



# QUARTERLY ROUND-UP



**Randy Swan**  
Founder, President,  
Lead Portfolio Manager

## Q3 2024

- MARKET RECAP
- FORWARD MARKET OUTLOOK
- OPTIONS MARKET INDICATORS
- SWAN FUNDS & ETF UPDATES



**Marc Odo**  
Client Portfolio  
Manager



**Chris Hausman**  
Senior Portfolio  
Manager



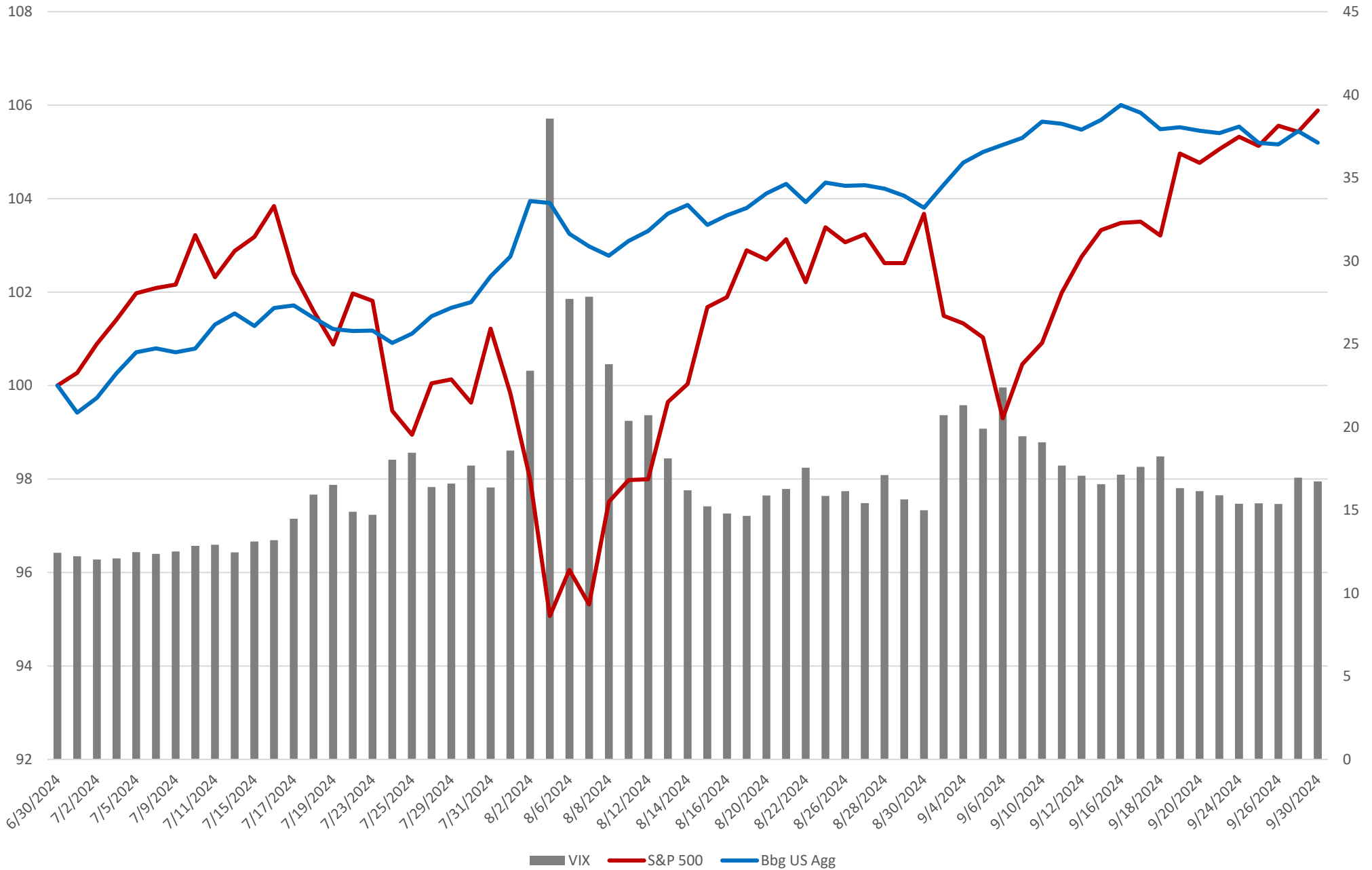
- Quarter closes at record high following near-correction
- Fed finally cut rates
- Broadening of market & value back in favor

	Q1	Q2	Q3	Q4	YTD
<b>S&amp;P 500</b>	10.56%	4.28%	5.89%	--	22.08%
<b>Russell 2000</b>	5.18%	-3.28%	9.27%	--	11.17%
<b>MSCI EAFE</b>	5.93%	-0.17%	7.33%	--	13.50%
<b>MSCI EM</b>	2.44%	5.12%	8.88%	--	17.24%
<b>Russell 1000 Growth</b>	11.41%	8.33%	3.19%	--	24.55%
<b>Russell 1000 Value</b>	8.99%	-2.17%	9.43%	--	16.68%
<b>Bloomberg US Agg</b>	-0.78%	0.07%	5.20%	--	4.45%

Source: Morningstar Direct as of 9/30/24. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.



## S&P 500, Bloomberg Agg, and VIX, Third Quarter, 2024





# Always Invested, Always Hedged



## Equity

for Portfolio  
Growth



## Hedge

for Portfolio  
Preservation



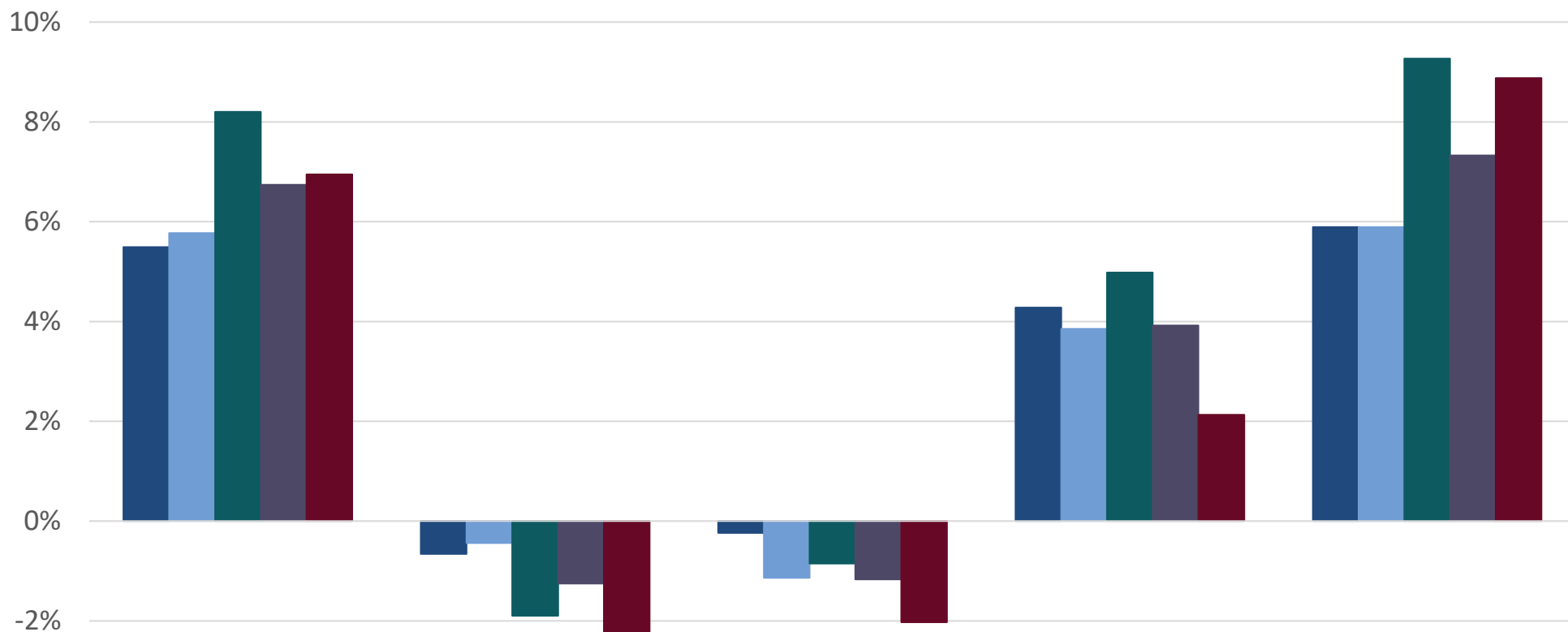
## Options

Offset Hedge Cost

A HEDGE IS NOT INSURANCE AGAINST LOSSES



### Attribution, Q3-2024

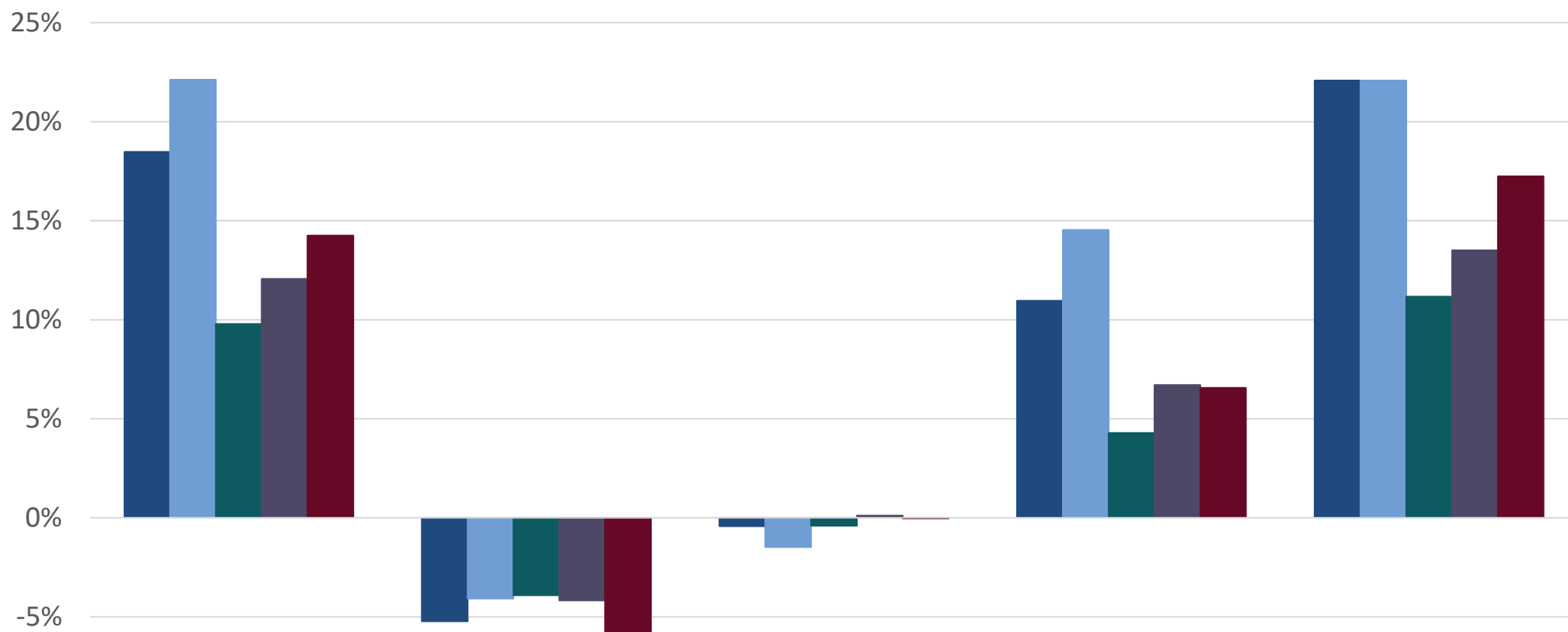


	Core	Hedge	Income	Total	BMark
■ SDRIX	5.49%	-0.66%	-0.24%	4.28%	5.89%
■ SDAIX	5.77%	-0.44%	-1.14%	3.85%	5.89%
■ SDCIX	8.20%	-1.90%	-0.85%	4.98%	9.27%
■ SDJIX	6.74%	-1.25%	-1.17%	3.92%	7.33%
■ SDFIX	6.95%	-2.28%	-2.03%	2.13%	8.88%

For Financial Professional Use Only. Source: Swan Global Investments. Past performance is no guarantee of future results. SDRIX refers to the Swan Defined Risk Fund (I Share) and the benchmark referenced is the S&P 500 Index. SDAIX refers to the Swan Defined Risk Growth Fund (I Share) and the benchmark referenced is the S&P 500 Index. SDCIX refers to the Swan Defined Risk U.S. Small Cap Fund (I Share) and the benchmark referenced is the Russell 2000 Index. SDJIX refers to the Swan Defined Risk Foreign Fund (I Share) and the benchmark referenced is the MSCI EAFE Index. SDFIX refers to the Swan Defined Risk Emerging Markets Fund (I Share) and the benchmark referenced is the MSCI EEM Index. Indexes are unmanaged and have no fees or expenses. An investment cannot be made directly in an index.



