

The SPX Index ended the year at 2673.61 and closed the books on a successful 2017 for the RJA PutWrite Select Fund as the fund added 284 bps over the PUT benchmark and generated 371 bps of alpha relative to the SPXTR.

The December option expiration cycle topped off a very strong year for the equity markets. The SPX Index sprang higher after November option expiration, taking a few days to consolidate in early December, and then ended the expiration cycle with a 3.92% total return¹. The RJA PutWrite Select Fund (PWSF) gained 1.67% as the algorithm dictated the option position to be closed and reestablished higher multiple times, leading to a 0.58% outperformance over the passive PUT Index. Both option strategies exhibited low volatility, 1.84% and 1.28%² for the PWSF and PUT, respectively, but while the PUT Index position quickly became OTM and collected a steady amount of theta, the PWSF repositioned to increase volatility value collected which led to improved returns.

The SPX print on December 15th at 11:00 AM ET set the January 19th strike at 2665. Once the initial January position was established the equity market entered full holiday mode and stuck in a tight range, approximately 10 to 25 points above strike.

The RJA PWSF gained 0.75% net of fees in the month of December, whereas the PUT and SPXTR Index added 0.42% and 1.11%³, respectively.

The team at RJA wishes you a Happy New Year and a successful 2018.

Net Returns Through 12/29/2017				
	Expiration	Monthly	YTD	Since Inception ⁴
RJA PWSF Net ⁵	1.67%	0.75%	13.69%	21.34%
PUT Index	1.09%	0.42%	10.85%	20.14%
SPXTR Index	3.92%	1.11%	21.83%	32.98%

Trailing 12-Months: 12/30/2016-12/29/2017					
	r	σ	β	α	Sharpe
RJA PWSF Net	13.69%	3.24%	0.43	3.71%	3.93
PUT Index	10.85%	3.31%	0.40	1.73%	3.00
SPXTR Index	21.83%	6.68%	1	0	3.13

¹ Returns are measured close-to-close from 11/17/17 to 12/15/17.

² Volatility is measured close-to-close from 11/17/17 to 12/15/17 and annualized.

³ Returns are measured close-to-close from 11/30/17 to 12/29/17.

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

⁵ 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: December 2017

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