

rationalfunds



Rational Iron Horse Fund

IRHAX | IRHCX | IRHIX

For Institutional Use Only – Not For Retail Distribution

DISCLOSURES

Investors should carefully consider the investment objectives, risks, charges and expenses of the Rational Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling (800) 253-0412 or at www.RationalMF.com. The prospectus should be read carefully before investing. The Rational Funds are distributed by Northern Lights Distributors, LLC member FINRA/SIPC. Rational Advisors, Inc. is not affiliated with Northern Lights Distributors, LLC.

Mutual Funds involve risk including the possible loss of principal. There is no assurance that the fund will achieve its investment objectives. The use of leverage embedded in written options will limit the Fund's gains because the Fund may lose more than the option premium received. Selling covered call options will limit the Fund's gain, if any, on its underlying securities and the Fund continues to bear the risk of a decline in the value of its underlying stocks. The CBOE S&P 500 BuyWrite Index (BXM) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index. The BXM is a passive total return index based on (1) buying an S&P 500 stock index portfolio, and (2) "writing" (or selling) the near-term S&P 500 Index (SPXSM) "covered" call option, generally on the third Friday of each month. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value. It is widely used as a benchmark of U.S. equity performance. It is not possible to invest directly in an index. Standard deviation is a statistical measurement of volatility risk based on historical returns. Investing in the Fund carries certain risks.

7192-NLD-10/14/2019

Why Rational Funds

Capital markets are heavily influenced by behavioral biases – human emotions such as fear, greed, pride, and jealousy often overwhelmingly dominate logic and reason. As a result, our investment philosophy is based on applying a rational approach to investing, absent of any ad hoc or emotional decision-making to keep our portfolios disciplined and completely objective when faced with investment opportunities. Rather than relying on forecast, opinion, or intuition, our focus is to observe, analyze and identify potentially repeatable sources of return using quantifiable and relevant information. We employ rigorous research that is backed by sound academic theory.

Rational Iron Horse Fund

IRHAX | IRHCX | IRHIX



**Large Cap
Blend/Value**



**Targets Low
Volatility**



**Option and
Dividend Income**

The Rational Iron Horse Fund seeks total return with less volatility than equity markets in general.

There is no assurance that the Fund will achieve its investment objective.

Why Rational Iron Horse Fund

The Strategy predominantly invests in dividend-paying companies and uses call options in an attempt to create incremental income and reduce portfolio volatility. The Strategy seeks to make income a more significant component of the total investment return and targets long term risk-adjusted returns versus long-only equities. The goal is a portfolio that generates a higher than average annual income with a target of 6-8% annual income. There is no assurance that the Fund will achieve its investment objective.

At Rational Funds, we believe that investors should consider reallocating to strategies focusing on risk aversion, high dividend, low volatility, high quality U.S. equities. Historically, dividend stocks have contributed a substantial amount to investors' total return, and they have worked particularly well in volatile market environments.

Rational Iron Horse Fund

Research: The Case For Covered Calls

The CBOE website references three different studies that have been performed over the past 10 years on the risk-return dynamics of covered calls. All three firms concluded that a passive buy-write strategy has a superior risk-return profile than long-only equities.

- Each study covers different periods of time, ranging from 16 to 26 years
- All three studies found that the covered call index (BXM) earned roughly the same annualized return as the S&P 500 over the long term, but at **lower risk** (30-33% lower average standard deviation)
- Studies are available on the CBOE website (www.cboe.com)

JANUARY 2012
AN ANALYSIS OF INDEX OPTION WRITING FOR LIQUID ENHANCED RISK-ADJUSTED RETURNS

EXECUTIVE SUMMARY OF KEY HIGHLIGHTS

We compared the performance of four option-based benchmark indices (BXM, BXY, PUT and CLL) to the performance of more traditional indices over more than 25 years. Highlights of our findings include the following:

- **Total Growth:** Total growth for indices since 1986-1987 was 1157% (21.4% annualized) for the PUT Index, 1024% (19.1% annualized) for the BXM Index, 1074% (19.0% annualized) for the BXY Index, and 1074% (19.2% annualized) for the CLL Index (Exhibits 2 and 4).
- **Lower Volatility:** The PUT, BXM, and CLL indices all had volatility that was about 10 percent lower than the volatility of the S&P 500 Index (Exhibit 4).
- **Left-tail Risk:** The biggest monthly losses over the past 23 years for any of the indices were negative 8.0% for the CLL Index versus negative 10.1% for the S&P 500 Index (Exhibit 5).
- **Risk-adjusted Returns:** One measure of risk-adjusted returns, the Sortino Ratio, was 0.90 for the PUT Index, 0.76 for BXY, 0.71 for BXM, 0.50 for S&P 500, and 0.11 for the CLL Index (Exhibits 10 and 11).
- **Monthly Premium Income:** The average for the passively premium collected by the BXM Index was 1.8 percent, and the index option usually were in-the-money (Exhibits 12 and 13).
- **Efficiency:** Overlaying options on an appreciated stock can provide the opportunity of reducing risk without generating realized gains.
- **Liquidity:** The utilization of S&P 500 stocks and S&P 500 index options provides liquidity for those investors that prefer flexibility access to their capital (Exhibit 14).

