

**Inception Date:** July 1, 1997

**Strategy Objective:**

The Swan Defined Risk US Large Cap Strategy (DRS LC) is an actively managed, hedged-equity, rules-based process that is designed to hedge against large stock market declines and provide stable returns over a full market cycle.

**Key Distinguishing Characteristics:**

- Distinct, innovative approach to address market risk
- Diverse and time-tested options strategies
- Invested for growth, hedged for protection
- No reliance on market timing or stock selection
- Proven track record seeking consistent returns while minimizing losses in bear markets

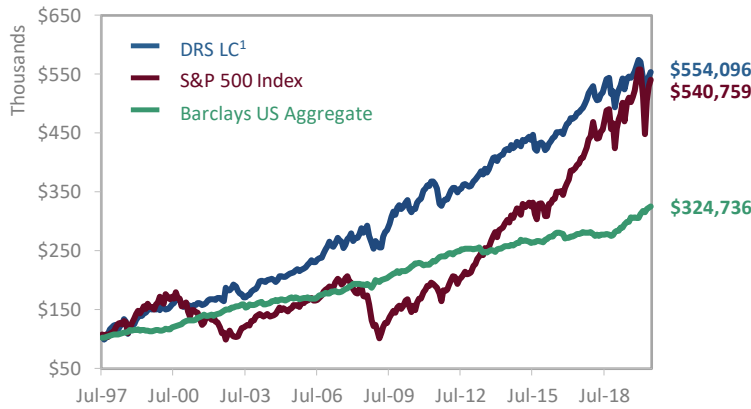
**Performance Summary (7/1/97 to 6/30/20)**

	DRS LC <sup>1</sup>	S&P 500	Barclays US Aggregate
1 Month (not annualized)	1.40%	1.99%	0.63%
YTD (not annualized)	-3.45%	-3.08%	6.14%
3 Year	4.53%	10.73%	5.32%
5 Year	4.78%	10.73%	4.30%
10 Year	5.80%	13.99%	3.82%
Inception (7/1/97)	7.73%	7.61%	5.25%

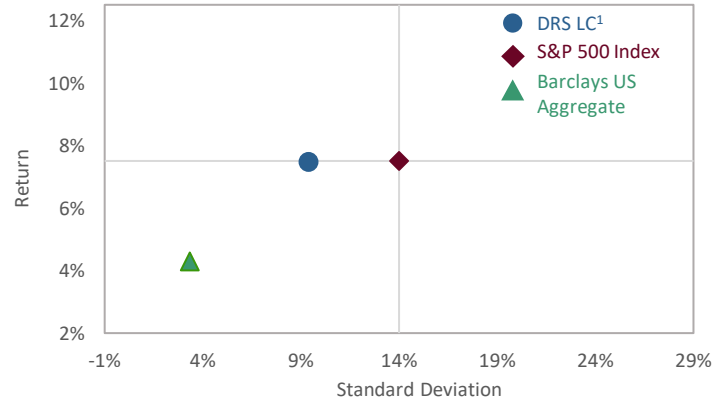
**Risk and Return Summary (7/1/97 to 6/30/20)**

	DRS LC <sup>1</sup>	S&P 500	Barclays US Aggregate
Standard Deviation (%)	9.29	15.30	3.39
Alpha	5.26	0.00	5.43
Beta	0.32	1.00	-0.01
R-Squared (%)	28.37	100	0.32
Sharpe Ratio (Cash-adjusted)	0.61	0.37	0.95
Max Drawdown (monthly)	-18.56%	-50.95%	-3.83%

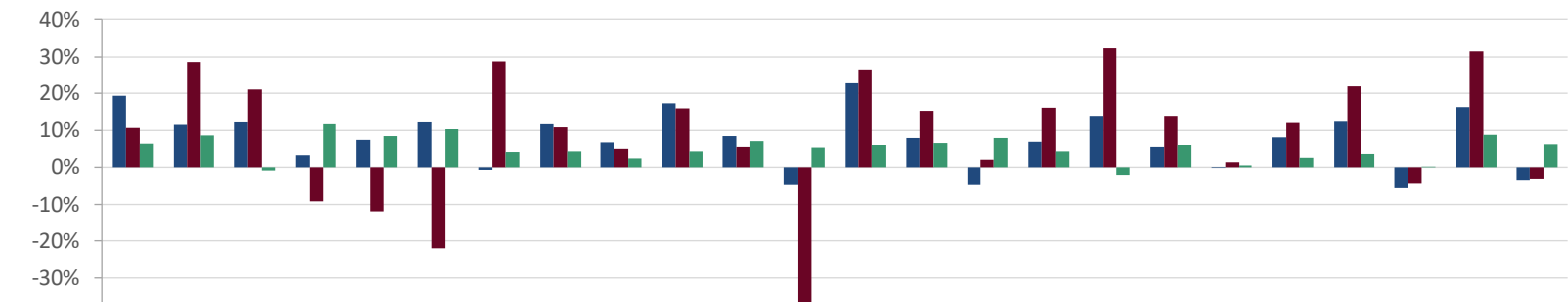
**Growth of \$100,000 (7/1/97 to 6/30/20)**



