ZEGA FINANCIAL

# ZEGA’s High Probability Options Strategy
# (HiPOS)

April 2020

# Disclosure

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Information presented does not involve the rendering of personalized investment advice, but is limited to the dissemination of general information on products and services. This information should not be construed as an offer to buy or sell, or a solicitation of any offer to buy or sell the securities mentioned herein.

This presentation should not be regarded as a complete analysis of the subjects discussed. All expressions of opinion reflect the judgment of the adviser as of the date of the presentation and are subject to change.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that the future performance of any specific investment or strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or strategy will be suitable or profitable for a client's portfolio. There are no assurances that a portfolio will match or outperform any particular benchmark.

**Except where specifically identified otherwise, all performance data in this presentation is the performance of the Separate Account Strategy.**

# About ZEGA

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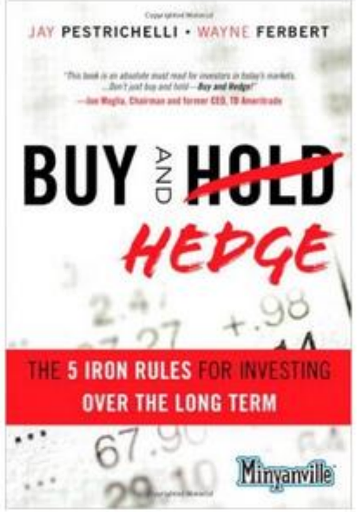
- SEC Registered Investment Advisor* founded in 2011
- Over $450 million in Assets Under Management as of December 2019
- Authors of the best-seller: *Buy And Hedge: The 5 Iron Rules for Investing over the Long Term*
- *Awarded 5-star rating for HiPOS Conservative and ZBIG Leverage in 2019*
- Claims compliance with the Global Investment Performance Standards

# About ZEGA

ZEGA FINANCIAL

*ZEGA's mission is to partner with small to mid-size advisors and deliver industry leading options-based investing solutions and insights.*

*Our passion is developing strategies centered on the balance between risk and reward.*

*We are conservative in our market positioning and follow the strictest of ethical codes to act only in the best interest of our clients.*

*The media is taking notice. ZEGA is recognized as the go to source for options insights.*

FOX BUSINESS THE WALL STREET JOURNAL. TheStreet YAHOO! FINANCE

Bloomberg Nasdaq

# ZEGA Team

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*With over 120 years of combined investing experience, we follow a progressive, forward thinking approach to investing.*

**Jay Pestrichelli**
Co-Founder
Managing Director

21 years Investment Experience

**Mick Brokaw**
Director of Trading/CCO

22 years Investment Experience

**Jillian Baker**
Director of Communications

14 years Investment Experience

**Jim Granger**
Operations Manager

20 years Investment Experience

**Wayne Ferbert**
IAR of ZEGA/Co-Founder

19 years Investment Experience

**Derek Moore**
IAR of ZEGA

25 years Investment Experience

"Nothing differentiates a business more than the people who contribute to its success." – Jay Pestrichelli

