MEASURED RISK
PORTFOLIOS

The Power of SynthEquity™

SMA's that offer Measured Risk & Uncapped Upside Potential

MEASURED RISK PORTFOLIOS

Why SynthEquity™?

Do you remember the first time a client came to you during market turmoil and requested to sell the positions you had recommended for them?

> *"...a portfolio designed to deliver uncapped equity-linked upside potential with measured and defined equity-linked drawdown risk."*

Our firm does, and it was a visceral experience. It was the summer of 2002 while the Dotcom Crash was well underway. Despite using optimizing software to create efficient, diversified portfolios, clients still suffered significant double-digit losses as confidence in the firm's recommendations plummeted.

The only tool available to help overcome panic was to reinforce the principles of Modern Portfolio Theory[1] using historical data. Principles that don't necessarily perform as advertised as correlations between asset classes typically rise during severe equity sell-offs[2]. The back-tested merits of diversification offered little to ease client anxiety. If we could no longer mitigate emotions, the only solution was to sell, turning paper losses into realized losses and *jeopardizing the relationship*.

Recognizing the limitations of conventional diversification, Measured Risk Portfolios developed a proprietary, differentiated way to manage risk and reward called **SynthEquity™**. The result is a portfolio designed to deliver uncapped equity-linked upside potential and defined equity-linked drawdown risk within a rolling 12-month period.

Portfolios are built using only two securities, short-duration Treasuries and call options on the S&P 500 index[3]. By strategically incorporating call options, SynthEquity™ mimics 100% exposure to the S&P 500's notional value while committing only a fraction of a portfolio's assets to equity risk.

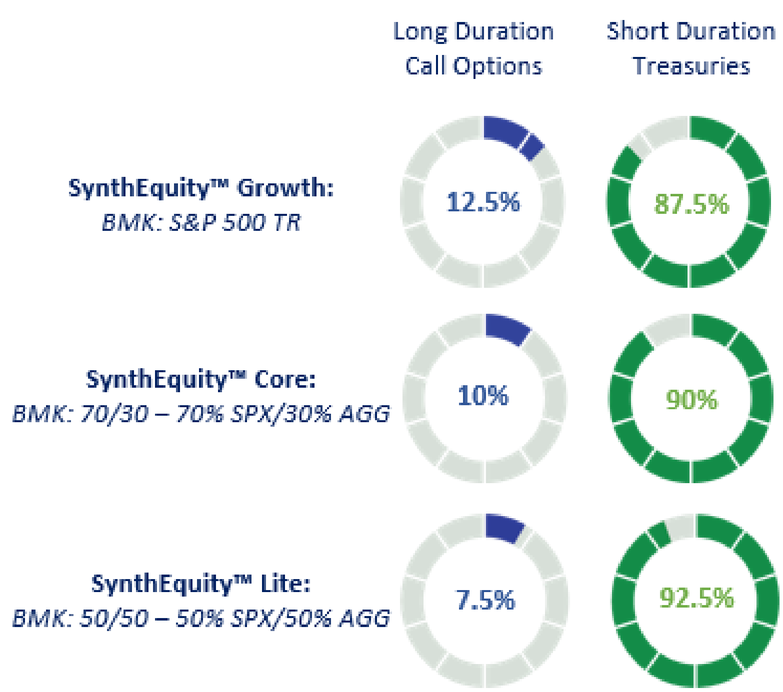
SynthEquity™ Portfolio Management:

MRP SynthEquity™ Portfolios has a demonstrated track record of outperforming its stated benchmark in numerous calendar years. Complimenting the upside potential, investors have a fraction of the equity risk of the stated index, as options exposure is measured & defined according to their risk tolerance. The only difference in each of the three stated risk sleeves is the proportion of options to treasuries.

When the S&P 500 appreciates, the call options also appreciate. Should the option contracts appreciate meaningfully, at the portfolio manager's discretion, they are sold. A portion of the profits are reinvested back into the relative safety of short-duration treasuries before the entire allocation is rebalanced and reset.

