

## Webinar: Buffered Funds, Hedged Equity, or Both?

### Full Transcript

#### Derek

All right. Well, let's kick this off. It's 11:00 Eastern where I am in Charlotte, 10:00 Central at the home office there in Fairhope, Alabama. We appreciate you joining us. We've got a couple of very distinguished PMs on the call today. So, we'll start with the introductions and get into it.

And just so you know, we won't drone on for an hour. They're buffered funds, you know what the structure is. We have a little bit of a different take on just what the value of them is. But really just want you to get to know if you're new, get to know Aptus a little bit, get to understand why we've launched them, where they fit in our lineup. We'll start here.

JD is the founder of the firm. Alabama roots, and the firm's been based in Fairhope, Alabama, CIO, CFA, CMT, all the above. Brad Rapping is a PM on the buffered strategies and really the spearhead on a lot of the operational details that go into it. Also, a CFA in Fairhope, but via Cincinnati. So, we've got a couple of sharp guys on here.

We want you to ask questions. We'll either answer them when they first come in or we we'll save them in bunches. We'll throw a couple polls in there just so we understand where you are on the spectrum of understanding and embracing these types of solutions. But we want to have some fun here and really hear what you have to say. So, JD, Brad, thanks for coming on.

#### JD

Thank you, D. Hern. You want me to get going or are you going to read the disclosure?

#### Derek

Actually, let me read the disclosure. Let's just get it out of the way. Something I have to do. The opinions expressed during this call are those of the Aptus Capital Advisors' investment committee and are subject to change without notice. This material is not financial advice or an offer to sell any product. Forward-looking statements are not guaranteed.

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#### JD

Beautiful. All right. Thanks everybody for being here. This, like D. Hern said, we're not going to speak forever. We hope this is interactive and there's questions. But I did want to just kick us off with an intro of why we launched the buffered funds that we launched.

So, obviously it's been a couple of years for us where we've had clients ask us to launch, and you'll hear us say some positive things about buffereds, and you'll hear us say some not so positive things. It was those not so positive things that kept us. We technically could have launched these a lot earlier, but we feel like some of the negatives of the structure, we were going to overcome that through education. And then the market spoke to us and there's \$100 billion flowing into buffered strategies, and we've been shocked that the price point of these buffereds is what it is. Because the first reason we launched buffereds is we're an options based fund, options based strategy firm completely from the ground up, so every option strategy we do in-house.

With the demand that's out there and we get it, which I'll get into, we felt like we wanted to have our name in the hat when it comes to buffereds, and we felt like we could really add value. You'll hear us talk. Everything we talk about is how can we generate higher CAGRs, higher compounded annual returns for your clients, because if we can do that, you don't fire us and that's good for us. I think the fact that we're an options based firm with that in-house expertise, we felt like we're going to get our name in the hat.

The other part of that is, and y'all know there's a lot of folks that we have not met yet, so thank y'all for being here. I'll be as politically correct as I can be, but we view bonds as certificates of confiscation. And so our whole firm, the whole thesis of what we're trying to do is to create portfolio construction solutions that allow you to own more of the risk assets, less of the, quote unquote, "safe assets". And we'll talk a little bit about that.

But the whole more stocks, less bonds mantra, we think options are an incredible tool to express that in portfolios and to make that shift with the right attention to risk management, and we think buffereds are a solution for that. Now, we do think there's some path dependency risk with buffereds that we don't love and we've got other solutions that we like better. But as I said earlier, there's a huge market for this, and what we've launched, these first four, and we'll get into more of this, but the structure is going to be very, very similar to competitors in terms of how they're put together.

I'm sure our competitors don't love that we came out at 25 basis points with these things. But our hope is that they meet us at 25 bps, because your clients are going to be much, much better off. If they don't and your client has structure A and structure B, which are pretty similar, but one is 1/3 of the cost seems like a pretty obvious choice, which is why we launched them where we launched.

