



# SEEKING CONSISTENT OUTCOMES

The Defined Risk Strategy

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

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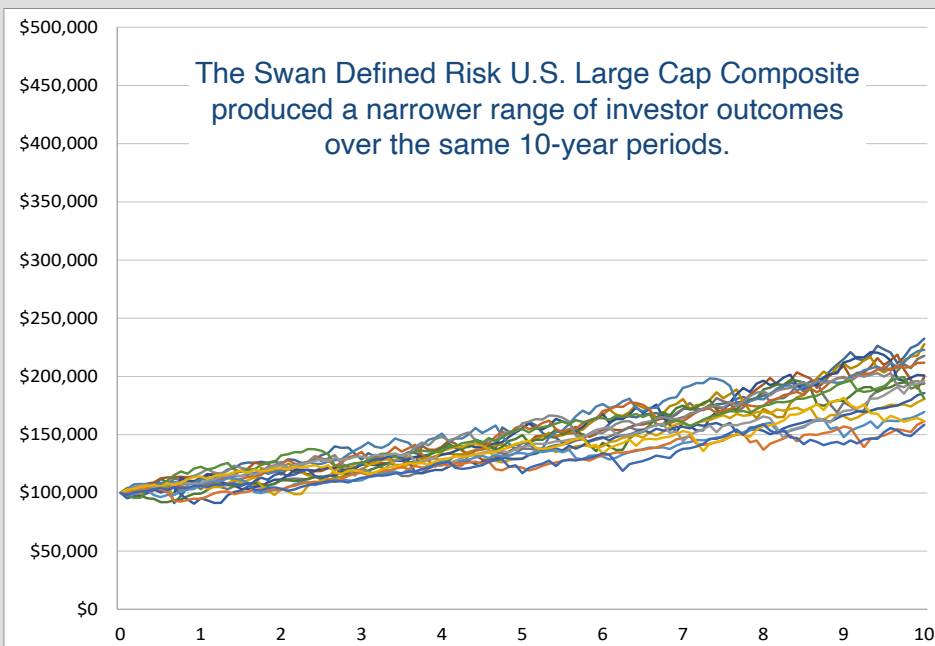
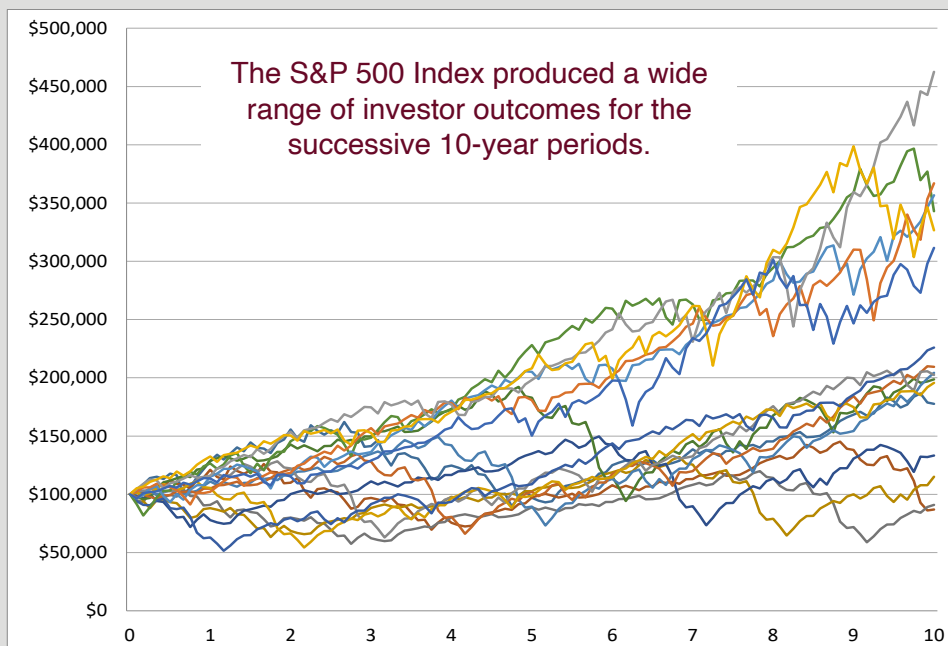


Most investment plans assume a consistent return over time.

