

EXPERIENCE
SOPHISTICATION
CONSISTENCY

DELIVERED WITH SIMPLICITY

FROM THE MAN WHO WROTE THE BOOK

McMILLAN
ASSET MANAGEMENT

VOLATILITY CAPTURE

An all-weather investment approach that combines the benefits of option writing with strategies designed to protect downside risk.





AN INDUSTRY PIONEER

Larry McMillan literally wrote the book on options trading – 35 years ago

“Options as a Strategic Investment” is referred to as the *Option Bible* and based on extensive trading experience. It is “*the manual on how to trade derivatives.*”



OUR STRATEGY IS DIFFERENT

CONSISTENT

Positive results in over 88% of all live trading months

UNCORRELATED

Positive results in all but four down-months for the S&P

DIRECTIONALLY AGNOSTIC

Takes minimal directional exposure

REPEATABLE & SYSTEMATIC

Rules-based, allowing for a completely dispassionate process

LIQUID

We transact only in broad market, highly liquid, listed instruments enabling us to provide daily liquidity

SCALABLE

The strategy has the ability to scale its exposure both up and down



IMPROVED LIQUIDITY THROUGH SMAs

YOUR OWN ACCOUNT

McMillan Asset Management has trading authority only – you maintain ownership of the account

INDIVIDUALLY MANAGED

Funds are not commingled with other investors

COMPLETE TRANSPARENCY

Daily real-time position-level transparency available

NO LOCK-UP PERIOD

Unmitigated daily liquidity

NO REDEMPTION FEES

Assets can be withdrawn at no cost to you

SYSTEMATIC PROCESS

Over forty years of experience has defined our approach. Our strategy employs a repeatable process that combines put spreads, short puts and volatility options designed to manage exposure.

“The portfolio invests in complex index option positions in an attempt to produce positive returns in rising, sideways and declining markets. Exposure to volatility derivatives seeks to offset downside risk in severely declining markets.”

*Ryan
Brennan*



THE MCMILLAN EDGE

Option values are mathematically driven. Option prices can be emotionally driven.

While we rely heavily on quantitative analysis in our trade process, we also emphasize behavioral factors in trade construction and risk management.

Being an active participant in nearly every market condition imaginable has taught us the importance of remaining dispassionate and “sticking to the plan”.

RESPONDING TO MARKET BEHAVIOR

Volatility has consistently demonstrated inverse correlation to the general market. It tends to behave well in stressed conditions*.

August 2011 saw significant underperformance for the asset class, leading us to create a more robust strategy hedge.

** See 2007-2010 back-test document for performance in periods of high volatility*

IMPACT OF CHANGE

Our strategy has been positive in 90% of all subsequent trading months since August 2011 with significantly less volatility than the broad market.

“The strategy generates steady returns and makes money in sideways and even slightly down markets.”

Larry McMillan





McMillan Asset Management Investment Programs

Program	Objectives
Volatility Capture Equity	<ul style="list-style-type: none">• Capital preservation and capital appreciation with lower volatility than the broad market.• Emphasis on outperformance in down markets and high volatility environments.• Protect against Black Swan events.
Volatility Capture Futures	<ul style="list-style-type: none">• Greater capital appreciation with lower volatility than the broad market.• Emphasis on outperformance in down markets and high volatility environments.• Protect against Black Swan events.

INVESTMENT PERFORMANCE

VOLATILITY CAPTURE EQUITY

	Volatility Capture	S&P 500 (SPX)	CBOE Buy-Write (BXM)
ANNUALIZED NET RETURNS (%)			
2011	(2.14)	2.11	5.72
2012	16.16	15.98	5.20
2013	4.47	32.41	13.25
2014	2.26	13.69	5.64
2015	9.59	1.41	5.25
2016	10.77	11.98	6.47
2017	6.00	21.84	13.02
2018 (through Aug)	(-0.39)	9.94	6.74
PERFORMANCE & RISK STATISTICS (%)			
Cumulative Return	55.64	171.19	79.87
Annualized Return	5.94	13.90	7.96
Standard Deviation	6.46	10.65	7.96
Sharpe Ratio	0.87	1.27	1.03
Correlation	-	0.26	0.44
Beta	-	0.15	0.38
% of Positive Months	89	72	73
Average Positive Month	0.93	2.56	1.56
Average Negative Month	(2.94)	(2.56)	(1.75)
% Positive Returns in Positive S&P Months	94	100	91
% Positive Returns in Negative S&P Months	77	0	27
% of Time Out-Perform Negative S&P Months	88	-	88

Historical performance provides no guarantee of future results.

