DEFINED RISK U.S. SMALL CAP FUND

Class I: **SDCIX** | Class A: **SDCAX** | Class C: **SDCCX**

> "By actively seeking to not lose big, we believe that investors will be better off in the long run."
>
> – RANDY SWAN, CEO AND LEAD PORTFOLIO MANAGER

Opportunities in U.S. Small Cap Equities

We believe U.S. Small Cap equities can serve various roles in a portfolio, and investors have many reasons to be excited about this asset class:

- Higher upside potential
- Exposure to up-and-coming companies driving innovation
- Potential exposure to companies early in their growth cycle
- Diversification of equity allocations

The Trouble with 'Buy and Hold'

Seeking portfolio growth through U.S. Small Cap equities may expose investors to a volatile ride with unpredictable periods of severe losses along the way, as shown in the table on the right.

Periods of severe losses can trigger emotional reactions—many 'buy and hold' investors struggle to hold on when losing money, leading them to 'buy and fold'.

Therefore, we seek to help investors hold on by avoiding big losses with our distinct long-term hedge.

Did you know?

When losses in U.S. Small Cap markets occur, they can be severe. Largest drawdowns for the Russell 2000 since inception*:

Max Drawdown	Beginning	Ending
-52.89%	Jun - 2007	Feb - 2009
-41.72%	Jan - 2020	Nov- 2020
-35.55%	Sep - 1987	Nov - 1987
-35.06%	Mar - 2000	Sep - 2002

*Source: Swan Global Investments and Zephyr StyleADVISOR. Max drawdowns for the Russell 2000 Index from January 1979 through December 2021. Past performance is no guarantee of future results.

Long-Term Hedge for Long-Term Investing

For long-term investors there are distinct benefits to using a long-term hedge.

Seeking Defense
A hedge is a way to mitigate undiversifiable market risk.

Reduce Emotional Reactions
Seek to help investors avoid big losses and emotional reactions.

A Long-Term Hedge
A hedge that may last throughout long bear markets.

May Acquire More Equity
During a selloff, the LEAPS gain value and may be sold to potentially buy more equity at a low.

The Defined Risk Strategy - Investing Redefined®

Launched in 1997, the Defined Risk Strategy is a distinct and proven goals-based approach that seeks to generate consistent long-term returns by actively seeking to not lose big.

Always Invested — **We believe that markets tend to go up over time, so we remain always invested.**

Always Hedged — **We also believe severe losses can derail investors from their goals, so we remain always hedged.**

A HEDGE IS NOT INSURANCE AGAINST LOSSES

Defining Risk to Seek Improved Outcomes—That's Investing Redefined®.

Defined Risk Strategy seeks to redefine long-term investing by passively investing for growth while actively seeking to minimize the impacts of bear markets. This may result in a less volatile investor experience and more consistent long-term results.

Investment Process

1 Invest in Equities

WHY?

To participate in equity markets.

ALWAYS INVESTED in low-cost equity ETFs. No stock picking or market timing.

2 Hedge the Equities

WHY?

To mitigate risks of bear markets.

ALWAYS HEDGED using long-term put options to mitigate risks of bear markets.

3 Seek Additional Return

WHY?

To offset the cost of the hedge.

Actively managing 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.

This counter-balancing investment approach is engineered to not lose big.

A HEDGE IS NOT INSURANCE AGAINST LOSSES

The Swan Defined Risk U.S. Small Cap Fund

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Based on the Defined Risk Strategy, this fund seeks long-term capital appreciation to help investors achieve positive returns while mitigating downside risk in and volatility in U.S. Small Cap equities. The Fund invests in low-cost ETFs that track the Russell 2000 Index.

Key Elements of the Fund's strategy include:

- Always invested to participate in market appreciation
- No reliance on market timing
- Always hedged using put options
- Designed to seek consistent returns

There is no guarantee that any investment strategy will achieve its objectives, generate profits, or avoid losses. Past performance is not indicative of future results.

Consider adding the Swan Defined Risk U.S. Small Cap Fund to your portfolio.

For more information visit swandefinedriskfunds.com or call 970.382.8901.

Important Risk Information and Disclosures: Swan Global Investments, LLC is a SEC registered Investment Advisor that specializes in managing money using the proprietary Defined Risk Strategy ("DRS"). SEC registration does not denote any special training or qualification conferred by the SEC. Mutual Funds involve risk, including possible loss of principal. ETFs are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in stocks. ETFs are subject to specific risks, depending on the nature of the fund. Investments in underlying funds that own small and mid-capitalization companies may be more vulnerable than larger, more established organizations. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards.

The use of leverage, such as that embedded in options, could magnify the Fund's gains or losses. Written option positions expose the Fund to potential losses many times the option premium received. A Put Option is an option contract giving the owner the right, but not the obligation, to sell a specified security at a specified price within a specified time. A Call Option is an option contract giving the owner the buy, but not the obligation, to sell a specified security at a specified price within a specified time. The adviser's dependence on its DRS process and judgments about the attractiveness, value and potential appreciation of particular ETFs and options in which the Fund invests or writes may prove to be incorrect and may not produce the desired results. Purchased put options may expire worthless and may have imperfect correlation to the value of the Fund's sector ETFs. Written call and put options may limit the Fund's participation in equity market gains and may amplify losses in market declines. The Fund's losses are potentially large in a written put or call transaction. If unhedged, written calls expose the Fund to potentially unlimited losses. The effectiveness of the hedge and degree of downside risk mitigation varies with market conditions. The DRS can and does have periods of losses.

The benchmarks used for the Fund is the Ruseell 2000 Index, which is designed to measure the equity market performance of U.S. small-cap to mid-cap companies. An investment cannot be made directly in an index. Indexes are unmanaged and have no fees or expenses.

Investors should carefully consider the investment objective, risks, charges and expenses of the Swan Defined Risk U.S. Small Cap Fund. This and other information is contained in the prospectus and should be read carefully before investing. For a prospectus please call (877) 896-2590. The Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Northern Lights Distributors, LLC and Swan Capital Management, LLC are not affiliated. There is no guarantee the fund will meet its objective. 9101-NLD-02/17/2022 *SC-FUND-1PS-22*