

IRON Convertible Strategy | 2Q 2018

Investment Objective

The IRON Convertible Strategy's objective is to maximize total return through the selection and management of a credit and sector diverse convertible bond portfolio.

Investment Philosophy

We believe convertible bonds are a compelling asset class that can provide upside equity market participation, protect during market downturns and provide enhanced yield over equity markets. This requires a portfolio to be structured with specific security characteristics to meet these objectives. This type of portfolio seeks to add value over full market cycles by minimizing portfolio drawdowns and increasing overall portfolio returns.

Investment Process

We use a proprietary, multi-factor model to narrow the investment universe to a select subset of securities. Based on our research, a portfolio created with these securities provides superior downside protection, lower volatility and higher expected returns. Each convertible security in this select subset is further analyzed for its credit risk, call risk, duration and liquidity. If a potential risk is identified, the security will be eliminated from the select subset. All remaining securities are ranked based on a factor model composite score.

The resulting portfolio is both credit and sector diverse. Generally our process seeks to create a portfolio of securities with higher credit and lower duration than the Barclays US Convertibles Composite Index.

Risk Management

The portfolio is actively monitored using IRON's proprietary risk management practices. Credit quality, duration, and sector diversification are closely monitored and adjusted as needed on an ongoing basis.

In addition, our disciplined investment approach incorporates a set of specific criteria for exiting securities that no longer fit the risk/reward profile that we seek.

Portfolio Management

Aaron Izenstark
Managing Director, Co-Founder and
Chief Investment Officer

Ted Connolly
Director, Portfolio Management and Trading

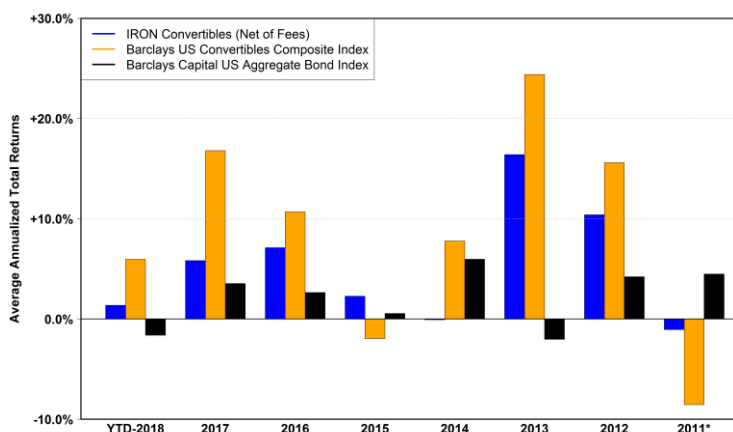
Investment Research

Dr. Ramesh Poola, Ph.D., CFA
Managing Director
Investment and Quantitative Research

Bill Hassiepen
Senior Credit Research Analyst

Past Performance is not indicative of future results. Please see important disclosure language on the back page.

Portfolio Performance as of 6/30/2018



Annualized Total Returns as of 6/30/2018

	YTD - 2018	1yr	3yr	5yr	Since Inception*
IRON Convertibles (Gross of Fees)	1.73%	4.77%	5.08%	5.88%	6.56%
IRON Convertibles (Net of Fees)	1.37%	4.04%	4.35%	5.14%	5.82%
Barclays US Convertibles Composite Index	5.96%	12.77%	8.89%	10.50%	9.53%
Barclays Capital US Aggregate Bond Index	-1.62%	-0.40%	1.72%	2.27%	2.47%
Merrill Lynch High Yield Master II Index	0.07%	2.51%	5.53%	5.51%	6.05%
S&P 500 Index	2.65%	14.37%	11.92%	13.41%	13.53%

Monthly Returns as of 6/30/2018

2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
IRON Convertibles (Gross of Fees)	0.80%	-0.74%	-0.11%	0.40%	1.05%	0.31%						
IRON Convertibles (Net of Fees)	0.75%	-0.80%	-0.16%	0.35%	0.99%	0.26%						
Barclays US Convertibles Composite Index	3.94%	-1.59%	0.13%	-0.17%	3.78%	-0.14%						
Barclays Capital US Aggregate Bond Index	-1.15%	-0.95%	0.64%	-0.74%	0.71%	-0.12%						
Merrill Lynch High Yield Master II Index	0.66%	-0.93%	-0.64%	0.68%	-0.02%	0.33%						
S&P 500 Index	5.73%	-3.69%	-2.54%	0.38%	2.41%	0.62%						

Calendar Year Total Returns as of 6/30/2018

	YTD - 2018	2017	2016	2015	2014	2013	2012	2011*
IRON Convertibles (Gross of Fees)	1.73%	7.05%	7.86%	3.00%	0.63%	17.16%	11.14%	-0.64%
IRON Convertibles (Net of Fees)	1.37%	6.30%	7.12%	2.28%	-0.07%	16.35%	10.37%	-1.05%
Barclays US Convertibles Composite Index	5.96%	16.84%	10.66%	-1.95%	7.79%	24.44%	15.63%	-8.54%
Barclays Capital US Aggregate Bond Index	-1.62%	3.54%	2.65%	0.55%	5.97%	-2.02%	4.22%	4.49%
Merrill Lynch High Yield Master II Index	0.07%	7.47%	17.49%	-4.64%	2.50%	7.42%	15.59%	-1.16%
S&P 500 Index	2.65%	21.83%	11.96%	1.38%	13.69%	32.39%	16.00%	-0.88%

*Performance data reported since June 7, 2011 inception of the IRON Convertible Strategy.

