

Ticker: **HEGD** Q3, 2023

## Description & Objective:

The Swan Hedged Equity US Large Cap ETF ("Fund") seeks long-term capital appreciation while mitigating overall market risk.

## Key Distinguishing Characteristics:

- Distinct blend of passive investing<sup>1</sup> and active risk management
- Always invested seeking growth via S&P 500 equity ETFs
- Always hedged against market risk via long-term put options
- Innovative approach from a leader in hedged equity since 1997

## Fund Details

CUSIP..... 53656F599  
 Exchange..... Cboe  
 Inception Date.... 12/22/2020  
 Management Fee..... 0.79%  
 Gross Expense Ratio.... 0.87%  
 Net Assets..... \$185.44mm

## Why Invest in the Swan Hedged Equity ETF?

- 1 Passive Investing<sup>1</sup>**  
 Seeking to participate in S&P 500 index returns.
- 2 Active Risk Management**  
 Always Hedged to mitigate risk via long-term put options.
- 3 ETF Structure**  
 Low-cost, tax-efficient, trades throughout the day.

*A hedge is not insurance against losses.*

## Where HEGD Fits in a Portfolio?

### Fixed Income Complement

Potentially replace low-yielding treasuries, high-yield corporate or multi-sector bonds with HEGD.

### Equity Sleeve

Complement core equity positions with HEGD allocation to mitigate risk within overall equity portfolio.

### Possible Commodity, Real Estate, or Alternatives Replacement

Potentially replace Gold, Real Estate, Long/Short holdings with HEGD allocation.

Returns as of 9/30/2023	Cumulative					Annualized	
	1 Mo.	3 Mo.	6 Mo.	YTD	Since Inception (12/22/20)	1 Yr.	Since Inception (12/22/20)
HEGD (NAV return)	-3.45%	-1.99%	2.77%	5.47%	11.23%	8.90%	3.91%
HEGD (Price return)	-3.75%	-2.11%	2.96%	5.53%	11.16%	8.62%	3.89%
Cboe S&P 500 95-110 Collar Index (CLL)	-3.76%	-2.86%	4.42%	8.26%	9.00%	10.20%	3.16%
S&P 500 TR Index	-4.77%	-3.27%	5.18%	13.07%	21.43%	21.62%	7.25%

Calendar Returns				Risk Metrics (annualized since inception)			
	2021	2022	YTD 2023		Std. Deviation	Beta	Sharpe Ratio
HEGD (NAV return)	16.87%	-10.84%	5.47%	HEGD (NAV return)	9.16%	0.51	0.18
Cboe S&P 500 95-110 Collar Index (CLL)	17.67%	-15.05%	8.26%	Cboe S&P 500 95-110 Collar Index (CLL)	12.32%	0.63	0.11
S&P 500 TR Index	28.71%	-18.11%	13.07%	S&P 500 TR Index	17.11%	1.00	0.33

Total returns are based on the closing market price of the ETF on the date shown above. The performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For the most recent month-end performance data, call [866-617-7926](tel:866-617-7926).

## Investment Process: Disciplined, Repeatable, Transparent

### Invest for Growth

Always Invested: Passively invest<sup>1</sup>  
(Buy and Hold) in S&P 500 index ETFs

### Hedge Against Losses

Always Hedged: Actively manage  
long-term put options purchased at,  
or near-the-money.

### Seek Additional Return

Actively manage options trades to help  
offset hedging cost, utilizing a disciplined,  
time-tested approach

## Investment Philosophy: Investor-Focused, Outcome-Oriented

	Investor Concern		Investment Approach		Portfolio Component
Markets tend to go up over time, so we're <b>ALWAYS INVESTED.</b>	"Need to Grow My "Wealth"	>	Equity Market Participation	>	<b>Equity</b>
Severe losses can derail investors' goals, so we're <b>ALWAYS HEDGED.</b>	"Investing Can Be Risky"	>	Mitigate Downside Risk	>	<b>Hedge</b>

### Footnotes & Disclosures

<sup>1</sup> – Although the Fund is actively managed, the Fund intends to passively invest (buy and hold) at least 80% of its assets directly or indirectly through one or more ETFs in equity securities of large cap U.S. companies.

**Definitions:** Options: An option is a contract that gives the buyer the right to either buy (in the case of a call option) or sell (in the case of a put option) an underlying asset at a pre-determined price by a specific date. Options are a powerful tool for creating a wide array of potential payoff profiles and may be used on a standalone basis or integrated into a broader portfolio strategy. Expiry is the time until an option expires. In the context here expiry is used to describe the length of time from when an option position is initiated to when it will expire. NAV is the dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day. Market Price is the current price at which shares are bought and sold. Market returns are based upon the last trade price. A put option is an option contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying security at a specified price within a specified time. At the Money refers to an options contract where an option's strike price, or the price at which the option contract can be exercised, is identical to the price of the underlying security. Near the Money refers to an options contract where an option's strike price is close to the current market price of the corresponding underlying security. The Sharpe Ratio is used for calculating risk-adjusted return by measuring the average return earned in excess of the risk-free rate per unit of volatility or total risk. Standard Deviation is a measure of the dispersion of a set of data from its mean. The more spread apart from the benchmark, the higher the deviation. Beta is a measure of the volatility, or dispersion, of a security or a portfolio in comparison to the market as a whole.

The Cboe S&P 500 95-110 Collar Index SM (CLL) is based on a collar strategy. An option collar is designed to reduce the cost of hedging negative stock returns. The CLL tracks the value of a portfolio that protects an investment in S&P 500 stocks with a long 5% out-of-the-money put option on the S&P 500 (SPX put). The premium of the put is partly defrayed by the premium collected on a short position in a 10% out-of-the-money SPX call option (SPX call). The CLL Index portfolio is rebalanced monthly after the expiration of SPX call and put, typically 11 am ET every third Friday. New SPX put and call options are then bought and sold respectively.

The Standard & Poor's (S&P) 500 Total Return Index is an unmanaged, market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value, and assumes any distributions are reinvested back into the index. Indexes are unmanaged, and one cannot invest directly in an index.

All investing involve risk, including possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. There is no guarantee the Fund will meet its objective. The Fund will use put and call options, which are referred to as "derivative" instruments since their values are based on, or derived from, an underlying reference asset, such as an index. Derivatives can be volatile, and a small investment in a derivative can have a large impact on the performance of the Fund as derivatives can result in losses in excess of the amount invested. Options used by the Fund to reduce volatility and generate returns may not perform as intended. There can be no assurance that the Fund's option strategy will be effective. It may expose the Fund to losses, e.g., option premiums, to which it would not have otherwise been exposed. Further, the option strategy may not fully protect the Fund against declines in the value of its portfolio securities. The prices of options may change rapidly over time and do not necessarily move in tandem with the price of the underlying securities. Purchasing put options may result in the Fund's loss of premiums paid in the event that the put options expire unexercised.

The fund's investment objective is to seek long term capital appreciation while mitigating overall market risk. The fund is new and has a limited operating history.

*Investors should carefully consider the investment objectives, risks, charges and expenses of Exchange Traded Funds (ETFs) before investing. To obtain an ETF's prospectus containing this and other important information, please call (855) 772-8488, or visit [etfs.swanglobalinvestments.com](http://etfs.swanglobalinvestments.com). Please read the prospectus carefully before you invest. An investment in the fund involves risk, including possible loss of principal. Past performance does not guarantee future results.*

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