

Swan Global Investments

The Defined Risk Strategy

Investing Redefined®

swanglobalinvestments.com





WE APPROACH INVESTING *DIFFERENTLY.*

Our time-tested, goals-based approach seeks to **mitigate the risk of big losses** so you can...



ACHIEVE your goals
on time.

PRESERVE your
irreplaceable wealth.

SECURE a retirement
that lasts.



SEEK TO MITIGATE BIG LOSSES

Your time is irreplaceable and so is your wealth.

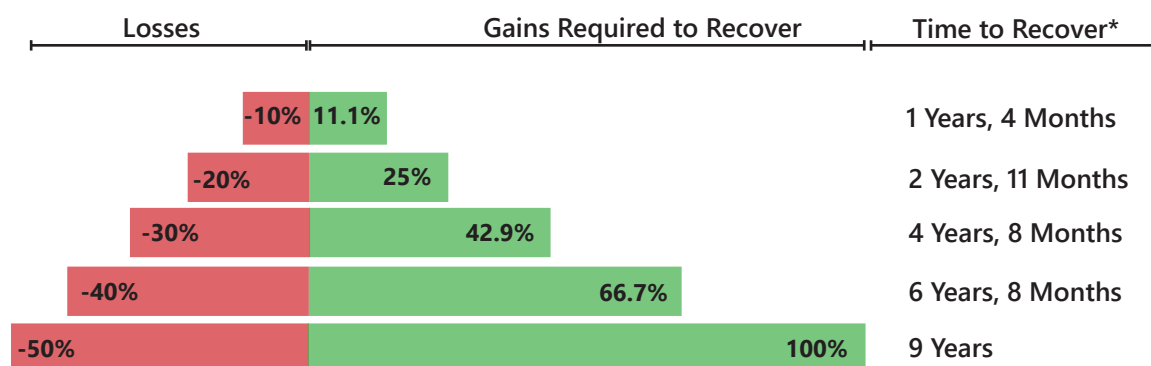
Big losses may critically impact your ability to reach your long-term goals on time.

Time Is Your Most Precious Resource

Bear markets, major losses of 20% or more, can derail your goals.

Reducing the negative impact of bear markets can help you lose less money, so you can spend more time compounding your wealth and less time recovering it.

The Math Behind Investment Returns



*Assumes an 8% return.

Real World Implications

Bear markets happen more often than you might think. Since 1929, the S&P 500 data shows that, on average, bear markets:



Occur every
3.6 years



Last about
10 months



Erase over 35% of
market value



Take 3.2 years
to recover

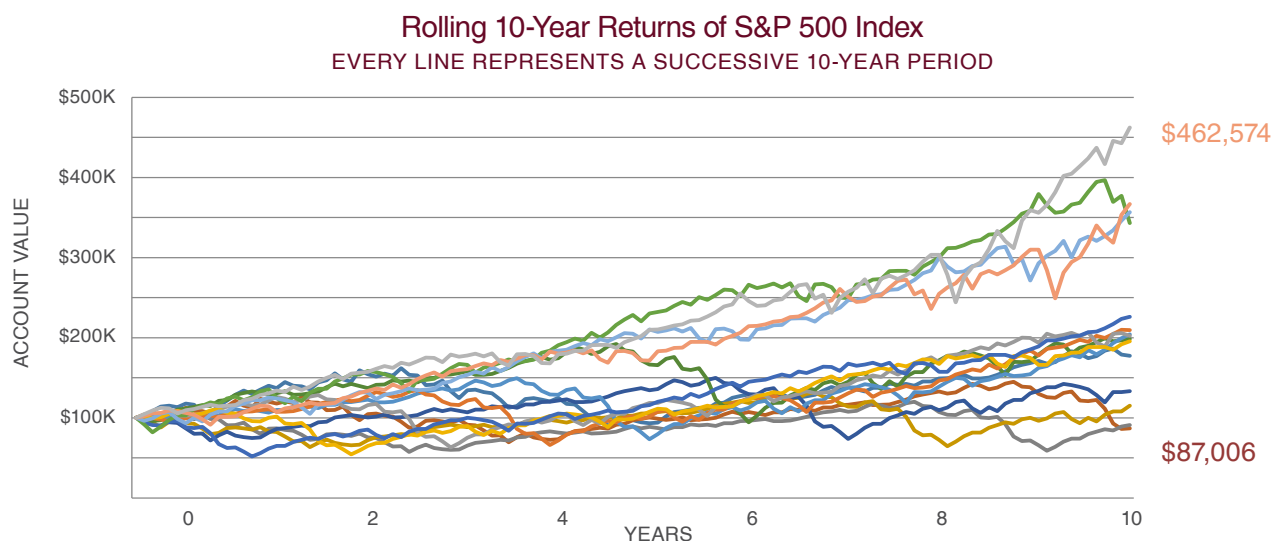
Source: Bank of America Merrill Lynch, Global Research, Bloomberg. Returns based on S&P 500.

