



**SWAN** GLOBAL  
INVESTMENTS

## Outcome & Income

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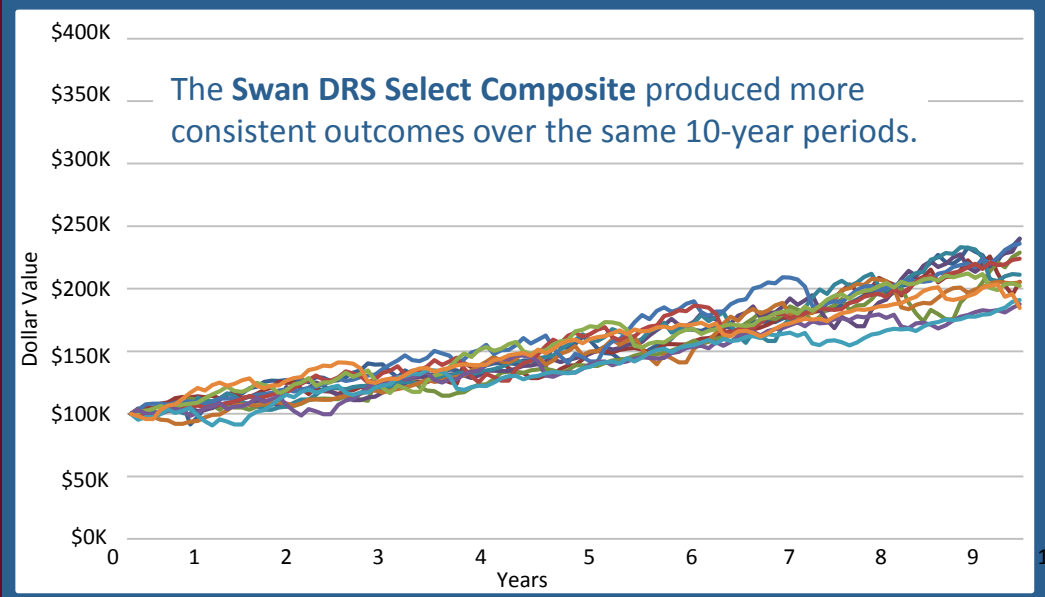
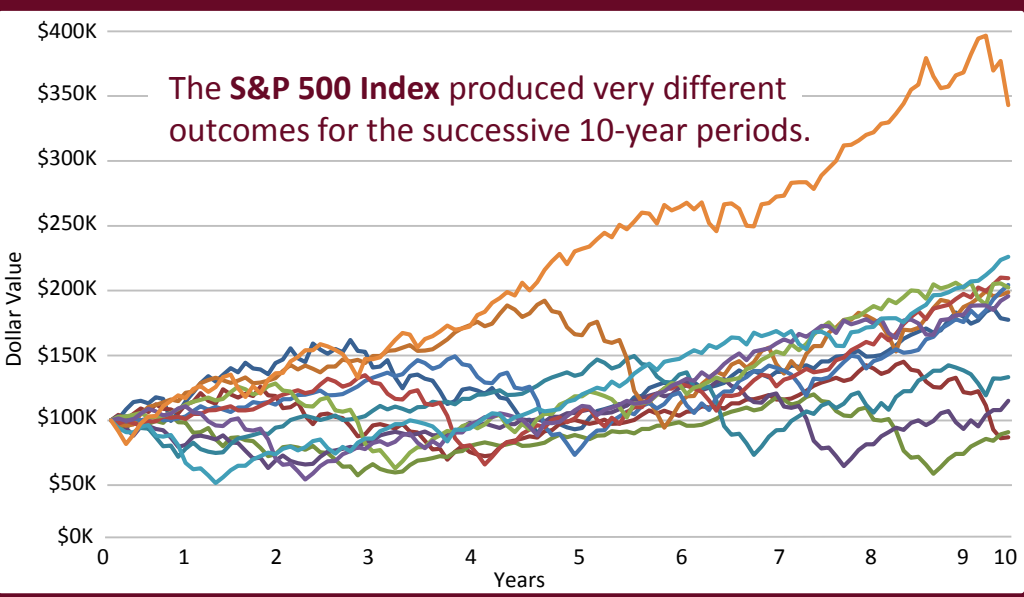
The Defined Risk Strategy – Seeking Consistency and Sustainability

Swan Defined Risk Strategy Select Composite vs. S&P 500 Index vs. Traditional 60/40 Portfolio

# Consistent Outcomes

Most financial plans assume a consistent return. As you can see below, over time the S&P 500 Index has proven to be far from consistent. By minimizing negative surprises the Swan Defined Risk Strategy (DRS) has produced a smoother ride and more consistent outcomes.