# HiPOS
# (High Probability Option Strategy)

# What is ZEGA’s HiPOS?

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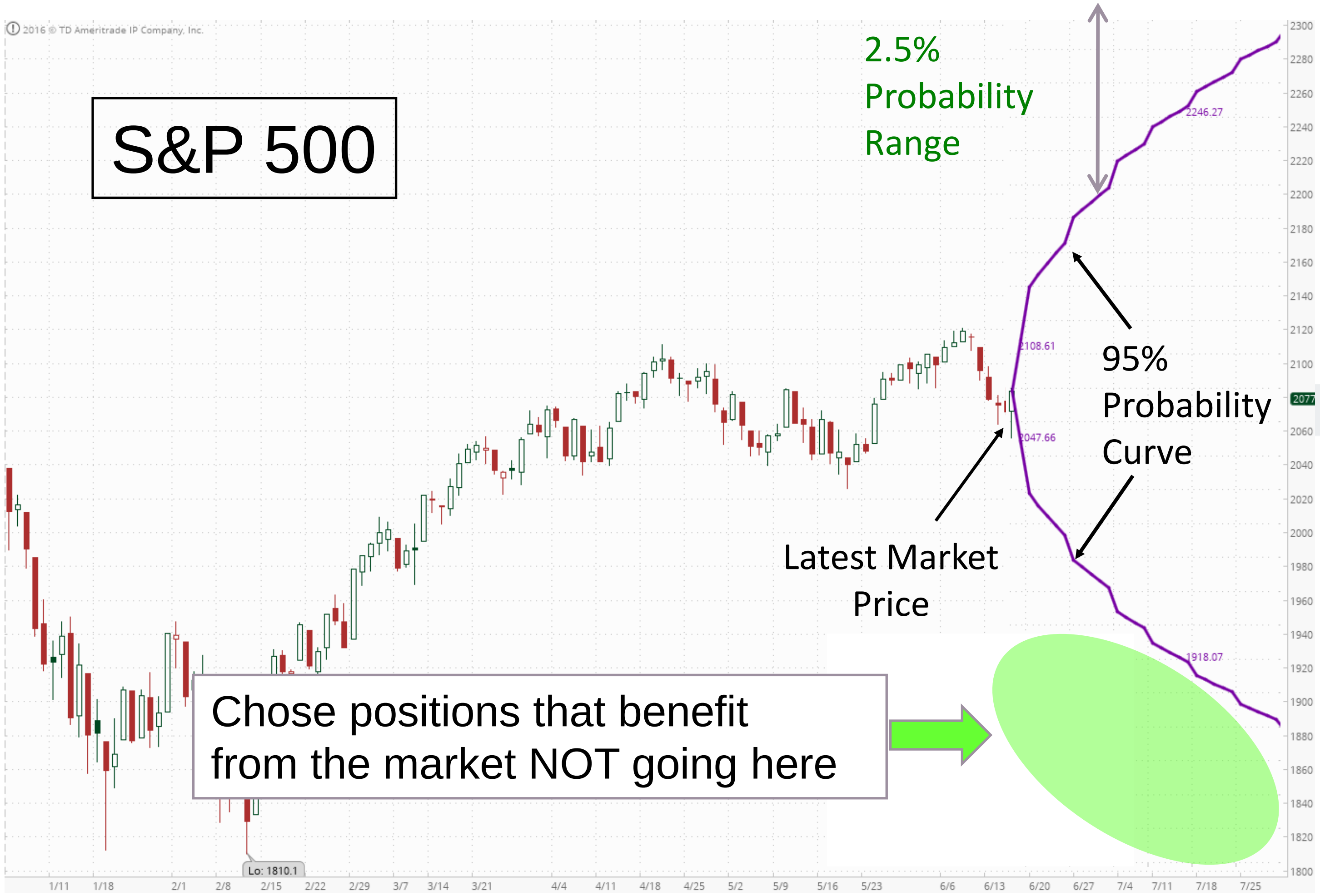
## A Different Monthly ‘Alternative Income’ Solution

- Alternative strategy that benefits from the natural time decay of short-term options
- Uses a proprietary model that trades positions with a high probability (>95%) of success
- Lower volatility than benchmarks
- Can be used to generate monthly returns
- Portfolio is highly liquid
- Sophisticated strategy with the transparency accompanied by regular communication

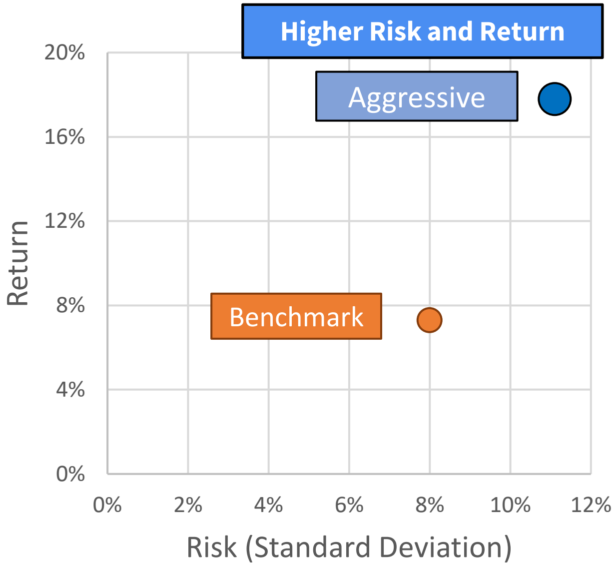
# Profiting from Probability



# 3 Versions Available

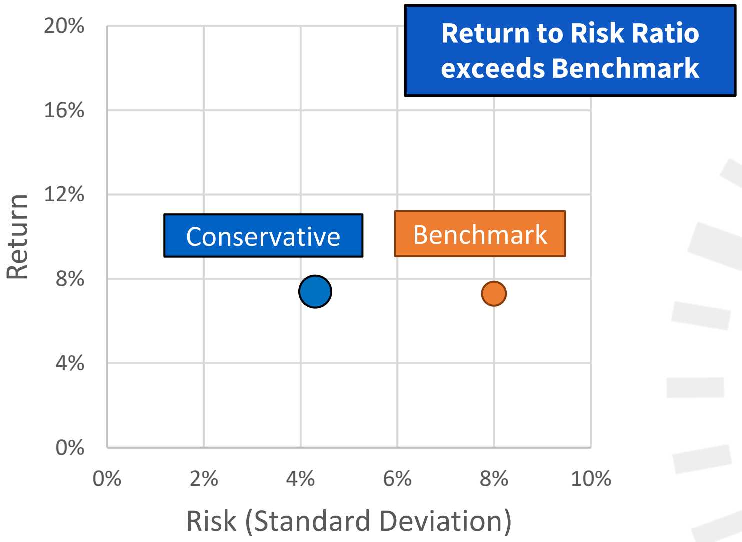
## HiPOS Aggressive

- The most aggressive version of HiPOS
- Use as an Alternative allocation
- Targets an annual return of 15-20%
- Higher level of risk and volatility
- Most suitable for Accredited Investors



