Staples (XLP)	Defensive	Stability and resilience during downturns	Limited growth in bull markets, sensitive to commodity prices	Population growth, demand in emerging markets, consistent cash flows
Energy (XLE)	Value, Cyclical	Strong returns during rising oil prices and geopolitical instability	High sensitivity to price volatility, regulatory and ESG risks	Global energy demand, OPEC policies, renewable energy trends
Financials (XLF)	Value, Cyclical	Benefit from rising interest rates	Exposure to credit cycles and regulatory changes	Interest rates, M&A activity, digitization of financial services
Health Care (XLV)	Defensive, Growth	Resilience in downturns, long-term growth from demographics and innovation	Regulatory challenges, drug pricing reforms	Aging population, biotech advancements, demand for services
Industrials (XLI)	Cyclical, Value	Gains from economic recovery and infrastructure spending	Sensitive to global trade uncertainties and economic slowdowns	Infrastructure investments, automation, defense spending
Materials (XLB)	Cyclical, Value	Benefit from rising commodity prices and industrial growth	Vulnerable to economic slowdowns and commodity price volatility	Infrastructure projects, emerging market growth, ESG-driven innovations
Real Estate (XLRE)	Income, Defensive	Steady REIT dividends, inflation protection via property value appreciation	Interest rate sensitivity, property demand declines during downturns	E-commerce logistics, urbanization, housing demand
Communication Services (VOX)	Growth, Defensive	Cash flow from telecoms and growth in digital media and streaming	Regulatory scrutiny, competition in digital platforms	5G rollout, streaming growth, advertising recovery
Utilities (XLU)	Defensive, Income	Resilience during downturns, consistent dividend payouts	Interest rate sensitivity, regulatory risks	Decarbonization, renewable energy, steady utility demand

