



# SEEKING CONSISTENT OUTCOMES

The Defined Risk Strategy  
Successive 10-Year Periods

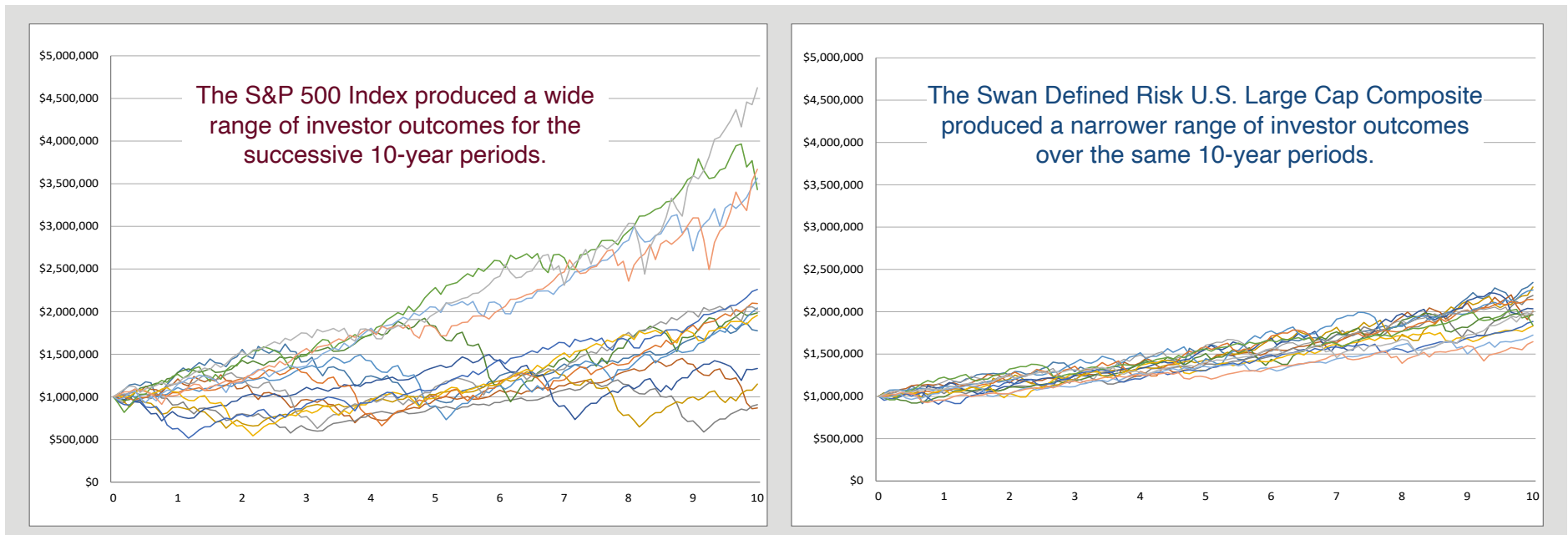
*Swan Defined Risk U.S. > Large Cap Composite vs. S&P 500 Index*



# SEEKING CONSISTENT OUTCOMES

Most investment programs assume as consistent returns. As you can see below, over time the S&P 500 Index has proven to be far from consistent. Our time-tested hedged equity approach, the Defined Risk Strategy, seeks to provide equity market participation while mitigating volatility and market risk.

The graphs below show fifteen, 10-year investment periods. The first period is 1/1998 to 12/2007; the last period is 1/2012 to 12/2021.



Investment Results after 10-years	S&P 500 TR Index	Swan DRS
January 1998 - December 2007	\$1,775,654	\$2,345,878
January 1999 - December 2008	\$870,063	\$2,006,744
January 2000 - December 2009	\$909,017	\$2,192,207
January 2001 - December 2010	\$1,150,724	\$2,292,264
January 2002 - December 2011	\$1,333,506	\$2,035,077
January 2003 - December 2012	\$1,985,779	\$1,963,827
January 2004 - December 2013	\$2,042,931	\$2,257,491