As you can see below, over successive 10-year rolling periods, the S&P 500 Index has proven to be far from consistent.

Our time-tested hedged equity approach, the Defined Risk Strategy, seeks equity market participation while mitigating volatility and market risk in order to create a smoother investment experience and help reduce outcome uncertainty.

The graphs below show seventeen, 10-year investment periods. The first period is 1/1998 to 12/2007; the last period is 1/2014 to 12/2023.



## Investment Results after 10-years:

	S&P 500 Index	Swan DRS
— January 1998 - December 2007	\$177,565	\$232,579
— January 1999 - December 2008	\$87,006	\$199,553
— January 2000 - December 2009	\$90,902	\$217,820
— January 2001 - December 2010	\$115,072	\$227,762
— January 2002 - December 2011	\$133,351	\$200,914
— January 2003 - December 2012	\$198,578	\$193,880
— January 2004 - December 2013	\$204,293	\$222,946
— January 2005 - December 2014	\$209,464	\$211,849

## Investment Results after 10-years:

	S&P 500 Index	Swan DRS
— January 2006 - December 2015	\$202,420	\$194,269
— January 2007 - December 2016	\$195,717	\$180,614
— January 2008 - December 2017	\$226,028	\$185,751
— January 2009 - December 2018	\$343,033	\$181,015
— January 2010 - December 2019	\$356,657	\$169,509
— January 2011 - December 2020	\$366,994	\$161,553
— January 2012 - December 2021	\$462,574	\$196,626
— January 2013 - December 2022	\$326,540	\$161,637
— January 2014 - December 2023	\$311,493	\$158,535

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.

# PURSuing PEACE OF MIND

The stock market can be unpredictable. Fewer surprises may more consistently result in desirable investment outcomes.

## Retirees' Biggest Fear: Running Out of Money

Most people plan to be retired for at least 10 years and need their money to last.

This table shows how the Swan Defined Risk Strategy (DRS) provided a narrower range of returns across successive 10-year periods as compared to the S&P 500 ("the market"). 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.

## Helping Make Money Last in Retirement

Achieving desired investment outcomes requires a long-term plan that enables you to remain invested and to seek consistent returns over time.

The DRS is designed with the goal of producing consistency of long-term returns and achieving desirable outcomes.

Consider making the DRS a core component in your client's financial plan.

Investment Period	Annualized Return		Value of \$100,000 Investment	
	Swan DRS	S&P 500	Swan DRS	S&P 500
Jan 98 - Dec 07	8.81%	5.91%	\$ 232,579	\$ 177,565
Jan 99 - Dec 08	7.15%	-1.38%	\$ 199,553	\$ 87,006
Jan 00 - Dec 09	8.10%	-0.95%	\$ 217,820	\$ 90,902
Jan 01 - Dec 10	8.58%	1.41%	\$ 227,762	\$ 115,072
Jan 02 - Dec 11	7.23%	2.92%	\$ 200,914	\$ 133,351
Jan 03 - Dec 12	6.84%	7.10%	\$ 193,880	\$ 198,578
Jan 04 - Dec 13	8.35%	7.41%	\$ 222,946	\$ 204,293
Jan 05 - Dec 14	7.80%	7.67%	\$ 211,849	\$ 209,464
Jan 06 - Dec 15	6.87%	7.31%	\$ 194,269	\$ 202,420
Jan 07 - Dec 16	6.09%	6.95%	\$ 180,614	\$ 195,717
Jan 08 - Dec 17	6.39%	8.50%	\$ 185,751	\$ 226,028
Jan 09 - Dec 18	6.11%	13.12%	\$ 181,015	\$ 343,033
Jan 10 - Dec 19	5.42%	13.56%	\$ 169,509	\$ 356,657
Jan 11 - Dec 20	4.91%	13.88%	\$ 161,553	\$ 366,994
Jan 12 - Dec 21	7.00%	16.55%	\$ 196,626	\$ 462,574
Jan 13 - Dec 22	4.92%	12.56%	\$ 161,637	\$ 326,540
Jan 14 - Dec 23	4.72%	12.03%	\$158,535	\$311,493

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.

