Vest Financial, LLC dba Vest is a registered investment adviser. Information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

Vest investment strategies are designed with the use of options; puts and calls. Strategies may use options to synthetically create a long position in an equity security or exchange traded fund. In some strategies long and short positions of puts and calls may be used to create the "protection" mechanism of the strategy. Protection is a marketing term and not an actual or implied guarantee of any kind. The object of protection is to lessen or mitigate the downside or loss potential of any strategy. Even though protection is employed it is not a guarantee of any kind that a specific downside protection percentage objective will be achieved. It is possible that significant losses could result if there is significant volatility in the options market, the options for the security you invest in or the general markets. Options do not represent ownership in an equity security or exchange trade fund. All options eventually expire and the expiration date is determined by the specific option contract invested in.

In order to participate in a Vest Protective Strategy cash needs to be deposited in an account with a brokerage firm that will be used to satisfy the requirements of the transactions involved. While margin transactions are usually not employed in the Vest strategies "cash protected" put and call strategies will be involved in the Vest strategies. A cash protected put or call represents that the investor's brokerage account has the cash required to purchase the number of shares of the actual equity security or exchange trade fund involved in the Vest strategy.

Vest has provided a strategy that is priced in "dollars per share" of either a specific equity security or exchange traded fund even though the securities purchased or sold are options and are priced in different terms. This is an intentional pricing example to allow investors the opportunity to know the costs of a strategy versus the specific combination of put and call pricing and to allow for the proprietary trading systems of Vest to remain proprietary. All transactions and their costs will be provided to each Vest client in the custodial statements provided to each customer on a monthly basis.

Options are priced based on a number of values which include; the time the option remains in effect, the "strike price" of the option versus the price of the underlying security and the volatility of the actual security. Each option contract represents 100 shares of the underlying security. All of these terms and concepts are addressed and explained in the options brochure you must read prior to participating in the Vest protection strategies.

The strategies are designed to optimally benefit the investor if the strategy can be held until the option expiration dates of the options involved in each strategy. The concept of "assignment" will terminate the strategy possibly before the end of the option contract expiration.

All potential returns presented in the examples provided via the Vest website are based on the pricing of options at the time the example was created. These prices for options may not exist or be obtained in an actual transaction at the time of trading for a client. Option markets are ever changing and prices do not remain the same for long periods. In fact options can change in prices every second of a minute. The examples on the Vest website may not be updated on a regular basis and therefore represent pricings that were available at one time but more than likely not available at the time of website viewing.

Trading in options may not be for all investors and involve a number of risks which can include a significant loss of capital. It is essential and required that any potential investor obtain, read and understand the options disclosure document (odd) provided by the options clearing corporation before proceeding with any Vest strategy.

Any Vest strategy presented on the Vest website does not intend to represent personal investment advice. Any action by a viewer of the Vest website independent of a personal risk assessment by a Vest registered investment adviser is at the viewer's own risk.

## Projected and/or Hypothetical Performance

Projected and/or hypothetical performance is intended to show only expected range of possible investment outcomes based on an exemplar stock price, protective premium (the "extra $10"), and investment term.

Projected and/or hypothetical performance does not represent actual investor accounts or actual trades, and does not reflect the effect of material economic and market factors, including the options contracts available for investment at such time. Actual investors will experience different results from the hypothetical results shown. There's a potential for investment loss (for instance, the "extra $10" will only be recouped through profit from the investment), as well as gain.

Investors should carefully review the additional information presented by Vest Financial in the context of understanding the projected and/or hypothetical information presented in the three charts.

## Important risks to consider investing with Vest

Investing always involves some measure of risk. There are several factors you should take into account when investing in Vest Investment Strategies. The following are select risk factors.

**Vest works to deliver on your investment objective.**

Taking into account market conditions and investment timing, Vest takes utmost care and diligence in selecting securities in the Vest Investment Strategies that seek to meet your investment objectives of protection and potential gains. There is no assurance that the strategies will achieve your investment objective.

**There are risks of investing in options in Vest Investment Strategies.**

To deliver the Vest Investment Strategies to you, Vest purchases and/or sells exchange-traded options. Prior to buying or selling an option, investors must read a copy of the Characteristics & Risks of Standardized Options, also known as the options disclosure document (ODD). It explains the characteristics and risks of exchange traded options and is available on OCC's website at http://www.optionsclearing.com/components/docs/riskstoc.pdf. Copies of this document may also be obtained from your broker, from any exchange on which options are traded, or by contacting the Options Clearing Corporation directly at 1 N. Wacker Dr., Suite 500, Chicago, IL 60606. (1-888-678-4667)

**The Vest Protective Strategy is designed to achieve its investment objective at the end of the investment term.**

The Vest Protective Strategy has not been designed to deliver on its objective if the strategy is liquidized prior to end of the investment term. Prior to end of the investment term, the value of the securities in the strategy could vary because of related factors other than the price of shares of your chosen stock or ETF (*"***Reference Asset***"*). Certain related factors are interest rates, implied volatility levels of the Reference Asset and implied dividend levels of the Reference Asset. Except in limited circumstances, we will not alter the security holdings in your account before the end of the time period of your Vest Protective Strategy. You will continue to hold the same securities till the end of the time period even if their market value declines.