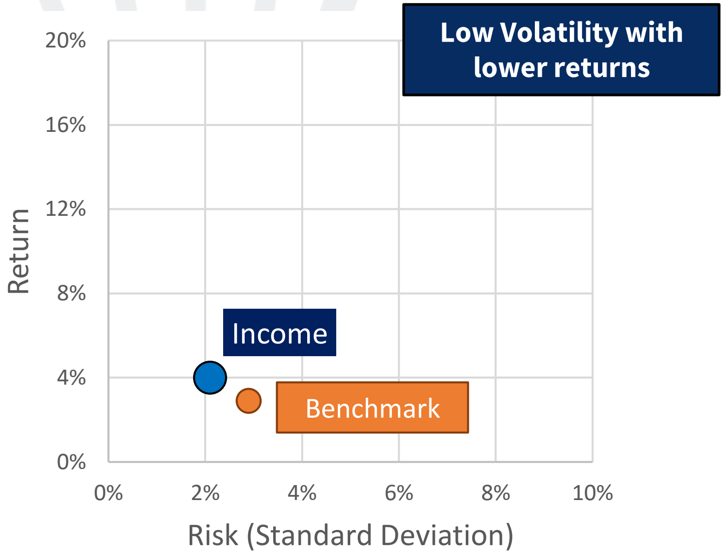

## HiPOS Conservative

- Positions targeting highest probability of success
- Considered an Alternative and Equity Compliment
- Targets an annual return of 8-12%
- Carries Black-Swan risk
- Suitable for Sophisticated Investors




## HiPOS Income

- Mix of Treasuries and HiPOS Conservative positions
- Considered an Alternative Income Strategy
- Targets an annual return of 3-6%
- Lower volatility than broad bond markets



# Investment Risks

Fast-Moving Market declines represent the most significant risk to the strategy

- Markets can move suddenly, swiftly, and without notice.
- The strategy uses options to create implied leverage meaning it controls more shares than it could otherwise purchase with the same amount of capital.
- In a sharp downward moving market, the loss in the strategy may accelerate quickly because of the implied leverage - it depends on the conditions of the trade cycle.
- We describe this risk as the “Black Swan” risk that the strategy carries.

Due to the unpredictability and potential lack of liquidity during a Black Swan event, ZEGA recommends allocations to HiPOS do not exceed 20% of investable assets

# Performance

# HiPOS Aggressive Growth
# Through April 30, 2020

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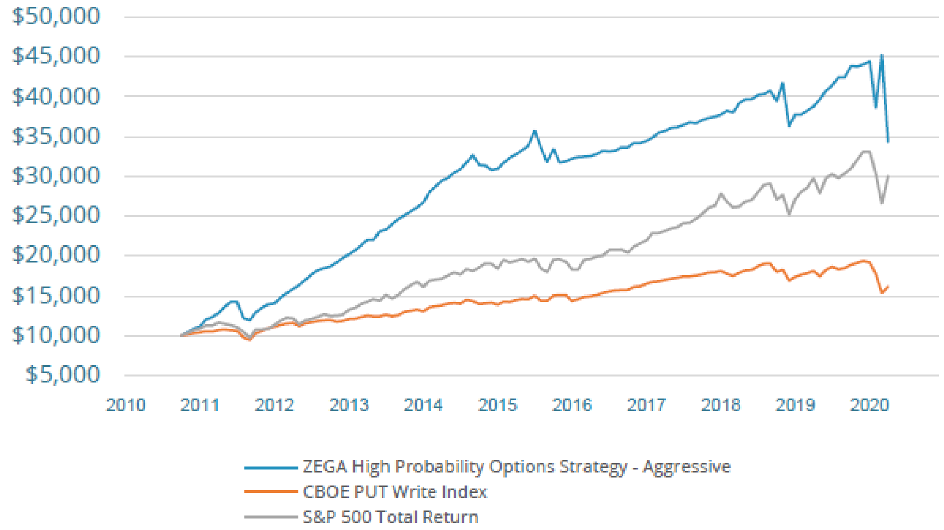
The disciplined option

## Performance Statistics

| | ZEGA Financial | CBOE PUT Write Index | S&P 500 Total Return |
|---|---|---|---|
| YTD Return | -22.09% | -16.54% | -9.29% |
| Ann. Return: 1 year | -11.55% | -10.75% | 0.89% |
| Ann. Return: 3 years | -1.31% | -1.59% | 9.05% |
| Ann. Return: 5 years | 0.93% | 2.26% | 9.14% |
| Ann. Return: Inception | 13.99% | 5.24% | 12.38% |
| Annualized Volatility | 15.17% | 9.46% | 13.18% |
| Sharpe Ratio | 0.99 | 0.49 | 0.89 |

