

# Q2 | 2022

## Experienced Investment Team

Brian Lockhart

- Founder & CEO
- Chief Investment Officer

Clint Pekrul • CFA

- Chief Equity Strategist
- Head of Research

Quinn VandeKoppel

- Vice President

## Primary Objective

- Current Income and Potential Capital Appreciation

## Dynamic Risk Hedging

- Defines Risk
- Optimizes portfolio weights using risk budget
- Attempts to enhance diversification by evaluating correlation
- Ability to apply multiple types of hedging

## Investments

- Global Dividend Paying Stocks
- Treasuries
- High Yield Bonds
- Real Estate Investment Trusts

## Number of Holdings

- 5 - 10

# PCM

Research Driven • Disciplined • Transparent

PEAK CAPITAL MANAGEMENT

## PCM Dynamic Risk Hedged Balanced Income

A Diversified Strategy Pursuing Both Current Income and Potential Capital Appreciation

### Investment Process



#### Choose Best In Class ETFs

Evaluation of costs, liquidity, index methodology, and due diligence.



#### Portfolio Exposures

U.S. Dividend stocks, International Dividend stocks, U.S. REITs, U.S. High Yield bonds, and LongDuration U.S. Treasury bonds.



#### Weight Holdings According to Risk

Daily portfolio optimization according to a strategic risk budget for each constituent. Rebalance as needed based on thresholds.

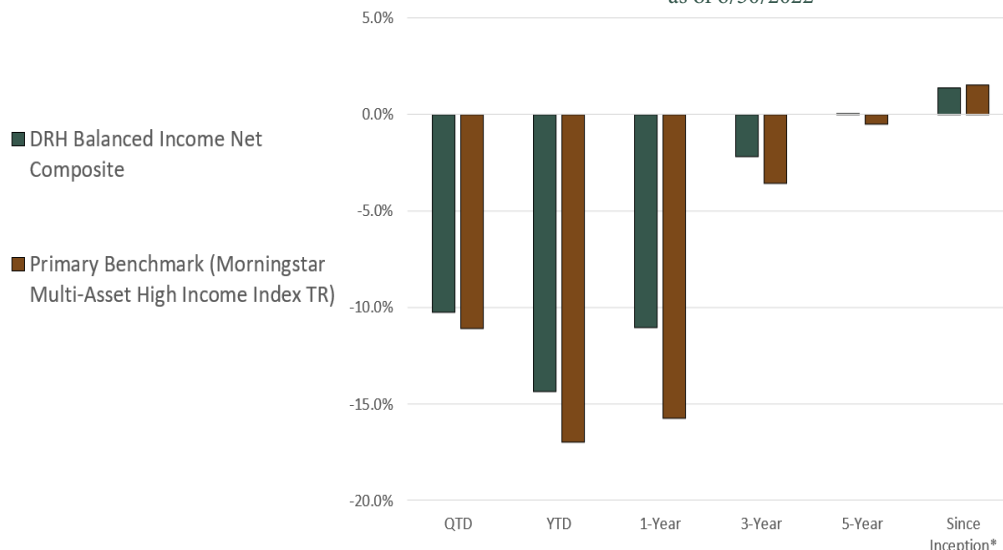


#### Protection

Maintain a minimum level of diversification and implement hedges as necessary to control volatility.

### Annualized Returns

as of 6/30/2022



|                                                                  | QTD    | YTD    | 1-Year | 3-Year | 5-Year | Since Inception* |
|------------------------------------------------------------------|--------|--------|--------|--------|--------|------------------|
| DRH Balanced Income Net Composite                                | -10.3% | -14.4% | -11.1% | -2.2%  | 0.0%   | 1.4%             |
| Primary Benchmark (Morningstar Multi-Asset High Income Index TR) | -11.1% | -17.0% | -15.7% | -3.6%  | -0.5%  | 1.5%             |

| Calendar Returns                                                 | 2021 | 2020  | 2019  | 2018  | 2017  | 2016* |
|------------------------------------------------------------------|------|-------|-------|-------|-------|-------|
| DRH Balanced Income Net Composite                                | 7.2% | -3.3% | 16.1% | -6.5% | 7.4%  | 5.3%  |
| Primary Benchmark (Morningstar Multi-Asset High Income Index TR) | 3.4% | -0.9% | 16.1% | -4.8% | 11.0% | 5.2%  |

\*Inception date is April 1, 2016. Nothing herein is an offer to sell, or a solicitation of an offer to purchase, any security. Nothing herein is intended as a representation that any investment discussed was or would be profitable to any investor. Nothing herein may be used as a platform or strategy for investing in securities. Peak Capital Management provides investment advice only to its clients pursuant to the terms of a written investment management agreement. Additional information is required to determine the suitability of any investment discussed herein for any investor or portfolio. Returns are reflected as time-weighted return. Returns are calculated net of fees, commissions, and expenses, and reflect the reinvestment of dividends and other earnings. Index benchmark performance does not reflect the deduction of fees because indices are not managed investments. It is not possible to invest directly in an index. All investment involves risk, including risk of loss. Past performance does not assure future results, and achievement of investment objectives, including preservation of principal, cannot be guaranteed. Potential risks associated with the DRH Balanced Income strategy include, without limitation, market risk, liquidity risk, concentration risk, credit risk, reinvestment risk, and inflation risk.