The option-based index could appeal to investors who are concerned about low interest rates, increased volatility, illiquid investments, or sluggish stock market returns.

FOUR INDICES THAT SELL OPTIONS FOR INCOME

In this paper we analyze four benchmark indices that measure the performance of a portfolio that sells one-month, cash-settled S&P 500 index options on the last Friday of every month (www.cboe.com/instruments for more details).

Index	Ticker	Index Abbreviation	S&P 500 1-month Options Sold	S&P 500 1-month Options Bought	Price History Begins
CBOE S&P 500 BuyWrite Index	BXM SM	Index S&P 500 Index	None	None	June 30, 1986
CBOE S&P 500 BuyWrite Index	BXY SM	Index S&P 500 Index	None	None	June 30, 1986
CBOE S&P 500 PutWrite Index	PUT SM	Index U.S. Treasury Index	None	None	June 30, 1986
CBOE S&P 500 36-118 Collar Index	CLL SM	Index S&P 500 Index	Buy	Buy	June 30, 1986

Exhibit 1: Profit-and-Loss Diagram for S&P Stocks, BuyWrite PutWrite and Collar

Exhibit 2: Growth of One Dollar (Jan 21, 1986 - December 31, 2010)

Asset Consulting Group | 233 South Barnhart Avenue, 16th Floor • Saint Louis, Missouri 63105 • 314.662.4848

Asset Consulting Group
 Published January 2012

An Historical Evaluation of the CBOE S&P 500 BuyWrite Index Strategy

October 2006

The Buy-Write Strategy

A "buy-write" strategy, also called a "covered call", is an investment strategy in which the investor buys a stock or a basket of stocks and writes (or sells) call options that cover the stock position. The strategy can be used to enhance portfolio returns under certain market conditions and to reduce volatility. In our markets, the option premium received cushions the price decline in an equity portfolio. The trade-off is that in strong equity markets, the upside potential of the equity investment is curtailed as the option is exercised above the strike price. A buy-write strategy is often expected to outperform a purely passive stock index strategy in bear markets and underperform the purely passive stock index in bull markets. The portfolio profile of the buy-write strategy is displayed in Exhibit 1.

The BXM Index

The CBOE S&P 500 BuyWrite Index (BXM) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 index. Announced in 2002, the BXM was the first buy-write index offered to the market. The methodology of the BXM index is based on (1) buying an S&P 500 index portfolio, and (2) writing the near-term, at-the-money S&P 500 "covered" call option, generally on the third Friday of each month. The premium collected from the sale of the call is added to the portfolio's total value. The call is held until expiration, typically the 3rd Friday of the following month, at which time the option is exercised above the strike price. If exercised, the expected return is settled in cash. The CBOE launched futures contracts on the BXM on October 2, 2006.

Profit and Loss Expectations for Buy-Write

Exhibit 1

Exhibit 2

Growth of a Dollar (Jan 1, 1986 - August 31, 2006)

The Callan Study

Callan Associates conducted an evaluation of the CBOE S&P 500 BuyWrite Index. We measured the performance of the BXM in comparison to the S&P 500 and from a total portfolio perspective. This study builds on the research conducted by a Duke University professor (Whaley 2002) and Ibbotson Associates (Feldman and Roy 2005), extending their analyses with a longer history. Return, risk and risk-adjusted performance are examined over an extended period and through cycles of up and down equity markets. The performance of the BXM is compared to the S&P 500 and market indexes depicting other asset classes, as well as to the performance of active large cap equity managers. Risk-adjusted performance—measures of efficiency, or return per unit of risk—are calculated using both the popular Sharpe Ratio (which is based on the assumption of a normal distribution of returns) and the Sortino (2000) index, a ranking tool that is not skewed by the skew and kurtosis evident in the covered call strategy. The study then evaluates the impact of adding the BXM to typical diversified investor portfolios, substituting the BXM for a portion of the large cap equity allocation.

Callan Associates Inc. | 101 CALIFORNIA ST., SUITE 300, SAN FRANCISCO, CALIFORNIA 94111 415.774.7047 FAX: 415.774.8154 www.callan.com

Callan Associates
 Published October 2006

Ibbotson Associates

2004

Highlights from Case Study on BXM Buy-Write Options Strategy

What is a Buy-Write Strategy?

A "buy-write" strategy, also known as a "covered call", is an investment strategy where the investor buys a stock or a basket of stocks and writes (or sells) call options that cover the stock position. The advantage of this strategy is that the option premium received cushions downward moves in an equity portfolio. The trade-off, however, is that the upside potential of the investment is truncated as the option is exercised above the strike price. Therefore, the buy-write strategy may be expected to outperform stocks in bear markets and underperform stocks in bull markets. The portfolio profile of the buy-write strategy can be seen in Exhibit 1.