## Cumulative Growth (since inception)




## Monthly Performance

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | CBOE PUT Write Index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2010** | | | | | | | | | | | | 8.86% | **8.86%** | **3.16%** |
| **2011** | 2.85% | 7.32% | 2.59% | 4.25% | 5.97% | 4.57% | 0.10% | -14.24% | -2.30% | 8.27% | 4.74% | 2.87% | **27.99%** | **6.17%** |
| **2012** | 0.97% | 5.16% | 3.72% | 3.44% | 3.07% | 4.05% | 3.90% | 3.08% | 1.55% | 1.08% | 2.47% | 3.13% | **41.93%** | **8.14%** |
| **2013** | 2.35% | 2.21% | 3.24% | 3.11% | 0.04% | 4.94% | 1.06% | 2.69% | 2.86% | 1.64% | 2.16% | 1.97% | **32.13%** | **12.28%** |
| **2014** | 2.25% | 4.88% | 2.52% | 2.54% | 1.23% | 2.04% | 1.66% | 2.59% | 3.01% | -3.80% | -0.18% | -1.83% | **17.94%** | **6.38%** |
| **2015** | 0.48% | 2.31% | 2.09% | 1.27% | 1.62% | 1.69% | 5.59% | -5.91% | -5.36% | 4.93% | -4.96% | 0.58% | **3.58%** | **6.40%** |
| **2016** | 0.94% | 0.70% | 0.03% | 0.27% | 0.84% | 1.17% | -0.26% | 0.34% | 1.29% | 0.03% | 1.54% | -0.04% | **7.05%** | **7.77%** |
| **2017** | 0.82% | 1.25% | 1.71% | 0.61% | 1.18% | 0.21% | 0.76% | 0.87% | -0.26% | 1.06% | 0.67% | 0.41% | **9.68%** | **10.85%** |
| **2018** | 0.63% | 1.39% | -0.64% | 3.11% | 1.28% | 0.00% | 1.31% | 0.32% | 1.18% | -3.36% | 5.78% | -12.97% | **-3.14%** | **-5.89%** |
| **2019** | 4.07% | -0.09% | 1.32% | 1.43% | 2.28% | 2.76% | 1.54% | 2.53% | 0.06% | 3.19% | -0.08% | 0.57% | **21.32%** | **14.57%** |
| **2020** | 0.90% | -13.09% | 17.10% | -24.13% | | | | | | | | | **-22.09%** | **-16.54%** |

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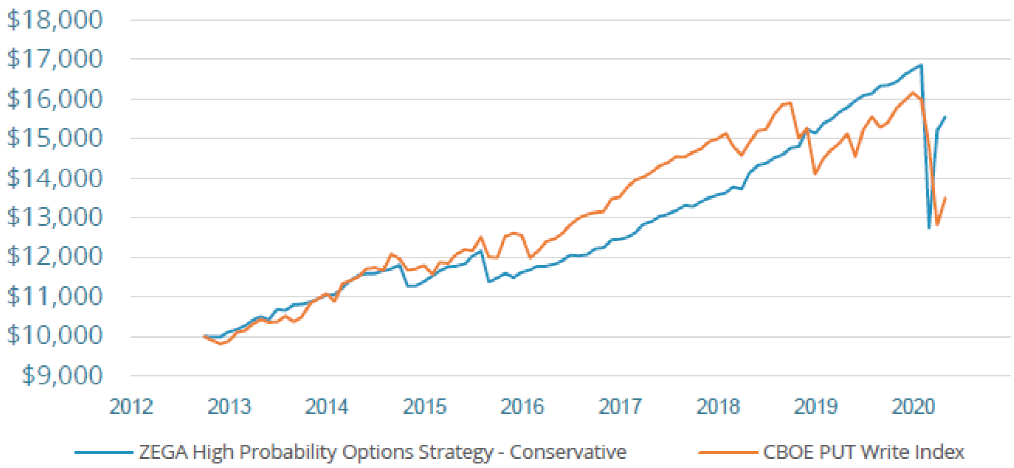
The disciplined option

# HiPOS Conservative
Through April 30, 2020

## Performance Statistics

| | ZEGA Financial | CBOE PUT Write Index |
|---|---|---|
| YTD Return | -7.11% | -16.54% |
| Ann. Return: 1 year | -1.51% | -10.75% |
| Ann. Return: 3 years | 6.41% | -1.59% |
| Ann. Return: 5 years | 5.72% | 2.26% |
| Ann. Return: Inception | 6.07% | 4.08% |
| Annualized Volatility | 12.16% | 9.14% |
| Sharpe Ratio | 0.54 | 0.36 |

