

AGENDA 11-09-24

09:30 *Income Sig Update / Framework*
Frank Erzinger

10:30 *Dividend Investing & Market Outlook*
David Bahnsen, The Bahnsen Group

TOPICS

- ▶ **1. Hylnc* UPDATE Y-T-D November 2024**
- ▶ **2. OUTLOOK**
- ▶ **3. Q4 NEXT STEPS**
 - Appendix A Hybrid Income* - Preserve Principal, Maintain Income, Sustain Portfolio

WHICH ASSETS, WHICH MARKETS?

- ▶ MARKET HEDGE – Gold
- ▶ DIVIDEND EQUITIES
- ▶ FIXED INCOME
- ▶ ALTERNATIVES

DO THEY MEET INCOME OBJECTIVES?

- ▶ PRESERVE PRINCIPAL*
- ▶ MAINTAIN INCOME*
- ▶ SUSTAIN PORTFOLIO**

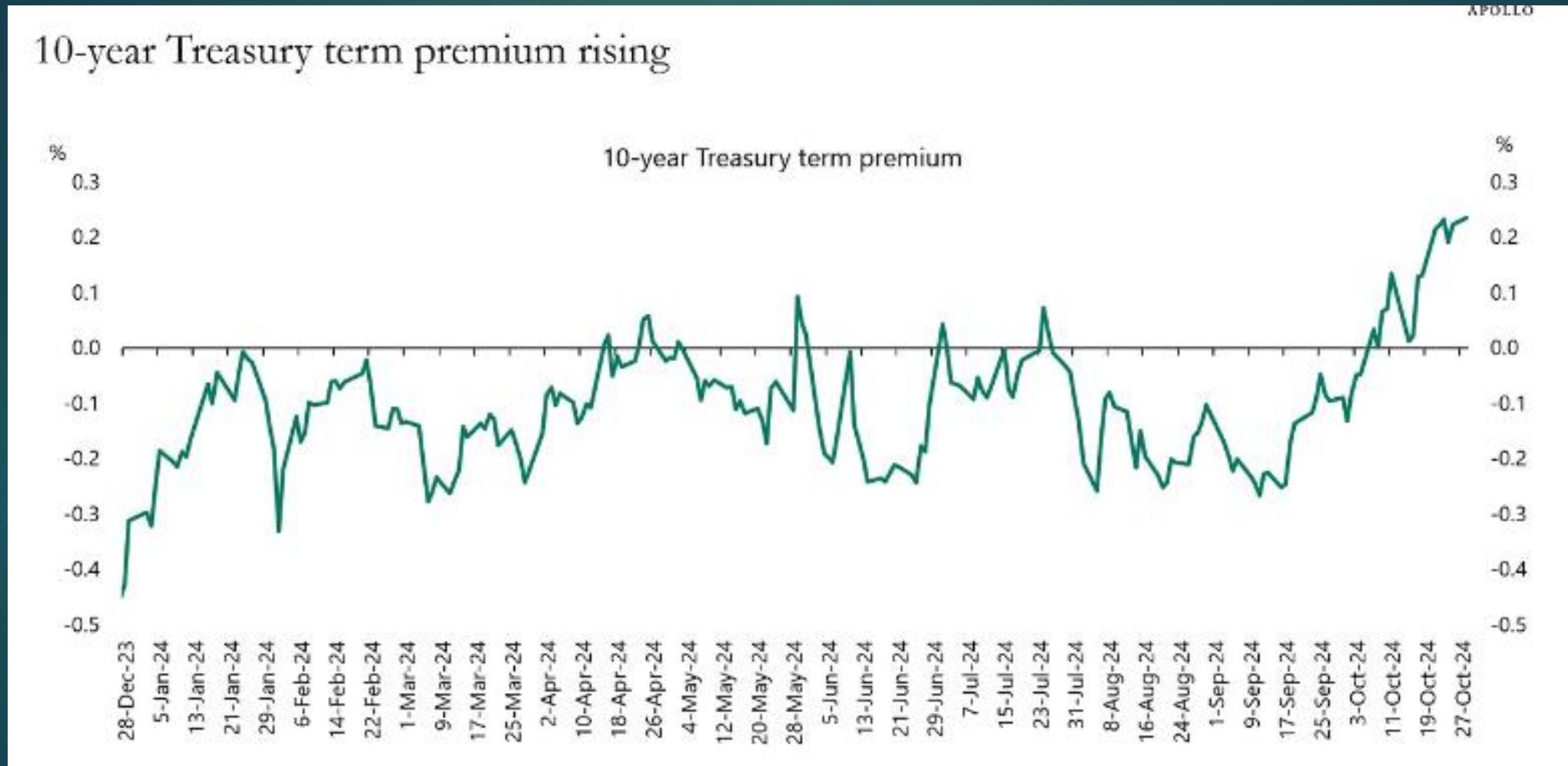
1. UPDATE

| Hybrid Income | | | 1st JAN | | Q4 - Nov 04th | | | |
|---------------|-------------------------------|-------------------------------|------------|--------|---------------|--------|--------------|-------------------|
| ticker | Company - Entity | Asset Class | \$ | Port % | \$ | Port % | Δ YtD | \$ gr div to date |
| GOLD | Barrick Gold Corp | ALT Gold | \$ 39,726 | 5% | \$ 41,504 | 5% | \$ 1,779 | \$ (2,833) |
| | | HEDGE | \$ 108,305 | 14% | \$ 41,504 | 5% | \$ (66,800) | \$ 703 |
| ENFR | Alerian Energy | US LG CAP VAL Sect Energy ML | \$ 27,061 | 4% | \$ 34,562 | 4% | \$ 7,501 | \$ 1,629 |
| DUK | Duke Power | US LG CAP VAL Sect Utility | \$ 23,678 | 3% | \$ 27,455 | 3% | \$ 3,777 | \$ (349) |
| EOG | Enron Oil & Gas | US LG CAP VAL Sect Energy | \$ 18,720 | 2% | \$ 19,177 | 2% | \$ 457 | \$ (919) |
| EMR | Emerson Electric Co. | US LG CAP VAL Sect Industrial | \$ 31,340 | 4% | \$ 35,359 | 4% | \$ 4,019 | \$ 1,423 |
| EPD | Enterprise | US LG CAP VAL Sect Energy ML | \$ 26,972 | 4% | \$ 30,383 | 4% | \$ 3,411 | \$ (219) |
| KLAC | KLA Corporation | US LG CAP GROWTH | \$ 80,219 | 11% | \$ 91,545 | 11% | \$ 11,326 | \$ (21,536) |
| KMI | Kinder Morgan | US LG CAP VAL Sect Energy | \$ 24,377 | 3% | \$ 34,408 | 4% | \$ 10,032 | \$ 4,103 |
| MRK | Merck & Co., Inc. | US LG CAP VAL Sect Hcare | \$ 33,578 | 4% | \$ 31,376 | 4% | \$ (2,202) | \$ (5,107) |
| PXD | Pioneer | US LG CAP VAL Sect Energy | \$ 25,636 | 3% | | | \$ (25,636) | \$ - |
| RHHBY | Roche Holding AG | US LG CAP VAL Sect Mat'l's | \$ 22,245 | 3% | \$ 24,210 | 3% | \$ 1,965 | \$ (1,781) |
| STX | Seagate Technology Holding | US LG CAP GROWTH | \$ 35,514 | 5% | \$ 41,554 | 5% | \$ 6,040 | \$ 141 |
| WLKP | Westlake Polymer | US LG CAP VAL Sect Mat'l's | \$ 23,734 | 3% | \$ 25,133 | 3% | \$ 1,399 | \$ (313) |
| XOM | Exxon Mobil | US LG CAP VAL Sect Energy MLP | | | \$ 31,416 | 4% | \$ 31,416 | \$ 177 |
| | | US LG CAP GROWTH | \$ 115,733 | 15% | \$ 133,099 | 16% | \$ 17,366 | |
| | | US LG CAP VAL Sect Energy MLP | \$ 257,342 | 34% | \$ 293,479 | 35% | \$ 36,137 | |
| JEPI | US STOCK MKT Options | US STOCK MKT Options | | | \$ 52,385 | 6.3% | \$ 52,385 | \$ 3,790 |
| | | EQUITY | 373,075 | 49% | \$ 478,963 | 57% | \$ 105,888 | \$ 15,989 |
| BIL | spdr 1-3 mo Tbills | FX INC GOVT NOTE S Term Treas | \$ 275,454 | 36% | \$ 76,959 | 9% | \$ 67 | \$ 3,933 |
| | | CASH-13wk Tbill | \$ 275,454 | 36% | \$ 76,959 | 9% | \$ (198,495) | \$ 3,933 |
| TLT | I Share 20+ yr Treasury Bond | FX INC GOVT BOND Ten Yr Tr | | | \$ 69,188 | 8% | \$ 49,188 | \$ (2,948) |
| IGIB | I Share 5-10 yr Inv Grade | FX INC CORP BOND Mid Term | | | \$ 50,902 | 6% | \$ 50,902 | \$ (752) |
| FTSL | 1st Trust Sr Loans | FX INC CORP BOND Mid Term | | | \$ 49,967 | 6% | \$ 49,967 | \$ 76 |
| IBHD | I Share iBond 2024 Hyield & I | FX INC CORP High Yield | | | \$ 50,163 | 6% | \$ 50,163 | \$ 22 |
| | | FIXED INCOME | \$ - | 0% | \$ 220,219 | 26% | \$ 220,219 | \$ 11,400 |
| Cash Net | | CASH | | | \$ 19,572 | 2.3% | \$ 19,572 | |
| | | TOTAL | \$ 756,834 | 100% | \$ 837,217 | 100% | \$ 80,383 | \$ 32,025 |
| | | YtD | Base | | | | 10.6% | 3.8% |

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Nov 04th
10.6% ytd

2. OUTLOOK – FFR DOWN TERM PREMIUM UP?



Source: Bloomberg, Apollo (10-30) , NY Fed Econ – ACM - Adrian, Crump, Moench Treasury Term Premium Estimates

2. OUTLOOK – FFR IMPACT?

WHY FFR IMPACT MINIMAL?

