

# Buffered Index Growth Strategy - Standard

February 2024



Investment Vehicle: Separately Managed Account  
 Portfolio Manager: Jay Pestrichelli & Mick Brokaw

Inception Date: November 2016

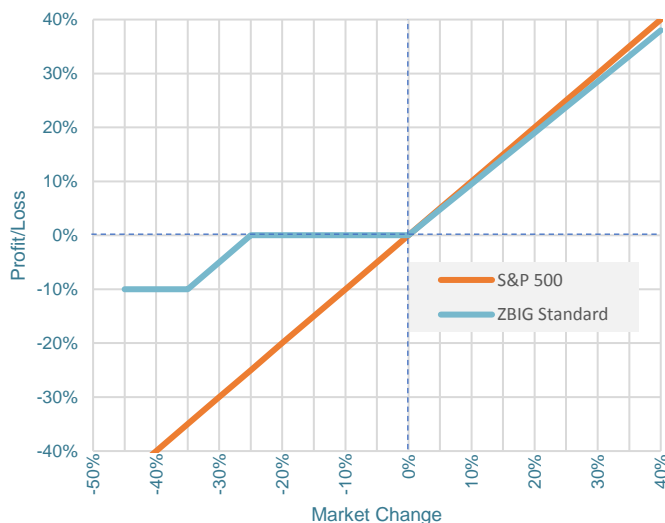
## Strategy Overview

- Provides a targeted payout in 18-36 months, as the portfolio exclusively utilizes products with a maturity date
- Offers participation in the growth of the S&P 500
- "Buffered" refers to the portfolio's range of protection from negative index movements-but not all losses
- Equity losses are limited if the S&P 500 finishes with returns between 0 and -25% (actual return profile can vary at entry)
- The portfolio swaps out equity risk for a diversified high yield fixed income portfolio
- Relies on the principal return from a diversified high yield fixed income portfolio to deliver its target payout, which means that the debt markets must be functioning normally and without high default levels at maturity
- Accounts own securities that are historically very liquid meaning, unlike structured notes, the client can exit the strategy prior to maturity at a fair price. However, early exit payouts may not match the targeted returns

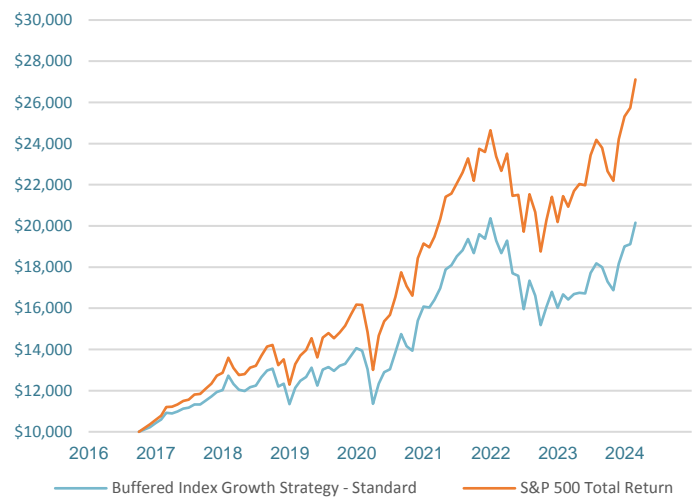
## \*Performance Statistics

	ZEGA Financial	S&P 500 Total Return
YTD Return	6.09%	7.11%
Ann. Return: 1 year	22.76%	29.56%
Ann. Return: 3 years	7.11%	11.66%
Ann. Return: 5 years	10.06%	14.62%
Ann. Return: Inception	10.03%	14.57%
Annualized Volatility	14.94%	16.40%
Sharpe Ratio	0.65	0.78

