PAVLIK CAPITAL MANAGEMENT

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Q Describe your firm, its offerings and its mission.

The origination of the firm began in 2004 when Jeffrey Pavlik placed all of his liquid assets in a separate account with the goal of generating superior risk-adjusted returns over the long-term. When the markets started to turn in 2007 Mr. Pavlik had compiled a nearly four-year audited track record and formed Pavlik Capital Management LLC.

The mission has remained the same for over seven years; to provide diversification for nearly every portfolio in both rising and falling markets while generating superior risk-adjusted returns over a long-term horizon.

Q Describe your investment strategy and how it might be unique.

Our investment strategy is highly unique at it invests exclusively in options on ETFs (exchange traded funds). We do so because we believe there are certain inefficiencies that we have uncovered over the course of trading options for twenty years that we believe provide an "edge". As well, we believe options are more efficient in overall portfolio construction as they allow us to remain highly diversified from an exposure standpoint, while dramatically lowering the correlation to the broad markets.

Q Describe how your investment products fit into a well-rounded asset allocation strategy.

Our firm has over seven years of audited risk-adjusted performance. While we take great pride in outperforming virtually every benchmark from a return standpoint we are exceptionally proud of the low volatility with which we have generated our returns.

Through basic asset allocation the incorporation of superior risk-adjusted products creates a more efficient portfolio. As a result, we are a true diversifier for virtually every portfolio and asset allocation strategy.

Q How has your firm adapted during the recent economic downturn?

Because we did not have a significant drawdown in 2008 we have not had to adapt in a major way. The primary reason for this is our strategy has performed very well in many market conditions including both mid and high-volatility environments. This is due to our three core beliefs for the strategy: diversification, liquidity, and no leverage. We chose these characteristics in 2004 based on our own experience not because of their return providing attributes but because of their risk reducing qualities. These three characteristics within the framework of a repeatable, scalable strategy is why we generate returns in both rising and falling markets while protecting capital during highly extreme market conditions. Our focus on risk management, through twenty years of options experience, while holding to our core beliefs, is why adapting during downturns has not been a priority.

AT A GLANCE

Firm name: Pavlik Capital Management LLC
Principals: Jeffrey Pavlik
Employees: 2
Location: Oakbrook Terrace, IL
Years in business: 3+
Assets under management: $9.7 million
Minimum investment: $250,000

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