Peace of Mind. Growing Income. Growth Opportunity. How about all three?

At Measured Risk Portfolios we offer three distinct portfolios that can help your clients achieve one or more of these objectives.

Our core offering is Measured Risk Portfolio (MRP) and is modeled around an equity indexed annuity. Started in 2007, the majority of the portfolio is held in short duration, low volatility fixed income with a small (generally under 10%) allocation to long call options on the S&P 500. This structure allows for unlimited upside potential if the market moves upward but provides a specific downside limit on equity losses if the market turns negative. MRP is always invested and simultaneously hedged. No market timing is involved.

Our income offering, Consumer Linked Income Portfolio (CLIP) is built around a basket of Consumer Staple stocks that have a history of rising dividends. Started in 2009, the portfolio is not hedged but the nature of the consumer staples space is historically more defensive and less volatile than that of the broad market. CLIP allows an investor to distribute dividends to live on with a high degree of confidence that next year's income will be greater than the last even without dividend reinvestment. Yield target is typically between 3-4% with up to 25 positions depending on portfolio size. Larger portfolios ($500K+) may benefit from enhanced yield through cash secured put writing, covered call writing, or both.

Our speculative portfolio offering is Managed Volatility Portfolio (MVP). Started in October 2013, the portfolio attempts to capture the inverse movement of the movement of the VIX (CBOE Volatility Index) through the use of options. Unlike many managers that use the upward spike in the VIX to hedge their other long equity positions, MVP takes the inverse position which causes it to lose money when the VIX spikes. MVP uses the same basic strategy as MRP, with the underlying options representing volatility rather than the S&P 500 Index. MVP is a "return to the mean" strategy that takes advantage of the expected return to the mean of the VIX to generate substantial profit potential. MVP is not for the faint of heart, but risk tolerant investors may be well rewarded in this strategy over time.

Current performance information available upon request.

Contact Us for More Information:

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Glossary of Terms

At the Money

Refers to the value of a call or put option. If the difference between the current market price of the underlying security and the strike price is at or very near zero, the option is considered at the money.

Cash Secured Put

The cash-secured put involves selling (“writing”) a put option and simultaneously setting aside enough cash to buy the underlying security if the buyer of the option elects to exercise the option.

Derivative

A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage.

Exchange Traded Fund (ETF)

A security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange. ETFs experience price changes throughout the day as they are bought and sold.

Exchange Traded Note (ETN)

A type of unsecured, un-subordinated debt security typically issued by a bank. This type of debt security differs from other types of bonds and notes because ETN returns are based upon the performance of a market index minus applicable fees, no period coupon payments are distributed and no principal protections exists.

Hypermarkets

A retail store that combines a department store and a grocery supermarket.

In the Money

Refers to the value of a call or put option. If the difference between the current market price of the underlying security and the strike is above zero, the option is in the money by that amount.

Intrinsic value

The intrinsic value is the difference between the price of the underlying (for example, the underlying stock or index) and the strike price of the option.

Long versus Short

You are “long” a security or option after you purchase it. You are “short” an option if you sold (aka “wrote”) the contract. This will obligate you, the seller, to either buy or sell a security from/to a third party at a predefined price over a specified period of time. You can also be short a security (not an option) that you borrow and then sell in the open market. MRP does not engage in short selling of securities.

Long VIX

A “long VIX” investment is one that is designed to correlate, or move in tandem with the Chicago Board Option Exchange Volatility Index (VIX). These investments may take many forms but are typically Exchange Traded Funds (ETF) or Exchange Trades Notes (ETN). They may also be designed to have various ratios to the daily movement of the VIX (for example 2 times or .5 times) in which case they are also referred to as leveraged or geared ETFs or ETNs.

Option

An option is a contract that gives the buyer the right, but not the obligation, to buy (“call”) or sell (“put”) an underlying security (or index) at a specific price on or before a certain date (“expiration”). An option, just like a stock or bond, is a security. It is also a binding contract with strictly defined terms and properties including underlying, strike price, expiration date and premium. The seller (or “writer”) of an option receives the premium from the buyer in exchange for the obligation, not the right, to buy or sell the underlying security at a specific price during the contract term.

Option Premium

The current price of any specific option contract that has yet to expire. For most options, the premium is quoted as a dollar amount per share and must be multiplied by 100 to allow for the commitment of 100 shares per contract.

Option Spreads (Multi-Leg)

An option spread involves combining two or more different option contracts as part of a defined strategy. The strikes may vary, or the expiration month may vary, or both may vary. These are the most complex form of option trading.

