



## The Swan Defined Risk Strategy - A Full Market Solution

Absolute, Relative, and Risk-Adjusted Performance Metrics for the  
Swan Defined Risk Foreign Developed Markets Composite vs MSCI EAFE Index

(Summary)

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March 31, 2022

### Manager Performance

February 2015 - March 2022 (Single Computation)



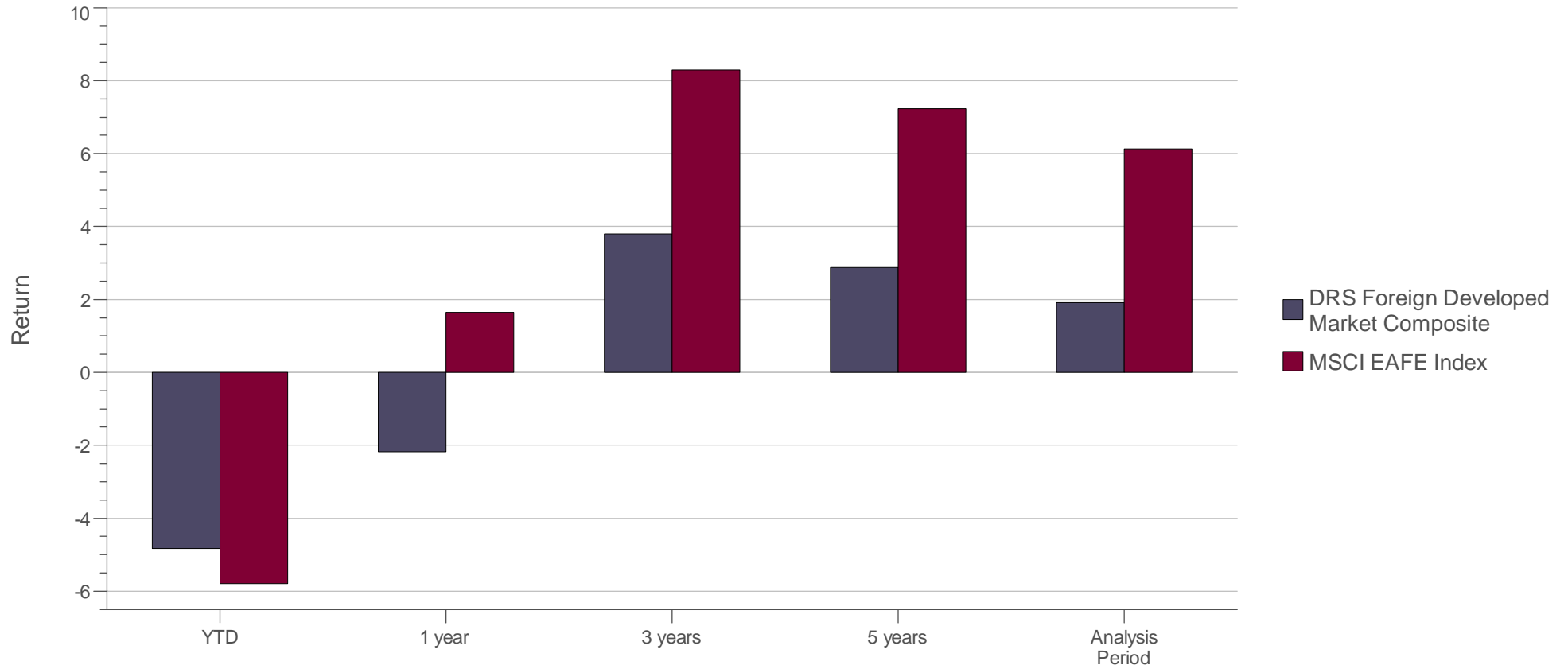
### Multi-Statistic (Custom Table)

