

Income-With-Growth Solution: *Converting Future Dividend Growth Into Current Income*

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BACKGROUND

THE INCOME-WITH-GROWTH CHALLENGE

Investors expect a level of current income from their investment portfolios to help pay bills, boost immediate spending and service long-term liabilities. While this is particularly true for investors in or near retirement (who would like their investment income to replace their employment income), a level of current income is desirable in all investment portfolios. Moreover, since income needs tend to go up over time, investors want the principal from which income is collected to grow at rates higher than inflation over the long term.

Income investors have traditionally utilized fixed income securities, like fixed-coupon bonds. Historically, bonds have provided a significant yield advantage over other investments, such as stocks. Stocks, on the other hand, have been the drivers of growth in investment portfolios. However, the global financial crisis changed this relationship. While stocks still generally provide growth, there has been a steady decline in fixed income yield around the globe. Indeed, interest rates in most developed economies are close to zero and poised to increase. This has resulted in a dual challenge for fixed income securities: Yields are lower than most investment portfolio income targets, and prices are likely to depreciate as rates rise from low levels, hurting fixed income returns.

The challenge faced by fixed income securities has left a gaping hole in the income portion of income-with-growth investment portfolios. In this paper, we discuss a unique strategy that holds great promise as the much-needed income-with-growth solution.

BRIDGING THE GAP: INCOME FROM EQUITIES

The challenge faced by fixed income securities has left a gaping hole in the income portion of income-with-growth investment portfolios. Increasingly, investors are bridging that gap by turning to dividend-paying stocks to deliver the level of current income they require.

Most equity income strategies focus on selecting stocks that pay high dividends. However, a strategy that focuses on high dividends can sacrifice the benefits of diversification by being concentrated in certain sectors, like energy and utilities, or by including stocks whose dividend yields are high simply because the stock price has fallen sharply. Not only that, focusing on dividends alone for current income is shortsighted. Historical studies show that stocks have demonstrated growth both through dividend payments and price appreciation. In this paper, we examine a unique index solution that seeks to generate current income from both dividends and the price appreciation of stocks. This is achieved by exploiting the unique properties of option contracts.

MOVING BEYOND DIVIDENDS WITH OPTIONS

Many of us have benefited from a remodeling or home improvement project. We may love our home for its location, school system, design, yard or other features. At some point, however, we may need to make changes, such as building an in-law suite, upgrading the kitchen or bathrooms, or finishing a basement, to better meet the current needs of the family and improve the home's utility. Investment strategies, like houses, can be "remodeled" to better match investment goals. Instead of drills, hammers and nails, the remodeling tools for investments are options, which can be used to adapt investments to achieve investors' preferred combination of income and growth.

Options are contracts that give an investor the right, but not the obligation, to buy or sell a security or other financial asset (reference asset) at a predetermined price (strike price) on or before a specific date in the future (exercise date). In the case of a call option, the buyer pays an upfront premium and acquires the right to a stock's future returns above the strike price. The seller, on the other hand, gives up the right to the stock's future returns above the strike price in exchange for upfront premium income. Options thus confer on a stock owner the unique ability to convert a stock's uncertain future returns into certain upfront premium income.

Investors holding a basket of stocks can repeatedly sell call options on a portion of the stockholding to convert

some of the future returns into upfront premium income, while preserving the majority of the potential growth from the price appreciation of the stocks. This approach can work very well with strategies that select stocks based on their potential for capital appreciation, such as dividend growth strategies. The premium income collected from the options sold, combined with the dividends from the remaining stocks, can become a source of high current income.

Options confer on a stock owner the unique ability to convert a stock's uncertain future returns into certain upfront premium income.

THE CBOE S&P 500 DIVIDEND ARISTOCRATS TARGET INCOME INDEX: A RULES-BASED SOLUTION

The Cboe S&P 500 Dividend Aristocrats Target Income Index (SPAI) is designed to track the returns of a strategy that follows the methodology described above. It is a "remodeled" version of the long-standing S&P 500 Dividend Aristocrats Index, launched by S&P Dow Jones in 2005. Both the SPAI Index and the S&P 500 Dividend Aristocrats Index select stocks from the S&P 500 that have a long history of dividend growth. The SPAI varies from the original S&P 500 Dividend Aristocrats Index in that it incorporates the "writing" (or selling) of weekly call options on a small portion (typically 5% to 20%) of each stock position to convert a portion of the stocks' total returns into income. The goal of the strategy is to generate income from option premia that, along with stock dividends, generate annual income that is 3.5% over the dividend yield of the S&P 500. As of September 29, 2017, the strategy targeted a current yield of 5.5%. This holds great promise as the much-needed income-with-growth solution.

In this paper, we discuss the highlights and return drivers of the SPAI Index in two parts. In Part I, we examine the option methodology that converts part of the future stock appreciation into current income. In Part II, we examine the stock-selection methodology of the parent S&P 500 Dividend Aristocrats Index and review its return track record of outperforming the S&P 500 with slightly lower risk.

