



THE DEFINED RISK STRATEGY

INVESTING REDEFINED®

“By actively seeking to not lose big, we believe that investors will be better off in the long run.”

– RANDY SWAN, CEO, LEAD PORTFOLIO MANAGER

The Investor’s Dual Dilemma

The risks to capital in bonds and stocks have rarely been higher, creating a “rock and a hard place” scenario for investors.

Paltry Yield & Inflation Risks for Bond Investors

Pick Your Poison: if interest rates remain low, yields will not outpace inflation, yet any rise in rates will erode principal.

INDEX	EFFECTIVE YIELD (as of 1/31/22)	ASSUMED INFLATION RATE		MORNINGSTAR CATEGORY AVERAGE	EFFECTIVE DURATION (as of 1/31/22)	ASSUMED RATE INCREASE		
		2.0%	7.0%			1.0%	2.0%	3.0%
		REAL RETURN				IMPACT ON BOND VALUES		
US 10-YEAR TREASURY BOND	1.78%	-0.22%	-5.22%	LONG-TERM BOND	13.20	-13.20%	-26.39%	-39.59%
CORPORATE BBB BOND INDEX	3.05%	1.05%	-3.95%	CORPORATE BOND	7.79	-7.79%	-15.58%	-23.37%

Source: Morningstar Direct, YCharts, Swan Global Investments. Impact on bond values is based on duration information and only take into account changes in interest rates. Convexity is not taken into consideration, nor are other factors such as a widening or tightening of credit spreads.

Need More Equity? Can You Handle More Risk?

Investors need to maintain or increase equity exposure to grow wealth and achieve goals, yet most cannot afford to suffer another life-altering drawdown and long portfolio recovery.

What are you doing differently to address these historic challenges?

Did you know?

Since 1929, the S&P 500 data show that, on average, bear markets:

- Occur every 3.6 years
- Last 10 months
- Erase over 35% of market value
- Take 3.2 years to recover

Source: Bank of America Merrill Lynch, Global Research, Bloomberg; Returns based on S&P 500

Hedged Equity - Equity Market Participation with Downside Hedge

Investors need a redefined investing strategy to deliver the market participation and capital preservation necessary to navigate the uncertainty ahead and reach their goals.

The Defined Risk Strategy

A Redefined Approach for a Redefined World

Since 1997, Swan Global Investments has remained a leader in hedged equity and options-based strategies. Our time-tested, goals-based hedged equity approach is distinctly designed to help investors grow and preserve wealth.

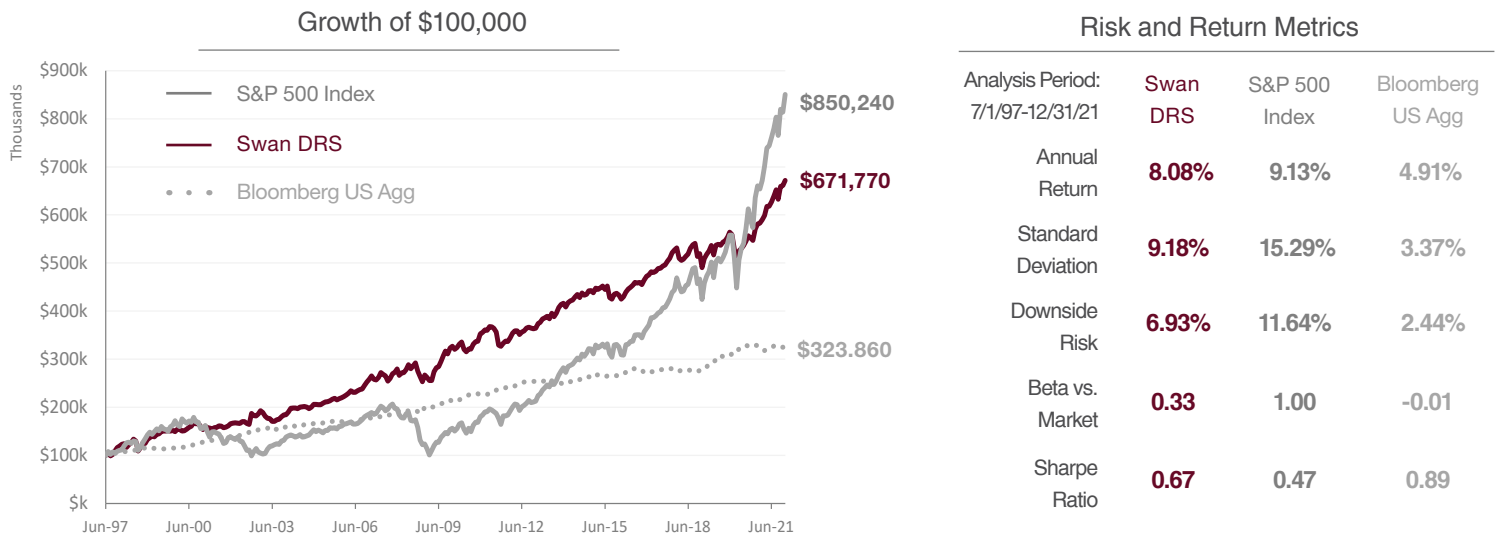
- *Always Invested* - Equity markets tend to go up over time, so we remain always invested.
- *Always Hedged* - Large losses can derail investors from their goals, so we remain always hedged.

