Buy & Hedge Presentation

Information as of July 31st , 2017

ZEGA FINANCIAL

DISCLOSURE

THIS PRESENTATION IS FOR DUE DILIGENCE ANALYSTS AND REGISTERED REPRESENTATIVES ONLY.

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This presentation should not be regarded as a complete analysis of the subjects discussed. All expressions of opinion reflect the judgment of the adviser as of the date of the presentation and are subject to change.

Past performance may not be indicative of future results. Therefore, 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. 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. There are no assurances that a portfolio will match or outperform any particular benchmark.

Except where specifically identified otherwise, all performance data in this presentation is the performance of the Separate Account Strategy.

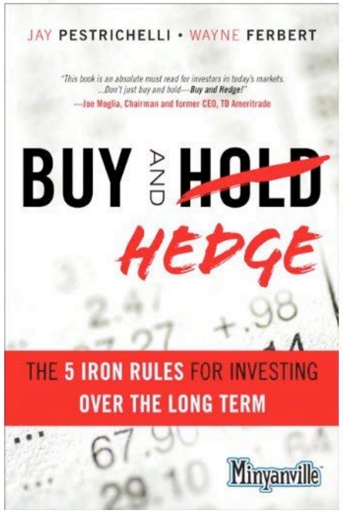
WHO IS ZEGA?

ZEGA FINANCIAL

Product Developers turned Investment Managers

Wayne Ferbert

Jay Pestrichelli



- Founded in 2011
- Co-authors of *Buy And Hedge*
- Former TD Ameritrade Executives
- Product Developers that built and launched institutional level trading tools for individual investors
- Architects of the acquisition of the largest US online options brokerage
- Registered Investment Advisor*
- Over $250 million in Assets Under Management as of July 31st, 2017

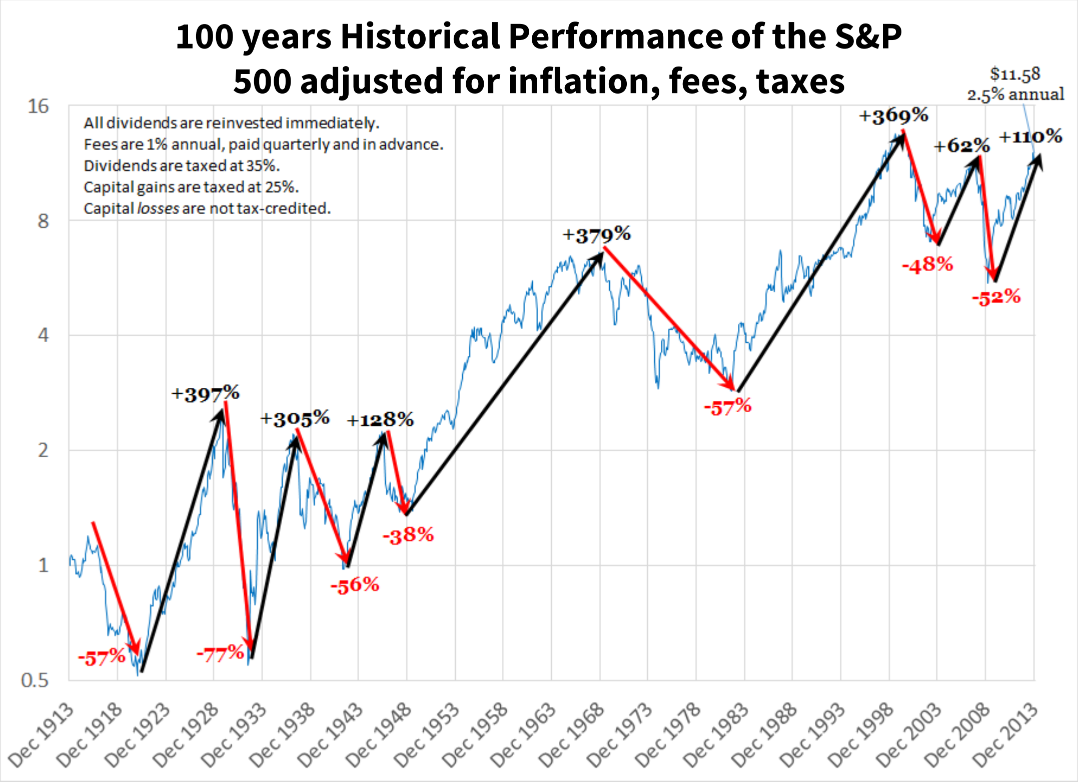
* Registration as an investment advisor does not constitute an endorsement of the firm by securities regulators nor does it indicate that the advisor has attained a particular level of skill or ability.

