

Cash-Secured Put Income

Strategy Overview

The strategy seeks to generate a consistent level of cash flow by accepting the potential to own equity positions that we would like to own at lower, more attractive prices.

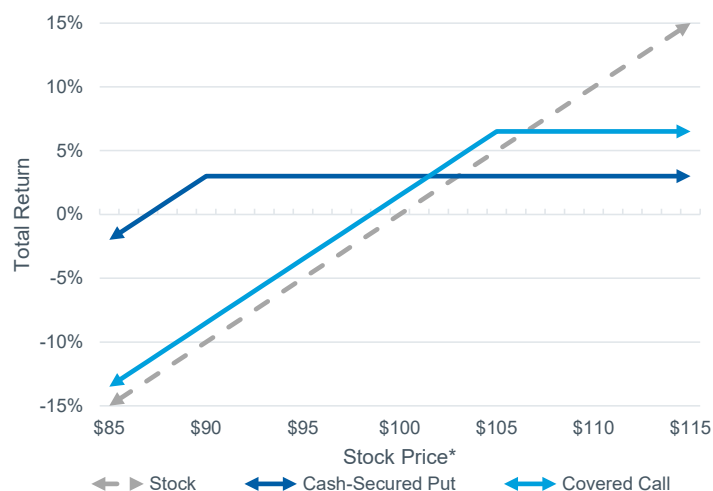
Primary Strategy: Put options are sold on a concentrated portfolio of large cap, domestic stocks to generate income on a cash position. The tenor of the put options will typically range from one to four months out in time. The strike prices will generally be 9% to 11% lower than a stock's current price depending on the volatility environment.

Ancillary Strategy: If the put options are assigned, the underlying stock is purchased, and covered calls will be written on the stock until the call options are assigned. The call options will typically have a tenor of one to four months, targeting a strike price 5 to 10% higher than the current stock price. Once the call options are assigned, and the stock is sold, the cash secured put strategy will resume.

Strategy Example

The illustration below shows example profit and loss diagrams of the two strategies that will be utilized. *The parameters of the actual options traded will be at the manager's discretion. Depending on the movement of each individual position, a mix of cash-secured puts and covered calls may be used at any given time.*

The **cash-secured put** sells one put option for \$3 on a stock with a strike price of \$90, a 10% discount to the current underlying stock price of \$100. Cash equivalent to the notional value implied by the stock price ($\$100 \times 100 \times 1 = \$10,000$) is held in the account for each put option. The **covered call** is long 100 shares of the stock and sells one call option for \$1.50 at a strike price of \$105, 5% higher than the underlying stock price.



*This chart is for informational purposes only and does not represent actual performance. Past performance is not a guarantee of future results. Total Return will be reduced by advisory fees and other expenses, including custodial fees and trading costs.

Other Considerations

Liquidity – Daily liquidity is available if a client wants to exit some or all of the strategy.

Taxes – All option premium is treated as short-term capital gains by the IRS. Qualified accounts, such as IRA's, are preferred to increase the tax efficiency of the strategy.

Objective

Primary Objective: Income target of 7% to 10% annually consisting of option premium and dividends.*

Secondary Objective: Capital Appreciation on underlying positions purchased from assigned put options.

Risk

Upside Risk – Selling a put option does not allow the seller to participate in any upside appreciation of the underlying security. The maximum return is the option premium received for selling the put option. Additionally, covered calls will cap the upside appreciation in the underlying stock.

Downside Risk – The cash-secured put strategy buffers the downside risk of the underlying security but does not eliminate it. Once the put strike has been breached, the seller incurs all potential downside below the put option strike price. Covered calls retain almost 100% of the downside risk in the underlying stock.

Suitability

Suitable for clients who want to receive additional cash flow on their cash positions and are willing to accept downside equity risk.

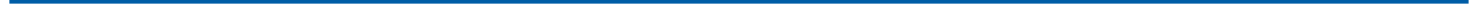
Unsuitable for clients who:

- Only want to sell cash-secured puts and do not want to potentially own the underlying security.
 - » We believe taking ownership of the stock once a put is assigned has the potential to produce better results over time by participating in some capital appreciation of the underlying equities.
- Want to outperform the S&P 500 in all environments.
 - » The performance of this strategy will significantly trail the S&P 500 in bull markets as the maximum return for cash-secured puts is the premium received. Capital appreciation from covered calls will be capped at the call strike price.
- Do not want to incur downside equity risk.
 - » The principal is at risk with both the cash-secured puts and covered calls.

Stock Selection

The stocks selected will be comprised of large cap, U.S. listed companies that will be diversified across at least nine of the eleven GICS sectors. The strategy will write puts on 25 to 30 stock positions. The stocks selected will typically be recognizable companies that we believe are dominant players in their industry. The stocks will also more than likely be owned across other Mariner Wealth Advisors' equity strategies. Additionally, the positions selected will be optimized for option trading by screening for implied volatility, liquidity and other factors.

Stocks selected will be companies that we believe have strong fundamentals and good growth prospects but are trading at reasonable valuations. Stocks that we would not want to own will not be selected. *Additionally, a stock will not be selected just because it has a high level of implied volatility in order to generate high levels of income.*



Disclosures

* Any income will be reduced by advisory fees and other expenses.

This overview is provided for informational purposes only and does not take into account any individual personal, financial, or tax considerations. It is not intended to be personal investment advice or a solicitation to buy or sell any security or engage in a particular investment strategy. There is no guarantee that the strategy will meet its investment objectives.

This strategy is composed of securities and derivatives and will utilize short positions.

Additional Risk Disclosure:

Option trading involves a significant degree of risk, which each prospective investor should seriously consider. The risk of loss in trading options can be substantial. Prospective clients should carefully consider whether such trading is suitable for them in light of their financial condition and individual risk tolerances. The high degree of leverage that is often obtainable in options trading can work against investors as well as for them. More information on the risks of buying and selling options contracts can be found on the CBOE's website at Characteristics and Risks of Standardized Options (www.cboe.com/trading-resources/characteristics-and-risks-of-standardized-options).

The S&P 500 Index is a market-value weighted index provided by Standard & Poor's and is comprised of 500 companies chosen for market size and industry group representation.

Information Regarding Mariner Wealth Advisors:

Mariner Wealth Advisors ("MWA") is an SEC registered investment adviser with its principal place of business in the State of Kansas. Registration of an investment adviser does not imply a certain level of skill or training. For additional information about MWA, including fees and services, please contact MWA or refer to the Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov). Please read the disclosure statement carefully before you invest or send money.