REDUCED SENSITIVITY TO INTEREST RATES

- Consumers and firms locked in very low rates

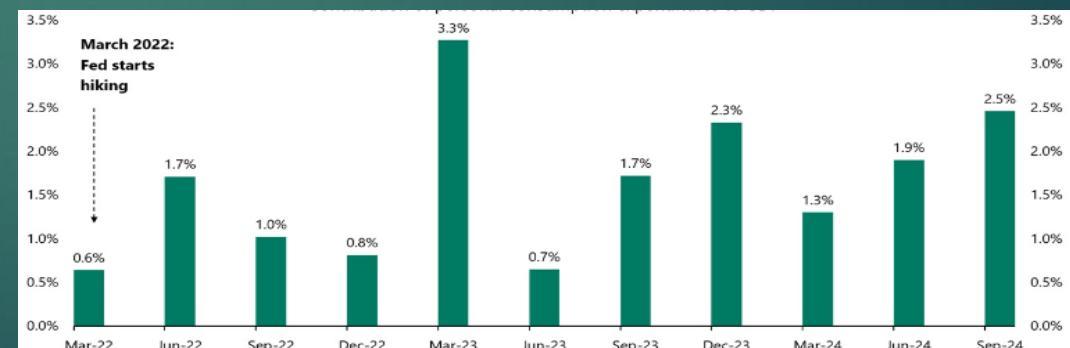
AI STRUCTURAL BOOM

- Large Investment in AI and Infrastructure

FISCAL POLICY 6% DEFICIT GOING TO:

- CHIPSs ACT, IRA, Infrastructure Act, Defense

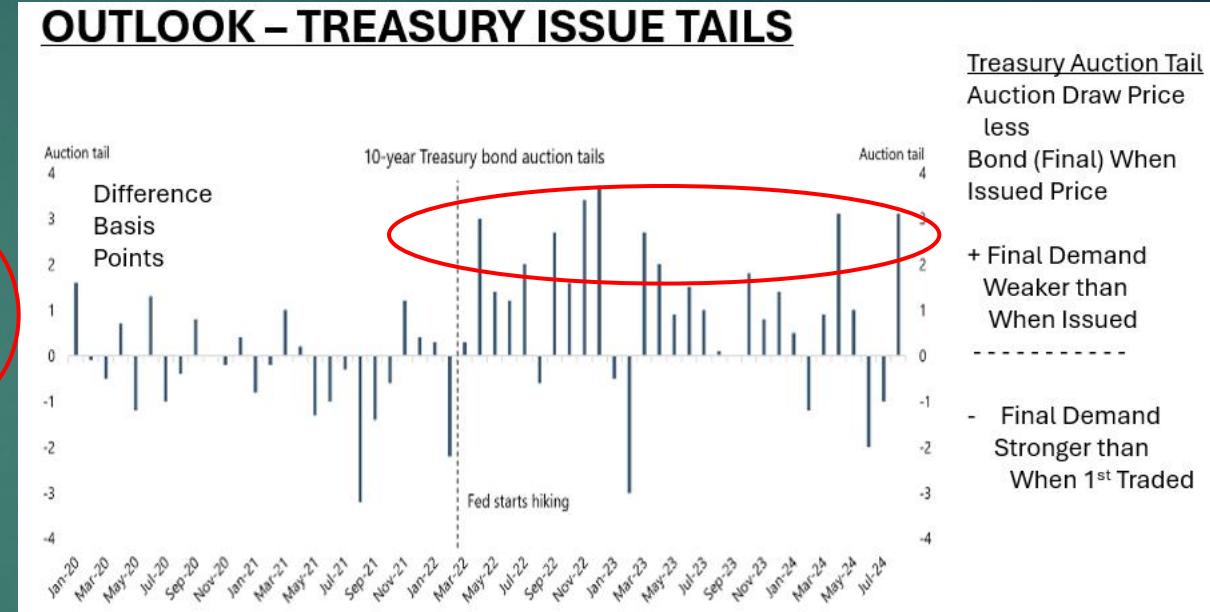
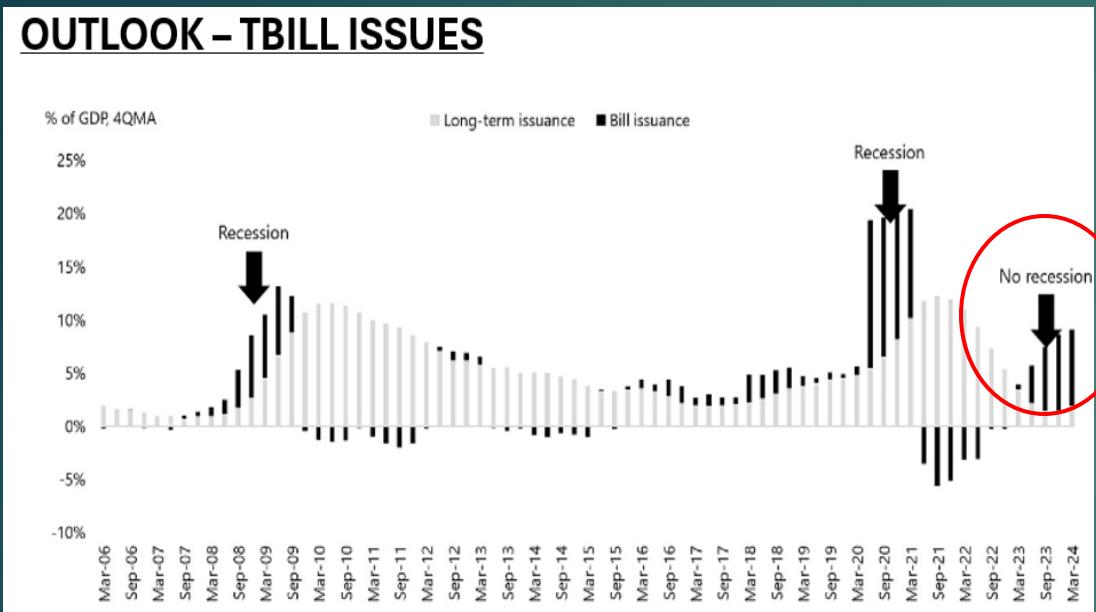
(1) All are unique to the US



CONSUMER STRONG DESPITE FFR* INCREASE

2. OUTLOOK – DEBT MARKET STRESS

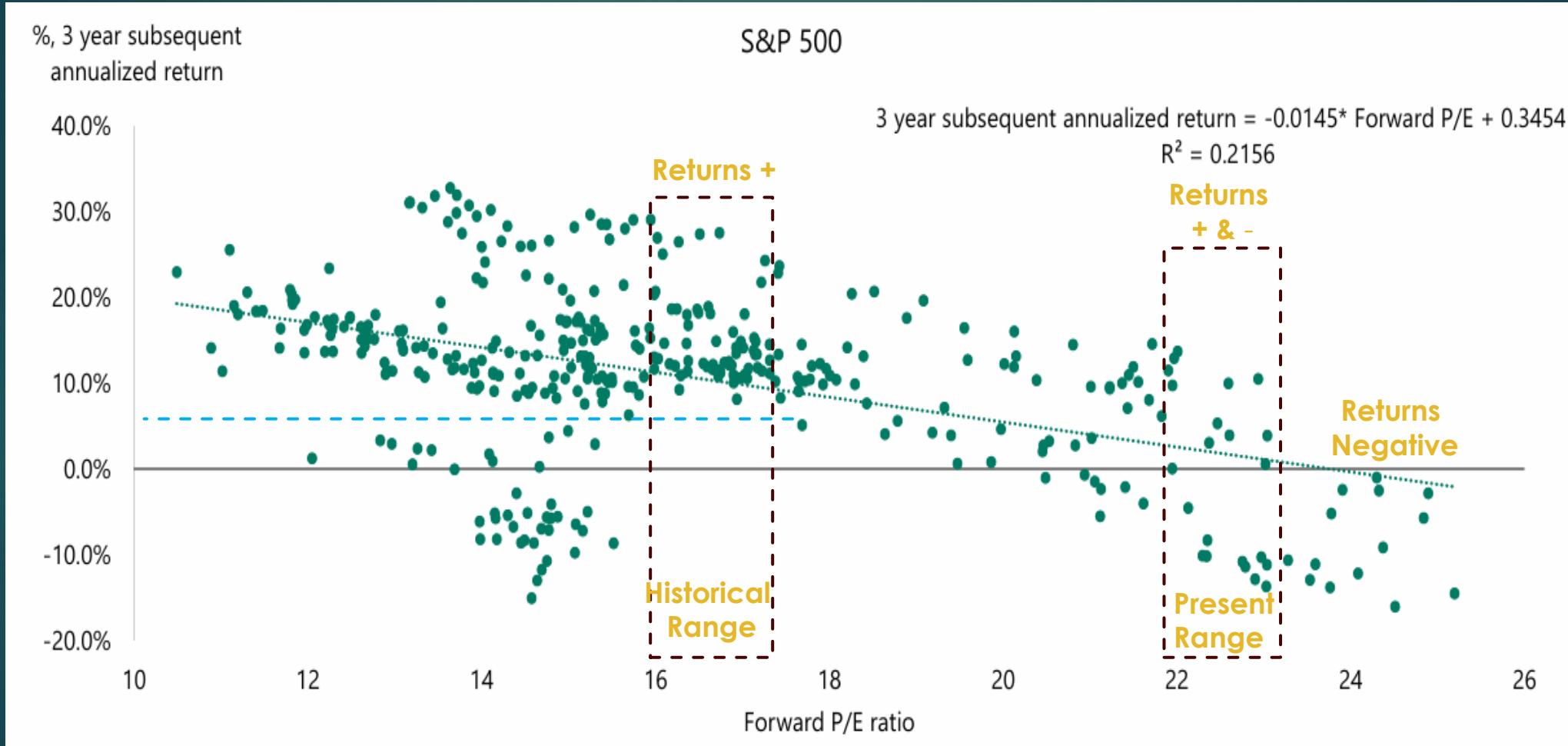
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Source: Apollo Federal Reserve

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2. OUTLOOK – The EQUITY CHALLENGE



THE INCOME ASSET CHALLENGE - Canaries

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COMPOSITE 0.76%

StormGuard-Armor Indicator

StormGuard-Armor achieves superior performance indicating the onset of bear markets by incorporating three sources of data to provide three distinct views of the market that we call Market Trend, Institutional Momentum and Value Sentiment. Twelve separate measures of these three views are logically combined to produce the fundamental StormGuard-Armor value. Four additional measures of volatility and oversold conditions help hasten exits for Black Swan events and help hasten re-entry following oversold events.

Trend – 2.4%

SGA Market Trend Indicator

The Market Trend Indicator was determined from the application of Matched Filter Theory that examines daily returns of the broad market (S&P500) and determines when to exit (and re-enter) the market to optimize overall investment performance. This first component of StormGuard-Armor behaves similarly but better than the classic Death Cross Indicator (which is based on the 50-day/200-day simple moving average crossover of the S&P500).

SGA Delta Oversold Indicator

The SGA Delta Oversold Indicator is similar to the published Delta Market Sentiment Indicator which tracks the price performance of about 3,600 stocks relative to a medium-term moving average. StormGuard-Armor incorporates it as an oversold indicator that will trigger mean reversion behavior in the momentum algorithm after a particularly sharp decline and also incorporates it as an indicator for early re-entry if the recovery is sufficiently strong.