February 2015 - March 2022: Summary Statistics

	Return	Cumulative Return	Standard Deviation (Population)	Beta vs. Market	Excess Return vs. Market	Sharpe Ratio
DRS Foreign Developed Market Composite	1.91%	14.54%	7.67%	0.49	-4.22%	0.14
MSCI EAFE Index	6.13%	53.15%	14.49%	1.00	0.00%	0.36

### Manager vs Benchmark: Return

February 2015 - March 2022 (not annualized if less than 1 year)



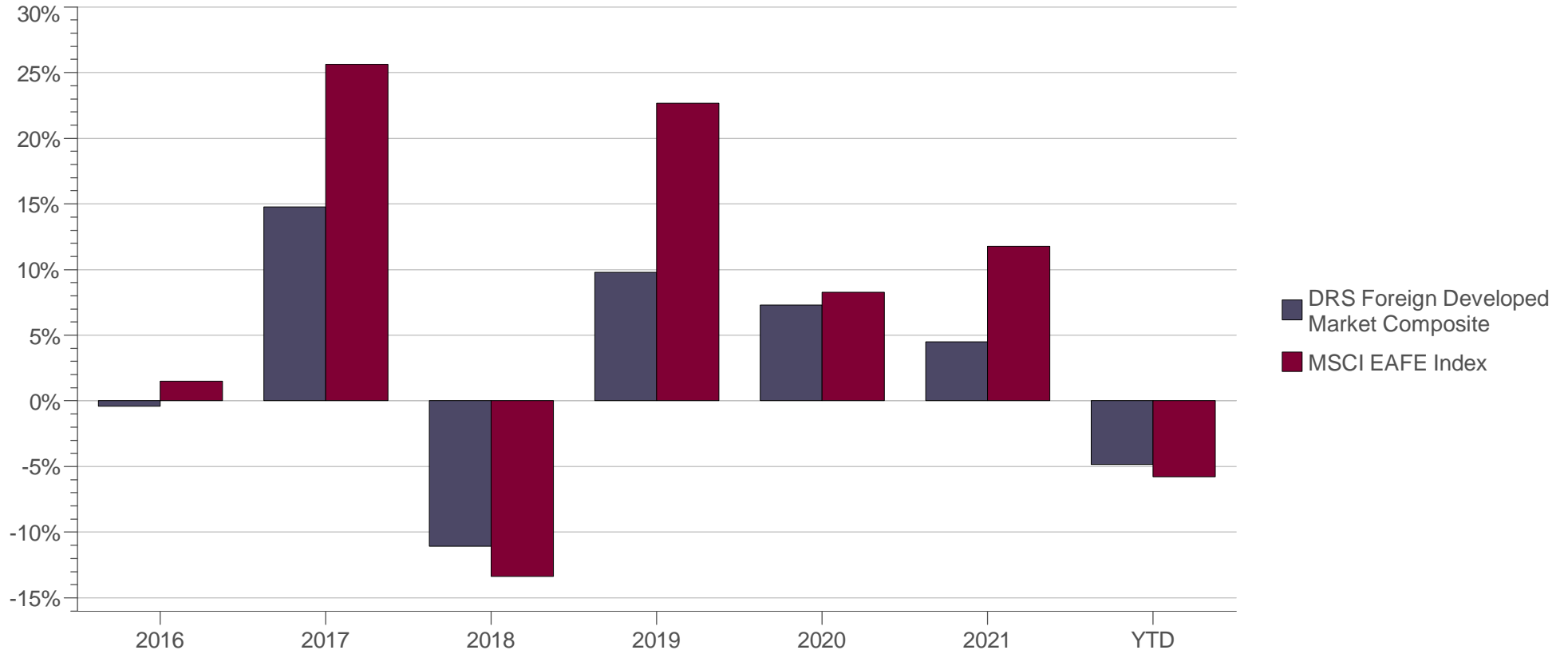
### Manager vs Benchmark: Return

February 2015 - March 2022 (not annualized if less than 1 year)