PART I. OPTIONS OVERWRITING: GENERATING INCOME BY MONETIZING THE UPSIDE POTENTIAL OF STOCKS

The strategy of buying a stock and writing call options on the stock is commonly known as covered-call writing. For decades, covered-call writing has been an accepted means of capturing some of the potential capital appreciation of stocks in the form of upfront premium income. By selling a call option on a stockholding, the investor receives a premium in exchange for foregoing the stock's upside returns above the option strike price over a specific time horizon. In effect, this strategy transforms potential capital returns above the strike price into a known level of income at the start of each period. The premium income received from selling calls each week or month can be significant on an annual basis; however, some of this income is offset by limited

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upside returns on the portion of each stockholding that is "covered" with options.

Some basic principles of option pricing are relevant to the design of a covered-call strategy. Specifically, when choosing to implement covered-call writing, an investor can select the portion of the stock position to be overwritten, the strike price of the options sold, and the term of the options sold. We examine the implications of each to a covered-call strategy and their bearing on the design of the SPAI Index.

FIXED VS. VARIABLE OVERWRITE

Traditionally, covered-call strategies are implemented by writing call options on the full stock position. This allows maximum capture of option premium but limits upside returns on the entirety of the stockholding, making the strategy geared more toward income at the expense of growth.

To balance the income target with the potential for growth, one can implement a variation of the 100% covered-call strategy by writing call options on a fixed portion, such as 25%, of the stockholding. Doing so ensures that the strategy benefits from participating in 75% of the upside of the stock holding beyond the strike price. However, the premium income collected from the sale of call options will vary over time. Typically, during times of higher volatility,¹ the premium income collected from sale of call options is higher than during times of lower volatility.

The SPAI Index varies the size of the stock position overwritten each week, dynamically, to achieve its income target, while allowing the balance of the stock portfolio to deliver growth.

The SPAI Index is designed to deliver a targeted level of income. The objective of targeting a stable level of income can be best achieved by varying the portion of the stock position that is overwritten in response to changes in the price of the call options related to shifts in volatility. So, during times of higher volatility when call option prices are high, the strategy targeting a specific amount of income can reduce the portion of the stock position that is overwritten, resulting in a higher participation in the appreciation of the stock above the strike price. Conversely, when the prices of call options are low, reflecting more subdued volatility, the strategy overwrites a higher portion of the stockholding to achieve the income target, thus limiting the growth potential to a greater degree. The SPAI Index varies the size of the stock position overwritten each week in response to the new price of the weekly call options. In doing so dynamically, it continuously strives to achieve its income target while allowing the balance of the stock portfolio to deliver growth.

SELECTION OF STRIKE PRICE

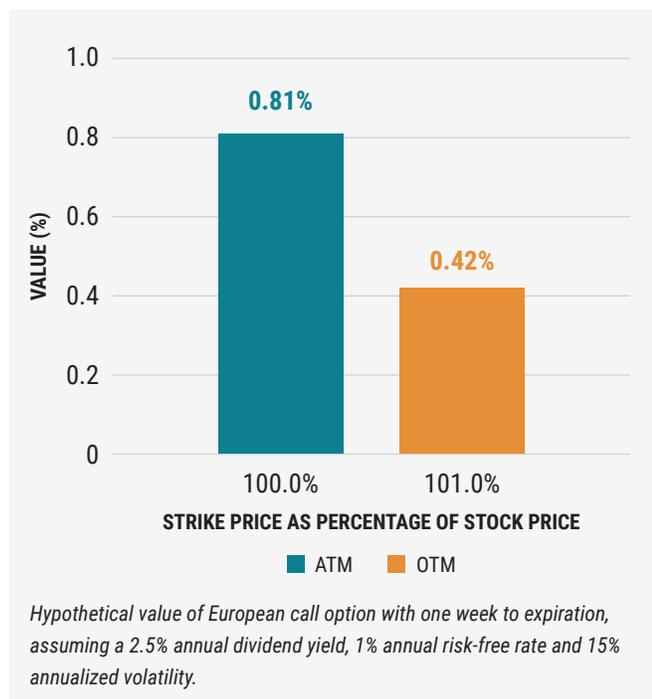
The lower the strike price is relative to the stock price at the time the stock position is overwritten, the higher

¹ Volatility is a statistical measure of the dispersion of returns for a given security or market index. Commonly, the higher the volatility, the riskier the security.

the call option premium. The selection of the strike price is a trade-off between maximizing the upfront premium by selling away all of the potential upside or allowing for some upside appreciation before the strike price is hit. When an option's strike price is the same as the stock price, the call option is said to be "at the money" (ATM). When it is higher than the stock price, it is called "out of the money" (OTM). The time premium or income available for limiting upside is highest for ATM call options. In the SPAI Index design, all call options sold are ATM, which provides sufficient income to reach the target while allowing for only a small portion of each stock position to be overwritten.

