

Option Overlay Strategies

Investment Philosophy & Approach

Geode believes that a persistent volatility premium exists within equity markets, and that this spread between implied and realized volatility is best captured through a disciplined investment approach focused on minimizing options cost relative to premium income.



Inception	December 31, 2007	December 31, 2010	December 2, 2016
Objective	Seeks to produce premium income and capture the implied versus realized volatility spread	Seeks to produce premium income and reduce the volatility of an equity portfolio through systematic writing of call options	Seeks to produce premium income and capture the implied versus realized volatility spread with equity drawdown management
Options Approach	Writes out-of-the-money call and put options on global indices	Replicates the S&P 500® Index and writes near term call options on the S&P 500® Index	Replicates 50% MSCI ACWI Index® / 50% US T-Bills and writes out-of-the-money call and put options on global indices
Underlying Beta	Absolute Return (overlay)	Replicates S&P 500® Index (bundled)	MSCI ACWI Index®/US T-Bills (bundle)
Liquidity	Daily	Daily	Daily

Why implement options-based strategies?

- ◆ Potential to enhance risk-adjusted returns - without employing leverage
- ◆ Reduce volatility - by limiting downside participation
- ◆ Diversification – access alternative risk premium
- ◆ Efficient implementation - cost-effective, liquid, and transparent process

*Global Index Options Written: EuroStoxx 50 Index, FTSE 100 Index, Hang Seng Index, Nikkei 225 Index, S&P 500 Index, S&P/ASX200 Index, Swiss Market Index

**Includes AUM of Geode's institutional equity and alternative investment strategies, as well as wealth management solutions

TEAM AT A GLANCE

- ◆ Managing option strategies since 2007
- ◆ Experienced utilizing derivatives since 2001, in multi-strategy alternatives portfolios
- ◆ Managing covered call, put spread, and long put option strategies since 2010
- ◆ Centralized research team

ABOUT GEODE

- ◆ Systematic global investment solutions across multiple asset classes
- ◆ Founded in 2001
- ◆ Located in Boston, MA
- ◆ Employee Ownership

ASSETS UNDER MANAGEMENT**

- ◆ \$584 billion

Equity Index

~\$558 B

Quantitative Active

\$12.9 B

Commodities

\$11.2 B

Absolute Return

\$1.8 B

Why Geode for Option-based strategies?

- ◆ Collaborative team structure fosters idea and information sharing
- ◆ Our investment process employs a dynamic and disciplined approach seeking to capture premium income and minimize options cost
- ◆ We offer clients the scale of a large asset management firm, with the benefits of a versatile investment platform; flexibility and customization
- ◆ Opportunity to derive income from options written on developed markets worldwide
- ◆ Geode's option strategies leverage a robust investment platform



Geode Advantages

EXPERIENCE Geode recognizes that the most sophisticated systematic processes benefit from applied fundamental insights. Our investment professionals are experienced in each of their disciplines, and work collaboratively to share expertise for the enrichment of our investment processes.

RISK MANAGEMENT Client portfolios are constructed in a disciplined manner with a focus on managing and controlling risk-exposures in an effort to produce optimal risk-adjusted returns.

INSTITUTIONAL INFRASTRUCTURE A state-of-the-art trading platform and robust operational infrastructure create efficiencies and help to provide scale across investment disciplines.

RESEARCH Dedicated to advanced techniques for uncovering alpha sources, Geode's research team is constantly looking for new and repeatable methods of transforming idea flow into applicable investment processes. This centralized research approach helps to ensure that the best ideas are efficiently implemented across investment strategies.

Team Leadership



Bobe Simon, CFA
Senior Portfolio Manager
 30 years industry experience
 14 years with firm



Eric Matteson, CAIA
Portfolio Manager
 23 years industry experience
 9 years with firm



David Brahm, PhD, CFA
Portfolio Manager
 24 years industry experience
 19 years with firm

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