The graphs show twelve, 10-year investment periods. The first period is 1/1998 to 12/2007; the last period is 1/2009 to 12/2018.\*



## Investment Results after 10-years

|                                | <b>S&amp;P 500 Index</b> | <b>Swan DRS</b> |
|--------------------------------|--------------------------|-----------------|
| — January 1998 – December 2007 | \$177,565                | \$240,110       |
| — January 1999 – December 2008 | \$87,006                 | \$205,562       |
| — January 2000 – December 2009 | \$90,902                 | \$228,900       |
| — January 2001 – December 2010 | \$115,072                | \$239,823       |
| — January 2002 – December 2011 | \$133,351                | \$211,150       |
| — January 2003 – December 2012 | \$198,578                | \$205,106       |
| — January 2004 – December 2013 | \$204,293                | \$236,040       |
| — January 2005 – December 2014 | \$209,464                | \$223,932       |
| — January 2006 – December 2015 | \$202,420                | \$202,273       |
| — January 2007 – December 2016 | \$195,717                | \$187,644       |
| — January 2008 – December 2017 | \$226,028                | \$191,123       |
| — January 2009 – December 2018 | \$343,033                | \$184,632       |

**Pursuing Peace of Mind** – Fewer surprises may lead to consistent returns and desirable outcomes.

The Swan Defined Risk Strategy (DRS) is designed to seek consistent returns, with a proven performance record since 1997.

Consider making the Swan DRS a core component of your financial plan.

\* 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 Select 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.

## How long will you be retired?

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

This table shows the DRS provided consistent returns across successive 10-year periods. Each period, except the last, includes at least one bull market and one bear market.

These figures assume no portfolio withdrawals.

Source: Zephyr StyleADVISOR and Swan Global Investments. All data based on historical performance of the S&P Total Return Index and the Swan DRS Select Composite. Prior performance is not a guarantee of future results.

## 10-Year Periods

| Investment Period | Annualized Return |          | Value of \$100,000 Invested |            |
|-------------------|-------------------|----------|-----------------------------|------------|
|                   | S&P 500           | Swan DRS | S&P 500                     | Swan DRS   |
| Jan 98 - Dec 07   | 5.91%             | 9.15%    | \$ 177,565                  | \$ 240,110 |
| Jan 99 - Dec 08   | -1.38%            | 7.47%    | \$ 87,006                   | \$ 205,562 |
| Jan 00 - Dec 09   | -0.95%            | 8.63%    | \$ 90,902                   | \$ 228,900 |
| Jan 01 - Dec 10   | 1.41%             | 9.14%    | \$ 115,072                  | \$ 239,823 |
| Jan 02 - Dec 11   | 2.92%             | 7.76%    | \$ 133,351                  | \$ 211,150 |
| Jan 03 - Dec 12   | 7.10%             | 7.45%    | \$ 198,578                  | \$ 205,106 |
| Jan 04 - Dec 13   | 7.41%             | 8.97%    | \$ 204,293                  | \$ 236,040 |
| Jan 05 - Dec 14   | 7.67%             | 8.40%    | \$ 209,464                  | \$ 223,932 |
| Jan 06 - Dec 15   | 7.31%             | 7.30%    | \$ 202,420                  | \$ 202,273 |
| Jan 07 - Dec 16   | 6.95%             | 6.50%    | \$ 195,717                  | \$ 187,644 |
| Jan 08 - Dec 17   | 8.50%             | 6.69%    | \$ 226,028                  | \$ 191,123 |
| Jan 09 - Dec 18   | 13.12%            | 6.32%    | \$ 343,033                  | \$ 184,632 |

## What's your desired outcome? What's your plan to get there?

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

The Swan Defined Risk Strategy is designed with the goal of producing consistent returns and achieving desirable outcomes.