So, hopefully that gives a little bit of rationale why we launch buffereds. And I think D. Hern maybe a quick couple minutes on who is Aptus, and a quick couple minutes on how we view portfolios, and then we'll get into the buffereds themselves.

#### Derek

I'll talk a little bit through who we are, what we do. JD mentioned it, options has really been our focus and that runs across the whole set of services. We're very much a service oriented firm and we end up developing deep, deep relationships with advisory firms and support them from a practice management standpoint. Whether that's a shared CIO as a consultant and helping develop models and all that stuff.

But also custom options overlays, very unique active ETF strategies. We run the gamut in that. And so that's why to JD's point, it was a natural evolution to go ahead and launch a simple buffered series. As I mentioned, based in Fairhope, Alabama, we've got 11 billion AUM as of last quarter. JD mentioned what the investment thesis is. It's really how do we help you not only get your clients to embrace owning more stocks over time for the math of it, but how do we help really understand how do I comfortably own stocks long term? Because we all know that shakeups occur from time to time.

I also mentioned we get very personal. There's a number of CFA's on the investment committee here that over time, with the relationship with us, you get to know them, you talk to them. That's really, I won't say they're on the front lines, because that's my job and our team, but we really do take pride in the relationships that we develop with advisors.

I ran a poll out there just to get a sense of familiarity of where the group sits on the spectrum of understanding different types of solutions that are in this options world. So, throw that out there and give it back to the guys on talking through some of the ways we think about the different solutions. I do have a slide up here that you guys may want to dive into. This is pre-buffered. As of a couple of weeks ago we had this lineup where we focus on how do we mitigate risk in big down left tails, how do we capture more upside in the up tails? And this illustrates where our lineup sits in all of these. And buffereds sit a little bit in the middle just trying to get a comfortable exposure for advisors for their clients. So, I'll let go from there.

#### JD

I would think based on the poll answers, most people are familiar with hedged equity or buffereds if you're here. But the thing that I'd stress with this, this will tie into the next couple slides, but you see how we've overlaid the normal distribution. I'll die on the hill of a client. Most of the advisors that we work with are planning-focused advisors. So, there's some type of comprehensive wealth plan in addition to investments.

Obviously we're more aligned or more focused on the investment piece, but the hill that I'll die on is higher CAGRs generate better outcomes when it comes to financial planning. I think that's an argument that is hard to argue, take the devil's advocate side against me on that. But the math of compounding, so if you invest a dollar, allocate the wealth that's been earned, you compound wealth in the tails. When you have a crazy up event, how much can you capture? When you have a crazy left tail event, how much can you avoid?

We think that the world is waking up to the fact that if you've owned a safe aggregate bond market for five years, you've compounded significantly negative. If you've owned a safe aggregate bond market for 10 years on nominal terms, maybe you're positive, on real returns, you're definitely negative. We could say the same thing on a 15-year basis. We've got a really cool chart showing treasuries over 100 year period.

So, what we've started screaming early was you're going to have to rethink how you're going to allocate capital in this post 2008 world where the money printer is hot. And so we've created solutions to help capture more of the upside, help replace bonds, own more equities, and we'll talk more about that. But



on the left tail you still have to mitigate drawdown. So, I think that's a good segue and a good chart showing that you really compound wealth in the tails, and that's what we're trying to be as a partner to our advisors is provide solutions around compounding in the tails.

Okay. So, I got two, maybe three slides here and then we're going to jump right into the buffered, but I think this context really helps. So, the risks that matter are drawdown and longevity, and we can phrase these differently. But drawdown is I got a million bucks. It turns into \$800,000, where'd my 200 grand go? That's obviously what clients are worried about. What happens in a COVID environment? What happens in an '08? What happens in a tech bubble bursting? What are we doing to manage that risk? Options are a great solution to help mitigate that. That is a very known slap you in the face type of risk. On the other side, longevity risk, this is the one that concerns us the most, because I can't tell you in the last five years how many meetings that we've been in with business owners liquidating. And their response to the CPA or CFP or whoever is on the table with us, with this X amount of dollars, I just want to be safe and let's just own treasuries.

