

The Defined Risk Strategy

Investing Redefined





WE ARE IN A NEW ERA OF INVESTING

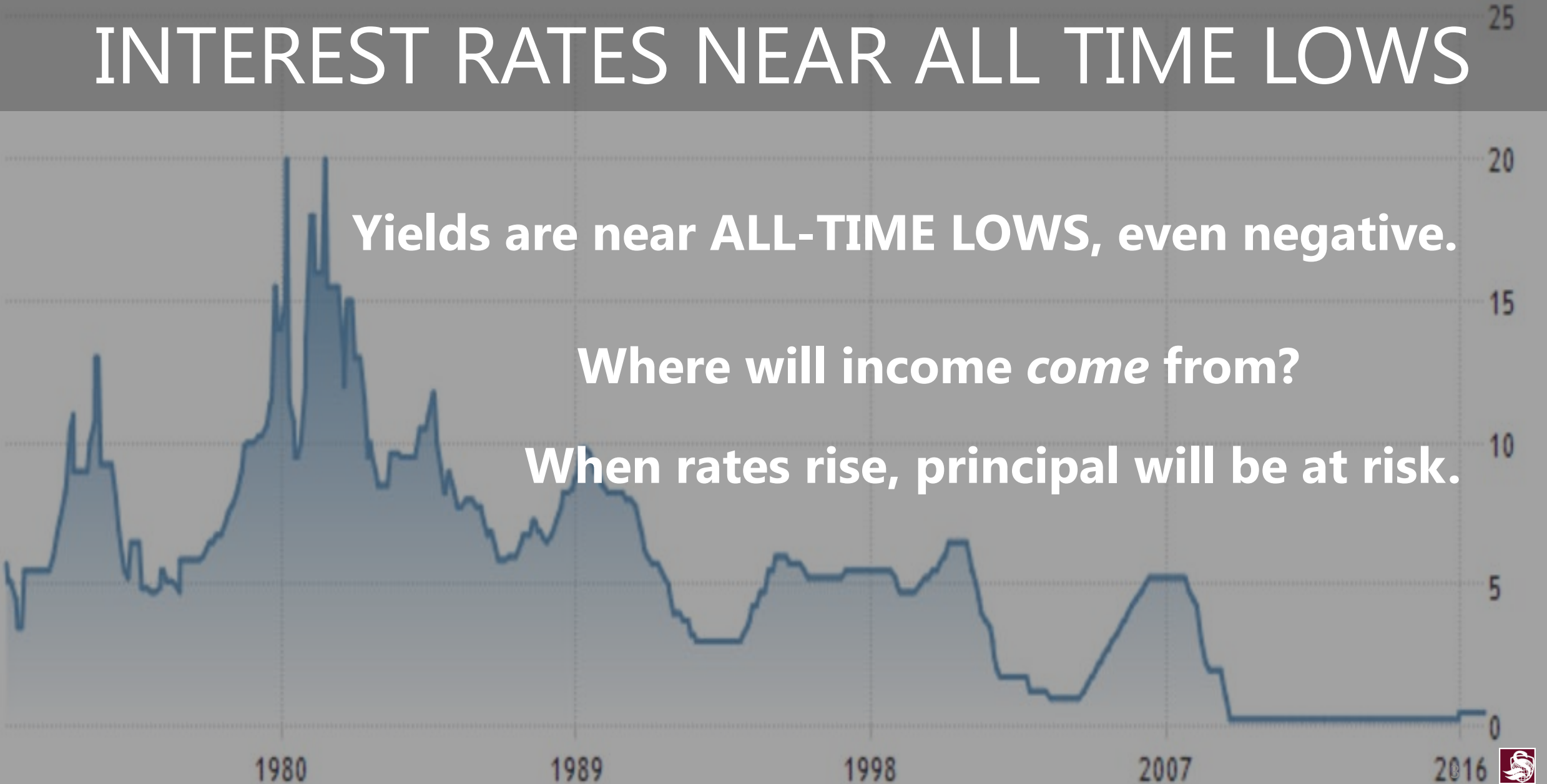


INTEREST RATES NEAR ALL TIME LOWS

Yields are near ALL-TIME LOWS, even negative.

Where will income *come* from?

When rates rise, principal will be at risk.