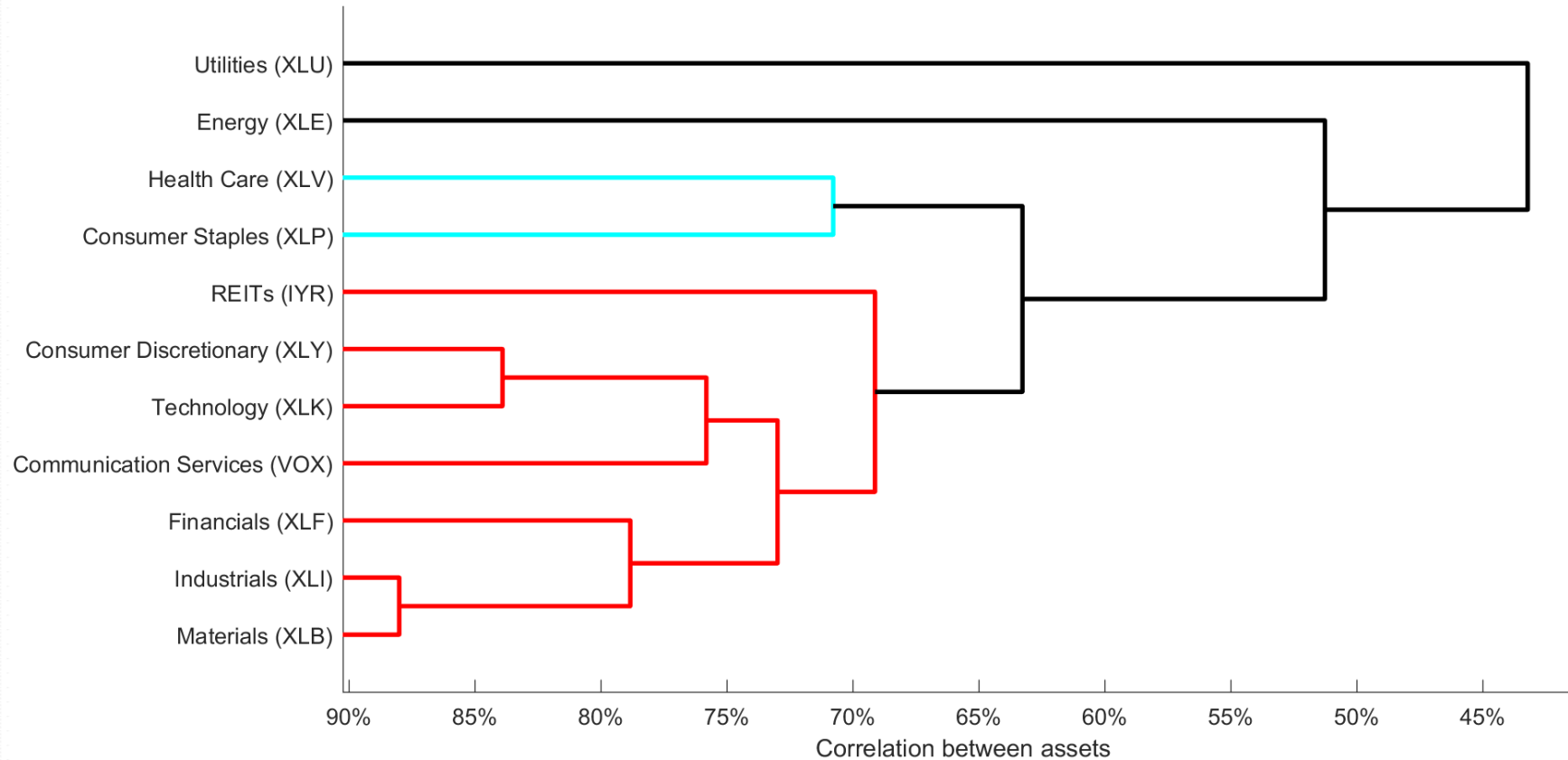


US Sector ETFs – 20 Year Returns

Sector (Ticker)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	20 Year Return
Technology (XLK)	-0.32%	12.15%	15.45%	-41.51%	51.32%	11.39%	2.61%	15.29%	26.24%	17.84%	5.47%	15.01%	34.26%	-1.68%	49.86%	43.62%	34.74%	-27.73%	56.02%	9.87%	1288.44%
Health Care (XLV)	6.40%	7.04%	7.15%	-23.32%	19.50%	3.29%	12.38%	17.36%	41.39%	25.12%	6.82%	-2.77%	21.76%	6.27%	20.44%	13.30%	26.04%	-2.09%	2.07%	9.88%	684.05%
Consumer Discretionary (XLY)	-6.57%	18.41%	-13.67%	-32.97%	40.57%	27.46%	5.99%	23.59%	42.74%	9.46%	9.90%	5.97%	22.82%	1.58%	28.39%	29.63%	27.93%	-36.28%	39.64%	-0.60%	642.43%
Consumer Staples (XLP)	2.84%	14.49%	12.69%	-15.02%	14.27%	13.78%	14.09%	10.72%	26.31%	15.72%	6.87%	4.98%	12.98%	-8.07%	27.43%	10.11%	17.20%	-0.82%	-0.82%	17.98%	601.96%
Industrials (XLI)	2.75%	13.52%	13.49%	-38.73%	22.03%	27.82%	-1.10%	14.92%	40.55%	10.36%	-4.32%	20.00%	23.98%	-13.25%	29.08%	10.91%	21.08%	-5.58%	18.13%	12.92%	601.39%
Utilities (XLU)	16.39%	20.90%	18.42%	-28.91%	11.71%	5.30%	19.64%	1.04%	13.06%	28.75%	-4.93%	16.07%	12.05%	3.94%	25.93%	0.51%	17.70%	1.43%	-7.18%	29.38%	571.92%
Materials (XLB)	4.08%	18.26%	22.19%	-44.05%	48.15%	20.56%	-10.92%	14.69%	25.99%	7.18%	-8.69%	16.80%	24.01%	-14.88%	24.13%	20.46%	27.44%	-12.23%	12.46%	6.87%	469.18%
Energy (XLE)	40.13%	18.05%	36.84%	-38.98%	21.69%	21.72%	2.79%	5.17%	26.25%	-8.68%	-21.50%	28.03%	-0.89%	-18.22%	10.66%	-32.67%	53.28%	64.25%	-0.60%	7.43%	416.14%
Communication Services (VOX)	2.01%	36.69%	5.11%	-38.57%	29.49%	19.54%	-2.16%	16.56%	24.28%	4.03%	2.70%	22.78%	-5.50%	-16.75%	28.03%	29.12%	13.83%	-38.85%	44.81%	19.90%	407.25%
Financials (XLF)	6.79%	19.57%	-18.68%	-54.47%	18.17%	12.17%	-16.82%	28.96%	36.03%	15.50%	-1.33%	51.33%	22.00%	-13.06%	31.88%	-1.74%	34.80%	-10.60%	12.03%	21.26%	354.89%
REITs (IYR)	8.95%	34.91%	-18.15%	-39.88%	30.58%	26.54%	5.55%	18.21%	1.16%	26.69%	1.62%	7.01%	9.31%	-4.33%	28.21%	-5.23%	38.74%	-25.51%	11.89%	12.84%	344.53%

