

BEST EQUITY PICKS

INTERNET ADVANTAGE STRATEGY (IAS)



as of July 2017

HIGHLIGHTS

- IAS is a series of strategies based on an innovative new research approach
- Our researchers track the digital Internet footprint of publicly traded companies to find hidden demand trends in the market place
- The changes in demand lead us to bullish decisions on stocks that are most affected by those demand trends
- Long only equity portfolio designed to find picks that will outperform the broad market
- Narrows down universe of over 2200 companies to ~30+ portfolio holdings
- Over 5 years of research and analysis behind current offering
- Management team with extensive trading & product development experience

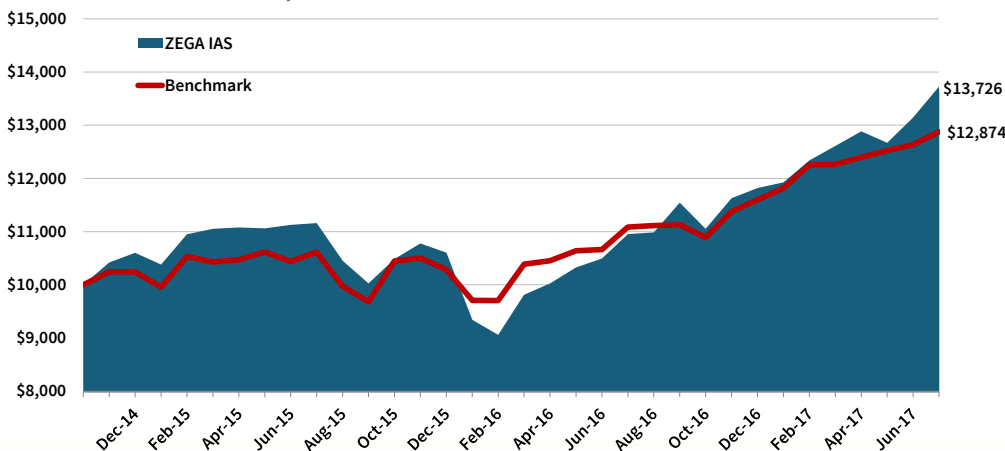
METHODOLOGY

- **Internet Footprint:** IAS analyzes Internet digital brand footprints to predict future revenue. Revenue expectations are analyzed to produce bullish picks.
 - Constantly collecting data from multiple commercial and public sources
 - Define digital identities for over 2200 publicly traded companies
- **Define Digital Signal:** IAS uses aggregated historical data and past revenues to establish relationships between digital trajectory and revenue change across over 200 metrics.
 - Analyze monthly for each company's next earning period
 - Use proprietary data modeling to identify companies most likely to have revenue surprises – both beats and misses.
- **Generate List of Target Stocks:** each month we generate a list of bullish stock picks. Our traders rebalance the portfolio at least monthly as new signals create new entry and exit signals. The average holding period for each position is typically 3-4 months.

PERFORMANCE as of 7/31/2017

	Annualized Returns				
	MTD	QTD	YTD	1 Year	ITD
IAS Best Equity Picks Net	4.4%	6.5%	16.1%	25.3%	12.2%
S&P 500	1.9%	3.9%	11.0%	16.1%	9.6%

GROWTH OF \$10,000 Since Inception as of 7/31/2017



STRATEGY OVERVIEW

ZEGA's Internet Advantage Strategy (IAS) – Best Equity Picks aims to outperform the market by identifying the stocks most likely to out-perform the market based on changing demand. It is a highly diversified portfolio with around 30 holdings. The product is deployed in an SMA format.

The portfolio is made up of Large, Mid, and Small Cap U.S. equities and has a high correlation to the S&P 500.

KEY FACTS

Vehicle Type	Separately Managed Account
Inception Date	November 2014
Benchmark	S&P 500
Holdings	20 - 40
Portfolio Manager	Wayne Ferbert

RISK METRICS

Standard Deviation

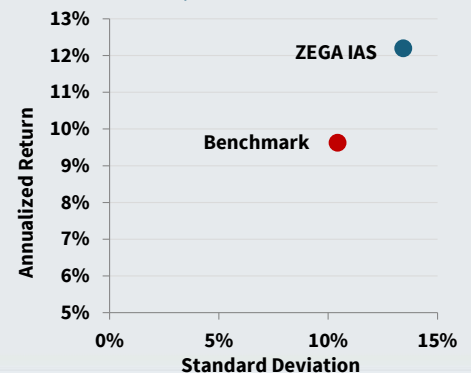
	1 Year	ITD
ZEGA IAS Gross	9.4%	13.3%
S&P 500	5.8%	10.4%

Sharpe Ratio

	1 Year	ITD
ZEGA IAS Gross	2.72	0.96
S&P 500	2.69	0.89

RISK/RETURN

Since Inception as of 7/31/2017





MONTHLY PERFORMANCE Since Inception as of 7/31/2017

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD (net)	S&P 500
2014	Net											4.2%	1.7%	6.0%	2.4%
2015	Net	-2.1%	5.5%	0.9%	0.2%	-0.1%	0.6%	0.3%	-6.4%	-4.1%	4.6%	2.8%	-1.6%	0.0%	0.5%
2016	Net	-11.9%	-3.0%	8.3%	2.2%	3.0%	1.6%	4.4%	0.3%	5.1%	-4.2%	5.2%	1.6%	11.4%	12.7%
2017	Net	0.9%	3.4%	2.2%	2.2%	-1.7%	3.7%	4.4%						16.1%	11.0%

RECOMMENDED USAGE

The ZEGA Best Equity Picks Internet Advantage Strategy (IAS) is designed to complement or replace a portfolio's existing growth allocation. Investors should be comfortable with a long equity portfolio and looking for growth. It is further recommended for deployment in a tax-advantaged account (eg, IRA) because it creates over 500 taxable transactions per year.

STRATEGY RISKS & DISCLOSURE

Note: Returns are expressed in US Dollars net of fees.

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.

INTERNET ADVANTAGE STRATEGY: EQUITY BEST PICKS Composite includes all institutional and retail portfolios that invest in a highly diversified portfolio with up to 40 holdings. The portfolio is made up of Large, Mid, and Small Cap U.S. equities designed to be long only. The strategy aims to outperform the market by identifying the stocks most likely to out-perform based on changing demand. The Internet Advantage Strategies is a series of strategies based on an innovative new research approach: ZEGA tracks the digital Internet footprint of publicly traded companies to find hidden demand trends in the market place. This composite includes all portfolios that were at least 70% dedicated to this strategy. The benchmark is the Russell 3000 Index. The Russell 3000 Index is a collection of 3,000 of the publicly traded US Equity companies that span large cap, mid cap, and small cap categories.

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 that complies with the GIPS standards, contact Jay Pestrighelli 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.