

# IRON S&P 500 EQUITY PLUS STRATEGY

A Value Added Covered Call Strategy

As of 9/30/2018

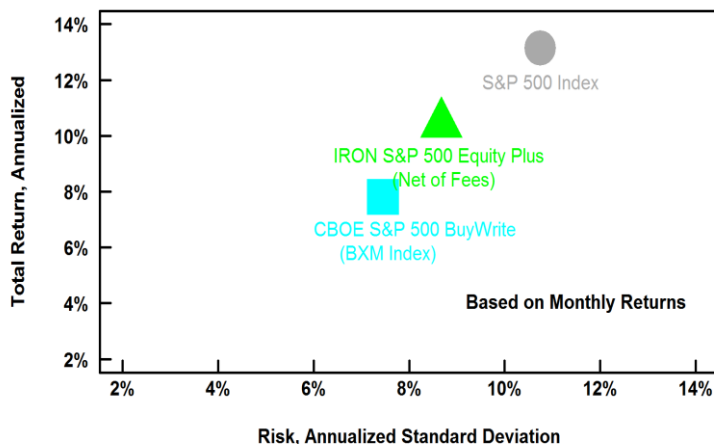
## Opportunistic Call Writing

IRON's Active Options Management Determines:

- ✓ When to write calls
- ✓ When NOT to write calls
- ✓ Which calls to write
- ✓ Which calls to roll

### Risk-Reward

Since Inception (5/1/2011) – 9/30/2018



### Risk Mitigation

We write options on the equity index ETF instead of individual securities to avoid single name risk. Having the flexibility to leave the underlying uncovered during certain market environments, we strive to not limit the upside of the underlying unlike many rules based strategies that follow a passive buy-write, such as CBOE S&P 500® Buy-Write Index (BXM<sup>SM</sup>).

### Annualized Returns

Since Inception (5/1/2011) – 9/30/2018

	Cumulative Total Returns	Annualized Total Returns			
		2018 – YTD	1Yr	3Yr	5Yr
IRON S&P 500 Equity Plus (Net)	5.06%	10.07%	11.66%	10.89%	10.43%
CBOE S&P 500 Buy-Write Index, BXM (Benchmark Index)	6.78%	9.76%	10.35%	9.01%	7.80%
Morningstar US Fund Option Writing Category Index	0.39%	2.90%	5.21%	4.27%	4.44%
S&P 500 Total Return Index (Benchmark Index for Underlying Equity)	10.56%	17.91%	17.33%	13.96%	13.14%

*CBOE S&P 500® Buy Write Index: The CBOE S&P 500 Buy Write Index, commonly known as the BXM<sup>SM</sup> Index (the "Index"), is designed to measure the total rate of return of a hypothetical "buy-write", or "covered call", strategy on the S&P 500® Index. This strategy consists of a hypothetical portfolio consisting of a "long" position indexed to the S&P 500® Index (i.e. purchasing the common stocks included in the S&P 500® Index) and the sale of a succession of one-month, at-the-money S&P 500® Index call options that are listed on the Chicago Board Options Exchange ("CBOE"). The Fund will normally invest 80% of its total assets in common stocks of the 500 companies included in the S&P 500® Index and will write (sell) call options thereon. This strategy consists of a hypothetical portfolio consisting of a long position indexed to the S&P 500 Index and the sale of a succession of one-month, at- or slightly out-of-the-money S&P 500® Index call options that are listed on the Chicago Board Options Exchange.*

### Investment Objective

The objective of IRON's S&P 500™ Equity Plus Strategy is to provide superior risk-adjusted total returns relative to the CBOE S&P 500® Buy-Write Index (BXM<sup>SM</sup>) by utilizing an actively managed options overlay strategy on the underlying exchange traded index fund.

### Benchmark

CBOE S&P 500® Buy Write Index, BXM<sup>SM</sup>

### Investment Philosophy

IRON's investment philosophy stems from the belief that one can enhance the returns of a broad market index by opportunistically writing and actively managing options on the underlying exchange traded index fund. We believe most option overlay strategies do not fully utilize the driver of performance, the underlying security, and therefore at times unnecessarily write options, thus capping the upside performance.

### Investment Methodology

#### Selecting and Writing Options

Our proprietary model takes into account many factors including, but not limited to, the option premium, delta, tenor, and volatility (both implied and realized). With these inputs determined, the portfolio manager will decide which option, if any, should be written. IRON has determined through its proprietary research that it may be more advantageous not to write options on the underlying position to achieve its maximum upside potential during certain market cycles.

#### Roll Strategies

The strategy actively manages written call positions through the use of IRON's proprietary roll strategies. During the course of a written option position, the portfolio manager will decide whether to let the option expire, close out the option when an optimal amount of premium can be realized or cover the option to realize upside appreciation of the underlying.

#### Risk Management

Our proprietary option overlay methodology limits option moneyness when the underlying trades above the strike price or the option trades "in the money". This limits the price paid to close the option position and also allows the underlying to participate in capital appreciation to a greater extent, particularly in rising market conditions. By utilizing effective risk management practices, we believe we can enhance the risk-adjusted total return of the portfolio relative to its benchmark.