- 11 US Equity ETFs tracking GIC sector benchmarks
- The performance across sectors displays considerable dispersion
- Note, post 2016, the Technology sector dominates the performance tables

Sector Diversification

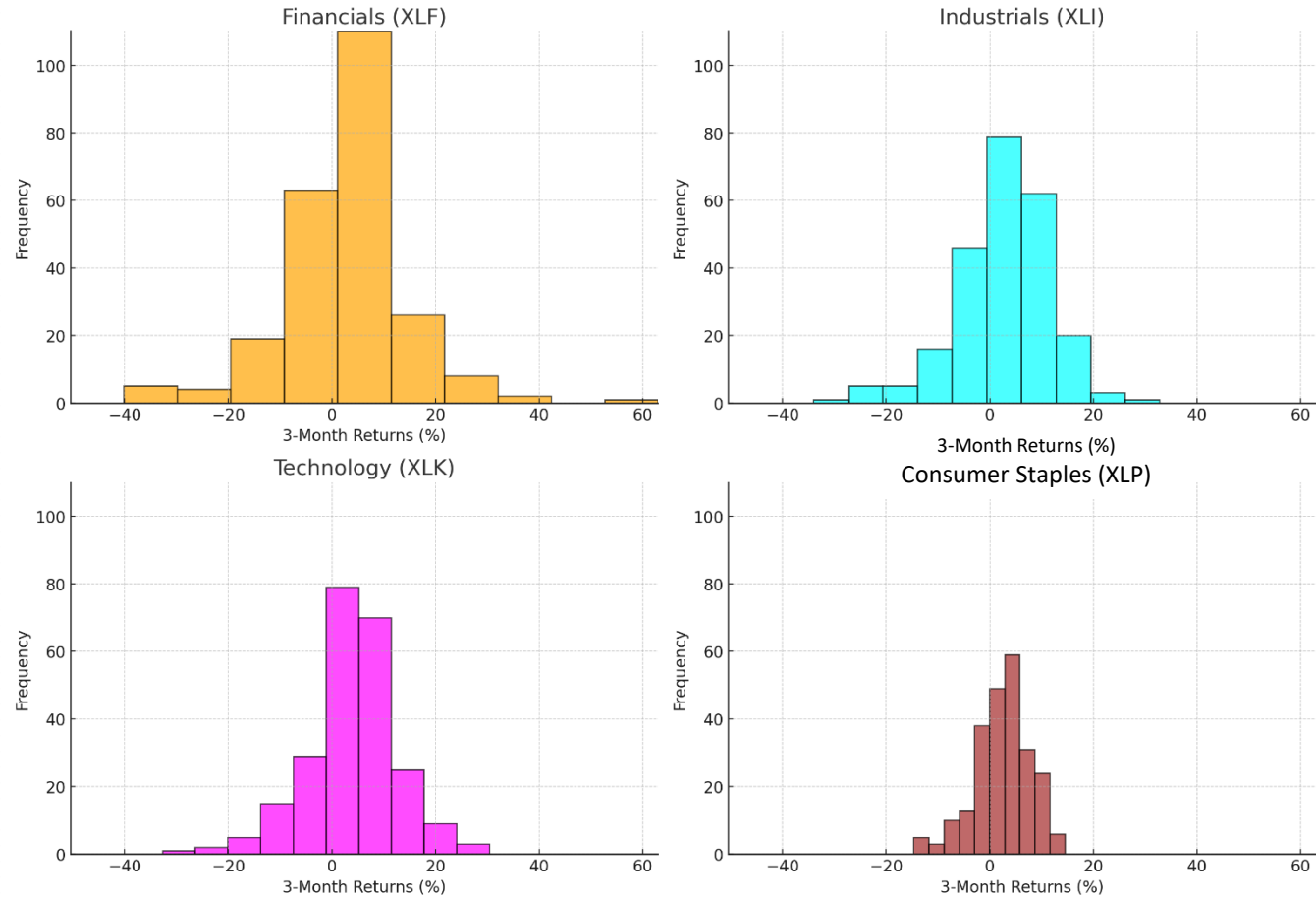