Delta Oversold 59.6%

Source: alphadailybrief.com (SumGrowth)

Momentum – 0.83%

SGA Institutional Momentum Indicator

The SGA Institutional Market Momentum Indicator is similar in design to the Market Trend Indicator but further incorporates daily volume information. Note that a "Wall Street momentum trader" generally defines momentum as $(\text{volume}) \times (\text{price change})$ just as a physicist defines it as $(\text{mass}) \times (\text{velocity})$. However, ordinary trend followers typically ignore volume and use "trend" and "momentum" interchangeably.

SwanGuard Black Swan Indicator

A "black swan" event is rare, unpredictable, and beyond the realm of normal expectations. The market's fall from its high on Feb 19, 2020, to bear market territory was the fastest on record. Fortunately, its unusual characteristics in volatility, downside volume, and a flight of capital to treasuries make early detection possible. The indicator is both a logical and linear combination of these measures. It is integrated into StormGuard-Armor and can trigger an early exit at any time during the month.

Black Swan Vol 18.25%

Value Sentiment 0.6%

SGA Value Sentiment Indicator

The SGA Value Sentiment Indicator is similar in design to the Market Momentum Indicator but further incorporates new highs and lows statistics. This Indicator acts as a "poker tell" that indicates a change in behavior of value traders that are concerned with where a stock's price is relative to its previous highs and lows over the past 52 weeks. When the percent of new highs declines relative to new lows, it may be a sign that value sentiment traders have paused in favor of seeking safety.

Sea-Change Volatility Indicator

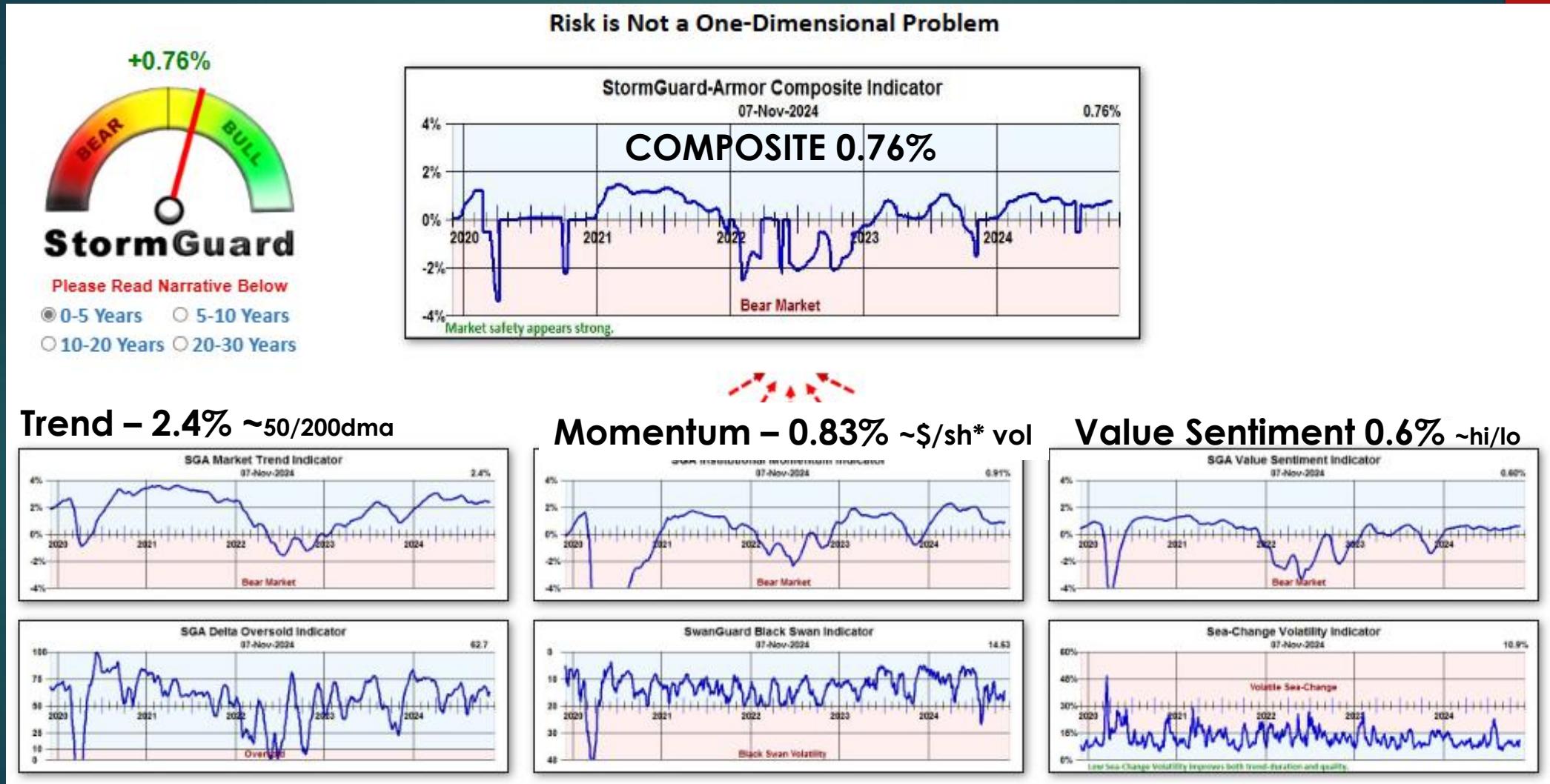
The Sea-Change Volatility Indicator measures the combined rate of change of 12 diverse funds relative to the S&P500 to indicate the pace and extent of rotation between recent trend leaders and former trend laggards. The funds include primary sectors, disruptive subsectors, and traditional style-funds. Values over 15% indicate rapid and broad rotation. Momentum strategies take about two months to confirm and execute a change in leadership. A trade will be profitable only if its momentum continues for one or more additional months.

Sea Change Vol 7.7%

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2. OULOOK – EQUITY MARKET RISK

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2. OUTLOOK – COMPOSITE RISK INDICATOR

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Source: alphadailybrief.com (SumGrowth)

11-09-24 vC

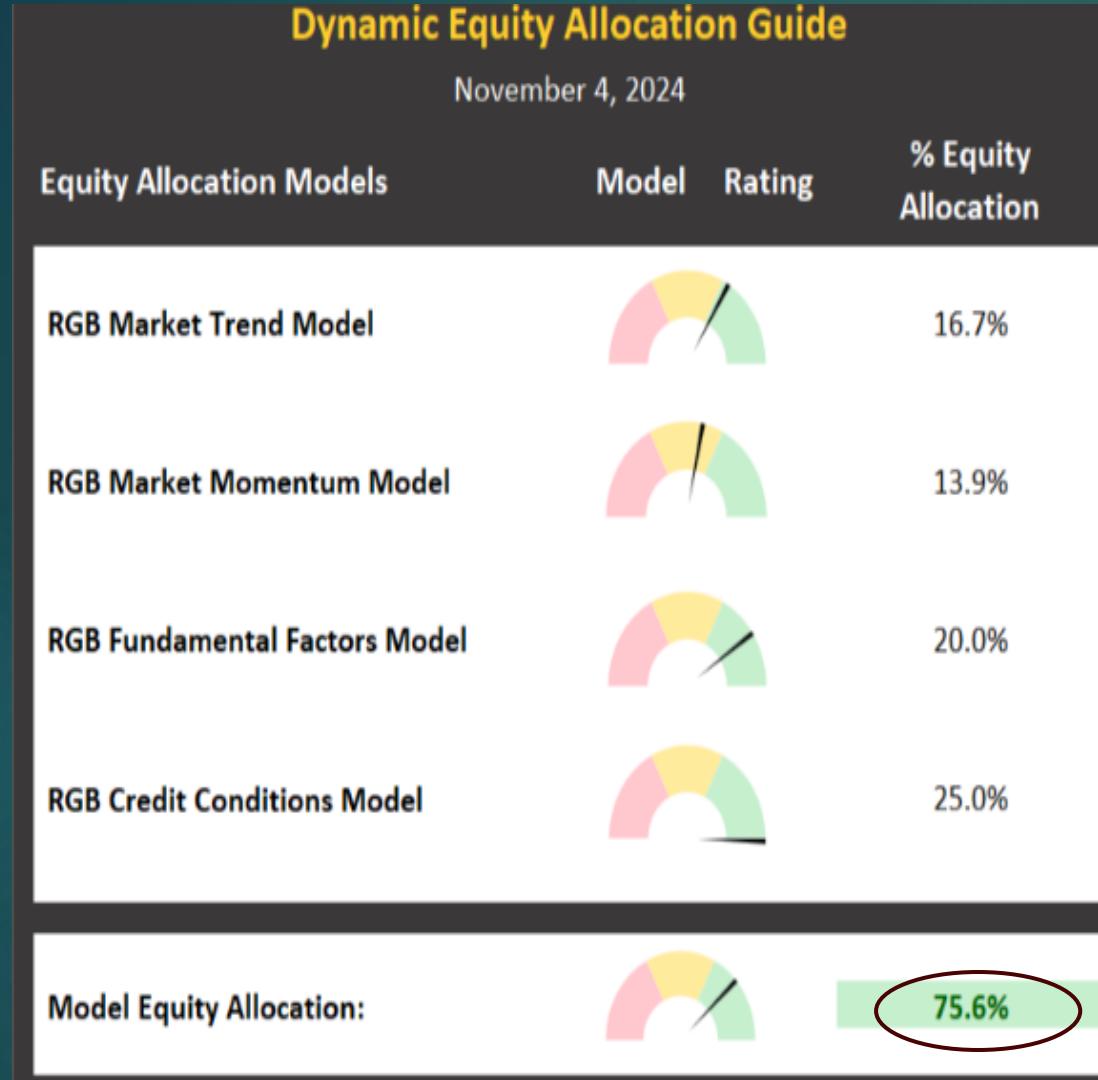
3. Q4 NEXT STEPS

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- ▶ **ASSETS**
 - ▶ - Correlations & Calibration
 - ▶ - Addition of International to mix
- ▶ **OPTIMIZATION**
 - ▶ - LT Income (vs Return)
 - ▶ - LT Stress Testing (10yr)
- ▶ **HIGH GRADE (better to best)**
 - ▶ - Equities Dividend Drill
 - ▶ - w Option premia
 - ▶ - Fixed Income – Duration vs Credit

2. Q4 NEXT STEPS - EQUITY ALLOCATION 75%

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| Aug 2022 to Nov 2024 | | | | |
|----------------------|------------|------------|-----|----------------|
| max | med | AVE | min | Stdev δ |
| 92% | 76% | 69% | 13% | 21% |