# Seeking Sustainable Income

Retirees need their money to last. Outliving retirement income is a fear of every retiree, and an outcome every advisor seeks to prevent.

The Swan Defined Risk Strategy (DRS) may provide staying power and growth for your assets in retirement, even while taking monthly withdrawals from your account.

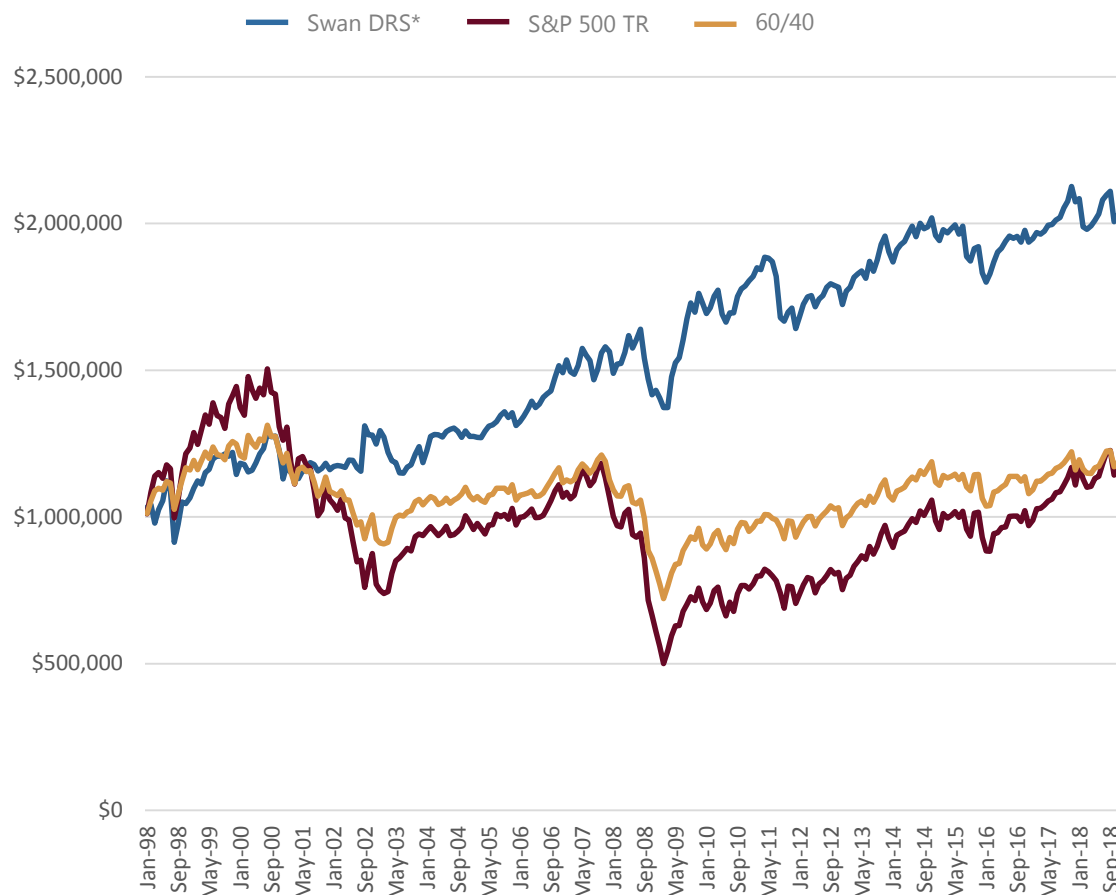
| Scenario  | Starting Value | Total Withdrawal | Ending Value |
|---|----------------|------------------|--------------|
| Swan Defined Risk Strategy (Net)*                     | \$ 1,000,000   | \$ 1,289,166     | \$ 1,836,669 |
| 60% S&P 500 Index / 40% Barclays Aggregate Bond Index | \$ 1,000,000   | \$ 1,289,166     | \$ 1,058,433 |
| S&P 500 TR  | \$ 1,000,000   | \$ 1,289,166     | \$ 986,160   |

| Assumptions                    |                   |
|--------------------------------|-------------------|
| Starting Value                 | \$ 1,000,000      |
| Assumed Growth rate            | Supplied          |
| Initial Annual \$ Withdrawal** | \$ 50,000         |
| Annual % Inflation             | 2.0%              |
| Withdrawal Frequency           | Annual            |
| Date Range                     | 1/1/98 – 12/31/18 |