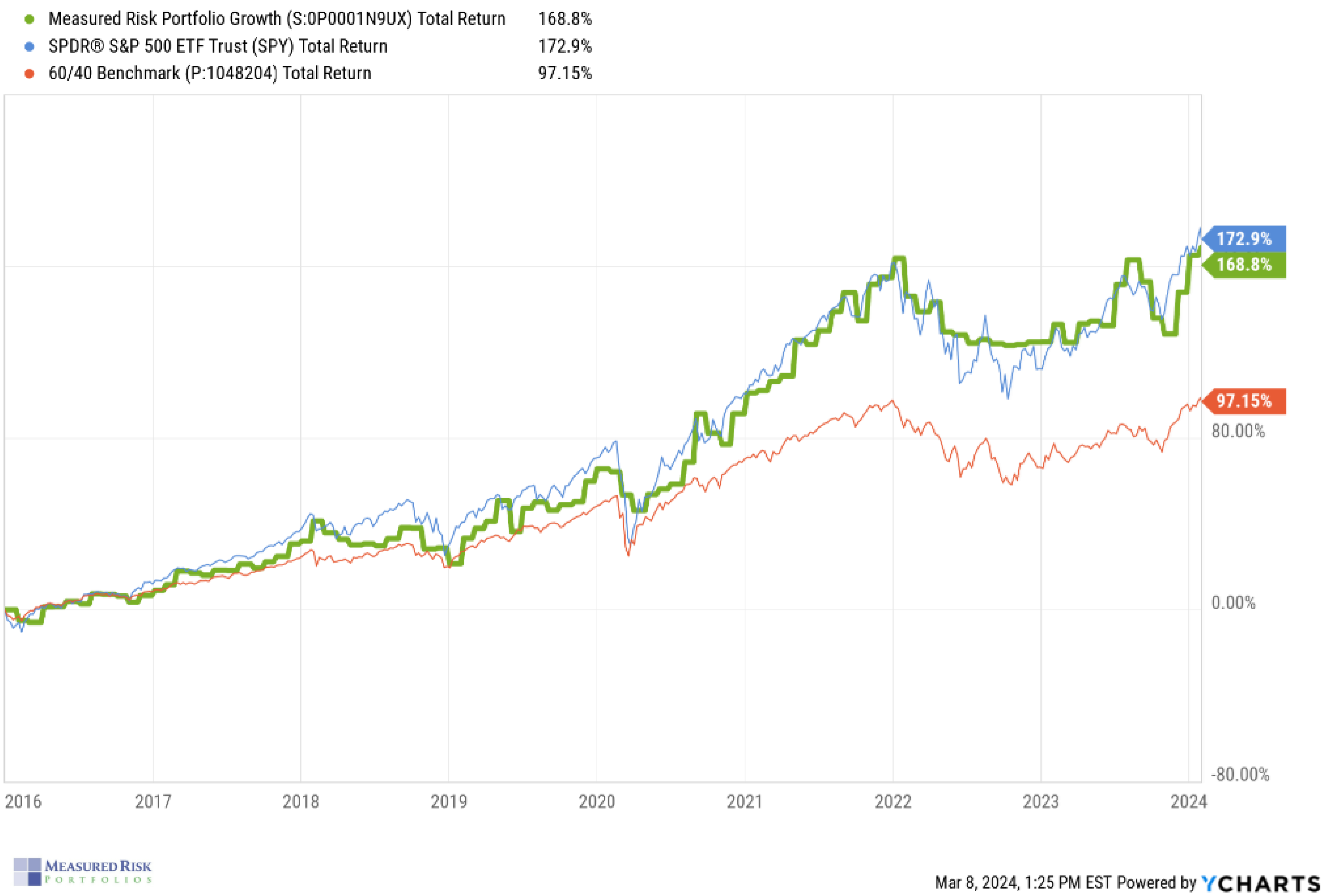
In strong markets, we expect to have the opportunity to sell the calls for a profit several times, potentially growing the Treasury balance to a larger absolute dollar value than the entire portfolio at inception. We call this dynamic feature ***Making Real Progress.***

SynthEquity™ Risk Sleeves:



In left-tail events, such as COVID-19, the Great Recession, or other bear markets, most of a portfolio's principal and at least a portion of its potential appreciation is insulated from equity-linked volatility, affording investors ***Peace of Mind***.