Portfolio Design

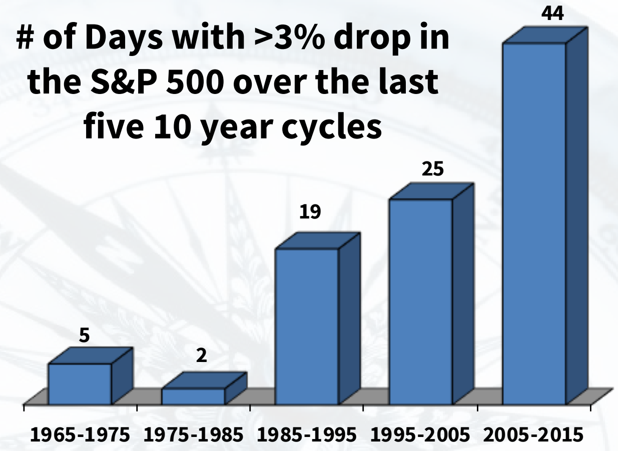
Start with a design that considers your investment needs

Protected Capital	Income	Growth	Specialty
The investment capital that the client requires as a safety net for future needs (eg, college or retirement) Any investment tactic in this category must have a systematic floor in its value that the investor can be assured will be protected. These investments will typically be the least risky in your portfolio.	The investment capital meant to produce periodic income for withdrawal or use by investor. The income is most commonly interest payments but can also take the form of dividends or capital gains. Typically, these investments are conservative and have a volatility that is lower than the overall portfolio's expected volatility.	The investment capital that is meant to produce the greatest long-term returns – but may suffer the highest swings in value over short-term periods. Think of these investments as the money that is "working the hardest" for your portfolio. These investments will typically have the most risk in your portfolio – providing the most upside potential along with the biggest downside risk.	Specialty investments are strategies that invest in either (a) alternative strategies or (b) alternative asset classes. Alternative strategies strive to achieve superior risk adjusted returns. This doesn't mean they take more risk than the GROWTH category. It is possible for it to take more or less – but it intends to generate returns in excess of the risk taken. These strategies in SPECIALTY often have very different correlations to the traditional asset classes of fixed income and equities. The result: more diversification in the client portfolio.

The Case for Hedging



Odds are you will experience more than one of these downturns.



- In the 100 year history of the S&P500 you can barely find any 20 year window without a steep market downturn.
- On top of that, the last 20 years have now offered up two very powerful down turns.
- We see a pattern like that in the first 35 years of this century also.
- And the characteristics are interesting: Bull markets have a slope that is more steady. Meanwhile, the bears tend to be swift and shorter experienced.

Client Fit

Who are the best clients for hedging?

Over a long enough investment cycle, the hedged equity approach would provide value for any type of client. Why?

Because eventually the markets will suffer a material correction – and if it is large enough, the hedges will pay off materially. Then, the re-investment of the hedges will result in more shares on the other side of the recovery for the investor.

However, the very BEST candidates are investors that are nearing retirement – 50+ in age. From an earnings perspective, they do not have enough time to recover from another ‘08/’09. They can’t have the kind of equity risk they had when they were 35 and still had all of their prime earnings years ahead of them.