Stock Market Scorecard

November 4, 2024

| Indicator/Model | Current Signal | Indicator Rating | S&P 500 Historical Return | |
|---|----------------|------------------|---------------------------|--------|
| Primary Cycle Analysis: | | | | |
| Secular Market Cycle | | Bull Market | 31.2% | |
| Cyclical Market Cycle | | Bull Market | 36.8% | |
| Trend Analysis: | | | | |
| Short-Term Trend Rating | | Sell | Negative | |
| Intermediate-Term Trend Rating | | Buy | Positive | |
| Long-Term Trend Rating | | Buy | Positive | 9.8% |
| Momentum Analysis: | | | | |
| Short-Term Momentum Model | | Sell | Negative | -18.0% |
| Intermediate-Term Momentum Model | | Buy | Mod Pos | 8.2% |
| Long-Term Momentum Model | | Buy | Positive | 15.3% |
| Fundamental Analysis: | | | | |
| Economic Model | | Buy | Positive | 11.7% |
| Earnings Model | | Buy | Positive | 10.4% |
| Monetary Model | | Buy | Positive | 14.1% |
| Inflation Model | | Buy | Positive | 13.1% |
| Valuation Model | | Sell | Negative | -0.8% |
| Credit Conditions Analysis: | | | | |
| Short-Term Credit Conditions Model | | Buy | Positive | NA |
| Intermediate-Term Credit Conditions Model | | Buy | Positive | NA |
| Long-Term Credit Conditions Model | | Buy | Positive | NA |

Source: RGB Capital – Market Monitor Tools w NedDavis Research – 11-04-24,
 EA – Input to Equity Allocation Percentage
 MRP – Early Warning Model of Mean Reversion Potential

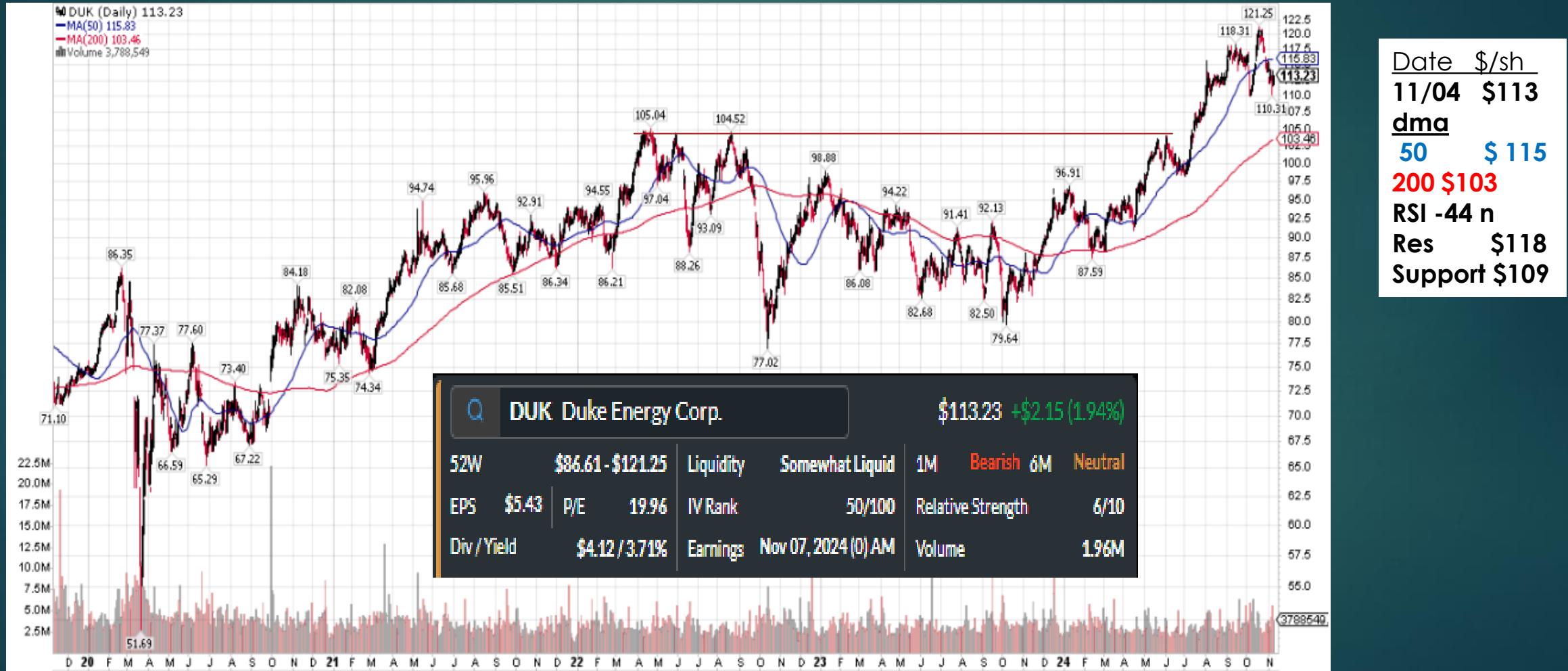
2. Q4 NEXT STEPS - EQUITY ALLOCATION 75%

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| Hybrid Income | | Q4 - Nov 04th | | | | Q4 Income Nov & Dec Targets | | | | |
|---------------|-------------------------------|---------------|--------|--------------|-------------------|-----------------------------|------------------|-----------|--------------|-----------------------|
| ticker | Company - Entity | \$ | Port % | Δ YtD | \$ gr div to date | a. % Div or Int | c. % Opt Premium | S total % | est Total \$ | ticker |
| GOLD | Barrick Gold Corp | \$ 41,504 | 5% | \$ 1,779 | \$ (2,833) | \$ 703 | 0.6% | 1.5% | 2.1% | \$ 860 GOLD |
| | HEDGE | \$ 41,504 | 5% | \$ (66,800) | \$ 703 | | | | | \$ 860 HEDGE |
| ENFR | Alerian Energy | \$ 34,562 | 4% | \$ 7,501 | \$ 1,629 | \$ 1,602 | 1.6% | | 1.6% | \$ 544 ENFR |
| DUK | Duke Power | \$ 27,455 | 3% | \$ 3,777 | \$ (349) | \$ 756 | 1.0% | 1.3% | 2.4% | \$ 646 DUK |
| EOG | Enron Oil & Gas | \$ 19,177 | 2% | \$ 457 | \$ (919) | \$ 440 | 0.8% | 1.6% | 2.4% | \$ 451 EOG |
| EMR | Emerson Electric Co. | \$ 35,359 | 4% | \$ 4,019 | \$ 1,423 | \$ 676 | 0.5% | 1.1% | 1.6% | \$ 572 EMR |
| EPD | Enterprise | \$ 30,383 | 4% | \$ 3,411 | \$ (219) | \$ 2,142 | 1.8% | | 1.8% | \$ 553 EPD |
| KLAC | KLA Corporation | \$ 91,545 | 11% | \$ 11,326 | \$ (21,536) | \$ 600 | 0.2% | 2.9% | 3.0% | \$ 2,792 KLAC |
| KMI | Kinder Morgan | \$ 34,408 | 4% | \$ 10,932 | \$ 4,103 | \$ 964 | 1.5% | | 1.5% | \$ 501 KMI |
| MRK | Merck & Co., Inc. | \$ 31,376 | 4% | \$ (2,202) | \$ (5,107) | \$ 916 | 0.6% | 0.9% | 1.5% | \$ 468 MRK |
| PXD | Pioneer | | | \$ (25,636) | \$ - | | | | | \$ - PXD |
| RHHBY | Roche Holding AG | \$ 24,210 | 3% | \$ 1,965 | \$ (1,781) | \$ 29 | | | | \$ - RHHBY |
| STX | Seagate Technology Holding | \$ 41,554 | 5% | \$ 6,040 | \$ 141 | \$ 1,165 | 0.7% | 1.4% | 2.1% | \$ 876 STX |
| WLKP | Westlake Polymer | \$ 25,133 | 3% | \$ 1,399 | \$ (313) | \$ 2,110 | 2.1% | | 2.1% | \$ 533 WLKP |
| XOM | Exxon Mobil | \$ 31,416 | 4% | \$ 31,416 | \$ 177 | | 0.9% | 1.5% | 2.3% | \$ 738 XOM |
| | | \$ 133,099 | 16% | \$ 17,366 | | | | | | |
| | | \$ 293,479 | 35% | \$ 36,137 | | | | | | |
| JEPI | US STOCK MKT Options | \$ 52,385 | 6.3% | \$ 52,385 | | \$ 3,790 | 1.2% | | 1.2% | \$ 629 JEPI |
| | EQUITY | \$ 478,963 | 57% | \$ 105,888 | \$ 15,989 | | | | | \$ 9,301 EQUITY |
| BIL | spdr 1-3 mo Tbills | \$ 76,959 | 9% | | \$ 67 | \$ 3,933 | 0.9% | | 0.9% | \$ 668 \$ 0.36 |
| | CASH-13wk Tbill | \$ 76,959 | 9% | \$ (198,495) | \$ 3,933 | | | | | \$ 668 CASH-13wk Tbi |
| TLT | I Share 20+ yr Treasury Bond | \$ 69,188 | 8% | \$ 69,188 | \$ (2,948) | \$ 2,785 | 0.7% | | 0.7% | \$ 484 TLT |
| IGIB | I Share 5-10 yr Inv Grade | \$ 50,902 | 6% | \$ 50,902 | \$ (752) | \$ 2,235 | 0.9% | | 0.9% | \$ 458 IGIB |
| FTSL | 1st Trust Sr Loans | \$ 49,967 | 6% | \$ 49,967 | \$ 76 | \$ 3,323 | 1.2% | | 1.2% | \$ 578 FTSL |
| IBHD | I Share iBond 2024 Hyield & I | \$ 50,163 | 6% | \$ 50,163 | \$ 22 | \$ 3,058 | 1.0% | | 1.0% | \$ 510 IBHD |
| | FIXED INCOME | \$ 220,219 | 26% | \$ 220,219 | | \$ 11,400 | | | | \$ 2,030 FIXED INCOME |
| Cash Net | CASH | \$ 19,572 | 2.3% | \$ 19,572 | | | | | | |
| | | \$ 837,217 | 100% | \$ 80,383 | \$ 32,025 | | | | | \$ 12,860 TOTAL |
| | | | | 10.6% | 3.8% | | | | | 1.5% |