The BXM Index:

The CBOE S&P 500 BuyWrite Index (BXM) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index. Announced in 2002, the methodology of the BXM index is based on (1) buying an S&P 500 index portfolio, and (2) writing the near-term S&P 500 "covered" call option, generally on the third Friday of each month. The call is held until it is cash-settled on the 3rd Friday of the following month, at which time a new one-month call option is written.

Exhibit 1: Profit-and-Loss Diagram for Buy-Write Strategy

Exhibit 2: Growth in the Value of \$1 (Jan 1, 1986 - March 31, 2004)

The Ibbotson Case Study:

Ibbotson Associates conducted a case study of the investment value of the CBOE S&P 500 BuyWrite (BXM) index from a total portfolio perspective. In light of the fact that the Sharpe Ratio is based on the assumption of a normal distribution, the study used the Sortino (2000) index and Ibbotson's (1999) alpha to assess risk-adjusted performance, taking into account the skew and kurtosis of the covered call strategy. The study also examined the performance of the Return Premium Investment measurable version of the BXM. Finally, the study compared standard deviation portfolios to portfolios with BXM substituted for large cap assets and found significant risk-adjusted performance improvement.

Summary of Results:

The results showed that the BXM index had relatively good risk-adjusted returns. The compound annual return of the BXM index over the almost 16-year history of this study is 12.2% percent, compared to 12.20 percent for the S&P 500. The BXM had about two-thirds the volatility of the S&P 500. Risk-adjusted performance, as measured by the Sortino index, was 0.23 for the BXM vs. 0.16 for the S&P 500. The study also found that the low tracking error (0.27 percentage) of the Return Premium version of the BXM provides credible evidence of the investability of the BXM index.

The following exhibits illustrate important aspects of the case study. More information including the 36-page paper by Ibbotson is available at the Ibbotson website at www.ibbotson.com and at the CBOE website at www.cboe.com.

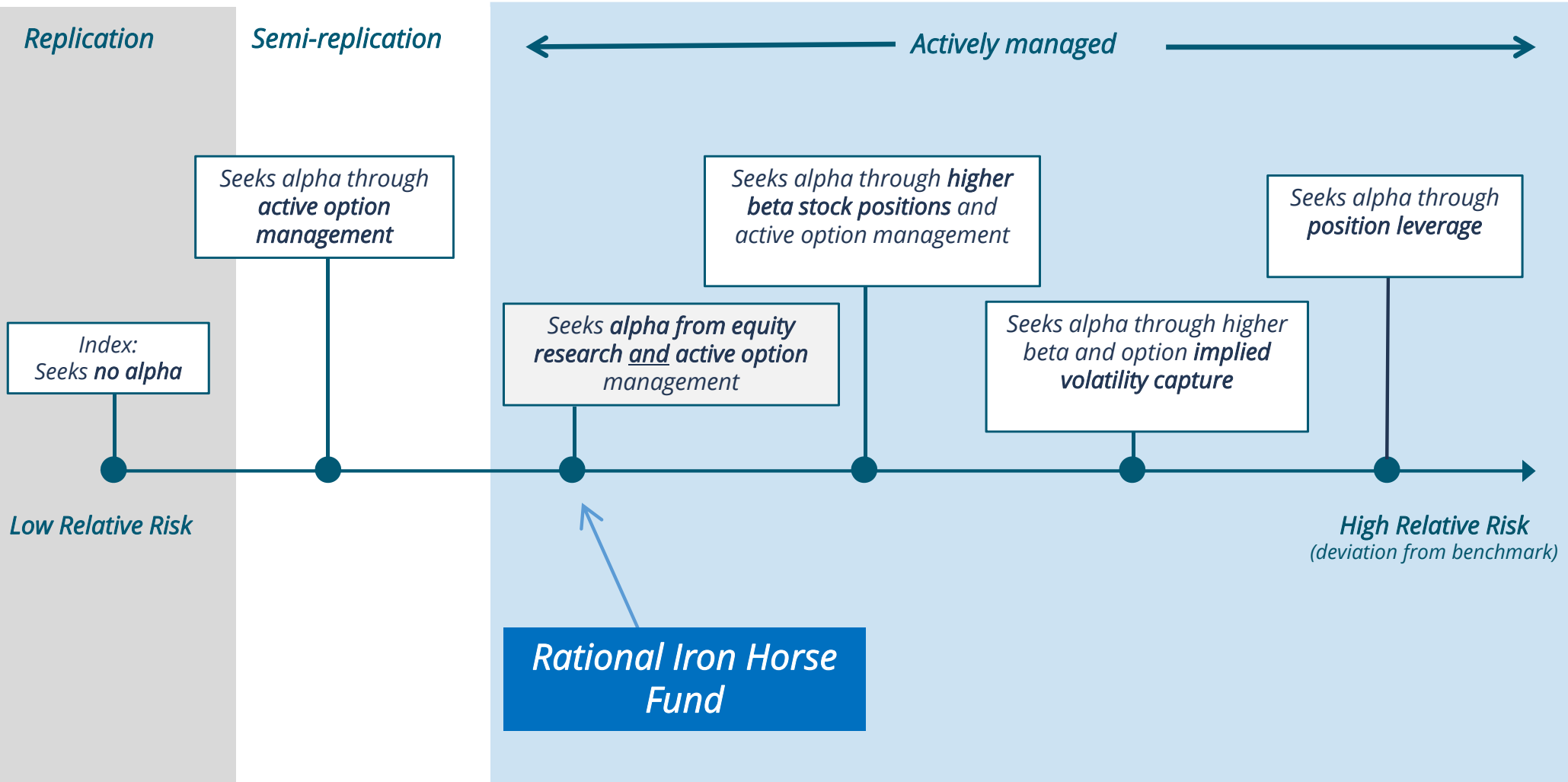
Ibbotson Associates | 725 North Michigan Avenue • Suite 700 • Chicago, Illinois 60610 | 312.616.1800