The dispersion among the different sectors can help in choosing trending sectors



Histogram of 3 Month Returns

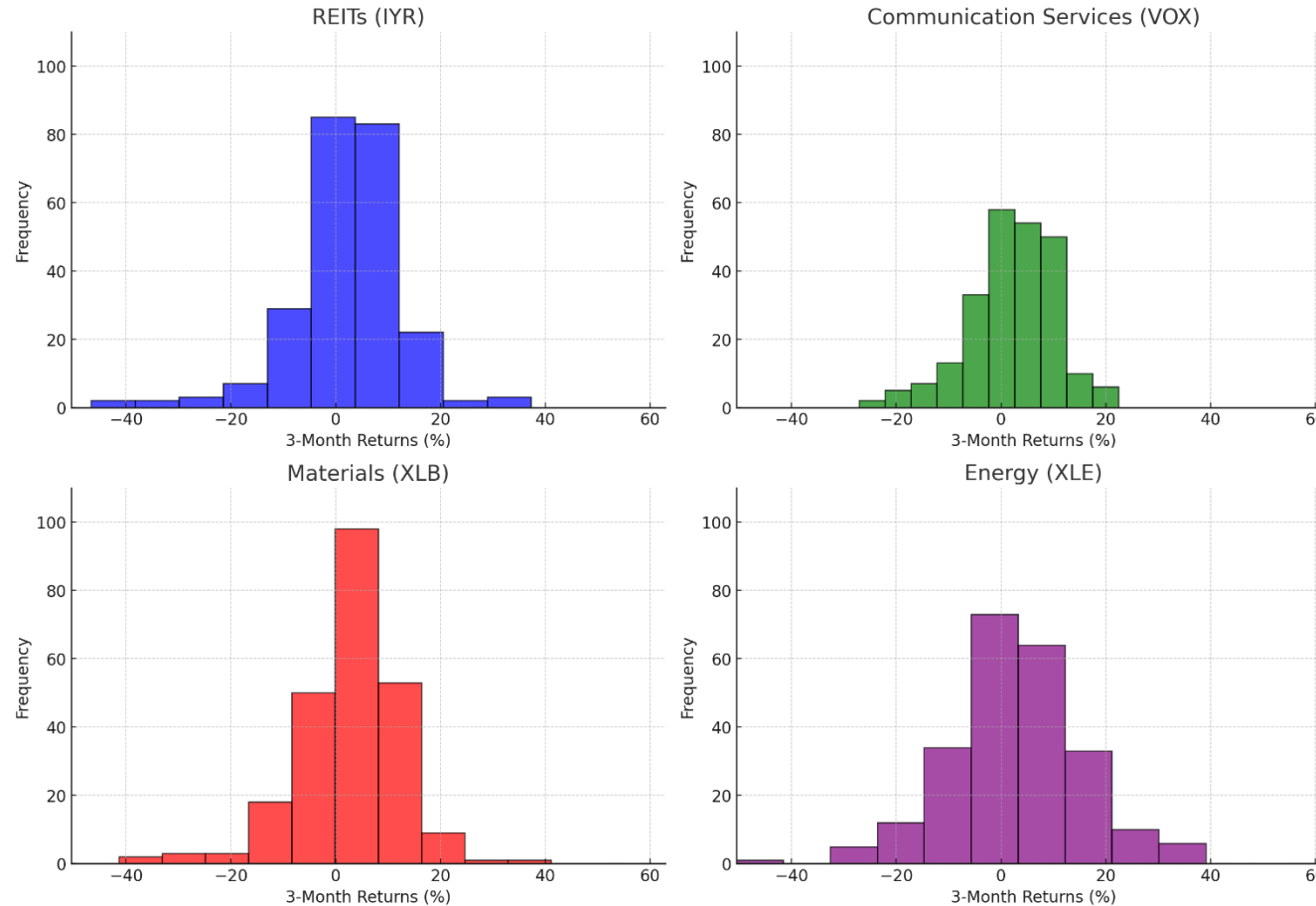
3-Month Returns for Sectors: Financials (XLF), Industrials (XLI), Technology (XLK), Consumer Staples (XLP)