That's like nails on a chalkboard to us when it comes to the environment that we're in, twin deficits, all of the things that we could talk about the debt situation. It's going to lead as Lynn Alden says, "It's really hard to stop this train." So, we think risk assets go higher and we think who's the loser? It's bondholders. So, longevity risk is what we think you solve through asset allocation.

Asset allocation determines most of the returns, 90 plus percent, so you can get that right and get a lot of other things wrong. Here's a cool chart just to show you what I mean. This is from '70 to 2025. A million dollars in the world's safest bank has turned into significantly less from a purchasing power standpoint. This is what our debt-based system requires inflation to function. Because if we have inflation, that means the debt of today is a whole lot easier to pay tomorrow.

If we did allow a free market and deflation to enter the market, it would be really, really difficult. I won't get on my soapbox with this, but this is the issue that we see. 60/40 worked fine when you had 60% in equities that could compound on real rates on real terms, and you had 40%.

That whole portfolio became a thing in an environment where rates went from 17% to zero. We're not in that world anymore and we probably won't be in that world for a really long time. So, we think that 40% is an anchor to your ability to compound in real terms, which is ultimately what matters. Not to mention your taxation on interest income is not great.

Brad  
JD, to add to that, on the longevity risk side, it doesn't even have to be running out of money. I like to think of it as a lifestyle risk indicator as well, where it's maybe you can't buy that second home, pay for your grandkids' college, a myriad of lifestyle, maybe long-term gifting goals. If you're not maintaining or improving purchasing power with your investments like JD is pointing here, you're losing that purchasing power. It doesn't have to be you got to go back to work, but it could be we're going to have to cut back on spending to be able to meet certain goals.

JD

Right. Yep. All right. D. Hern, pop to the next one if you can. So, where we're getting is, how do buffereds enter the picture of how can I use asset allocation to generate higher compounded returns? We want to make this point, and I don't think this is talked about enough, everybody uses the word diversification. It's, I think the most overused word in financial wealth management world.

But what is the difference between a diversifier and a hedge? Obviously you hedge via options mostly. So, the world has long thought of long-term treasuries as a hedge to stocks and it's not. We've all found that out and we saw some people found that out in a really bad way in 2022. But the difference between a diversifier and a hedge is in both correlation and carry.

Correlation, a diversifier, has unknown correlation. So, if you hold, take bonds as a simplistic answer. We've been trained and brainwashed to think when my stocks do good, bonds probably won't. When my stocks do bad, bonds probably do good. That's why I hold them.

We don't think that that's the right logic. We haven't for a very long time. Bonds carry unknown risk. You obviously saw that in 2022 when equities were down 18, and long-term treasuries were down, whatever it was, a substantial number. So, to clarify, diversifiers have unknown correlation, hedges have a known correlation and it's negative. If anybody ever tells you I've got a positive carry hedge, stay away from them. It's not real.

Which bonds should pay you, you earn an interest to hold bonds, you have an unknown correlation with diversifiers, but they pay you positive carry. Hedges on the other hand, you have a known correlation, but it is a negative carry. You are going to pay to hold a hedge because a hedge, you don't have to guess whether they're going to go up if equities go down. If you're hedging equities via options and they go down your put contract or whatever hedge you're using is going up.

So, with that said, this is Aptus in a nutshell, this next slide, and then we'll jump right in. It's probably easy to make the connection of why buffereds just makes sense for us as a business to launch. We're real believers that if we can take every book of business that we see, we always say we live in a Vanguard and a BlackRock world. Because I can go to Tampa, Florida, then we can go to Austin, Texas. And then we can go to Raleigh, North Carolina, and then we can go to Portland, Oregon and say, "Let me see your portfolio."

It's going to magically look something like a 60/40 BlackRock portfolio, and hats off to BlackRock. Everybody says they've got custom models for me, which it's well you look just like the last 10 advisors that I've seen. So, our thinking is can we take in that world, can we take the 60/40 and can we alter it to let's say 80/20 for simplicity?