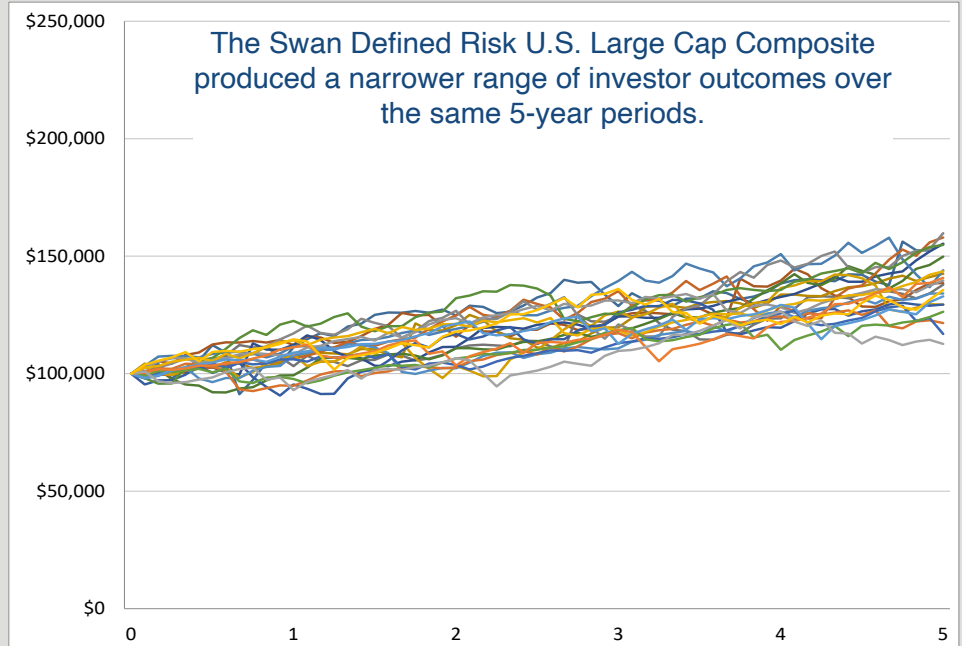
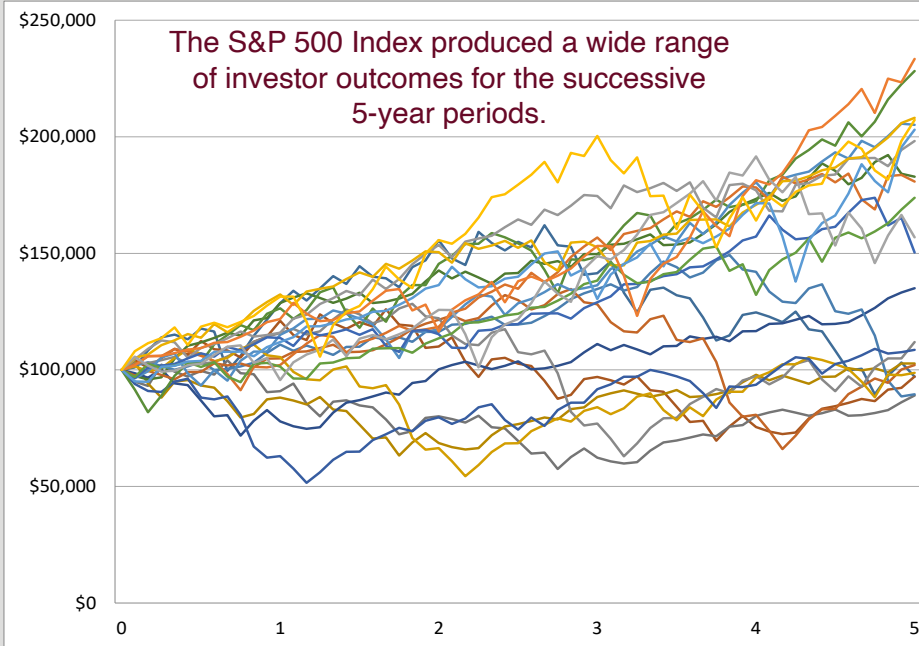


Let's consider shorter-term investment periods.