U.S. STOCKS PUSHING ALL TIME HIGHS

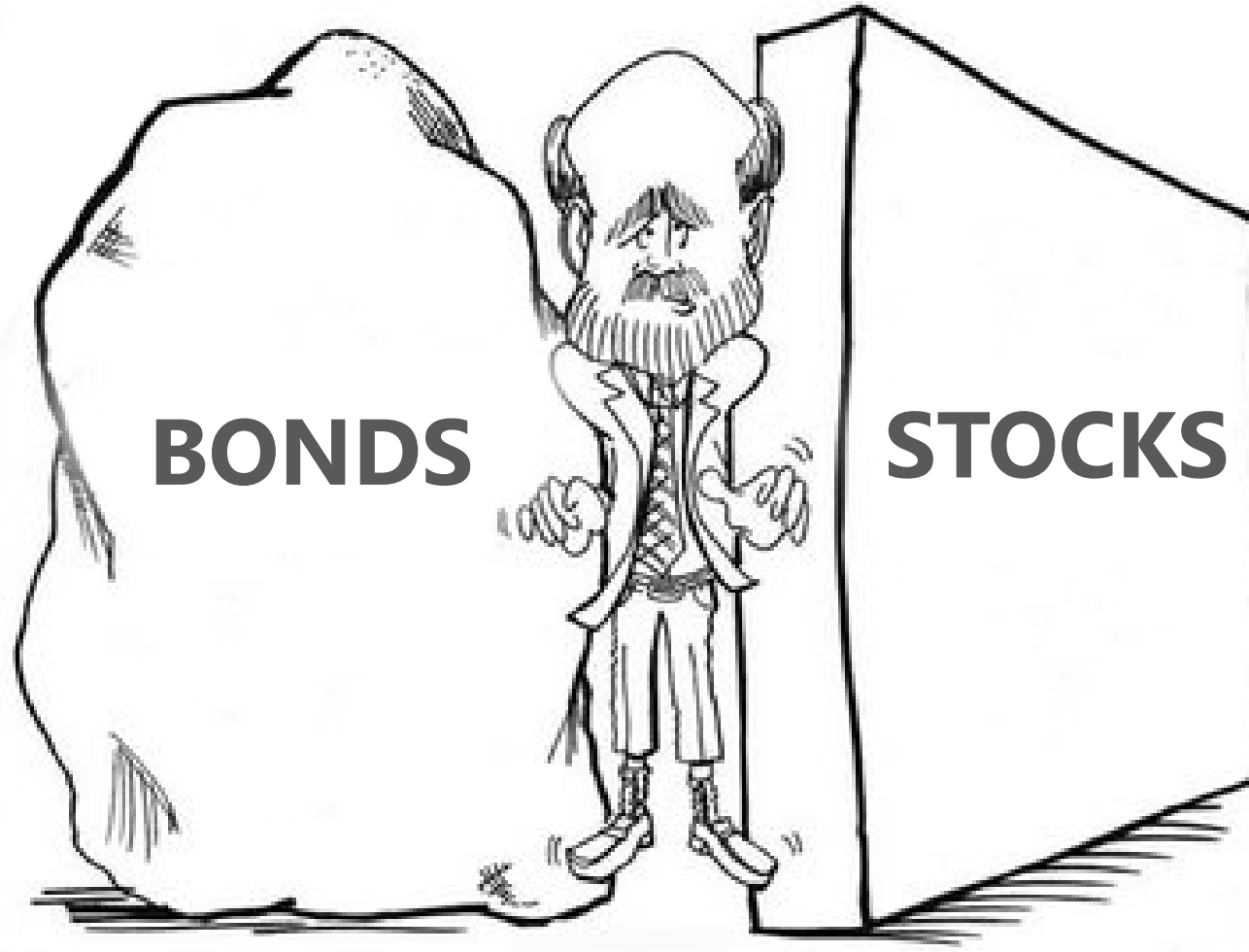
Is the inevitable looming?

“Predicting rain doesn’t count.

Building arks does.” – Warren Buffett, 8/15/15



The DUAL DILEMMA



OUTCOME AND INCOME

Investors need to achieve a desired OUTCOME

To ensure enough retirement INCOME



THE INCOME Dilemma



**# 1 fear retirees have
is running out of money.**

- Transamerica Center for Retirement Studies, December, 2015



Frequency of Major Market Events

A major loss of 20% or more is referred to as a bear market.