Investment Results after 10-years	S&P 500 TR Index	Swan DRS
January 2005 - December 2014	\$2,094,637	\$2,145,784
January 2006 - December 2015	\$2,024,199	\$1,968,725
January 2007 - December 2016	\$1,957,171	\$1,831,400
January 2008 - December 2017	\$2,260,276	\$1,884,134
January 2009 - December 2018	\$3,430,334	\$1,839,512
January 2010 - December 2019	\$3,566,569	\$1,723,922
January 2011 - December 2020	\$3,669,939	\$1,646,087
January 2011 - December 2020	\$4,625,740	\$1,994,979

Source: Zephyr StyleADVISOR and Swan Global Investments. The S&P 500 Index is an unmanaged index, and cannot be invested into directly. Swan Defined Risk Strategy returns are from the Swan Defined Risk U.S. Large Cap Composite, net of all fees. NOTE – this chart is for illustration purposes, not a guarantee of future performance. The charts and graphs contained herein should not serve as the sole determining factor for making investment decisions.

## CONSISTENCY OF RETURNS

The markets can be unpredictable. Fewer surprises may more consistently lead to desirable investment outcomes.

This table shows the rolling returns across successive 10-year periods for the Swan Defined Risk Strategy (Swan DRS). Each period includes at least one bull market and one bear market, except for two (January 2009 through December 2018 and January 2010 through December 2019).

These figures assume no portfolio withdrawals.

### Sustainability if Impact

Return consistency through market cycles, by reducing the impacts of equity market drawdowns, is critical to funding the mission, sustaining desired impact, and meeting long-term obligations.

The DRS is a hedged equity approach designed with the goal of mitigating risk through full market cycles, while maintaining equity exposure.

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Investment Period	Annualized Return		Value of \$100,000 Investment	
	Swan DRS	S&P 500	Swan DRS	S&P 500
Jan 98 - Dec 07	8.90%	5.91%	\$ 2,345,878	\$ 1,775,654
Jan 99 - Dec 08	7.21%	-1.38%	\$ 2,006,744	\$ 870,064
Jan 00 - Dec 09	8.17%	-0.95%	\$ 2,192,207	\$ 909,017
Jan 01 - Dec 10	8.65%	1.41%	\$ 2,292,264	\$ 1,150,724
Jan 02 - Dec 11	7.36%	2.92%	\$ 2,035,077	\$ 1,333,506
Jan 03 - Dec 12	6.98%	7.10%	\$ 1,963,827	\$ 1,985,779
Jan 04 - Dec 13	8.48%	7.41%	\$ 2,257,491	\$ 2,042,931
Jan 05 - Dec 14	7.93%	7.67%	\$ 2,145,784	\$ 2,094,637
Jan 06 - Dec 15	7.01%	7.31%	\$ 1,968,725	\$ 2,024,199
Jan 07 - Dec 16	6.24%	6.95%	\$ 1,831,400	\$ 1,957,171
Jan 08 - Dec 17	6.54%	8.50%	\$ 1,884,134	\$ 2,260,276
Jan 09 - Dec 18	6.28%	13.12%	\$ 1,839,512	\$ 3,430,334
Jan 10 - Dec 19	5.60%	13.56%	\$ 1,723,922	\$ 3,566,569
Jan 11 - Dec 20	5.11%	13.88%	\$ 1,646,087	\$ 3,669,939
Jan 12 - Dec 21	7.15%	16.55%	\$1,994,979	\$4,625,740

Source: Zephyr StyleADVISOR and Swan Global Investments. The S&P 500 Index is an unmanaged index, and cannot be invested into directly. Swan DRS returns are from the Defined Risk US Large Cap Composite, net of all fees. NOTE – this chart is for illustration purposes, not a guarantee of future performance. The charts and graphs contained herein should not serve as the sole determining factor for making investment decisions.



