ZBIG - IRA

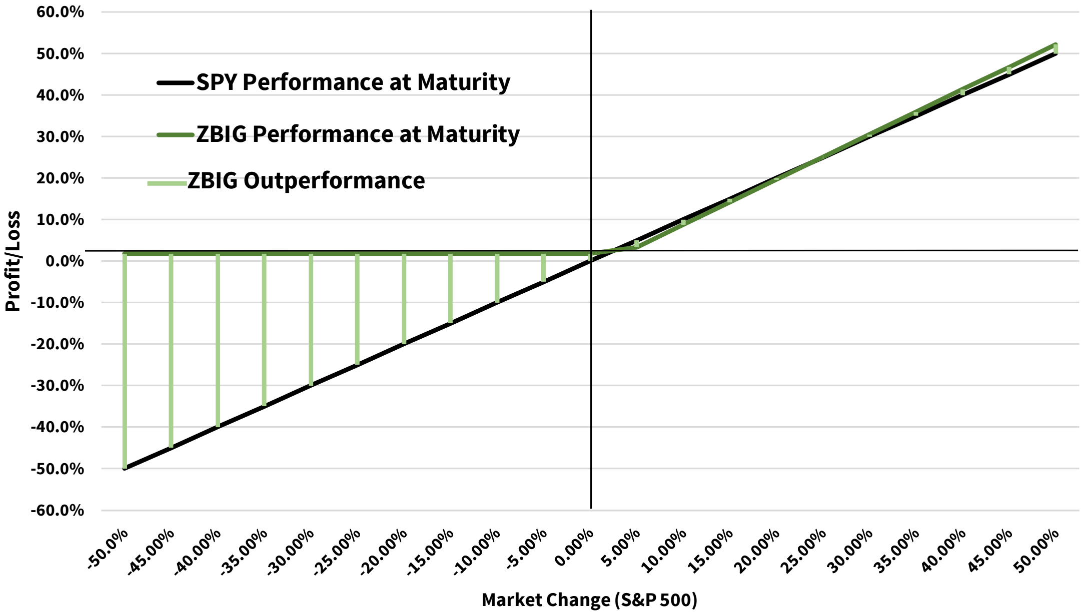
ZEGA's BUFFERED INDEX GROWTH STRATEGY September 2016

ZEGA FINANCIAL
The disciplined option

WHAT IS THE BUFFERED INDEX GROWTH STRATEGY?

- Provides a targeted payout in 18-24 months using a separate account that exclusively owns products with a maturity date
- Offers participation in the appreciation of the S&P 500 while providing limited downside protection to the index returns
- Relies on the principal return from a highly diversified high-yield fixed income portfolio to deliver its target payout
- "Buffered" refers to the range of negative returns that are not indexed to the S&P500 meaning the portfolio has protection from a range of losses – but not all losses.

ZBIG EXPECTED PERFORMANCE*



*This expected performance assumes the high-yield fixed income ETF delivers 100% of its expected returns between investment and maturity.

BENEFITS

- Participation in the upside of the S&P 500
- Losses are limited if the S&P 500 finishes with negative returns between 0% to -35% (typical and targeted returns – actual return profile can vary at entry)
- 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
- This strategy typically has lower volatility than the underlying index and can therefore help you reduce the risk in your portfolio by substituting this product for the underlying index

RISKS

- This strategy is not principal protected and you could receive significantly less that the initial amount you invest
- For the strategy to deliver its targeted payout, the diversified high yield fixed income portfolio must return its principal at maturity which means that the debt markets must be functioning normally and without high default levels at maturity.
- The strategy is only designed to return the price appreciation of the index which does not include the dividend returns of the index
- If client exits the strategy early, the pay out may not match the targeted returns.
- The strategy uses a maturity date ETF to deliver ownership of the fixed income necessary to finance this strategy. The risks of that ETF are highlighted on the back page of this sheet.

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STRATEGY RISK & DISCLOSURES

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 either the expected performance presented herein or the past performance.

- *The expected performance returns provided herein assume that all counter-parties to the investments made are able to deliver on their obligations as they relate to income and return of principal. The counter-party that represents the most risk is the issuers of the fixed income that resides in the maturity date high yield fixed income ETFs that are held in the account. These short duration vehicles plan to return the principal of the fixed income held within the ETF but can only return that principal if the fixed income issuers pay off their debts as promised. As such, the majority of the risk resides in the potential default on the fixed income debt in the ETF.*
- *High yield securities generally offer a higher current yield than that available from higher grade issues, but typically involve greater risk. Securities rated below investment grade are commonly referred to as "junk bonds." The ability of issuers of high yield securities to make timely payments of interest and principal may be adversely impacted by adverse changes in general economic conditions, changes in the financial condition of the issuers and price fluctuations in response to changes in interest rates. High yield securities are less liquid than investment grade securities and may be difficult to price or sell, particularly in times of negative sentiment toward high yield securities.*
- *All fixed income carries interest rate risk. Securities with longer durations tend to be more sensitive to interest rate changes, making them more volatile than securities with shorter durations. This strategy exclusively uses fixed income ETFs with durations less than 2 years out.*
- *Issuers or guarantors of debt instruments or the counterparty to a repurchase agreement or loan of portfolio securities may be unable or unwilling to make timely interest and/or principal payments or otherwise honor its obligations. The default risk on high yield securities is higher than the default risk on securities issued with a higher grade.*
- *Investors should consider liquidity needs prior to investing, as the strategy is designed specifically to be held to maturity, and exiting early may result in performance that will vary from the targeted return profile, and could potentially result in a loss.*

RECOMMENDED USES

- Any current or prospective investor with large cap US equity exposure
- Investors looking for limited protection from a decline in the S&P500
- Investors with a bullish outlook on US Large Cap equity that want appreciation in an index that matches that asset class
- Client that is comfortable with the downside risk of a highly diversified, short duration, high yield fixed income portfolio

EXPECTED RETURN METRICS*

Upside Participation	70% to 85%
Buffered Range	+5% to -35%
Buffered Range Return	1% to 4%
Equity Loss Limit	-5%

*This expected performance assumes the high-yield fixed income ETF delivers 100% of its expected returns between investment and maturity.

ABOUT ZEGA

Founded in 2011, ZEGA Financial (ZEGA) is a registered investment advisor based in West Palm Beach, Florida. ZEGA specializes in using options to hedge equity investments and manage alternative income strategies. ZEGA uses complex tactics to both take profit from opportunistic market conditions and protect from volatility.

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