We think if we can own more equities, you have more things that can combat the biggest risk that we see, which is purchasing power being confiscated through money printing, debasement, et cetera. Equities, they can generate more sales, they can increase margins, they can pay more dividends. There's

a lot of defense mechanisms for equities to compound versus bonds. They just don't have those tools. So, can we make the shift from 60/40 to 80/20, but keep specifically drawdown risk in check?

Again, I think you do that via options. So, that leads us to, Brad, I'm going to turn it over to you for buffered. But let me say this one thing as a knock on why we hadn't launched buffered until now. We think options unlocks so many benefits to portfolios, because of the convexity they inject. Convexity, meaning they can pay off big when you need them to. Because the presence of that payoff allows your allocation to be a little bit more, quote unquote, "risky". And we think that unlocks higher CAGRs in the environment that we're in and will continue to be in.

But to do that effectively, we do think options need to be actively managed and buffered do not provide the active management, which has always been our biggest shot against them, is the path dependency risk. But with that said, there is a place from a marketing reason and we think it's better than allocating to fixed income. So, perfect. Brad, I'll let you jump in.

#### Brad

Yeah, thanks JD. If we look, Derek, if you want to go to the next slide here. Just high level, I know most people on the call are probably familiar with what a buffered is, so I'll breeze through this part pretty quickly. Where simply put at the start of your outcome period, you define what your buffer is. In our case it's going to be 15%. So, we're buying a put at the money and we're selling a put 15% out of the money. So, you are buffered on that first 15%, and then you solve for the call to help make that a costless structure. That is defined as your cap.

So, obviously over longer periods you want as high of a cap as possible to allow for the highest compounding of returns. I think I've seen the question a few times of asking why we launched four funds at the same time that aren't going to have the full year outcome period to start. I think the quick and easy answer is we wanted to get the track record started on all of them. But I think really the better answer is if someone's owned their January buffer for the first call it 10 and a half months of this year, you're capped out and now your floor is from the cap to where the buffer starts. So, that could be 8%, 9%, 10%.

Whereas ours, the floor is starting at where we started our outcome period on the 13th of October when we seeded the funds, and you still have some remaining upside. So, we think for someone that's stuck in an existing legacy buffer that's capped out and has a bigger floor until the buffer kicks in, we think it makes a ton of sense to make the transition over not only from, mainly from a structure perspective, but also the fee level as well.

#### JD

And Brad, just to add for simplicity too. Your options as an ETF issuer are to do something different and to price it accordingly, or if you do something very similar to competitors to be the lowest cost provider. We are, I believe, Derek, what's the compliance terms? It's our opinion and we believe that we're the lowest cost provider in this space. But translate all that to your client's outcomes and higher CAGRs. If



we're providing the same structure and one thing costs 75, 80 basis points and one thing costs 25 basis points, that's going to translate to they're playing in the same options market as we are.

It's going to translate to the higher caps and better outcomes for clients. And that's exactly, again, hopefully we get competed against at a lower price point because it benefits your clients.

Brad

Yeah. And JD, you mentioned a large asset manager, maybe the largest asset manager, I won't list their name again, and I'll say I believe our funds are about half the cost to them. So, we're just small little app that's competing against the major asset managers and we wanted to have the best outcomes for the end investor, and we thought setting the price at the appropriate pricing point was the best thing that we could do on this side.

And then Derek, if you want to move to the next slide, how we landed at 15%. I think there's a long list of reasons why, but I think that the top three are mainly going to be one, we think of these as maybe not a complete bond replacement, but we're trying to get as much of the bond portfolio out of an overall portfolio. So, having that 15% mark, the two most popular levels of buffereds are 10% and 15%. So, we felt going a little bit higher allowed us to feel more comfortable with trying to take out some more of that bond exposure.

Then we have the graphic on here, what's the frequency of market pullbacks? Looking at that 15% mark about every three years, it felt like that was the sweet spot in terms of we have that coverage for again, that once every three years on average move, but also not going further out on a buffer and sacrificing compounded returns.