Correlations as of 6/30/2018

	IRON Convertibles (Gross of Fees)	IRON Convertibles (Net of Fees)	Barclays US Convertibles Composite Index	Barclays Capital US Aggregate Bond Index	Merrill Lynch High Yield Master II Index	S&P 500 Index
IRON Convertibles (Gross of Fees)	1.00	1.00	0.88	0.02	0.78	0.76
IRON Convertibles (Net of Fees)	1.00	1.00	0.88	0.02	0.78	0.76
Barclays US Convertibles Composite Index	0.88	0.88	1.00	-0.08	0.78	0.87
Barclays Capital US Aggregate Bond Index	0.02	0.02	-0.08	1.00	0.19	-0.17
Merrill Lynch High Yield Master II Index	0.78	0.78	0.78	0.19	1.00	0.71
S&P 500 Index	0.76	0.76	0.87	-0.17	0.71	1.00

The Barclays US Convertible Composite Index is comprised of the convertible component of the US Corporate High-Yield Index. Barclays Aggregate Bond Index is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and nonconvertible investment grade debt issues with at least \$250 million par amount outstanding and with at least one year to final maturity. An investment cannot be made directly in an index. The Merrill Lynch US High Yield Master II Index (H0A0) is a commonly used benchmark index for high-yield corporate bonds. It is administered by Merrill Lynch. The Master II is a measure of the broad high yield market, unlike the Merrill Lynch BB/B Index, which excludes lower-rated securities. The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks seen as a leading indicator of U.S. equities and a reflection of the performance of the large cap universe, made up of companies selected by economists. The S&P 500 is a market value weighted index and one of the common benchmarks for the U.S. stock market; other S&P indexes include small cap companies with market capitalization between \$300 million and \$2 billion, and an index of mid cap companies.

IRON Convertible Strategy | 2Q 2018

Statistical Comparison as of 6/30/2018

Fund/Index	Annualized Total Return	Annualized Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha*	Beta*	R-Squared*	Sortino Ratio
IRON Convertibles (Gross of Fees)	6.56%	6.33%	0.99	-7.9%	0.03%	0.65	0.78	1.69
IRON Convertibles (Net of Fees)	5.82%	6.33%	0.88	-8.4%	-0.03%	0.65	0.78	1.47
Barclays US Convertibles Composite Index	9.53%	8.53%	1.08	-17.1%	0.00%	1.00	1.00	1.80
Barclays Capital US Aggregate Bond Index	2.47%	2.77%	0.78	-4.9%	0.23%	-0.03	0.01	1.30
Merrill Lynch High Yield Master II Index	6.05%	5.83%	0.98	-13.1%	0.08%	0.53	0.61	1.70
S&P 500 Index	13.53%	10.87%	1.20	-18.4%	0.23%	1.11	0.76	2.16

Fund/Index	Up Capture Ratio*	Down Capture Ratio*	Downside Deviation**	Best Monthly Return	Worst Monthly Return	Ulcer Index	Return over Ulcer	Return over Max Drawdown
IRON Convertibles (Gross of Fees)	0.64	0.57	3.69%	6.66%	-5.07%	2.05%	319.86%	82.56%
IRON Convertibles (Net of Fees)	0.61	0.60	3.77%	6.60%	-5.12%	2.20%	263.85%	69.01%
Barclays US Convertibles Composite Index	1.00	1.00	5.11%	6.27%	-5.84%	4.74%	200.91%	55.82%
Barclays Capital US Aggregate Bond Index	0.10	-0.10	1.66%	2.10%	-2.37%	1.57%	157.25%	50.75%
Merrill Lynch High Yield Master II Index	0.58	0.50	3.37%	5.96%	-3.99%	2.76%	219.16%	46.24%
S&P 500 Index	1.19	0.92	6.03%	10.93%	-7.03%	3.83%	353.42%	73.62%

* Alpha, Beta, R-Squared, Up Capture Ratio and Down Capture Ratio were estimated from the linear regression of monthly returns using Barclays US Convertibles Composite Index as the Benchmark.

** Downside deviation is computed based on annualized standard deviation of returns that were less than minimum acceptable return (MAR) of 0% during the entire period (Since Inception to June 30, 2018).