**Risk / Return (7/1/97 to 6/30/20)**



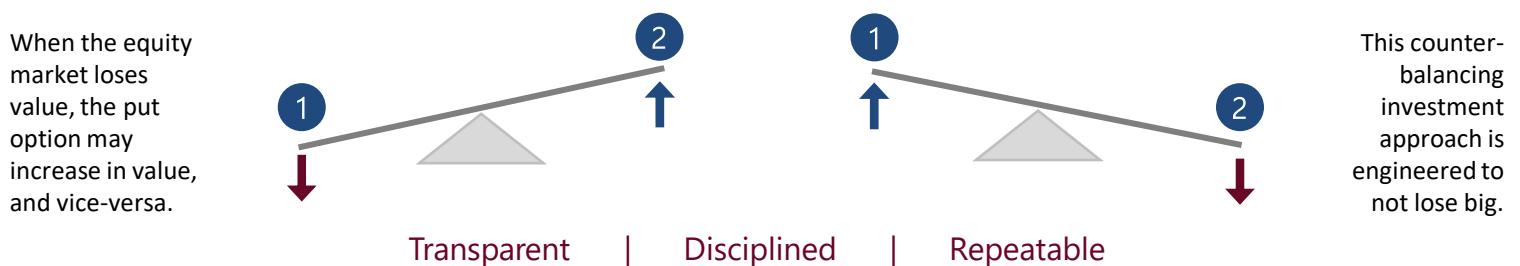
**Annual Returns: DRS LC<sup>1</sup>, S&P 500 Index and Barclays US Aggregate (7/1/97 to 6/30/20)**



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD
<b>DRS LC<sup>1</sup></b>	19.17%	11.55%	12.26%	3.17%	7.46%	12.22%	-0.65%	11.76%	6.69%	17.26%	8.39%	-4.57%	22.63%	7.88%	-4.59%	6.82%	13.74%	5.43%	-0.26%	8.12%	12.42%	-5.52%	16.15%	-3.45%
<b>S&amp;P 500</b>	10.58%	28.58%	21.04%	-9.10%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%	31.49%	-3.08%
<b>Barclays US Aggregate</b>	6.38%	8.67%	-0.83%	11.63%	8.44%	10.25%	4.10%	4.34%	2.43%	4.33%	6.97%	5.24%	5.93%	6.54%	7.84%	4.21%	-2.02%	5.97%	0.55%	2.65%	3.54%	0.01%	8.72%	6.14%

## The Defined Risk Investment Process

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|---|--|---|
| <p><b>1</b> Invest in Equities</p> <p><i>WHY?</i><br/><i>To participate in equity markets.</i></p> <ul style="list-style-type: none"> <li>Always Invested in low-cost S&amp;P 500 ETF (SPY)</li> <li>Market-cap weighting creates a growth tilt to the portfolio</li> </ul> | <p><b>2</b> Hedge the Equities</p> <p><i>WHY?</i><br/><i>To mitigate risks of bear markets.</i></p> <ul style="list-style-type: none"> <li>Always Hedged by actively managing long-term put options (LEAPs), generally one to two years to expiration, initially</li> <li>Purchased at, or near-the-money</li> </ul> | <p><b>3</b> Seek Additional Return</p> <p><i>WHY?</i><br/><i>To offset the cost of the hedge.</i></p> <ul style="list-style-type: none"> <li>Actively managing shorter-term options portfolio</li> <li>Utilizing a disciplined, rules-based approach</li> </ul> |
|---|--|---|



There is no guarantee that any investment strategy will achieve its objectives, generate profits, or avoid losses.  
A hedge is not insurance against losses.

## Footnotes and Disclosures

1- The Swan Defined Risk Strategy and the DRS LC as used in this document refers to the Defined Risk U.S. Large Cap Select Strategy.

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 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. 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 equity portion of portfolio is hedged using put options and the option income portion of the portfolio is actively managed to seek additional income. Both the equity and income portion of the strategy may experience losses in a market downturn but may be defined and mitigated by the hedge. The extent of potential losses will vary depending on many factors including, but not limited to; the options used, option strategy, expiration, prices, actions taken by portfolio manager.

Swan Global Investments, LLC ("Swan") is an independent Investment Advisory company headquartered in Durango, CO. Swan is registered with the US Securities and Exchange Commission under the Investment Advisers Act of 1940. Note that being an SEC registered Investment Adviser does not denote any special qualification or training. 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 Wealth Advisors, LLC, Swan Global Management, LLC, Swan Capital Management, LLC.

The benchmarks used for the Defined Risk U.S. Large Cap Select Strategy are the S&P 500 Index, which consists of approximately 500 large cap stocks, and a 60/40 blended composite, weighted 60% in the S&P 500 Index and 40% in the Barclays US Aggregate Bond Index. 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. 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). An investment cannot be made directly in an index.

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