



# THE DEFINED RISK GROWTH 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

## A Distinct Approach to Growth Investing

Our investment approach seeks to mitigate the risk of life-altering losses so that investors can achieve long-term goals on time and secure a retirement that lasts.

With a time-tested track record since 1997, our distinct approach is based on two factors that drive long-term outcomes for investors:

### Defining Risk & Reducing Losses

While equities can provide portfolio growth, they are unpredictable, producing periods of severe losses that impact financial plans.

### Keeping Clients Invested

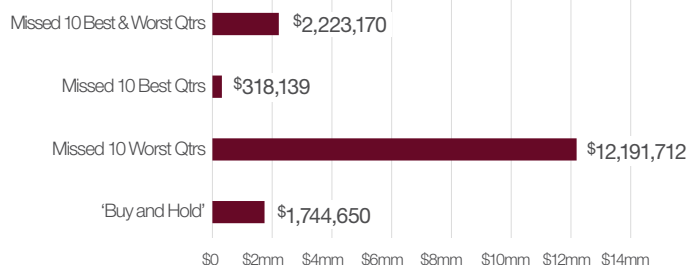
Behavioral finance research shows many ‘buy and hold’ investors struggle to hold on when losing money, leading them to ‘buy and fold’.

Our hedged equity approach seeks to help investors ‘hold on’ and improve long-term results by mitigating risk.

## Why Defining Risk Matters

A strategy that seeks to mitigate risks in the worst periods, while participating in the market to capture some of the best periods, may result in superior long-term results.

S&P 500 Index Average 1971-2020 (50 years)  
Hypothetical Investment of \$10,000



Source: Swan Global Investments and Morningstar. This hypothetical example above is based on the S&P 500 Index returns from January 1971 through December 2020. Past performance is no guarantee of future results.

## Balance of Growth Investing and a Downside Hedge

While growth investors want all the upside, they often don't want all the downside.

Typically, they must choose between:



Low Risk & Lower Returns

or



High Risk & Higher Returns

**Growth investors need a strategy to mitigate risk while seeking higher returns.**

## The Defined Risk Growth 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 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.

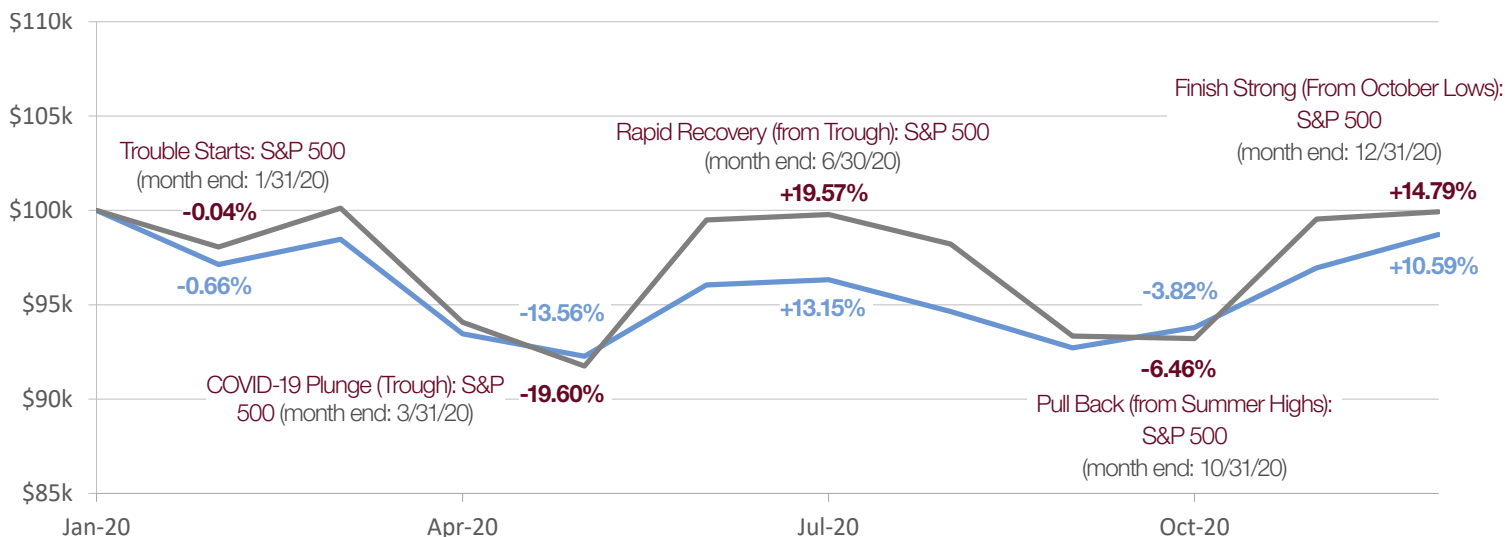
Define Risk, Seek Improved Outcomes—That's Investing Redefined®

# The Defined Risk Growth Strategy - Upside with a Hedge

The Defined Risk Growth Strategy seeks to provide growth investors a smoother investment experience by defining risk, remaining invested, and preserving irreplaceable capital through full market cycles.

## Invested for Growth—Hedged Against Uncertainty and Volatility

Account Value: DRS Growth vs S&P 500 Index (1/1/20 to 12/31/20)



Source: Zephyr StyleADVISOR and Swan Global Investments. All results listed are based on month-end returns for the S&P 500 Index TR and Swan DRS Growth. DRS Growth results are from the Swan Defined Risk US Large Cap Growth Composite, net of fees. Past performance is no guarantee of future results. For more information, visit [swanglobalinvestments.com/advisor/performance/](http://swanglobalinvestments.com/advisor/performance/).

## How It Works

1

### Invest in Equities

WHY?

To participate in equity markets.

ALWAYS INVESTED in low-cost SPDR S&P 500 equity ETFs (SPY). No stock picking or market timing.

2

### Hedge the Equities

WHY?

To mitigate risks of bear markets.

ALWAYS HEDGED using long-term put options, Out-of-the-Money, to mitigate large market declines.

3

### Seek Additional Return

WHY?

To offset the cost of the hedge.

Actively manage a shorter-term options portfolio, utilizing a disciplined, rules-based approach.

When the market drops and the equity loses value, the put option increases in value, and vice-versa.



Simple. Effective.

This counter-balanced approach is engineered to capitalize on market cycles.

For more information call 970.382.8901, or visit [swanglobalinvestments.com/advisor](http://swanglobalinvestments.com/advisor).

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