

Strategy Description

The average 1 year CD is paying less than 1%, bonds are paying zero, and the highest 10 year fixed annuity is 3.55% which locks up your money for 10 years with heavy penalties if withdrawn. How can interest be generated in a very conservative strategy that provides liquidity? Using dividends as an income generator has been a tried and true way to grow wealth since the turn of the 20th century. The IPS Income Strategy uses this concept of owning dividends while hedging in market volatility.

Key Characteristics

- Own a basket of dividend stocks eliminating the risk of any one company cutting their dividend
- Own downside protection on the portfolio at no cost
- Gives the client defined income without the worry of a market crash
- Collect 3-5% a year in income
- Eliminates 100% of default risk, 100% of interest rate risk, and it is 100% liquid.

Strategy Info

Inception Date: 9/30/2020

Performance Summary (Live Inception: 9/30/2020)

IPS Income Strategy	Income Strategy
Annual Return	4.21%
Sharpe Ratio	1.09
Sortino Ratio	1.45
Best Month Return	4.34%
Worst Month Return	-3.82%

IPS Defensive Income Strategy	Income Strategy
Annual Return	3.28%
Sharpe Ratio	1.04
Sortino Ratio	1.44
Best Month Return	4.66%
Worst Month Return	-2.57%

IPS Dividend Strategy



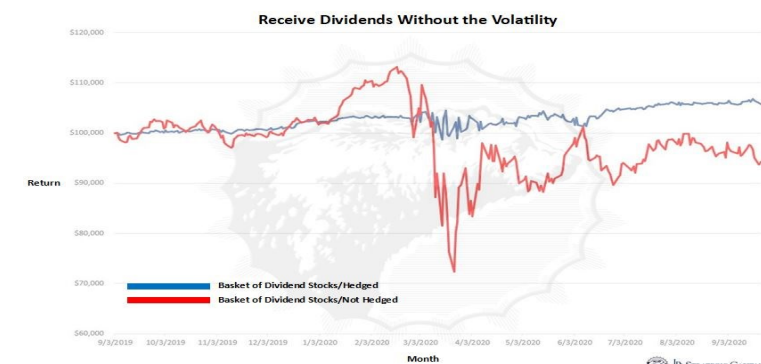
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Annualized Return
IPS	-3.16%	3.48%	2.62%	6.82%	2.50%	5.03%	6.68%	-1.59%	5.09%	6.71%	6.09%	9.57%	4.16%	4.21%
C.D*	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

IPS Defensive Dividend Strategy



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Annualized Return
Income	1.18%	4.06%	-2.02%	0.01%	4.24%	4.80%	3.45%	0.75%	4.78%	4.42%	5.72%	6.83%	3.85%	3.82%
C.D*	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Growth of \$100,000 (Since Inception)



The strategies are designed to scrape the dividend from a basket of dividend stocks, and eliminate as much movement of the underlying stocks as possible. This allows the investor to feel comfortable that the value of their account is going to have as little downside as possible, without the worry of a market crash. Both strategies are 100% liquid which allows the investor to add or remove money from their portfolio.

Investment Process

1 Buy Dividend Stocks

100% Liquid with Consistent Income

- Buy a basket of dividend stocks to collect 3-5% in income annually.

2 Hedge Downside

Reduce Downside Risk

- Always hedged by owning downside protection to protect against market volatility

3 Generate Income

Mitigate Hedging Costs

- Offset costs of hedging with actively managed trades designed to generate income

About the Portfolio Manager

Dominick Paoloni, CIMA®



Portfolio Manager, IPSAX

CIO & Founder

Adjunct Professor

TD Ameritrade Trading Panel

OIC Advisory Council

Managing Principal and Chief Investment Officer of IPS Strategic Capital, Dominick Paoloni has served the investment community for over 35 years. Dominick received his Certified Investment Management Analyst (CIMA®) through the Wharton School of Business and completed the College for Financial Planning's CFP certification program.

Dominick is an Adjunct Professor at the University of Denver, and University of Colorado Denver, he is a published author in a plethora of financial magazines including an academic white paper published through the Journal of Financial Consultants. Dominick frequently lectures throughout the country and internationally on the real-world use of derivatives in risk-defined money management.



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