Over 5-year rolling periods the outcomes for investments in the S&P 500 are also far from consistent, with many resulting in a loss of principal.

Our hedged equity approach provided investors a narrower range of outcomes, all of which are positive, and a smoother investment experience overall.

The graphs below show twenty two, 5-year investment periods. The first period is 1/1998 to 12/2002; the last period is 1/2019 to 12/2023.



Investment Results after 5-years:

	S&P 500 Index	Swan DRS
January 1998 - December 2002	\$97,103	\$155,261
January 1999 - December 2003	\$97,184	\$138,586
January 2000 - December 2004	\$89,205	\$137,923
January 2001 - December 2005	\$102,754	\$142,525
January 2002 - December 2006	\$135,031	\$155,343
January 2003 - December 2007	\$182,863	\$149,798
January 2004 - December 2008	\$89,527	\$143,992
January 2005 - December 2009	\$102,108	\$157,929
January 2006 - December 2010	\$111,988	\$159,805
January 2007 - December 2011	\$98,755	\$129,336
January 2008 - December 2012	\$108,594	\$129,428

Investment Results after 5-years:

	S&P 500 Index	Swan DRS
January 2009 - December 2013	\$228,191	\$154,832
January 2010 - December 2014	\$205,139	\$134,142
January 2011 - December 2015	\$180,751	\$121,556
January 2012 - December 2016	\$198,184	\$139,647
January 2013 - December 2017	\$208,141	\$143,518
January 2014 - December 2018	\$150,327	\$116,911
January 2015 - December 2019	\$173,861	\$126,366
January 2016 - December 2020	\$203,039	\$132,893
January 2017 - December 2021	\$233,406	\$140,802
January 2018 - December 2022	\$156,884	\$112,625
January 2019 - December 2023	\$207,210	\$135,603

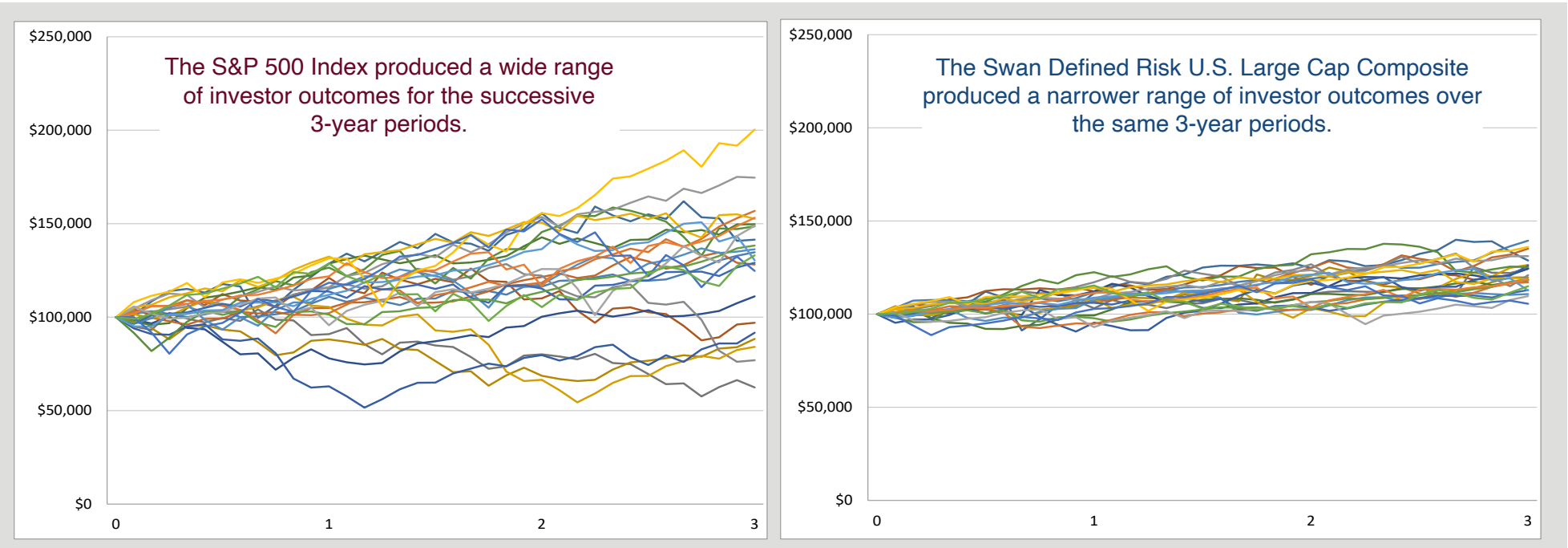
Source: Zephyr StyleADVISOR and Swan Global Investments. The S&P 500 Index is an unmanaged index, and cannot be invested into directly. Swan Defined Risk Strategy returns are from the Swan Defined Risk U.S. Large Cap Composite, net of all fees. NOTE – this chart is for illustration purposes, not a guarantee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



