



SWAN GLOBAL
INVESTMENTS

Sustaining the Spending Policy

The Defined Risk Strategy – Seeking Consistency and Sustainability

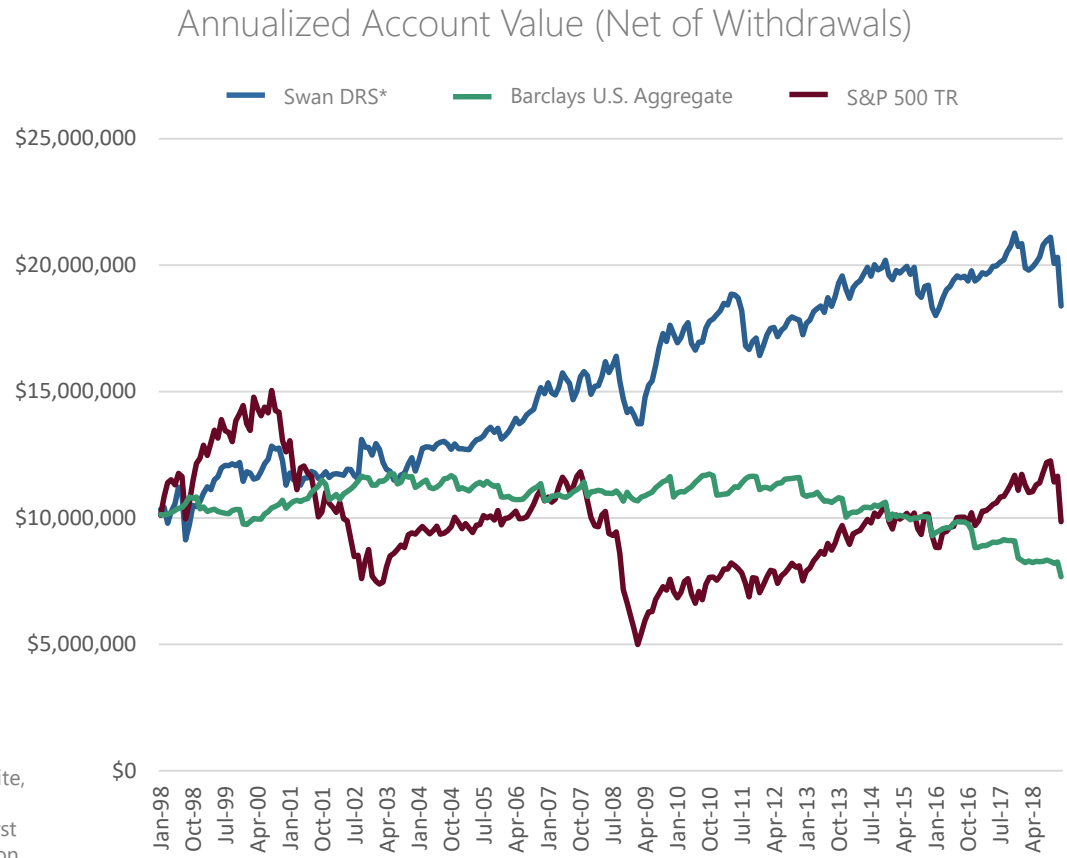
Sustaining the Spending Policy

We understand the challenges that many institutions face, particularly the need to achieve their spending targets in a low yield environment. Striking the balance between risk asset exposure for growth and providing sustainable income is critical to funding the mission over market cycles.

The Swan Defined Risk Strategy (DRS) may serve as an alternate income vehicle, while providing growth of capital, to sustain spending policies.

Scenario	Starting Value	Total Withdrawal	Ending Value
Swan Defined Risk Strategy (Net)*	\$ 10,000,000	\$ 12,891,659	\$ 18,386,685
S&P 500 TR	\$ 10,000,000	\$ 12,891,659	\$ 9,861,604
Barclays U.S. Aggregate	\$ 10,000,000	\$ 12,891,659	\$ 7,674,230

Assumptions	
Starting Value	\$ 10,000,000
Assumed Growth rate	Supplied
Initial Annual \$ Withdrawal**	\$ 500,000
Annual % Inflation	2.0%
Withdrawal Frequency	Annual
Date Range	1/1/98 – 12/31/18



* All data based on historic performance of the Swan DRS SMA Select Composite, net of fees.

** Calculations include a fixed annual withdrawal, starting at \$500,000 in the first year. Each year thereafter that annual withdrawal amount is adjusted for inflation.

	Swan Defined Risk Strategy (Net)*	S&P 500 Index	Bloomberg Barclays U.S. Aggregate Bond Index
Geo Compound Return	7.11%	6.61%	4.74%
Arith Average Return	7.32%	7.54%	4.70%
Standard Deviation**	9.26%	14.88%	3.36%
Cumulative Return	323.09%	283.75%	164.56%
Starting Value	\$10,000,000	\$10,000,000	\$10,000,000
Portfolio Change	\$21,278,344	\$12,753,263	\$10,565,889
Total Withdrawal	\$12,891,659	\$12,891,659	\$12,891,659
Ending Value	\$18,386,685	\$9,861,604	\$7,674,230

