



# ELITE WEALTH MANAGEMENT

## Equity Opportunity Strategy

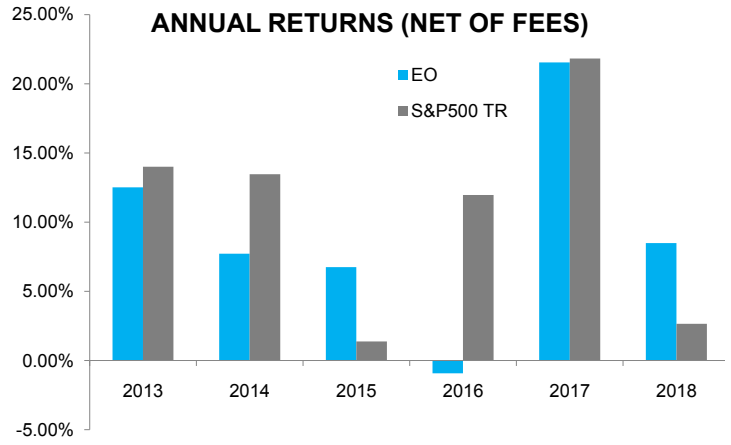
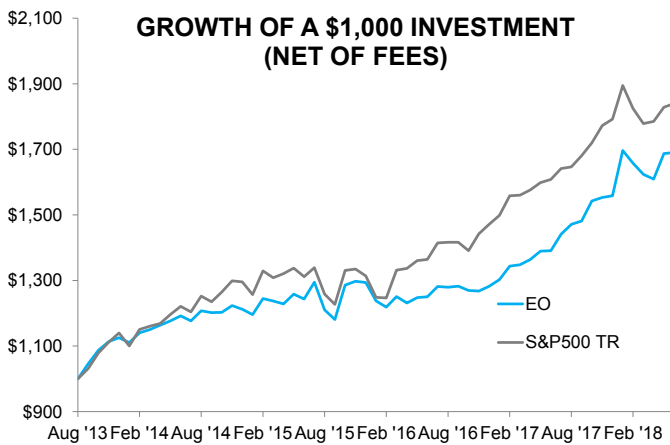
June 2018

**INVESTMENT OBJECTIVE:** The Equity Opportunity Strategy seeks to provide attractive risk-adjusted total returns relative to the S&P 500 by utilizing an in-depth, fundamental analysis to invest in a diversified portfolio of individual stocks.

**INVESTMENT APPROACH:** Diversified portfolio consisting of both growth and value stocks that are selected based on our conviction to hold the companies long term and their relative fundamental strength and market dominance in their respective sectors. The goal of this portfolio is to own the stocks of leading companies in different sectors that provide long term growth with lower beta than the broad market. Many of the names pay dividends and are considered to be the bellwethers of the market. For those clients that are interested in enhancing their returns via selling covered calls, this portfolio is positioned properly to potentially benefit from options premiums as well.

### STRATEGY STRENGTHS

- Through our investment process, we strategically select high quality stocks that are held long term in order to reduce turnover and short term gains.
- Tactical approach. We may trade the SPDR S&P 500 (SPY) and the ProShares Short S&P 500 (SH) in the portfolio.
- Potential to capture the upside in strong market environments while actively hedging the downside during periods of market volatility.
- Employs both fundamental and technical analysis in portfolio construction.



### MONTHLY PERFORMANCE (NET OF FEES)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
													EO	S&P 500 TR	
2018	8.88%	-2.28%	-2.08%	-0.88%	4.85%	0.20%								8.49%	2.65%
2017	1.61%	3.16%	0.31%	1.16%	1.89%	0.10%	3.63%	2.06%	0.70%	4.12%	0.70%	0.33%		21.54%	21.83%
2016	-4.33%	-1.55%	2.62%	-1.55%	1.31%	0.23%	2.51%	-0.20%	0.29%	-1.04%	-0.15%	1.14%		-0.92%	11.96%
2015	-1.35%	4.10%	-0.60%	-0.70%	2.40%	-1.17%	4.14%	-6.54%	-2.44%	8.89%	0.93%	-0.28%		6.75%	1.38%
2014	-1.32%	2.68%	0.87%	1.17%	1.15%	1.30%	-1.29%	2.61%	-0.47%	0.08%	1.70%	-0.91%		7.72%	13.69%
2013									4.54%	3.99%	2.46%	1.02%		12.52%	14.01%

### EO PERFORMANCE STATISTICS (NET OF FEES)

Standard Deviation (Monthly):	2.64%	June Return:	0.20%
Standard Deviation (Annualized):	9.15%	YTD:*	8.49%
Downside Deviation (Monthly):**	1.37%	Average Monthly:	0.94%
Downside Deviation (Annualized):**	4.75%	Highest Month:	8.89%
Sharpe Ratio (Monthly):**	0.26	Lowest Month:	-6.54%
Sharpe Ratio (Annualized):**	0.91	% of Positive Months:	65.52%
Sortino Ratio (Monthly):**	0.48	Maximum Drawdown:	-8.82%
Sortino Ratio (Annualized):**	1.66	Longest Winning Streak:	14 Months
Alpha (Monthly):***	0.19%	Longest Losing Streak:	3 Months
Alpha (Annualized):***	2.30%		
Beta:***	0.82	Compounded Monthly Return:	0.91%
Correlation Coefficient:***	0.86	Compounded Annual Return:	11.48%
R-squared:***	0.74	Cumulative Return:	69.05%

\*YTD Through June 2018 \*\*Based on Risk Free Rate (RFR) at 3.0% \*\*\*Calculated Against S&P 500

Past performance is not indicative of future results. Please refer to the Disclosure section for additional information.