Looking at an even shorter time frame, the outcomes for 3-year investment periods in the S&P 500 Index again prove to be far from consistent, with many periods resulting in loss of capital.

Our Defined Risk Strategy again provided investors a smoother investment experience and tighter range of outcomes.

The graphs below show twenty four, 3-year investment periods. The first period is 1/1998 to 12/2000; the last period is 1/2021 to 12/2023.



Investment Results after 3-years:	S&P 500 Index	Swan DRS	Investment Results after 3-years:	S&P 500 Index	Swan DRS
January 1998 - December 2000	\$141,464	\$128,746	January 2009 - December 2011	\$148,586	\$125,250
January 1999 - December 2001	\$96,947	\$124,401	January 2010 - December 2012	\$136,296	\$110,746
January 2000 - December 2002	\$62,391	\$124,421	January 2011 - December 2013	\$156,817	\$117,187
January 2001 - December 2003	\$88,331	\$119,718	January 2012 - December 2014	\$174,597	\$131,166
January 2002 - December 2004	\$111,153	\$124,396	January 2013 - December 2015	\$152,593	\$118,422
January 2003 - December 2005	\$149,697	\$118,185	January 2014 - December 2016	\$129,047	\$112,966
January 2004 - December 2006	\$134,702	\$139,443	January 2015 - December 2017	\$138,290	\$118,487
January 2005 - December 2007	\$128,156	\$135,134	January 2016 - December 2018	\$130,422	\$112,700
January 2006 - December 2008	\$76,961	\$120,951	January 2017 - December 2019	\$153,169	\$118,691
January 2007 - December 2009	\$84,052	\$126,467	January 2018 - December 2020	\$148,852	\$109,655
January 2008 - December 2010	\$91,677	\$126,080	January 2019 - December 2021	\$200,366	\$136,051
			January 2020 - December 2022	\$124,787	\$105,603
			January 2021 - December 2023	\$133,102	\$114,998

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.



**DISCLOSURES:** Swan Global Investments, LLC is a SEC registered Investment Advisor that specializes in managing money using the proprietary Defined Risk Strategy ("DRS"). SEC registration does not denote any special training or qualification conferred by the SEC. Swan offers and manages the DRS for investors including individuals, institutions and other investment advisor firms.

