

FDCE

Foundations Dynamic Core ETF

Fund Description

FDCE is an actively managed fund-of-funds that provides exposure to the US equities market. The fund has few limitations in terms of market-cap or style of equity investing. Selection and weighting are based on volatility.

FactSet Analyst Report

FDCE is a fund-of-funds that broadly invests in the US equity ETFs. The fund uses V-Mod, a third-party proprietary model that measures and forecasts intraday volatility, to maintain a target volatility range of about 10%. When volatility increases above the target range, the fund may reduce its equity exposure and reallocate up to 100% in cash alternative positions. Inversely, when volatility decreases, up to 150% may be invested in S&P 500 Index futures. Though primarily investing in large-cap equity ETFs, the fund may invest in ETFs with exposure to stocks of various market capitalization or styles. The fund expects to rebalance at least quarterly but can do so as needed. Actual volatility levels may vary depending on market conditions, and the volatility target does not guarantee maximum loss protection. The actively managed fund has full discretion to make any investment decisions at any time. FDCEs use of derivatives could open investors to potential counterparty risk.