# ELITE WEALTH MANAGEMENT

## Equity Opportunity Strategy

June 2018

### Disclosures:

Elite Wealth Management, Inc. ("Elite") is a registered investment adviser with the Securities and Exchange Commission.

The information provided by Elite (or any portion thereof) may not be copied or distributed without Elite's prior written approval. All statements are current as of the date written and does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation.

The standard fee schedules for Elite's strategies are shown in the firm's Form ADV Part 2. Elite and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Elite of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

Elite is committed to safeguarding the use of personal information of our Clients that we obtain as your Investment Advisor, as described in our Privacy Policy. For a copy of the Elite Privacy Policy, please contact us. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy will be profitable.

Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss. Performance of the asset allocation strategies depends on the underlying investments. Any specific securities identified do not represent all of the securities purchased, sold or recommended for advisory clients, and may be only a small percentage of the entire portfolio and may not remain in the portfolio at the time you receive this report. You should not assume that investment decisions we make in the future will be profitable or will equal the investment performance of the past.

This information was produced by and the opinions expressed are those of Elite as of the date of writing and are subject to change. Any research is based on Elite proprietary research and analysis of global markets and investing. The information and/or analysis presented have been compiled or arrived at from sources believed to be reliable, however Elite does not make any representation as their accuracy or completeness and does not accept liability for any loss arising from the use hereof. Some internally generated information may be considered theoretical in nature and is subject to inherent limitations associated therein. There are no material changes to the conditions, objectives or investment strategies of the strategy portfolios for the period portrayed. Any sectors or allocations referenced may or may not be represented in portfolios of clients of Elite, and do not represent all of the securities purchased, sold or recommended for client accounts.

Due to differences in actual account allocations, account opening date, timing of cash flow in or out of the account, rebalancing frequency, and various other transaction-based or market factors, a client's actual return may be materially different than those portrayed in the strategy results. The reader should not assume that any investments in sectors and markets identified or described were or will be profitable. Investing entails risks, including possible loss of principal. The use of tools cannot guarantee performance. The information provided may contain projections or other forward-looking statements regarding future events, targets or expectations, and is only current as of the date indicated. There is no assurance that such events or targets will be achieved, and may be significantly different than that shown here. The information presented, including statements concerning financial market trends, is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons.

Market indexes are included in this report only as context reflecting general market results during the period. Elite may trade in securities that are not represented by such market indexes and may have concentrations in a number of securities and in asset classes not included in such indexes. Accordingly, no representations are made that the performance or volatility of the strategy allocations will track or reflect any particular index. Market index performance calculations are gross of management and performance incentive fees.

The performance shown is of a strategy consisting of all discretionary accounts using this investment strategy. There is a \$200,000 minimum account size required for inclusion in the strategy. New funds or accounts are added to the strategy upon the first full month of investment and closed funds or accounts are removed from the composite upon the last full month of investment.

**Past performance is no guarantee of future results.** Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided net of 1% management fees basis, reflecting the deduction of investment management fees, as well as brokerage or other commissions and costs. It is not possible to invest directly in an index. Index performance does not reflect charges and expenses and is not based on actual advisory client assets. Index performance does include the reinvestment of dividends and other distributions. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars.

**Risk Disclosure Statement:** All investments include a risk of loss that clients should be prepared to bear. The principal risks of the Elite Wealth Management strategies are disclosed in the publicly available Form ADV Part 2A. Exchange Traded Funds (ETFs) are subject to market risk, including the possible loss of principal. The value of the portfolio will fluctuate with the value of the underlying securities. ETFs trade like a stock, and there will be brokerage commissions associated with buying and selling exchange traded funds unless trading occurs in a fee-based account. ETFs may trade for less than their net asset value. Statistics Definitions can be viewed at <http://elitewm.com/analytics>.

**Equity and Market Risk:** The equity markets are volatile, and the value of securities, swaps, futures and other instruments correlated with the equity markets may fluctuate dramatically from day-to-day. Equity markets are subject to corporate, political, regulatory, market and economic developments, as well as developments that impact specific economic sectors, industries or segments of the market. Further, stocks in the S&P 500 Index may underperform other equity investments. Volatility in the markets and/or market developments may cause the value of an investment in an ETF to decrease. The value of investments in ETFs seeking investment results that correspond to the inverse (-1x) of the S&P 500 Index will generally decrease when market conditions cause the level of the S&P 500 Index to rise. While certain ETFs are intended to track the performance of the S&P 500 Index as closely as possible (i.e., to achieve a high degree of correlation with the S&P 500 Index), an ETF's returns may not match or achieve a high degree of correlation with the return of the S&P 500 Index due to expenses and transaction costs incurred in managing an ETF. In addition, it is possible that an ETF may not always fully replicate the performance of the S&P 500 Index due to the unavailability of certain Index securities in the secondary market or due to other extraordinary circumstances (e.g., if trading in a security has been halted).

**Short Sales:** Short selling transactions entail the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the borrower might be compelled, at the least advantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier. Further, purchasing securities on the open market to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Sources:** Yahoo Finance, Hedge Connection, Chicago Board of Exchange.

**Past performance is not indicative of future results.** Please refer to the Disclosure section for additional information.

Copyright © 2017 Elite Wealth Management, Inc. • 1014 Market Street, Kirkland, WA 98033 • +1.425.828.4300 • [info@elitewm.com](mailto:info@elitewm.com) • [www.elitewm.com](http://www.elitewm.com)