Measured Risk SynthEquity™ Growth vs. S&P 500 TR & Hypothetical 60% SPY /40% AGG TR:



Benchmarks are not shown net of fees. Measured Risk Portfolios Growth is shown net of fees. Performance period = 01/2016 – 01/2024. Refer to page 6/7 for important information on this chart.

S&P 500 Bull Market	S&P 500 Bear Market
As the S&P 500 rises, the portfolio's beta and correlation increase at an accelerating rate as the options move further into the money. This trend continues until the options are sold for a profit. As the Portfolio Managers roll the options contracts to realize profits, a portion is *banked* back into the relative safety of short-duration treasuries. The more opportunities to roll the options contracts for profits, the better the portfolio's calendar-year asymmetrical risk and reward profile becomes.	The options will initially draw down at least as fast as the market, with a correlation and beta of 1.0 or greater. However, as the call options get further away from the money, the strategy disengages from equity-linked volatility as the options become a smaller percentage of the total portfolio. The correlation to the S&P 500 may turn negative during a bear market due to accretion toward par from the treasuries. The strategy will only re-risk the portfolio by purchasing additional calls during a drawdown once the current calls expire worthless, clearly defining calendar year equity-linked drawdown risk.

Defining Expectations:

The options contracts will lose value if the S&P 500 falls *or remains flat* for an extended period. If there is no opportunity to sell for a profit throughout the contract's life, they will be held passively until expiration, potentially expiring worthless. **Albeit rare, this is a clearly defined worst-case scenario for the strategy.**

Should the contracts expire worthless, cash is reallocated from the treasury position, and a new tranche of calls at-or-near-the-money is purchased. Portfolios are always positioned offensively, **driven by math, and carry no emotional bias** toward the future.

Dollar-cost averaging may mitigate market risk when initially allocating capital to the strategy, as the appropriate percentage of call options and treasuries are purchased at-or-near-the-money on the same day funds are deposited. Over time, all portfolios will be allocated to identical options contracts after the original options are rolled for profits or if they expire worthlessly.

Savvy investors may **request additional options purchases** during a bear market as it is highly likely SynthEquity™ portfolios would relatively outperform during a significant S&P 500 pullback.

SynthEquity™ in a Portfolio:

SynthEquity™ portfolios are designed to accommodate 100% of a client's investable assets. Commonly, the strategy complements or replaces a core equity allocation. SynthEquity™ portfolios allow advisors to invest a higher allocation to growth and equities, synthetically, regardless of where a specific client is in their investment lifecycle.

Often, advisors and their clients are tempted to sell a portion of their equity holdings for profits and risk reduction as the market reaches new all-time highs. This temptation stems from the instinct to safeguard accumulated profits and maintain portfolio stability amidst market uncertainty.

Historically, the market tends to move higher after the S&P 500 hits new all-time highs[4]. If an investor allocated capital on a given day since 1988, their average total return would be just under ~12% per year. Yet, investing exclusively on days when the S&P 500 closed at all-time highs would have yielded an average return of nearly 15%[4]. Selling out of equities to lock in profits and reduce portfolio risk can handicap an investor's ability to enjoy long-run compounding returns of the equity market.

While the instinct to reduce equity exposure during market highs is understandable, SynthEquity™ offers a potentially more dependable solution that enables advisors to allocate more aggressively to equities while remaining mindful of a client's need for capital preservation.

The Power of SynthEquity™:

SynthEquity™ portfolios maximize investors' most vital assets: time and peace of mind.

This innovative approach to portfolio construction offers a rare proactive risk management solution without limiting equity-linked upside potential. Investors enjoy growth-focused allocations while safeguarding capital, and advisors can more predictably allocate their resources as AUM income streams are insulated against severe equity market volatility. By synthetically allocating a higher percentage to equity than a typical portfolio may afford while reinvesting gains into short-duration treasuries, both portfolios and advisors' businesses flourish without the burdens of extensive research, management, or fear of the future.