Did You Know?

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

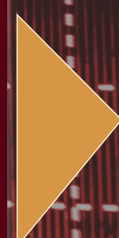
Occur every
3.7
years



Last
10
months



Erase over
35%
of market value



Take
3.3
years to recover



Remember these Major Events?

| Major Event | Market Headed Down On... | Market Bottom | Market Loss | \$1,000,000 Portfolio was reduced to: | Portfolio Recovery Date: |
|------------------|-----------------------------|------------------|----------------|---|-----------------------------|
| Dot-Com Crash | Sept 2000 | Sept 2002 | -44.73% | \$552,700 | Oct. 2006 |
| Financial Crisis | Nov 2007 | Feb 2009 | -50.95% | \$490,500 | Mar 2012 |

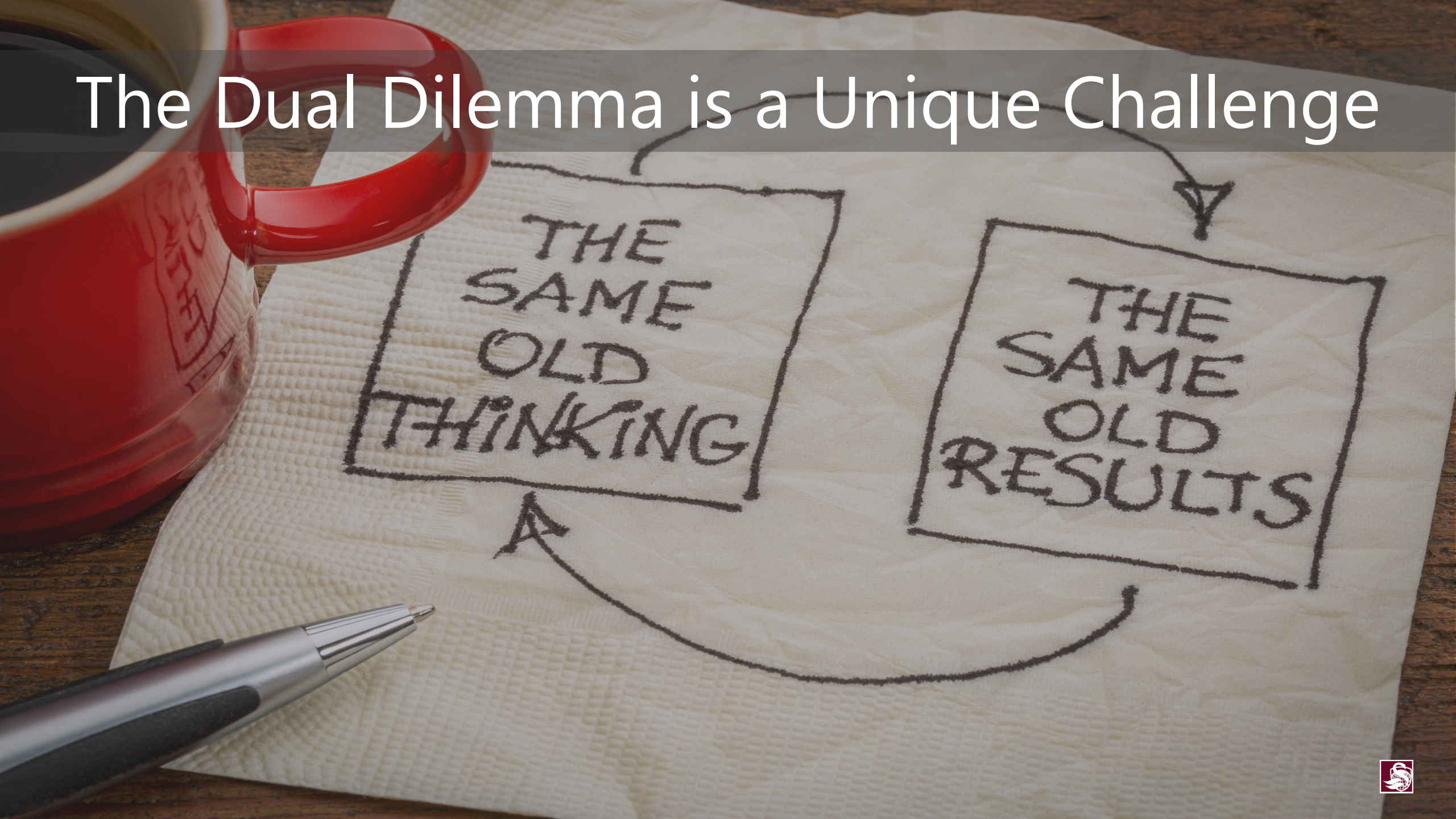
How was your life, portfolio and financial plan impacted?