## Cumulative Growth (since inception)




## Monthly Performance

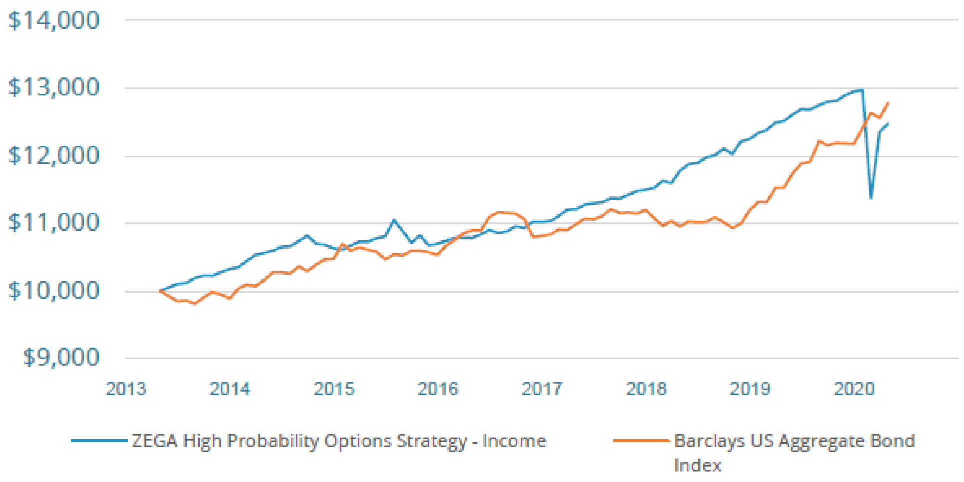
| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | CBOE PUT Write Index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2012** | | | | | | | | | | | -0.13% | 1.26% | **1.13%** | **-1.17%** |
| **2013** | 0.65% | 0.86% | 1.40% | 0.85% | -0.75% | 2.58% | -0.28% | 1.39% | 0.04% | 0.49% | 0.77% | 0.90% | **9.23%** | **12.26%** |
| **2014** | 0.15% | 1.48% | 1.67% | 1.14% | 0.42% | 0.00% | 0.52% | 0.48% | 0.89% | -4.61% | 0.06% | 0.99% | **3.08%** | **6.39%** |
| **2015** | 1.36% | 1.00% | 0.89% | 0.16% | 0.51% | 1.54% | 1.22% | -6.53% | 1.01% | 0.87% | -0.84% | 1.11% | **2.04%** | **6.42%** |
| **2016** | 0.56% | 0.82% | 0.00% | 0.41% | 0.74% | 1.18% | -0.15% | 0.26% | 1.27% | 0.22% | 1.56% | 0.08% | **7.16%** | **7.75%** |
| **2017** | 0.53% | 0.96% | 1.58% | 0.60% | 1.01% | 0.40% | 0.72% | 0.98% | -0.23% | 0.96% | 0.69% | 0.50% | **9.04%** | **10.84%** |
| **2018** | 0.47% | 1.10% | -0.47% | 3.03% | 1.36% | 0.26% | 1.08% | 0.48% | 1.20% | 0.21% | 3.08% | -0.79% | **11.50%** | **-5.89%** |
| **2019** | 1.69% | 0.59% | 1.21% | 0.80% | 1.05% | 0.90% | 0.26% | 1.21% | 0.09% | 0.53% | 1.06% | 0.78% | **10.65%** | **14.57%** |
| **2020** | 0.74% | -24.50% | 19.43% | 2.26% | | | | | | | | | **-7.11%** | **-16.54%** |

# ZEGA High Probability Options Strategy - Income Through April 30, 2020

## Performance Statistics

| | ZEGA Financial | Barclays US Aggregate Bond Index |
|---|---|---|
| YTD Return | -3.69% | 4.98% |
| Ann. Return: 1 year | -0.35% | 10.85% |
| Ann. Return: 3 years | 3.63% | 5.18% |
| Ann. Return: 5 years | 3.06% | 3.80% |
| Ann. Return: Inception | 3.25% | 3.61% |
| Annualized Volatility | 6.09% | 3.07% |
| Sharpe Ratio | 0.66 | 0.91 |