## Attribution, Year-to-Date



	Core	Hedge	Income	Total	BMark
■ SDRIX	18.47%	-5.23%	-0.42%	10.96%	22.08%
■ SDAIX	22.12%	-4.08%	-1.48%	14.54%	22.08%
■ SDCIX	9.78%	-3.91%	-0.40%	4.28%	11.17%
■ SDJIX	12.06%	-4.17%	0.11%	6.70%	13.50%
■ SDFIX	14.25%	-6.01%	-0.03%	6.56%	17.24%

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- Fed finally delivered rate cuts
- Full re-hedge implemented in S&P 500 products
- Capture ratios good
- New dividend income ETF outperforming benchmark



# Re-Hedges in S&P 500 Products







- Re-hedging the LEAPS usually comes after a ~20% move in the market
- All S&P 500-based solutions are fully re-hedged near market levels
- Currently similar to beginning-of-year risk profiles
- Hedges were quite cheap due to low volatility



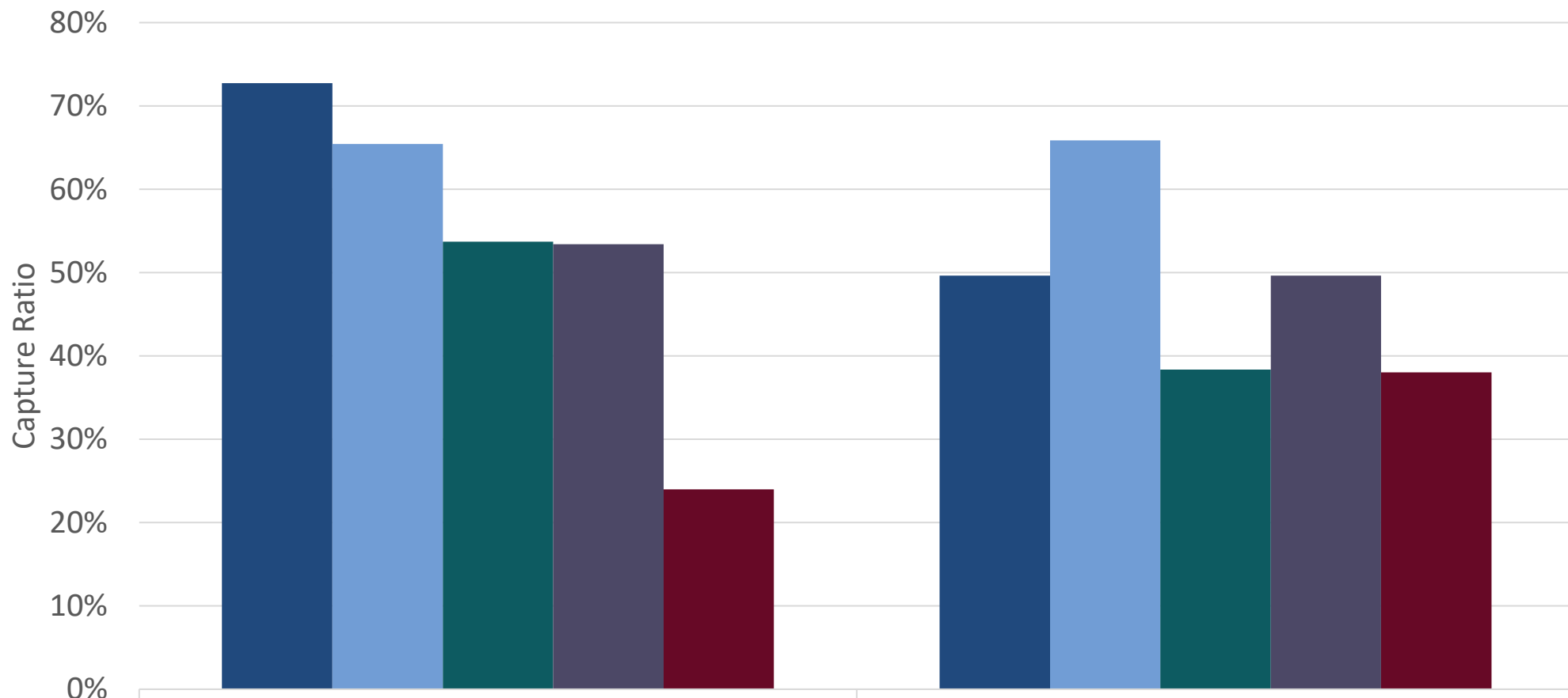
	Underlying Asset	Start of Year Strikes	Composite Strike	Current Asset Level (as of 10/21/24)
SDRIX – Swan Defined Risk	S&P 500	5000	5618	5854
SDAIX – Swan Defined Risk Growth	S&P 500	4700	5356	5854
SDCIX – Swan Defined Risk US Small Cap	Russell 2000	2150	2150	2240
SDJIX – Swan Defined Risk Foreign	MSCI EAFE	75	75	81
SDFIX – Swan Defined Risk Emerging Markets	MSCI Emg Mkt	40	40	45.6

Red: In-the-Money

Green: Out-of-the-Money



## Mutual Funds Capture Ratios



- SDRIX
- SDAIX
- SDCIX
- SDJIX
- SDFIX

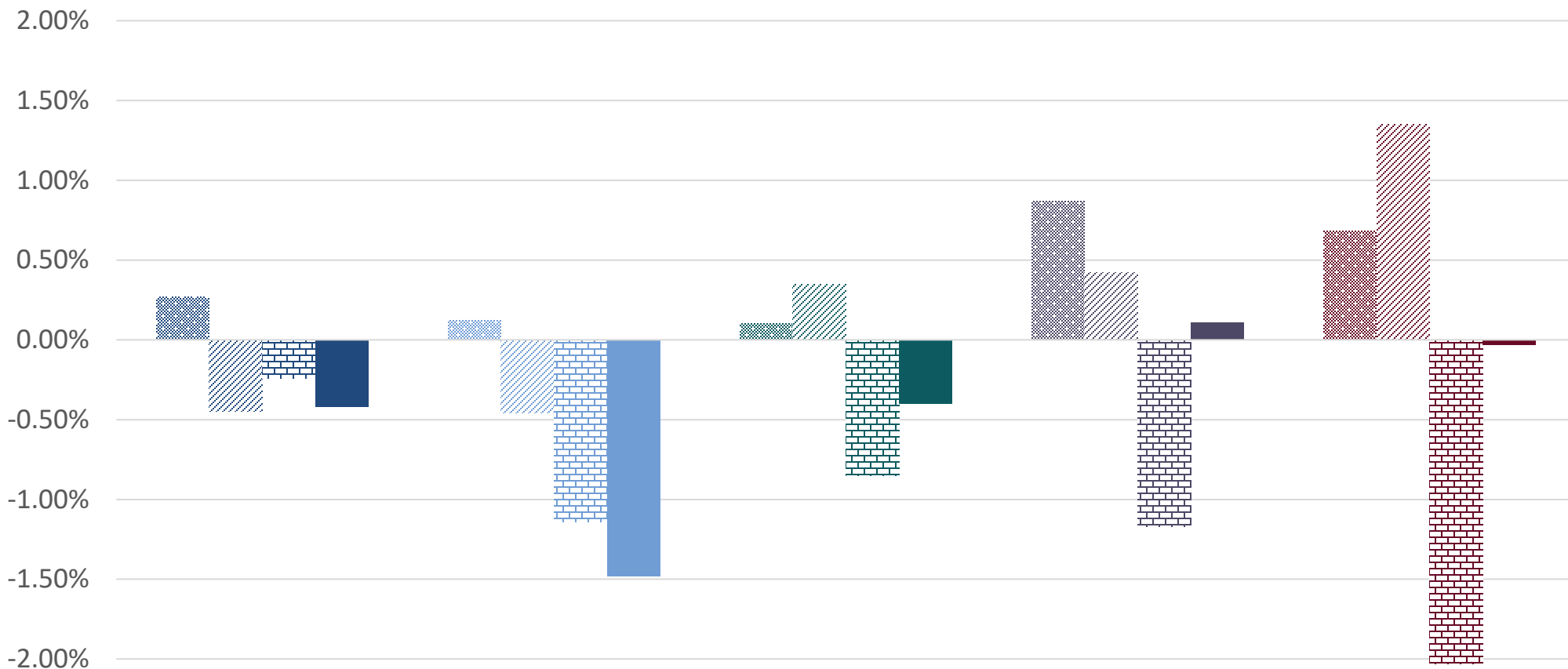
	Q3	YTD
SDRIX	73%	50%
SDAIX	65%	66%
SDCIX	54%	38%
SDJIX	53%	50%
SDFIX	24%	38%



- Income/Premium collection trades
- The flip side to a stock & bond rally
  - Equity valuations
  - A return to low yields on bonds



## Additional Trades Attribution

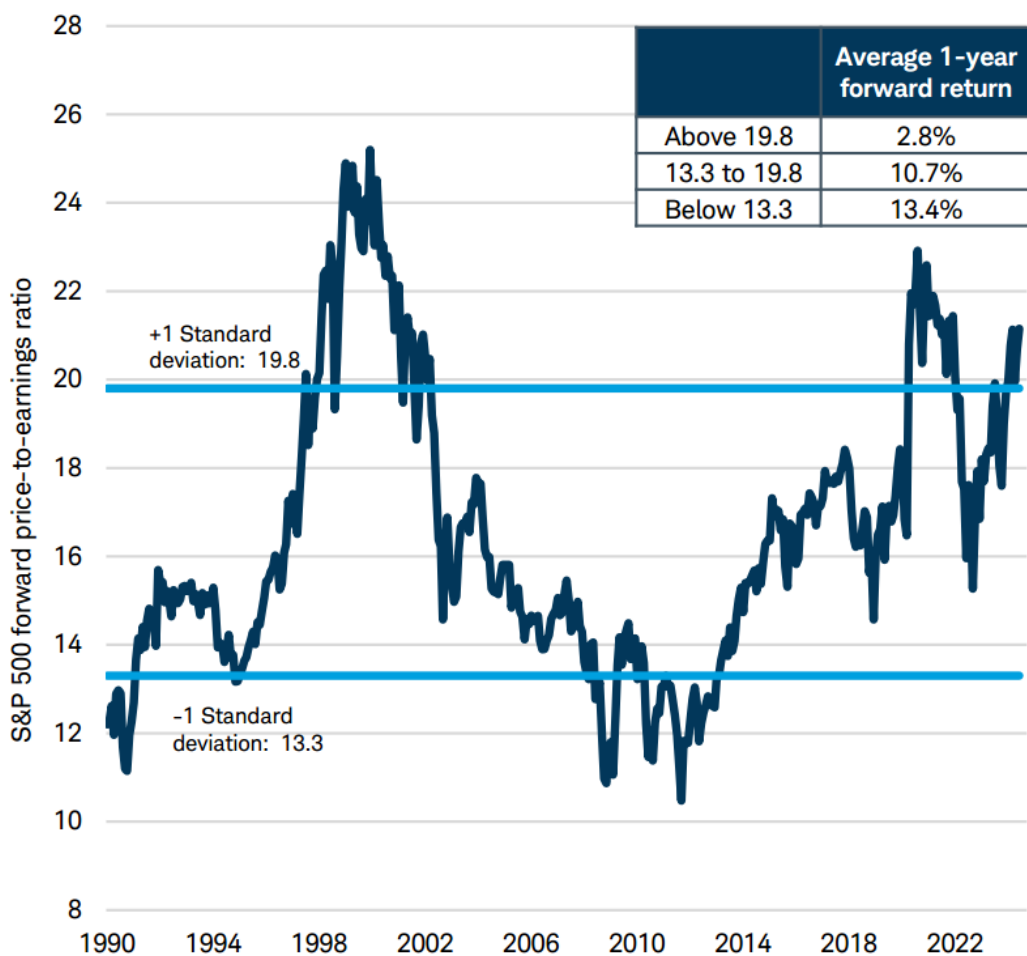


	SDRIX	SDAIX	SDCIX	SDJIX	SDFIX
Q1	0.27%	0.12%	0.10%	0.87%	0.68%
Q2	-0.45%	-0.46%	0.35%	0.42%	1.35%
Q3	-0.24%	-1.14%	-0.85%	-1.17%	-2.03%
YTD	-0.42%	-1.48%	-0.40%	0.11%	-0.03%

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## Valuations either "expensive" or "very expensive"



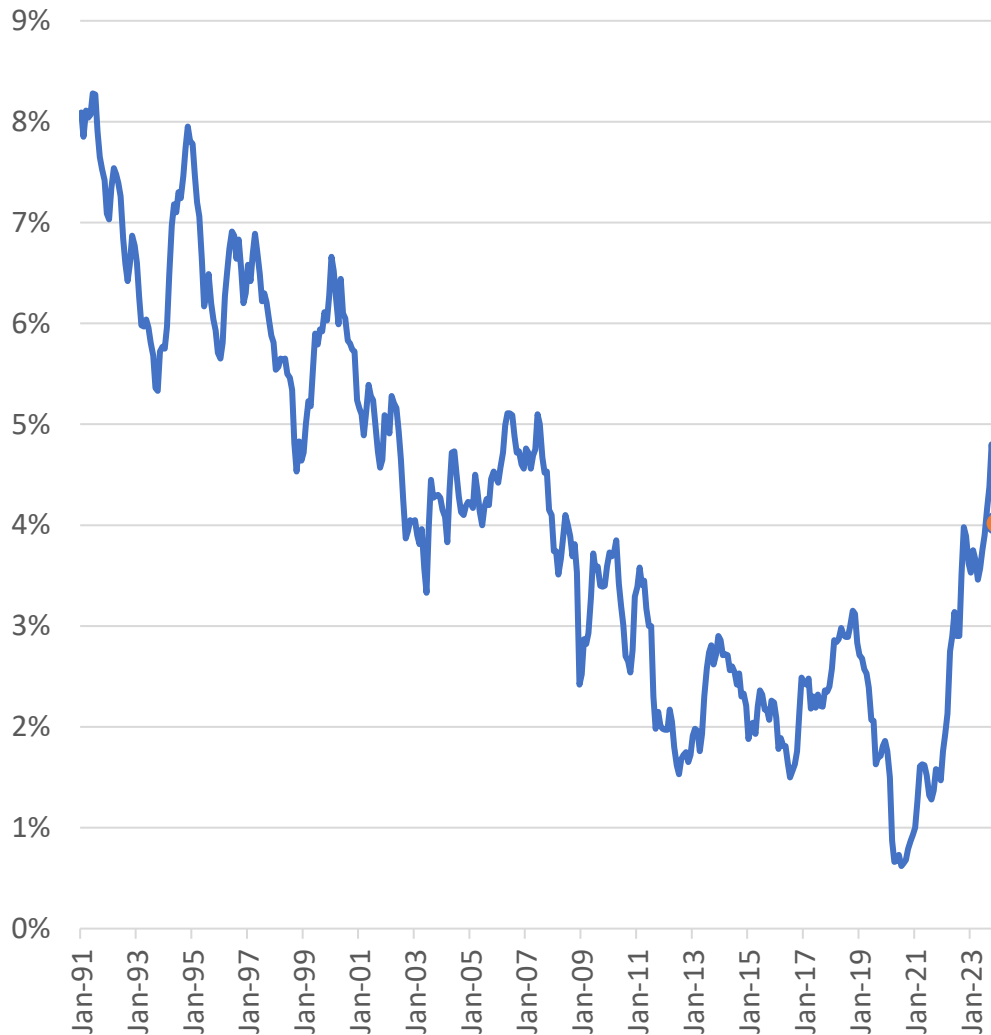
Valuation	
Metric	Current percentile ranking (relative to history)
S&P 500 forward P/E	Very Expensive
S&P 500 trailing P/E	Very expensive
S&P 500 5-year normalized P/E	Very expensive
S&P 500 price/book value ratio	Very expensive
S&P 500 price/cash flow	Very expensive
S&P 500 dividend yield	Very expensive
Shiller's CAPE (cyclically adjusted P/E)	Very expensive
Rule of 20	Very expensive
Equity risk premium (10-year Treasury yield)	Expensive
Equity risk premium (Baa corporate bond yield)	Expensive
Fed Model	Expensive
Tobin's Q	Very expensive
Market cap/GDP	Very expensive