The Dual Dilemma is a Unique Challenge

THE
SAME
OLD
THINKING

THE
SAME
OLD
RESULTS



Math Matters

A close-up photograph of a dark-colored computer keyboard. A wooden key with a circular head and a notched blade lies diagonally across the keys. A red rectangular sticker with the words 'GOOD NEWS' in white, distressed, uppercase letters is placed on a key. A person's finger is visible on the right side, touching the sticker. The background is slightly blurred, showing other keyboard keys like 'pg dn', 'end', and 'ctrl'.

It's about the math that drives investment returns.

3 Key Math Concepts Drive Returns

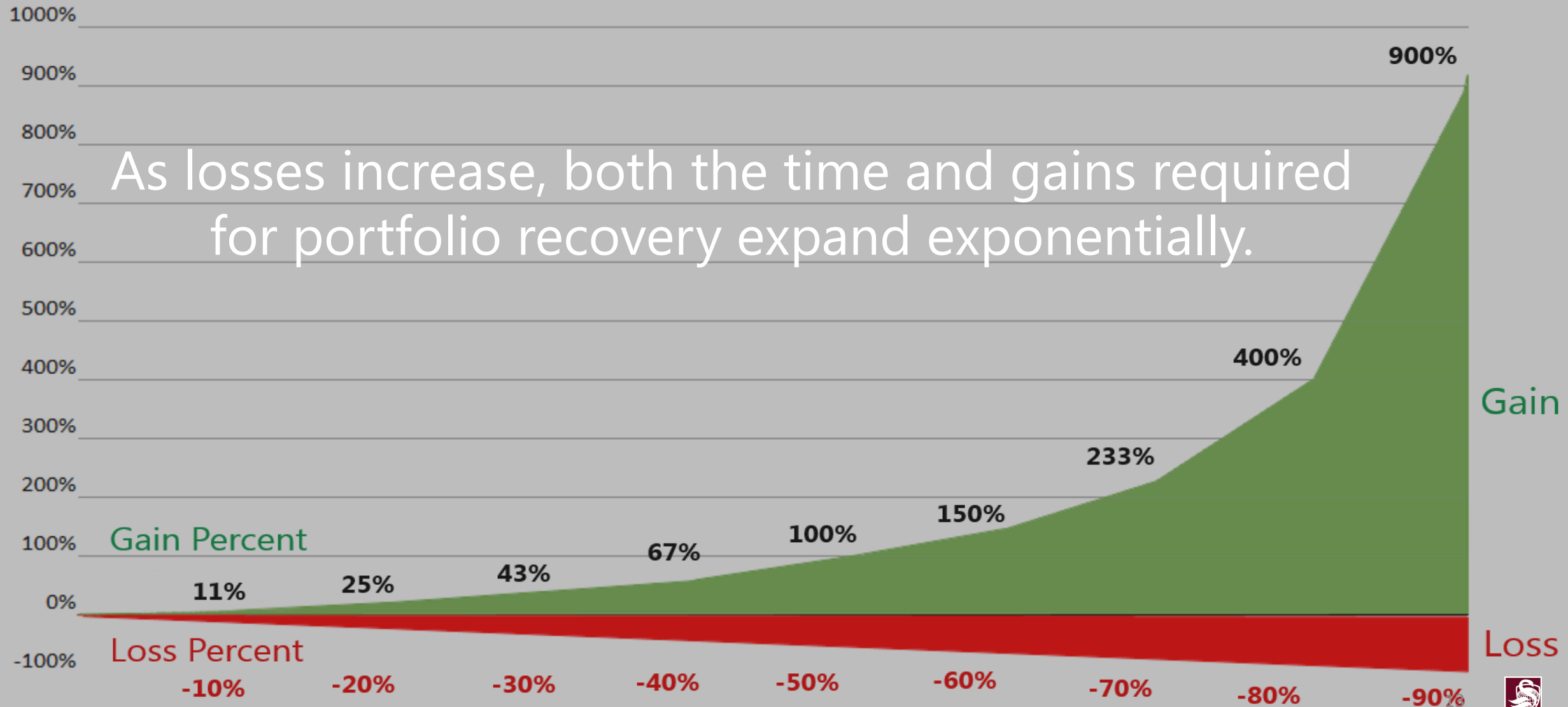
1. Avoid large losses

2. Utilize the power of compounding

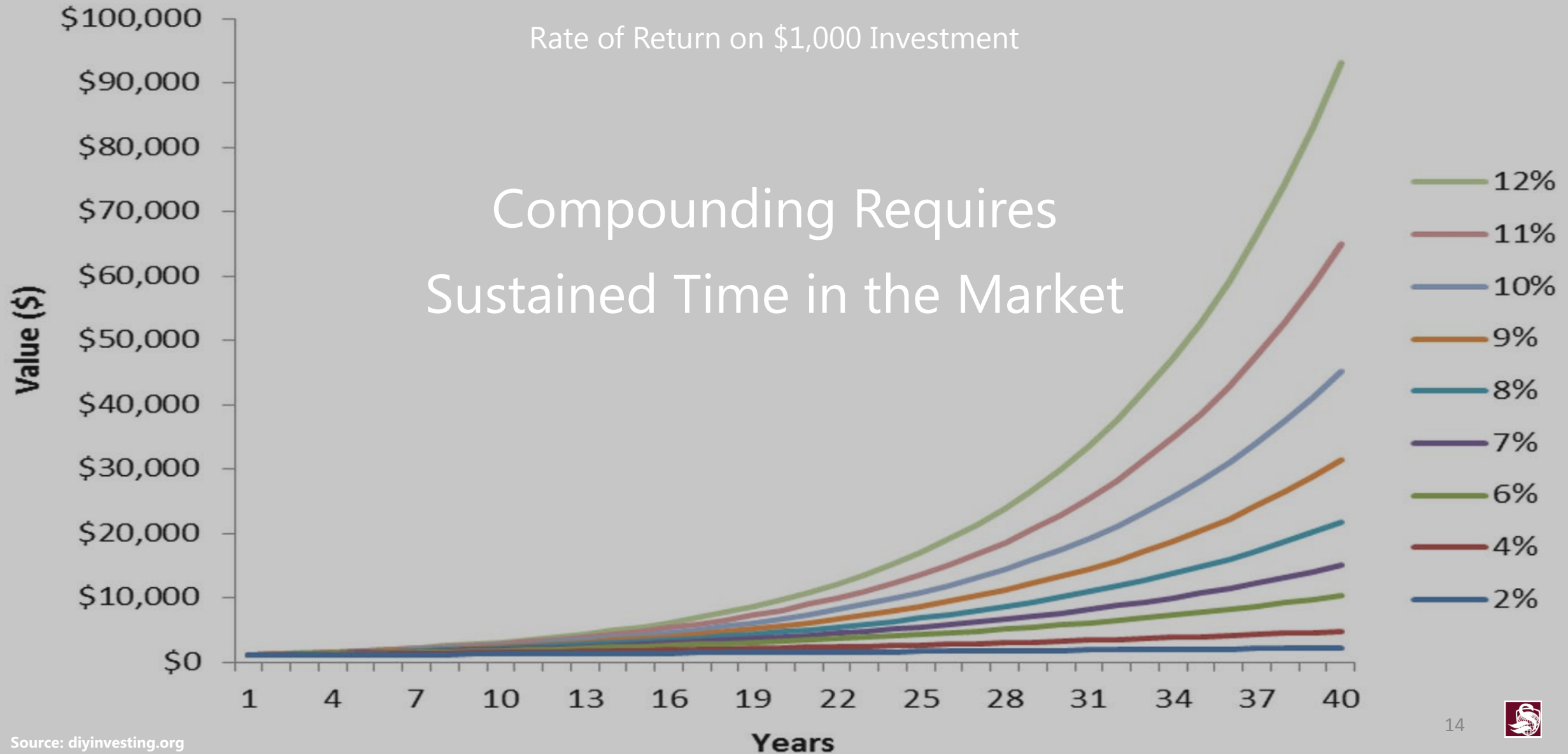
3. Reduce volatility (big ups & downs)



