

# FVC

## First Trust Dorsey Wright Dynamic Focus 5 ETF

### Fund Description

FVC tracks an index of global sector and industry ETFs, selected by price momentum and weighted equally. The fund can also allocate to cash in varying amounts based on momentum.

### FactSet Analyst Report

FVC is a momentum-based sector rotation ETF with a few twists. Its fund-of-funds structure pulls from a pool of First Trust sector and industry ETFs, both U.S. and global in scope. (Non-sector funds with significant sector overweights are also in bounds.) As such, the underlying ETFs use multi-factor stock selection and weighting, driven by growth and value factors. The ETFs themselves are selected by price momentum: The Dorsey Wright relative strength model picks the 5 ETFs with the strongest momentum and equally weights them. However, the momentum model also considers a cash index, and if a third of the ETFs in the universe start to fare worse than cash, the fund allocates to T-bills. The cash allocation can vary from 0 to 95%, although it caps any single move at the fortnightly rebalance to 33%.