Source: Charles Schwab, the Schwab Center for Financial Research, Bloomberg, as of 9/30/2024. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly. **Past performance is no guarantee of future results.** Source: Charles Schwab, Bloomberg, The Leuthold Group, as of 9/30/2024. For illustrative purposes only. Investing involves risk, including loss of principal. Due to data limitations, start dates for each metric vary and are as follows: CAPE: 1900; Dividend yield: 1928; Normalized P/E: 1946; Market cap/GDP, Tobin's Q: 1952; Forward P/E, trailing P/E, price/book, price/cash flow, rule of 20, equity risk premium, Fed Model: 1995. "Very expensive" refers to 80-100th percentile rankings; "expensive" refers to 60-80th percentile rankings; "fairly valued" refers to 40-60th percentile rankings; "inexpensive" refers to 20-40th percentile rankings; and "cheap" refers to 0-20th percentile rankings. Standard deviation, commonly used as a measurement of risk, is a statistical measure that calculates the degree to which returns have fluctuated over a given time period. A higher standard deviation indicates a higher level of variability in returns.

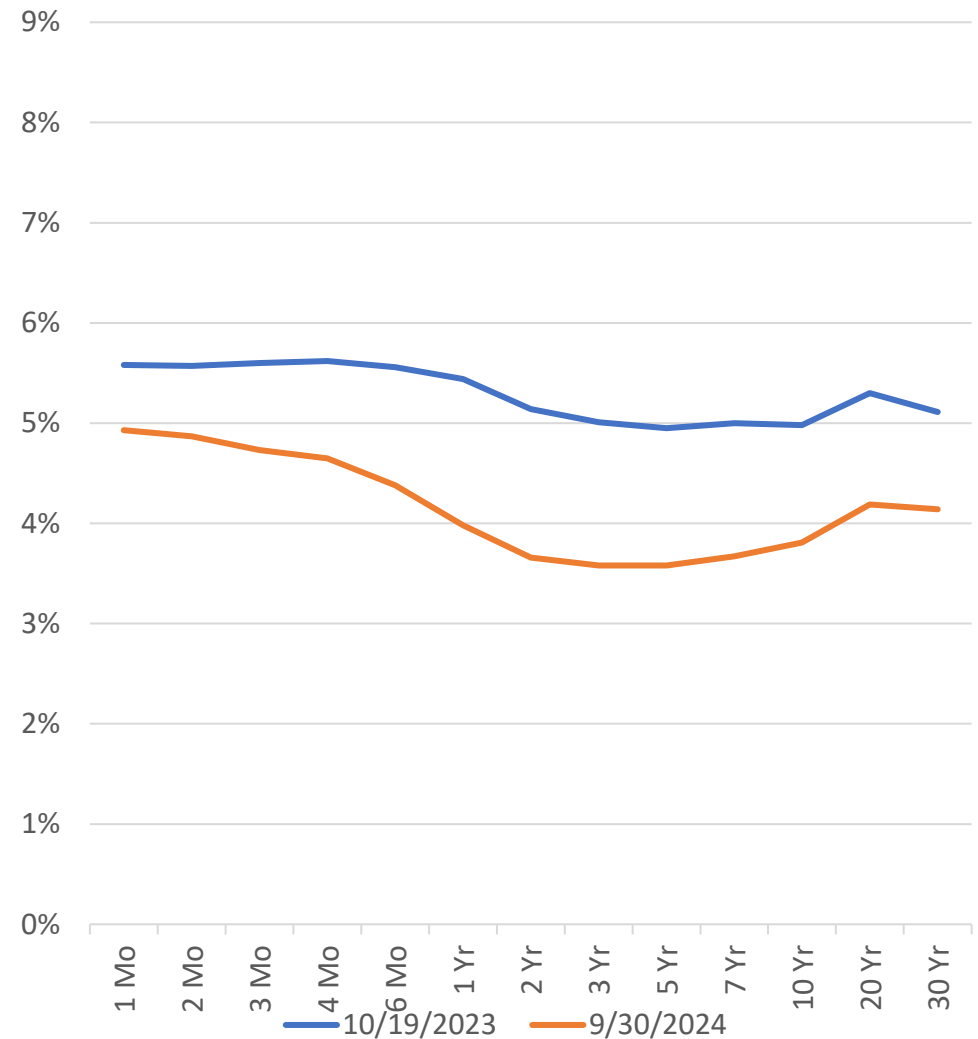


# Back to "return-free risk" in bonds?

### Ten Year Yields, Historic



### Yield Curve: Recent Peak vs. Current





- S&P 500 corrected nearly 10% July-August, followed by V-shaped recovery. Typically see one 10% correction per year.
- Upward trading channel has widened.
- Support remains 5250 and is currently bumping into resistance at 5850.
- Real technical damage begins with a break < 5000.

## S&P 500 Index

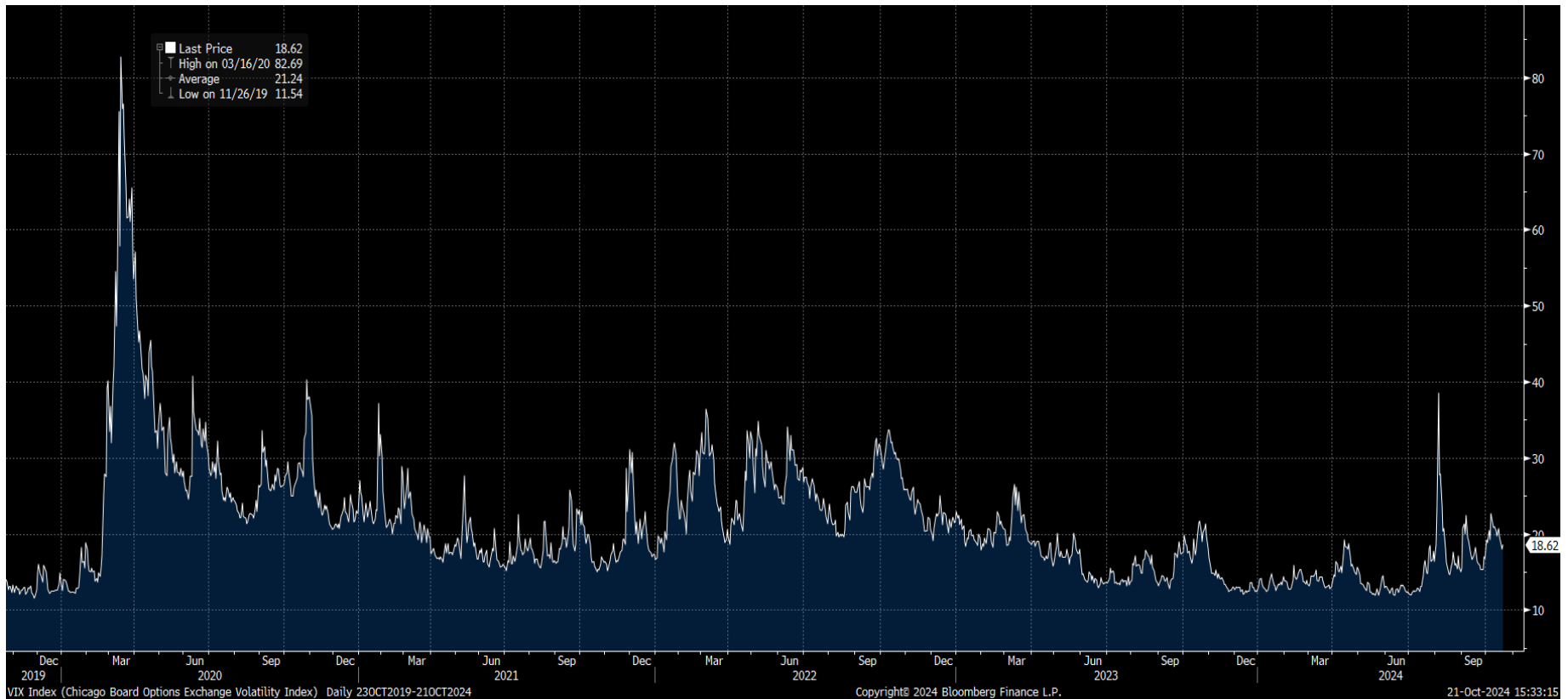






- VIX hit 65 pre-market August 5<sup>th</sup>. Only COVID and GFC saw greater levels.
- Due primarily to illiquidity of market.
- “Fear” was greatly overstated outside of regular market hours.
- Reminder that “fragility” continues to be present in the marketplace.

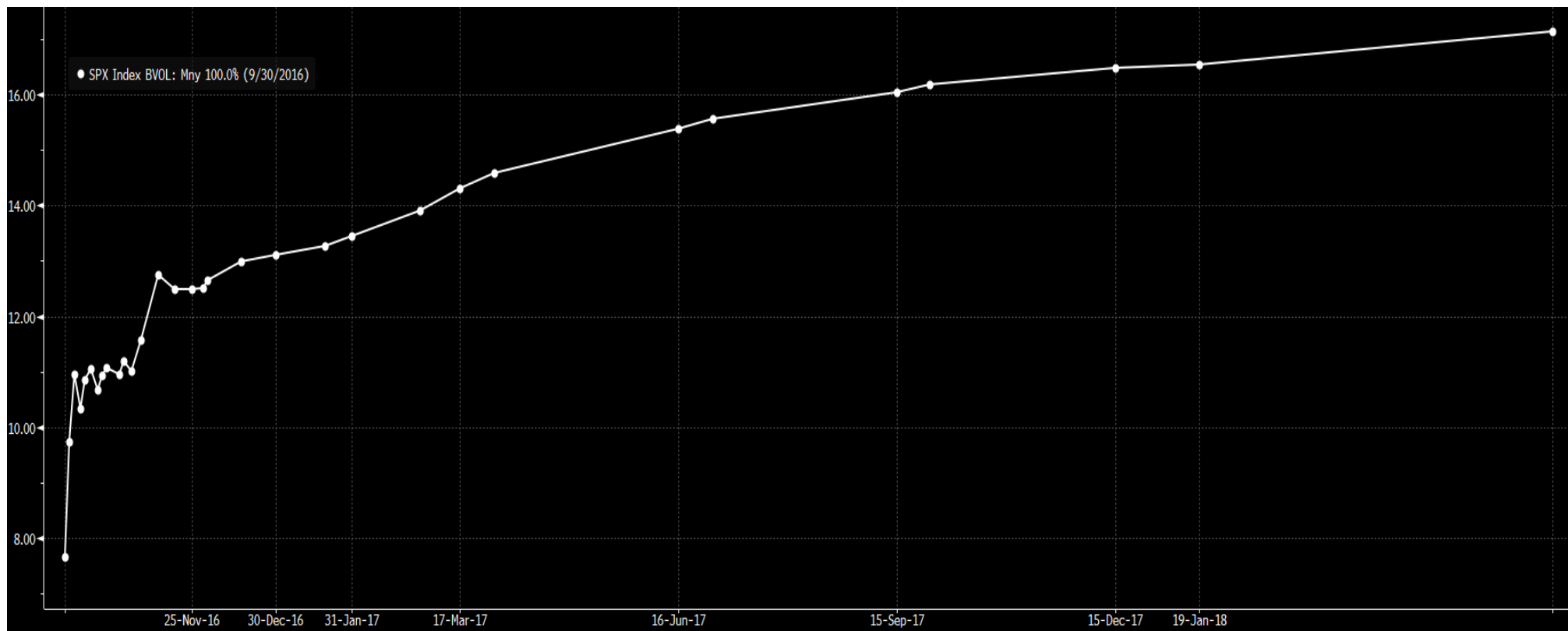
## VIX: 10/2019 to 10/2024





- Election “Bump” in term structure.
- Term structure looks at the ATM option spread over different expirations.
- Election held on November 8, 2016.
- November 4, 2016 expiry vol= 11.57.
- November 11, 2016 expiry vol=12.75.

