

Disclaimer



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Illustrations used in this document are hypothetical. The results achieved by individual clients will vary and will depend on a number of factors including the particular underlying investments and their dividend yield, option market liquidity, interest rate levels, implied volatilities, and the client's expressed return and risk parameters at the time the service is initiated and during the term. Investors should carefully consider executing any trade using options and be aware of all the risks, including, but not limited to, receiving back less value than they invested. Past performance is not a guarantee of future returns.

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Taxes, fees and commissions do have a direct and material impact on the options strategies, may reduce the effectiveness of some strategies, and may result in the investor not achieving his or her investment objectives. The examples presented above do not take into account the tax consequences or the impact on holding period. Investors should always seek professional tax advice before engaging in any of these strategies. Under new tax laws, certain in-the-money covered call writes are deemed "unqualified" and carry certain tax consequences. You should consult your financial or tax advisor for more information. GCMG does not provide tax advice.

The examples shown above are for illustrative purposes only and may not indicate future performance as options pricing can be affected by, but is not limited to, time, market, interest rate, and volatility fluctuations. Each pricing structure is calculated assuming certain parameters, which are subject to change. Investors should carefully consider executing any trade using options and be aware of all the risks, including, but not limited to, receiving back less value than they invested. The prices above reflect fair value pricing based upon software utilizing the Black-Scholes Option pricing model and current stock information. Fair value pricing does not necessarily reflect the actual value that can be obtained in the market.

These transactions can generally be settled in cash or in stock. These transactions can be customized for any number of shares (in 100 share increments) and any specific maturity date. European style options are exercisable only at maturity by the holder. This feature eliminates the possibility of the option being assigned prior to maturity. They still may be closed out by prior to maturity by the owner.

Gyroscope employs minimum account sizes for the strategy to ensure that there are sufficient shares (options are sold in 100 share lots) and that the client has a minimum sophistication regarding the market.

These transactions contemplate the use of margin which brings an additional level of market risk and exposure to market volatility. A client can lose more funds than deposited into a margin account. The custodian may force the sale of securities in an account without contacting you or gathering your input for which securities to sell regarding a margin call. The custodian may increase their "house" maintenance margin requirements at any time without advanced notice. Clients are not entitled to an extension of time on a margin call.

Investors are not required to be accredited to participate in these strategies.