## Cumulative Growth (since inception)




## Monthly Performance

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | Barclays US Aggregate Bond Index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2013 | | | | | | 1.01% | 0.13% | 0.73% | 0.41% | -0.06% | 0.53% | 0.44% | 3.23% | -1.12% |
| 2014 | 0.21% | 0.93% | 0.84% | 0.29% | 0.35% | 0.48% | 0.12% | 0.73% | 0.73% | -1.08% | -0.14% | -0.50% | 2.98% | 5.95% |
| 2015 | -0.21% | 0.57% | 0.56% | -0.02% | 0.48% | 0.27% | 2.23% | -1.49% | -1.58% | 1.02% | -1.35% | 0.23% | 0.64% | 0.55% |
| 2016 | 0.40% | 0.39% | 0.03% | -0.06% | 0.50% | 0.61% | -0.39% | 0.22% | 0.68% | -0.21% | 0.79% | -0.01% | 2.98% | 2.65% |
| 2017 | 0.16% | 0.65% | 0.84% | 0.07% | 0.63% | 0.15% | 0.12% | 0.55% | -0.04% | 0.47% | 0.46% | 0.18% | 4.32% | 3.54% |
| 2018 | 0.31% | 0.85% | -0.30% | 1.61% | 0.81% | 0.14% | 0.71% | 0.29% | 0.78% | -0.67% | 1.58% | 0.27% | 6.54% | 0.02% |
| 2019 | 0.75% | 0.36% | 0.85% | 0.23% | 0.75% | 0.63% | -0.07% | 0.51% | 0.39% | 0.12% | 0.61% | 0.48% | 5.75% | 8.73% |
| 2020 | 0.16% | -12.31% | 8.57% | 1.00% | | | | | | | | | -3.69% | 4.98% |

# Appendix: GIPS Compliant Disclosure

# ZEGA FINANCIAL, LLC
## HIGH PROBABILITY OPTIONS STRATEGY – AGGRESSIVE GROWTH COMPOSITE
### ANNUAL DISCLOSURE PRESENTATION

| Year End | Total Firm Assets (USD) (millions) | Composite Assets (USD) (millions) | Number of Accounts | Percent of Assets In WRAP Accounts | Percent of Carve Out Accounts | Percent Assets of Non-Fee Paying | Annual Performance Results Composite | | Benchmark | Composite | Composite | Benchmark |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Gross | Net | CBOE Put Write Index | Dispersion | 3 Yr. St Dev | 3 Yr. St Dev |
| June 2019 | 396 | 7 | 50 | 63% | 0% | 3% | 13.19% | 12.32% | 8.04% | N.A. 1 | 9.6% | 7.8% |
| 2018 | 340 | 5 | 45 | 64% | 0% | 4% | -1.62% | -3.13% | -5.89% | N.A. 1 | 9.1% | 7.5% |
| 2017 | 288 | 52 | 592 | 54% | 0% | <1% | 11.54% | 9.68% | 10.85% | 0.44% | 7.8% | 9.5% |
| 2016 | 236 | 39 | 471 | 56% | 0% | 2% | 8.87% | 7.03% | 7.77% | 0.59% | 9.0% | 12.1% |
| 2015 | 154 | 62 | 358 | 68% | 0% | 1% | 5.37% | 3.59% | 6.40% | 3.01% | 9.5% | 12.6% |
| 2014 | 349 | 190 | 2961 | 95% | 0% | <1% | 20.04% | 17.94% | 6.38% | 3.61% | 6.0% | 11.4% |
| 2013 | 111 | 43 | 577 | 83% | 0% | 2% | 33.46% | 32.14% | 12.28% | 2.67% | 12.1% | 17.6% |
| 2012 | 12 | 3 | 12 | 0% | 0% | 31% | 43.78% | 41.94% | 8.14% | 1.28% | N.A. 2 | N.A. 2 |
| 2011 | 5 | 2 | 9 | 0% | 0% | 40% | 28.34% | 27.99% | 6.17% | N.A. 1 | N.A. 2 | N.A. 2 |
| 2010* | 2 | < 1 | 1 | 0% | 0% | 100% | 8.86% | 8.86% | 9.02% | N.A. 1 | N.A. 2 | N.A. 2 |

*Composite and benchmark performance are for the period 12/1/2010 through 12/31/2010.
N.A.1 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
N.A.2 - The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2010 through 2012 due to less than 36 months of composite and benchmark data.

***High Probability Options Strategy - Aggressive Growth Composite*** *includes all institutional, retail, and founder portfolios that deploy out of the money credit spreads across the entire portfolio. This strategy targets out of the money strikes that can typically produce target returns of 1% to 3% per trade. The strategy aims to deliver risk-adjusted returns that are uncorrelated to the broader markets. A rapidly declining market generally negatively affects the strategy's credit put spreads. The Aggressive Growth version maximizes the amount of buying power available in a portfolio, and therefore takes on the maximum amount of risk. This composite includes all portfolios that were at least 70% dedicated to this strategy. The benchmark is the CBOE Put Write Index. The CBOE Put Write Index is an index that measures the performance of a hypothetical portfolio* *that sells S&P 500 Index (SPX) put options against collateralized cash reserves held in a money market account. The minimum account size for this composite is $60,000. The High Probability Options Strategy - Aggressive Growth Composite was created November 30, 2016.*

ZEGA Financial, LLC ("ZEGA") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ZEGA has been independently verified for the periods 7/1/2011 to 6/30/2019. The verification report(s) is/are available upon request

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Previously stated Total Firm Assets for 2015 along with Gross and Net Returns for 2018 have been revised as of Sept 2019. Additional information available upon request.