I think that the third piece is we did an analysis looking since 1950, about 95% of rolling 12-month periods have returns that are better than -15 and above. So, most of the time a 15% buffer is going to cover you on the full one-year outcome period.

And then I think that the other thing is we don't view these as an end all be all for a model. We view them as a potential placeholder or a spot in the model, and we have other funds that we had the perfect slide to start looking at better in the tails. We have solutions that for those bigger than 15% drawdown type periods, we have the solutions in place that we think can anchor a portfolio from that perspective of protecting in those left tail environments.

This is the slide I'm thinking of where your normal run-of-the-mill, middle of the bell curve returns in terms of smaller drawdown, smaller upside, buffereds are going to look and feel great. It's going to be your true tail events where the market's up and we can see it skews heavily on the right tail, which is great for long-term returns.

But when you have a buffer that you're getting capped out on, you're missing out on some of those plus 20%, 30%, 40% markets. Then when you have those true left tail events where it's down more than 15%, you're going to be capturing some of that just because your buffer only helps on the first 15%.



Derek

Also, we're starting to get a couple questions. Anyone who's got questions, fire them in there. One question that came up is how does setting the structure versus being active, does that make a difference in outcomes? So, basically if you're hedged and you set that structure at the beginning, this is the way I'm interpreting the question, you set that structure versus ongoing updating of where the structure takes place. Are you going to see significantly different outcomes or is that going to end up in the same place?

JD

So, this is where options are very different from stock picking. If you are a better stock picker than me, or Brad is a better stock picker than you, that's a hard thing to consistently be good at, because there's so many variables versus options. Options is more of a math game where we have set rules, and I think about these buffered, and I think Derek maybe pop to the next slide as just a way to.

So, what we do as a firm, how we started, we spend so much time on options in some of our funds. ACIO, de-risk, others. We spend so much time on the overlay stuff that we're doing, so we're hands-on with higher end clients on how do we protect a client? How do we replace margin loans? We're doing all of this work, we know the work that's required in those parts of our business versus buffered, and the price point dictates that.

So, let's say you own a 50 delta put, Brad said we buy at the money puts, that's a 50 delta roughly. Well, if that 50 delta put in the middle of the quarter turns into an 80 delta put, it means two things. It means the market's taken a bath and your put protection has created a lot of gains. But it also means that if the market rebounds because the Fed starts dropping helicopter money everywhere, then your put is going to be a significant drag.

We think if you have systems in place that provide guardrails around the active management, you can harvest more gains from options, reduce drag on the upside when you actually monetize puts. And so we're not going to be perfect, but we think the active management is a better way. It's more effective deployment of options rather than, we say path dependency.

That's always been our biggest issue with buffered. If I allocate to this buffer today and my cap, I'm making these numbers up. My buffer is 15%, my cap is 10%, if we're two weeks after allocating and the market is plus 8, I now have significantly more downside with very little upside. It's not a structure that you'd want to allocate to. And so that's why we have four structures. That's why you see other firms have a bunch of structures.

But that's where something like an ACIO, yes, it requires more work on our part, but we manage that throughout the day, throughout the month, throughout the quarter, throughout the year rather than being stuck on one thing. Hopefully that answers your question D. Hern.

Derek

Yeah, we've had a couple questions about availability at some of the broker dealers and that'll be an ongoing process. So, basically we've had, as you know if you're at one of the broker dealers, there's some

work involved in getting funds available on platforms. ACIO has been such a great performer and it's 2 billion plus, it's done the work required and checks all the boxes for it to be available at most broker dealers. Same with a de-risk.

The buffered, it'll just take a couple of months where basically we as a firm have shown ourselves to be capable of managing options-based funds and growing the base. These are essentially the same structures, priced significantly lower. So, as a fiduciary you have to look at these things. There's no way around if you're thinking about allocating or you have clients that are in these at higher fees. I'm not going to say free money is probably not the right word that compliance would love, but you really do have to at least consider it. So, I think the broker dealer platforms will be open to all those conversations.