Histogram of 3 Month Returns Cont.

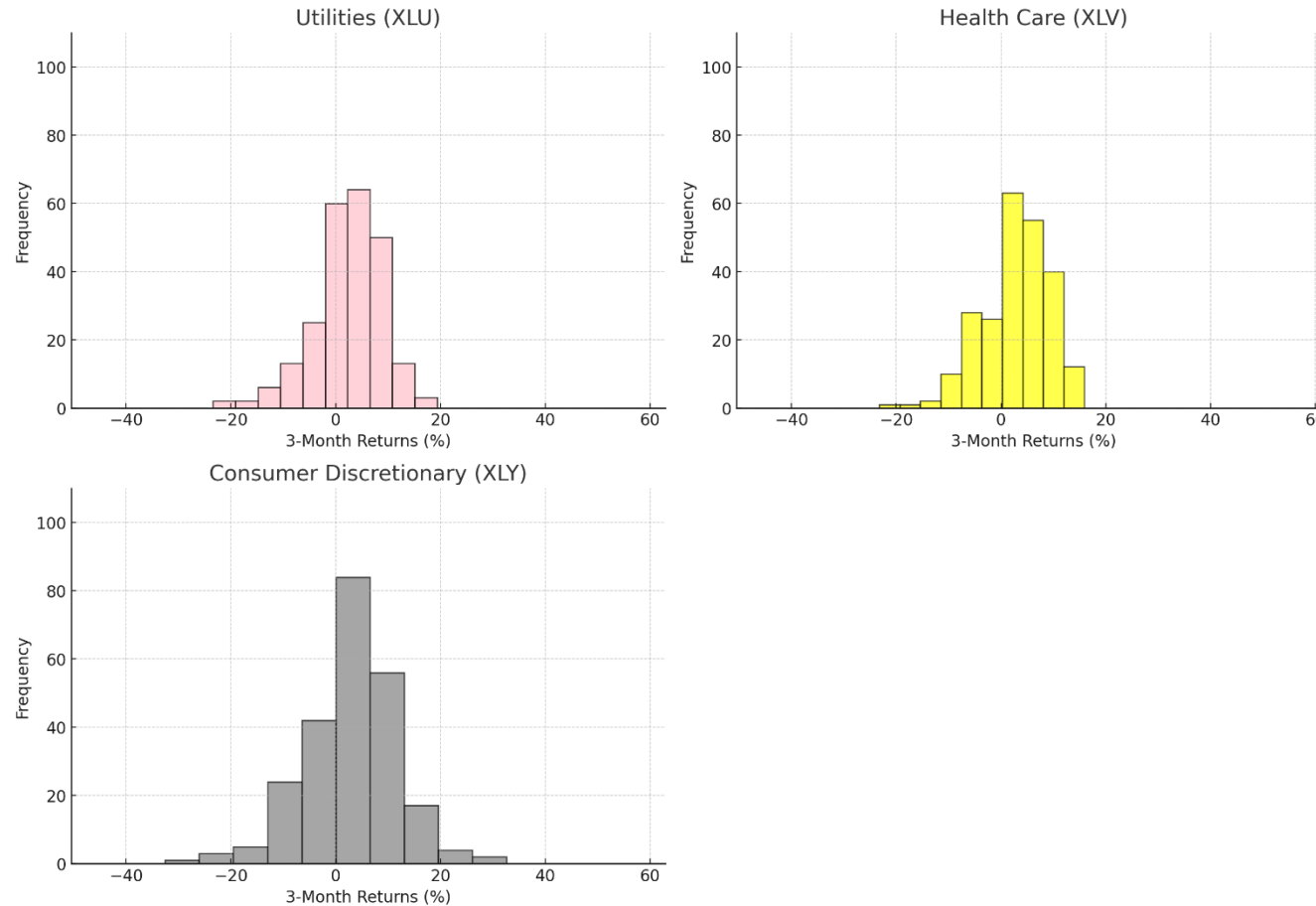
3-Month Returns for Sectors: REITs (IYR), Communication Services (VOX), Materials (XLB), Energy (XLE)





Histogram of 3 Month Returns Cont.

