Swan Defined Risk Fund

"Managing investments is more about risk management, than return management"

– BENJAMIN GRAHAM

swandefinedriskfunds.com



EVERY INVESTOR BEGINS WITH CERTAIN GOALS.

YOUR GOALS:

- Build your retirement account
- Avoid outliving your money
- Cover higher education costs for your children
- Care for your parents
- Donate to your charities

YOUR CHALLENGES:

- Low interest rates creating difficulty for fixed income
- Bull markets in both stocks and bonds; what if they end simultaneously?
- Global economic, political, and other risks add more uncertainty

REACHING YOUR GOALS IS IMPORTANT. SWAN CAN HELP GET YOU THERE.

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WHAT KEEPS YOU UP AT NIGHT?

You face unique challenges in pursuing your investment goals.



Major events will occur. Even the best made plan can be disrupted.

Do you remember the Dot-Com Crash? Or the Financial Crisis? How did these major events impact your life, portfolio, and goals? Do you wish your portfolio had been better protected?

MAJOR EVENT	MARKET HEADED DOWN IN	MARKET BOTTOMED OUT IN	THE MARKET LOST	A \$1,000,000 PORTFOLIO WOULD HAVE FALLEN TO	THAT PORTFOLIO WOULDN'T HAVE RECOVERED UNTIL
Dot-Com Crash	Sept 2000	Sept 2002	-44.73%	\$552,700	October 2006
Financial Crisis	Nov 2007	Feb 2009	-50.95%	\$490,500	March 2012

Source: Zephyr StyleADVISOR; Based on monthly Index close

Did you know?

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



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

HOW ARE YOU PREPARED TO DEAL WITH THESE CHALLENGES?

Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. Overall securities market risks will affect the value of individual instruments in which the Fund invests. Past performance does not guarantee future results.

SEEKING STEADY PERFORMANCE PLANNING DESIRED OUTCOMES

Many believe an investment in an S&P 500 Index product is a core holding. A core holding is defined as an investment bought with the express purpose of being held for a very long time, and is often a high quality security with a history of fairly steady performance. (Source: investorwords.com)

The chart below shows returns for successive 10-year periods, from 1998 to 2017. As you can see the performance of the S&P 500 Index has been anything but steady...



Unsteady Returns Can Lead to Outcome Uncertainty

S&P 500 INDEX: SUCCESSIVE 10-YEAR RETURNS

Investors Seeking Consistent Returns Need A Better Way to Invest

At Swan Global Investments, we believe large portfolio losses and multi-year recoveries are not the consequences investors must accept in order to achieve long-term portfolio growth.

HAS YOUR CORE HOLDING PRODUCED STEADY RETURNS?

The referenced performance illustration above is shown for illustrative purposes only and is not meant to represent the Swan Defined Risk Funds. For more current performance information to the most recent quarterend please visit <u>swandefinedriskfunds.com</u>. Past performance does not guarantee future results. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

SWAN'S INVESTMENT PHILOSOPHY

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

- RANDY SWAN, CEO AND PORTFOLIO MANAGER OF SWAN GLOBAL INVESTMENTS

Volatility May Impact Investment Results

As shown in the illustration below, increasing volatility can potentially have a negative impact on your portfolio. This effect can be seen as the red portion in the pie chart.



The Ilustration above is not meant to represent any Swan Fund. Volatility is defined as average standard deviation over 10 year period.

Achieving Long-Term Goals Requires Time and a Sound Strategy

Gains are only relevant if you keep them.

If you can avoid or minimize the impact of large market losses, you increase the probability of reaching your goals.

The Swan Defined Risk Strategy (DRS) is designed to do just that. We've been doing it since 1997.

The Swan Defined Risk Fund Class A: SDRAX | Class C: SDRCX | Class I: SDRIX

Based on the Defined Risk Strategy, our flagship fund seeks to achieve positive returns while minimizing the downside risk of U.S. equity markets. The fund is designed to address common investor concerns such as protecting capital, tax implications and market risk while investing in a lowcost ETF that indexes U.S. large cap companies in the S&P 500.

Key Elements of the Fund's strategy includes:

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

DOES YOUR LONG-TERM PLAN INCLUDE SUCH A STRATEGY?

There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. Diversification does not ensure profit or protect against loss. The adviser's dependence on its Defined Risk Strategy process and judgments about the attractiveness, value and potential appreciation of particular ETFs and options in which the Fund invests or sells may prove to be incorrect and may not produce the desired results.

THE DEFINED RISK STRATEGY ACTIVELY SEEKING TO NOT LOSE BIG

Launched in 1997, the Swan Defined Risk Strategy is a hedged equity approach designed to seek consistency of returns, downside protection, and sustainability of assets.

Most industry experts define a 20% drop in the value of the market as a bear market. Such major declines often require years to recover.

By lowering portfoilio volatility, thereby limiting the damage caused by bear markets, the Defined Risk Strategy has historically reduced the portfolio recovery time from years to months, thereby making it easier to stay invested and more likely on track towards achieving your investment goals.

How It Works

Equity ALWAYS INVESTED in low-cost equity ETFs. No stock picking, market timing, or sector rotation.



Protection ALWAYS HEDGED using long-term put options to potentially protect against large market declines.





ALWAYS seeking to generate cash flow with market-neutral option trades.

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.



Utilize this Strategy in the Defined Risk Fund

Using the Swan Defined Risk Fund investors can build portfolios designed to participate in market growth as it occurs, while seeking to minimize the damage caused by periodic but inevitable bear markets.

Learn more at swandefinedriskfunds.com



CONSIDER ADDING THE SWAN DEFINED RISK FUND TO YOUR PORTFOLIO

There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. Diversification does not ensure profit or protect against loss. Purchased put options may decline in value or expire worthless and may have imperfect correlation to the value of the Fund's portfolio securities. 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.

Swan Defined Risk Fund

Talk with your financial professional today about how the the Defined Risk Fund can help you reach your financial goals.

For more information, visit swandefinedriskfunds.com

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Important 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. Swan Global Investments offers and manages the Defined Risk Strategy for investors including individuals, institutions and other investment advisor firms. Swan claims compliance with the Global Investment Performance Standards (GIPS®). Any historical numbers, awards and recognitions presented are based on the performance of a (GIPS®) composite, Swan's DRS Select Composite, which includes nonqualified discretionary accounts invested in since inception, July 1997 and are net of fees and expenses. All data used herein; including the statistical information, verification and performance reports are available upon request.

The S&P 500 Index is a market cap weighted index of 500 widely held stocks often used as a proxy for the overall U.S. equity market. Indexes are unmanaged and have no fees or expenses. An investment cannot be made directly in an index. Swan's investments may consist of securities which vary significantly from those in the benchmark indexes listed above and performance calculation methods may not be entirely comparable. Accordingly, comparing results shown to those of such indexes may be of limited use. 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 adviser invests or writes may prove to be incorrect and may not produce the desired results.

There is no guarantee any investment or the DRS will meet its objectives. All investments involve the risk of potential investment losses as well as the potential for investment gains. Prior performance is not a guarantee of future results and there can be no assurance, and investors should not assume, that future performance will be comparable to past performance. All investment strategies have the potential for profit or loss. Further information is available upon request by contacting the company directly at 970.382.8901 or visit swanglobalinvestments.com

Investors should carefully consider the investment objective, risks, charges and expenses of the Swan Defined Risk 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. 7467-NLD-9/20/2018