THE DEFINED RISK PRIME STRATEGY

INVESTING REDEFINED®

Facing Risks & Uncertainty in a Redefined World

The risks to capital in bonds and equities have rarely been higher, with rates so low and equity markets so volatile.

This redefined investing landscape presents daunting challenges for long-term 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 12/31/20)	ASSUMED INFLATION RATE 2.0%	ASSUMED INFLATION RATE 3.0%
		REAL RETURN	
US 10-YEAR TREASURY BOND	0.91%	-1.09%	-2.09%
CORPORATE BBB BOND INDEX	2.06%	0.06%	-0.94%

MORNINGSTAR CATEGORY AVERAGE	EFFECTIVE DURATION (as of 12/31/20)	ASSUMED RATE INCREASE 1.0%	ASSUMED RATE INCREASE 2.0%
		IMPACT ON BOND VALUES	
LONG-TERM BOND	11.03	-11.03%	-22.06%
CORPORATE BOND	5.48	-5.48%	-10.97%

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.

Two Tail Risks for Equity Investors

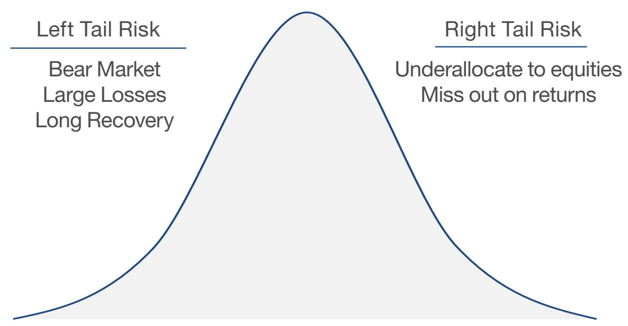
Left Tail Risk: Investors need to maintain global equity exposure to grow wealth. The COVID-19 pandemic created a global market crisis, reminding everyone about the risk of major losses.

Right Tail Risk: Investors might be wary of equity market valuations and volatility. Yet, under-exposure to equity markets may mean investors miss out on returns necessary to achieve long-term goals.

Investors need to minimize both tail risks for long-term, consistent returns.

Two Tail Risks Ahead?

Investors face a challenging set of risks in a low-yield world.



Balance of Equity Market Participation and Downside Hedge

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

The Defined Risk Prime Strategy

A Redefined Approach for a Redefined World

Since 1997, Swan Global Investments has been 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.

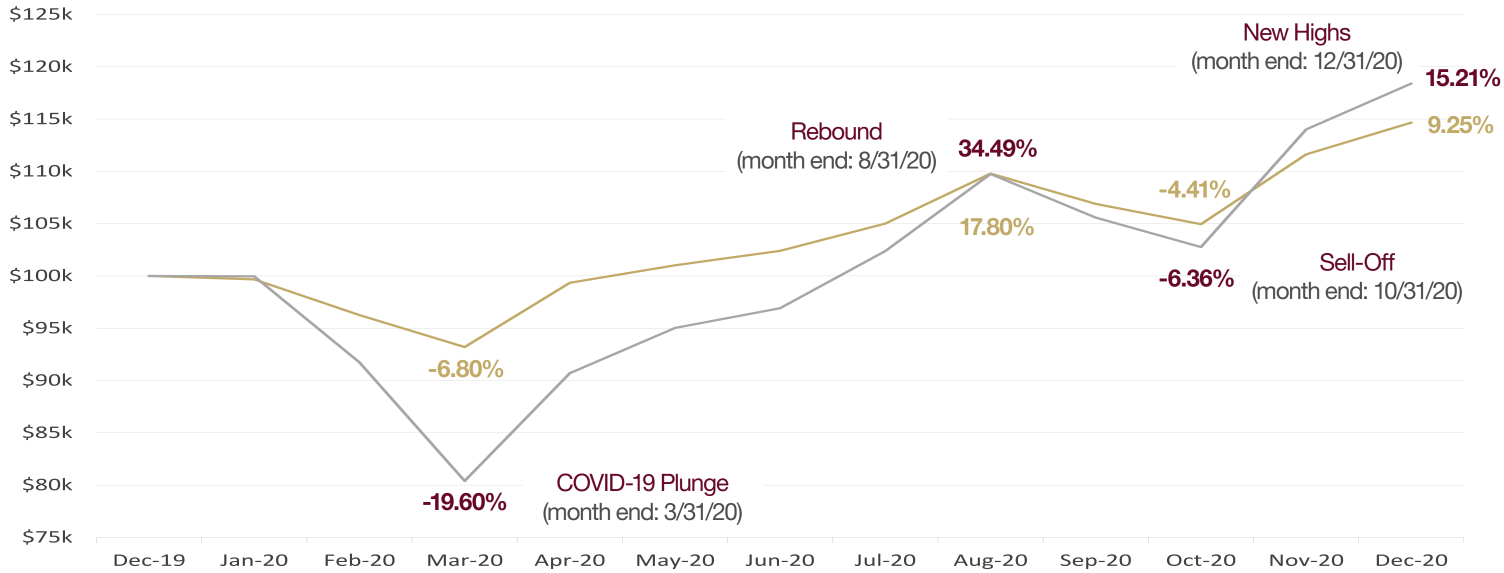
Define Risk, Seek Improved Outcomes—**That's Investing Redefined®.**

The Defined Risk Prime Strategy - Seeking a Smoother Ride

The DRS Prime Strategy seeks to provide a smoother investment experience by defining risk, remaining invested, and preserving irreplaceable capital through full market cycles.

Invest Confidently Through Uncertainty and Volatility

Account Value: **DRS Prime** 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 Prime. DRS Prime results are from the Swan Defined Risk US Large Cap Prime Strategy, net of fees. Past performance is no guarantee of future results. For more information, visit swanglobalinvestments.com/advisor/performance-analysis/.

How It Works

1 Invest in Equities

WHY?

To participate in equity markets.

Always Invested: Passively invest in S&P 500 index ETFs

Cap-weighted exposure

2 Hedge the Equities

WHY?

To mitigate risks of bear markets.

Always Hedged: Actively manage longer-term put option, purchased at, or near-the-money

3 Seek Additional Return

WHY?

To offset the cost of the hedge.

Actively managing 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.

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

Simple. Effective.

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