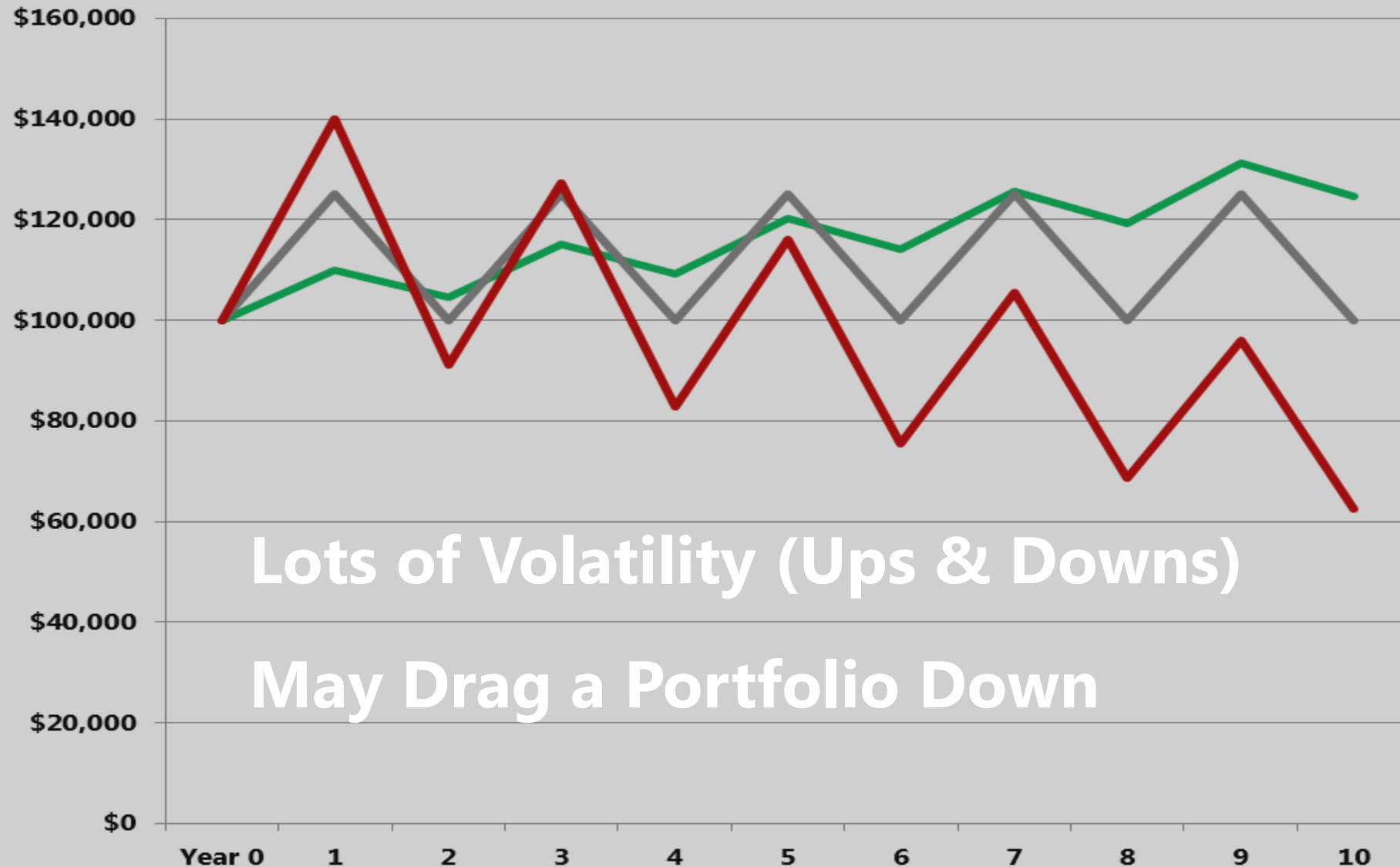
Avoid Large Losses



Utilize the Power of Compounding



Reduce Volatility (Big Ups & Downs)



Lots of Volatility (Ups & Downs)

May Drag a Portfolio Down

- Scenario
+10%/-5%
= +24.6%
- Scenario
+25%/-20%
= 0.0%
- Scenario
+40%/-35%
= -37.6%