Figure 1 shows the difference in call option value between an option with one week to expiration that is ATM (strike price is 100% of the stock price) versus a call option that is OTM (strike price is 101% of the stock price). In exchange for allowing for 1% return before limiting upside, the OTM call option premium is reduced by about half from 0.81% to 0.42%. Therefore, in order for the OTM call option to generate the same amount

FIGURE 1: CALL OPTION VALUES: ATM VS. OTM, ONE WEEK TO EXPIRATION



of target income as an ATM option, the portion of stock position covered with calls would need to be twice as much as it would be with an ATM option.

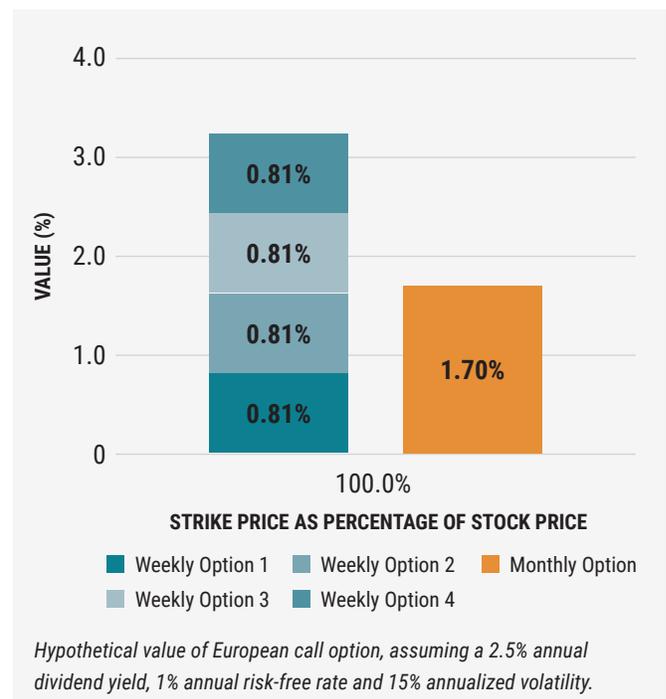
OPTION TERM: WEEKLY VS. MONTHLY

The choice of the term of the option overwrite is also very important. An investor selling weekly options against a stockholding will be compensated 52 times a year for the risk that the stock moves above the strike price at the end of each week, compared with 12 times a year for an investor selling monthly options. So, using weekly options can lead to a greater income opportunity, because the investor is agreeing to forego upside on the overwritten stocks far more frequently than with monthly options.

Figure 2 shows values for hypothetical monthly and weekly options using a Black Scholes² calculation that assumes a 2.5% annual dividend yield, 1% annual risk-free rate and 15% annualized volatility.

It's important to note that while the compensation for

FIGURE 2: CALL OPTION VALUES (ATM): WEEKLY VS. MONTHLY



² The Black-Scholes formula (also called Black-Scholes-Merton) is a widely used mathematical model for option pricing.

selling options weekly may be higher than for monthly, it is moderated by the fact that a move above the strike price is less likely within a week than it is within a month. The path of prices for the stock during the month will also determine its return features if weekly call options are sold against it.

Impact of Time Decay

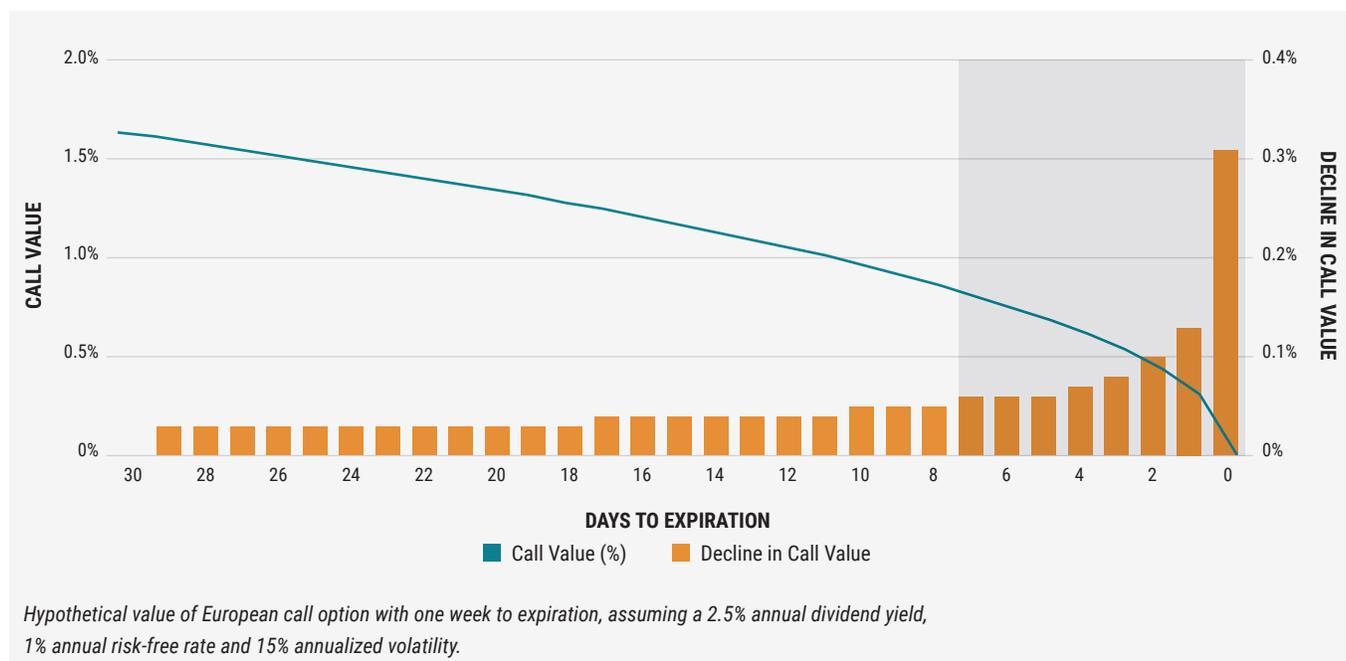
Another key difference between weekly and monthly options is the opportunity to benefit from the time decay as an option moves to expiration. Time decay accelerates as options get closer to their date of expiry, so they lose time value more quickly. This is not too different from the value that may be lost by event tickets in the time period leading up to an event. Consider a musical event that features a rock star at a venue with limited seating. The rock star's popularity means that all seats are sold out a few months in advance of the event. At such a time, a ticket holder can sell his or her ticket at a high premium to take advantage of the high demand. However, as time passes, the demand may wane as potential attendees make other plans. This will result in a drop in the secondary market price of the ticket a few days before the event. The ticket could have little to no value a few hours before the event if few people are prepared to attend the event at a moment's notice.

