



'A Check A Month'

Cenacle Capital Management, LLC. An Illinois State Registered Investment Adviser | Phone 847.686.4800 | info@cenaclecapital.com

The objective of the "Check A Month" strategy is to create a diversified portfolio of **dividend paying stocks** in the S&P 500 and evaluating them using a technical scoring system. The monthly income check strategy involves buying a group of quarterly-dividend-paying stocks with payment dates **spread across the calendar**, so **a client receives a dividend check(s) each month**. Our analysis uses "relative strength" to compare one stock against each other, permitting the technically strongest candidates to rise to the top of the selection list.

Depending on your financial situation, dividends may be taxed at a lower rate than the capital gains rate and may provide a tax efficient way to acquire income. Dividends are particularly useful for people who need to supplement their **retirement income**. However, you will need to pay taxes on any dividends you receive. Your dividend tax rate will depend on what type of dividends you have, how much you made from those dividends and how much other income you have. Please consult with a tax professional to learn more about dividends and dividend taxes.

Incoming monthly dividend checks can either be scheduled as a monthly Automated Clearing House (ACH) deposit to your bank checking account, or the client can receive a check in the mail. The stocks are categorized into four groups based on their usual dividend payment date.

- **Early Quarter Dividend Payout** (January, April, July, October)
- **Mid Quarter Dividend Payout** (February, May, August, November)
- **Late Quarter Dividend Payout** (March, June, September, December)
- **Monthly**

The purpose of this strategy is to provide the client with a steady stream of dividend income throughout the year, ideally with the client receiving at **least one dividend check or deposit every month**.

This universe of stocks is updated quarterly and may be rebalanced semi-annually or annually. The strategy may invest in as many as 50 attractive yielding stocks that meet specific technical criteria. Positions may be removed based on deterioration in technical attributes, dividend reduction or as placement in the matrix changes.

Stock brokerage commissions expenses are required to purchase the initial allocation, and then as needed. During times of market volatility, the need to replace and rebalance the candidates may occur more frequently. The advisor currently uses TD Ameritrade as the custodian and will never take custody of client assets.

Momentum & Relative Strength Strategy Insights "Relative Strength" is a term used to describe a systematic structured methodology of comparing price performance of one security to another. Each security is ranked in comparison to the other inventory members. Studies conducted by Dorsey Wright & Associates and others show that consistent exposure to the highest ranked relative strength securities results in better investment results than exposure to poorly ranked securities on a relative strength basis. Directionless, narrow markets and markets with transitioning leadership tend to be periods when relative strength strategies will struggle. Relative Strength seeks to capitalize on performance differences between assets classes or within asset classes.

Background of the Investment Advisor Representative

Bill Olivieri is the owner /principal of Cenacle Capital Management, LLC and operates as the Investment Advisor Representative for the Monthly Income Checks strategy. Bill received his Accredited Investment Fiduciary Analyst™ designation from the Center for Fiduciary Studies, www.fi360.com in 2006. Bill worked on the floor of the Chicago Board Options Exchange as an independent pit trader in the OEX ® S&P 100 option pit from 1983 to 1994. His responsibilities from 1994 to 2012 include trading in agricultural options and futures at the Chicago Board of Trade, and overseeing a group of “market maker” traders and option specialists groups on the AMEX, PCOAST, CBOE, ISE and PHLX exchanges, monitoring derivative positions for one of the largest option liquidity providers in Chicago. Bill co-founded Cenacle Capital Management in 2004, a state registered investment advisory firm. Illinois CRD 130804. For more information, call 847-686-4800 or email: info@cenaclecapital.com

Risk Disclosure

There are no hypothetical return profiles for this strategy. Volatility of the strategy may be materially different from the volatility of the S&P 500 index. Relative Strength is NOT a guarantee. There may be times where all investments and strategies are unfavorable and depreciate. Advisor may make modifications to the strategy at any time without notification to the client. In all securities, trading there is potential for profit as well as loss. You should consider this strategy’s investment objectives, risks, charges and expenses before investing. Attractive dividend paying stocks may “fall out of favor” and their decline may exceed the annual dividend received.

Back-testing involves a hypothetical reconstruction, based on past market data, of what the performance of a particular account would have been had the adviser been managing the account using a particular investment strategy. Back-tested performance results have inherent limitations, particularly the fact that these results do not represent actual trading and may not reflect the impact that material economic conditions and market factors might have placed on the adviser’s decision-making if the adviser were actually managing the client’s money. These results should not be viewed as indicative of the adviser’s skill and do not reflect the performance results that were achieved by any particular client. Prior to February 2020, the adviser was not providing advice using this model.

No current or prospective client should assume that the future performance of any specific investment or strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. 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.

Historical performance results for investment indexes and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results. There are no assurances that a portfolio will match or outperform any benchmark.

Cenacle Capital Management is registered as an investment advisor 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.