	YTD	1 year	3 years	5 years	Analysis Period
DRS Foreign Developed Market Composite	-4.83%	-2.17%	3.80%	2.88%	1.91%
MSCI EAFE Index	-5.79%	1.65%	8.29%	7.23%	6.13%

### Calendar Year Return

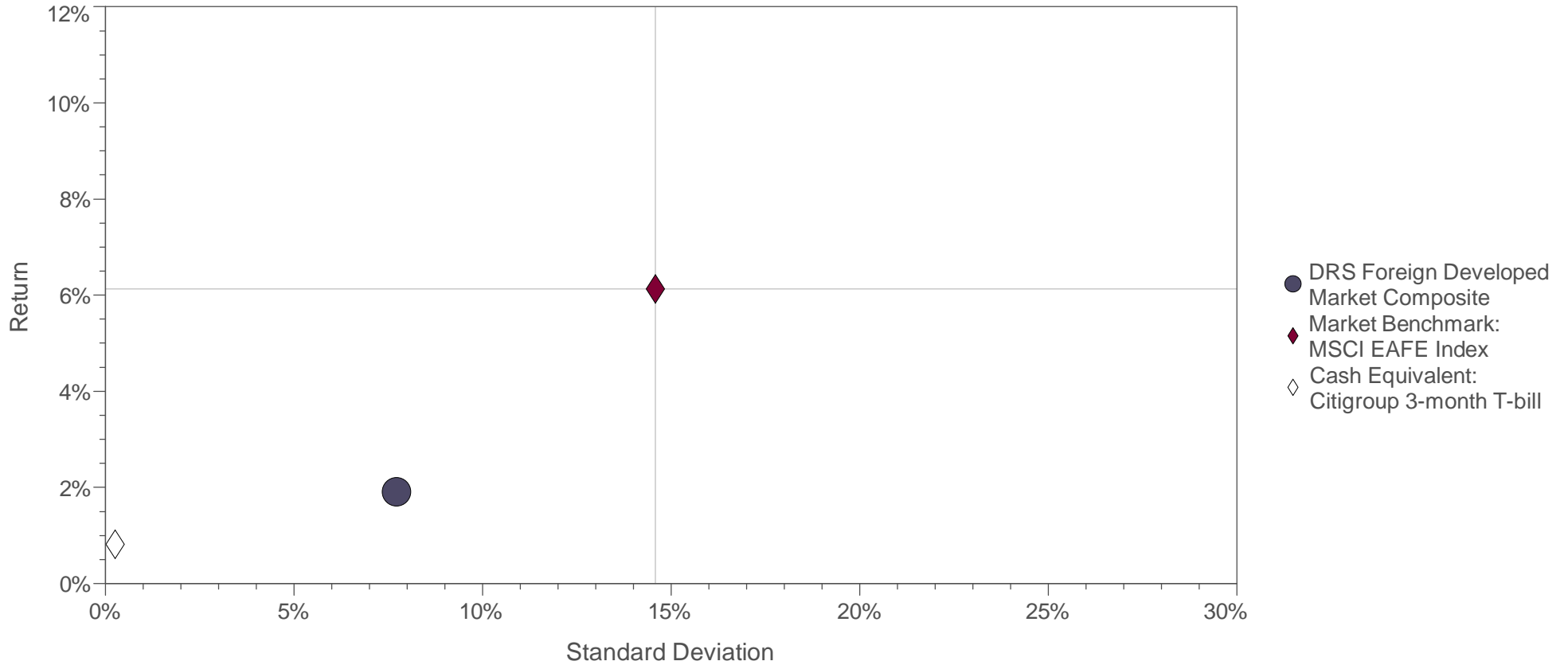
As of March 2022



	2016	2017	2018	2019	2020	2021	YTD
DRS Foreign Developed Market Composite	-0.39%	14.77%	-11.09%	9.81%	7.28%	4.50%	-4.83%
MSCI EAFE Index	1.51%	25.62%	-13.36%	22.66%	8.28%	11.78%	-5.79%

