



ELITE WEALTH MANAGEMENT

Dynamic Futures Option Strategy

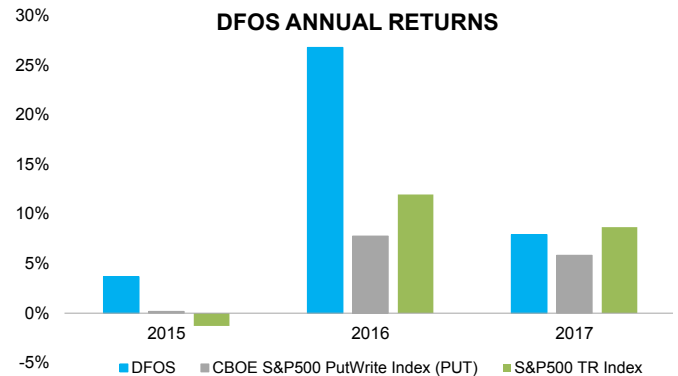
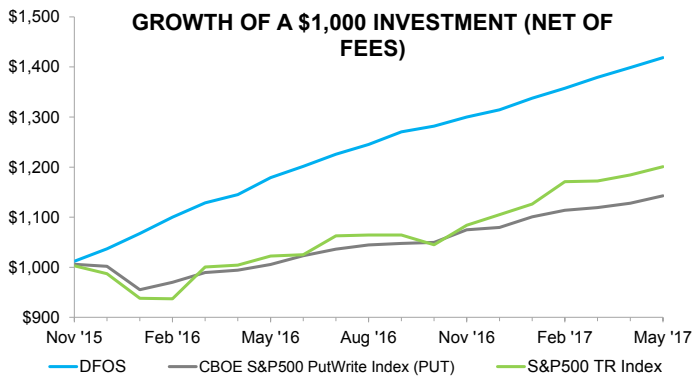
May 2017

INVESTMENT OBJECTIVE: The Dynamic Futures Option Strategy (“DFOS”) seeks capital appreciation along with income generation and lowered volatility than the broad market.

INVESTMENT APPROACH: This strategy embodies the idea of selling futures options against cash and collecting premium to produce an income stream for the portfolio. Focuses on selling options on S&P 500 e-mini futures contracts. Targets income generation and lowered volatility than the broad market. The strategy involves selling out-of-the-money futures options collecting premiums as long as the price of the underlying security remains out-of-the-money at expiration. Futures contracts, the underlying product, may be assigned at a price discounted from current trading prices at the point of options placement. The put options are used as a tool to acquire a security at a lower and pre-established price, which is the strike price of the option. Calls are used as a tool to exit assigned futures contracts and generate income in the interim. This strategy is appropriate for a long-term investor looking to generate profits from the collection of premium and/or to go long security positions at a significant discount to their current trading prices. The strategy can only be implemented for taxable accounts. IRA accounts cannot utilize this strategy given the nature of futures option selling.

STRATEGY STRENGTHS

- Futures option writing is executed to potentially earn profits by ongoing collection of premium.
- Assignment through put writing, if it occurs, purchases the underlying security at a lower price.
- Selling futures options can potentially generate yield in a bull market, stagnant market and within a range of heightened volatility.
- Futures option writing may potentially reduce both extreme positive and negative monthly returns in exchange for more consistent monthly returns.
- Futures options have a much wider trading window than the standard equity options market.



The above presentation is for informational and comparative purposes only. It is intended only for use by those who are knowledgeable about such comparisons. The index or indices selected to generate the above comparison is/are not available as directly investible product(s). Generally, no individual can purchase an actual index as an investment holding for his or her portfolio. All index comparisons should be considered with the intent to evaluate differences between a singular trading strategy against a designated benchmark. Additional information about the CBOE S&P 500 PutWrite Index and the S&P 500 TR Index shown can be found at the end of this presentation.