Figure 3 shows the loss in option value over time for an ATM call option with one month to expiration, assuming 15% annualized volatility and a 1% risk-free rate. You can see that roughly half of the option time value is lost in the first three weeks of the month, and the other half in the final week, assuming the option remains at the money for the entire period. Over a period of a year, this impact can be significant.

A covered-call writing strategy that sells weekly options provides investors twice the time value of a covered-call strategy selling monthly options.

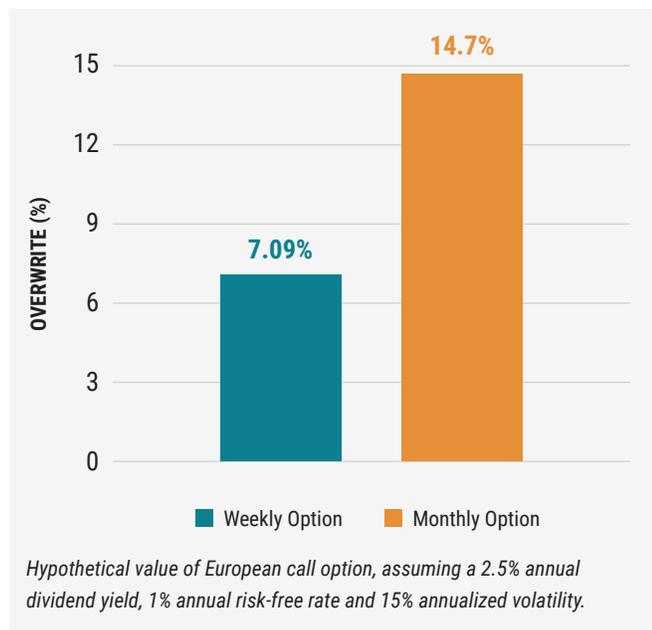
An option's time decay is not linear—weekly options behave essentially like the last week of monthly options. Therefore, a covered-call writing strategy that sells weekly options captures half the time value of monthly options four times as frequently. All else being equal, this provides investors twice the time value of a covered-call strategy selling monthly options over a given time period.

FIGURE 3: VALUE OF ATM CALL OPTION AS IT APPROACHES EXPIRATION



Another way to think about the benefit of selling weekly rather than monthly ATM call options is that the investor can participate in greater upside in the stockholdings if he or she has a fixed target for annual income. Figure 4 shows the proportion of a portfolio that would need to be overwritten to generate 3% annualized income, based on the premiums collected, using a hypothetical Black Scholes option calculation.

FIGURE 4: PERCENTAGE OF PORTFOLIO TO BE OVERWRITTEN WITH ATM CALL OPTION TO REACH 3% ANNUALIZED YIELD



Notice that only 7% of the portfolio would need to be covered when writing weekly options, compared to almost 15% for monthly options. Although upside potential might be capped out more frequently with weekly options, this impact would be felt on a very small portion of the portfolio. Monthly options, on the other hand, would require a larger portion of the portfolio to be covered, generating less total option premium for the strategy on an annual basis.