\* All data based on historic performance of the Swan DRS SMA Select Composite, net of fees.

\*\* Calculations include a fixed annual withdrawal, starting at \$50,000 in the first year. Each year thereafter that annual withdrawal amount is adjusted for inflation.

Annualized Account Value (Net of Withdrawals)



|                      | Swan Defined Risk Strategy (Net)* | 60% S&P 500 Index / 40% Barclays Aggregate Bond | S&P 500 Index      |
|----------------------|-----------------------------------|---|--------------------|
| Geo Compound Return  | 7.11%                             | 6.17%   | 6.61%              |
| Arith Average Return | 7.32%                             | 6.40%   | 7.54%              |
| Standard Deviation** | 9.26%                             | 8.90%   | 14.88%             |
| Cumulative Return    | <b>323.09%</b>                    | <b>251.93%</b>                                  | <b>283.75%</b>     |
| Starting Value       | \$1,000,000                       | \$1,000,000                                     | \$1,000,000        |
| Portfolio Change     | \$2,127,834                       | \$1,347,599                                     | \$1,275,326        |
| Total Withdrawal     | <b>\$1,289,166</b>                | <b>\$1,289,166</b>                              | <b>\$1,289,166</b> |
| Ending Value         | \$1,838,699                       | \$1,058,433                                     | \$986,160          |