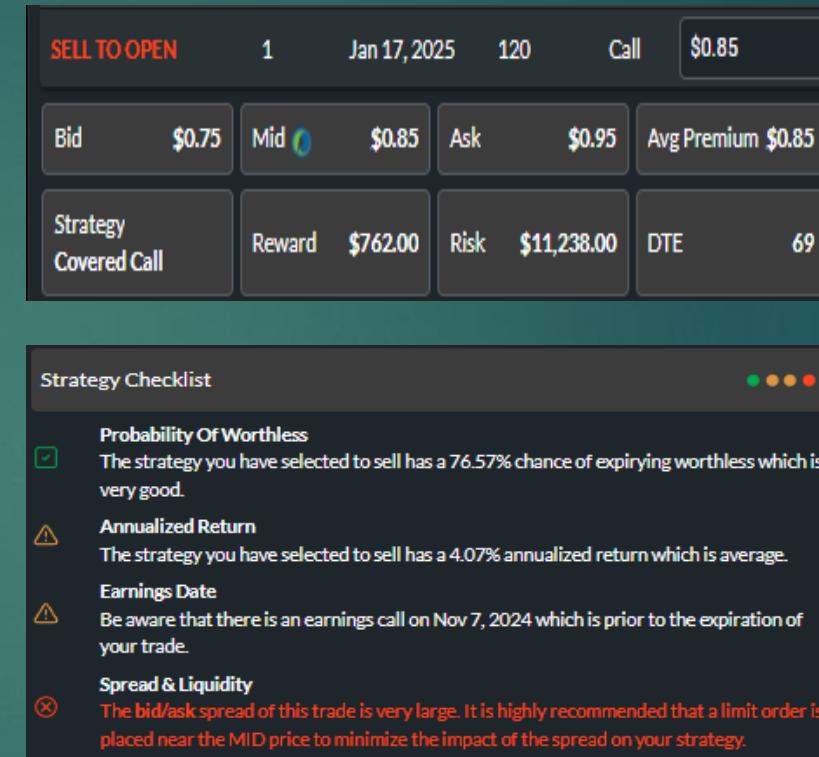
3. Q4 NEXT STEPS – DUK at 50dma Res

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3. Q4 NEXT STEPS – DUK at 50dma Res

16



3. Q4 NEXT STEPS – EOG Rangebound

17



| Date | \$/sh |
|------------|--------|
| 11/04 | \$134 |
| <u>dma</u> | |
| 50 | \$ 124 |
| 200 | \$ 124 |
| RSI = | 67 |
| Res | \$136 |
| Sup | \$131 |

3. Q4 NEXT STEPS – EOG

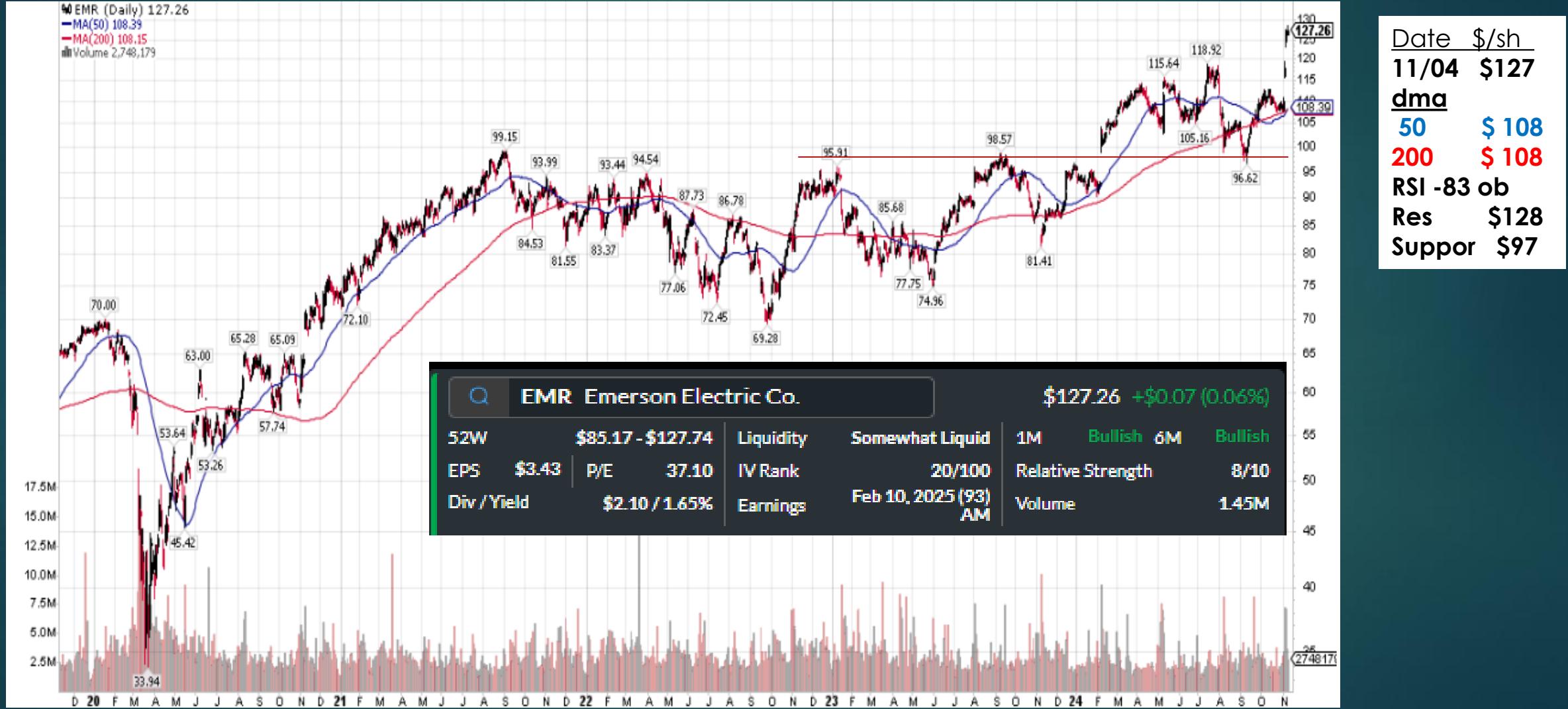
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| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|-------------------------------------|--------------------------|---|----------|------|-------------|
| SELL TO OPEN | 1 | Nov 29, 2024 | 140 | Call | \$1.10 |
| Bid | \$0.80 | Mid | \$1.10 | Ask | \$1.40 |
| Avg Premium | \$1.10 | | | | |
| Strategy | Covered Call | Reward | \$343.00 | Risk | \$13,657.00 |
| DTE | 20 | | | | |
| Strategy Checklist | | | | | |
| <input checked="" type="checkbox"/> | Probability Of Worthless | The strategy you have selected to sell has a 79.28% chance of expiring worthless which is very good. | | | |
| <input checked="" type="checkbox"/> | Annualized Return | The strategy you have selected to sell has a 16.22% annualized return which is very good. | | | |
| ⚠ | Earnings Date | Be aware that there is an earnings call on Nov 7, 2024 which is prior to the expiration of your trade. | | | |
| ⊗ | Spread & Liquidity | The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy. | | | |

3. Q4 NEXT STEPS – EMR *Election Surge*

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3. Q4 NEXT STEPS – EMR Rangebound

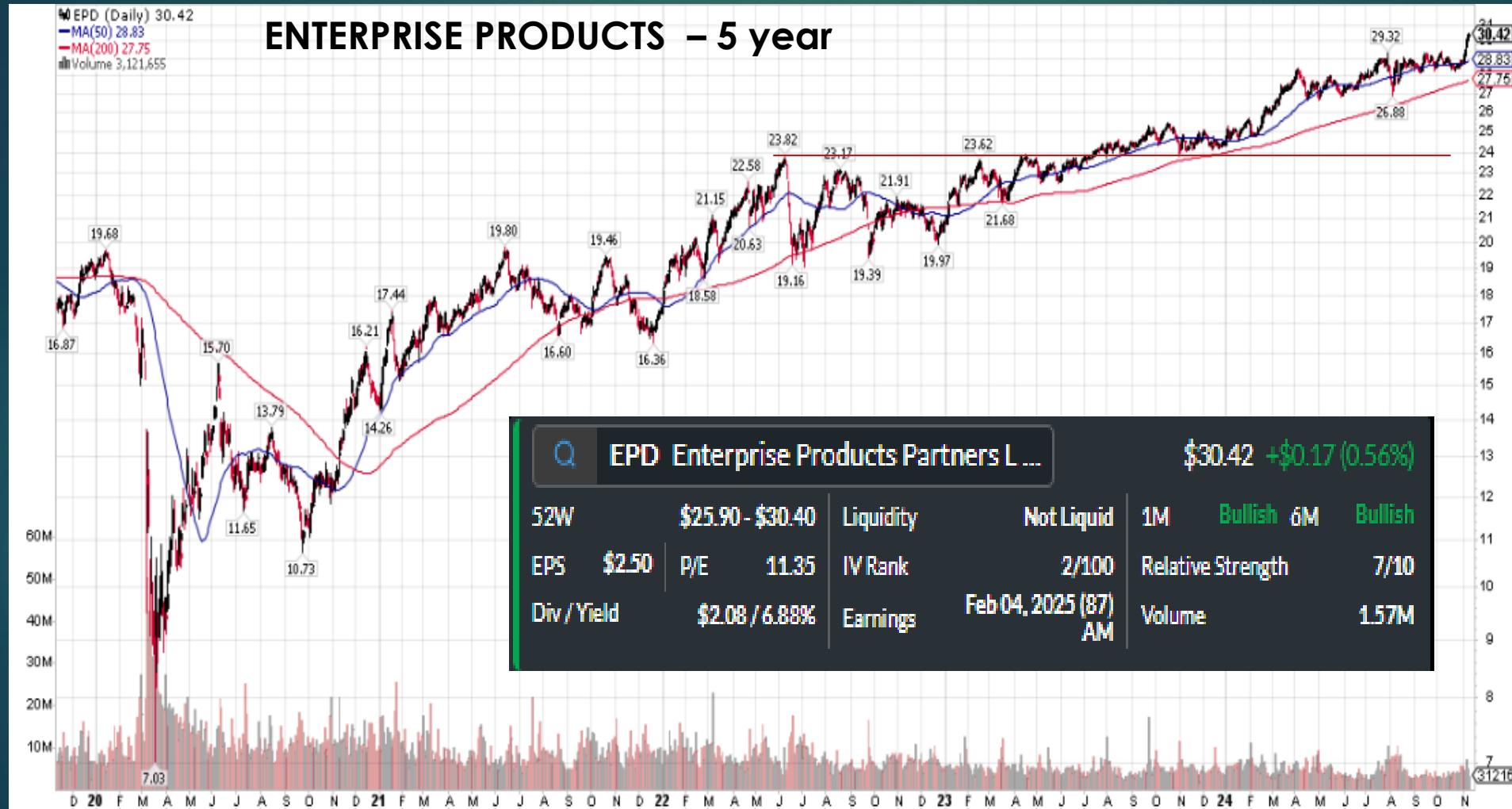
20



| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|-------------------------------------|---|--------------|----------|-------------|-------------|
| SELL TO OPEN | 1 | Nov 29, 2024 | 131 | Call | \$0.68 |
| Bid | \$0.55 | Mid | \$0.68 | Ask | \$0.80 |
| Strategy | Covered Call | Reward | \$441.50 | Risk | \$12,658.50 |
| | | DTE | 20 | Avg Premium | \$0.68 |
| Strategy Checklist | | | | | |
| <input checked="" type="checkbox"/> | Probability Of Worthless | | | | |
| <input checked="" type="checkbox"/> | The strategy you have selected to sell has a 77.79% chance of expiring worthless which is very good. | | | | |
| <input checked="" type="checkbox"/> | Annualized Return | | | | |
| <input checked="" type="checkbox"/> | The strategy you have selected to sell has a 10.19% annualized return which is very good. | | | | |
| <input checked="" type="checkbox"/> | Earnings Date | | | | |
| <input checked="" type="checkbox"/> | There are no earnings between now and the expiration of your strategy. | | | | |
| <input checked="" type="checkbox"/> | Spread & Liquidity | | | | |
| <input checked="" type="checkbox"/> | The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy. | | | | |