**The Vest Protective Strategy return may be subject to a capped upside and only partial downside protection.**

The target return for Vest Protective Strategy held to the end of the investment term is based on the price performance of the Reference Asset, subject to a upside limit selected by investor during the construction of the strategy. If the price of shares of the Reference Asset increases more than a certain pre-determined by user levels, the return will be capped and may be less than the performance of the Reference Asset. Because the partial protection is designed to protect only against Reference Asset share price up to pre-determined levels, investors may experience significant losses on their investment, potentially near a total loss of investment, if the price of shares of the Reference Asset declines by more than these predetermined levels. You may lose all or a portion of your investment. The Vest Investment Strategies do not always provide full principal protection and you may not receive a return of the capital you invest.

**The value of Vest Investment Strategies may not appreciate due to dividend payments.**

The strategies seek to provide target returns on the price performance of the Reference Assets. The price performance of the Reference Asset does not include returns from dividends. The lack of dividends being received by the Vest Investment Strategies may mean that the strategies may underperform your expectations, if you your expectations are based on the performance of the Reference Assets that includes dividends.

You do however have the ability to exit your Vest Protective Strategy with Vest prior to the end of your investment term. For additional information, see "Can I liquidate my Vest

Protective Strategy prior to end of the investment term I originally selected?” or call us toll free at 855.979.6060 to speak to one of our advisors.

**Owning the Vest Protective Strategy is not the same as owning the underlying ETF or stock.**

As an investor in the Vest Investment Strategies investors will not have voting rights or rights to receive dividends or other distributions or other rights that holders of the Reference Asset may have.

**Credit risk is the risk an issuer, guarantor or counterparty of a security in your account is unable or unwilling to meet its obligation on the security.**

The Options Clearing Corporation (OCC) acts as guarantor and central counterparty with respect to the exchange-traded-options. As a result, the ability of a Vest Protective Strategy to meet your objective depends on the OCC being able to meet its obligations.

**Modeling risk.**

The Vest Investment Strategies holds various options that determine the payoff profile in relation to the reference asset over the term of the options. Failure by Vest to fully comprehend and accurately model the embedded optionalities may cause the performance of the Vest Investment Strategies to vary from what is anticipated for a given level of performance of the reference asset over the term of the Vest Investment Strategies. The strategies may experience more loss or less gain than anticipated for a given level of Reference Assets performance.

## Tax and legal considerations for protecting existing investment

Investors wishing to implement Vest Investment Strategies on existing stock or ETF positions should consider carefully the tax implications. There are also legal consequences of trading options if you are an insider or have access to non-public information about the reference security. Below is a select list of key tax provisions that need to be taken into account.

This material does not constitute tax, legal or accounting advice and neither Vest Financial LLC nor any of its agents, employees or registered representatives are in the business of offering such advice. It was not intended or written for use and cannot be used by any taxpayer for the purposes of avoiding any IRS penalty. Please consult your accountant, tax advisor, and/or attorney for advice concerning your particular circumstance.

**Constructive Sale Rules**

Section 1259 of the Internal Revenue Code identifies for tax recognition options transaction which, when combined with an underlying position in an appreciated asset, result in a realized sale of the asset. Section 1259 broadly requires a taxpayer to recognize a sale of an asset if, through the options transaction, the taxpayer has eliminated substantially all of the risk of holding the asset while forgoing substantially all of the opportunity for future gain. Prevailing industry opinion has taken the view that puts, calls and options collars are not constructive sales as long as the investor is subject to some element of risk or reward on the equity position.

**Holding Period**

If the shares being hedged have not yet accrued the requisite one-year holding period necessary to achieve long-term capital gain treatment, the use of an options collar may terminate any holding period that has accrued. If the shares have already accrued the requisite one-year holding period before implementation of the collar (e.g., the shares were already long-term capital gain property), the use of an options collar would have no impact on the holding period of the shares being hedged.

**Dividend Holding Period Rules**

Long shares combined with a collar do not satisfy the dividend holding period requirements of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the 2003 Tax Act). Therefore, any dividends received on the long shares will not be treated as “qualified” dividend income taxed at the long-term capital gains rate but instead will be taxed at the ordinary rate.

**Straddle Rules**

A tax straddle is defined as holding offsetting options with respect to personal property which is actively traded. The combination of the concentrated stock position and options collars may constitute a straddle for tax purposes. This will depend on when the investor acquired his or her shares. The key date is March 1, 1984. If the shares were acquired before that date, the straddle rules should not apply and therefore a straddle should not be created. If the shares were acquired on or after this date, the straddle rules will apply and a straddle will be created. If a straddle is created, any losses with respect to the collar will be treated as deferred, long-term capital losses, while any gains will be taxed and treated as short-term capital gains; if any funds were borrowed with the collared stock pledged as collateral, any interest expense would have to be capitalized.