JD

I think it's worth pointing this out, because this is the battle that we've had. The difference between a buffer and something like an ACIO, like a hedged equity strategy is you can sit with a client and say, "Here's the numbers, here's the buffer, here's the cap." That simplicity and clarity is in some cases or in a lot of cases, more valuable than saying, "I cannot specify what your cap is going to be, or what your downside is going to be, but I think this is a better structure."

It's our opinion that an ACIO generates better outcomes than buffered do. So, if you know us and you're already using ACIO, we wouldn't say, "Get rid of that thing and own these things," because we think the higher CAGR is going to be with the actively managed hedged equity, where the cap can be moved and hedges can be monetized. But on the buffered, this is really just our way of saying we live in the trenches with advisors, we have conversations every day. I would argue most advisors at this point have some exposure to buffered.

We should be in that game and how do we get in that way and inject immediate value? Well, let's be 1/3 of the cost of most of the competitors. I know we're beating a dead horse here, but the structure is nearly the same. And Brad, I saw you come off mute.

Brad

I was going to say that segues into the last question that popped in there. Won't speak directly to any one competitor, but I will say that our funds have nearly identical outcome periods and nearly identical structures in terms of setting a buffer, solving for the cap, holding it for a year. And so I'd say there's not going to be really any difference outside of cost.

And that's what JD had discussed is in this business you can either compete on your edges as an investor or compete on costs. And then in ACIO we think we have an edge and in buffered we think we can compete on costs. And that's where our advantage comes from is just lower cost over time.

JD

One thing I'll say out loud, and again, we can compare to any competitors that you want, apples to apples comparison to just show you how the edge is in cost. Lower cost, same structure, better outcome. That's in our opinion, but the math supports our opinion. But I would say that these are, I know going back to

what we said earlier, but we think buffered funds are a heck of a tool to alter allocation more towards risk assets with some comfort and clarity around what your downside is.

Because we do recognize that we say the lifeblood of financial services, their number one concern, and I think the polls supported this that we just did is, I don't want to watch my wealth get hammered in a real equity pullback, or market correction, or recession.

#### Derek

The one thing that I've found unique and interesting about the buffered industry is the story and the ability to help a client understand it, there is a value to that. I think that explaining a simple structure and giving them essentially what the outcomes are, and that's why these funds have grabbed a lot of assets.

It does help in client conversations and a lot of the battle as an advisor is just getting clients to stay the course. You get them in a good allocation, you want to keep them there. So, Brad, I didn't mean to cut you off, but there's a couple of questions that have come in that you were probably going to jump on.

#### Brad

Yeah. That most recent question on portfolio construction and cash, not to get into the nerdy weeds, which I enjoy, but I'm sure most people in the call will not. That's just simply a function of rounding. So, when we see to these, the seed amount ended up being 0.8 contracts, which we had to round down. So, as the fund grows, cash will be well under 1% in line with the rest of the competitors. So, that's just call it a initial seeding cash level. After a few inflows that cash will be back to really sub 50 basis points.

#### JD

We would volunteer, please reach out to me directly. If any of these competitors are some of the things that they're going to nitpick at, like a cash level that is rounded, we will fix it. We'd love to jump on a phone call with them and just compare our structure to theirs. We'd absolutely love to. So, please don't hesitate to hit us if that would be helpful.

#### Derek

One of the questions that came in too, which does make sense back to the broker dealer side of things. Why has there been limits put on how much of a client's account can be put into buffered funds? We're not really in disagreement with that. We take the stance that these are complementary pieces, they're not really a full solution. Because as part of the discussion we talked about before, number one, you can't get full upside of what the market can give you if you're in a buffered fund.

And you also don't have, you feel the comfort of I'm going to get 15% of a cushion, which is great, but there have been periods where markets went down 50%. So, they're rare, but I think part of it is the broker dealers don't want to be in the hook for these being presented as a full solution, as a safe solution. There's still risk with these things. So, go ahead JD.