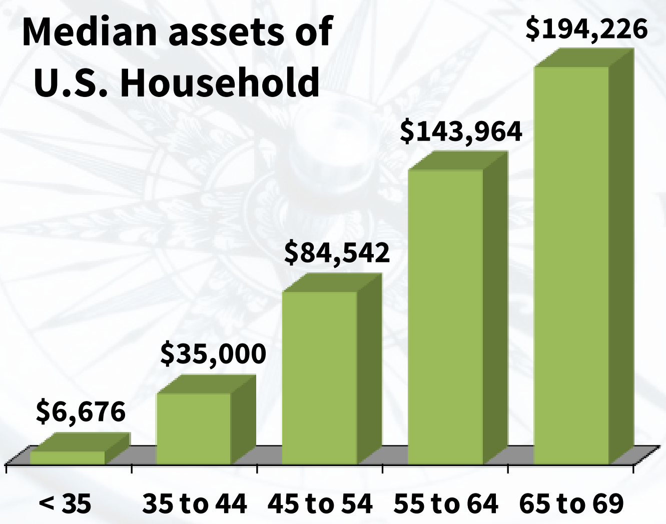


Chart data source: U.S. Census data 2011

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HIGHLIGHTS

- With broad market exposure, this strategy plays a Core role in your portfolio
- US Equity exposure with limited downside risk - Strategy targets a high correlation to the S&P500, Downside protection is built using options
- Appropriate strategy for a client that is comfortable with market swings – but seeks protection from potentially significant market crash or crisis
- Targets capturing as much of the upside of the markets by limiting the cost of hedge to around 2% per annum
- Strategy looks to minimize the cost of hedging by selling options premium on both out-of-the money calls and puts
- 5+ year track record as a separate managed account (SMA)
- It includes ETFs and options on ETFs

The Buy and Hedge Classic Strategy

The Buy & Hedge Classic strategy by ZEGA Financial is designed to provide broad market exposure while limiting the downside risk in the event of a material market correction. The product is deployed in a SMA format and utilizes index based options and ETFs.

The investor has long-term market exposure in an S&P 500 ETF that has been paired with a hedge that has a negative correlation to the market. The hedge is built using a combination of option positions.

Recommended Usage

The ZEGA Buy & Hedge Classic Strategy is recommended as a Core holding for a large portion of the targeted US equity exposure for a client. Client should have moderate risk tolerance for exposure to this strategy. Clients that want no downside risk from a hedge should seek a different product.

METHODOLOGY

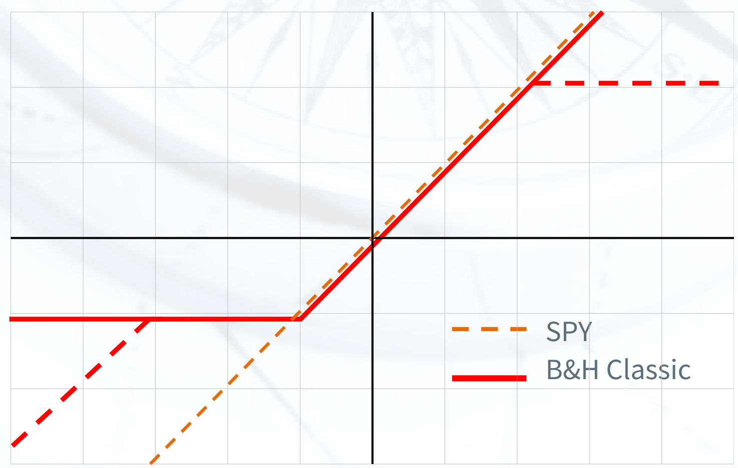
BUY & HEDGE CLASSIC

- Purchases S&P 500 ETFs with ~ 95% of the portfolio value
- Builds a collar using options to define an upside and downside for the portfolio
- Downside put is set at 10% out-of-the-money (OTM) for each 9 month put purchased
- Purchases extra shares of ETF at depressed price when protective put produces a profit
- Produce income by selling OTM calls using ZEGA algorithms – typically around 1 standard deviation movement
- Sells additional puts further OTM to generate income to offset cost of hedging – these short puts, when sold, limit the hedge protection but protection is typically still equivalent to a one standard deviation move in S&P 500
- All options are built in laddered positions typically with at least 2 expiration dates