3. Q4 NEXT STEPS – EPD OB \$30/sh

21



| | |
|------------|--------|
| Date | \$/sh |
| 11/04 | \$30 |
| <u>dma</u> | |
| 50 | \$ 28 |
| 200 | \$ 27 |
| RSI | -90 ob |
| Res | \$30 |
| Support | \$27 |

3. Q4 NEXT STEPS – EPD OB \$30/sh

22



| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|---|----------|--------------|---------|------|---|
| SELL TO OPEN | 1 | Nov 29, 2024 | 31 | Call | \$0.10 |
| Bid | \$0.07 | Mid | \$0.10 | Ask | \$0.13 |
| Avg Premium | \$0.10 | | | | |
| Strategy | | Reward | \$68.00 | Risk | \$3,032.00 |
| Covered Call | | | | DTE | 20 |
| Strategy Checklist | | | | | ● ● ● |
| <input type="checkbox"/> Probability Of Worthless | | | | | The strategy you have selected to sell has a 73.16% chance of expiring worthless which is lower than optimal. |
| <input checked="" type="checkbox"/> Annualized Return | | | | | The strategy you have selected to sell has a 6.19% annualized return which is very good. |
| <input checked="" type="checkbox"/> Earnings Date | | | | | There are no earnings between now and the expiration of your strategy. |
| <input type="checkbox"/> Spread & Liquidity | | | | | The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy. |

3. Q4 NEXT STEPS – KLAC through 200dma

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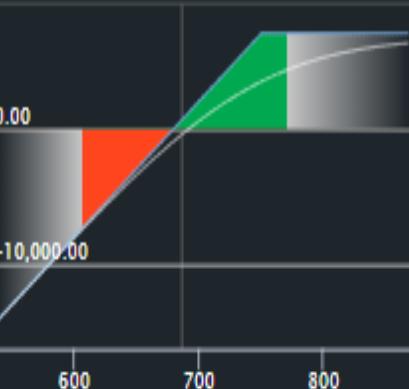


3. Q4 NEXT STEPS – KLAC through 200dma

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KLAC KLA Corp. 1M Trend Neutral
\$687.41 +\$1.26 (0.18%) 6M Trend Bearish

Sell 1 Dec 20, 2024 750 Covered Call



| | |
|-----------------------|---------------|
| Cost | -\$1,105.00 |
| Max Reward | \$7,105.00 |
| Max Risk | \$67,895.00 |
| Annualized/Raw Return | 15.52%*/1.63% |
| 12 M Projected Yield | 16.37%* |
| POW | 78.10% |
| Breakeven | \$678.95 |
| Days to Expiry | 41 |

Trade Modify

Bullish w/ Limited risk

Selling the Dec 20, 2024 \$750.00 covered call on your KLAC position would generate \$1,105.00 of income, providing a static yield of 1.63% in 41 days (15.52% annualized), compared to the 0.85% dividend yield. You will keep \$1,105.00 of income per contract if KLAC closes below \$750.00 on Dec 20, 2024. There is a 78.10% probability that this will happen.

| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|--------------------------|----------------------|---------------------|---------|------|---------|
| SELL TO OPEN | 1 | Dec 20, 2024 | 750 | Call | \$11.05 |
| Bid | \$10.00 | Mid | \$11.05 | Ask | \$12.10 |
| Avg Premium \$11.05 | | | | | |
| Strategy Covered Call | Reward \$7,105.00 | Risk \$67,895.00 | DTE | 41 | |

Strategy Checklist

- Probability Of Worthless The strategy you have selected to sell has a 78.10% chance of expiring worthless which is very good.
- Annualized Return The strategy you have selected to sell has a 15.52% annualized return which is very good.
- Earnings Date There are no earnings between now and the expiration of your strategy.
- Spread & Liquidity The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy.

3. Q4 NEXT STEPS – KMI Overbought

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3. Q4 NEXT STEPS – KMI Overbought

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| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|--------------|--------------|--------------|----------|------|------------|
| SELL TO OPEN | 1 | Nov 29, 2024 | 28 | Call | \$0.15 |
| Bid | \$0.13 | Mid | \$0.15 | Ask | \$0.16 |
| Strategy | Covered Call | Reward | \$116.50 | Risk | \$2,683.50 |
| | | DTE | 20 | | |

| Strategy Checklist | |
|---|---|
| Probability Of Worthless | 3 |
| <input checked="" type="checkbox"/> The strategy you have selected to sell has an 81.42% chance of expiring worthless which is very good. | |
| Annualized Return | 3 |
| <input checked="" type="checkbox"/> The strategy you have selected to sell has a 10.37% annualized return which is very good. | |
| Earnings Date | 3 |
| <input checked="" type="checkbox"/> There are no earnings between now and the expiration of your strategy. | |
| Spread & Liquidity | 3 |
| <input checked="" type="checkbox"/> The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy. | |

3. Q4 NEXT STEPS – MRK Oversold

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3. Q4 NEXT STEPS – MRK Oversold

28

MRK Merck & Co Inc

1M Trend **Bearish**
6M Trend **Bearish**

\$102.92 +\$1.75 (1.73%)

Sell 1 Nov 29, 2024 106 Covered Call



| | |
|-----------------------|---------------|
| Cost | -\$73.00 |
| Max Reward | \$315.00 |
| Max Risk | \$10,285.00 |
| Annualized/Raw Return | 13.87%*/0.71% |
| 12 M Projected Yield | 16.91%* |
| POW | 74.66% |
| Breakeven | \$102.85 |
| Days to Expiry | 20 |

Trade **Modify**

Bullish w/ Limited risk

Selling the Nov 29, 2024 \$106.00 covered call on your MRK position would generate \$73.00 of income, providing a static yield of 0.71% in 20 days (13.87% annualized), compared to the 3.04% dividend yield.

You will keep \$73.00 of income per contract if MRK closes below \$106.00 on Nov 29, 2024. There is a 74.66% probability that this will happen.

| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|---------------------|--------------|--------------|----------|------|--------------------|
| SELL TO OPEN | 1 | Nov 29, 2024 | 106 | Call | \$0.73 |
| Bid | \$0.69 | Mid | \$0.73 | Ask | \$0.77 |
| Strategy | Covered Call | Reward | \$315.00 | Risk | \$10,285.00 |
| | | DTE | 20 | | |
| | | | | | Avg Premium \$0.73 |

| Strategy Checklist | |
|--------------------|---|
| ⚠ | Probability Of Worthless The strategy you have selected to sell has a 74.66% chance of expiring worthless which is lower than optimal. |
| ✅ | Annualized Return The strategy you have selected to sell has a 13.87% annualized return which is very good. |
| ✅ | Earnings Date There are no earnings between now and the expiration of your strategy. |
| ✖ | Spread & Liquidity The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy. |

3. Q4 NEXT STEPS – RHHBY Oversold

29



3. Q4 NEXT STEPS –STX at Resistance

30



3. Q4 NEXT STEPS – STX

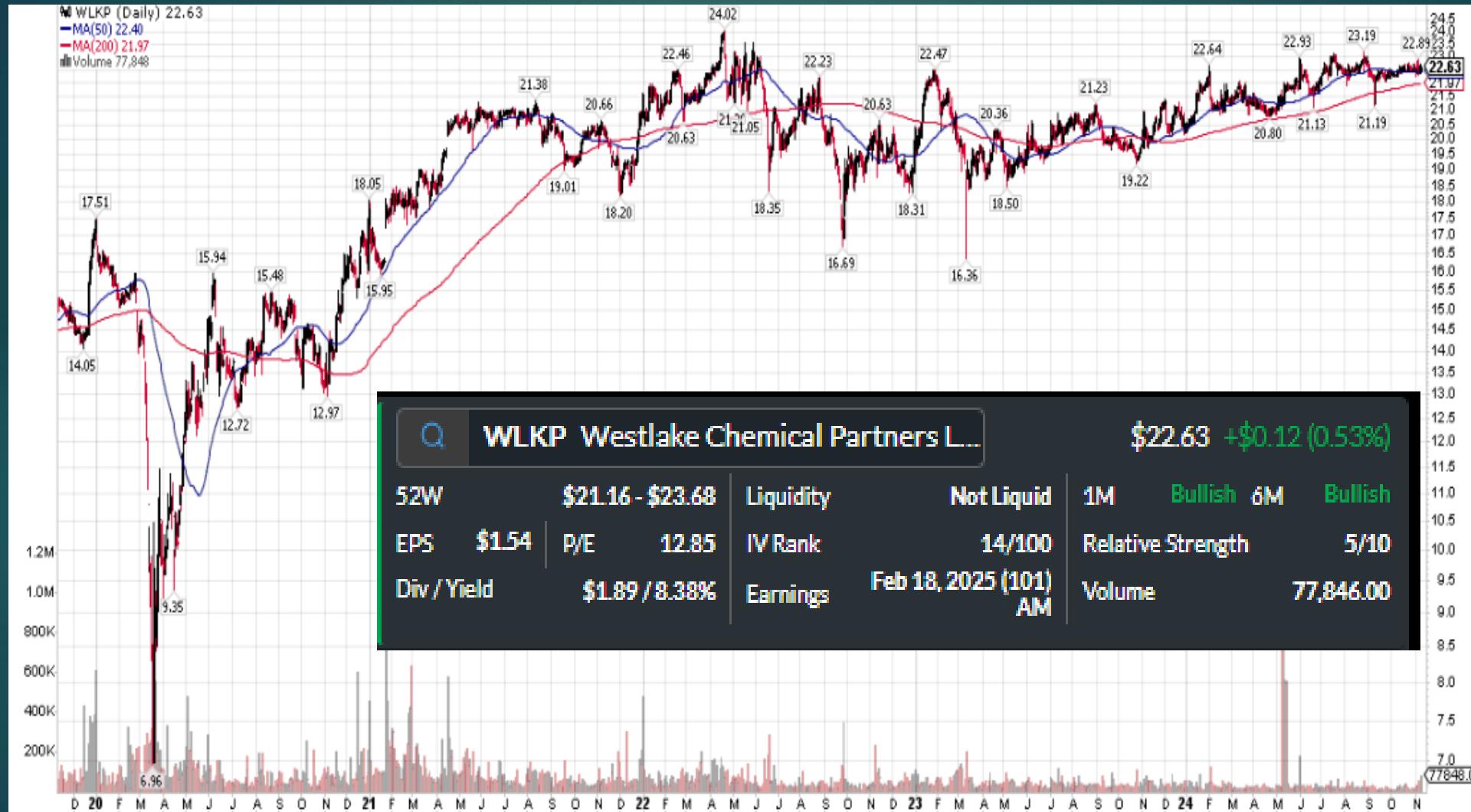
31



| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|---|---|--------------|--------|-------------|-----------|
| SELL TO OPEN | 1 | Nov 29, 2024 | 110 | Call | \$0.83 |
| Bid | \$0.75 | Mid | \$0.83 | Ask | \$0.90 |
| Strategy Covered Call | Reward | \$482.50 | Risk | \$10,517.50 | DTE 20 |
| Strategy Checklist •••• | | | | | |
| <input checked="" type="checkbox"/> Probability Of Worthless | The strategy you have selected to sell has a 78.82% chance of expiring worthless which is very good. | | | | |
| <input checked="" type="checkbox"/> Annualized Return | The strategy you have selected to sell has a 15.52% annualized return which is very good. | | | | |
| <input checked="" type="checkbox"/> Earnings Date | There are no earnings between now and the expiration of your strategy. | | | | |
| <input checked="" type="checkbox"/> Spread & Liquidity | The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy. | | | | |