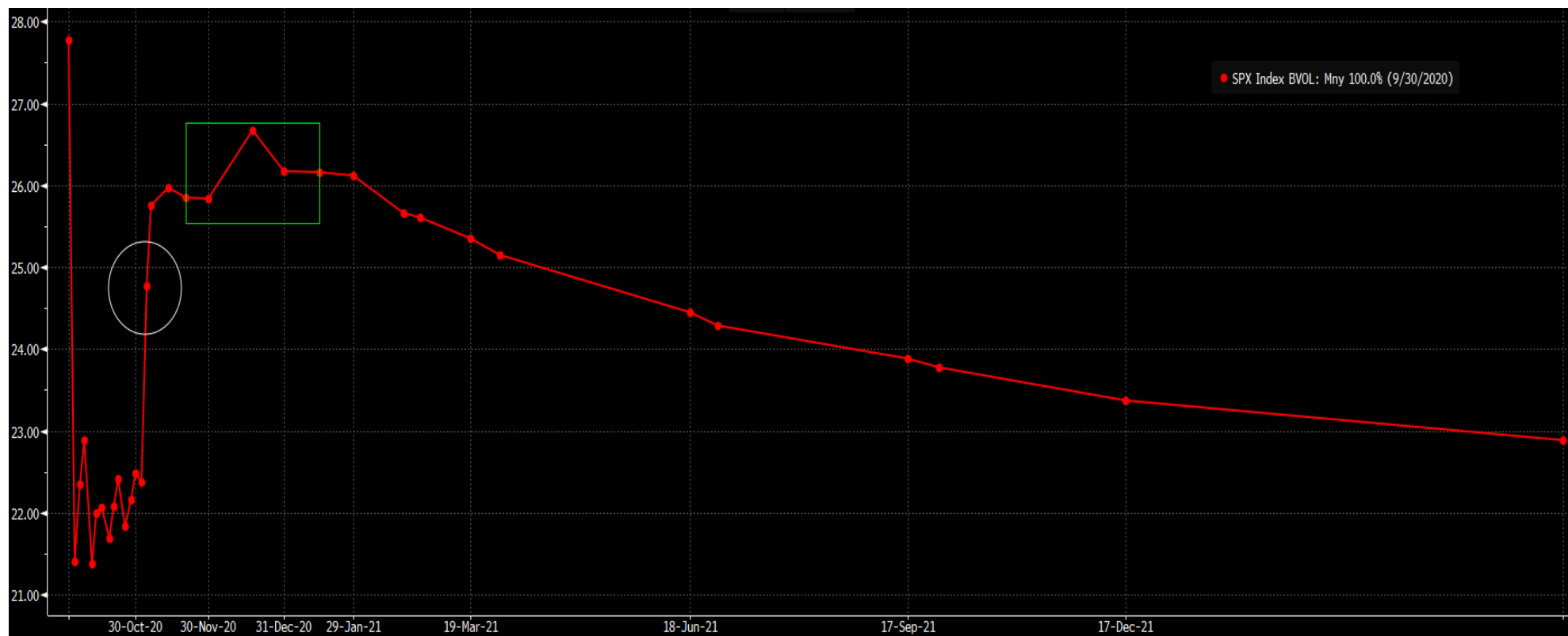
## S&P 500 Term Structure as of 9/30/2016





- Election held on November 3, 2020.
- November 2, 2020 expiry vol= 22.37.
- November 4, 2020 expiry vol= 24.77
- Forward expiries pricing lower volatility.

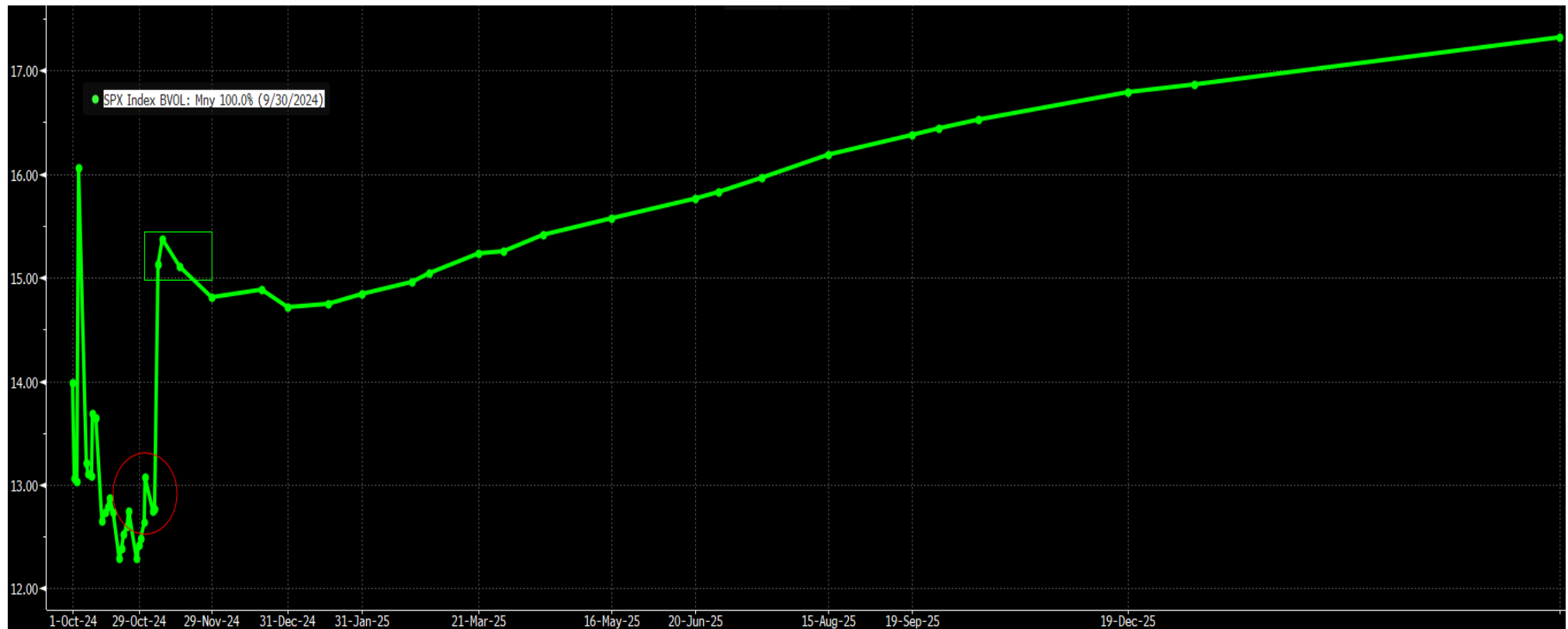
## S&P 500 Term Structure as of 9/30/2020





- Election being held on November 5, 2024.
- November 4, 2024 expiry vol= 12.75.
- November 6, 2024 expiry vol= 15.12
- Forward expiries pricing higher volatility.

## S&P 500 Term Structure as of 9/30/2024





- U.S. on pins and needles regarding election
  - Turmoil can stretch for months
  - There will be no “soft landing” in politics
- Zero emphasis on deficit and debt reduction
- Proposals from both sides economically dubious

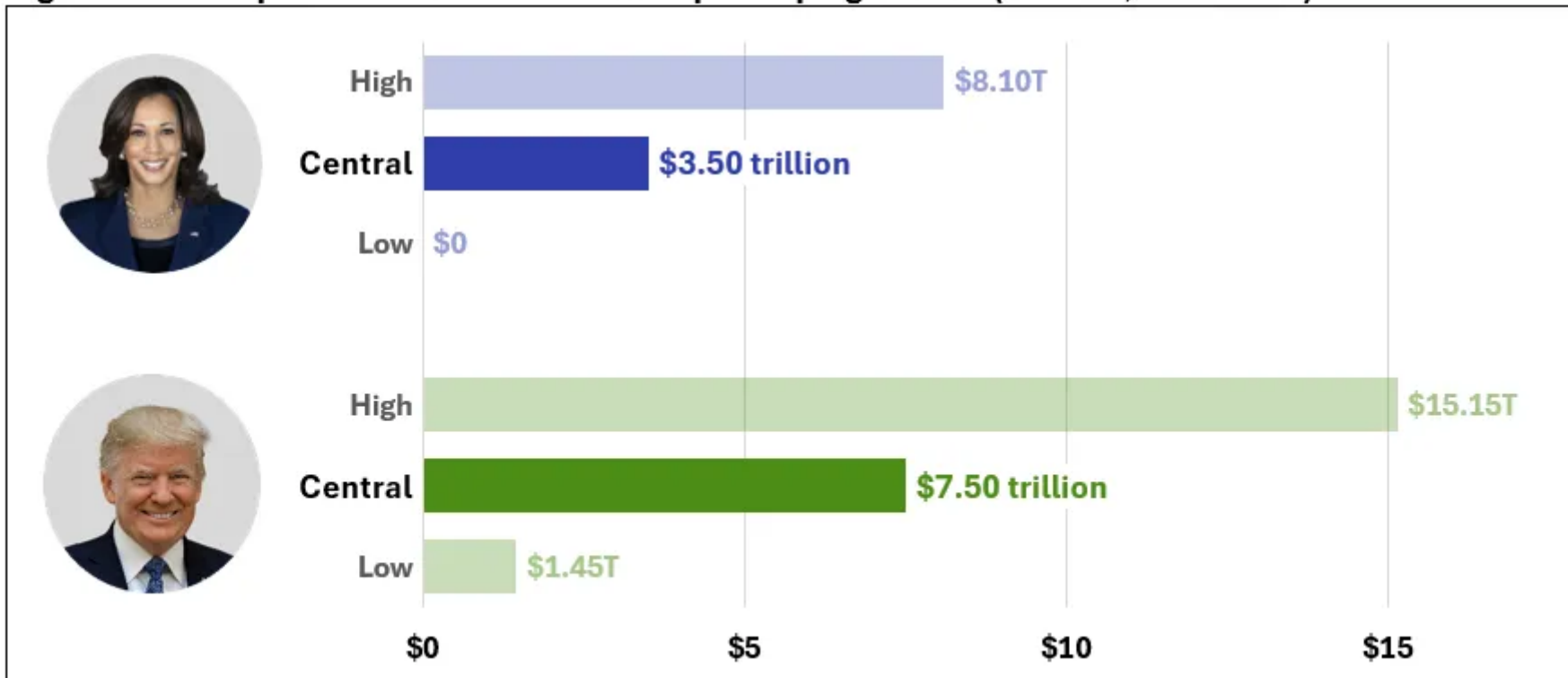


# The One Area Where Both Parties Agree

However, neither major candidate running in the 2024 presidential election has put forward a plan to address this rising debt burden. In fact, our comprehensive analysis of the candidates' tax and spending plans finds that both Vice President Kamala Harris and former President Donald Trump would likely further *increase* deficits and debt above levels projected under current law.

Under our central estimate, Vice President Harris's plan would increase the debt by **\$3.50 trillion** through 2035, while President Trump's plan would increase the debt by **\$7.50 trillion**.

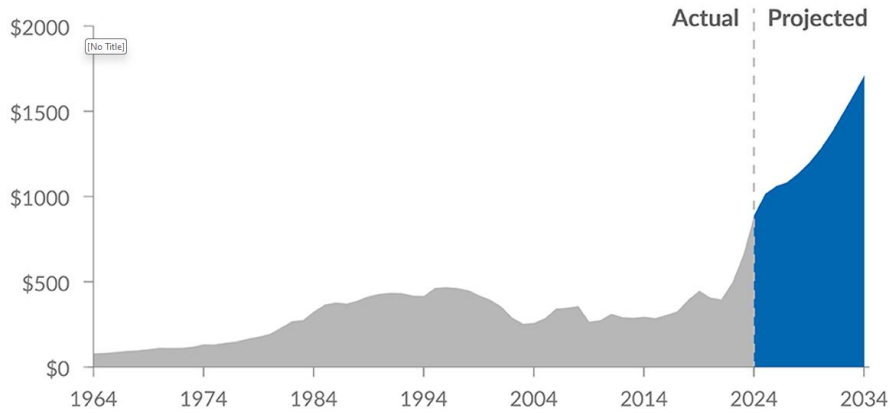
**Fig. 1: Fiscal Impact of the Harris and Trump Campaign Plans (trillions, 2026-2035)**



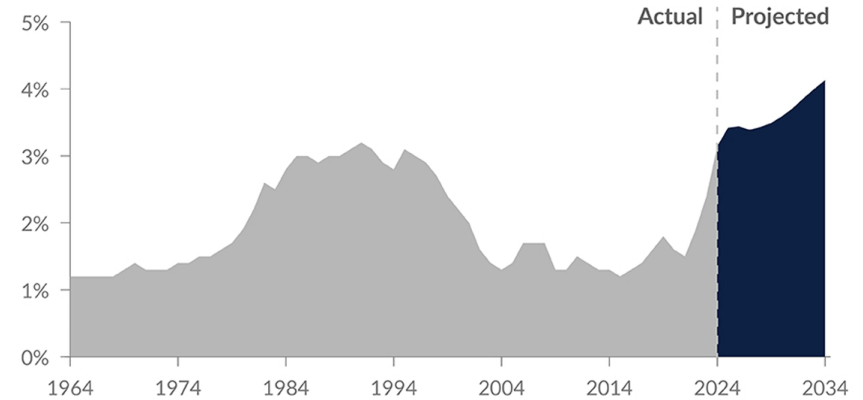


## No matter how you measure it...

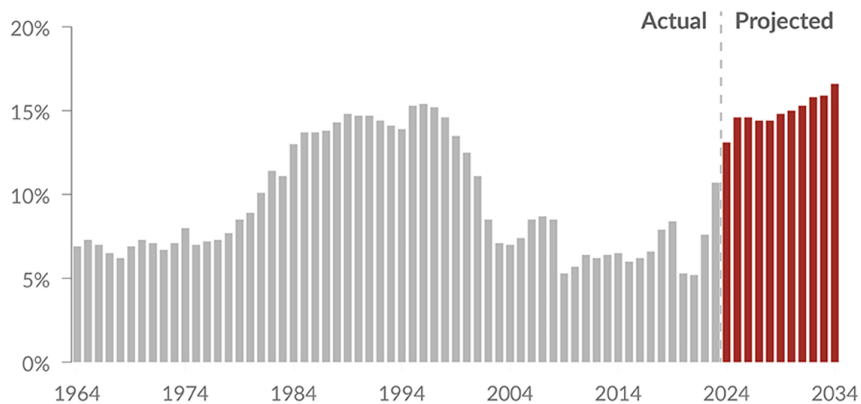
### Interest Costs in Dollars (Adjusted for Inflation)