| Year          | Swan Defined Risk Strategy (Net)* |             |               |              | 60% S&P 500 Index / 40% Barclays Aggregate Bond |             |               |              | S&P 500 Index |             |               |              |
|---------------|-----------------------------------|-------------|---------------|--------------|---|-------------|---------------|--------------|---------------|-------------|---------------|--------------|
|               | Returns %                         | Returns \$  | Withdrawal \$ | Ending Value | Returns %                                       | Returns \$  | Withdrawal \$ | Ending Value | Returns %     | Returns \$  | Withdrawal \$ | Ending Value |
| Initial Value |                                   |             |               | \$1,000,000  |   |             |               | \$1,000,000  |               |             |               | \$1,000,000  |
| 1998          | 11.55%                            | \$115,525   | (\$50,000)    | \$1,065,525  | 20.98%  | \$209,796   | (\$50,000)    | \$1,159,796  | 28.58%        | \$285,766   | (\$50,000)    | \$1,235,766  |
| 1999          | 12.26%                            | \$130,596   | (\$51,000)    | \$1,145,121  | 12.00%  | \$139,144   | (\$51,000)    | \$1,247,940  | 21.04%        | \$260,062   | (\$51,000)    | \$1,444,828  |
| 2000          | 3.17%                             | \$36,330    | (\$52,020)    | \$1,129,431  | -0.99%  | (\$12,407)  | (\$52,020)    | \$1,183,514  | -9.11%        | (\$131,557) | (\$52,020)    | \$1,261,251  |
| 2001          | 7.46%                             | \$84,309    | (\$53,060)    | \$1,160,680  | -3.71%  | (\$43,927)  | (\$53,060)    | \$1,086,526  | -11.88%       | (\$149,897) | (\$53,060)    | \$1,058,294  |
| 2002          | 12.22%                            | \$141,813   | (\$54,122)    | \$1,248,371  | -9.82%  | (\$106,699) | (\$54,122)    | \$925,705    | -22.10%       | (\$233,888) | (\$54,122)    | \$770,284    |
| 2003          | -0.65%                            | (\$8,104)   | (\$55,204)    | \$1,185,063  | 18.48%  | \$171,065   | (\$55,204)    | \$1,041,566  | 28.68%        | \$220,952   | (\$55,204)    | \$936,032    |
| 2004          | 12.28%                            | \$145,558   | (\$56,308)    | \$1,274,313  | 8.30%   | \$86,441    | (\$56,308)    | \$1,071,699  | 10.88%        | \$101,861   | (\$56,308)    | \$981,585    |
| 2005          | 7.47%                             | \$95,172    | (\$57,434)    | \$1,312,051  | 4.00%   | \$42,915    | (\$57,434)    | \$1,057,180  | 4.91%         | \$48,214    | (\$57,434)    | \$972,364    |
| 2006          | 18.14%                            | \$237,973   | (\$58,583)    | \$1,491,440  | 11.12%  | \$117,511   | (\$58,583)    | \$1,116,108  | 15.79%        | \$153,579   | (\$58,583)    | \$1,067,360  |
| 2007          | 8.81%                             | \$131,413   | (\$59,755)    | \$1,563,098  | 6.22%   | \$69,464    | (\$59,755)    | \$1,125,817  | 5.49%         | \$58,639    | (\$59,755)    | \$1,066,245  |
| 2008          | -4.50%                            | (\$70,310)  | (\$60,950)    | \$1,431,838  | -22.06%   | (\$248,400) | (\$60,950)    | \$816,468    | -37.00%       | (\$394,490) | (\$60,950)    | \$610,805    |
| 2009          | 25.00%                            | \$357,981   | (\$62,169)    | \$1,727,651  | 18.40%  | \$150,194   | (\$62,169)    | \$904,493    | 26.46%        | \$161,644   | (\$62,169)    | \$710,280    |
| 2010          | 8.10%                             | \$139,870   | (\$63,412)    | \$1,804,108  | 12.13%  | \$109,674   | (\$63,412)    | \$950,755    | 15.06%        | \$106,993   | (\$63,412)    | \$753,861    |
| 2011          | -5.38%                            | (\$97,131)  | (\$64,680)    | \$1,642,297  | 4.69%   | \$44,583    | (\$64,680)    | \$930,658    | 2.11%         | \$15,918    | (\$64,680)    | \$705,098    |
| 2012          | 9.01%                             | \$147,903   | (\$65,974)    | \$1,724,226  | 11.31%  | \$105,254   | (\$65,974)    | \$969,938    | 16.00%        | \$112,840   | (\$65,974)    | \$751,965    |
| 2013          | 14.34%                            | \$247,169   | (\$67,293)    | \$1,904,102  | 17.56%  | \$170,288   | (\$67,293)    | \$1,072,933  | 32.39%        | \$243,547   | (\$67,293)    | \$928,218    |
| 2014          | 6.52%                             | \$124,204   | (\$68,639)    | \$1,959,666  | 10.62%  | \$113,915   | (\$68,639)    | \$1,118,209  | 13.69%        | \$127,060   | (\$68,639)    | \$986,638    |
| 2015          | -2.93%                            | (\$57,339)  | (\$70,012)    | \$1,832,316  | 1.28%   | \$14,367    | (\$70,012)    | \$1,062,564  | 1.38%         | \$13,654    | (\$70,012)    | \$930,281    |
| 2016          | 9.59%                             | \$175,714   | (\$71,412)    | \$1,936,617  | 8.31%   | \$88,254    | (\$71,412)    | \$1,079,406  | 11.96%        | \$111,261   | (\$71,412)    | \$970,130    |
| 2017          | 10.83%                            | \$209,710   | (\$72,841)    | \$2,073,486  | 14.21%  | \$153,386   | (\$72,841)    | \$1,159,951  | 21.83%        | \$211,795   | (\$72,841)    | \$1,109,084  |
| 2018          | -7.74%                            | (\$160,520) | (\$74,297)    | \$1,838,669  | -2.35%  | (\$27,220)  | (\$74,297)    | \$1,058,433  | -4.38%        | (\$48,626)  | (\$74,297)    | \$986,160    |

Source: Zephyr StyleADVISOR and Swan Global Investments. \*All data based on historic performance of the Swan DRS Select Composite. \*\* Standard Deviation Based on Monthly Returns.

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