THE TAKEAWAY

Good design and execution of a remodeling project can improve the value or appeal of your home. In a similar

manner, the SPAI Index "remodels" the total return profile of the S&P 500 Dividend Aristocrats Index by using options to enhance the income component while still maintaining a favorable total return/risk profile vs. the benchmark S&P 500 Index. This index strategy design is competitive with the income features of a high dividend yield stock portfolio, but it accomplishes its high-income goal without some of the risks associated with selecting stocks with the highest dividend yield.

PART II. STOCK-SELECTION METHODOLOGY: FEATURES OF THE S&P 500 DIVIDEND ARISTOCRATS INDEX

In Part I, we examined how varying the overwrite and shortening the term of the options leads to a good design for an income-with-growth investment solution. The methodology for stock selection and portfolio construction is also very significant in driving the return and risk features of the index strategy. The stock-selection criterion for the SPAI Index is the same as that of the S&P 500 Dividend Aristocrats Index, which is composed of S&P 500 companies that have increased their dividends year over year for at least 25 years. The SPAI Index's dividend growth selection criterion serves as the growth component of the strategy, while the partial call overwriting, in addition to the dividend payments, supports the goal of high target income.

Below, we discuss the different aspects of the S&P 500 Dividend Aristocrats Index that make it such a good candidate for the covered-call writing strategy.

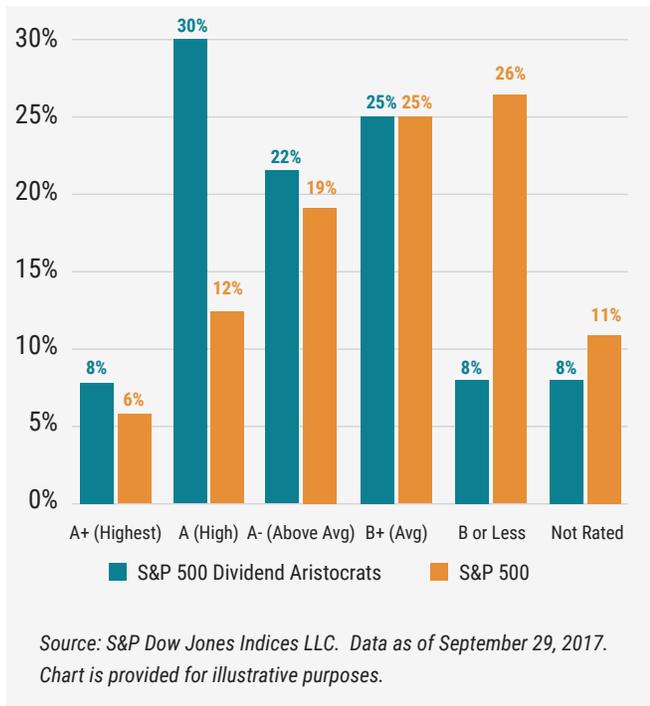
QUALITY STOCKS

The criterion of consistent dividend growth results in a selection of stocks that are high quality—companies with strong balance sheets, stable cash flows and a history of earnings growth. Consistently increasing dividends has been a way for management to signal confidence in their companies' prospects. Companies with a long track record of raising dividends have a history of cash flows to support those dividends as well as sufficient earnings growth to increase them each year.

S&P Dow Jones has a quality ranking system that ranks stocks in the S&P 500 into A and B categories. According

to S&P, as of September 2017, 59% of the S&P 500 Dividend Aristocrats Index constituents had rankings of A- or higher, compared to 37% of the S&P 500 stocks.³

FIGURE 5: QUALITY BREAKDOWN: S&P 500 DIVIDEND ARISTOCRATS INDEX VS. S&P 500 (AS OF 9/29/17)



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DIVERSIFICATION

Another key feature of the S&P 500 Dividend Aristocrats Index is its use of an equal-weighting portfolio construction methodology. As such, it has a higher degree of stock and sector diversification than indexes that are market-capitalization weighted or dividend-yield weighted. Unlike traditional market-capitalization weighting, equal weighting treats each company as an equivalent and a distinct investment opportunity, which results in an index that is not overly dependent on a few large holdings for performance.

In addition, the index is diversified across a wide range of sectors. Most high dividend yield strategies tend to be concentrated in sectors such as utilities, energy and financials, offering less diversification in addition to other vulnerabilities, such as higher sensitivity to interest rate changes.

The S&P 500 Dividend Aristocrats Index is composed of a minimum of 40 qualifying stocks that are equal weighted and rebalanced quarterly. This means that no one stock will constitute more than about 2.5% of the index at the quarterly rebalancing point. As an example, Figure 6 shows the weights of the five largest and five smallest S&P 500 Dividend Aristocrats stocks by capitalization and their respective weights in the S&P 500.

Equal weighting treats each company as a distinct investment opportunity, which results in an index that is not overly dependent on a few large holdings for performance.