Out of the Money

Refers to the value of a call or put option. If the difference between the strike price of a call option and the current market price of the underlying is strike is above zero, the option is out of the money by that amount. For a put contract, if the difference between the current market price of the underlying security is greater than the put strike, the put option is out of the money by the difference.

Time Value

Also known as the “extrinsic” value, the portion of an option’s premium that is attributable to the amount of time remaining until the expiration of the option contract. An option’s premium is comprised of two components: its intrinsic value and its time value. The intrinsic value is the difference between the price of the underlying (for example, the underlying stock or index) and the strike price of the option. Any premium that is in excess of the option’s intrinsic value is referred to as its time value.

Measured Risk Portfolios Disclosure Statement

Measured Risk Portfolios, Inc. (MRPI) is a Securities and Exchange Commission (SEC) Registered Investment Advisor and Program Manager (PM) of Measured Risk Portfolios. Please note that such registration does not constitute an endorsement of MRPI by the SEC, nor does it indicate that MRPI has attained any particular level of skill or ability. Nothing presented herein is, or is intended, to constitute investment advice, and no investment decision should be made solely based on any information provided herein. The strategies and/or investments referenced may not be suitable for all investors as the appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. The information provided reflects the views of the authors as of a particular time and are subject to change at any time without notice. Information regarding this investment program including investment management fees, as well as important information regarding MRPI, its services, compensation, and conflicts of interest is contained in its Form ADV, Part 2 or substitute disclosure document, available from MRPI upon request.

Strategies related to MRP: MRPI employs various strategies to achieve the objective of limiting losses. The primary tool to achieve this objective is the use of options. Options involve risk and are not suitable for all investors. Prior to buying or selling an option, a person must receive a copy of Characteristics and Risks of Standardized Options. Copies of this document may be obtained from MRPI, from any exchange on which options are traded or by contacting The Options Clearing Corporation, One North Wacker Dr., Suite 500, Chicago, IL 60606 (1-888-678-4667). The program is not limited to any asset class and the PM retains discretionary trading authority on all accounts. In no event will the PM engage in "naked" option trading (an uncovered option for which the buyer or seller does not own the underlying asset), which is the most speculative form of trading.

Custody of Client Accounts: Accounts are currently held at TD Ameritrade, Inc. member FINRA/SIPC/NFA, E-Trade Financial Corporation and Fidelity Brokerage Services, LLC. MRPI and these custodians are not affiliated. MRPI does not maintain custody of client accounts and is only authorized to place trades and bill for management fees.

Limitations of Past Performance; Possibility of Losses: Past performance does not guarantee future results. Prospective clients should not assume that future performance will be profitable. Participation in this program carries the potential for profit as well as the probability of loss, especially over shorter time periods.

Links to Third Party Information/Sources: Some of the information contained herein has been obtained or is derived from sources prepared by unaffiliated and independent third parties not associated with MRPI. While MRPI believes the information to be reliable for the purposes used herein, MRPI has not independently investigated or verified the accuracy of this information, and does not assume any responsibility for, nor guarantee, the accuracy, adequacy or completeness of any such information. The information contained herein is subject to correction, completion, verification, and amendment from time to time without notice.

Other Fees and Expenses; Impact of Taxes: The investment management fee paid to MRPI is separate and distinct from the internal fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus, and will generally include a management fee, internal investment, custodial, and other expenses, and a possible distribution fee. Prospective clients should consider all of these fees and charges when deciding whether to invest in the program. Performance results for this program do not reflect the impact of taxes. Program accounts may engage in a significant amount of trading. Gains or losses will generally be short-term in nature; consequently, this program may not be suitable for clients seeking tax efficiency.

Comparisons to Indices: The S&P 500 Composite Index (the "S&P 500 Index") is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the broader stock market, and includes the common stocks of industrial, financial, utility, and transportation companies. The historical performance results of the S&P 500 Index do not reflect the deduction of transaction or custodial charges, nor the deduction of an investment management fee, which would decrease historical performance results. Investors cannot invest directly in the S&P 500 Index. Performance of the S&P 500 Index is provided solely for comparison purposes and does not imply that the program seeks to match or outperform the index over time.

Other Considerations: The PM reserves the right to accept smaller accounts. Because accounts are managed separately, smaller accounts may not be able to benefit from all option strategies. This may result in inferior performance during market declines and superior performance in up markets.