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

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.

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 Dynamic Risk Hedged Portfolios, 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.

**Dynamic Risk Hedging Process**

1. Absorb and gather market information in the form of daily prices.
2. Calculate the volatility and correlation of historical daily returns.
3. Apply target weights to each position to determine overall portfolio volatility and risk contributions.
4. Optimize to the target risk budget by changing the dollar weights.
5. Evaluate overall diversification and volatility to determine if short hedging or cash is required.

The diagram illustrates the process:

- **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.
**Income Opportunity**
This investment strategy seeks current and consistent income with the potential for capital appreciation through tactical positioning across a diverse group of fixed income Exchange-Traded Funds (ETFs). The strategy seeks to manage credit and duration risk while also attempting to protect against inflation using both fundamental and technical indicators. Approximately one-half of the portfolio risk is allocated to core fixed income holdings such as U.S. Treasuries, Agencies, and investment-grade corporate debt. The balance of the risk budget is spread between high yield, floating rate, and emerging market debt. The result is a portfolio that can potentially provide attractive risk-adjusted returns over multiple market cycles.

**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.

**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.

**Dividend Equity**
This strategy seeks maximum capital appreciation by investing in dividend paying individual securities with the majority of the portfolio. Companies are identified based on a combination of fundamental factors and technical indicators. Screening is performed on an ongoing basis with no set timeframe for changing constituents. Cash is held as a hedge against market volatility with no specific constraint on the relative level of the hedge at any point in time. The result is a portfolio that can potentially provide attractive risk-adjusted returns over multiple market cycles.
PCM Leadership

Brian Lockhart, CFP®
Founder & Chief Investment Officer

Brian Lockhart is the founder and CIO of Peak Capital Management, LLC (PCM). With over 20 years of portfolio management experience, he serves as the co-portfolio manager of PCM’s suite of strategies. He has led the company through exceptional growth since its inception. He has been crafting ETF strategies for nearly a decade, making PCM an early adopter of ETFs. Brian is routinely quoted in major financial media outlets including Forbes, Bloomberg Businessweek, Fortune, Investment News, and ETF.com and is frequently requested to communicate on a national level on topics ranging from portfolio and risk management to opportunistic fixed income solutions. A graduate of Polytechnic State University in California, Brian received his Bachelor of Science degree in Business Administration with a concentration in Financial Management. Brian is also an alum of Harvard, having completed an Executive Education course in Investment Decisions and Behavioral Finance at Harvard's John F. Kennedy School of Government in 2017.

Geoff Eliason, CFP®
Principal, Chief Compliance Officer

With over 13 years of industry experience, Geoff Eliason, in his role as CCO, at Peak Capital Management (PCM) is responsible for oversight of the compliance program. Through regular and ongoing integration of PCM’s culture of compliance, Geoff oversees a team designed to implement every aspect of compliance within each department at PCM. Prior to joining PCM, 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.

Clint Pekrul, CFA
Chief Equity Strategist & Head of Research

Clint Pekrul, CFA is Head of Research at Peak Capital Management, and is responsible for the development and implementation of the firm's quantitatively driven strategies. Clint has over 16 years of industry experience. Prior to joining PCM, 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.