All investment strategies have the potential for profit or loss. Changes in investment strategies, contributions or withdrawals may cause the performance results of a client's investment portfolio to differ materially from the reported composite performance. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. All Swan products utilize the Defined Risk Strategy ("DRS"), but may vary by asset class, regulatory offering type, etc. Accordingly, all Swan DRS product offerings will have different performance results and comparing results among the Swan products and composites may be of limited use. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark. Historical performance results for market indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. 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 may be of limited use. The equity portion of portfolio is hedged using put options and the option income portion of the portfolio is actively managed to seek additional income. Both the equity and income portion of the strategy may experience losses in a market downturn but may be defined and mitigated by the hedge. The extent of potential losses will vary depending on many factors including, but not limited to; the options used, option strategy, expiration, prices, actions taken by portfolio manager. The adviser's dependence on its DRS process and judgments about the attractiveness, value and potential appreciation of particular ETFs and options in which the adviser invests or writes may prove to be incorrect and may not produce the desired results. There is no guarantee any investment or the DRS will meet its objectives. All investments involve the risk of potential investment losses as well as the potential for investment gains. Prior performance is not a guarantee of future results and there can be no assurance, and investors should not assume, that future performance will be comparable to past performance. Further information is available upon request by contacting the company directly at 970-382-8901 or [www.swanglobalinvestments.com](http://www.swanglobalinvestments.com).

### Global Investment Performance Standards (GIPS®) Report

Year	Swan Global Investments, LLC DRS U.S. Large Cap Composite												S&P 500 ("The Benchmark")				
	Net-Of-Fee Return	Net-Of-Fee Cumulative Return	Net-Of-Fee Annualized Return	Gross-Of-Fee Return	Gross-Of-Fee Cumulative Return	Gross-Of-Fee Annualized Return	Beta (Net-Of-Fees)	Standard Deviation (External) Net-Of-Fees	Sharpe Ratio (Net-Of-Fees)	# of Accts / Assets in Millions	Total Firm Assets (\$MM)	Dispersion (Internal) Gross-Of-Fees	Return	Cumulative Return	Annualized Return	Standard Deviation (External)	Sharpe Ratio
2013	14.16%	308.71%	8.91%	14.86%	383.96%	10.03%	0.28	6.58%	0.64	423 / 309.7	1,052.99	1.56%	32.39%	182.28%	6.49%	11.94%	0.25
2014	6.11%	333.67%	8.74%	6.74%	416.60%	9.84%	0.28	4.75%	0.65	599 / 434.3	1,810.04	0.65%	13.69%	220.92%	6.89%	8.97%	0.29
2015	-2.23%	323.99%	8.12%	-1.64%	408.14%	9.18%	0.29	5.79%	0.61	766 / 473.21	2,446.11	1.36%	1.38%	225.36%	6.58%	10.47%	0.28
2016	8.90%	361.71%	8.16%	9.55%	456.68%	9.20%	0.29	5.38%	0.64	1,207 / 675.64	3,620.08	0.90%	11.96%	264.27%	6.85%	10.59%	0.31
2017	11.29%	413.84%	8.31%	11.96%	523.26%	9.34%	0.29	4.98%	0.67	1,630 / 982.45	4,975.33	0.78%	21.83%	343.79%	7.54%	9.92%	0.37
2018	-7.01%	377.83%	7.55%	-6.45%	483.07%	8.55%	0.31	6.23%	0.59	1,292 / 756.36	4,063.88	1.13%	-4.38%	324.34%	6.95%	10.80%	0.33
2019	14.69%	448.01%	7.85%	15.38%	572.73%	8.84%	0.31	7.01%	0.63	1,144 / 638.36	3,065.24	1.15%	31.49%	457.95%	7.94%	11.93%	0.40
2020	2.82%	463.45%	7.63%	3.44%	595.85%	8.61%	0.32	9.17%	0.61	893 / 501.09	2,236.86	1.75%	18.40%	560.60%	8.37%	18.53%	0.41
2021	15.38%	550.10%	7.94%	16.07%	707.68%	8.90%	0.33	8.07%	0.66	1,026 / 546.44	2,571.77	0.24%	28.71%	750.23%	9.13%	17.17%	0.47
2022	-10.98%	478.71%	7.13%	-10.45%	623.32%	8.07%	0.33	8.76%	0.57	818 / 414.59	2,202.24	0.40%	-18.11%	596.25%	7.91%	20.87%	0.38



## Global Investment Performance Standards (GIPS®) Report

Annualized As Of 12/31/2022	Composite		Benchmark
	Gross Return	Composite Net Return	
Since Inception	8.07%	7.13%	7.91%
10 Year	5.55%	4.92%	12.56%
5 Year	3.02%	2.41%	9.42%
3 Year	2.45%	1.83%	7.66%
1 Year	-10.45%	-10.98%	-18.11%

Compliance Statement: Swan Global Investments, LLC (“Swan”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Swan has been independently verified by The Spaulding Group for the periods July 1, 1997 through December 31, 2022. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm’s policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. To receive copies please call 970-382-8901 or email [operations@swanglobalinvestments.com](mailto:operations@swanglobalinvestments.com).