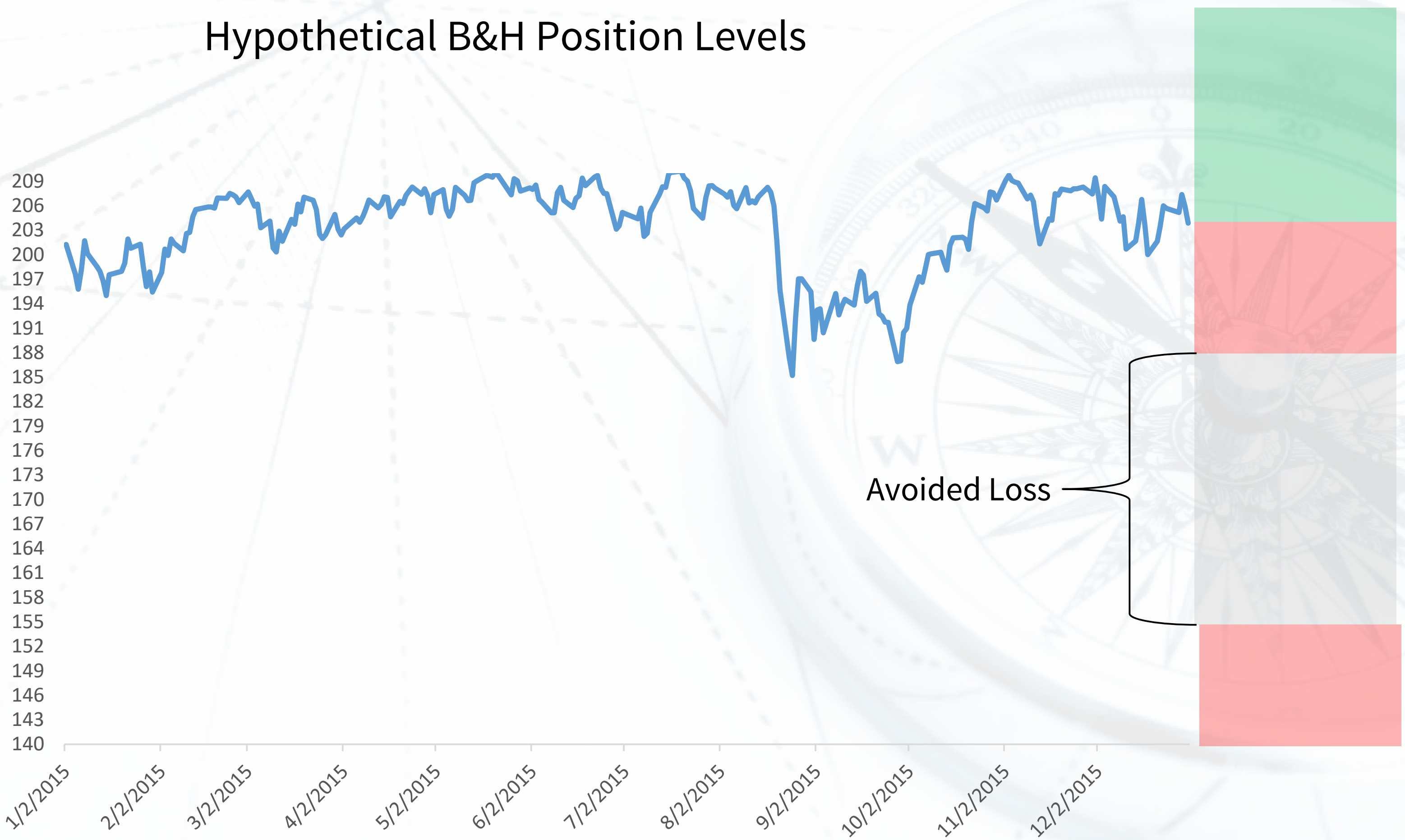
Position Construction

- Long SPY
- Long 10% OTM Puts
- Short 1 standard dev. OTM Call (at times)
- Short 1 standard dev. OTM Put (at times)
- Positions laddered in multiple expirations

Strategy Risk Profile Compared to Long SPY



Buy & Hedge Classic



* Cost of Hedging May Increase or Decrease Profit and Loss Zones

The Buy and Hedge Retirement Strategy

The Buy & Hedge Retirement strategy by ZEGA Financial is designed to provide broad market exposure while limiting the downside risk in the event of a material market correction. The product is deployed in a SMA format and utilizes index based options and ETFs.

The investor has long-term market exposure in the equity markets but attempts to reduce downside risk by limiting the actual capital invested in equity positions. The position is created using a combination of options to build synthetic exposure as well as actually holding ETF shares for growth and income.

Recommended Usage

The ZEGA Buy & Hedge Retirement Strategy is recommended as a Core holding to replace a portion of the US equity exposure for a client. Client should have moderate risk tolerance. Strategy is best suited to a tax-advantaged account.