Ibbotson Associates
 Published September 2004

Of course, there is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. Past performance is no assurance of future results.

Rational Iron Horse Fund

Not All Covered Calls are Created Equal



Note: There is no assurance that the Strategy will achieve its investment objectives. The use of covered call strategies does not ensure profits or guarantee against losses.

Rational Iron Horse Fund

Investment Process

Intellectual Capital Basis

The Rational Iron Horse Fund process is built upon two primary sources of intellectual capital:

Fundamental Analysis (HOLT™)*

HOLT's objective, fundamental valuation framework attempts to distill away accounting distortions and identify companies that the managers believe will create wealth over time

Risk Analysis (proprietary risk models)

The Fund uses fundamental and technical models to establish key support levels and "stress test" the watch list. The Funds unique portfolio construction process ensures that the largest holdings are those with the best risk/reward ratios

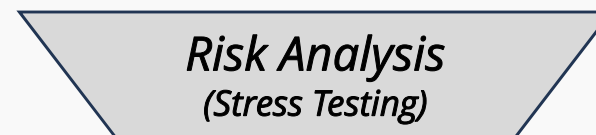
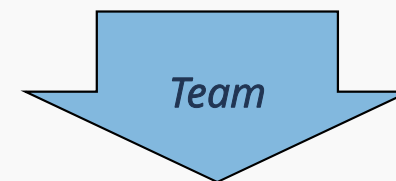
*HOLT is a trademark of Credit Suisse Securities



U.S. Equity Universe

Fundamental Screens

Catalyst Driven

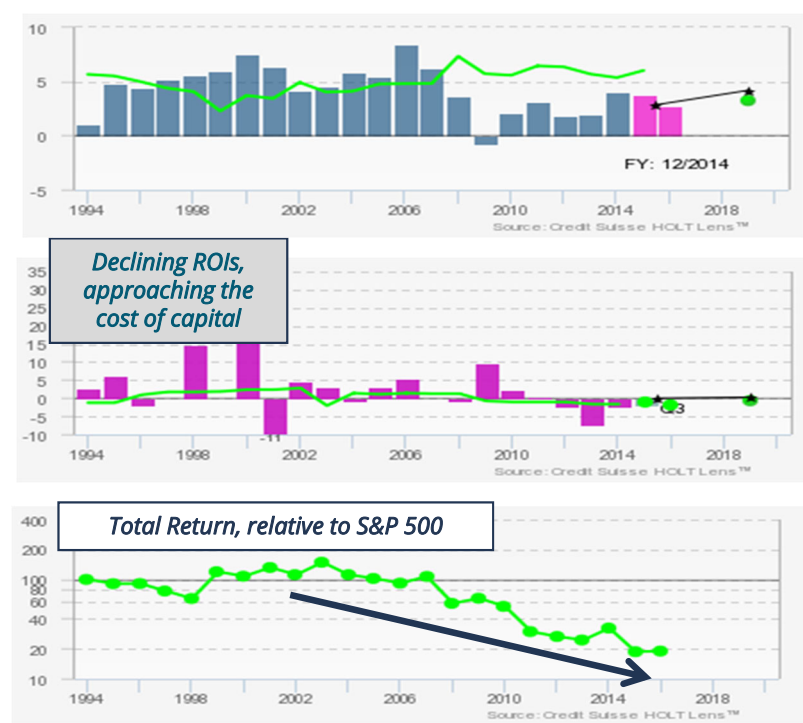
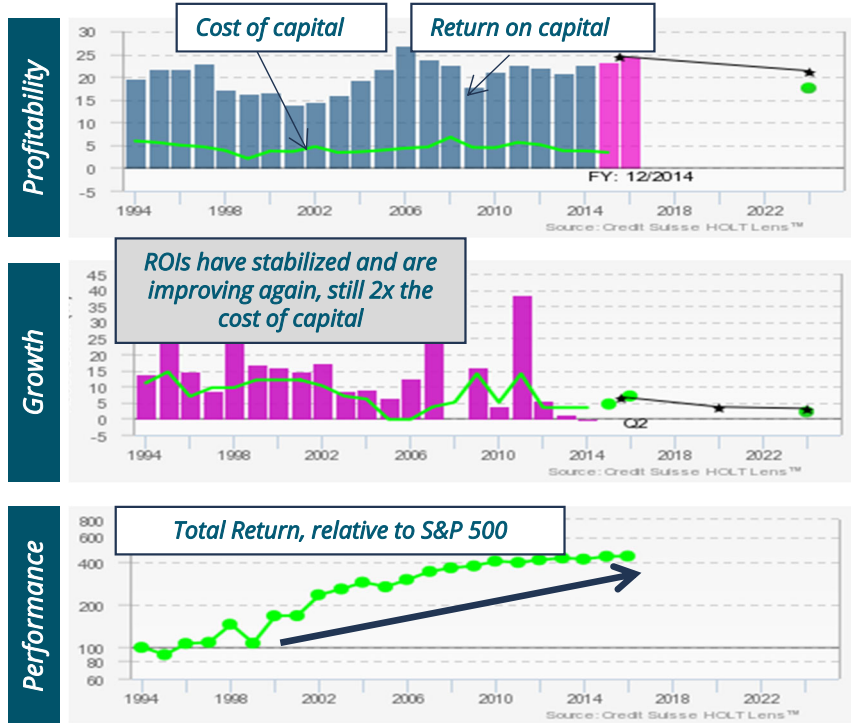