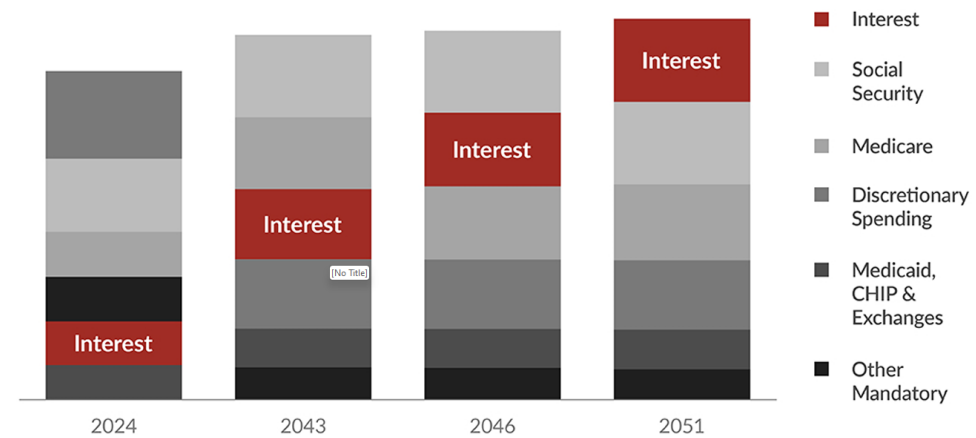
### Interest Costs as a Percentage of GDP



### Interest Costs as a Percentage of All Federal Spending



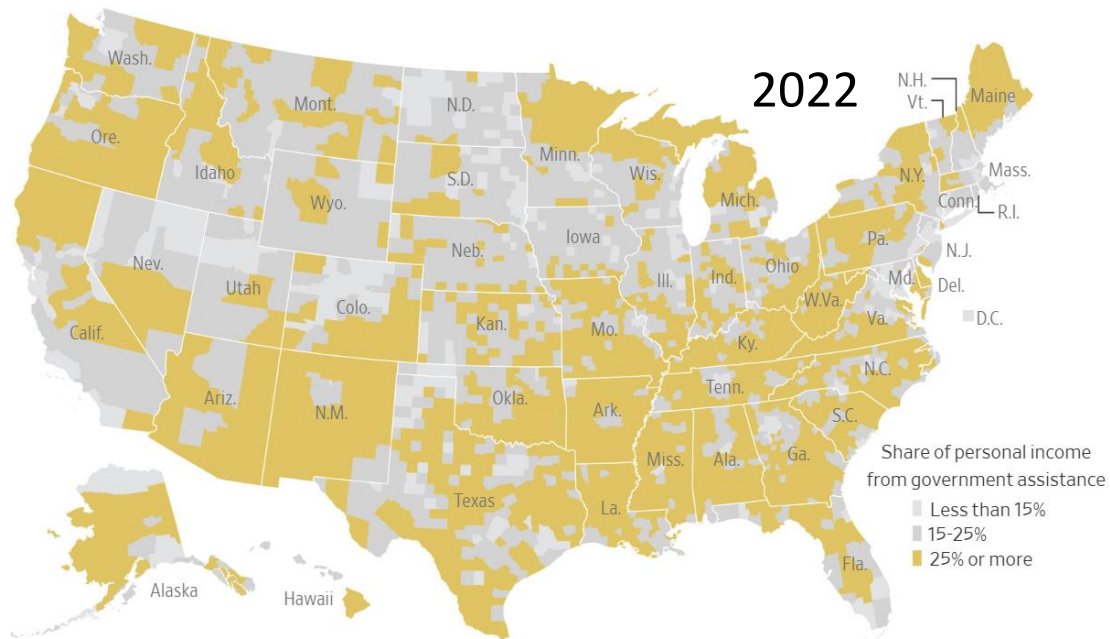
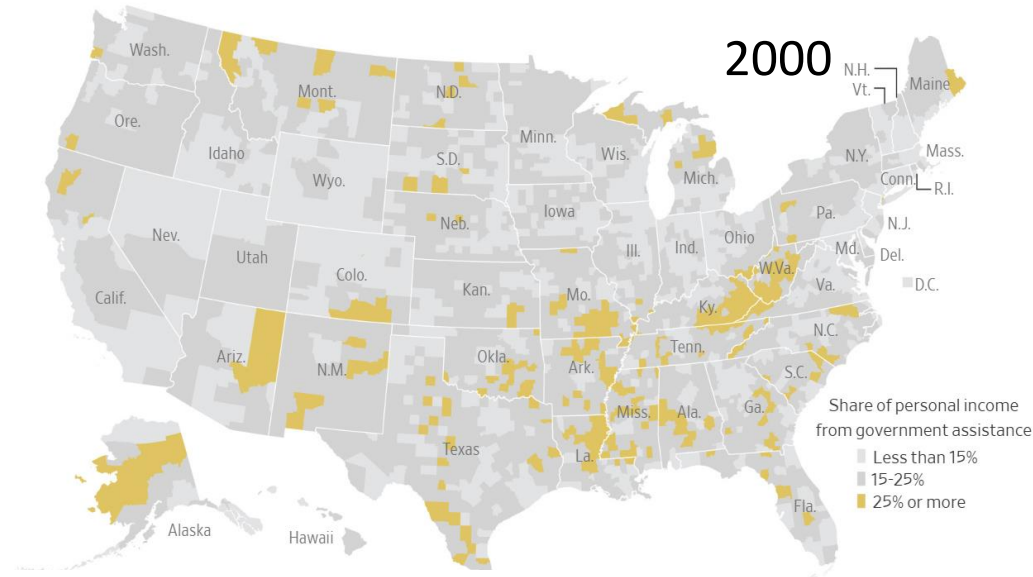
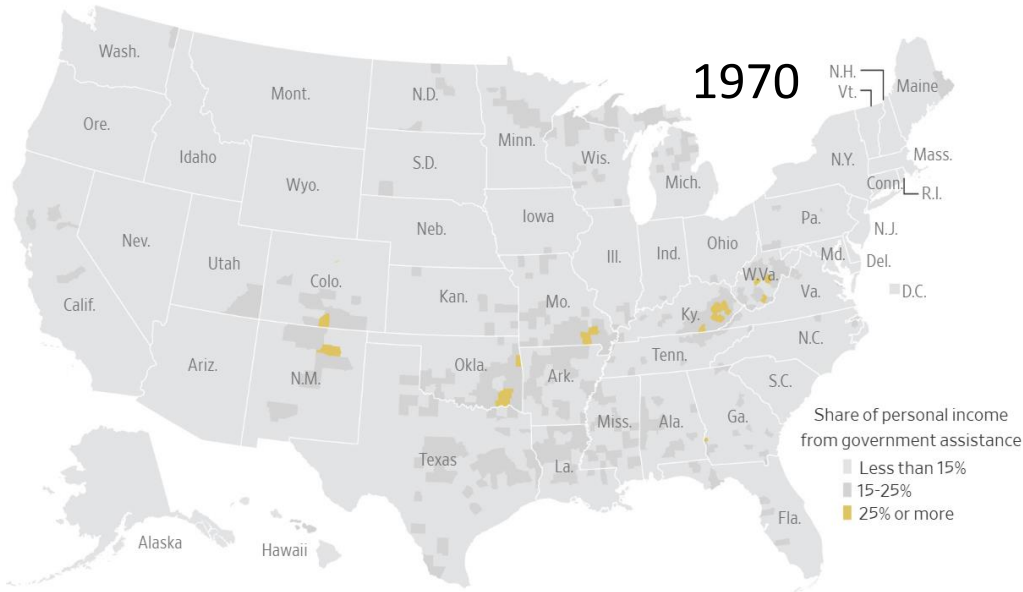
### Budget Categories (Percent of GDP)



Note: Medicare spending is net of premiums and payments from the states.



# Share of Income from Government >25%

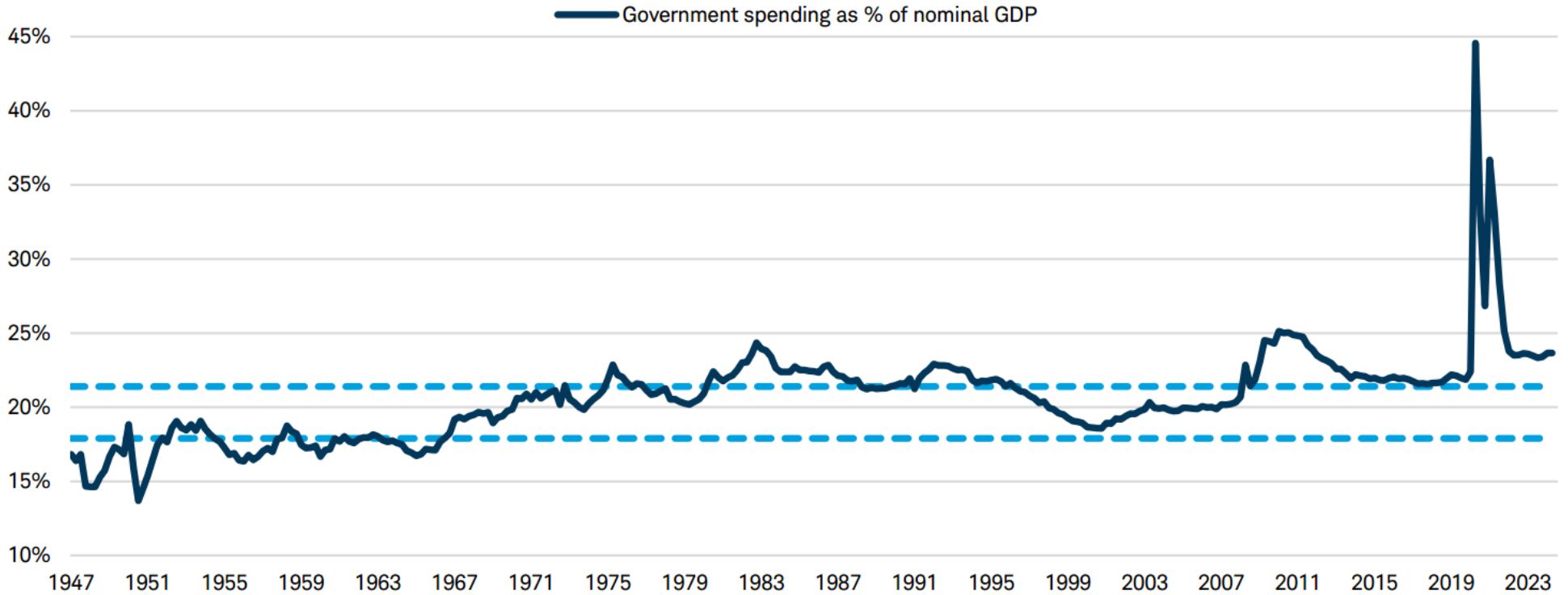






# Government spending

As a percentage of nominal GDP, government spending remains elevated relative to history. The current share is consistent with slower growth, investment, and job creation.



Government spending as % of nominal GDP	Annualized gain (3/31/1947 – 6/30/2024)			
	Nonfarm payrolls	Real non-residential investment	Real GDP	CPI inflation
Above 21.4%	1.4%	4.0%	2.7%	3.3%
17.9% to 21.4%	1.8%	4.5%	3.1%	4.2%
Below 17.9%	2.1%	4.9%	4.0%	2.6%



# Always Invested, Always Hedged

## 1 Invest in Equities

*WHY?*

*To participate in equity markets.*

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

## 2 Hedge the Equities

*WHY?*

*To mitigate risks of bear markets.*

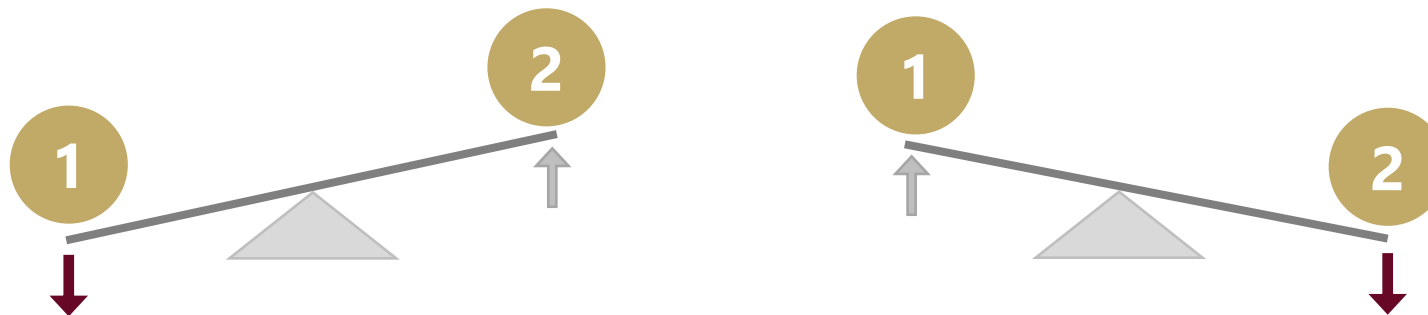
- Always Hedged: Actively manage long-term put options purchased at, or near-the-money.