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METHODOLOGY

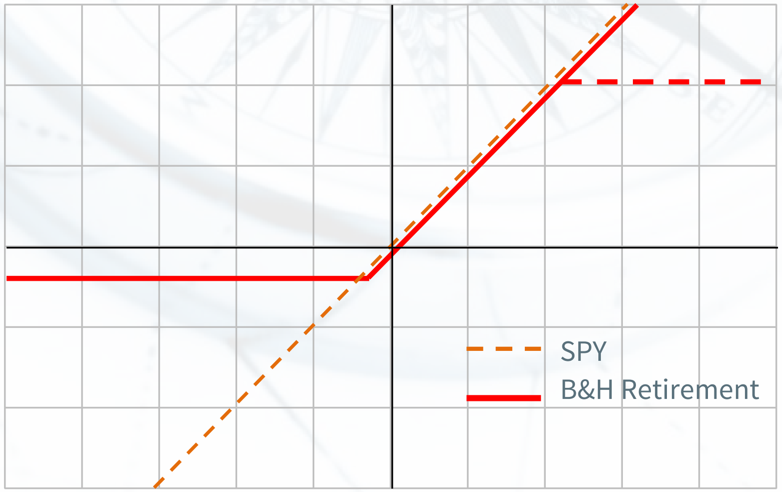
BUY & HEDGE RETIREMENT

- Purchases At-the-Money calls to simulate long market exposure
- At times, may produce income by selling Out-of-the-Money calls
- Fixed income ETFs are purchased with free cash and the income is used to pay for the long call option
- Options are usually built in laddered positions over a 12 month window using at least two rungs
- Regularly rebuilding each ladder rung as options expire can provide the means for purchasing extra equity exposure as markets experience reduced prices (essentially buying on dips)
- Regularly rebuilding each rung may also lock in gains as markets move up as hedged positions are reestablished at higher levels
- Hedges on fixed income positions are structured to be either credit hedges or interest rate hedges – but never both in the same ladder

Position Construction

- Long ATM Calls
- Short 1 standard dev. OTM Call (at times)
- Long Hedged Fixed Income ETF
- Positions laddered in multiple expirations