## Guidance and Clarity in an Uncertain World

Q2 | 2022

PCM

PCM Dynamic Risk Hedged Balanced Income PEAK CAPITAL MANAGEMENT

## Address:

9250 E. Costilla Ave.  
Suite 430  
Greenwood Village, CO  
80112

## Phone:

720-361-4016

## Website:

[www.pcmstrategies.com](http://www.pcmstrategies.com)

## LinkedIn:

Peak Capital Management

## Youtube:

Peak Capital Management

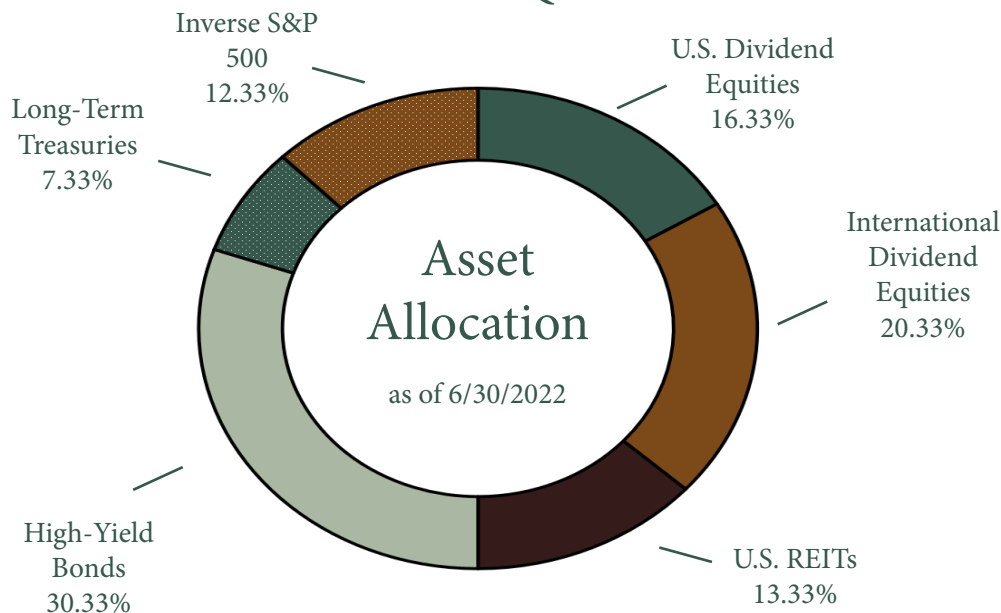
For more information,  
contact:

[info@pcmstrategies.com](mailto:info@pcmstrategies.com)

All annualized returns and asset  
allocations are as of 6/30/2021

For Public Use

## DRH Balanced Income Q2 2022 Allocation



## Additional Net Performance Metrics Since Inception: 4/1/2016

|                                                                                                  |                                                                                             |                                                                           |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Best Month<br>DRH Balanced Income: 7.3% (November 20')<br>Primary Benchmark: 7.4% (November 20') | Best Quarter<br>DRH Balanced Income: 7.3% (Q4 20')<br>Primary Benchmark: 8.2% (Q4 20')      | Annualized STDEV<br>DRH Balanced Income: 8.3%<br>Primary Benchmark: 10.4% |
| Worst Month<br>DRH Balanced Income: -12.0% (March 20')<br>Primary Benchmark: -18.5% (March 20')  | Worst Quarter<br>DRH Balanced Income: -15.4% (Q1 20')<br>Primary Benchmark: -20.9% (Q1 20') | Sharpe Ratio<br>DRH Balanced Income: 0.4<br>Primary Benchmark: 0.5        |

## Disclosures

Peak Capital Management ("PCM" or the "Firm") is a registered investment adviser with the Securities and Exchange Commission ("SEC") in accordance with the Investment Advisers Act of 1940. PCM's principal place of business resides in Colorado providing investment management services. A copy of our current written disclosure statement discussing our advisory services and fees is available for your review upon request. Advisory services are only offered to clients or prospective clients where our firm and its representatives are properly licensed or exempt from licensure. No advice may be rendered by Peak Capital Management, LLC unless a client service agreement is in place. Nothing herein should be construed as a solicitation to purchase or sell securities or an attempt to render personalized investment advice.

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DRH Balanced Income Composite Description: The composite represents an investment designed to provide current income and long-term capital appreciation. The strategy allocates risk primarily across high-yield bonds, dividend paying stocks, REITs, and U.S. Treasuries. The strategy also has the ability to take short positions and use cash to help manage overall risk. The strategy is implemented primarily using exchange traded funds (ETFs) domiciled in the U.S.

Composite total returns are provided period to date since composite inception. Composite returns are presented net of fees. Benchmark total returns are presented according to composite inception date.

The Morningstar Multi-Asset High Income Index seeks to deliver a high level of current income while maintaining long-term capital appreciation. The index consists of a comprehensive set of exchange traded funds (ETFs) in the iShares line-up that collectively target equity, fixed income and alternative asset class. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

The U.S. Dollar is the currency used to express performance.

Guidance and Clarity in an Uncertain World