Rational Iron Horse Fund

Quality & Consistency: Why We Prefer Profile A

Stock Profile A

Stock Profile B



Source: HOLT database. HOLT is a trademark of Credit Suisse Securities

Attractive Profile

Unattractive Profile

Key Points:

- Strong, stable returns reflect strong business models
- Good companies manage well through downturns and business cycles
- Consistent returns above cost of capital combined with asset growth create shareholder value

For illustrative purposes only and may not be representative of the Strategy's current or future investments. This is not a recommendation to buy or sell securities. Note: There is no assurance that the Strategy will achieve its investment objectives. The use of covered call strategies does not ensure profits or guarantee against losses.

Rational Iron Horse Fund

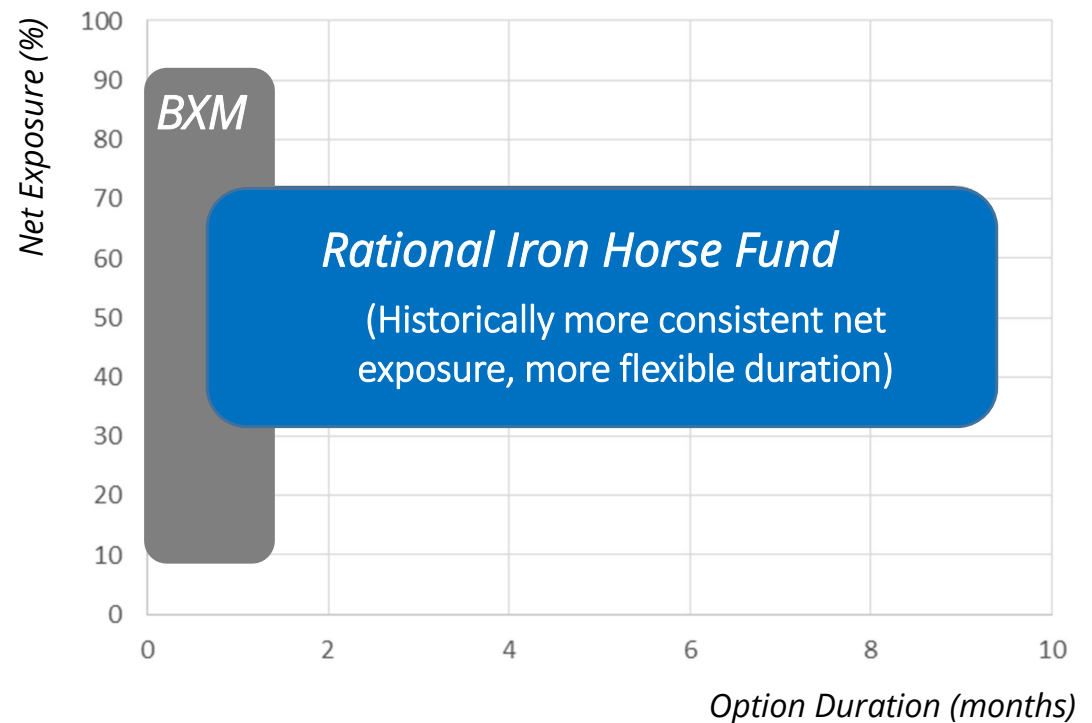
Portfolio Construction

The Fund has the flexibility to go longer term options than CBOE BuyWrite Index (BXM) while maintaining a more stable risk exposure relative to the BXM.