Define Risk, Seek Improved Outcomes—That’s Investing Redefined®.

The Defined Risk Strategy

Since 1997, the Swan Defined Risk Strategy has addressed this dual dilemma. Our time-tested, hedged equity approach seeks consistent long-term returns by combining the benefits of passive investing with active risk management.

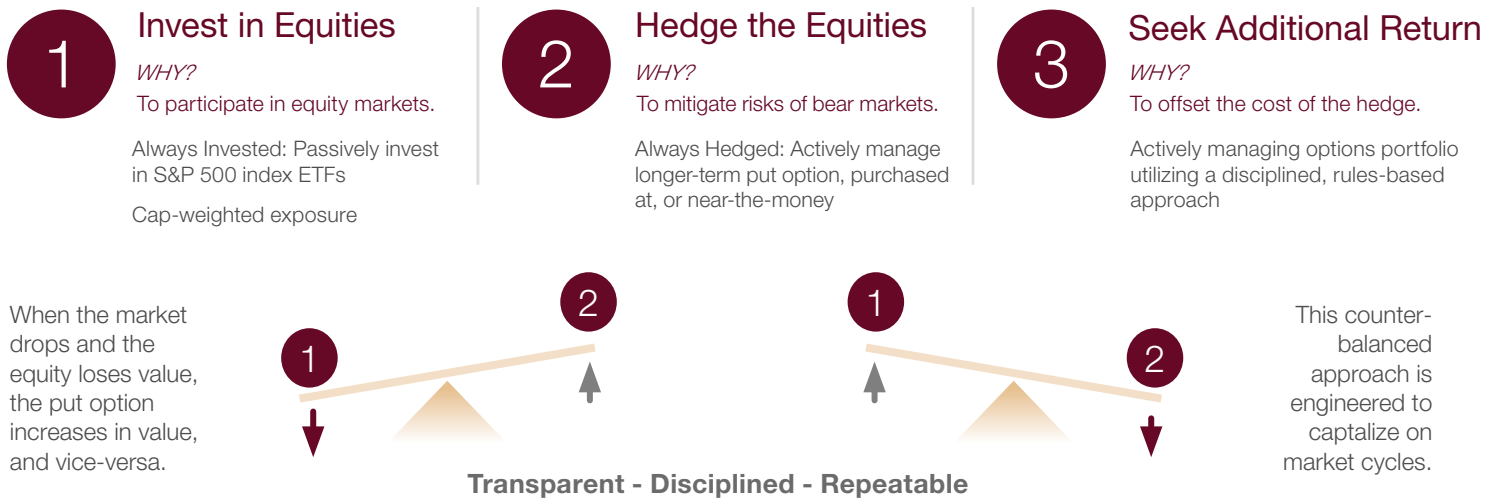
Swan Defined Risk Strategy vs S&P 500 Index vs Bloomberg US Agg Bond Index (7/1/97 to 12/31/21)



Source: Zephyr StyleADVISOR and Swan Global Investments. All results listed are based on month-end returns for the S&P 500 Index TR, the Bloomberg Aggregate US Bond Index, and the Swan DRS. Swan DRS results are from the Swan Defined Risk U.S. Large Cap Composite, net of fees. Past performance is no guarantee of future results.

For more information, visit swanglobalinvestments.com/advisor/performance-analysis/.

How It Works



For more information call 970.382.8901, or visit swanglobalinvestments.com/advisor.

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