Dual Direction Equity Growth

March 2019

ZEGA FINANCIAL
The disciplined option

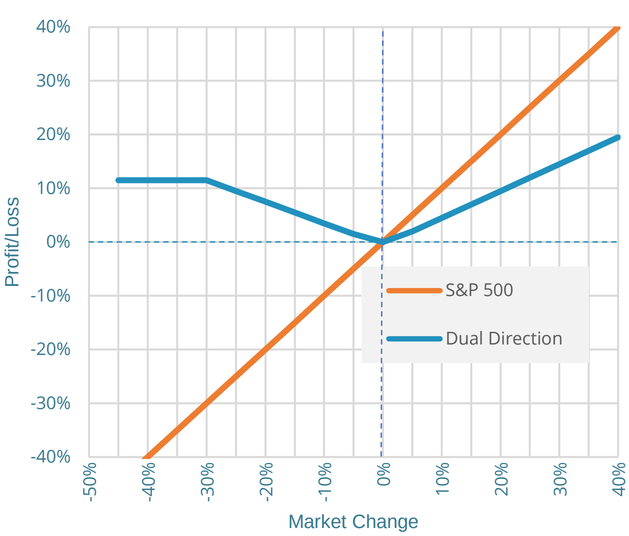
Investment Vehicle: Separately Managed Account
Portfolio Manager: Jay Pestrichelli

Inception Date: October 2017

Strategy Overview

- **Provides a targeted payout in 18-36 months, as the portfolio exclusively utilizes products with a maturity date**
- **Offers 45-55% participation in the growth of the S&P 500. Captures gains of 30-40% relative to magnitude of declines in the S&P 500**
- **Relies on the principal return from a diversified high yield fixed income portfolio to deliver its target payout. Which means that the debt markets must be functioning normally and without high default levels at maturity**
- **Hedges default risk of the high yield markets**
- **Accounts owns securities that are historically very liquid meaning, unlike structured notes, the client can exit the strategy prior to maturity at a fair price. However, early exit payouts may not match the targeted returns**
- **This strategy typically has lower volatility than the underlying index and can therefore help reduce portfolio risk**

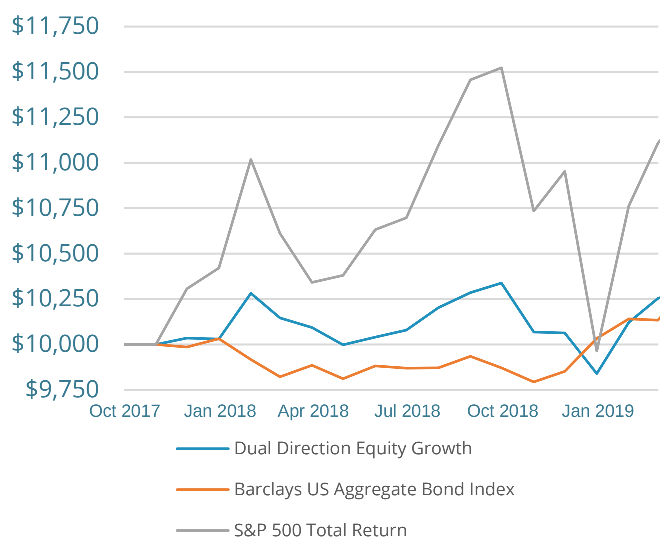
Methodology



Performance Statistics

	ZEGA Financial	Barclays US Aggregate Bond Index	S&P 500 Total Return
YTD Return	4.81%	2.94%	13.64%
Ann. Return: 1 year	2.19%	4.48%	9.49%
Ann. Return: Inception	2.08%	2.18%	8.64%
Annualized Volatility	4.76%	2.98%	14.01%
Sharpe Ratio	0.24	0.06	0.47

Cumulative Growth (since inception)



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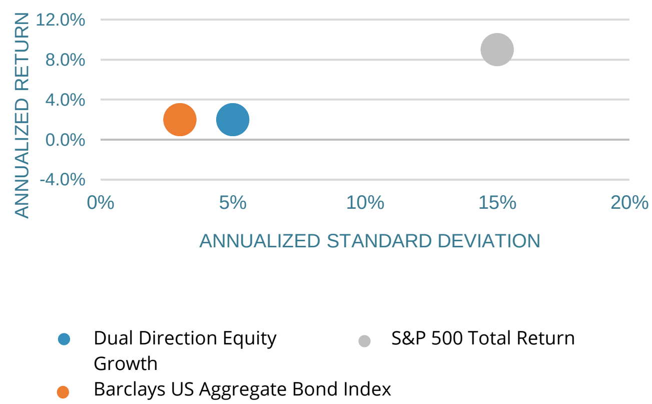
Recommended Usage

- **Any current or prospective investor with Conservative US equity exposure**
- **Investors searching for protection from a decline in the S&P 500**
- **Client who is comfortable with the fluctuation of a highly diversified short duration, high yield fixed income portfolio**

Risk vs. Return



Monthly Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Barclays US Aggregate Bond Index
2017										0.00%	0.36%	-0.05%	**0.31%**	**0.33%**
2018	2.50%	-1.32%	-0.52%	-0.93%	0.41%	0.39%	1.23%	0.81%	0.51%	-2.60%	-0.05%	-2.23%	**-1.90%**	**0.02%**
2019	2.87%	1.29%	0.59%										**4.81%**	**2.94%**

Strategy Risks & Disclosures

Note: Returns are expressed in US Dollars and calculated net of actual fees. Performance includes reinvestment of dividends and other earnings.

ZEGA Financial is a registered investment adviser and investment manager that specializes in derivatives. ZEGA is a separate accounts manager and all returns expressed herein are solely from the separate accounts business within ZEGA.

Dual Direction Equity Growth Composite includes all institutional and retail portfolios that invest in long market straddles and strangles funded by a hedged income component. The holdings include long S&P 500 calls and puts at or near the money at the time entry. The cost of these long options are supplemented by an income strategy that carries its own hedged protection. The strategy is designed to provide positive returns in both bearish and bullish markets as it captures a portion of the percentage move over its designed hold period. This composite includes all portfolios that were at least 70% dedicated to this strategy. *The benchmark is the* Barclays US Aggregate Bond Index. *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. There is no* minimum account size for this composite.

ZEGA Financial claims compliance with the Global Investment Performance Standards (GIPS). To receive a full list of composite descriptions of ZEGA Financial and/or a presentation contact Jay Pestrichelli at 1-800-380-9342, ext 101 or jay.pestrichelli@zegafinancial.com.

All investments involve the risk of potential investment losses as well as the potential for investment gains. Prior performance is no guarantee of future results and there can be no assurance, and clients should not assume, that future performance of any of the model portfolios will be comparable to past performance.

These results should not be viewed as indicative of the advisor's skill. The prior performance figures indicated herein represent portfolio performance for only a short time period, and may not be indicative of the returns or volatility each portfolio will generate over a long time period. The performance presented should also be viewed in the context of the broad market and general economic conditions prevailing during the periods covered by the performance information. The actual results for the comparable periods would also have varied from the presented results based upon the timing of contributions and withdrawals from individual client accounts. The performance figures contained herein should be viewed in the context of the various risk/return profiles and asset allocation methodologies utilized by the asset allocation strategists in developing their model portfolios, and should be accompanied or preceded by the model.

Standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. In finance, standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility.