

# DALI

## First Trust Dorsey Wright DALI 1 ETF

### Fund Description

DALI tracks an index that uses momentum indicators to rotate between asset classes. The fund holds a single asset class at a time and uses other First Trust ETFs for exposure.

### FactSet Analyst Report

DALI uses a fund-of-funds structure to cycle through four different asset classes (US equity, international equity, commodities, and fixed income) based upon the momentum of the components. The asset classes are evaluated twice monthly using point-and-figure charting, and the class with the greatest relative strength becomes the focus for that rebalance period. DALI only offers exposure to one asset class at a time. The equity and fixed income classes are represented by a mix of First Trust ETFs using either Dorsey Wrights relative strength methodology or First Trusts AlphaDEX methodology. The commodities asset class is represented by a single actively managed commodities fund. Given the frequent rebalances and all-or-nothing methodology, investors should be prepared for drastic swings in exposure.