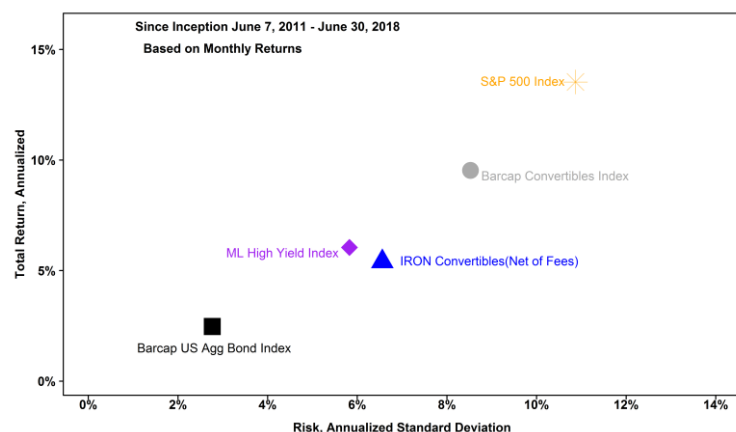
The Bank of America Merrill Lynch High Yield Master II is a widely recognized bond index. The S&P 500 Total Return Index (SPXT): Standard and Poor's 500 Total Return Index is a capitalization-weighted index of 500 stocks' price return and reinvested dividends. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Top 10 Holdings* as of 6/30/2018

	Weight
CIENA CORP	4.84%
J2 GLOBAL INC	4.38%
BIOMARIN PHARMACEUTICAL INC	3.96%
CALAMP CORP	3.82%
BOOKING HOLDINGS INC	3.76%
NUVASIVE INC	3.74%
CSG SYSTEMS INTERNATIONAL I	3.70%
ECHO GLOBAL LOGISTICS INC	3.66%
VECTOR GROUP LTD	3.65%
TERADYNE INC	3.60%
Allocation to top 10 holdings	39.13%

*The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

Risk-Reward as of 6/30/2018



Disclosures

Management fees of 0.70% annually, our highest published fee, have been deducted from the above results. The data for the IRON Convertible Strategy includes all discretionary portfolios in the composite. In order to be included in the composite, an account must have an initial starting balance of \$250,000 or greater. Net returns reflect deduction of management fees on a monthly basis. Actual accounts are charged quarterly in arrears based on the quarter end value adjusted for capital flows. Past performance is not indicative of future results and an investment in the IRON Convertible Strategy involves the risk of loss, particularly with respect to short-term performance. The data assumes reinvestment of dividends and interest, but not the effects of taxation or transaction costs. If dividends and interest were not reinvested, then the above results would be considerably different.

Performance results for the above are unaudited. Investment results shown above are based upon the particular securities selected. The charts, tables, performance and other information shown are provided to you for informational purposes only and are not intended to be an offer or a solicitation for the purchase and/or sale of any security or financial instrument, nor is it advice or a recommendation to enter into any transaction. Future returns may differ significantly from the past due to materially different economic and market conditions. Investments within portfolios, and therefore, portfolios, involve risk and the possibility of loss, including a permanent loss of principal. Actual returns for individual client portfolios managed by IRON Financial, LLC may vary and do not necessarily coincide exactly with the returns for the performance group. (AM-FS-CONV-063018V1)

Portfolio Characteristics as of 6/30/2018

Market Cap	Index	Strategy	
Micro-cap (<\$1B)	7.0%	12.8%	
Small-cap (\$1B-\$2B)	7.8%	12.6%	
Mid-cap (\$2B-\$10B)	34.7%	60.8%	
Large-cap (>\$10B)	49.9%	13.7%	
Sector	Index	Strategy	
Consumer Discretionary	10.3%	6.7%	
Consumer Staples	1.2%	6.5%	
Energy	3.0%	8.2%	
Financials	8.2%	0.1%	
Health Care	10.3%	16.4%	
Industrials	3.5%	6.8%	
Information Technology	19.4%	33.9%	
Materials	1.5%	6.1%	
Telecommunication Services	0.2%	0.0%	
Utilities	3.3%	0.0%	
Credit Distribution	Rating	Index	Strategy
AAA	0.0%	0.0%	
AA	0.0%	0.0%	
A	4.2%	3.8%	
BBB	10.7%	3.1%	
BB	11.2%	0.0%	
B	9.6%	17.2%	
Lower than B	3.6%	0.0%	
Not Rated	60.8%	75.9%	
Maturity	Index	Strategy	
0-2years	30.36%	29.05%	
2-5 years	32.68%	49.60%	
5-10 years	19.42%	6.69%	
10+ years	17.54%	14.65%	
Current Yield	Index	Strategy	
Current Yield	2.63	1.87	
Avg Gamma	Index	Strategy	
Avg Gamma	0.45	0.72	
Avg Delta	Index	Strategy	
Avg Delta	64.95	49.72	
Avg Duration	Index	Strategy	
Avg Duration	1.88	1.49	
Credit Spread, OAS	Index	Strategy	
OAS	245	158	

To learn more, please contact:

Amy Chandler
Strategic Relationship Manager
847-715-3230 Direct
amy.chandler@ironfinancial.com
www.ironfinancial.com