

# FCUS

## Pinnacle Focused Opportunities ETF

### Fund Description

FCUS is an actively managed fund that toggles between large-cap equities and Treasuries, or a combination of both, based on a proprietary model that identifies positive and negative market signals in the US equity market.

### FactSet Analyst Report

FCUS seeks full equity exposure during normal market conditions and mitigates risk during market downtrends by increasing its exposure to US Treasury securities and cash. The fund uses two market risk algorithms to determine market signals and reconstitute the portfolio accordingly on the first trading day of each month. The first market risk algorithm compares the relative strength of cash-like investment with broad-based US equity indexes, while the second algorithm measures rate of change, relative strength, and moving averages. The fund invests in either 100% equity, 75% equity-25% Treasuries, or 50%-50%, depending on the market signals. The equity portfolio has a narrow holding of 30 stocks selected from the largest 1,000 US equities based on a composite score of momentum, relative strength, and earnings revisions. The top 10 scoring stocks receive a 4.25% weight, while the next 10 and final 10 receive 3.25% and 2.5% weights, respectively. As a result of this strategy, the fund engages in active and frequent trading, which may cause high portfolio turnover.