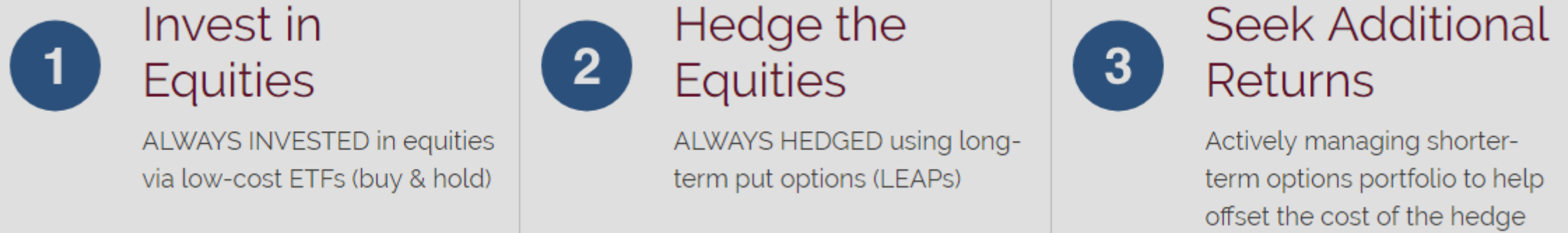
The Swan Defined Risk Philosophy

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

- Randy Swan, Founder, CEO and Lead Portfolio Manager

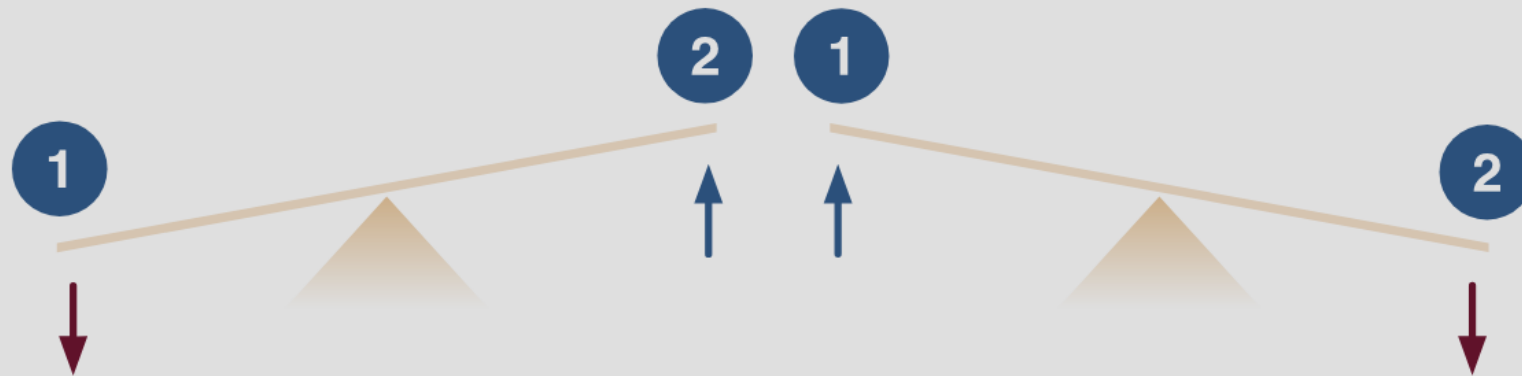


The Swan Defined Risk Process



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.



Simple and Effective.



A Battled Tested Strategy

Celebrating 20 *years*
1997 - 2017
Swan Defined Risk Strategy

**The strategy has been battle tested,
through the Dot-Com Bust
and 2008 Financial Crisis.**



Swan Defined Risk Strategy

The Defined Risk Strategy is available:

- ✓ Separately Managed Accounts,
- ✓ 5 different Mutual Funds across various asset classes,
- ✓ Collective Investment Funds (for retirement accounts).



Disclosure Information

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The benchmarks used for the DRS Select Composite are the S&P 500 Index, which consists of approximately 500 large cap stocks, the Barclays US Aggregate Bond Index, and a 60/40 blended composite, weighted 60% in the aforementioned S&P 500 Index and 40% in the Barclays US Aggregate Bond Index. The 60/40 is rebalanced monthly. The Barclays 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.

Disclosure Information

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