

The Approach

The Hedged Equity-Covered Call portfolio seeks to capture the majority of the return of the stock market with less risk than other equity investments. The portfolio is comprised of between 20 and 30 large cap stocks with call options sold against each stock to decrease volatility and to increase current income. The stocks are selected utilizing our fundamental and quantitative models and the options are selected based on our proprietary option selling model.

The Features

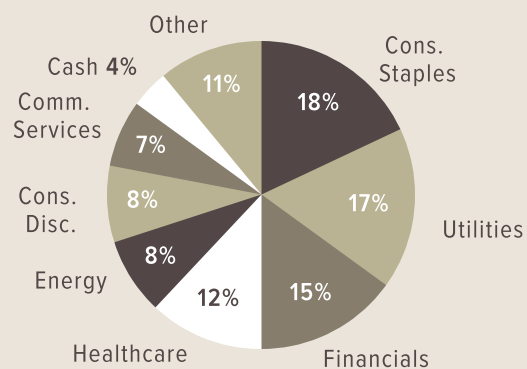
Covered call strategies provide an alternative to traditional, long-only equity strategies while historically delivering similar returns and lower volatility than the S&P 500. Covered call strategies may not perform as well as unhedged equity strategies when the market is trending up but may provide better performance when the market is either flat or down.

In addition to selling call options, the manager may also hedge the portfolio by using inverse ETFs to provide additional protection against declining markets.

Key Facts

Strategy Assets	— \$65 Million
Number of Holdings	— 31
Beta*	— 0.69
Active Share	— 82%
Dividend Yield	— 3.4%
Min Portfolio Size	— \$300,000
Benchmark	— S&P 500 (Total Return)

Sector Weightings



Top 5 Holdings (%)

Verizon	7.2%
Exelon	7.1%
Pfizer	5.1%
Altria Group	5.0%
Duke Energy	4.9%

* Beta is a measure of the systematic risk of a portfolio relative to the benchmark. The beta of the benchmark is equal to 1.

Source: 2018 Bloomberg; 2018 Addepar

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