

# Global Diversification *Redefined*

Access more growth opportunities in global equities by hedging risk and mitigating volatility.



## Redefine the Global Portfolio Pie

Equity markets with high growth potential can be volatile, so they typically represent the smallest slice of traditional portfolios.

What would your pie look like, if you could better mitigate risk in those markets?

Risk & Return 1/1/88 – 9/30/19	Largest Drawdown*	Volatility*	Annual Return	Global Equity Allocations
S&P 500 U.S. Large Cap	-50.95%	14.10%	10.97%	46.94%
Russell 2000 U.S. Small Cap	-52.89%	18.42%	11.24%	4.69%
MSCI EAFE Foreign Developed	-56.40%	16.60%	9.20%	36.88%
MSCI EM Emerging Markets	-61.44%	22.41%	10.38%	11.49%

Source: Swan Global Investments and Zephyr AllocationADVISOR, using available data from inception of all invdices. \*Calculated on monthly basis. \*\* Volatility standard deviation, based on monthly returns.



## Strengthening Diversification

Global diversification allows investors to capture growth wherever it happens.

Yet global equities are more correlated than many assume: when markets are in turmoil, global markets can fall in unison, eroding the protection investors assume that diversification provides.

### Global Correlations

December 1999 - November 2019, 12-Month Moving Windows, Computed Monthly



Source: Swan Global Investments and Zephyr AllocationADVISOR, using available data from inception of all invdices. \*Calculated on monthly basis. \*\* Volatility standard deviation, based on monthly returns.

## It's Time to Break with Tradition

Traditional global portfolios are stuck in the past:

1. Do not allocate enough to markets with highest growth potential.
2. Rely on diversification, when market risk cannot be diversified away.

Break with tradition and capture opportunities while mitigating risks with **Swan Defined Risk Global Hedged Equity Portfolios**.

# A Fresh Approach to an Age Old Dilemma



## Defined Risk Global Hedged Equity

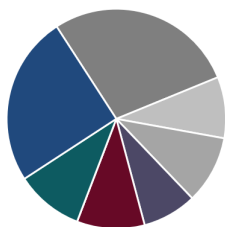
*Global Equity + Hedge*

- Invest in global equity markets for growth.
- Hedge the equity against major market risks and volatility.

## Built for Success in a Non-Traditional World

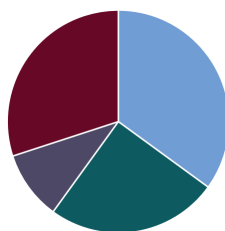
Seek growth and risk mitigation to address a range of investor needs and risk tolerances with our series of globally diversified, hedged equity solutions.

### Building Blocks



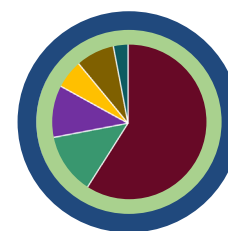
Open-End Mutual Funds  
Separately Managed Accounts  
Structured Outcome Strategies™  
SOS Shield™

### Portfolios



Global Hedged Equity Models  
Collective Investment Funds

### Overlays



Hedged Equity Overlays  
Alpha Overlays

**Redefine your global approach.** Consider incorporating the Swan Defined Risk Strategy into your portfolio. Define risk to seek improved outcomes—that's Investing Redefined®.

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