



SONNET

PRIVATE ASSET MANAGEMENT

Private Asset Management (“PAM”) is an actively managed, customized portfolio solution designed for high net worth clients. PAM targets specific investment objectives and can utilize a variety of strategies and securities including but not limited to mutual funds, exchange traded funds, stocks, options, cash, and/or fixed income. If options are utilized, various options strategies may be used including but not limited to covered calls, covered puts, spreads, collars, straddles, and/or strangles. Options positions may be purchased (long) or sold/written (short). Options positions may create net debits or net credits.

OBJECTIVES

Private Asset Management objectives vary by the client. A return objective will be determined, then a strategy or combination of strategies with a reasonable chance of achieving the return objective will be implemented. Based on the client’s return objective and risk tolerance, a customized portfolio solution may include income-generating strategies, growth strategies, value strategies, or a combination of any of these strategies.

PROCESS

Private Asset Management starts with an investible universe that includes mutual funds, exchange traded funds, stocks, options, cash and/or fixed income securities. Specific client investment objectives and risk tolerance levels will influence which strategies and securities are selected for the customized portfolio solution.

RISK MANAGEMENT

Private Asset Management can implement various risk management procedures including but not limited to the use of stop-orders, raising cash, using options for protection, investing in low-correlation securities, investing in uncorrelated securities, and/or investing in inversely-correlated securities. Determining which risk management procedures to use (if any) will be influenced by specific client investment objectives and risk tolerance levels.

RISK OF LOSS

As with any strategy, there is no guarantee that this strategy will be profitable or meet its objectives. Investors may own securities that lose a substantial portion of value or possibly drop to \$0 in value, resulting in substantial or complete losses for the portfolio. PAM may sell a security or raise cash at or near a relative price low then buy back later at a higher price. Similarly, PAM may buy a security or reduce cash exposure at or near a relative price high then sell later at a lower price. Additional risks include investing in the “wrong” securities at certain times or not investing in the “right” securities at certain times.