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Year	Swan DRS US Large Cap Composite					S&P 500 ("The Benchmark")		60% S&P 500/40% Barclays Aggregate	
	Net-of-Fee Return	Composite Dispersion	Composite Assets (No. of Accounts / AUM in Millions)	Firm Assets in Millions	3-Yr Annualized Standard Deviation	Return	3-Yr Annualized Standard Deviation	Return	3-Yr Annualized Standard Deviation
1997*	19.17%	-	1 / .22	\$0.22	-	10.58%	-	9.01%	-
1998	11.55%	-	1 / .32	\$0.32	-	28.58%	-	20.98%	-
1999	12.26%	-	2 / .72	\$0.72	-	21.04%	-	12.00%	-
2000	3.17%	-	3 / .92	\$0.92	-	-9.10%	-	-0.99%	-
2001	7.46%	-	3 / 1.66	\$1.66	7.23%	-11.89%	16.71%	-3.71%	9.99%
2002	12.22%	-	3 / 1.97	\$1.97	10.20%	-22.10%	18.55%	-9.82%	10.77%
2003	-0.65%	5.68%	6 / 3.74	\$3.74	10.11%	28.68%	18.07%	18.48%	10.26%
2004	11.76%	5.80%	8 / 4.66	\$4.66	9.89%	10.88%	14.86%	8.30%	8.49%
2005	6.69%	2.66%	8 / 4.98	\$4.98	6.12%	4.91%	9.04%	4.00%	5.61%
2006	17.26%	3.71%	12 / 7.69	\$7.69	4.52%	15.79%	6.82%	11.12%	4.33%
2007	8.39%	3.79%	14 / 9.40	\$9.40	5.92%	5.49%	7.68%	6.22%	4.56%
2008	-4.57%	5.00%	17 / 15.65	\$15.65	9.34%	-37.00%	15.08%	-22.06%	9.48%
2009	22.63%	4.18%	73 / 55.78	\$55.78	10.70%	26.46%	19.63%	18.40%	12.40%
2010	7.88%	2.21%	105 / 97.90	\$97.90	10.57%	15.06%	21.85%	12.13%	13.56%
2011	-4.59%	3.16%	146 / 59.44	\$59.44	9.21%	2.11%	18.71%	4.69%	11.28%
2012	8.29%	1.44%	436 / 129.08	\$386.76	7.45%	16.00%	15.09%	11.31%	8.64%
2013	14.21%	1.56%	423 / 309.7	\$1,052.99	6.62%	32.39%	11.94%	17.56%	7.00%
2014	6.23%	0.65%	599 / 434.3	\$1,810.04	4.75%	13.69%	8.97%	10.62%	5.48%
2015	-2.11%	1.36%	766 / 473.21	\$2,446.11	5.79%	1.38%	10.47%	1.28%	6.37%
2016	9.08%	0.90%	1,207 / 675.64	\$3,620.08	5.38%	11.96%	10.59%	8.31%	6.33%
2017	11.51%	0.78%	1,630 / 982.45	\$4,975.33	4.99%	21.83%	9.92%	14.21%	5.85%
2018	-6.83%	1.13%	1,292 / 756.36	\$4,063.88	6.23%	-4.38%	10.80%	-2.35%	6.38%
2019	14.93%	1.15%	1,144 / 638.36	\$3,065.24	7.01%	31.49%	11.93%	22.18%	10.09%
2020	3.01%	1.75%	893 / 501.09	\$2,236.85	9.18%	18.40%	18.53%	7.42%	9.29%

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The Swan Defined Risk US Large Cap Composite demonstrates the performance of non-qualified assets managed by Swan Global Investments, LLC since inception. It includes discretionary individual accounts whose account holders seek the upside potential of owning stock, and the desire to eliminate most of the risk associated with owning stock. The Composite relies on LEAPS and other options to manage this risk. Individual accounts own S&P 500 exchange traded funds and LEAPS associated with the exchange traded funds as well as multiple other option spreads that represent other indices that are widely traded. The Defined Risk Strategy was designed to protect investors from substantial market declines, provide income in flat or choppy markets, and to benefit from market appreciation. Stock and options are the primary components of the strategy.

The benchmarks used for the Swan Defined Risk US Large Cap Composite are the S&P 500 Index, which consists of approximately 500 large cap stocks, and a 60/40 blended composite, weighted 60% in the aforementioned S&P 500 Index and 40% in the Barclays US Aggregate Bond Index. The 60/40 is rebalanced monthly. The Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). The S&P 500 Index is often used as a proxy for the overall U.S. equity market. Indexes and other benchmarks used herein are generally unmanaged and have no fees or expenses. An investment cannot be made directly in an index or some of these benchmarks. Swan’s investments may consist of securities which vary significantly from those in the benchmark indexes listed above and performance calculation methods may not be entirely comparable. Accordingly, comparing results shown to those of such indexes and benchmarks may be of limited use. Additional information regarding Swan’s composite policies and procedures for calculating and reporting performance returns is available upon request.

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