## ZBIG Standard Equity Risk Compared to SPY



## Cumulative Growth (since inception)



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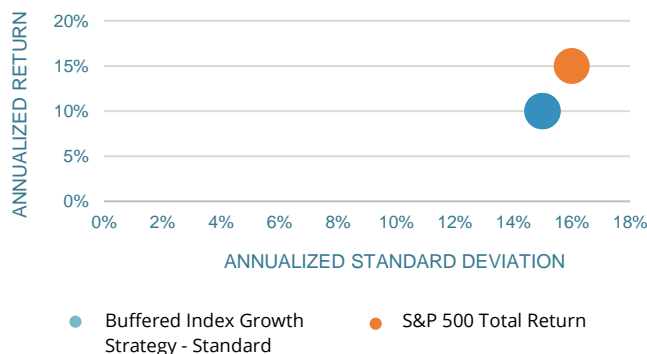
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## Recommended Usage

- Any current or prospective investor with US Large Cap equity exposure
- Investors looking for limited protection from a decline in the S&P 500
- Investors with a bullish outlook on US Large Cap equity
- Client that is comfortable with the downside risk of a highly diversified, short duration, high yield fixed income portfolio
- For implementation in a margin account only

## Risk vs. Return



## \*Monthly Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	S&P500
<b>2016</b>											2.18%	2.03%	<b>4.25%</b>	<b>5.75%</b>
<b>2017</b>	1.63%	3.05%	-0.30%	0.85%	1.41%	0.32%	1.39%	0.08%	1.63%	1.73%	1.91%	0.75%	<b>15.39%</b>	<b>21.61%</b>
<b>2018</b>	5.77%	-3.20%	-2.27%	-0.45%	1.51%	0.70%	3.23%	2.66%	0.69%	-6.62%	1.12%	-8.06%	<b>-5.67%</b>	<b>-4.38%</b>
<b>2019</b>	6.97%	2.83%	1.40%	3.57%	-6.56%	6.30%	0.95%	-1.45%	2.02%	0.71%	2.81%	2.80%	<b>23.96%</b>	<b>31.50%</b>
<b>2020</b>	-0.96%	-6.37%	-12.87%	8.61%	4.47%	1.12%	6.30%	6.42%	-3.98%	-1.60%	10.54%	4.42%	<b>14.37%</b>	<b>18.40%</b>
<b>2021</b>	-0.36%	2.35%	3.39%	5.46%	1.11%	2.44%	1.61%	2.82%	-3.54%	4.98%	-1.11%	5.09%	<b>26.63%</b>	<b>28.72%</b>
<b>2022</b>	-5.33%	-3.15%	3.26%	-8.23%	-0.67%	-9.23%	8.69%	-4.26%	-8.59%	5.89%	4.50%	-4.65%	<b>-21.38%</b>	<b>-18.10%</b>
<b>2023</b>	4.15%	-1.55%	1.63%	0.41%	-0.25%	5.97%	2.60%	-0.96%	-3.94%	-2.37%	7.59%	4.62%	<b>18.64%</b>	<b>25.42%</b>
<b>2024</b>	0.62%	5.44%											<b>6.09%</b>	<b>7.11%</b>

## Strategy Risks & Disclosures

\* During December 2023, ZEGA Financial discovered an error in the Net Return calculation concerning the allocation of quarterly fees. The Net Returns for the months of April through November 2023 have been corrected to reflect the proper fee allocation.

Note: Returns are expressed in US Dollars and calculated net of actual fees. Performance includes reinvestment of dividends and other earnings.

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.

ZEGA's Buffered Index Growth (ZBIG) Standard looks to capture the 80 to 95% of market upside moves and want equity protection. "Buffered" refers to the portfolio's range of protection from negative index movements – but not all losses. Equity losses are limited if the S&P 500 finishes with returns between 0 and -25% (actual return profile can vary at entry) The portfolio swaps out equity risk for a diversified high yield fixed income portfolio. However, early exit payouts may not match the targeted returns. This strategy is not principal protected and you could receive significantly less than the initial amount you invest. This composite includes all portfolios that were at least 70% dedicated to this strategy. 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. The minimum account size for this composite is \$30,000.

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 contact Jay Pestrinchelli at 1-800-380-9342, ext 101 or jay.pestinchelli@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.