Moreover, this revolutionary streamlined strategy empowers investors and advisors alike to focus on what truly matters: achieving financial goals and cultivating lasting prosperity.

About:

Measured Risk Portfolios, Inc. is an SEC-registered RIA founded in 2007 by **Lawrence Kriesmer, CLU, ChFC,** and **Bernard Surovsky, CFS,** with over 25 years of experience in financial services. Larry and Bernard have been implementing measured downside / uncapped upside portfolios for their retail clients since 2007 and offering their strategies through separately managed accounts to Investment Advisors since 2012.

Measured Risk Portfolios SynthEquity™ is available through Charles Schwab's Marketplace, NFS/Fidelity, Interactive Brokers, select Independent Broker Dealers, and other custodial platforms. Retail investors are encouraged to contact their Financial Advisors for more information. If your platform isn't listed, inquire about having Measured Risk Portfolios, Inc. added.

Larry Kriesmer
Co-Portfolio Manager, Since Inception

Larry grew up in the Middle East, moved to the US when he was 19, and earned his degree from the University of Redlands in Southern California in 1985. Larry began his career in financial services in 1987 and earned the CLU and ChFC designations in 1992 and 1993, respectively.

Bernard Surovsky
Co-Portfolio Manager, Since Inception

Bernard has over 25 years of experience as an advisor, trading and using options strategies. He graduated from the University of Cape Town and emigrated to the US from South Africa in 1992.

Author:

Alexander Flecker, CFP®, CIMA®
Vice President, Sales and Marketing

Alexander has a Bachelor of Science in Economics and nearly a decade of experience in Financial Services. He has worked in Private Wealth Management at Morgan Stanley, consulted Registered Investment Advisors & Independent Advisor Representatives as a Managing Director for a boutique Investment Advisor/Fund Distributor, and now serves as the Head of Sales and Marketing for Measured Risk Portfolios, Inc.

He is a Certified Financial Planner™ issued by the CFP board taught in conjunction with NYU School of Professional Studies and a Certified Investment Management Analyst® issued through the Investment and Wealth Institute taught in conjunction with Yale University.

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Measured Risk Portfolios Performance Disclosure:

Measured Risk Portfolios SMA's were incepted on October 1st, 2012. Below are the MRP Growth strategies returns, represented both gross-of-fees and net-of-fees. This report contains performance history from 2016 – 2023 due to a material change in the strategy's duration focus. For all MRP strategies representing full track records and annual performance, visit the Strategies page of the Measured Risk Portfolios Website.

2016 to date cumulative return of MRP Growth - Growth of $10,000. The benchmark of the strategy is the S&P 500 Index. represented by the SPDR@ S&P 500 ETF TR. Differences between performance against the S&P 500 ETF and its actual benchmark may occur. MRP Growth Strategy performance information is shown net of fees. Benchmarks are not shown net of fees.

Measured Risk Portfolios, Inc. (MRPI), is an investment adviser registered with the Securities and Exchange Commission (SEC); however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made. Additional information regarding the investment program, including investment management fees, as well as important information regarding MRPI, its services, compensation, and conflicts of interest is contained in the firm's Form ADV Part 2 and is available upon request or at www.adviserinfo.sec.gov. The purpose of this communication is to provide information on products and services of MRPI and should not be considered investment advice or a recommendation to buy or sell any securities. The strategies and/or investments referenced may not be suitable for all investors as the appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. The information provided reflects the views of the authors as of a particular time and are subject to change at any time without notice. Some of the information contained herein has been obtained or is derived from sources prepared by unaffiliated and independent third parties not associated with MRPI. While MRPI believes the information to be reliable for the purposes used herein, MRPI has not independently investigated or verified the accuracy of this information, and does not assume any responsibility for, nor guarantee, the accuracy, adequacy or completeness of any such information.