PORTFOLIO CONSTRUCTION - EQUITY

- *Seeks to invest in 60-80 high quality, high ROI companies with below average debt, above average dividends, and above average fundamental upside.*
- *Holdings limited to positions with sufficient liquidity.*
- *Position size determined by upside/downside ratio (not purely upside potential).*
- *Maximum position size is 5%.*
- *No significant sector bets (sector exposure within a 5% +/- range of S&P 500 sector weights).*
- *Margin and leverage not permitted.*
- *Allocations considered to remain fully invested unless directed otherwise.*

PORTFOLIO CONSTRUCTION - OPTIONS



There are risks associated with the sale and purchase of call and put options. There is a risk that changes in volatility assumptions are not consistent or correlated for options of various terms to expiration.

Rational Iron Horse Fund

Portfolio Highlights

The Fund does not necessarily own the stocks with the highest dividend yields. The Fund prefers stocks with strong dividend growth and low payout ratios (capacity for future growth).

Sector Allocation: as of September 30, 2019

Health Care	21.4%
Information Technology	15.0%
Financials	14.1%
Consumer Staples	9.2%
Utilities	8.9%
Communication Services	8.2%
Consumer Discretionary	8.1%
Industrials	7.9%
Energy	6.7%
Materials	6.2%
Cash	1.4%

Top Ten Holdings: as of September 30, 2019

Johnson & Johnson	5.9%
Apple Inc	5.1%
CVS Health Corp	5.1%
Dominion Energy Inc	4.7%
PPL Corp	4.2%
International Business Machines Corp	4.1%
LyondellBasell Industries NV	4.1%
JPMorgan Chase & Co	3.9%
US Bancorp	3.6%
Exxon Mobil Corp	3.2%

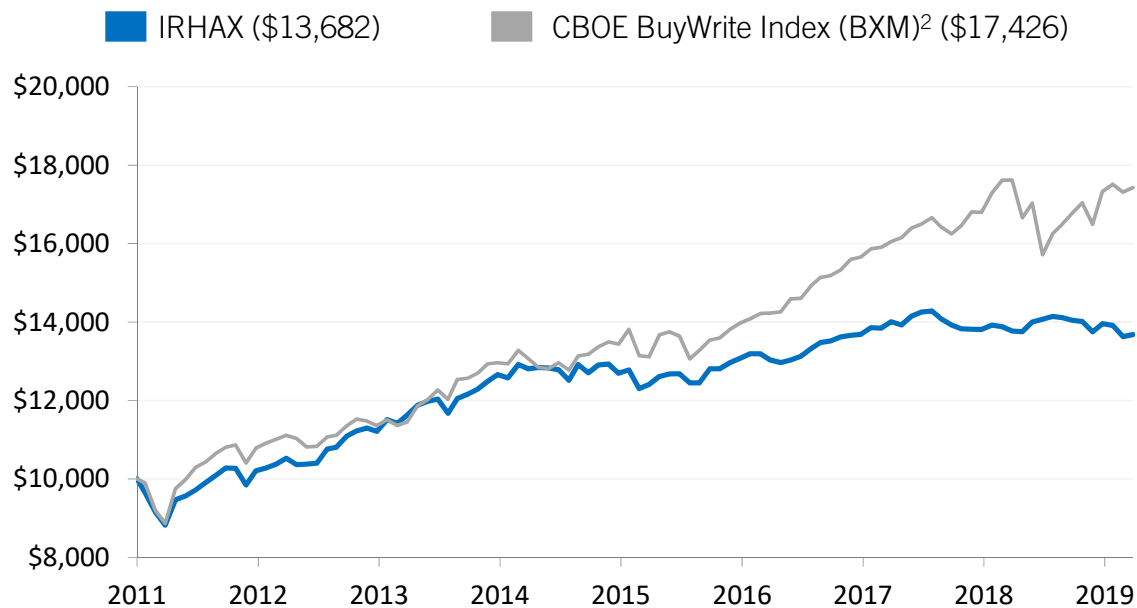
Portfolio Statistics: as of September 30, 2019

Number of Holdings	48
Median Market Cap (\$mil)	73,805
Dividend Yield	3.21%

Rational Iron Horse Fund

The Rational Iron Horse Fund (IRHIX) seeks total return. The Fund is driven by a return-on-capital framework that provides for quality comparisons of companies across industries, sectors and geography and primarily invests in dividend-paying common stocks.

Growth of \$10,000: Ending September 30, 2019



Risk Analysis Since Inception*

Since inception* risk measures apply to Class A Shares only. Inception date of Class A Share: 7/7/2011. Holdings are subject to change and should not be considered investment advice.

Standard Deviation – Fund (Annualized)	6.14%
Standard Deviation – S&P 500 (Annualized)	12.04%
Sharpe Ratio	0.63
Beta vs. S&P 500	0.39
R-Squared vs. S&P 500	0.60

Inception date of A Share: 7/7/2011, Inception date of I Share 11/16/2017.

