



EQM PINNACLE FOCUSED OPPORTUNITIES INDEX (FCUSIDX)

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Introduction

Index Objective

The EQM Pinnacle Focused Opportunities index targets a focused portfolio of top ranked U.S. Large/Mid cap equity securities. During periods of market stress, based on proprietary market signals, the index will allocate a portion of its exposure to U.S. Treasury securities, cash, and/or cash equivalents.

Highlights

The index determines its asset mix based on its two Pinnacle Market Risk Signals.

Both signals are positive: 100% equity

One signal is positive while the other is negative: 75% equity/25% treasuries, cash instruments, and cash

Both signals are negative: 50% equity/25% treasuries, cash instruments, and cash

The equity allocation is composed of the top 30 securities from a US Large/Midcap universe, ranked by Pinnacle's quantitative methodology, and the fixed income allocation is based on Pinnacle's interest rate model.

Dates

Reference Date: The last trading day of the month or any day the Market Risk signals change.

Reconstitution Date: Indexes reconstituted monthly at the close of the next business day following the Reference Date.

Weight Date: The Reference Date.

Rebalance Date: The Reconstitution Date.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein.

The list of the main supplemental documents for this methodology can be found in the Methodologies and Governance tabs on the [Index Resources](#) page as follows:

Supporting Documents
Index Maintenance Policy
Index Governance
Index Policies
Methodology Policies
Glossary

Index Change and Consultation Policy

Eligibility Criteria and Index Construction

Universe

SNR1000 – VettaFi US Equity Large/Mid-Cap 1000 Index.

Stocks must have a closing price of at least \$1 and a minimum market capitalization of at least \$30 million USD with a free float of at least 5%.

Index Construction

Constituent Selection

The top 30 stocks in the universe, by the Pinnacle Multifactor Score rank, are selected. The Pinnacle Multifactor Score is the average of normalized scores for momentum, relative strength, and earnings revision.

When market risk indicators are negative, treasuries, cash, and/or cash equivalents are chosen based on Pinnacle's Interest Rate model.

Weightings & Constraints

The index determines its asset allocation based on its two Market Risk signals:

Both signals are positive: 100% equity.

The index determines its asset allocation based on its two Market Risk Signals. If both signals are positive, it is 100% equity. If one signal is positive while the other is negative, it is 75% equity and 25% treasuries, cash instruments and cash. If both signals are negative, it is 50% equity and 50% treasuries, cash instruments and cash.

Within the equity allocation, the top 10 stocks receive a weight of 4.25% each, the next 10 stocks receive a weighting of 3.25%, and the next 10 stocks receive a weight of 2.5%.

Index Maintenance

Rebalancing and Reconstitution

The Indexes are rebalanced on the "Rebalance Date" and additionally reconstituted on the "Reconstitution Date". Pricing used in share weights used for reconstitutions are as of the "Weight Date". Share weights for the rebalanced Indexes are computed as of the "Weight Date". Changes to the Indexes related to the rebalances are as of the "Rebalance Date". Additions are only made on reconstitution dates.

Corporate Actions

Please refer to the Index Maintenance Policy document for information on Corporate Action processing.

Base Date and History Availability

Index history availability, base dates and base values are shown in the table below.

Index	Price Index	Base Date	Base Value	Total Return Index	Base Date	Base Value
EQM PINNACLE FOCUSED OPPORTUNITIES INDEX	FCUSIDXP	09/03/2002	100	FCUSIDX	09/03/2002	100

Index Calculation

Please refer to the Index Maintenance Policy document for information on index calculations.

Index Governance

The index is governed and managed by a VettaFi Index Committee for the purpose of meeting the goals of the index. For more information, please refer to the Index Governance document.

Index Policies

Please refer to the Index Policies document for information regarding Announcements, Holiday Schedules, Unexpected Exchange Closures, and Recalculation Policy.

Contact Information

For any questions regarding an index, please contact: index.production@vetafi.com

Appendix

Market Risk Signals:

Equity Index/Cash Relative Strength signal - The signal uses various equity indexes compared to cash ratios to determine whether the signal is positive or negative.

Equity Index Technical Indicators signal – The signal uses various equity indexes and applies a combination of technical indicators to determine whether the signal is positive or negative.

Pinnacle Multifactor Score:

The score is the average of the Z scores for the 6 month momentum, the exponentially weighted Relative Strength Indicator, and the earning revisions to the upcoming earnings data.

Disclaimer

The Indices and associated policies and documents are proprietary to VettaFi. No use or publication may be made of an Index, or any of its provisions or values, without the prior written consent of VettaFi. VettaFi is not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. In no event shall VettaFi be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content.