## 3 Seek Additional Return

*WHY?*

*Help offset the cost of the hedge.*

- Actively manage options trades utilizing a disciplined, time-tested approach



A HEDGE IS NOT INSURANCE AGAINST LOSSES

Transparent

Disciplined

Repeatable

For Financial Professional Use Only <sup>1</sup> - Although the Strategy is actively managed, the Strategy 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. The investment process involves purchase of long-term put options, publicly traded options contracts with expiration dates that are typically longer than one year. A put option is an option contract that gives the buyer the right, but not the obligation, to sell the underlying security at a specified price (also known as strike price) before or at a predetermined expiration date.. Note - The effectiveness of the hedge and degree of downside risk mitigation varies with market conditions. The strategy can and does have periods of losses.



# HEGD

SWAN HEDGED EQUITY  
US LARGE CAP ETF

- ✓ Seeking long-term growth of capital while mitigating market risk
- ✓ Innovative, time-tested process: Always Invested, Always Hedged
- ✓ Distinctly blends the benefits of passive investing<sup>1</sup> and active risk management

# Performance: HEGD



Returns as of 9/30/2024	Cumulative			Annualized			
	1 Mo.	3 Mo.	YTD	Since Inception (12/22/20)	1 Yr.	3 Yr.	Since Inception (12/22/20)
HEGD (NAV return)	1.83%	4.87%	14.15%	37.22%	23.37%	7.45%	8.75%
HEGD (Price return)	1.78%	4.65%	14.04%	37.13%	23.36%	7.41%	8.73%
Cboe S&P 500 95-110 Collar Index (CLL)	1.82%	4.91%	18.94%	41.62%	29.92%	8.45%	9.66%
S&P 500 TR Index	2.14%	5.89%	22.08%	65.57%	36.35%	11.91%	14.30%

Calendar Returns	2021	2022	2023
	HEGD (NAV return)	16.87%	-10.84%
Cboe S&P 500 95-110 Collar Index (CLL)	17.67%	-15.05%	18.25%
S&P 500 TR Index	28.71%	-18.11%	26.29%

The performance data quoted represents past performance and is no guarantee of future results. Investment return 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. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call (855) 772-8488 or visit the Fund's website at <https://etfs.swanglobalinvestments.com/hedged-equity-etf/>

**Investors should carefully consider the investment objectives, risks, charges and expenses of the Swan Hedged Equity US Large Cap ETF (HEGD) before investing. To obtain the ETF's prospectus or summary prospectus containing this and other important information, please call (855) 772-8488, or visit [etfs.swanglobalinvestments.com](https://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.**

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. Holdings are subject to change. For current holdings go to <https://etfs.swanglobalinvestments.com/hedged-equity-etf/>

Exchange Traded Funds and Mutual Funds 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. To the extent that the Fund reduces its put option holdings relative to the number of call options sold by the Fund, the Fund's ability to mitigate losses in the event of a market decline will be reduced. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund.

**The Fund is distributed by Foreside Fund Services, LLC member FINRA / SIPC. Foreside Fund Services, LLC and Swan Capital Management, LLC & Swan Global Investments, LLC are not affiliated.**

The charts and graphs contained herein should not serve as the sole determining factor for making investment decisions. To the extent that you have any questions regarding the applicability of any specific issue presented or discussed, you are encouraged to consult with Swan Global Investments. All information, including that used to compile charts, is obtained from sources believed to be reliable, but Swan Global Investments does not guarantee its reliability.

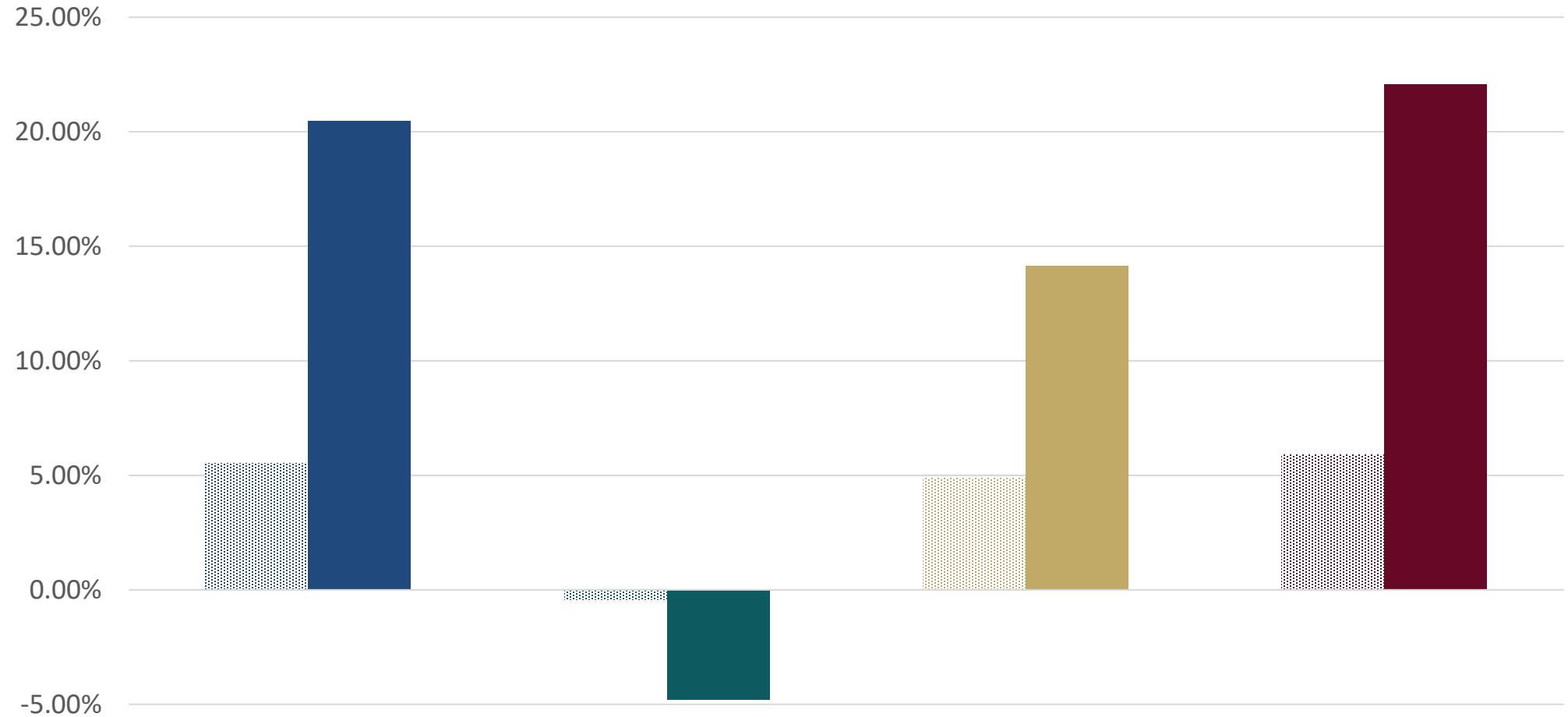
## Top 10 Holdings as of 9/30/2024

Security Name	Weightings
SPDR S&P 500 ETF TR UNIT	93.57%
SPX PUT OPT 12/25 5750	2.36%
SPX PUT OPT 12/25 5500	2.22%
Cash & Other	1.53%
SPXW PUT OPT 12/24 5000	0.21%
SPX PUT OPT 12/24 4550	0.10%
SPX PUT OPT 12/24 5000	0.03%
SPX PUT OPT 12/24 4550	0.02%
SPX PUT OPT 12/24 4775	-0.05%
SPXW PUT OPT 12/24 4775	-0.28%





Swan Hedged Equity US Large Cap Attribution, Q3 2024

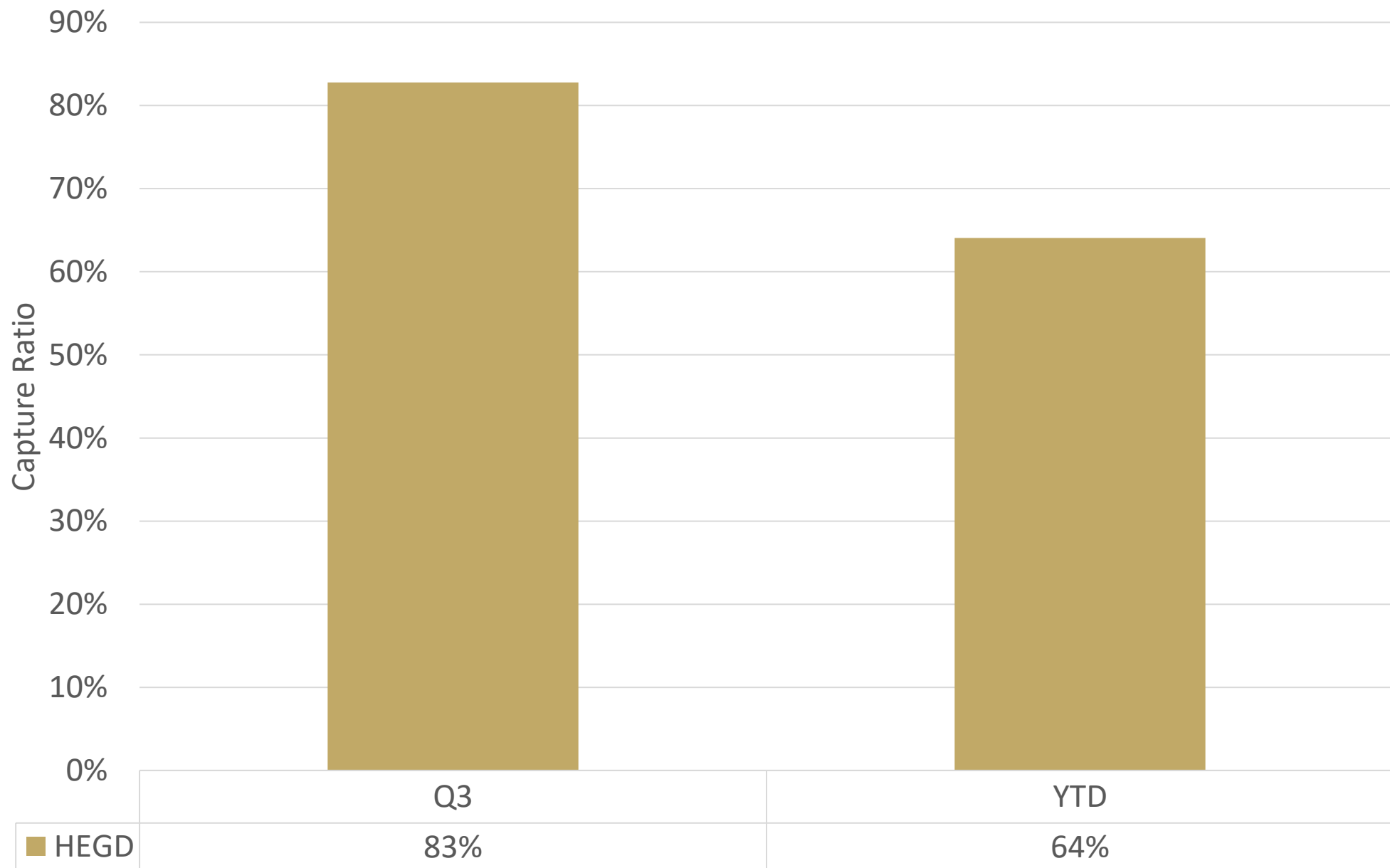


	HEGD - Core Equity	HEGD - Hedge	HEGD - Total	S&P 500
Q3	5.52%	-0.42%	4.87%	5.89%
YTD	20.47%	-4.78%	14.15%	22.08%

For Financial Professional Use Only Source: Swan Global Investments. The returns data above is based on NAV. Past performance is no guarantee of future results. The effectiveness of the hedge and degree of downside risk mitigation varies with market conditions. 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.**