ZEGA Financial is an independent SEC registered investment adviser. The firm began managing client assets in July 2011. Prior to July 2011, the composite history represents the personal accounts of the founders. Since July 2011, firm assets included any accounts for which ZEGA Financial has at least some discretionary authority which includes accounts in ZEGA's wealth management practice and the investment management accounts for which ZEGA Financial was a sub-advisor to the account. The firm's list of composite descriptions is available upon request.

Performance presented prior to July 2011 occurred while the Portfolio Manager was affiliated with a prior firm and the Portfolio Manager was the only individual responsible for selecting the securities to buy and sell. The prior firm track record conforms to the portability requirements of the GIPS standards.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. To qualify as fully discretionary, at least 70% of the account must be dedicated to the composite strategy and no more than 20% of the account may be invested at discretion of a party other than ZEGA Financial. Derivatives and short positions make up a material part of the composite strategy which includes short selling, with the short position covered by cash accounts that are marked to market on a daily basis. Long and short option positions comprise more than 75% of this portfolio. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of fees and include the reinvestment of all income. This composite is a mix of accounts that are Wrap based and non-Wrap based (ie. pay commissions). Net returns are reduced by all fees and transaction costs incurred. Wrap fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. The weighted average percentage of assets that were in Wrap fees is available upon request. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Net of fee performance was calculated using actual management fees and actual wrap fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite varies. Our fee for portfolio management services is based on a percentage of assets we manage and ranges from 0.50% to 1.7%. The fee is negotiable depending upon the complexity and scope of the plan, financial situation, and objectives.

# ZEGA FINANCIAL, LLC
## HIGH PROBABILITY OPTIONS STRATEGY – CONSERVATIVE COMPOSITE
### ANNUAL DISCLOSURE PRESENTATION

| Year End | Total Firm Assets (USD) (millions) | Composite Assets (USD) (millions) | Number of Accounts | Percent of Assets In WRAP Accounts | Percent of Carve Out Accounts | Percent Assets of Non-Fee Paying | Annual Performance Results Composite Gross | Net | Benchmark CBOE Put Write Index | Composite Dispersion | Composite 3 Yr. St Dev | Benchmark 3 Yr. St Dev |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| June 2019 | 396 | 77 | 679 | 40% | 0% | 1% | 7.23% | 6.39% | 8.04% | N.A. 1 | 2.8% | 7.8% |
| 2018 | 340 | 63 | 589 | 42% | 0% | 1% | 13.14% | 11.50% | -5.89% | 7.88% | 2.8% | 7.5% |
| 2017 | 288 | 17 | 72 | 14% | 0% | 1% | 10.53% | 9.03% | 10.85% | 1.14% | 4.6% | 5.8% |
| 2016 | 236 | 14 | 22 | 0% | 0% | 1% | 8.31% | 7.17% | 7.77% | N.A. 1 | 5.5% | 6.8% |
| 2015 | 154 | 6 | 3 | 0% | 0% | 0% | 3.20% | 2.05% | 6.40% | N.A. 1 | 5.6% | 6.4% |
| 2014 | 349 | 4 | 2 | 0% | 100% | 0% | 4.15% | 3.08% | 6.38% | N.A. 1 | N.A. 2 | N.A. 2 |
| 2013 | 111 | 3 | 1 | 0% | 100% | 0% | 10.20% | 9.23% | 12.28% | N.A. 1 | N.A. 2 | N.A. 2 |
| 2012* | 12 | 1 | 1 | 0% | 100% | 0% | 1.13% | 1.13% | 8.14% | N.A. 1 | N.A. 2 | N.A. 2 |

*Composite and benchmark performance are for the period 11/1/2012 through 12/31/2012.

N.A.1 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

N.A.2 - The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2012 through 2014 due to less than 36 months of composite and benchmark data.

***High Probability Options Strategy - Conservative Composite*** *includes all institutional and retail portfolios that deploy deep out of the money credit spreads across the entire portfolio. This strategy targets out of the money strikes that can typically produce target returns of 1% by seeking strikes that are further out-of-the-money than the trades deployed by the other HiPOS strategies. When applicable, the strategy may use Treasuries as collateral and aims to deliver risk-adjusted returns that are uncorrelated to the broader markets. A rapidly declining market generally negatively affects the strategy's credit put spreads. This composite includes all portfolios that were at least 70% dedicated to this strategy. The benchmark is the CBOE Put Write Index. The CBOE Put Write Index is an index that measures the performance of a hypothetical portfolio that sells S&P 500 Index (SPX) put options against collateralized cash reserves held in a money market account. The minimum account size for this composite is $50,000. The High Probability Options Strategy - Conservative Composite was created November 30, 2016.*

ZEGA Financial, LLC ("ZEGA") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ZEGA has been independently verified for the periods July 1, 2011 to June 30, 2019. The verification report(s) is/are available upon request

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Previously stated Total Firm Assets for 2015 have been revised as of Sept 2019. Additional information available upon request.

