

# FFHG

## Formula Folios Hedged Growth ETF

### Fund Description

FFHG is an actively-managed fund-of-funds that seeks capital appreciation via a tactical approach. The fund holds ETFs tracking broad-based US equities (including leveraged or inverse equity) and US Treasurys.

### FactSet Analyst Report

FFHG aims to take advantage of trends in the US equity market as determined by two different models, with the fund separated into three different sleeves. The first sleeve (50% of assets) is managed based on various technical momentum indicators. This piece of the portfolio toggles between leveraged and non-leveraged equities, US Treasurys, and inverse equities. Sleeve two (25%) uses a mix of 12 technical and fundamental factors to toggle between equity ETFs and Treasurys. Sleeve three (25%) uses the same model as sleeve two to toggle between a sector rotation strategy, Treasurys, and inverse equity. Analyzing the S&P 500s nine sectors based on long-term momentum, lowest volatility, and short-term valuations, the manager invests in a sector with the highest expected risk-adjusted return. Should none of the sectors satisfy the stated criteria, sleeve three will be allocated to Treasurys and inverse equity. Allocation to leverage and inverse ETFs is capped at 15% of the portfolio.