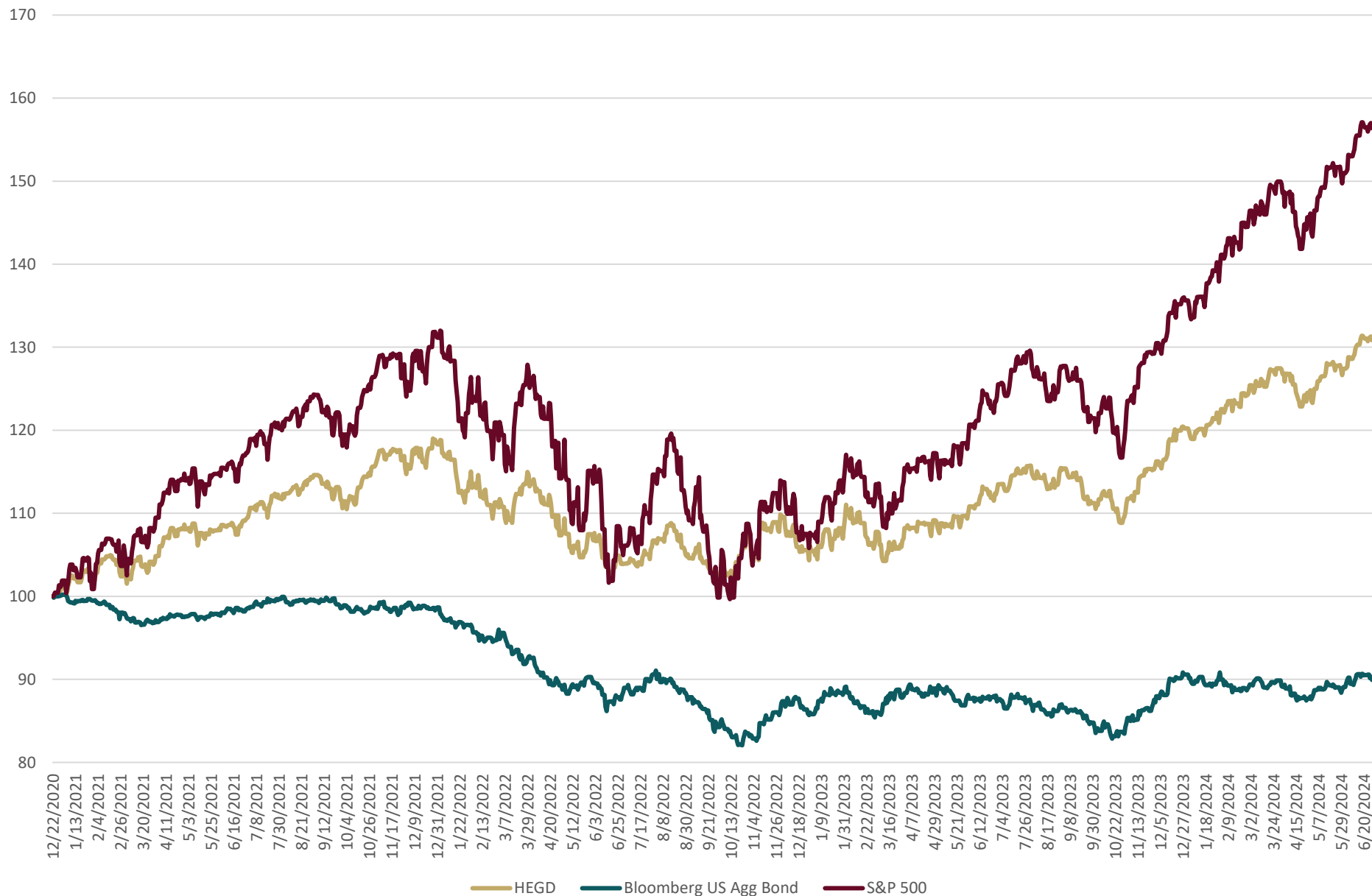
## HEGD Capture Ratios vs S&P 500



# HEGD Returns Since Inception



HEGD Cumulative Return vs S&P 500 and Bloomberg Agg, Since 12/22/20 Inception



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# SCLZ

**SWAN ENHANCED  
DIVIDEND INCOME ETF**  
-POWERED BY O'SHARES INVESTMENTS

- ✓ Seeking sustainable income and capital appreciation
- ✓ Distinct *'active-active'* approach to enhance total return
- ✓ Diversify income sources, seek reduced volatility and improved risk-adjusted returns



# Performance: SCLZ



Returns as of 9/30/2024	Cumulative				Annualized			Calendar Returns			
	1 Mo.	3 Mo.	YTD	Since Inception (2/26/24)	1 Yr.	3 Yr.	5 Yr.		2021	2022	2023
SCLZ (NAV return)	1.34%	7.18%	N/A	10.97%	N/A	N/A	N/A	HEGD (NAV return)	N/A	N/A	N/A
SCLZ (Price return)	1.47%	7.30%	N/A	11.16%	N/A	N/A	N/A	Cboe S&P 500 BuyWrite Index (BXM)	N/A	N/A	N/A
Cboe S&P 500 BuyWrite Index (BXM)	1.40%	5.54%	N/A	9.92%	N/A	N/A	N/A	S&P 500 TR Index	N/A	N/A	N/A
S&P 500 TR Index	2.14%	5.89%	N/A	14.61%	N/A	N/A	N/A				

The performance data quoted represents past performance and is no guarantee of future results. Investment return 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. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call (855) 772-8488 or visit the Fund's website at <https://etfs.swanglobalinvestments.com/enhanced-dividend-income-etf/>

**Investors should carefully consider the investment objective, risks, charges and expenses of the Swan Enhanced Dividend Income 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. Please read the prospectus carefully before you invest.**

The fund's investment objective is to seek income and capital appreciation.

An investment in the fund involves risk, including possible loss of principal.

Exchange Traded Funds and Mutual Funds involve risk, including possible loss of principal. 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. Selling call options reduces the Fund's ability to profit from increases in the value of the Fund's equity portfolio, and purchasing put options may result in the Fund's loss of premiums paid in the event that the put options expire unexercised. To the extent that the Fund reduces its put option holdings relative to the number of call options sold by the Fund, the Fund's ability to mitigate losses in the event of a market decline will be reduced. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund.

**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.**

The charts and graphs contained herein should not serve as the sole determining factor for making investment decisions. To the extent that you have any questions regarding the applicability of any specific issue presented or discussed, you are encouraged to consult with Swan Global Investments. All information, including that used to compile charts, is obtained from sources believed to be reliable, but Swan Global Investments does not guarantee its reliability.

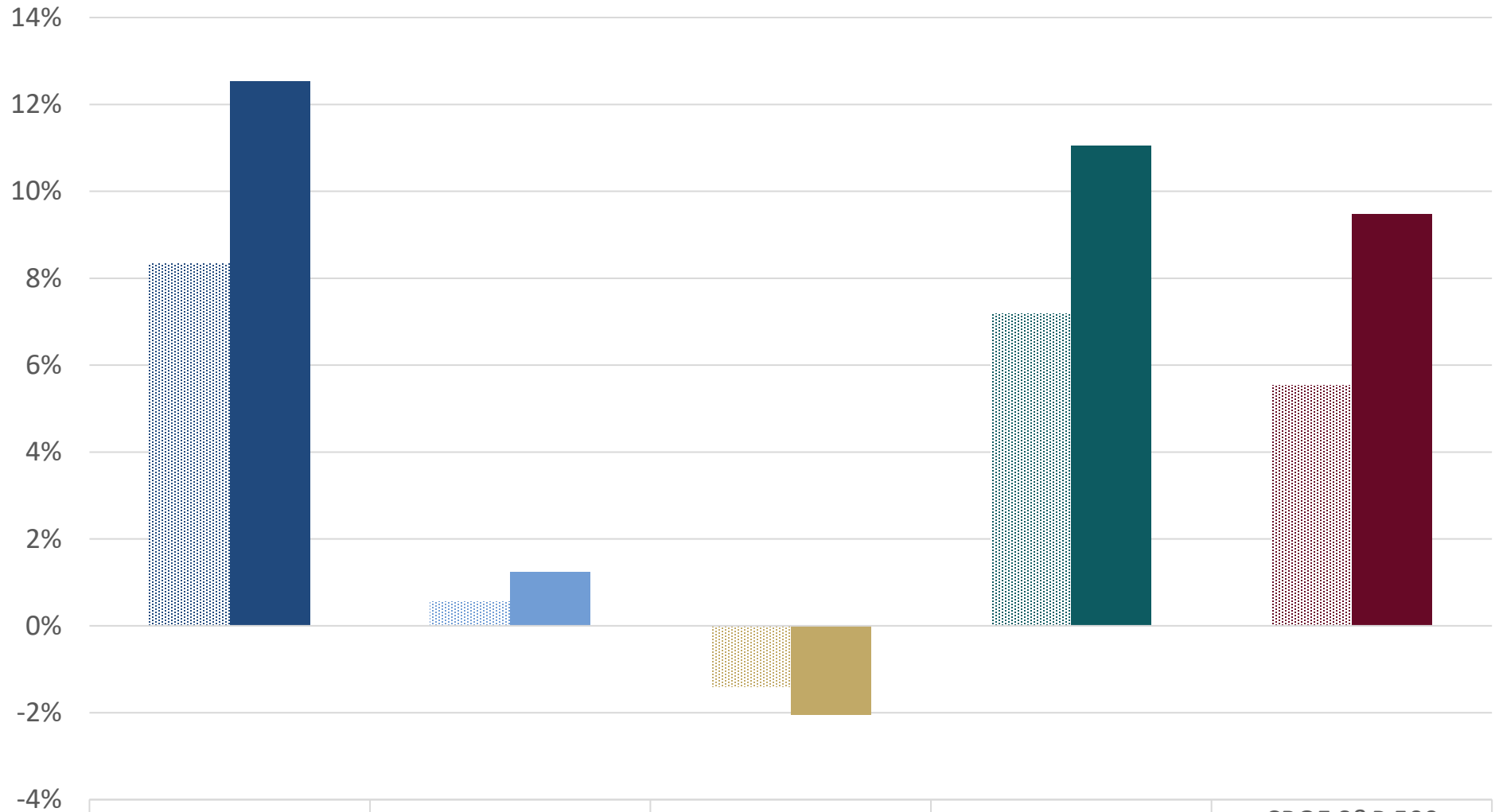
## Top 10 Holdings as of 9/30/2024

Security Name	Weightings
Alphabet	5.26%
Apple	5.14%
Microsoft	4.99%
Broadcom	3.73%
Eli Lilly	3.62%
JP Morgan Chase	3.10%
UnitedHealthCare	2.90%
Visa	2.56%
Home Depot	2.52%
Mastercard	2.47%





### Swan Enhanced Dividend Income Attribution

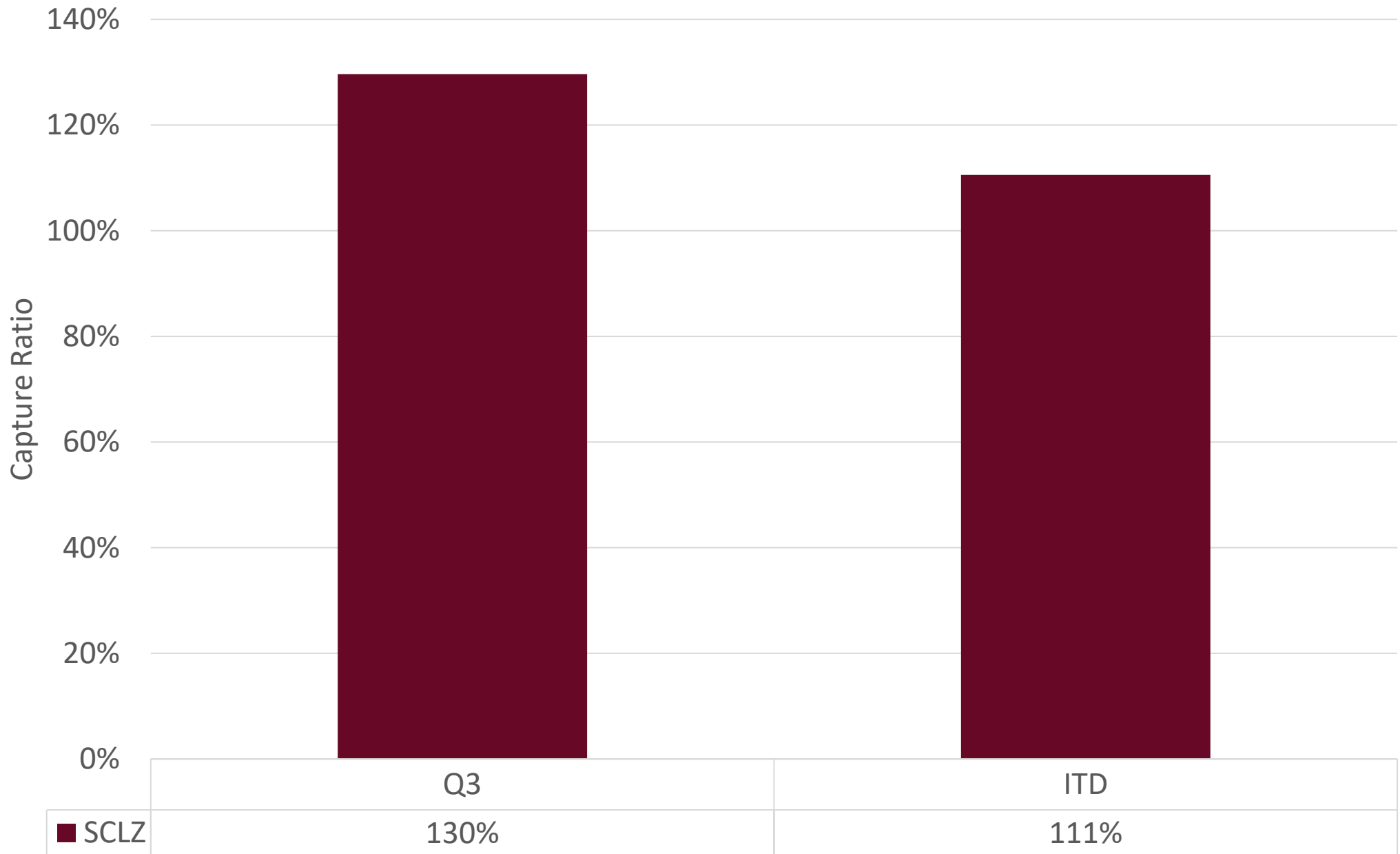


	Core Equity (Price)	Dividends	Covered Calls	SCLZ total	CBOE S&P 500 BuyWrite
Q3	8.33%	0.56%	-1.40%	7.19%	5.54%
IncptTD	12.53%	1.23%	-2.04%	11.04%	9.47%

For Financial Professional Use Only Source: Swan Global Investments. The returns data above is based on NAV. Past performance is no guarantee of future results. The effectiveness of the hedge and degree of downside risk mitigation varies with market conditions. 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.**



### SCLZ Capture Ratios vs Cboe BuyWrite





# Category Overview: Derivative Income

Type of Underlying  
Investment

Index-based stock  
portfolio

Actively managed  
stock portfolio



Systematically writing  
index options

Writing *and* managing  
options on individual  
equities

Type of Options Income  
Strategy



# A Distinct “Active-Active” Approach

Active Stock Selection Combined with  
Actively-Managed Covered Call Writing on Individual Names

## Quality Equity

Select Quality Stocks with  
Sound Capital Appreciation  
Potential



## Dividends

Favor Stocks with  
Strong Dividend Profile

## Active Options

Actively Manage Options on  
Individual Stocks with Higher Income Potential



- Swan's line-up performed **within expectations** year-to-date
- Active management of US large cap products results in full **re-hedges** to market levels
- Be prepared for an **ugly election** season
- The Swan Enhanced Dividend Income ETF (**SCLZ**) is performing as expected
- We believe we are **well-positioned** for the remainder of the year and beyond



# Questions from the Audience



Swan Global Investments, LLC. is a SEC registered Investment Advisor that specializes in managing money using the proprietary Defined Risk Strategy (DRS). Please note that registration of the Advisor does not imply a certain level of skill or training. Swan offers and manages The Defined Risk Strategy ("DRS") for its clients including individuals, institutions and other investment advisor firms. Further information may be obtained by contacting the company directly at 970-382-8901 or [www.swanglobalinvestments.com](http://www.swanglobalinvestments.com). Swan Global Investments, LLC, Swan Global Management, LLC, and Swan Capital Management, LLC, Swan Wealth Advisors, LLC are affiliated entities. Sources: Swan Global Investments, Zephyr StyleADVISOR, and Morningstar; all information is provided "as is" without warranty of any kind. Swan assumes no responsibility for typographical errors, inaccuracies or other errors which may occur.