3-Month Returns for Sectors: Utilities (XLU), Health Care (XLV), Consumer Discretionary (XLY)



Multi-Model Trading Signals

Sector Selection

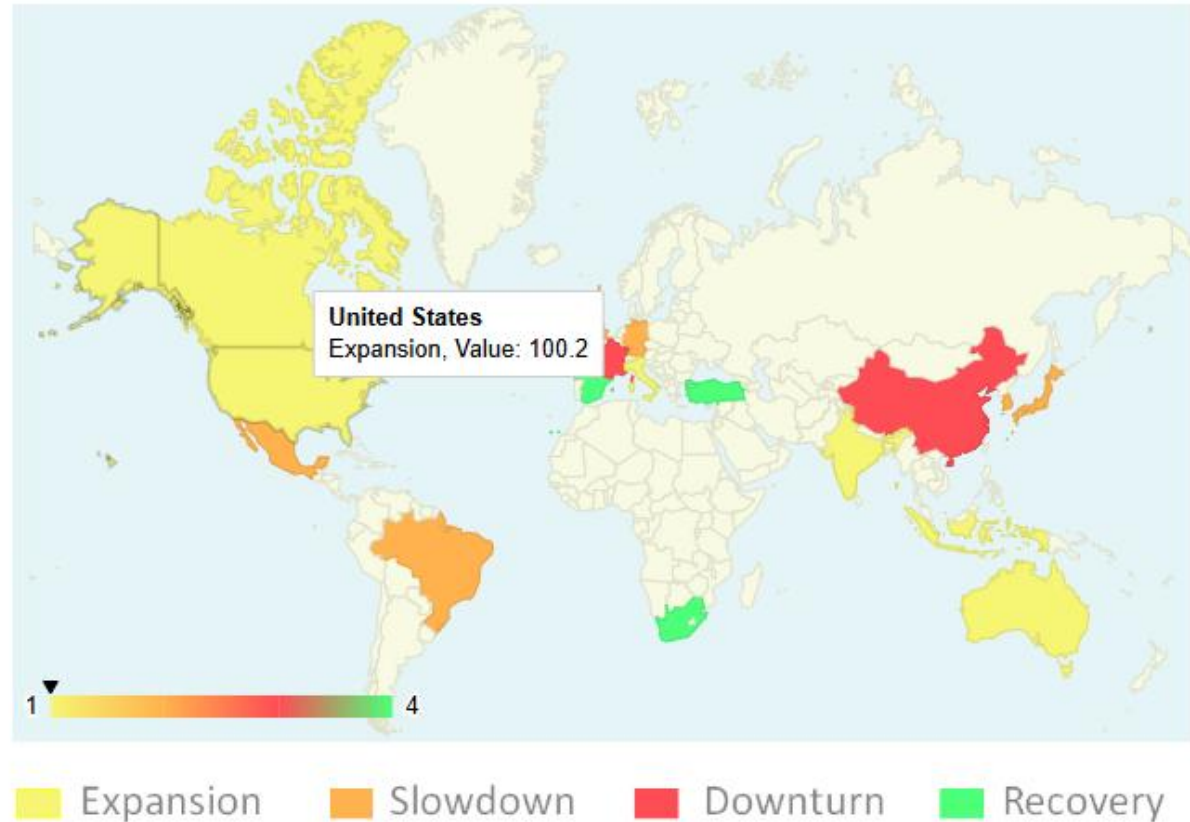
Macro Economic Regimes

The OECD has developed a system of composite leading indicators to provide early signals of turning points in overall economic activity.

The calculations work on the basis that a set of leading indicators for a given country can provide early signals of turning points in economic activity.