PROPRIETARY DFOS MONTHLY PERFORMANCE (NET OF FEES)

Year													YTD		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	DFOS	PUT	S&P 500
2017	1.76%	1.50%	1.60%	1.40%	1.42%								7.92%	5.83%	8.66%
2016	2.95%	3.06%	2.59%	1.47%	2.96%	1.91%	2.00%	1.59%	2.05%	0.88%	1.41%	1.12%	26.77%	7.77%	11.96%
2015											1.19%	2.46%	3.68%	0.18%	-1.28%

PROPRIETARY DFOS PERFORMANCE STATISTICS (NET OF FEES)

Standard Deviation (Monthly):	0.66%	May:	1.42%
Standard Deviation (Annualized):	2.28%	YTD:*	7.92%
Downside Deviation (Monthly):**	0.00%	Average Monthly:	1.86%
Downside Deviation (Annualized):**	0.00%	Highest Month:	3.06%
Sharpe Ratio (Monthly):**	2.45	Lowest Month:	0.88%
Sharpe Ratio (Annualized):**	8.49	% of Positive Months:	100.00%
Sortino Ratio (Monthly):**	N/A	Maximum Drawdown:	N/A
Sortino Ratio (Annualized):**	N/A	Longest Winning Streak:	19 Months
Alpha (Monthly):***	1.66%	Longest Losing Streak:	0 Months
Alpha (Annualized):***	21.87%	Compounded Monthly Return:	1.86%
Beta:***	-0.11	Compounded Annual Return:	24.71%
Correlation Coefficient:***	-0.26	Cumulative Return:	41.85%
R-squared:***	0.07		

*YTD through May 2017 **Based on Risk Free Rate (RFR) at 3.0% (Sortino reads N/A if all monthly returns exceed RFR) ***Calculated Against PUT Index

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS



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IMPORTANT: INVESTMENT IN DFOS TAKES APPROXIMATELY 60 DAYS TO GAIN FULL POSITION EXPOSURE. CLIENT RESULTS BEGAN ON MAY 27, 2016, WITH THE FIRST CLIENT INVESTING IN THE STRATEGY. AS SUCH, RETURNS IN THE CLIENT COMPOSITE WILL DIFFER FROM THOSE IN THE PROPRIETARY COMPOSITE, WHICH IS AN INTERNAL ACCOUNT THAT BEGAN TRADING IN THE PROGRAM IN NOVEMBER 2015. BOTH COMPOSITES ARE BLOCK TRADED SIMULTANEOUSLY. HOWEVER, THE CLIENT COMPOSITE WILL CONSIST OF ANY NEW AND TRANSITIONING CLIENT ACCOUNTS THAT WOULD HAVE A DILUTIVE EFFECT ON THE CLIENT COMPOSITE RETURNS. CLIENT ACCOUNTS THAT ARE IN THE STRATEGY LONGER THAN 60 DAYS WILL APPROXIMATELY MATCH THE PROPRIETARY COMPOSITE RESULTS.

CLIENT DFOS MONTHLY PERFORMANCE (NET OF FEES)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
													DFOS	PUT	S&P 500
2017	1.54%	1.35%	1.46%	1.42%	1.35%								7.33%	5.83%	8.66%
2016					-0.01%	1.62%	1.34%	1.41%	1.71%	0.47%	1.50%	1.01%	9.40%	8.58%	10.04%

CLIENT DFOS PERFORMANCE STATISTICS (NET OF FEES)

Standard Deviation (Monthly):	0.49%	May Return:	1.35%
Standard Deviation (Annualized):	1.70%	YTD Return:*	7.33%
Downside Deviation (Monthly):**	0.07%	Average Monthly Return:	1.24%
Downside Deviation (Annualized):**	0.25%	Highest Month:	1.71%
Sharpe Ratio (Monthly):**	2.04	Lowest Month:	-0.01%
Sharpe Ratio (Annualized):**	7.06	% of Positive Months:	92.31%
Sortino Ratio (Monthly):**	N/A	Maximum Drawdown:	-0.01%
Sortino Ratio (Annualized):**	N/A	Longest Winning Streak:	12 Months
Alpha (Monthly):***	1.03%	Longest Losing Streak:	1 Months
Alpha (Annualized):***	13.11%		
Beta:***	0.20	Compounded Monthly Return:	1.24%
Correlation Coefficient:***	0.27	Compounded Annual Return:	15.98%
R-squared:***	0.07	Cumulative Return:	17.42%