With 51 constituents as of September 29, 2017, each stock in the S&P 500 Dividend Aristocrats Index has an approximate index weight of 2% when it is reweighted each quarter. Note that stocks like Cincinnati Financial and Pentair have similar weights to larger-cap stocks like Wal-Mart and Proctor & Gamble, despite their smaller capitalization. As shown in Figure 6, these large companies have almost 20 times the weight (0.98%) in the S&P 500 as that of the smaller capitalization companies (0.05%).

The index methodology also calls for a maximum weight of 30% in any one sector at the annual index rebalance in January. Figure 7 shows the sector diversification of the S&P 500 Dividend Aristocrats Index as of September 29, 2017. The largest sectors are consumer staples, industrials, health care and consumer discretionary. Note that sectors that often carry a high weight in indexes targeting high dividend yield stocks, such as energy, utilities and telecommunications, carry a lower weight in this index because of its selection criteria based on the growth rather than the level of dividends.

³ Smita Chiraputkar and Aye M. Soe, "S&P 500 Dividend Aristocrats," S&P Dow Jones Indices, August 2016, p. 7, updated as of 9/29/2017.

FIGURE 6: S&P 500 DIVIDEND ARISTOCRATS INDEX HOLDINGS—LARGEST AND SMALLEST BY MARKET CAPITALIZATION (AS OF 9/29/2017)

Largest Cap Stocks in the S&P 500 Dividend Aristocrats Index	Market Cap (\$mm)	S&P 500 Dividend Aristocrats (% Weight)	S&P 500 (% Weight)
JOHNSON & JOHNSON	\$ 348,947	1.88%	1.47%
EXXON MOBIL CORP	\$ 347,358	1.97%	1.47%
AT&T INC	\$ 240,504	1.93%	1.01%
WAL-MART STORES INC	\$ 233,420	1.88%	0.98%
PROCTER & GAMBLE CO/THE	\$ 232,000	1.92%	0.98%
Smallest Cap Stocks in the S&P 500 Dividend Aristocrats Index	Market Cap (\$mm)	S&P 500 Dividend Aristocrats (% Weight)	S&P 500 (% Weight)
CINCINNATI FINANCIAL CORP	\$ 12,556	1.93%	0.05%
PENTAIR PLC	\$ 12,333	2.07%	0.05%
WW GRAINGER INC	\$ 10,370	2.07%	0.04%
FEDERAL REALTY INVS TRUST	\$ 9,011	1.80%	0.04%
LEGGETT & PLATT INC	\$ 6,314	1.90%	0.03%

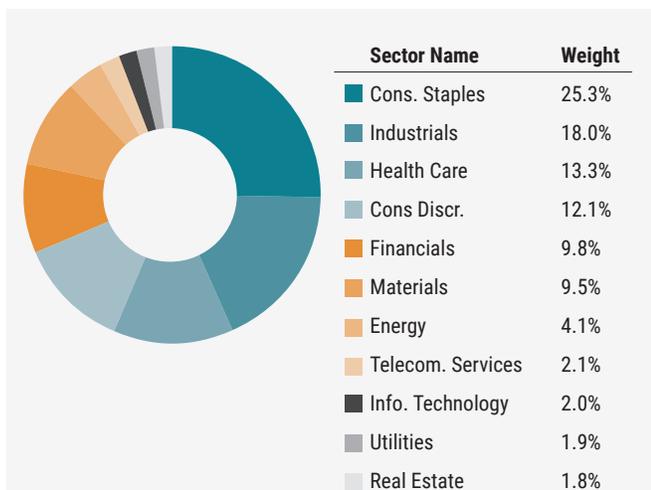
Source: Bloomberg, as of September 29, 2017.

DIVIDEND YIELD

The dividend yield of the S&P 500 Dividend Aristocrats Index has historically been higher than that of the S&P 500, which includes large stocks that pay no or low dividends. Since the S&P 500 Dividend Aristocrats Index's inception in 2005, the spread of the dividend yield of the index to the S&P 500 has been in the range of 35 to 100 basis points, as shown in Figure 8.

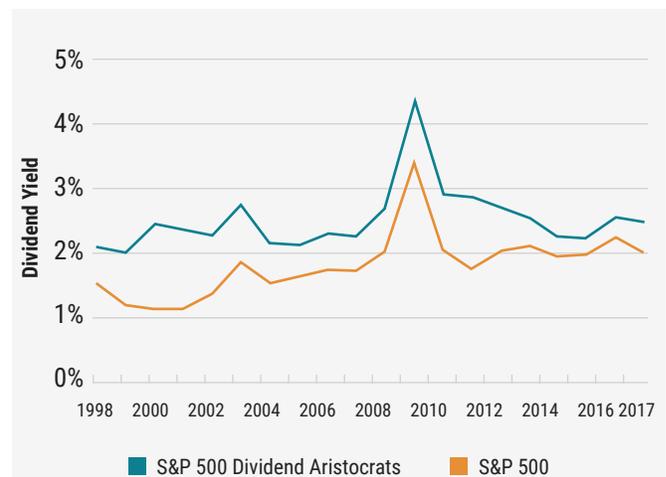
As of September 29, 2017, the spread was 42 basis points (2.33% for the S&P 500 Dividend Aristocrats Index vs. 1.91% for the S&P 500). This means that a lower percentage of the SPAD Index portfolio has to be overwritten with calls to get to the targeted level of income, which further preserves the growth potential of the stock holdings.

