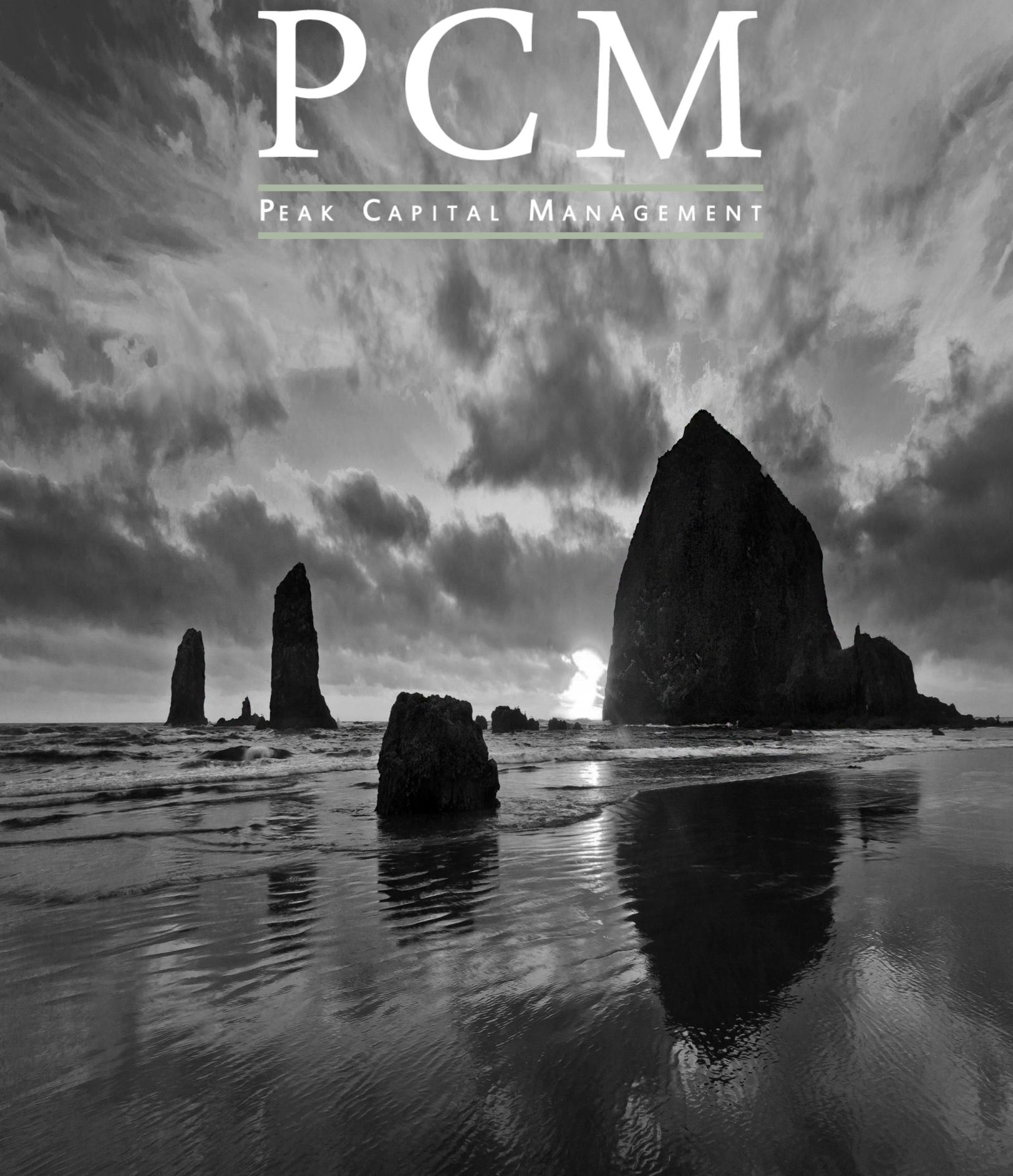


PCM

PEAK CAPITAL MANAGEMENT



PCM
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Professional
Investment
Management

Kinetic Asset Allocation Program

Kinetic Algorithm

Step 1: Absorb and gather market information in the form of daily prices.

Step 2: Calculate the volatility and correlation of historical daily returns.

Step 3: Apply target weights to each position to determine overall portfolio volatility and risk contributions

Step 4: Optimize to the target risk budget by changing the dollar weights

Step 5: Evaluate overall diversification and volatility to determine if short hedging or cash is required

The ancient Greeks used the term *kinetic* to describe motion. In finance, we equate motion to the volatility, or the “riskiness”, of asset prices.

We believe that having a robust framework for evaluating risk is *the* cornerstone for effective portfolio construction.

Return, on the other hand, is simply the result of an investment process, and, in our view, can't be managed directly.

That's why Peak Capital has created the Kinetic Asset Allocation Program, a comprehensive and dynamic framework for allocating capital based on risk rather than dollars.

We call this process *risk budgeting*, and it effectively captures the motion and interaction of various assets to create a dynamic, smarter asset allocation.

We feel that over the long-term, managing portfolios using a risk budget can increase the likelihood of achieving desired investment outcomes.

"Because we understand the value of a disciplined investment process, our passion is to deliver exceptional risk-adjusted returns by managing research-driven portfolios."