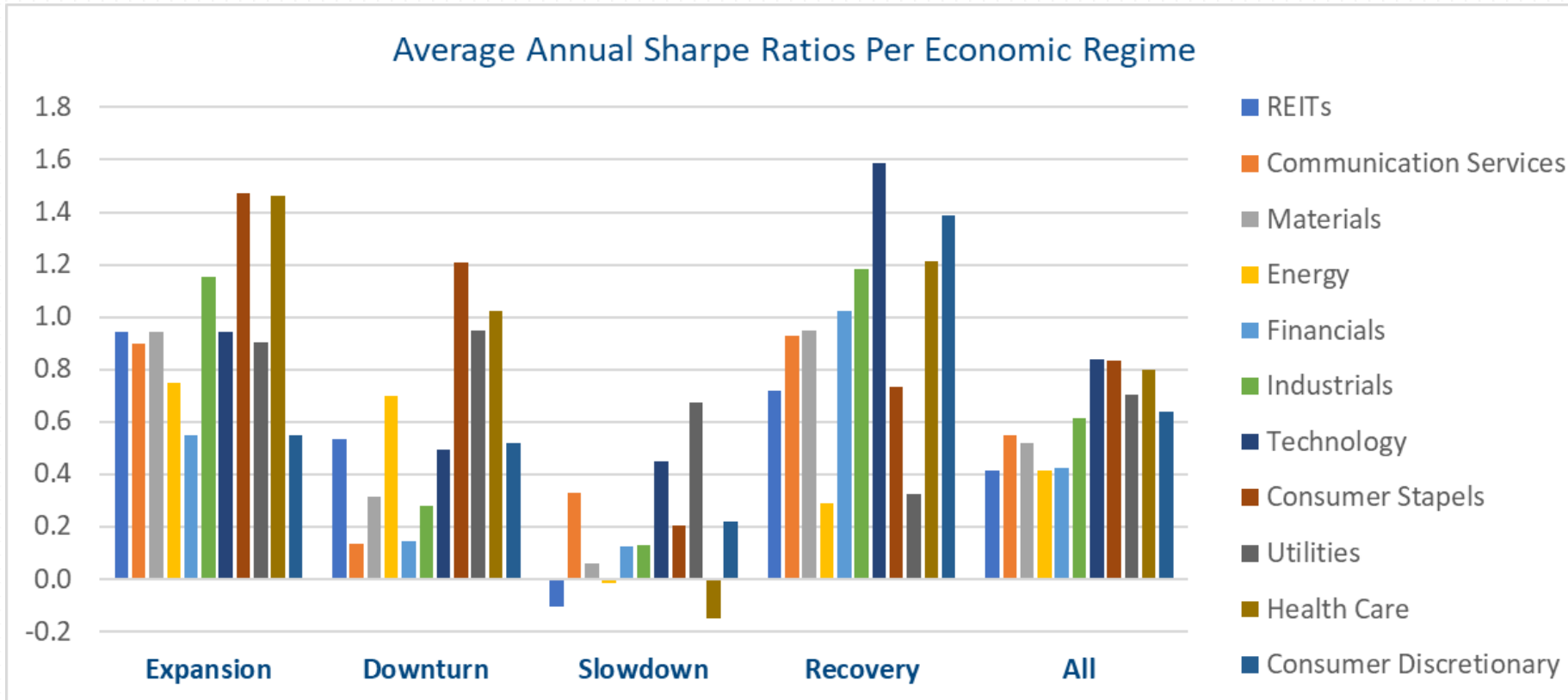
The indicators are based on consumer and business sentiment, estimates of economic activity and other macro economic and monetary factors.