ZEGA Financial is an independent SEC registered investment adviser. The firm began managing client assets in July 2011. Since July 2011, firm assets included any accounts for which ZEGA Financial has at least some discretionary authority which includes accounts in ZEGA's wealth management practice and the investment management accounts for which ZEGA Financial was a sub-advisor to the account. The firm's list of composite descriptions is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. To qualify as fully discretionary, at least 70% of the account must be dedicated to the composite strategy and no more than 20% of the account may be invested at discretion of a party other than ZEGA Financial. Derivatives and short positions make up a material part of the composite strategy which includes short selling, with the short position covered by cash accounts that are marked to market on a daily basis. Long and short option positions comprise more than 75% of this portfolio. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of fees and include the reinvestment of all income. This composite is a mix of accounts that are Wrap based and non-Wrap based (ie. pay commissions). Net returns are reduced by all fees and transaction costs incurred. Wrap fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. The weighted average percentage of assets that were in Wrap fees is available upon request. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Net of fee performance was calculated using actual management fees and actual wrap fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite varies. Our fee for portfolio management services is based on a percentage of assets we manage and ranges from 0.50% to 1.7%. The fee is negotiable depending upon the complexity and scope of the plan, financial situation, and objectives.

# ZEGA FINANCIAL, LLC
## HIGH PROBABILITY OPTIONS STRATEGY – INCOME COMPOSITE
### ANNUAL DISCLOSURE PRESENTATION

| Year End | Total Firm Assets (USD) (millions) | Composite Assets (USD) (millions) | Number of Accounts | Percent of Assets In Wrap Accounts | Percent of Carve Out Accounts | Percent Assets of Non-Fee Paying | Annual Performance Results Composite | | Benchmark Barclays US Aggregate Bond Index | Composite Dispersion | Composite 3 Yr St Dev | Benchmark 3 Yr St Dev |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Gross | Net | | | | |
| June 2019 | 396 | 3 | 20 | 25% | 0% | 0% | 4.44% | 3.64% | 6.12% | N.A. 1 | 1.6% | 3.0% |
| 2018 | 340 | 2 | 20 | 18% | 0% | 0% | 7.96% | 6.55% | 0.01% | N.A. 1 | 1.6% | 2.9% |
| 2017 | 288 | 1 | 3 | 0% | 0% | 0% | 5.70% | 4.32% | 3.54% | N.A. 1 | 2.4% | 2.8% |
| 2016 | 236 | 3 | 36 | 58% | 0% | 0% | 4.91% | 2.99% | 2.65% | 0.59% | 2.6% | 3.0% |
| 2015 | 154 | 3 | 20 | 33% | 0% | 0% | 1.99% | 0.65% | 0.55% | 0.71% | N.A. 2 | N.A. 2 |
| 2014 | 349 | 12 | 143 | 84% | 100% | 0% | 4.96% | 2.99% | 5.97% | 0.96% | N.A. 2 | N.A. 2 |
| 2013* | 111 | 5 | 64 | 81% | 100% | 0% | 3.82% | 3.23% | -2.02% | N.A. 1 | N.A. 2 | N.A. 2 |

*Composite and benchmark performance are for the period 6/1/2013 through 12/31/2013.

N.A.1 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

N.A.2 - The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2013 through 2015 due to less than 36 of composite and benchmark data.

***<u>HIGH PROBABILITY OPTIONS STRATEGY – INCOME COMPOSITE</u>*** *includes all institutional and retail portfolios that deploy out of the money credit spreads across 40% to 60% of the portfolio. Spread requirements are collateralized with cash, money market ETFs, or short-term US Treasuries for the remainder of the portfolio. This strategy targets out of the money strikes that can typically produce target returns of 0.25% to 0.50% per trade. The strategy aims to deliver risk-adjusted returns that are uncorrelated to the broader markets. A rapidly declining market generally negatively affects the strategy's credit put spreads. This composite includes all portfolios that were at least 70% dedicated to this strategy. The benchmark is the Barclays US Aggregate Bond Index. This benchmark does not use derivatives. This Barclays Index is a market cap weighted index of fixed income securities and it widely considered the most used index in the fixed income investment community. In the benchmark, accrued cash has no reinvestment return. The HIGH PROBABILITY OPTIONS STRATEGY – INCOME COMPOSITE was created November 30, 2016.*

ZEGA Financial, LLC ("ZEGA") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ZEGA has been independently verified for the periods July 1, 2011 to June 30, 2019. The verification report(s) is/are available upon request

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Previously stated Total Firm Assets for 2015 along with Gross and Net Returns for 2018 have been revised as of Sept 2019. Additional information available upon request.

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