Strategy Risk Profile Compared to Long SPY

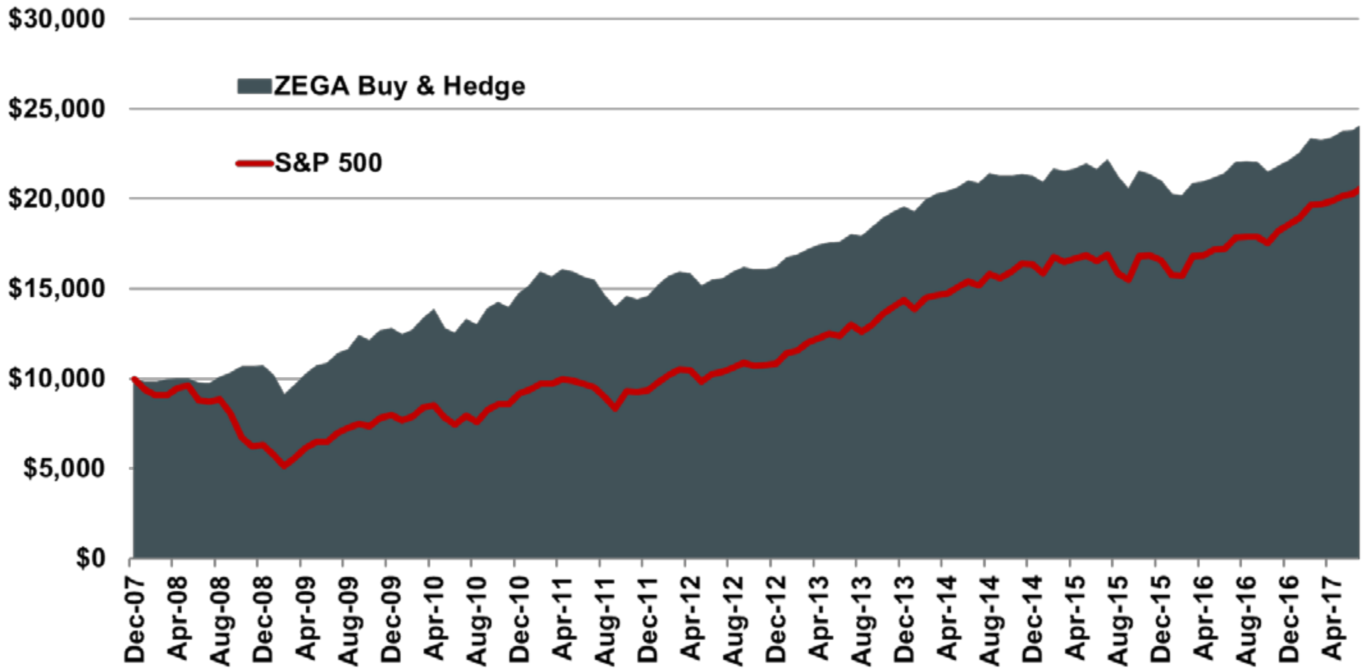


Strategy Performance Information

PERFORMANCE

Buy & Hedge Master through July 31, 2017

	Yearly Returns	
	YTD	S&P
2008	7.2%	-37.0%
2009	19.4%	26.5%
2010	15.1%	15.1%
2011	-1.3%	2.1%
2012	11.3%	16.0%
2013	20.6%	32.4%
2014	8.9%	13.7%
2015	-1.4%	1.4%
2016	5.5%	12.0%
2017	9.4%	11.6%



				Annualized Returns Net				Standard Deviation				Sharpe Ratio			
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	ITD	1 Yr	3 Yr	5 Yr	ITD	1 Yr	3 Yr	5 Yr	ITD
ZEGA B&H	1.7%	3.4%	9.4%	9.9%	5.1%	9.3%	9.7%	4.9%	7.1%	6.3%	10.0%	2.23	0.87	1.64	1.01
Benchmark	2.1%	4.1%	11.6%	16.1%	10.9%	14.8%	7.9%	5.4%	10.1%	9.5%	15.3%	2.87	1.05	1.54	0.50

Benchmark: The S&P 500 Index – a broad-based unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks.