Year	Swan Defined Risk Strategy (Net)*				S&P 500 Index				Bloomberg Barclays U.S. Aggregate Bond Index			
	Returns %	Returns \$	Withdrawal \$	Ending Value	Returns %	Returns \$	Withdrawal \$	Ending Value	Returns %	Returns \$	Withdrawal \$	Ending Value
Initial Value				\$1,000,000				\$1,000,000				\$1,000,000
1998	11.55%	\$1,155,253	(\$500,000)	\$10,655,253	28.58%	\$2,857,657	(\$500,000)	\$12,357,657	8.67%	\$867,379	(\$500,000)	\$10,367,379
1999	12.26%	\$1,305,960	(\$510,000)	\$11,451,213	21.04%	\$2,600,622	(\$510,000)	\$14,448,278	-0.83%	(\$86,088)	(\$510,000)	\$9,771,291
2000	3.17%	\$363,300	(\$520,200)	\$11,294,313	-9.11%	(\$1,315,567)	(\$520,200)	\$12,612,511	11.63%	\$1,136,484	(\$520,200)	\$10,387,575
2001	7.46%	\$843,092	(\$530,604)	\$11,606,802	-11.88%	(\$1,498,972)	(\$530,604)	\$10,582,935	8.44%	\$877,070	(\$530,604)	\$10,734,041
2002	12.22%	\$1,418,126	(\$541,216)	\$12,483,711	-22.10%	(\$2,338,875)	(\$541,216)	\$7,702,844	10.25%	\$1,100,773	(\$541,216)	\$11,293,598
2003	-0.65%	(\$81,045)	(\$552,040)	\$11,850,626	28.68%	\$2,209,516	(\$552,040)	\$9,360,319	4.10%	\$463,552	(\$552,040)	\$11,205,110
2004	12.28%	\$1,455,584	(\$563,081)	\$12,743,129	10.88%	\$1,018,608	(\$563,081)	\$9,815,845	4.34%	\$486,166	(\$563,081)	\$11,128,195
2005	7.47%	\$951,720	(\$574,343)	\$13,120,507	4.91%	\$482,142	(\$574,343)	\$9,723,644	2.43%	\$270,243	(\$574,343)	\$10,824,095
2006	18.14%	\$2,379,726	(\$585,830)	\$14,914,403	15.79%	\$1,535,788	(\$585,830)	\$10,673,602	4.33%	\$469,094	(\$585,830)	\$10,707,359
2007	8.81%	\$1,314,127	(\$597,546)	\$15,630,984	5.49%	\$586,392	(\$597,546)	\$10,662,447	6.97%	\$745,933	(\$597,546)	\$10,855,745
2008	-4.50%	(\$703,103)	(\$609,497)	\$14,318,384	-37.00%	(\$3,944,897)	(\$609,497)	\$6,108,054	5.24%	\$568,887	(\$609,497)	\$10,815,135
2009	25.00%	\$3,579,809	(\$621,687)	\$17,276,505	26.46%	\$1,616,436	(\$621,687)	\$7,102,803	5.93%	\$641,388	(\$621,687)	\$10,834,836
2010	8.10%	\$1,398,695	(\$634,121)	\$18,041,079	15.06%	\$1,069,926	(\$634,121)	\$7,538,608	6.54%	\$708,784	(\$634,121)	\$10,909,499
2011	-5.38%	(\$971,308)	(\$646,803)	\$16,422,968	2.11%	\$159,179	(\$646,803)	\$7,050,983	7.84%	\$855,521	(\$646,803)	\$11,118,217
2012	9.01%	\$1,479,032	(\$659,739)	\$17,242,261	16.00%	\$1,128,402	(\$659,739)	\$7,519,645	4.21%	\$468,614	(\$659,739)	\$10,927,091
2013	14.34%	\$2,471,691	(\$672,934)	\$19,041,018	32.39%	\$2,435,465	(\$672,934)	\$9,282,176	-2.02%	(\$221,119)	(\$672,934)	\$10,033,038
2014	6.52%	\$1,242,039	(\$686,393)	\$19,596,664	13.69%	\$1,270,600	(\$686,393)	\$9,866,383	5.97%	\$598,541	(\$686,393)	\$9,945,186
2015	-2.93%	(\$573,387)	(\$700,121)	\$18,323,156	1.38%	\$136,543	(\$700,121)	\$9,302,805	0.55%	\$54,690	(\$700,121)	\$9,299,755
2016	9.59%	\$1,757,139	(\$714,123)	\$19,366,172	11.96%	\$1,112,615	(\$714,123)	\$9,701,297	2.65%	\$246,196	(\$714,123)	\$8,831,828
2017	10.83%	\$2,097,095	(\$728,406)	\$20,734,861	21.83%	\$2,117,945	(\$728,406)	\$11,090,836	3.54%	\$312,811	(\$728,406)	\$8,416,234
2018	-7.74%	(\$1,605,203)	(\$742,974)	\$18,386,685	-4.38%	(\$486,258)	(\$742,974)	\$9,861,604	0.01%	\$970	(\$742,974)	\$7,674,230

Note: 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. The above figures are presented for illustration purposes only and do not represent any specific product. **Past performance is not a guarantee of future results. The calculations presented here are believed to be reliable, but their accuracy or completeness cannot be guaranteed. No guarantee is given as to actual investment results, thus the assumed growth rate used may or may not be attained.** Swan offers and manages the proprietary Defined Risk Strategy (“DRS”) for its clients including individuals, institutions and other investment advisor firms. Swan’s performance results herein are of the DRS Select Composite which includes all non-qualified accounts. 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, and comparing results among the Swan products and composites may be of limited use. Additional information regarding Swan’s composite policies and procedures for calculating and reporting performance returns is available upon request.

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Further information is available upon request by contacting the company directly at 970-382-8901 or swanglobalinvestments.com.

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