Risk / Return

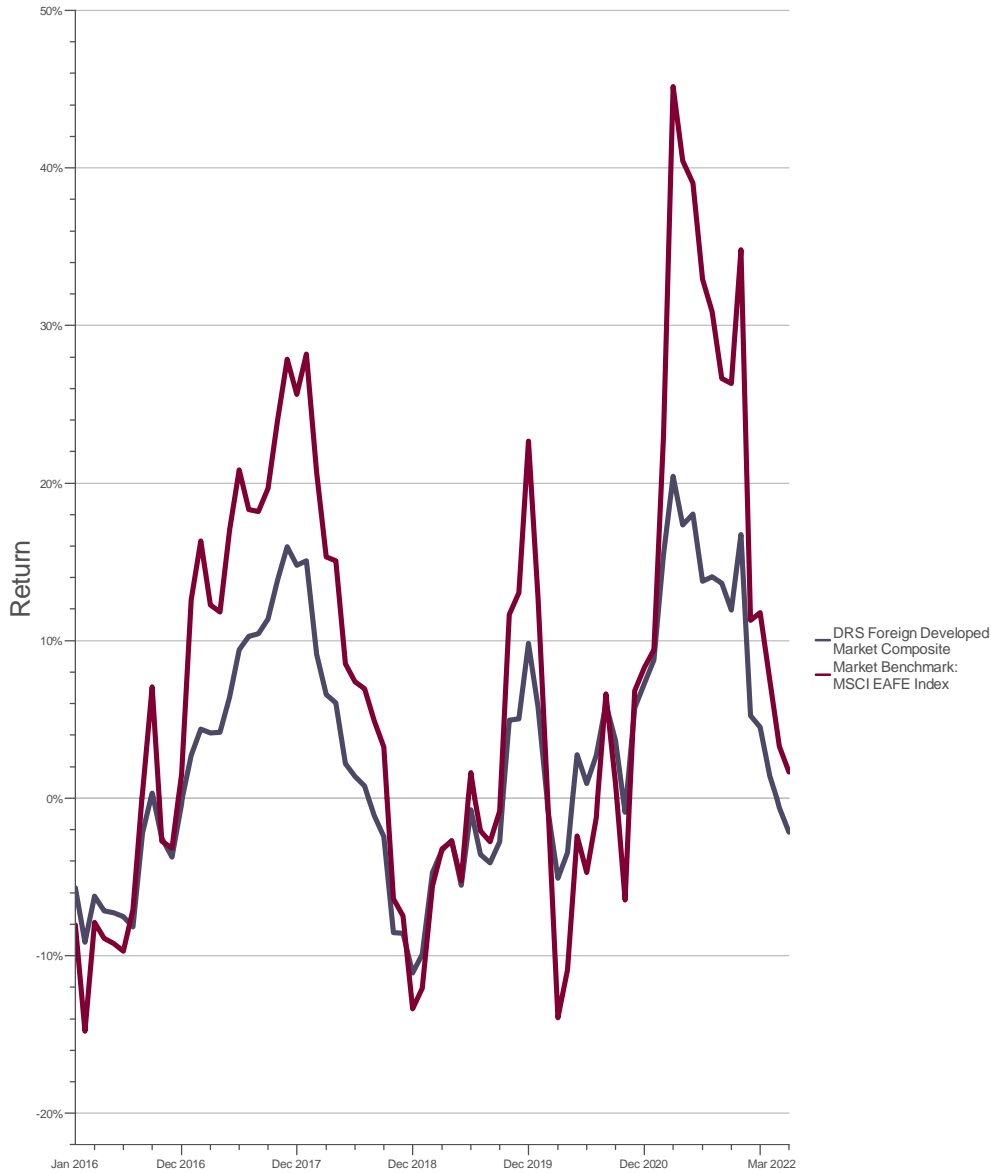
February 2015 - March 2022 (Single Computation)