What We Do

We believe effective portfolio management begins with an understanding of risk and an ability to distinguish between perceived and actual threats to a portfolio. All financial markets are subject to varying degrees of volatility. Peak Capital Management (PCM) strives to manage uncertainty by adhering to a disciplined, multi-strategy approach that incorporates non-correlated assets. Our propriety composite technical indicator allows us to capture upside momentum without compromising our commitment to risk management.



Product Offerings

Kinetic Asset Allocation Program

Conservative: DRH Income

The strategy's primary objective is current income. In general, the strategy will allocate capital to traditional and non-traditional assets that provide current income. Total portfolio risk is roughly equally allocated to investment grade bonds, REITs, preferred stocks, high yield bonds and dividend paying stocks. The strategy dynamically allocates across the assets as correlations and volatilities change.

Moderate: DRH Balanced Income

The strategy's primary objective is current income. Capital appreciation is a secondary objective. In general, the strategy will allocate capital to assets that provide current yield. Total portfolio risk is equally allocated to dividend paying stocks, REITs, and high yield bonds. The strategy dynamically allocates across assets as correlations and volatilities change.

Moderately Aggressive: DRH Global Growth

The strategy's primary objective is long-term growth of capital. In general, the strategy will allocate capital to global equities and Treasuries based on a risk budget. Roughly 95% of total portfolio risk is allocated evenly to five U.S. equity factors - momentum, value, size, quality and volatility, and geographic regions outside the U.S. Roughly 5% of total portfolio risk is allocated to U.S. Treasuries. The strategy dynamically allocates as the correlations and volatilities of the underlying exposures changes over time.

Aggressive: DRH U.S. Growth

The strategy's primary objective is long-term growth of capital. In general, the strategy will allocate capital to U.S. equities and Treasuries based on a risk budget. Roughly 95% of total portfolio risk is allocated evenly to five U.S. equity factors - momentum, value, size, quality and volatility. Roughly 5% of total portfolio risk is allocated to U.S. Treasuries. The strategy dynamically allocates as the correlations and volatilities of the underlying exposures changes over time.

Applied Fundamental Series

Income Opportunity Strategy

This investment strategy seeks current and consistent income with the potential for capital appreciation through tactical positioning across a diverse group of mainly passively-managed fixed-income based Exchange-Traded Funds (ETFs). The strategy seeks to manage credit and interest risks while also attempting to protect against inflation using both fundamental and technical indicators. The model has the freedom to incorporate small allocations to gold and U.S. currency-based ETFs to accomplish its hedging objectives.

Dividend Equity

This non-diversified strategy seeks maximum capital appreciation from the equity markets by investing 100% in individual stocks believed to offer a risk/return relationship more attractive than the overall market. Risk is managed by utilizing cash during periods of high market volatility.

Alternative Allocations

Managed Risk Global Allocation

The investment strategy seeks long-term growth and risk mitigation through positioning across a broad group of global equities. The strategy exclusively allocates across the Even Keel family of funds that specifically provide broad exposure to U.S. large-and-small-cap stocks and non-U.S. developed-market and emerging-market equities. The funds targeted by this model invest in exchange-traded funds (ETFs) and utilize a proprietary risk management process that attempts to preserve capital during periods of increased volatility.

PCM Tax Lien Fund

Peak Capital Management has joined forces with LienLogic to offer access to the real estate tax lien asset class, a fixed income instrument that is unavailable to most investors. Tax liens have compelling characteristics that benefit the investor such as high statutorily established yields, protection from the rule of law, and the fact that they are a highly collateralized instrument.

Managing Directors



Brian Lockhart, CFP™
Chief Investment Officer

Brian Lockhart is the founder and Chief Investment Officer of Peak Capital Management, LLC (PCM). With over 20 years of portfolio management experience, he has led the company through exceptional growth since its inception. Brian directs the company's suite of portfolios, including the Dynamic Risk Hedged Kinetic Allocation Program, Fundamentally Managed Portfolios, and Alternative Strategies. Brian is routinely quoted in major financial media outlets including Barrons, Forbes, Bloomberg Businessweek, Fortune, Investment News, and ETF.com. Brian is a graduate of California Polytechnic State University in California where he received his Bachelor of Science degree in Business Administration with a concentration in Financial Management. Brian and his wife, Cindy, have been married for over 25 years.



Clint Pekrul, CFA
Chief Equity Strategist & Head of Research

Clint, CFA is Head of Research at Peak Capital, and is responsible for the development and implementation of the firm's quantitatively driven strategies. Clint has approximately 16 years of industry experience. Prior to joining Peak, Clint worked in the asset management group at Curian Capital, a registered investment advisor, where he managed \$2BB in managed risk strategies. Clint is often heralded as a pioneer in creating and managing portfolios using ETF's. Clint holds a B.S. in business administration from the University of Oklahoma, and is a Chartered Financial Analyst. Clint resides in Denver where he enjoys fly fishing when he is not managing portfolios.



Geoff Eliason
Chief Operations Officer & Head of Distribution

With over 11 years of industry experience, Geoff in his role as COO at Peak Capital is responsible for operational demands, oversight and execution of the client service model, distribution and marketing relating to the unconstrained, tactical fixed income strategy, tactical multi-asset strategies, and unique private equity offerings. Prior to joining Peak Capital, Geoff served as the Business Development Officer at Invesco PowerShares, overseeing the largest RIA relationships, family offices, and ETF Strategists for the western half of the U.S. Geoff received both his undergraduate and graduate degrees from Indiana University in Bloomington, Indiana. He and his wife, Lisa, live in Highlands Ranch, Colorado with their two children, Emma and Logan.