FIGURE 7: S&P 500 DIVIDEND ARISTOCRATS INDEX SECTOR WEIGHTS (AS OF 9/29/2017)



Source: S&P Dow Jones Indices LLC. Data as of September 29, 2017. Chart is provided for illustrative purposes.

FIGURE 8: DIVIDEND YIELD: S&P 500 DIVIDEND ARISTOCRATS INDEX VS. THE S&P 500 (1/1/1998 - 1/1/2017)



Source: S&P Dow Jones Indices LLC. Data from January 1998 to January 2017. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance.

PERFORMANCE CHARACTERISTICS

Return and Risk

One of the most attractive aspects of the S&P 500 Dividend Aristocrats Index's methodology for stock selection and portfolio construction is performance. The S&P 500 Dividend Aristocrats Index has outperformed the S&P 500 with slightly lower volatility over the last 10 years. Figure 9 shows the annualized returns of the S&P 500 Dividend Aristocrats Index vs. the S&P 500 for the last three, five and 10 years, along with annualized volatility. For each period, the return has been higher and the relative risk lower. For example, over the 10-year period, the risk was 94% that of the S&P 500, while the excess return was more than 3%.

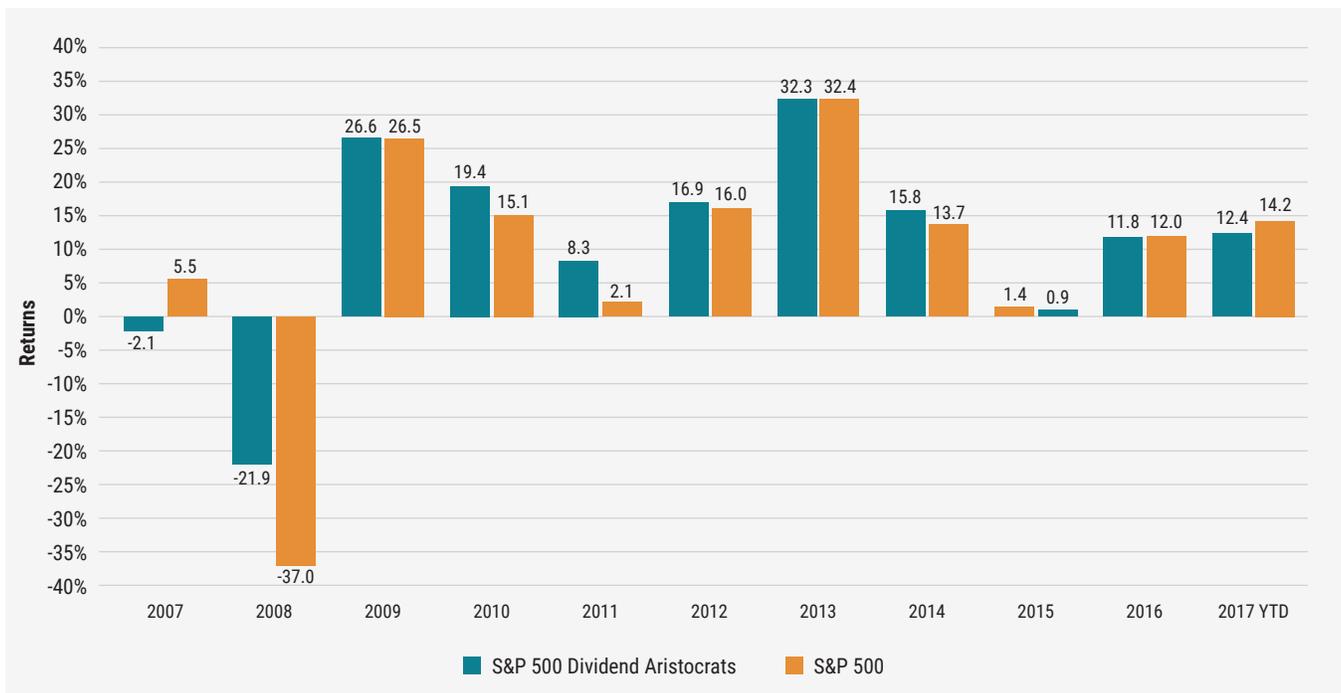
Figure 10 shows the comparable returns on a calendar year basis beginning in 2007 through the third quarter of 2017.

FIGURE 9: THE S&P 500 DIVIDEND ARISTOCRATS INDEX OUTPERFORMED THE S&P 500 WITH LOWER VOLATILITY (AS OF 9/29/2017)

	Annual Return (As of 9/29/2017)		Volatility (As of 9/29/2017)	
	S&P 500 Dividend Aristocrats	S&P 500	S&P 500 Dividend Aristocrats	S&P 500
3 Year	11.17%	10.71%	11.83%	12.88%
5 Year	14.49%	14.16%	11.31%	12.17%
10 Year	10.49%	7.29%	19.41%	20.63%

Source: Bloomberg, as of September 29, 2017.

