

The SPXTR Index finished April up 0.38%¹ as the stock market continued to be volatile. Realized volatility hit 21.94%² during the first half of the month, as the prospect of a US-China trade war and elevated tensions between the US and Russia in Syria worried investors. The SPX zigzagged in the latter half of the month as the market digested one of the best earnings seasons since 2010Q3, along with the 10-year Treasury yield eclipsing 3.0% for the first time since 2014.

During the April expiration cycle, the equity market presented the RJA PutWrite Select Fund (PWSF) with several roll-down opportunities. By closing the option position and re-establishing at a lower strike, the PWSF was poised to provide as much as 4.59% protection over the SPX. The stock market then steadily moved higher during the last two weeks of the expiration cycle on Xi's pro-trade speech and strong corporate earnings, creating a headwind for the PWSF. The PWSF returned -1.48% over the April expiration cycle, outperforming the SPXTR by 1.36% and underperforming the Cboe PUT Index by 0.73%³.

On April 20th the SPX print at 11:00 AM ET set the May 18th strike at 2675. The equity market was relatively quiet in the last week of the month, trading between 2634 and 2671 and triggering a rebalance in the PWSF. Going into May, investors are watching domestic employment, inflation data, and international trade negotiations.

The RJA PWSF added 0.71% net of fees in the month of April, whereas the PUT and SPXTR Index rose by 2.05% and 0.38%⁴, respectively.

Net Returns Through 4/30/2018				
	Expiration	Monthly	YTD	Since Inception ⁵
RJA PWSF Net ⁶	-1.48%	0.71%	-6.35%	13.63%
PUT Index	-0.75%	2.05%	-0.60%	19.42%
SPXTR Index	-2.84%	0.38%	-0.38%	32.47%

Trailing 12-Months: 4/28/2017-4/30/2018					
	r	σ	β	α	Sharpe
RJA PWSF Net	1.75%	6.93%	0.51	-5.86%	0.07
PUT Index	5.41%	9.42%	0.71	-4.68%	0.44
SPXTR Index	14.20%	12.15%	1	0	1.07

¹ Returns are measured close-to-close from 3/29/18 to 4/30/18.

² SPXTR Index Volatility is measured close-to-close from 3/29/18 to 4/13/2018 and annualized.

³ Returns are measured close-to-close from 3/16/18 to 4/20/18.

⁴ Returns are measured close-to-close from 3/29/18 to 4/30/18.

⁵ Inception date for the Fund is 4/15/16.

⁶ Please note that these figures are based on preliminary, unaudited estimates and may change at month end. Performance is net of commissions, transaction costs, and accrued fund expenses. RJA fees have been waived starting 5/1/16.



RJA PutWrite Select Fund Monthly Commentary: April 2018

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