3. Q4 NEXT STEPS – WLKP

32



Date \$/sh
11/04 \$ 22
dma
50 \$21
200 \$22
RSI = 50 n
Res \$23
Support \$21

3. Q4 NEXT STEPS – WLKP

33



| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|--------------------------|-------------|--------------|--------|------------|------------|
| SELL TO OPEN | 1 | Feb 21, 2025 | 25 | Call | \$0.20 |
| Bid | \$0.05 | Mid | \$0.20 | Ask | \$0.35 |
| Strategy Covered Call | Reward | \$237.00 | Risk | \$2,263.00 | DTE 104 |
| | Avg Premium | \$0.20 | | | |

Strategy Checklist

Probability Of Worthless The strategy you have selected to sell has an 85.78% chance of expiring worthless which is very good.

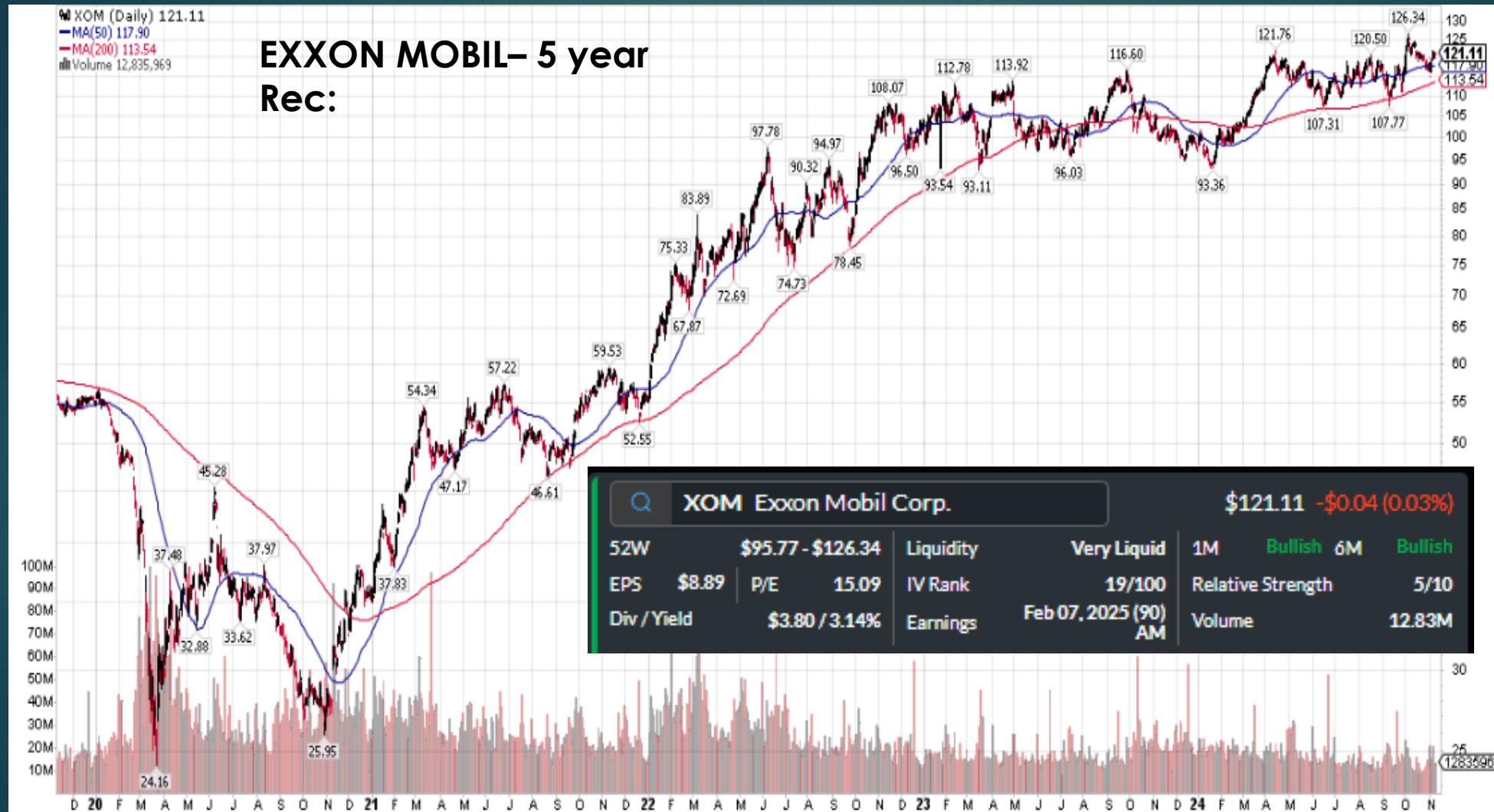
Annualized Return The strategy you have selected to sell has a 3.16% annualized return which is average.

Earnings Date Be aware that there is an earnings call on Feb 18, 2025 which is prior to the expiration of your trade.

Spread & Liquidity The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy.

3. Q4 NEXT STEPS – XOM

34



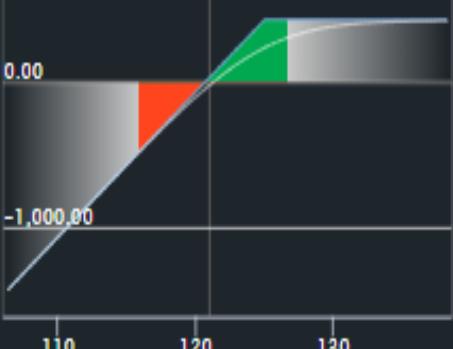
| Date | \$/sh |
|------------|-------|
| 11/04 | \$121 |
| <u>dma</u> | |
| 50 | \$117 |
| 200 | \$113 |
| RSI = | 59 n |
| Res | \$102 |
| Support | \$194 |

3. Q4 NEXT STEPS – XOM

35

XOM Exxon Mobil Corp. 1M Trend Bullish
\$121.11 -\$0.04 (0.03%) 6M Trend Bullish

Sell 1 Nov 29, 2024 125 Covered Call



| | |
|-----------------------|--------------|
| Cost | -\$55.00 |
| Max Reward | \$430.00 |
| Max Risk | \$12,070.00 |
| Annualized/Raw Return | 8.66%*/0.46% |
| 12 M Projected Yield | 11.80%* |
| POW | 75.79% |
| Breakeven | \$120.70 |
| Days to Expiry | 20 |

Trade **Modify**

Bullish w/ Limited risk

Selling the Nov 29, 2024 \$125.00 covered call on your XOM position would generate \$55.00 of income, providing a static yield of 0.46% in 20 days (8.66% annualized), compared to the 3.14% dividend yield. You will keep \$55.00 of income per contract if XOM closes below \$125.00 on Nov 29, 2024. There is a 75.79% probability that this will happen.

Sell to Open 1 XOM Nov 29, 2024 125 Covered Call @ \$55.00 X

Enter the following leg into your broker's platform.

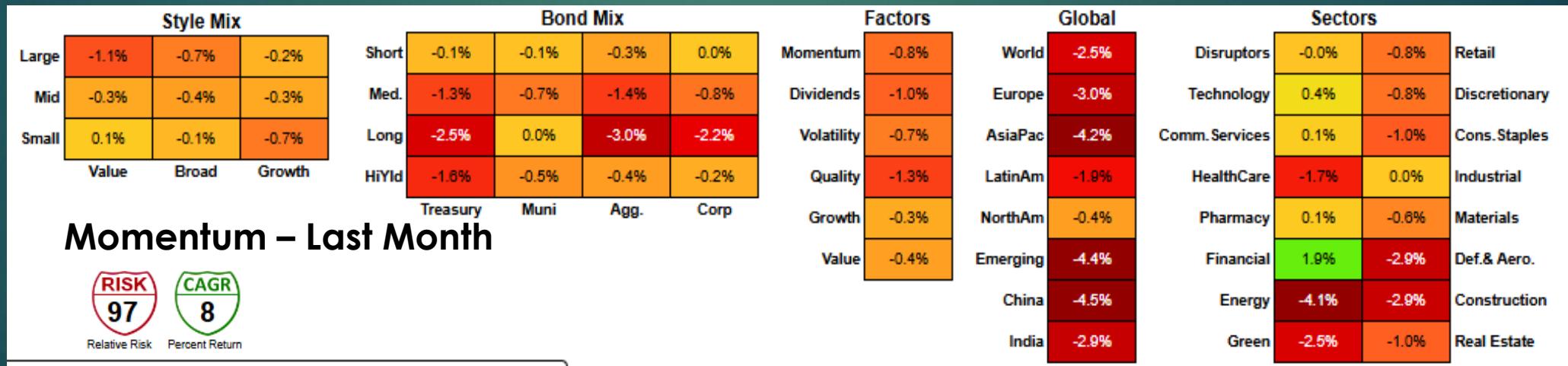
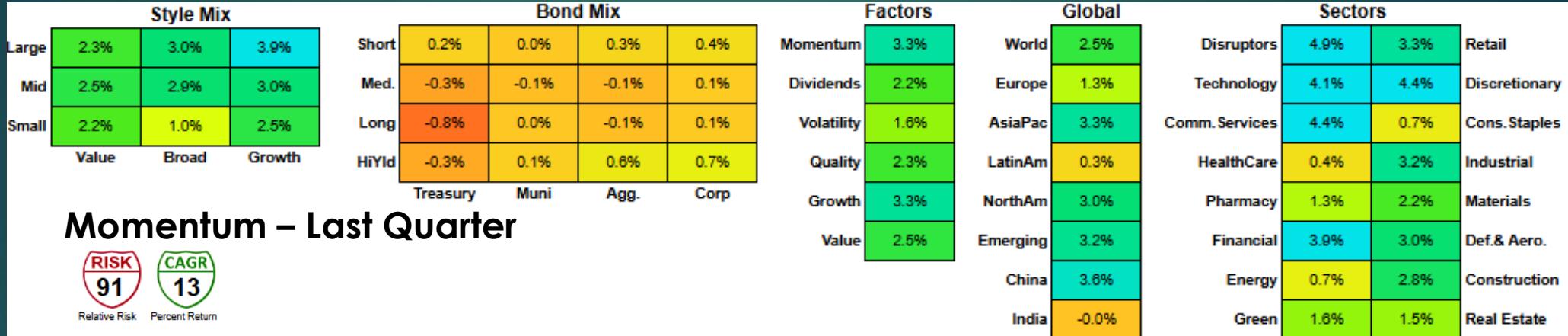
| BUY/SELL | QUANTITY | EXPIRY | STRIKE | TYPE | PREMIUM |
|---------------------|--------------|---------------------|------------|-------------|---------------|
| SELL TO OPEN | 1 | Nov 29, 2024 | 125 | Call | \$0.55 |
| Bid | \$0.52 | Mid | \$0.55 | Ask | \$0.58 |
| Avg Premium \$0.55 | | | | | |
| Strategy | Covered Call | Reward | \$430.00 | Risk | \$12,070.00 |
| | | DTE | 20 | | |