FIGURE 10: CALENDAR YEAR RETURNS FOR THE S&P 500 DIVIDEND ARISTOCRATS INDEX VS. THE S&P 500 (AS OF 9/29/2017)



Source: Bloomberg, as of September 29, 2017.

Performance in Rising and Falling Equity Markets

The stock-selection methodology of the S&P 500 Dividend Aristocrats Index offers yet another advantage in its lower volatility profile. The index's performance relative to the S&P 500 tends to be strongest in periods of declining equity markets. In Figure 11, we show the percentage of months the index has outperformed in markets when the S&P 500 posted positive capital returns (up months) and negative returns (down months).

FIGURE 11: PERIODS OF OUTPERFORMANCE: S&P 500 DIVIDEND ARISTOCRATS INDEX VS. S&P 500 (5/31/05-9/29/17)

Outperformance History (Using Monthly Returns)	S&P 500 Dividend Aristocrats Index
All Months	53.02%
Up Months for S&P 500	44.12%
Down Months for S&P 500	72.34%

Source: S&P Dow Jones Indices LLC. Past performance is no guarantee of future results.

As shown in the table, the statistic of overall outperformance in 53% of the months comes primarily from months when the S&P 500 had a negative return, when the index outperformed 72% of the time. We can see this strength in falling markets also by looking at the average monthly excess return for all months and those months that had positive and negative returns, as shown in Figure 12. The positive return months for the S&P 500 have had on average a negative excess return of 24 bps, but the outperformance in negative return months has been very strong with an average of 97 bps. This is likely reflective of the tendency of S&P 500 Dividend Aristocrats Index stocks to be of higher quality than the overall S&P 500, and thus have their best relative performance in more challenging equity market environments.

FIGURE 12: AVERAGE EXCESS RETURN FOR THE S&P 500 DIVIDEND ARISTOCRATS INDEX VS. THE S&P 500 (5/31/05-9/29/17)

Average Excess Monthly Returns History	S&P 500 Dividend Aristocrats Index
All Months	0.14%
Up Months for S&P 500	-0.24%
Down Months for S&P 500	0.97%

Source: S&P Dow Jones Indices LLC. Past performance is no guarantee of future results.

CONCLUSION

The current low interest rate environment has left a gaping hole in the income-with-growth portion of investment portfolios. Finding investments that can bridge the gap left by low-yielding fixed income instruments in a rising-rate environment is a high priority for investors. Many have turned to high-dividend-yielding stocks, which come with certain drawbacks, such as high concentration in certain sectors and potential quality issues associated with high debt levels. The Cboe S&P 500 Dividend Aristocrats Target Income Index (SPAI) offers something more compelling: an investment that can provide both income and growth without compromising on quality or sector diversification.

The SPAI strategy uses an innovative option strategy design to achieve its income-with-growth objective. By utilizing a covered-call strategy on a small portion of the holdings of dividend growth stocks, the SPAI seeks to generate income that is approximately 3.5% above the annual dividend yield of the S&P 500—well above what can be achieved by investing in stocks with high dividend yields. The SPAI also seeks to generate price returns that are comparable to those of the S&P 500, so it uses short-term weekly options and varies the overwrite amount dynamically to continuously strike the balance between income and growth.

The stock-selection methodology of SPAI is another key aspect of its design. The SPAI stock universe is based on the S&P 500 Dividend Aristocrats Index, a group of at least 40 high-quality stocks that have grown dividends consistently for at least 25 years. This group of companies, which is widely diversified across sectors, provides the ideal underlying universe for a target income covered-call strategy.

By implementing the partial covered-call strategy with weekly options on the S&P 500 Dividend Aristocrats Index universe, the SPAI is able to "remodel" the S&P 500 Dividend Aristocrats Index into a higher income strategy, without meaningfully compromising the growth prospects. The SPAI thus allows investors to generate income with growth without taking on the sector risk that often accompanies high dividend yield strategies or the credit risk of high yield bond strategies. The SPAI strategy strikes the dynamic balance between income and growth to deliver an optimal income-with-growth solution. ■



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The strategies discussed in this document are sophisticated investments and involve the use of options. It should be noted that options strategies are constantly being developed, and that some of the risks of new options products and strategies do not become apparent until there has been significant experience in trading and using them. Accordingly, you should be aware that there is a risk in newness, particularly if the new option or strategy is complicated or complex, that cannot always be identified or described.

You should also be aware that not all options strategies will be suitable for your investment purposes, and that certain strategies may expose you to significant potential losses. As with any investment strategy, there is the risk of loss of some or all of your investment. Any performance return discussed herein is for reference only and has not been achieved through actual trading.

For more information and to better understand the features and risks of the strategies discussed herein, you should always contact your investment professional.