	Return (%)	Std Dev (Pop.) (%)	Downside Risk (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market (%)	Sharpe Ratio
DRS Foreign Developed Market Composite	1.91	7.67	5.77	0.4889	-1.23	85.37	0.1415
MSCI EAFE Index	6.13	14.49	10.63	1.0000	0.00	100.00	0.3641

Return / Time

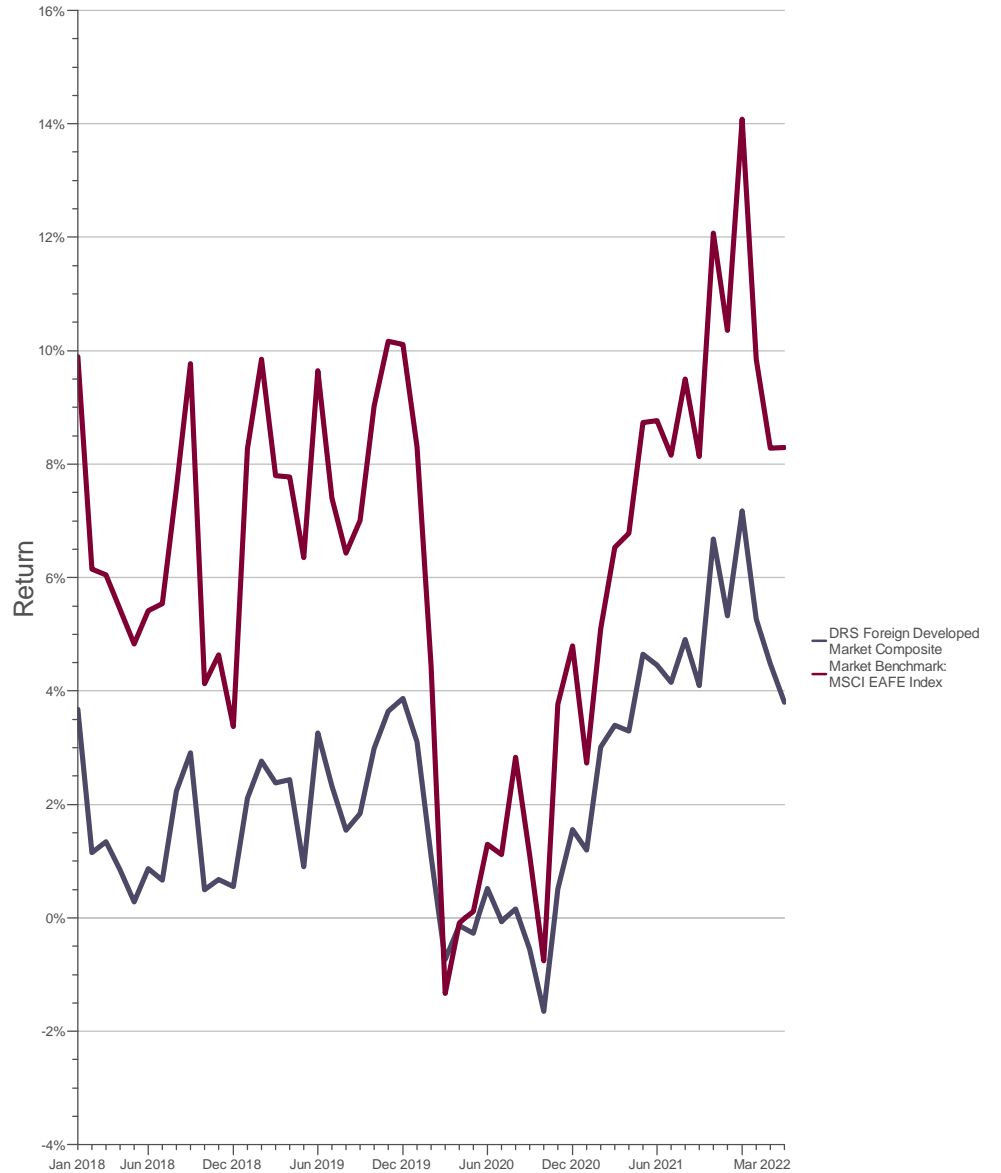
February 2015 - March 2022 (12-Month Moving Windows, Computed Monthly)