**Definition of the Firm:** Swan Global Investments, LLC is an SEC registered investment advisor providing asset management services utilizing the Swan Defined Risk Strategy (“DRS”), allowing its clients to grow wealth while protecting capital. Please note that registration of the adviser does not imply a certain level of skill or training. Swan Global Investments, LLC is affiliated with Swan Capital Management, LLC, Swan Global Management, LLC and Swan Wealth Management, LLC.

**Firm Redefinition:** Previously Swan offered and managed The Defined Risk Strategy for its clients which were individual investors. Swan redefined itself to include all client types, including individuals, institutions and sub-advised clients, as of January 1, 2010. This redefinition resulted in a change to Swan’s 2009 performance numbers, due to adding all sub-advised clients beginning on June 30, 2009. Additionally, Swan created affiliated entity Swan Capital Management, Inc. on April 13, 2012 to be an advisor and distributor of the Swan Defined Risk Fund launched in July 2012. In December 2014, Swan Capital Management, Inc. converted to Swan Capital Management, LLC. Swan created affiliated entity Swan Wealth Management, LLC to serve as the portfolio manager of the DRS in 2014, and subsequently created affiliated entity Swan Global Management, LLC to serve as the portfolio manager of the DRS starting in 2015.

**Name Changes:** Swan Consulting, Inc. changed its name to Swan Wealth Advisors, Inc. on April 8, 2011 to better reflect that the Company is a money management firm. Investment consulting firms generally do not manage money. Swan Wealth Advisors, Inc. changed its name to Swan Global Investments, LLC on December 5, 2014 to better reflect that the Company is a money management firm rather than an advisor. Advisors are the Company’s clients, and it does not want to give the impression that the Company is competing with other advisors. Instead, Swan Global Investments, LLC offers investment products and manages money for sub-advised clients and the mutual funds of its affiliate Swan Capital Management, LLC.

**Composite Inception Date:** The inception of the DRS U.S. Large Cap Composite was July 1, 1997.

**Composite Creation Date:** The DRS U.S. Large Cap Composite was defined on January 1, 2010.

**Composite Description:** The DRS U.S. Large Cap Composite demonstrates the performance of qualified and non-qualified assets invested in DRS U.S. Large Cap strategies 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 minimize the downside 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 trades 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. Portfolios in the composite may include non-DRS securities (securities that are not part of the Swan Defined Risk Strategy) that are excluded from composite performance.

**Returns:** Performance results reflect the reinvestment of dividend and other earnings and are expressed in U.S. dollars. Gross-of-fee performance results do not reflect the deduction of the firm’s investment management fees or custodial fees but are net of all transaction costs and withholding taxes (if applicable). Net-of-fees returns are calculated by deducting the higher of either actual management fees or a model management fee equal to the highest tier of the fee schedule (0.60% annual, or 0.05% monthly) from the monthly gross-of-fee composite return. The composite includes portfolios that pay zero commissions on certain securities in the portfolio (e.g., exchange traded funds (ETFs)).



## Global Investment Performance Standards (GIPS®) Report

**Fee Schedule:** The investment management fee schedule for sub-advised clients is as follows. Rate breaks are applied to total aggregate assets under management under the sub-advisory agreement:

Annual fees are 60 basis points (0.60%) on the first \$10 Million; 50 basis points (0.50%) on the next \$190 Million; 45 basis points (0.45%) on the next \$300 Million; 40 basis points (0.40%) on the next \$500 Million; and 35 basis points (0.35%) over \$1 Billion. Actual investment management fees incurred by clients may vary.