SEEK CONSISTENT RETURNS

Every financial plan is built with the best of intentions. But you never know what the markets will deliver—even the best plan is only as good as your ability to stick with it.

Unpredictable Returns Make Financial Planning Difficult

Stock markets are volatile and can produce inconsistent returns, even over 10-year periods. The result may be gains for one investor and losses for the next. For example, let's consider the S&P 500:



Investment Results after 10-years* Ending Value Total Return

January 2012 – December 2021:	\$462,574	362.6%
January 2011 – December 2020:	\$366,994	267.0%
January 2010 – December 2019:	\$356,657	256.7%
January 2009 – December 2018:	\$343,033	243.0%
January 2008 – December 2017:	\$226,028	126.0%
January 2007 – December 2016:	\$195,717	95.7%
January 2006 – December 2015:	\$202,420	102.4%
January 2005 – December 2014:	\$209,464	109.5%
January 2004 – December 2013:	\$204,293	104.3%
January 2003 – December 2012:	\$198,578	98.6%
January 2002 – December 2011:	\$133,351	33.4%
January 2001 – December 2010:	\$115,072	5.1%
January 2000 – December 2009:	\$90,902	-9.1%
January 1999 – December 2008:	\$87,006	-13.0%
January 1998 – December 2007:	\$177,565	77.6%

These results are like fourteen different people investing in the market one year apart. But 10 years later, each had a very different outcome.

While the U.S. large cap stock market may seem volatile, small cap, foreign developed, and emerging equity markets can be even more volatile.

* Based on an initial investment of \$100,000. Source: Zephyr StyleADVISOR The S&P 500 Index is an unmanaged index and cannot be invested into directly. This chart is for illustration purposes, not a guarantee of future performance.

Regardless of which stock market you invest in, mitigating risk may create a smoother ride with more consistent returns. Consistent returns through volatile markets may help you stick with your financial plan and improve your chances of achieving long-term goals.

How are you addressing stock market unpredictability?

INVESTING REDEFINED®

Investors' Dual Dilemma

A traditional portfolio, comprised primarily of stocks and bonds, faces historic challenges that may leave investors unprepared to achieve their long-term financial goals.



STOCKS

Stocks have always been unpredictable, but bear markets make stocks difficult to buy and hold.



BONDS

Due to low or rising interest rates, bonds may not provide the protection or income investors need.

Since 1982, falling interest rates have benefited both bond and stock investors. Current low interest rates produce anemic income for retirees and may induce investors to chase yield and more risk. Yet rising rates may hurt bond investors.

Because the investing landscape has changed in this fundamental way, how you invest for long-term goals may need to be redefined.

Investors need another fundamental tool in a goals-based strategy to solve the investment challenges of today and tomorrow.

What Is Investing Redefined®?

It means focusing on what matters most to investors—having the money you need when you need it.

The biggest risk, or threat, to this objective is losing big.

So we seek to define risk—mitigate the risk of big losses—so investors may be better positioned to achieve long-term goals.

At Swan Global Investments, we believe that starts with directly addressing market risk.

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“Market risk is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets in which he or she is involved.

Market risk, also called ‘systematic risk,’ cannot be eliminated through diversification, though it can be hedged against.”

-INVESTOPEDIA

Market Risk Is Too Big a Threat to be Dealt with Passively—*So We Hedge It*

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

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

Redefine Portfolios with Hedged Equity

Hedging is simply the act of seeking to mitigate potential losses.

Hedged equity is an investing approach that invests in equity (stocks) for growth and seeks to hedge (mitigate) against big losses.

Hedged equity may help preserve irreplaceable capital while providing the potential for growth from stocks.

Our Hedged Equity Approach Is Distinct
Always Invested, Always Hedged

THE DEFINED RISK STRATEGY

A Goals-Based Approach

Launched in 1997, our proprietary Defined Risk Strategy is a distinct and time-tested goals-based approach that seeks to avoid big losses to preserve wealth and generate consistent returns.

Always Invested, Always Hedged

Our strategy combines three independent components.



Equity

Always Invested passively in equities, using low-cost ETFs for portfolio growth.



Hedge

Always Hedged using put options to mitigate risks of bear markets.



Options

Actively managing options portfolio to generate additional return and offset the cost of the hedge.

A HEDGE IS NOT INSURANCE,
MAY LOSE VALUE

A DISTINCT, GOALS-BASED APPROACH

Hedging with the Defined Risk Strategy

Our Defined Risk Strategy (DRS) uniquely combines passive, low-cost investing with active risk management. We offer this in multiple investment structures and asset classes, including:

- U.S. Large Cap Equities (S&P 500)
- U.S. Small Cap Equities (Russell 2000)
- Emerging Markets (EEM)
- Foreign Developed Markets (EAFE)

The DRS utilizes put options to remain distinctly 'always hedged' to mitigate market risk and big losses, especially during bear markets.

