



Alternative Yield (AltYld)

Objective

Luminist Capital's **Alternative Yield (AltYld)** portfolios are designed to allow investors to invest in high yielding equity and fixed income sectors while using options to generate additional uncorrelated yield and limit exposure to negative market movements. The portfolios use only best-in-class ETFs that exhibit exceptional liquidity in both the stock and the options. The Alternative Yield strategy uses a combination of stock and options to generate income for the investor in excess of the yield received by simply owning the stock.

Strategy

The strategy starts by identifying high quality ETFs with a yield that meets or exceeds the broad US equity market. Candidates are further filtered by satisfying Luminist's average daily volume and option liquidity requirements. ETF candidates for the Alternative Yield portfolios may have a sector focus or are generally more concentrated than a typical equity index. Eligible ETF candidates are then compared to the investment objective of the investor, considering other holdings, investing timeframe and risk appetite. The portfolios are structured by buying shares of the ETF and selling fixed risk option spreads to boost effective income yield. A small amount of leverage may be tactically employed to enhance yield. Income generated by the sale of option premium and dividends is reinvested by purchasing more shares of the ETF. The strategy is designed to provide 2 key benefits:

- Generate income in excess of the ETF's dividend yield
- Protect against a severe market drawdown

How to use the Alternative Yield portfolios:

The Alternative Yield portfolios are designed to be part of a diversified portfolio for investors interested in generating additional income while protecting investors from severe downside exposure. Combined with our other core portfolios, Alternative Yield will add additional uncorrelated income. Let Luminist help you with asset allocation by answering a few questions about your financial situation and investing style.

ALTYLD AT A GLANCE

Why Alternative Yield?

1. Generate Income
2. Limit risk
3. Uncorrelated yield

Who should use AltYld?

1. High yield investors
2. Investors seeking protected income
3. Income focused speculators

What ETFs are eligible for Alternative Yield?

All major ETFs that pass Luminist's strict criteria for offering high yield, good liquidity and low costs are eligible.

How do I build a portfolio of ETFs using Alternative Yield?

Fill out Luminist's Investor Profile and let us help you build an ideal portfolio from eligible ETFs.

Asset Classes

Alternative Yield portfolios can be used with, but are not limited to the high-quality ETFs listed below. New ETF candidates are run through Luminist's screening process to become eligible.

Stock ETFs

Type	Ticker	Name	10yr Morningstar Rating*
Large Blend	SPY	SPDR® S&P 500 ETF	★★★★★
Large Value	DIA	SPDR® Dow Jones Industrial Average ETF	★★★★★
Large Growth	QQQ	PowerShares QQQ ETF	★★★★★
Small Blend	IWM	iShares Russell 2000 ETF	★★★★
Emerging Market	EEM	iShares MSCI Emerging Markets ETF	★★★

Bond ETFs

Type	Ticker	Name	5yr Morningstar Rating*
Long Term Gov	TLT	iShares 20+ Year Treasury Bond	★★★★★
High Yield	HYG	iShares iBoxx High Yield Corporate Bond	★★★

Sector ETFs

Type	Ticker	Name	5yr Morningstar Rating*
US Real Estate	IYR	iShares US Real Estate ETF	★★★★
Equity Energy	XLE	Energy Select Sector SPDR® ETF	★★★★★
Financial	XLF	Financial Select Sector SPDR® ETF	★★★★
Industrial	XLI	Industrial Select Sector SPDR® ETF	★★★★★
Consumer Staples	XLP	Consumer Staples Select Sector SPDR® ETF	★★★★★
Utilities	XLU	Utilities Select Sector SPDR® ETF	★★★★★
Health	XLV	Health Care Select Sector SPDR® ETF	★★★★

Commodity & Currency ETFs

Type	Ticker	Name	10yr Morningstar Rating*
Gold	GLD	SPDR® Gold Shares	N/A**
Oil	USO	United States Oil	N/A**
Euro	FXE	CurrencyShares® Euro ETF	N/A**

*Source: Morningstar, Inc. For more information about the Morningstar rating visit www.morningstar.com

**Not available. Morningstar does not assign ratings to commodity or currency based ETFs

All investment strategies have the potential for profit or loss, including loss of principal. Past performance does not guarantee future results. Changes in investment strategies, contributions or withdrawals, and economic conditions may materially alter the performance of your portfolio. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or strategy will be suitable or profitable for a client's portfolio. Luminist Capital is registered as an investment advisor in Michigan and only transacts business in states where it is properly registered or is excluded or exempted from registration requirements. Registration as an investment advisor does not constitute an endorsement of the firm by securities regulators and does not mean that the advisor has attained a particular level of skill or ability.

LUMINIST CAPITAL

4981 Cascade Rd. Suite C Grand Rapids, MI 49546

616.929.8817 | info@luministcapital.com | www.luministcapital.com