*YTD through May 2017 **Based on Risk Free Rate (RFR) at 3.0% (Sortino reads N/A if all monthly returns exceed RFR) ***Calculated Against PUT Index

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Since no two clients are alike, Elite integrates wealth management, family office, estate planning, and philanthropic services into one complete, personal solution for every unique individual and/or family we serve. As an independent firm, our actions will always reflect your best interests and serve your investment needs.

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SEE IMPORTANT DISCLOSURE STATEMENT: <http://elitewm.com/wp-content/Dynamic-Futures-Option-Strategy-Disclosure-Document.pdf>

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Proprietary account information is shown because investment in DFOS takes approximately 60 days to gain full position exposure. As such, returns in the client composite will differ from those in the proprietary composite. Client accounts that are in the strategy longer than 60 days will approximately match the proprietary results. Please refer to the Disclosure Document at <http://elitewm.com/wp-content/Dynamic-Futures-Option-Strategy-Disclosure-Document.pdf> for additional information.

The CBOE S&P 500 PutWrite Index (PUT) tracks the performance of a hypothetical investment strategy (PUT strategy) that overlays short S&P 500 puts over a money market account. The number of puts is set to collateralize the exposure to S&P 500 downturns. Studies have found that short option strategies, and especially short put strategies, appear to generate high risk-adjusted returns. Reasons cited for the excess returns are the negative risk-premium garnered by volatility, and, in the case of puts, the high demand for portfolio protection. For more information on the PUT Index and the studies described, please visit the website www.cboe.com/put or send an e-mail to institutional@cboe.com.

The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks seen as a leading indicator of U.S. equities and a reflection of the performance of the large cap universe, made up of companies selected by economists. The S&P 500 is a market value weighted index and one of the common benchmarks for the U.S. stock market.

FUTURES CONTRACTS RISK—Futures contracts are typically exchange-traded contracts that call for the future delivery of an asset at a certain price and date, or cash settlement of the terms of the contract. Risks of futures contracts may be caused by an imperfect correlation between movements in the price of the instruments and the price of the underlying securities. In addition, there is the risk that clients may not be able to enter into a closing transaction because of an illiquid market. Futures markets are highly volatile and the use of futures may result in increased volatility. Futures are also subject to leverage risks and to liquidity risk.

FUTURES OPTIONS RISK—Options or options on futures contracts give the holder of the option the right to buy (or to sell) a position in a security or in a contract to the writer of the option, at a certain price. They are subject to correlation risk because there may be an imperfect correlation between the options and the securities markets that cause a given transaction to fail to achieve its objectives. The successful use of options depends EWM's ability to correctly predict future price fluctuations and the degree of correlation between the options and securities markets. Options are also particularly subject to leverage risk and can be subject to liquidity risk. The number of puts is set to collateralize the exposure to S&P 500 downturns. This design provides higher leverage than the BXM strategy, and it can also capture the potentially "rich" premia of S&P 500 put options documented in several academic studies. These studies have found that short option strategies, and especially short put strategies, appear to generate high risk-adjusted returns. Reasons cited for the excess returns are the negative risk-premium garnered by volatility, and, in the case of puts, the high demand for portfolio protection. For more information on the PUT Index, please visit the website www.cboe.com/put or send an e-mail to institutional@cboe.com. The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks seen as a leading indicator of U.S. equities and a reflection of the performance of the large cap universe, made up of companies selected by economists. The S&P 500 is a market value weighted index and one of the common benchmarks for the U.S. stock market.

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