



ETF OPTIONS PORTFOLIO

Portfolio Minimum \$200,000

METHODOLOGY

From a list of about 25 Exchange Traded Funds (ETFs) with active options markets, we compare fundamental value and growth metrics to identify 5 - 10 positions selling at attractive prices. We then sell, or 'write,' covered calls or cash-secured puts* on these ETFs, earning premium income. If an underlying ETF to a put position is 'put' to the account, the manager will either sell the ETF or write calls on it.

The manager will attempt to design accounts that are diversified by various factors, including sector, region, market capitalization and risk.

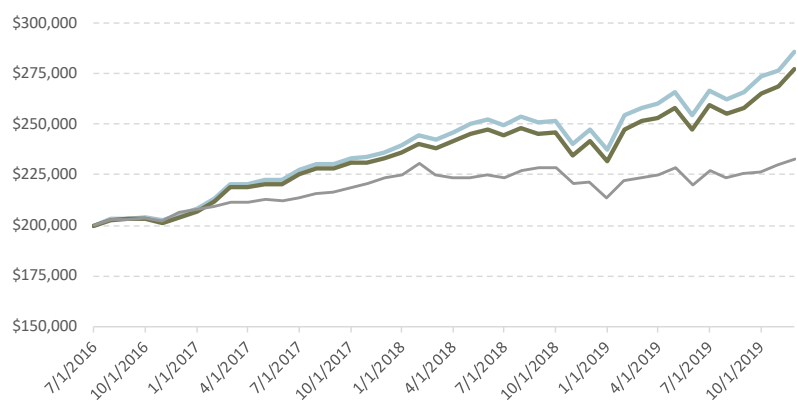
As for the options themselves, the lower the strike price of a call, the higher the strike price of a put, and the further out the expiration of a put or call, the greater the premium received from selling the option.

If we believe the overall equity market is expensive, we will begin a position by writing a covered call option with a strike price close to, or even below, the current price of the underlying ETF. For the cash-secured puts, we will write them reasonably 'out of the money,' or below the current price, with an expiration date about three months forward.

If we believe the overall equity market is fairly valued, or even attractively valued, we will likely write covered calls with higher strike prices or cash-secured puts with strike prices closer to the current underlying price of the ETF. Also, lengthening the period until expiration may allow for cash flows even with out-of-the-money options.

*A "covered" call is a call on a security already owned in the account; a "cash-secured" put is a put for which the cash is left available in the account to buy the underlying position if required. In both cases, the risk is lower than if the call or put option were 'naked'.

GROWTH OF \$200,000 INVESTMENT



	2016 [^]	2017	2018	2019
ETF Options Gross	4.03%	15.07%	(0.79%)	20.23%
ETF Options Net	3.54%	13.98%	(1.74%)	19.11%
Benchmark⁺	1.88%	8.23%	(5.13%)	10.10%

	ETF OPTIONS Gross	ETF OPTIONS Net	BENCHMARK ⁺
2019 YTD	20.23%	19.11%	10.10%
1 yr.	20.23%	19.11%	10.10%
3 yr.	11.13%	10.08%	4.18%
Inception*	10.71%	9.67%	4.70%

*For the period 7/1/2016 through 12/31/2019. [^]For the period 7/1/2016 through 12/31/2016. Net Performance is net of actual commissions and a maximum fee of 0.96%, and includes investment of all dividends and interest. See reverse for additional information and disclosures. ⁺Benchmark is the Lipper Long/Short Equity Index. Holdings are subject to change.

RISKS TO CONSIDER This is an income-oriented strategy with a targeted risk level below that of the broad equity market during normal market environments. The strategy would likely lag the equity market in a big up year and produce significant losses in a big down year, though hopefully not as much as the broad market.

Selling cash secured puts on ETFs is similar in risk to a long-invested position in those ETFs. To the extent that the ETFs are a blend of equity and bond ETFs, the overall risk would be commensurate with the risk of a balanced account with the same equity/bond ETF weighting. The risk is evident when the stock or bond market suffers a sharp correction, forcing the put position to drop to a negative unrealized value. The position may eventually be bought back (for a loss), or the option on the ETF will be exercised and the ETF will be purchased at an above-market price. If a client remains with the strategy throughout the correction and commensurate recovery, gains would normally be realized. If an account closed during the correction, losses may be realized.

Clients in this strategy should have the emotional and financial strength to sustain losses in the event of significant market declines and/or portfolio underperformance. This strategy will often generate short-term capital gains and, because of the emphasis on current income, the product may be better suited for tax-deferred accounts or for regular accounts of people in lower tax brackets.

ETF Options Portfolio

Salzinger Sheaff Brock

Performance information shown for composite is presented gross and net of investment management fees. Net returns are net of model fees and are derived by deducting the highest applicable fee rate of 0.96% from the gross returns each quarter. Returns have been reduced by transaction costs and include the reinvestment of investment income (dividends/interest). Valuations and returns are stated in US dollars. Trade date accounting is used. Portfolio returns are calculated using time weighted return methodology on a monthly basis. Composite results consist of all client accounts that are, at a minimum, 80% invested in the strategy and invested for a full month or more. The composite description and the policies for valuing portfolios, calculating performance and preparing composites is available upon request.

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. Changes in investment strategies, contributions or withdrawals, and economic conditions may materially alter the performance of your portfolio. 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. Past performance does not guarantee future investment success. Asset allocation and diversification do not ensure or guarantee better performance and cannot eliminate the risk of investment losses.

Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results. There can be no assurances that a strategy will match or outperform any particular benchmark. The benchmark used is the Lipper Long/Short Equity Index. The Lipper Long/Short Equity Index is comprised of funds that employ portfolio strategies that combine long holdings of equities with short sales of equity, equity options, or equity index options, the fund may be either net long or net short depending on the view of the market. Depending upon the other holdings in your portfolio, your investment objectives, and your risk temperament, it may be more appropriate to measure performance against a different benchmark.

Performance is current as of December 31, 2019 with an inception date of July 1, 2016. Returns from this relatively short period are less reliable than long-term results.

Salzinger Sheaff Brock, LLC ("SSB") is a federally registered investment adviser founded in 2009. To determine if this strategy is appropriate for you, carefully consider the investment objectives, risk factors, and expenses before investing. Individual account management and construction will vary depending on each client's investment needs and objectives. Investment strategies in options may carry a high degree of risk and are not suitable for all investors. Investors should not enter into option transactions until they have read and understood the option disclosure document titled Characteristics and Risks of Standardized Options issued by the Options Clearing Corporation ("OCC") which outlines the purposes and risks of option transactions. The option disclosure document can be obtained from your broker, any of the options exchanges or OCC.