Important Definitions: **Standard Deviation:** A measure of daily volatility of returns. Typically, the higher the volatility, the riskier the security. **Beta:** A measure of the volatility of a fund relative to the overall market. **Sharpe Ratio:** A risk-adjusted measure used to determine reward per unit of risk. **R-Squared:** The percentage of a fund's movement that can be explained by movements in its benchmark index.

Past Performance does not guarantee future results.

Rational Iron Horse Fund

Fund Performance: Ending September 30, 2019

	YTD	1yr	3yrs	5yrs	Since Inception*
Institutional Class	-2.56	-0.31	1.88	1.60	5.14
CBOE BuyWrite Index (BXM) ²	10.88	-1.11	6.99	5.92	6.98
Class A	-2.77	-0.65	1.63	1.33	3.88
Class A w/ Load	-8.32	-6.34	-0.36	0.14	3.14

*Inception date A Share: 7/7/2011. Returns greater than 1 year are annualized. Inception date I Share: 11/16/2011. Returns greater than 1 year are annualized. Class C Share launch date 1/11/2017.

Past performance is not a guarantee of future results.

The maximum sales charge for Class "A" Shares is 5.75%. Class "C" Shares held for less than one year are subject to a 1% CDSC. Performance is historic and does not guarantee future results. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the funds prospectus please call 800-253-0412 or visit www.RationalMF.com.

Rational Iron Horse Fund

Summary & How To Invest

We are experienced portfolio managers, with long-term track records in tactical asset allocation, US equities, global equities, covered calls, and US corporate and municipal bonds. Our five member investment committee collaborates on a weekly basis to construct and monitor custom portfolios for our clients.

*The **Rational Iron Horse Fund** seeks a risk-managed total return on investment, with dividend and option income as an important component of that return.*

How to Invest

Share Class	Ticker	Minimum Investment	CUSIP	Net Expense*	Gross Expense*
<i>Institutional</i>	<i>IRHIX</i>	<i>\$1,000</i>	<i>628255689</i>	<i>1.74%</i>	<i>2.38%</i>
<i>Class A</i>	<i>IRHAX</i>	<i>\$1,000</i>	<i>628255713</i>	<i>1.98%</i>	<i>2.62%</i>
<i>Class C</i>	<i>IRHCX</i>	<i>\$1,000</i>	<i>628255697</i>	<i>2.73%</i>	<i>3.30%</i>

*The Fund's investment advisor, Rational Advisors, Inc. (the "Advisor") has contractually agreed to waive all or a portion of its management fee and/or reimburse certain operating expenses of the Fund to the extent necessary in order to limit the Fund's total annual fund operating expenses (after the fee waivers and/or expense reimbursements, and exclusive of acquired fund fees and expenses, brokerage costs, interest, taxes and dividends, and extraordinary expenses such as litigation or reorganizational costs) to not more than 1.70%, 1.95% and 2.70% of the Institutional Shares, Class A Shares and Class C Shares daily net assets, respectively, through April 30, 2020.

rationalfunds



Appendix

IRHAX | IRHCX | IRHIX

Rational Iron Horse Fund

Van Hulzen Asset Management

EXPERIENCED	<i>Thirteen years of direct covered call experience, including managing through two bull markets and two bear markets</i>
INDEPENDENT	<i>SEC-registered investment advisor based in El Dorado Hills, California; Majority employee owned firm; \$800M in AUM as of 09/30/2018</i>
RESULTS ORIENTED	<i>15+ year covered call SMA track record; Strong growth in institutional assets</i>
RISK MANAGED	<i>Fundamentally based portfolio construction integrating covered calls and high dividend paying equities to provide downside risk management</i>
DIVERSIFIED	<i>Covered call management offered through separate accounts and a 1940 Act fund, the Rational Iron Horse Fund (ticker IRHAX/IRHCX/IRHIX)</i>

Rational Iron Horse Fund

Investment Team

The team combines institutional and covered call experience, with a strong focus on fundamentals.

Options &
Risk Management



Craig Van Hulzen, Founder & President

Mr. Van Hulzen started the business in 1998. He serves on the Board of Directors and oversees the equity and covered call investment process. Mr. Van Hulzen is a former risk management consultant and expert witness for numerous state pensions plans.

Mr. Van Hulzen holds a B.A. in Business Finance from Point Loma Nazarene University.

Fundamental
Equity
Analysis



John R. Pearce, Managing Director

Mr. Pearce joined the Firm in February 2008. He co-manages the Firm's equity and covered call strategies and serves on the Board. Prior to joining Van Hulzen, Mr. Pearce was a Director in the Investment Banking division of Credit Suisse Securities. Prior to Credit Suisse, he was an equity analyst at HOLT.

Mr. Pearce holds a B.A. in Economics from the University of Virginia and a M.S. in Accounting from the College of Charleston.