This presentation is for information purposes only and does not constitute any investment advice or tax advice. Performance results are presented in U.S. dollars and are net-of-actual-fees and trading expenses and reflect the reinvestment of dividends and capital gains. Actual fees may vary based on, among other factors, account size and custodial relationship. No current or prospective client should assume future performance of any specific investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Changes in investment strategies, contributions or withdrawals may cause the performance results of a client's investment portfolio to differ materially from the reported composite performance. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. Historical performance results for market indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance 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. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark.

The charts and graphs contained herein should not serve as the sole determining factor for making investment decisions. To the extent that you have any questions regarding the applicability of any specific issue presented or discussed, you are encouraged to consult with Swan Global Investments. All information, including that used to compile charts, is obtained from sources believed to be reliable, but Swan Global Investments does not guarantee its reliability.

The Swan Defined Risk US Large Cap Composite demonstrates the performance of non-qualified assets managed by Swan Global Investments, LLC since inception. It includes discretionary individual accounts whose account holders seek the upside potential of owning stock, and the desire to eliminate most of the risk associated with owning stock. The Composite relies on LEAPS and other options to manage this risk. Individual accounts own S&P 500 exchange traded funds and LEAPS associated with the exchange traded funds as well as multiple other option spreads that represent other indices that are widely traded. The Defined Risk Strategy was designed to protect investors from substantial market declines, provide income in flat or choppy markets, and to benefit from market appreciation. Stock and options are the primary components of the strategy. Portfolios in the composite may include non-DRS securities (securities that are not part of the Swan Defined Risk Strategy) that are excluded from composite performance.





The benchmarks used for the Swan Defined Risk US Large Cap Composite are the S&P 500 Index, which consists of approximately 500 large cap stocks, and a 60/40 blended composite, weighted 60% in the aforementioned S&P 500 Index and 40% in the Bloomberg US Aggregate Bond Index. The 60/40 is rebalanced monthly. The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). The S&P 500 Index is often used as a proxy for the overall U.S. equity market. Indexes and other benchmarks used herein are generally unmanaged and have no fees or expenses. An investment cannot be made directly in an index or some of these benchmarks. 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 and benchmarks may be of limited use.

Swan offers and manages The Defined Risk Strategy ("DRS") for its clients including individuals, institutions and other investment advisor firms. Swan Global Investments has affiliated advisers including Swan Global Management, LLC, Swan Capital Management, LLC, and Swan Wealth Advisors, LLC. There are nine DRS Composites offered: 1) The DRS U.S. Large Cap Composite which combines non-qualified and qualified separately managed accounts with a moderate risk tolerance invested in S&P 500 equities. 2) The DRS U.S. Large Cap Growth Composite which includes separately managed accounts with a higher risk tolerance invested in S&P 500 equities; 3) The DRS U.S. Large Cap Prime Composite which includes portfolios with a conservative risk tolerance invested in S&P 500 equities; 4) The DRS Emerging Markets Composite which includes separately managed account(s) and mutual fund accounts invested in emerging market equities; 5) The DRS Foreign Developed Markets Composite which includes separately managed account(s) and mutual fund accounts invested in foreign developed market equities; 6) The DRS U.S. Small Cap Composite which includes separately managed account(s) and mutual fund accounts invested in U.S. small cap equities. 7) The DRS U.S. Large Cap Institutional Composite which includes high net-worth, non-qualified separately managed accounts and mutual fund accounts invested in S&P 500 equities that utilize cash-settled, index-based options held at custodians that allow participation in Clearing Member Trade Agreement (CMTA) trades; 8) The DRS U.S. Large Cap Institutional Growth Composite which includes high net-worth, qualified and non-qualified separately managed accounts and mutual fund accounts with a higher risk tolerance invested in S&P 500 equities that utilize cash-settled, index-based options held at custodians that allow participation in Clearing Member Trade Agreement (CMTA) trades; 9) The Pacer Swan Structured Outcome Strategies (SOS) ETF Series Composite which includes investors in the Pacer Swan SOS ETF products. Additional information regarding Swan's Policies and Procedures used for valuing investments, calculating performance, and preparing GIPS reports are available upon request. There are three composites that have been terminated: 1) The DRS U.S. Large Cap Sectors Select Composite which includes non-qualified separately managed accounts invested in S&P 500 equities terminated on 1/1/2020. 2) The DRS U.S. Large Cap IRA Composite which includes qualified separately managed accounts invested in S&P 500 equities terminated on 1/1/2020. 3) The DRS Solutions Growth Composite which includes all separately managed accounts invested in multiple hedged asset classes and diversified into other asset classes with target allocations guided by a growth-oriented risk tolerance terminated in May 2020. Additional information regarding Swan's Policies and Procedures used for valuing investments, calculating performance, and preparing GIPS reports are available upon request.



Swan claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS. Swan's compliance with GIPS has been independently verified for the periods July 1, 1997 through December 31, 2022. The Spaulding Group conducted Swan's verification. The three-year annualized standard deviation measures the variability of the composite and the benchmarks over the preceding 36-month period. The dispersion of annual returns is measured by the standard deviation of asset-weighted portfolio returns represented within the composite for the full year. For those periods with five or fewer portfolios included for the entire year, dispersion is not presented. A copy of the verification report is available upon request. To receive copies of the report, please call (970) 382-8901 or email [operations@swanglobalinvestments.com](mailto:operations@swanglobalinvestments.com). Verification assesses whether (1) the firm has complied with all the composite construction requirements of GIPS on a firm-wide basis, and (2) the firm's policies and procedures.

Swan Defined Risk US Large Cap Composite (DRS) results are presented in U.S. dollars and are net-of-actual-fees and trading expenses and reflect the reinvestment of dividends and capital gains. Actual fees may vary based on, among other factors, account size and custodial relationship. No current or prospective client should assume future performance of any specific investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Changes in investment strategies, contributions or withdrawals may cause the performance results of a client's investment portfolio to differ materially from the reported composite performance. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. Historical performance results for market indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results.

Swan uses options in the DRS strategy. Options carry additional risks and are not suitable for all clients. Clients must read and understand the current options risk disclosure documents prior to entering into any options or other derivatives transactions. Prior to implementing a call writing program or any of the strategies described herein, a client should further discuss this investment process with other financial, legal and/or tax advisors. The options risk disclosure document is located at: <http://optionsclearing.com/about/publications/character-risks.jsp>.



Swan Global Investments, LLC DRS U.S. Large Cap Composite													S&P 500 ("The Benchmark")				
Year	Net-Of-Fee Return	Net-Of-Fee Cumulative Return	Net-Of-Fee Annualized Return	Gross-Of-Fee Return	Gross-Of-Fee Cumulative Return	Gross-Of-Fee Annualized Return	Beta (Net-Of-Fees)	Standard Deviation (External) Net-Of-Fees	Sharpe Ratio (Net-Of-Fees)	# of Accts / Assets in Millions	Total Firm Assets (\$MM)	Dispersion (Internal) Gross-Of-Fees	Return	Cumulative Return	Annualized Return	Standard Deviation (External)	Sharpe Ratio
2014	6.11%	333.67%	8.74%	6.74%	416.60%	9.84%	0.28	4.75%	0.65	599 / 434.3	1,810.04	0.65%	13.69%	220.92%	6.89%	8.97%	0.29
2015	-2.23%	323.99%	8.12%	-1.64%	408.14%	9.18%	0.29	5.79%	0.61	766 / 473.21	2,446.11	1.36%	1.38%	225.36%	6.58%	10.47%	0.28
2016	8.90%	361.71%	8.16%	9.55%	456.68%	9.20%	0.29	5.38%	0.64	1,207 / 675.64	3,620.08	0.90%	11.96%	264.27%	6.85%	10.59%	0.31
2017	11.29%	413.84%	8.31%	11.96%	523.26%	9.34%	0.29	4.98%	0.67	1,630 / 982.45	4,975.33	0.78%	21.83%	343.79%	7.54%	9.92%	0.37
2018	-7.01%	377.83%	7.55%	-6.45%	483.07%	8.55%	0.31	6.23%	0.59	1,292 / 756.36	4,063.88	1.13%	-4.38%	324.34%	6.95%	10.80%	0.33
2019	14.69%	448.01%	7.85%	15.38%	572.73%	8.84%	0.31	7.01%	0.63	1,144 / 638.36	3,065.24	1.15%	31.49%	457.95%	7.94%	11.93%	0.40
2020	2.82%	463.45%	7.63%	3.44%	595.85%	8.61%	0.32	9.17%	0.61	893 / 501.09	2,236.86	1.75%	18.40%	560.60%	8.37%	18.53%	0.41
2021	15.38%	550.10%	7.94%	16.07%	707.68%	8.90%	0.33	8.07%	0.66	1,026 / 546.44	2,571.77	0.24%	28.71%	750.23%	9.13%	17.17%	0.47
2022	-10.98%	478.71%	7.13%	-10.45%	623.32%	8.07%	0.33	8.76%	0.57	818 / 414.59	2,202.24	0.40%	-18.11%	596.25%	7.91%	20.87%	0.38
2023	11.96%	547.94%	7.31%	12.64%	714.72%	8.24%	0.33	7.68%	0.58	736 / 403.99	2,105.95	0.42%	26.29%	779.27%	8.55%	17.29%	0.42

Annualized As Of 12/31/2023	Composite Gross Return	Composite Net Return	Benchmark
Since Inception	8.24%	7.31%	8.55%
10 Year	5.35%	4.72%	12.03%
5 Year	6.92%	6.28%	15.69%
3 Year	5.40%	4.77%	10.00%
1 Year	12.64%	11.96%	26.29%

Compliance Statement: Swan Global Investments, LLC ("Swan") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Swan has been independently verified by The Spaulding Group for the periods July 1, 1997 through December 31, 2023. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. To receive copies please call 970-382-8901 or email operations@swanglobalinvestments.com.



## Important 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 call option is a financial contract that gives the buyer the right to buy an underlying asset at a specific price within a specific period. A covered call is a strategy of selling call options on an investor's long position in a stock or futures contract. It can generate income in the form of option premium, lower risk, and improve returns by selling the right to buy stock shares or the call options contracts at a predetermined price. Out of 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 much lower or higher than the price of the underlying security, and therefore the option contract only contains extrinsic value. Extrinsic value measures the difference between the market price of an option, called the premium, and its intrinsic value. Extrinsic value is also the portion of the worth that has been assigned to an option by factors other than the underlying asset's price. The opposite of extrinsic value is intrinsic value, which is the inherent worth of an option. 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. Strike Price is the price at which an option contract can be exercised, either to buy or sell the underlying security. Option premium is the total amount that an investor will pay for an option. 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.



## **Disclosures for the Swan Enhanced Dividend Income ETF (the Fund):**

The Cboe S&P 500 BuyWrite Index (BXM) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index®. A “Buy-Write” strategy generally is considered to be an investment strategy in which an investor buys a stock or a basket of stocks, and also writes (or sells) covered call options that correspond to the stock or basket of stocks. 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.

***Investors should carefully consider the investment objective, risks, charges and expenses of the Swan Enhanced Dividend Income Fund. This and other information is contained in the prospectus and should be read carefully before investing. For a copy of the prospectus, please call 877-ETF-SCLZ.***

The fund’s investment objective is to seek income and capital appreciation. An investment in the fund involves risk, including possible loss of principal. Exchange Traded Funds and Mutual Funds involve risk, including possible loss of principal. 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. Selling call options reduces the Fund’s ability to profit from increases in the value of the Fund’s equity portfolio, and purchasing put options may result in the Fund’s loss of premiums paid in the event that the put options expire unexercised. To the extent that the Fund reduces its put option holdings relative to the number of call options sold by the Fund, the Fund’s ability to mitigate losses in the event of a market decline will be reduced. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. Fund’s ability to mitigate losses in the event of a market decline will be reduced. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund.

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.

***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.***



## Disclosures for the Swan Hedged Equity U.S. Large Cap ETF (the Fund):

Benchmarks: 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.

***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](https://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.***

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.

All investing involve risk, including possible loss of principal. Exchange Traded Funds and Mutual Funds 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 is distributed by Services, LLC member FINRA / SIPC. Foreside Fund Services, LLC and Swan Capital Management, LLC & Swan Global Investments LLC are not Foreside Fund affiliated.



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