**Benchmark:** The benchmarks used for The DRS U.S. Large Cap Composite is the S&P 500 Index, which consists of approximately 500 large cap stocks and the Bloomberg 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).

**Policies:** Policies for valuing investments, calculating performance, and preparing GIPS reports, as well as a complete list and description of composites and broad distribution pooled funds are all available upon request.

**Use of Derivatives:** The purchase and sale of options are a component of The Defined Risk Strategy Composite. Options are traded on both long-term and short-term horizons to reduce the risk of owning stock and to generate income. Since inception of The Defined Risk Strategy, options have been responsible for a significant portion of total returns. The DRS uses little or no leverage (<2% of total portfolio value). Portfolios are generally balanced annually with approximately 85-90% stock, 10-15% options. Please contact Swan Global Investments, LLC if you would like more detailed information on the use of options in The DRS.

**Minimum account size:** Prior to January 1, 2013, there was no minimum account size required for inclusion in Defined Risk Strategy Composite. Starting January 1, 2013, the minimum account size required for inclusion in the DRS U.S. Large Cap Composite is \$250,000.

**Leverage and Short Positions:** The DRS U.S. Large Cap Composite uses a combination of ETFs (long) and options, both long (portfolio has bought a position in a call or put option) and short (the portfolio holds a written call or put option) positions which constitute approximately 85-90% and 10-15% of the portfolio, respectively. The Defined Risk Strategy does not typically borrow money to buy stock on margin and as a result does not use leverage in the traditional sense. However, the DRS uses options as a material part of the strategy and by definition may constitute use of leverage since options typically control a large amount of the underlying security. This does not imply that The DRS portfolio is leveraged. The short option positions that are used to generate income are offset in whole or in part by the long stock and long options positions contained in the portfolio. Regardless, a margin account could be required.

**Beta:** Beta for the Composites has been calculated using the standard formula of: covariance of portfolio and benchmark returns divided by the variance in benchmark returns. The period used in calculations is July 1, 1997 through the end of the period and the frequency of returns used is monthly. Beta is based on returns that are net of Swan fees only. A beta greater than 1.0 indicates that the investment is more volatile than the index, whereas a beta between 0 and 1.0 indicates that the investment is less volatile than the market index. A negative beta indicates the investment performance is counter-cyclical to the market. Values are excluded for the first 3.5 years of Composite implementation (i.e., 1997-2000) to ensure sufficient measurement points for meaningful statistical analysis.

**Standard Deviation (External):** Standard deviation measures the variability of the Composite's monthly returns, and states that variability on an annualized basis. Annualized standard deviations of monthly returns for both the Composite and benchmark have been calculated using the following method: Standard Deviation of 36 monthly returns multiplied by the Square Root of 12 (which annualizes it). This measure is based on returns that are net of Swan fees only.

**Measure of Dispersion (Internal Standard Deviation):** The Composite dispersion is measured using standard deviation of returns as stated above. However, from inception to December 31, 2012, the dispersion represented the variability of Net-of-Fees returns within the Composite. After December 31, 2012, the dispersion represents the variability of Gross-of-Fees returns within the Composite to remove the variance in fees per account. Dispersion is measured using only portfolios that were included in the Composite the entire calendar year.

**Sharpe Ratio:** Sharpe Ratios for both the Composite and the benchmark have been calculated using the standard formula of (Annualized Return – Risk Free Annualized) / Standard Deviation. The period used in calculations is July 1, 1997 through the end of the period and the frequency of returns used is annually. Annualized Returns in this calculation are net of Swan fees only. Risk Free Return values used in calculations are based on 91 Day Treasury Bill returns for the same period. Values are excluded for the first 3.5 years of Composite implementation (i.e., 1997-2000) to ensure sufficient measurement points for meaningful statistical analysis.

**Currency:** All valuations are computed, and performance reported in US dollars. Past results do not guarantee future performance.

Portfolios in the composite may include non-DRS securities (securities that are not part of the Swan Defined Risk Strategy) that are excluded from composite performance.

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