INVESTMENT PERFORMANCE

VOLATILITY CAPTURE FUTURES – RETIREMENT ACCOUNT ELIGIBLE

	Volatility Capture Futures	S&P 500 (SPX)	CBOE Buy-Write (BXM)
ANNUALIZED NET RETURNS (%)			
2012 (as of November)	1.12	0.91	0.13
2013	13.17	32.41	13.25
2014	2.68	13.69	5.64
2015	18.20	1.41	5.25
2016	13.19	11.98	6.47
2017	8.17	21.84	13.02
2018 (through Aug)	(0.06)	9.94	6.74
PERFORMANCE & RISK STATISTICS (%)			
Cumulative Return	69.96	131.07	61.94
Annualized Return	9.66	15.68	8.74
Standard Deviation	6.56	9.53	8.74
Sharpe Ratio	1.40	1.60	1.48
Correlation	-	0.01	0.18
Beta	-	0.01	0.21
% of Positive Months	88	75	75
Average Positive Month	1.29	2.45	1.39
Average Negative Month	(3.05)	(2.38)	(1.35)
% Positive Returns in Positive S&P Months	92	100	92
% Positive Returns in Negative S&P Months	76	0	24
% of Time Out-Perform Negative S&P Months	82	-	94

Historical performance provides no guarantee of future results.

40 YEARS DOING ONE THING

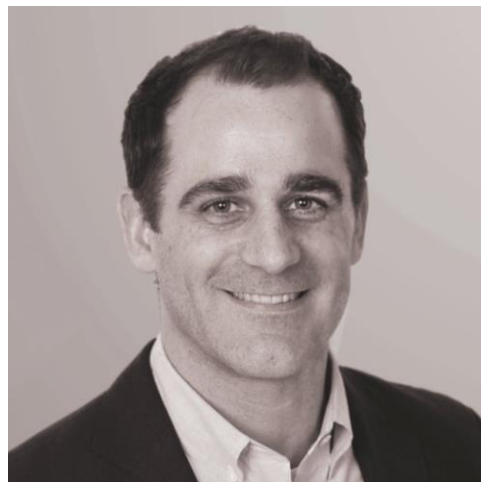
LAWRENCE G.
MCMILLAN

Founder &
President



Mr. McMillan wrote the first comprehensive book on options trading based on his own research and trading experience. "Options as a Strategic Investment", published 35 years ago, is one of the best-selling books on stock and index options trading strategies of all time.

Mr. McMillan has been an active derivatives trader since the early 70's. He is widely sought for speaking engagements and education. Prior to founding his firm in 1991, Mr. McMillan spent the majority of his career as a proprietary trader for Thomson McKinnon Securities and then later, Prudential-Bache Securities.



RYAN
BRENNAN

Head Trader

Mr. Brennan has more than 15 years of experience in volatility trading and derivatives research.

A graduate of Rutgers University in 2004, he has been employed at McMillan Analysis Corp. in various capacities since 2001. Prior to his role heading the trading activities, Mr. Brennan spent several years as the director of client services and also as a research analyst where he was instrumental in the creation of The Volatility Capture strategy.

DISCLAIMER

The information set forth herein should not be construed as an investment recommendation nor does it constitute an offer to sell or the solicitation of any offer to buy interests in any security. Offers may only be made at the time a qualified offeree receives the related Disclosure Document and Advisory Agreement issued by McMillan Analysis Corporation.

Actual performance referenced herein may be estimated and unaudited, and net of management and performance fees, as the case may be. The investment strategy of the Fund is non-traditional and may involve a great deal of risk, which may include the substantial loss of capital. Past performance is not necessarily indicative of future results.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

McMillan Analysis Corporation is registered as a commodity trading advisor with the National Futures Association and registered with the New Jersey Bureau of Securities as a Registered Investment Advisor.

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A S S E T M A N A G E M E N T

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