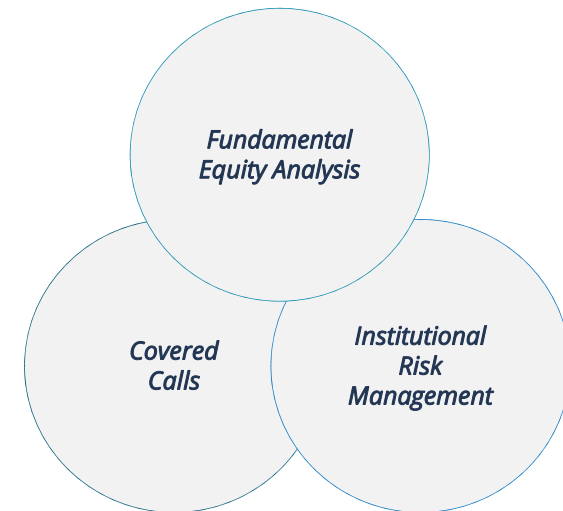
Fundamental
Analysis /
Construction



Stefan ten Brink, Managing Director

Mr. ten Brink joined the Firm in January 2011 from Petercam Asset Management in Amsterdam. He has 21 years of investment advisory experience, having co-managed the Ahold Pension Fund prior to joining Petercam. He has 15+ years experience with the HOLT framework.

Mr. ten Brink holds a degree in Logistics & Economics from Arnhem Business School and an MBA from Nijmegen University. Stefan is a Certified European Financial Analyst (CEFA).



Rational Iron Horse Fund

Benchmarking

S&P 500

Description

- 500 stocks, market-value weighted
- Chosen for market size, liquidity, financial viability and industry group representation

Benchmark relevance

- The most widely used proxy for US large cap stocks

Criteria for addition to index

- US companies
- Market cap > \$4 billion
- Public float > 50%
- 4 consecutive quarters of positive earnings
- Adequate liquidity
- Sector representation

CBOE S&P 500 BuyWrite Index (BXI)

Description

- Passive buy-write index
- Owns the S&P 500 index
- Sells near-term index options

Benchmark relevance

- More comparable risk, providing for a more apples-to-apples comparison

Specific criteria

- Own S&P 500 stocks
- Options one month out
- Strike price slightly OTM
- Cash settlement at expiration
- Performance data back to 1986
- Does not incorporate trading costs

Past performance is not a guarantee of future results.

The maximum sales charge for Class "A" Shares is 4.75%. Class "C" Shares held for less than one year are subject to a 1% CDSC. Performance is historic and does not guarantee future results. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the funds prospectus please call 800-253-0412 or visit www.RationalMF.com.

The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges.

Rational Iron Horse Fund

Investment Strategy: Different By Design

The Rational Iron Horse Fund employs a fundamental process for selecting stocks driven by a return-on-capital framework that provides for quality comparisons of companies across industries, sectors and geography.

RISK MANAGEMENT

Risk management is a key element of the Funds strategy. The portfolio construction process includes the following risk management procedures:

Portfolio Construction & Size Limits

- *Holdings are “equal weighted” based on downside risk...not investment dollars. The stronger the upside/ downside ratio, the larger the holding.*
- *Individual positions cannot exceed 5% of the portfolio. The average holding is closer to 2.5-3.0%.*
- *No sector bets. Sector allocation within +/- 5% of S&P 500 sector weights.*

Sell Discipline

- *Upon entering a position, pre-determine price targets for trim/sell orders. Target prices are established based on a combination of fundamental/technical investment process.*
- *Apply strict stop-loss rules to all positions. Using technical analytics to determine “break” points to sell positions that unexpectedly begin a meaningful downward trend.*

Common Covered Call Approach

- + Generally option trading strategies are designed to derive alpha from implied volatility, or skewness, delta hedging* or other derivative-specific goals.
- + Generally a higher beta portfolio with a high turnover rate and lower quality holdings. Option income drives portfolio decisions, which in turn can lead to poor credit quality.
- + Fund writes stock index and single stock options to generate income and to reduce exposure to stop market price declines. It is not an option trading strategy.

Iron Horse Covered Call Approach


- + The first priority is building a portfolio of high quality companies with sustainable business models and above average dividends.
- + The portfolio is built through fundamental equity research. The options applied are tailor-designed for each individual underlying equity position and are dynamically managed.
- + The options add incremental income and downside protection, through strike price and option duration selection.
- + The objective is consistent returns, not home runs, with roughly equal parts income & growth.

*Note: There is no assurance that the Strategy will achieve its investment objectives. Writing call options can result in an option exercise and may cause shares to be “called away” and sold. The use of covered call strategies does not ensure profits or guarantee against losses. *Delta Hedge: aims to reduce (hedge) the risk associated with price movements in the underlying asset.*

rationalfunds

Rational Advisors, Inc.
36 N New York Avenue
Huntington, NY 11743

 [*info@rationalmf.com*](mailto:info@rationalmf.com)

 *(800) 253 - 0412*

[*www.RationalMF.com*](http://www.RationalMF.com)