OECD Macro-Economic Heatmap









Macro Economic Cycle vs Sector Returns



Based on the monthly data packs issued by the OECD, Algo-Chain's machine learning model is used to rank which US sectors offer the most promising investment opportunities

Market Trend Signals

Fund Name	Ticker	Asset Class	Date	Z	Z*	R	R*	M	M*	MS	MS*		
+ iShares U.S. Real Estate ETF	IYR_US	Alternative	25 Nov 2024	2.00	1.98	71.87	68.08	1.42	1.33	1.40	1.40		
+ Financial Select Sector SPDR Fund	XLF_US	Equity	25 Nov 2024	2.00	2.00	77.16	76.16	1.61	1.55	1.13	1.09		
+ Industrial Select Sector SPDR Fund	XLI_US	Equity	25 Nov 2024	2.00	2.00	73.33	72.12	3.51	3.38	2.71	2.65		
+ Consumer Staples Select Sector SPDR Fund	XLP_US	Equity	25 Nov 2024	2.00	1.90	75.42	73.91	0.68	0.61	0.53	0.52		
+ Utilities Select Sector SPDR Fund	XLU_US	Equity	25 Nov 2024	2.00	2.00	70.43	70.23	1.79	1.73	1.69	1.68		
+ Consumer Discretionary Select Sector SPDR Fund	XLY_US	Equity	25 Nov 2024	2.00	2.00	79.67	78.04	6.97	6.70	4.63	4.44		
+ Vanguard Communication Services ETF	VOX_US	Equity	25 Nov 2024	1.75	1.74	74.08	72.49	4.09	4.01	2.98	2.89		
+ Materials Select Sector SPDR Fund	XLB_US	Equity	25 Nov 2024	1.72	1.42	68.40	65.23	0.89	0.82	0.82	0.81		
+ Technology Select Sector SPDR Fund	XLK_US	Equity	25 Nov 2024	1.35	1.38	65.37	66.07	4.22	4.11	2.95	2.85		
+ Health Care Select Sector SPDR Fund	XLV_US	Equity	25 Nov 2024	0.06	-0.28	56.00	52.33	-0.43	-0.47	-0.07	-0.04		
+ Energy Select Sector SPDR Fund	XLE_US	Equity	25 Nov 2024	-0.27	-0.12	65.27	76.48	1.62	1.54	0.55	0.46		

Algo-Chain's suite of market trend trading signals is used to rank each US Equity Sector in a standardized way.

Stock Selection Framework



Portfolio Construction

Our Blue Chip Portfolio is designed to balance robust systematic analysis with discretionary oversight, ensuring sector and stock selections are both data-driven and adaptable to market conditions. The process emphasizes consistency, prudence, and simplicity.

Key Principles and Methodology

Sector Selection

- Utilize a multi-model signal to rank sectors monthly based on their potential for superior performance in the subsequent investment period.
- Focus on the top four sectors that exhibit the most promising returns based on the analysis

Stock Filtration and Selection

- Start with the top five stocks by market capitalization within each of the selected sectors.
- Assess fundamental data, technical indicators, and analyst recommendations to identify stronger candidates that may outperform the initial selections.
- Incorporate a discretionary review to address idiosyncratic risk and consider the latest market news and developments.



Portfolio Construction Cont.

Risk Management

- Maintain flexibility to exclude stocks with elevated risk or unfavorable news at the time of rebalancing.
- Avoid excessive trading to reduce transaction costs and portfolio churn.

Rebalancing Philosophy

- Adhere to the principle of "Keep it simple unless there's a good reason not to" (Occam's Razor).
- Only implement changes when the filtration and ranking process indicates significant potential for improvement over maintaining the current portfolio composition.
- Prefer infrequent rebalancing to foster stability, minimize disruption and reduce trading costs.
- Think quarterly rather than monthly re-balancing, unless an idiosyncratic event overrides this.

This disciplined approach ensures the portfolio remains focused on long-term performance while accommodating critical insights from market dynamics.

About Algo-Chain



Allan Lane, PhD, CEO & Founding Partner

Co-founded Algo-Chain, headed up Client Solutions and R&D team at iShares, BlackRock. R&D head for Global Macro Fund at Barclays Global Investors



Irene Bauer, PhD, CIO & Founding Partner

Co-founded Algo-Chain, expert in ETFs and active investments at BlackRock and Barclays Global Investors and at ABN Amro in Structured Products

Algo-Chain is an independent firm providing Investment Research & Portfolio Solutions to the Wealth Management industry.

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Walmart - <https://www.freightwaves.com/news/walmart-to-introduce-app-based-drone-delivery>

Thank You

The Vanilla Blue Chip Portfolio, with ISIN: XS2788042245,
is currently listed on The London Stock Exchange.