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### Calendar Year Performance

Since Inception (5/1/2011) – 9/30/2018

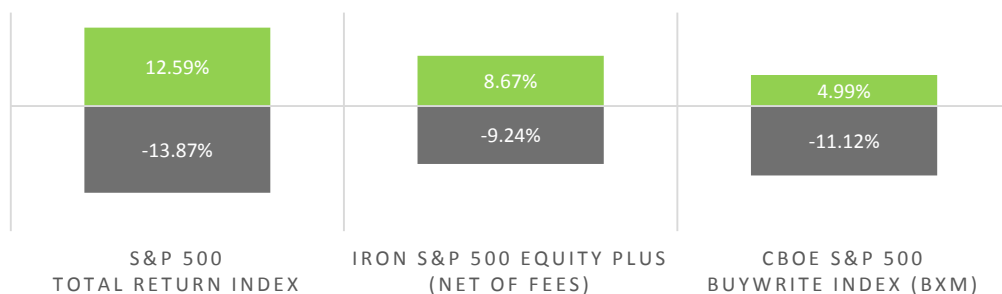
	2018 – YTD	2017	2016	2015	2014	2013	2012	2011*	Since Inception* (Cumulative)	Since Inception* (Annualized)
<b>IRON S&amp;P 500 Equity Plus (Net)</b>	<b>5.06%</b>	<b>17.58%</b>	<b>7.00%</b>	<b>6.14%</b>	<b>11.72%</b>	<b>17.84%</b>	<b>14.71%</b>	<b>-1.49%</b>	<b>108.73%</b>	<b>10.43%</b>
CBOE S&P 500 Buy-Write Index, BXM (Benchmark Index)	6.78%	13.00%	7.07%	5.24%	5.64%	13.26%	5.20%	1.99%	74.54%	7.80%
Morningstar US Fund Option Writing Category Index	0.39%	8.58%	4.53%	-0.65%	4.21%	12.20%	5.58%	-1.21%	38.05%	4.44%
S&P 500 Total Return Index (Benchmark Index for Underlying Equity)	10.56%	21.83%	11.96%	1.38%	13.69%	32.39%	16.00%	-6.37%	149.96%	13.14%

### Performance During Major Up and Down Markets Since Inception

Since Inception (5/1/2011) – 9/30/2018

#### IRON S&P 500 EQUITY PLUS - BEST AND WORST QUARTER RETURNS

- Total Returns during Best Quarter for the Underlying (Q1 2012)
- Total Returns during Worst Quarter for the Underlying (Q3 2011)



### Statistical Comparisons

Since Inception (5/1/2011) – 9/30/2018

	Annualized Return	Annualized Std. Deviation	Sharpe Ratio	Maximum Drawdown
<b>IRON S&amp;P 500 Equity Plus (Net)</b>	<b>10.43%</b>	<b>8.67%</b>	<b>1.15</b>	<b>-11.33%</b>
CBOE S&P 500 Buy-Write Index, BXM (Benchmark Index)	7.80%	7.45%	1.00	-12.72%
Morningstar US Fund Option Writing Category Index	4.44%	5.35%	0.77	-8.40%
S&P 500 Total Return Index (Benchmark Index for Underlying Equity)	13.14%	10.75%	1.17	-16.26%

\*Since Inception May 1, 2011

Management fees of 0.50% annually, our highest published fee, have been deducted from the above results. The data for the IRON Equity Plus Strategies includes all discretionary portfolios in the composite. In order to be included in the composite, an account must have an initial starting balance of \$100,000 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. The advisor's advisory fees are described in our ADV Part 2. Past performance is not indicative of future results and an investment in the IRON EQUITY Plus Strategies involves the risk of loss, particularly with respect to short-term performance. The data assumes reinvestment of dividends and interest and includes 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 and do not constitute investment or tax advice nor an opinion or recommendation regarding the appropriateness of any investment. The information is based upon the particular securities selected by IRON Financial, LLC on the date appearing in the materials. The material contained in this document is for general information purposes and is not intended as 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. Actual performance of client portfolios may differ materially due to the timing related to the actual deployment and investment of a client portfolio, the reinvestment of dividends, length of time various positions are held, client objectives and restrictions, and fees and expenses incurred by the individual portfolio. **Past Performance is not indicative of future results.**

### Investment Team

#### Portfolio Management

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Managing Director  
Co-Founder and Chief Investment Officer

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Portfolio Management and Trading

Joe Fanaro  
Portfolio Management and Trading

#### Investment Research

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Managing Director  
Investment and Quantitative Research

### About IRON Financial

IRON Financial, LLC is dedicated to providing low-cost, high-quality strategies in the fixed income, equity and alternative investment markets since the firm's inception in 1994.

Our depth of equity options expertise stems from our experience in the equities and options markets, sound quantitative research practices, and portfolio management capabilities. It is this understanding of the markets and of risk management that enables us to navigate the complexities of options.

### To learn more, please contact

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