Strategy Checklist ••••

| |
|---|
| <input checked="" type="checkbox"/> Probability Of Worthless The strategy you have selected to sell has a 75.79% chance of expiring worthless which is very good. |
| <input checked="" type="checkbox"/> Annualized Return The strategy you have selected to sell has a 8.66% annualized return which is very good. |
| <input checked="" type="checkbox"/> Earnings Date There are no earnings between now and the expiration of your strategy. |
| <input type="checkbox"/> Spread & Liquidity The bid/ask spread of this trade is very large. It is highly recommended that a limit order is placed near the MID price to minimize the impact of the spread on your strategy. |

3. Q4 NEXT STEPS – SECTOR CHANGE

36

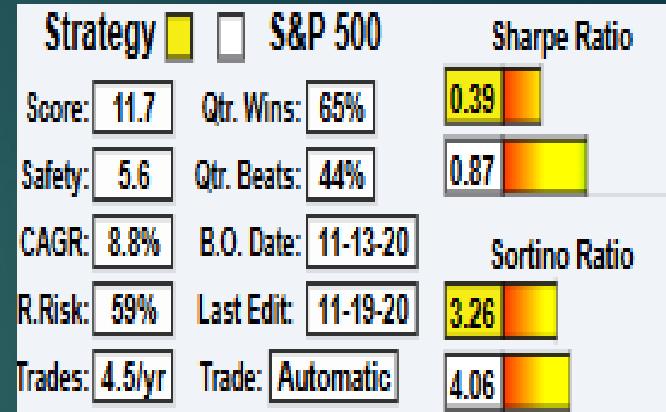
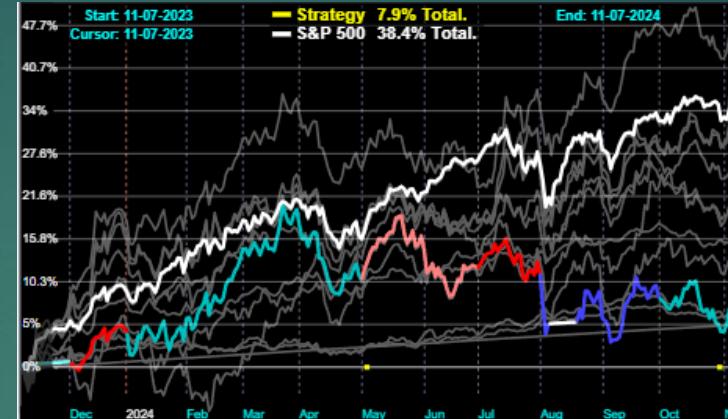


3. Q4 NEXT STEPS – OPPORTUNITY SET

37

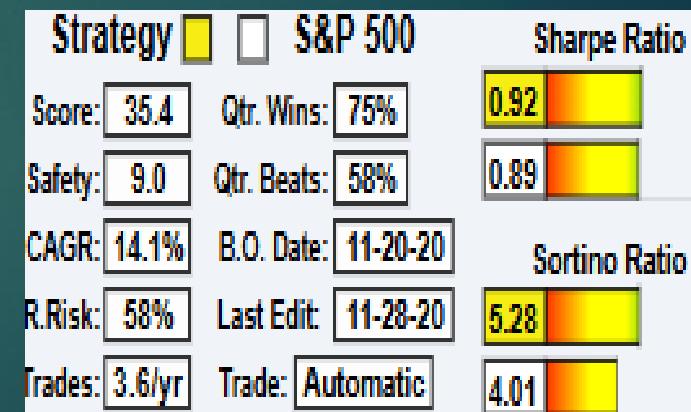
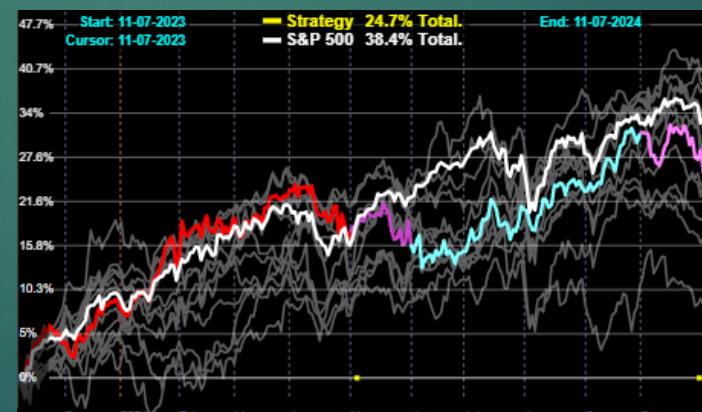
| Fund Name | Symbol | Trend |
|-----------------------------------|--------|-------|
| Fidelity Select Construction & Ho | FSHOX | |
| Fidelity ZERO LargeCap Index Fd | FNILX | |
| Fidelity SmallCap Index Fd | FSSNX | |
| Fidelity ZERO Extended Market Ir | FZIPX | |
| Fidelity MSCI Materials ETF | FMAT | |
| Fidelity Emerging Markets Index | FPADX | |
| Fidelity International Index Fd | FSPSX | |
| Fidelity Global Commodity Stock | FFGCX | |
| Fidelity New Markets Income | FNMX | |
| Fidelity Inflation-Prot Bd Index | FIPDX | |
| Fidelity Government Cash Reserv | FDRXX | |
| Fidelity Short-Term Bond Index F | FNSOX | |

| 11-04-21 to 11-07-24 | | Annualized Returns |
|----------------------|--|----------------------|
| | | Start: 11-07-2023 |
| | | Cursor: 11-07-2023 |
| | | Strategy 7.9% Total. |
| | | S&P 500 38.4% Total. |
| | | End: 11-07-2024 |



| Fund Name | Symbol | Trend |
|----------------------------------|--------|-------|
| Utilities Select Sector SPDR ETF | XLU | |
| SPDR Gold ETF | GLD | |
| Financial Select Sector SPDR ET | XLF | |
| The Real Estate Select Sector SP | XLRE | |
| Industrial Select Sector SPDR ET | XLI | |
| Consumer Discretionary Sel Sect | XLY | |
| Communication Services Sel Sec | XLC | |
| Technology Select Sector SPDR E | XLK | |
| Materials Select Sector SPDR ET | XLB | |
| Consumer Staples Select Sector | XLP | |
| Health Care Select Sector SPDR I | XLV | |
| Energy Select Sector SPDR ETF | XLE | |

| 11-04-21 to 11-07-24 | | Annualized Returns |
|----------------------|--|-----------------------|
| | | Start: 11-07-2023 |
| | | Cursor: 11-07-2023 |
| | | Strategy 24.7% Total. |
| | | S&P 500 38.4% Total. |
| | | End: 11-07-2024 |



TOPICS

- 1. Hylnc* UPDATE Y-T-D November 2024
- 2. OUTLOOK
- 3. Q4 NEXT STEPS

- Appendix A Hybrid Income* - Preserve Principal, Maintain Income, Sustain Portfolio

Appendix

A - Disclosure & Disclaimer

B - Sources – Information, Data, Toolkits

C - HyInc Objectives, Analytic Sequence

- Dr. Ed Yardeni, Yardeni.com (EY)
- Dr. Torston Slok – The Apollo Economist (TS)
- JP Morgan Analytics – Q4 2023 Outlook (JPM)
- Simulations – Assets, ETFs, Tickers – RAffiliates & Portfolio Visualizer

AAll Houston Speakers+:

- Sumgrowth.com, Scott Juds - Algorithmic Sector Surfer
- DeltaIM.com, Delta Investment Management, Nick Atkeson
- RGBCapitalGroup.com, Rob Bernstein, AAll San Diego
- CandorAssetAdvisors.com, Bill Hawes, AAll San Antonio
- Aeromir.com, Wayne Klump, SW Portfolio
- This Week in Charts – Charlie Bilello

ADVISOR STATUS

- We are not investment advisors.

THE FUTURE IS NOT PREDICTABLE ... but RHYMES?

- Pursuant to the provisions of Rule 206(4)-1 of the Investment Advisors Act of 1940, all attendees should recognize that recommendations implied or made, may or may not duplicate the performance based on historical analysis.

SOURCES

- The contents of this presentation have been compiled from original and published sources believed to be reliable, but accuracy or completeness is not guaranteed.

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- Aeromir.com, Wayne Klump, SW Portfolio
- This Week in Charts – Charlie Bilello

► OBJECTIVES

- Preserve Principal, Maintain Income, Sustain Portfolio
- Monthly Income via Dividends, Options ... & Price Δ

ANALYTIC SEQUENCE

► Assets ► Constraints ► Positions

- Simulate Return, Risk, Performance of Asset Classes
- Constrain Assets via Forward Outlook
- Select ETF's, Tickers in $\frac{1}{2}$ of Industry Benchmark(s);
 - 1st etfs or mfunds, 2nd Position - Company's Morningstar >3 or C+
- Rank Order Selection via Dividend & Option Income;
- Dividend a f(Cash Flow, Net Equity)
- Company Risk Adjusted Returns, Drawdowns
- Momentum -> Entry/Exit – ETF, equity, options

Appendix C - PROSPECTING

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FINANCIAL STRENGTH

- Asset Turn
- Equity Leverage
- Interest Coverage
- Payout1 – DPS/EPS
- Payout2 – DPS/CF

GROWTH

- Revenue
- Op Margin
- Opt Earnings
- Net Income
- Per S's – E, D, CF

VALUATION

- Price per; E, S, B, CF, FCF

VOLATILITY

- Option Premium @ 50 Delta

RETURNS

- ROA
- ROE

GDM*
Growth as f(Mkt Cap)

VALUE vs NPV CF

- Company, History
- Industry

HIGH GRADE INCOME PROSPECTS

RANK ORDER SELECTION

QUARTERLY TARGETS