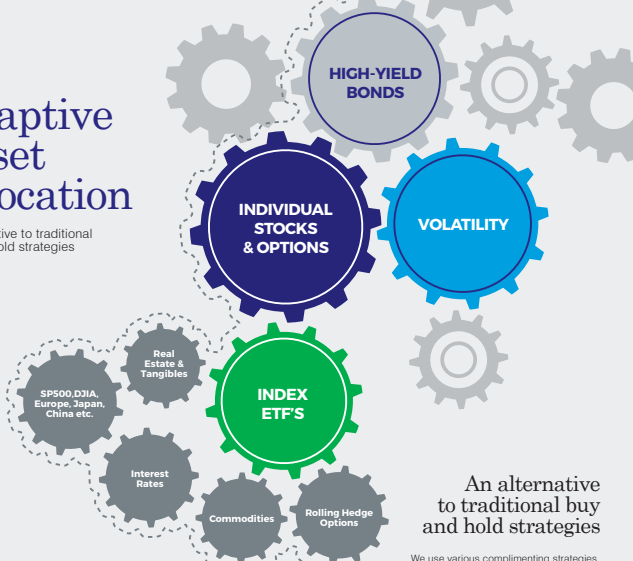




Adaptive Asset Allocation

An alternative to traditional buy and hold strategies



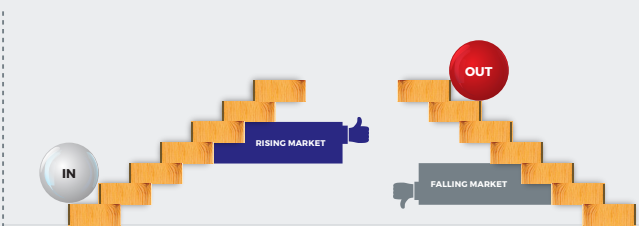
An alternative to traditional buy and hold strategies

We use various complementing strategies, based on the existing market environment, with a goal of participating in rising markets while providing capital preservation and downside protection to our clients. Our nimble and adaptive strategies help reduce our clients' stress caused by longer term market disruptions, given the increased ability to generate consistent returns. Using a combination of quantitative technical analysis and a fundamental approach, our strategies adapt to evolving market conditions across a broad spectrum of products. Prudent investing and risk management support an allocation of assets based on each clients' suitability; investments are allocated to stable returning alternatives, supplemented by a varying degree of higher return opportunities, depending on each clients' risk tolerance levels.

Account Value	Strategy	Strategy Description	
50%	ETF's	Index Rotation	Intermarket Rotation
30%	Stock/Option	Individual Stock with covered calls/cash-covered puts	
10%	Volatility Cide	Long/short exposure to VIX using VIX Exchange Traded Notes	
5%	High Yield Bonds	Bonds for companies with reasonable balance sheets in distressed industries	
varies	SP500 Rolling Hedge	Increased SP500 Allocation	

Index ETF Rotation

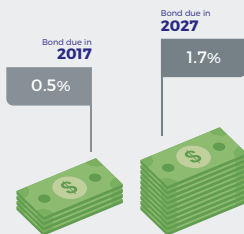
Broad market exposure in long-term uptrends



2 WAYS TO BOOST FIXED-INCOME YIELD

INCREASE DURATION

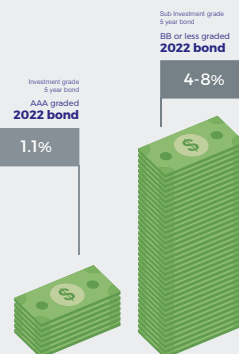
DECREASE CREDIT RATING



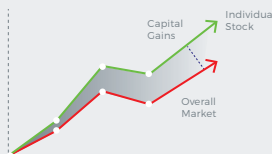
Longer periods of time exposed to drawdowns caused by rising rates insulated from default risks

High-Yield Bonds

Identify above average total returns while balancing default risk (Values as of September 2016)



Shorter periods of time exposed to default risk somewhat insulated from interest rate risks

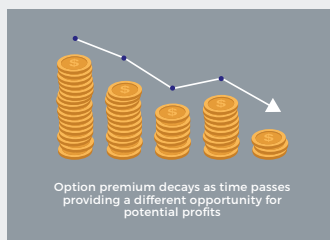


PRICE OUT PERFORMANCE



Stock and Equity Options

Focused exposure on individual stocks with potential to out-perform broad market either in price or yield. Option overlay to capture premium with passage of time



Option premium decays as time passes providing a different opportunity for potential profits

Volatility

Profit from declining volatility that typically follow stock market drops

Transition from inflated state (high volatility) to deflated state (low/normal volatility) creates profit potential using volatility instrument



S&P 500 Rolling Hedge

Proportionately larger SP500 allocation with tail-risk protection

Rolling hedge provides protection primarily during sharp, rapid declines in SP500 rather than slow & gradual



Exchange Traded Fund ("ETF") Rotations

There are two ETF strategies critical to success in volatile conditions. One relies on stock market indices like the S&P 500. One relies on individual stocks. The latter is more volatile but offers higher potential returns. To supplement the broad market (a ETF strategy), high-yield investment funds can be considered using leveraged investments, which are provided by a process and independent of the underlying assets. This approach disperses specific portfolio exposure and special investments that are highly correlated to the underlying assets. Prudent investing in underappreciated assets that may require illiquid assets provide a lower risk enhanced return opportunity.

Stocks and Equity Options

Volatility is a market term that increases as the market or change in performance over time. Those changes are tracked in one index, referred to as the VIX index, and the expected future movement of the VIX is measured by a performance chart that tends to depict the movement of the market portfolio. For example, consider a sharp decline in the S&P 500. The change in volatility in the periods value of the S&P 500 would be measured by upward sloping VIX index. Historically, volatility spikes and they remain low over time. Careful monitoring of the VIX index and volatility is, taking a short position in the VIX index during these periods can be a profitable strategy. The intention is to find opportunities to profit in times of declining or stagnant stock market prices.

Volatility Glide

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High-Yield Bonds

High-yield bonds are a category of debt securities that are riskier than investment grade bonds. They typically have a higher coupon rate than investment grade bonds. High-yield bonds are often used by investors to diversify their portfolios and to provide a source of income. They are subject to credit risk, interest rate risk, and liquidity risk. The intention is to find opportunities to profit in times of declining or stagnant stock market prices.

S&P 500 Rolling Hedge

For those clients who desire a larger portfolio S&P 500 allocation, we offer a "rolling hedge" strategy to help mitigate the risk and volatility associated with larger portfolio allocations. This strategy involves the periodic adjustment of the S&P 500 allocation based on market conditions. The "rolling hedge" strategy is designed to provide a source of income and to provide a source of capital appreciation. The intention is to find opportunities to profit in times of declining or stagnant stock market prices.

Past performance is no guarantee of future results. This piece is provided for informational purposes and is not intended to provide specific investment advice. Rather, it outlines strategies employed in the ongoing investment advisory relationship with current clients. It contains my current opinions and those are subject to change. Information, data and graphs are derived from sources deemed to be reliable, but are not guaranteed. Investing involves risk, including but not limited to loss of principal. This is not a solicitation to buy or sell any security, strategy or product.