ZEGA FINANCIAL, LLC
BUY AND HEDGE MASTER COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	Percent of Assets In Wrap Accounts	% of Non-Fee-Paying	Annual Performance Results Composite		S&P 500 Index	Composite Dispersion	Composite 3 Yr St Dev	Benchmark 3 Yr St Dev
						Gross	Net				
2016	207	48	243	58%	<1%	7.39%	5.53%	11.98%	2.73%	7.10%	10.59%
2015	224	17	62	50%	1%	-0.37%	-1.40%	1.40%	1.71%	6.83%	10.47%
2014	378	5.7	16	0%	5%	10.00%	8.88%	13.69%	3.30%	5.63%	8.97%
2013	143	3.9	11	0%	4%	21.83%	20.63%	32.39%	6.59%	8.23%	11.94%
2012	13	3.7	13	0%	3%	11.98%	11.34%	16.00%	4.04%	11.65%	15.09%
2011	7	2.9	7	0%	68%	-1.30%	-1.31%	2.11%	N.A. [1]	14.90%	18.71%
2010	NA	1.9	1	0%	100%	15.13%	15.13%	15.06%	N.A. [1]	13.88%	21.85%
2009	NA	2.1	1	0%	100%	19.36%	19.36%	26.46%	N.A. [1]	N.A. [2]	N.A. [2]
2008	NA	1.1	1	0%	100%	7.21%	7.21%	-37.00%	N.A. [1]	N.A. [2]	N.A. [2]

N.A.1 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

N.A.2 - The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2008 through 2009 due to less than 36 months of composite and benchmark data.

Buy and Hedge Master Composite *includes all Hedged Equity strategies and accounts managed by ZEGA prior to and since ZEGA's inception. To qualify as a in this strategy, the account must be invested with its assets in at least 70% in a diversified portfolio of Equities, Equity ETFs, or Equity indexes. The value is based on the notional dollars controlled. The portfolio must also have a hedge built in that limits the downside for the majority of the notional equity controlled. All portfolios that are at least 70% allocated to this strategy are included. The benchmark is the S&P 500. The S&P 500 Index is a collection of 500 of the largest publicly traded US Equity large cap companies. There is no minimum account size for this composite. The Hedged Equity Master Composite was created November 30, 2016.*

ZEGA Financial LLC ("ZEGA") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ZEGA has been independently verified for the periods 7/1/2011 to 12/31/2016. The verification report(s) is/are available upon request

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

ZEGA Financial is an independent registered investment adviser. The firm began managing client assets in July 2011. Prior to July 2011, the composite history represents the personal accounts of the founders. Since July 2011, firm assets included any accounts for which ZEGA Financial has at least some discretionary authority which includes accounts in ZEGA's wealth management practice and the investment management accounts for which ZEGA Financial was a sub-advisor to the account. The firm's list of composite descriptions is available upon request.

Performance presented prior to July 2011 occurred while the Portfolio Manager was affiliated with a prior firm and the Portfolio Manager was the only individual responsible for selecting the securities to buy and sell. The prior firm track record conforms to the portability requirements of the GIPS standards.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. To qualify as fully discretionary, at least 70% of the account must be dedicated to the composite strategy and no more than 20% of the account may be invested at discretion of a party other than ZEGA Financial. Derivatives and short positions make up a material part of the composite strategy which includes short selling, with the short position covered by cash accounts that are marked to market on a daily basis. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of fees and include the reinvestment of all income. This composite is a mix of accounts that are Wrap based and non-Wrap based (ie, pay commissions). Gross returns are shown as supplemental information and are stated gross of all fees and transaction costs for wrap accounts, and net of transaction costs for non-wrap accounts. Net returns are reduced by all fees and transaction costs incurred. Wrap fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. The weighted average percentage of assets that were in Wrap fees is available upon request. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite varies. Our fee for portfolio management services is based on a percentage of your assets we manage and ranges from 0.50% to 1.7%. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives.