ZEGA Dividend Plus

November 2025

Investment Vehicle: Separately Managed Account
Portfolio Manager: Jay Pestrichelli & Derek Moore

Inception Date: September 2022

Strategy Overview

The ZEGA Dividend Plus Model is a covered call strategy over high dividend stocks, targeting 6-10% cash generation. ZEGA uses analyst research screening for Fundamentals like PE Ratio, Profitability, Balance Sheet, Cash Flow, Etc. The model consists of a diversified basket of dividend 15-25 higher yielding stocks that target a 3-5% yield. In that basket,1 or 3 stocks of each sector are selected providing the dividend and option liquidity meet the strategy's requirements. On top of the basket, calls are sold on each stock with the intention target of generating an additional 4% of annual returns.

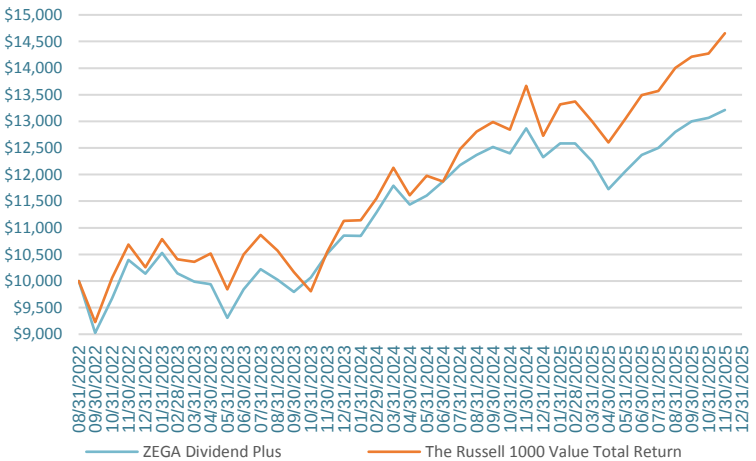
Performance Statistics

	ZEGA Investments	The Russell 1000 Value Total Return
YTD Return	7.17%	15.12%
Ann Return: 1 Year	2.68%	7.25%
Cumulative Return ITD	32.13%	50.52%
Annualized Volatility	12.59%	14.54%
Sharpe Ratio	0.31	0.53

Methodology

- Diversified basket of dividend 15-25 Stocks with a target of 4% yield
- Covered call strategy over high dividend stocks, targeting 8% cash generation.
- 1 or 3 stocks of each sector selected providing the dividend and option liquidity meet the strategy's requirements.
- Calls sold on each stock with the intention target of generating an additional 3-5% of annual returns.
- Calls sold quarterly at levels between 8-15% above the current price. Upside appreciation may be capped after that.

Cumulative Growth (since inception)



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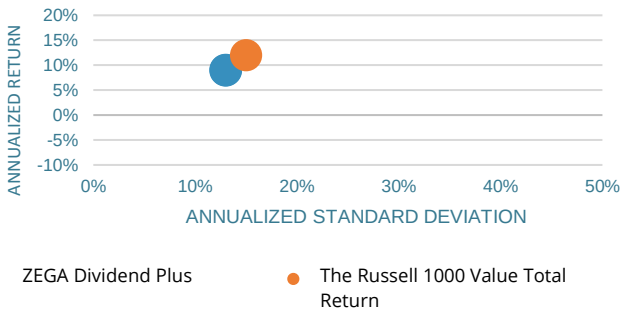
Recommended Usage

- Appropriate for investors with the primary goal of income generation on a regular basis
- Appropriate for investors looking for upside stock appreciation.
- Investors comfortable with downside risk knowing that this is not considered a hedged strategy.
- Recommended taxable or qualified accounts.

Risk vs. Return



Monthly Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	YTD The Russell 1000 Value Total Return
2022									-9.74%	7.18%	7.44%	-2.44%	**1.40%**	**2.56%**
2023	3.85%	-3.66%	-1.58%	-0.43%	-6.40%	5.78%	3.86%	-1.96%	-2.26%	2.72%	4.43%	3.28%	**7.03%**	**8.52%**
2024	-0.07%	4.08%	4.46%	-3.04%	1.50%	2.27%	2.59%	1.56%	1.24%	-0.96%	3.78%	-4.19%	**13.59%**	**14.37%**
2025	2.09%	-0.01%	-2.67%	-4.27%	2.87%	2.53%	1.07%	2.39%	1.58%	0.49%	1.14%		**7.17%**	**15.12%**

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 Investments 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.
The Zega Dividend Plus Model is covered call strategy over large cap high dividend stocks, targeting cash generation. The model consists of a diversified basket of dividend 15-25 higher yielding stocks. Generally, the portfolio aims to hold stocks from 11 sectors of the S&P 500. Calls are then sold on the individual stocks. The calls are typically sold 8-15% out-of-the-money with an annualized target ranging from 3-5%. The portfolio is not considered hedged, so it is considered to take the risk of a value-based stock portfolio. The benchmark is The Russell 1000® Value Index. The index measures the performance of the large cap value segment of the US equity universe. The minimum account size for this composite is $100,000.
ZEGA Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ZEGA has not been independently verified.
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 here in 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 a part 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.
On July 1, 2024, ZEGA Financial spun off its wealth management-focused advisory business into a new firm ZEGA Investments. Consequently, ZEGA Investments acquired the Dividend Plus strategy from ZEGA Financial. Prior to spin off, performance results for the period September 2022 through June 2024 were achieved at ZEGA Financial. ZEGA Financial no longer reports historical performance for this strategy. The lead manager primarily responsible for achieving prior performance began managing this strategy on at ZEGA Financial and has continued in the same capacity at ZEGA Investments. Additionally, the accounts managed and the investment process employed for this strategy at the prior firm remain substantially similar. Therefore, ZEGA Investments uses September 2022 as the inception date for the Dividend Plus strategy.

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