



YOUR STORY, YOUR GOALS, YOUR ADVOCATE

MARINER WEALTH ADVISORS



**CASH-SECURED PUT INCOME
STRATEGY OVERVIEW**

STRATEGY OBJECTIVE

Objective

- *Primary Objective* - Income target of 7% to 10% annually consisting of option premium and dividends.
- *Secondary Objective* – Capital Appreciation. **Appreciation will be minimal to none in most years.*

STRATEGY OVERVIEW

THE STRATEGY SEEKS TO GENERATE CONSISTENT CASH FLOWS BY ACCEPTING THE POTENTIAL TO OWN STOCKS AT LOWER PRICES.

Primary Strategy – Cash-Secured Puts

- Target 2 to 4-month expiration dates
- Strike Price Target 10% to 12% lower than the current stock price

Ancillary Strategy – Covered Calls

- If puts are assigned, the stock will be purchased and covered calls will begin.
- Target 1 to 4-month expiration dates
- Strike Price Target 5% to 10% higher than the current stock price

Risk

- *Downside Equity Risk* - Selling puts buffers the downside but significant downside risk is still retained.
- *Upside Risk* – clients will not participate in much, if any, appreciation of the underlying stocks.

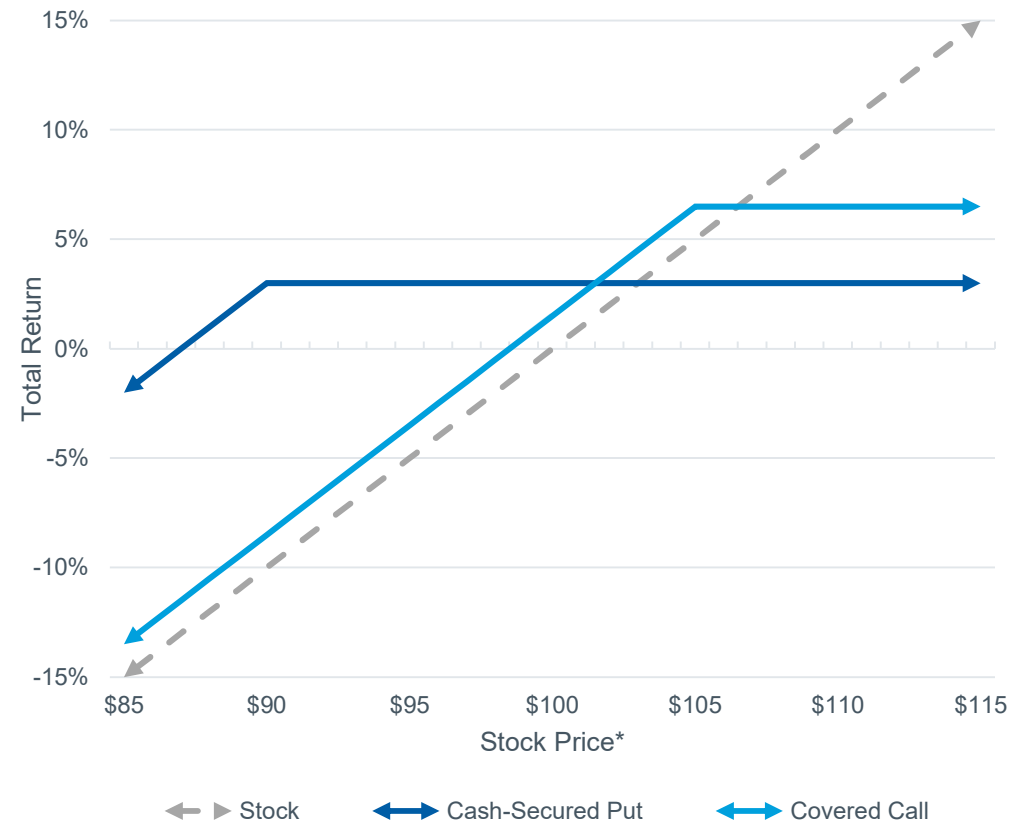


STRATEGY EXAMPLE

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.

STOCK SELECTION

Stocks that will be selected

- Large Cap Domestic Stocks
- Concentrated Portfolio of 25-30 stocks
- Diversification across sectors
 - Positions will be held in at least 9 of the 11 sectors
- Stocks selected will be companies that we believe have strong fundamentals, good growth prospects and reasonable valuations.

Stocks will NOT be selected

- Purely on the basis of implied volatility. High implied volatility will generate more premium but subjects investors to more risks.
- Highly volatile stocks often include:
 - Low quality stocks in industries with bad fundamentals
 - High flying growth stocks with unreasonable valuations



INVESTOR PROFILE

Attributes of a potential investor

1. High Net Worth Individual or Institution with at least \$3,500,000 in investable assets
2. Investors who would like a higher return on cash but are willing to take equity risk
3. Investors with high cash balances

Unsuitable for investors who:

1. Do not want downside equity risk
2. Only want cash secured puts and do not want to own the underlying stock
3. Want to keep pace with or outperform the S&P 500 index in all environments



STRATEGY TERMS & TAXES

Terms

- \$750,000 minimum
- Management Fee
 - Strategy Only – 0.75%
 - Full Wealth – Included in the advisory fee.
- Account Structure: Separately Managed Accounts
- All account types can be utilized
 - Individual
 - IRA
 - Corporate
- Daily Liquidity – No lockup

Tax Treatment

- Options – will all be treated as short-term capital gains and losses.
- Stocks – will more that likely be short-term capital gains and losses but in some scenarios there could be some long-term capital gains and losses.

** Qualified accounts such as IRAs are preferred.*

*This overview does not take into account personal tax consideration. Please consult a tax professional.





QUESTIONS?



DISCLOSURES

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.

Investment involves risk, including possible loss of principal.

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. Individuals cannot invest directly in an index. Index returns do not include fees or expenses.

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. MWA is in compliance with the current notice filing requirements imposed upon registered investment advisers by those states in which MWA maintains clients. MWA may only transact business in those states in which it is notice filed or qualifies for an exemption or exclusion from notice filing requirements. Any subsequent, direct communication by MWA with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. 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.





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