

## **UNDERSTANDING (Y)OUR STRATEGIES—\*FOCAL\***

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In this series, we profile our four proprietary strategies—QUAD, CORE, FOCAL, and ASTRA—deployed to manage client money.

Unlike most approaches, we see markets not as purely random or fully deterministic, but as organized into market regimes—large, coherent waves of favorable or adverse conditions that persist over time and span broad segments of the market. Each strategy is a purpose-built ship, designed to navigate shifting waters within and between regimes.

Importantly, all four strategies share the same mission: in bullish regimes, they set sail to capture gains; in bearish regimes, they retreat to port, taking on a defensive posture. This contrasts sharply with most investment disciplines, which, regardless of conditions, stick to fixed allocations—risk-rated (like the “moderate” 60/40 stocks-bond mix) or goal-oriented (Income, Growth, or Growth & Income).

Though united in mission, each strategy charts its own path across three dimensions: regime detection, trading engines, and allocation granularity.

FOCAL—our third offering to clients since the mid-2010s—embodies these principles:

Like CORE, FOCAL uses our proprietary macroeconomic framework to assess market regimes—a central concept of 4<sup>th</sup> Generation Factor Investing. Macro models abound on Wall Street, but many suffer from conspicuous False-Positives (e.g., the “consensus recession” of 2022/2023 never came) and False-Negatives (e.g., the stealthy 2007 recession that ushered in the Global Financial Crisis)—gaps our framework is designed to minimize. Because macro data lag and are often revised—unlike the real-time market inputs guiding QUAD—FOCAL maintains a 10% - 20% fixed-income buffer, earning it a “Moderate Growth” classification in conventional terms. Yet in bearish regimes, it is designed to shift fully defensive, including the option of going entirely to cash.

Once exposure is calibrated, four engines drive FOCAL execution. These integrated protocols combine indicators and decision rules to guide the selection, allocation, and trading of CORE’s holdings. Two—QL64 and GV64—track unfolding market trends, while a third—QU82—amplifies. Most recently, Boost-DHFM was added to capitalize on market rotations. Each engine combines ‘offensive’ and ‘defensive’ components to maintain strong traction through rallies and pullbacks.

Finally, FOCAL is only offered in tax-deferred accounts and is designed to capture market opportunities through a narrower, higher-resolution focus on rotations across factors, sectors, industries, and geographies.

Its macroeconomically guided regime surveillance, balanced four-engine trading, and focused asset segmentation make FOCAL a highly complementary and synergistic companion to our QUAD, CORE, and ASTRA.

Curious about what this could mean for your portfolio? Visit our HQ for an interactive, behind-the-scenes look at FOCAL and our other strategies in action.

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