Strategies related to MRP: MRPI employs various strategies to achieve the objective of limiting losses. The primary tool to achieve this objective is the use of options. Options involve risk and are not suitable for all investors. Before buying or selling an option, a person must receive a copy of Characteristics and Risks of Standardized Options. Copies of this document may be obtained from MRPI, from any exchange on which options are traded, or by contacting The Options Clearing Corporation, One North Wacker Dr., Suite 500, Chicago, IL 60606 (1-888-678-4667). The program is not limited to any asset class and the PM retains discretionary trading authority on all accounts. In no event will the PM engage in "naked" options trading, which is the most speculative form of trading.

Custody of Client Accounts: All accounts are currently held at Charles Schwab. MRPI does not maintain custody of client accounts and is only authorized to place trades and bill for management fees.

Limitations of Past Performance; Possibility of Losses: Past performance does not guarantee future results. Prospective clients should not assume that future performance will be profitable. Participation in this program carries the potential for profit as well as the probability of loss, especially over shorter time periods.

Other Fees and Expenses; Impact of Taxes: The investment management fee paid to MRPI is separate and distinct from the internal fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus, and will generally include a management fee, internal investment, custodial, and other expenses, and a possible distribution fee. Prospective clients should consider all of these fees when deciding whether to invest in the program. Performance results for this program do not reflect the impact of taxes. Program accounts may engage in a significant amount of trading. Gains or losses will generally be short-term in nature; consequently, this program may not be suitable for clients seeking tax efficiency.

Comparisons to Indices: The S&P 500 Composite Index (the "S&P 500 Index") is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the broader stock market and includes the common stocks of industrial, financial, utility, and transportation companies. The historical performance results of the S&P 500 Index do not reflect the deduction of transaction or custodial charges, nor the deduction of an investment management fee, which would decrease historical performance results. Investors cannot invest directly in the S&P 500 Index. Performance of the S&P 500 Index is provided solely for comparison purposes and does not imply that the program seeks to match or outperform the index over time

Other Considerations: The PM reserves the right to accept smaller accounts. Because accounts are managed separately, smaller accounts may not be able to benefit from all option strategies. This may result in inferior performance during market declines and superior performance in up markets

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Y- Charts MPT 60/40 Benchmark Performance Disclosure:

This benchmark was created by combining a 60% position in SPY and a 40% position in AGG and is not a standard benchmark

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HYPOTHETICAL AND SIMULATED PORTFOLIO RETURNS SHOULD NOT BE CONSIDERED PERFORMANCE REPORTING. No representation is made that your investments will achieve results similar to those shown, and actual performance results may differ materially from those shown. Returns portrayed in this report do not reflect actual trading and investment activities but are hypothetical or simulated results of a hypothetical portfolio over the period indicated and do not reflect the performance of actual accounts managed by your Adviser or any other person. The mutual funds and Other components Of the hypothetical portfolio(s) were selected with the full benefit Of hindsight after their performance during the period was known. In general, hypothetical returns generally exceed the results of client portfolios managed by advisers due to several factors, including the fact that actual portfolio allocations differed from the allocations represented by the market indices used to create the hypothetical portfolios over the periods shown, new research was applied at different times to the relevant indices, and index performance does not reflect the deduction Of any fees and expenses. Results also assume that asset allocations would not have changed over time and in response to market conditions, which is likely to have occurred if an actual account had been managed during the period shown.

Sources:

Chart Data: Ycharts.com

1: Investopedia. (2023, August 29). Modern Portfolio Theory: What MPT Is and How Investors Use It. Modern Portfolio Theory: What MPT Is and How Investors Use It (investopedia.com)

2: T Rowe Price (2020, July) When Diversification Fails. https://www.troweprice.com/content/dam/trp-library/insights/pdfs/2020/july/When-Diversification-Fails.pdf

3: The S&P 500 Index is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the United States. One can not invest directly in an index.

4: Carlson, B. (2024, February 8). All-Time Highs in the Stock Market are Usually Followed by More All-time Highs. A Wealth of Common Sense. Retrieved from https://awealthofcommonsense.com/2024/02/all-time-highs-usually-lead-to-more-all-time-highs-in-the-stock-market/