#### JD

While we think they're better than bonds, the caps on buffered funds, it's covered costs. When somebody



gets, and boy could we spend a lot of time talking about some of the stuff that's out there. But it's like I generated \$100,000 because I sold a call on a big concentrated position, and we are a long vol shop at our heart. Long vol means we're willing to spend money to get the convexity.

Short vol is when you sell the call and generate premium today. And everybody's like, "Well, I generated \$100,000 of premium." And our answer is always like, "Well, it's going to really stink when you have to buy back 100,000 bucks for 500 grand." And that's where we've seen, we've seen so many overlay competitors where they get so attracted to the yield of covered calls.

It's the same thing with buffereds, where the appeal of a buffer, there's a cost to that. And the cost is if the market's up 20 plus percent, you're significantly capping your client's upside participation, which again is why we actively manage things. We just know that there's a monster market for buffereds and we see the need in portfolios, although they're not as effective as what we think other solutions are. We just feel like we can. If we add value for you and your client, we will keep our business intact. The easiest way to do that in the buffered space is just lowering the price point.

#### Derek

I think there's also, and this answers a couple of questions that came in at once. But one of the things, as we've said, we are in the trenches with advisors all the time talking about their practice, talking about different client examples, helping them win cases and actually helping do the grunt work on some of those cases. But the issue with not just buffereds, but hedged equity in general, but any of the passive set and forget structures, if you were a single client, you could build around that.

But if you're in a practice with 200 clients and money is coming in, money's going out, you've got a new client coming in, the idea of needing to have a different solution for new money that comes in. Back to JD's point, if you've got a certain ceiling, market runs up in the first half of the quarter, and now you're at the ceiling and your floor is way down here, you have to really think additionally about I've got these models, I've got these allocations put together. What am I going to do with the next client?

I'm going to have to either set their money aside and time the market, or I need a more dynamic solution that is actually going to ebb and flow with the markets. Not time the markets, but just use the math of the options structure to adjust to where the current market is. So, I think that's another part of it where, as a standalone, these types of solutions can be very helpful. But just thinking across a practice, it makes sense to have other things in there as well.

Guys, do we wrap? We can take a couple more questions. Anything that's really specific to product, we going to go offline and just we will direct you. There's a couple of things. We had questions about back tests and some of the holdings in the funds.

So, if you go to our website, which is really just version 1.0, we'll have a few enhancements to it, but it'll have the positions on there every night. They don't change a whole heck of a lot, but you can see all the positions, you can see what the outcomes remaining and where the ceiling is, where the buffer is, just like the other funds do. So, that'll be on there and that's one way you can check. And always reach out

out to us. We put a slide up here that's got a couple of ways. You can hit us at [info@apt.us](mailto:info@apt.us), and just ask any questions and these guys will hop on a call as well.

JD

Yeah, definitely. I'll want to address two things real fast that I'm seeing come in. We can get a replay of this to anybody, but one thought and then I'll get on the managed portfolios. But one thought is, so we launched four what we view as the core. We did a lot of work on what makes the most sense to launch, where is the market, where's the appetite for different things? We feel like having four quarterlies is helpful, especially if you want to combine them for less path dependency.

We're happy to talk through any of that. I would say as a caveat to that, the world is our oyster in terms of what we could build because we have no sub advisor, there's no additional parties at our firm. Aptus is, we are 100% deploying and creating, deploying, managing all that, which is again why we can be at a lower price point.

For the managed models, we probably will not include our buffered in our managed models unless there's specific request for that. I think we can launch buffered versions of things, but we got the question. We obviously have model portfolios that we provide and we help collaborate with advisors on. We're probably not going to change those allocations with these, but we have worked with advisors to create variations of those that do include buffered.

Derek

Awesome. I'd like to be respectful of your time and advisors' time, like I said, we can answer any questions offline as well. We did drop the link to the funds in the chat, so pop on there. We will send a replay out if you signed up, but we appreciate you making time. It's been fun to hear you guys talk through it. So, thanks for joining.

JD

Thank you. Thanks everybody for joining.

Brad

Thanks everybody.