Owning Put Options to Mitigate Portfolio Risk

We believe put options address the biggest risk to your wealth and future: losing big.

Put options have an inverse relationship to what they seek to protect. When the equity loses value, the put option increases in value, and vice-versa.

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



We distinctly hedge using long-term put options to offer investors a long-term defense against bear markets so they can potentially reach their long-term goals.

Long-Term Hedge for
Long-Term Investors

ABOUT SWAN GLOBAL INVESTMENTS

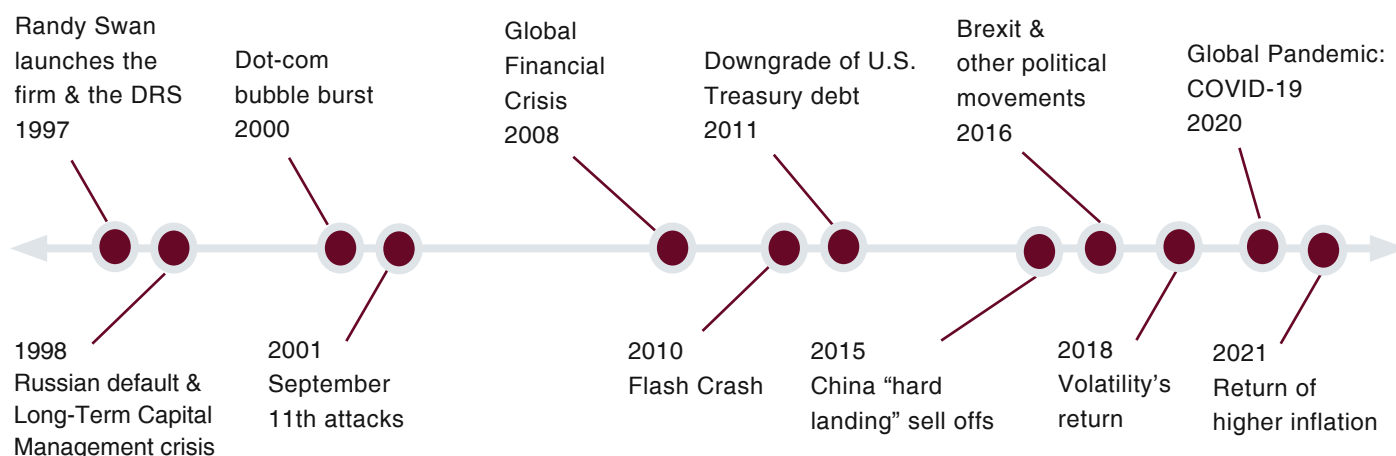
A Distinct, Goals-Based Philosophy

Founded in 1997, Swan Global Investments is a leader in hedged equity and options strategies, providing goals-based investment solutions built on an “Always Invested, Always Hedged” philosophy that seeks long-term capital appreciation, while mitigating market risk.

The Defined Risk Strategy is a time-tested, hedged equity approach that seeks consistent long-term returns by combining the benefits of passive investing with active risk management to mitigate risks to irreplaceable capital.

A Time-Tested Approach

We have helped steward investors through a wide range of market events and crises.



“Managing investments is more about risk management, than return management.”

-BENJAMIN GRAHAM

The Defined Risk Strategy was Created by an Investor for Investors



Randy Swan, Founder, CEO, & Lead PM of Swan Global Investments, developed the Defined Risk Strategy to find a better way to invest, grow, and protect wealth. Randy's experience as a senior manager for KPMG's Financial Services Group allowed him to see how insurance companies and risk managers diminished risk. What followed was his discovery and pursuit of effectively using options to minimize risk for individual investors like himself. He went on to form an advisory firm, and then an asset management company, to bring his Defined Risk approach to other investors.

In 2019, Randy published a book "Investing Redefined: A Proven Investment Approach for a Changing World" for investors to understand how and why the investing landscape has changed, and more importantly, what they can do about it.

Randy has also been featured in publications such as Barron's, The Wall Street Journal, Forbes, Morningstar, Investors Business Daily, and more. He has also been a frequent speaker at industry conferences including the Options Industry Council's Wealth Summit and the Alternative Investment Summit. Additionally, he serves on the Advisory Leadership Council of the Options Industry Council (OIC).

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

RANDY SWAN

Founder, CEO & Lead Portfolio Manager of Swan Global Investments

If you seek to preserve your irreplaceable wealth and secure a retirement that lasts, talk with your financial professional today about how our strategy may help you reach your financial goals.

For more information visit swanglobalinvestments.com.

Swan Global Investments

Defined Risk Strategy

Investing Redefined®

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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.

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.

All Swan products utilize the Defined Risk Strategy (“DRS”), but may vary by asset class, regulatory offering type, etc. Accordingly, all Swan DRS product offerings will have different performance results due to offering differences and comparing results among the Swan products and composites may be of limited use.

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. Further information is available upon request by contacting the company directly at 970.382.8901 or visit swanglobalinvestments.com