Time

Return / Time

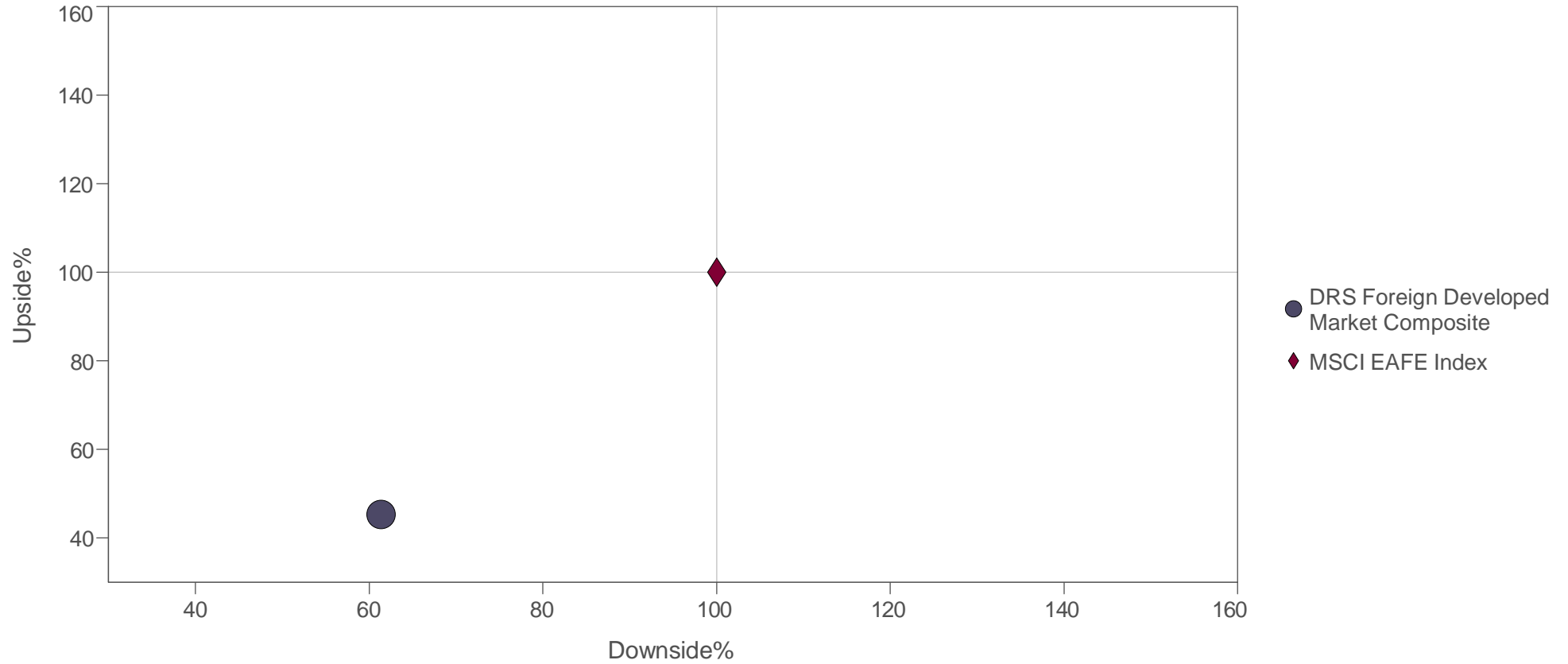
February 2015 - March 2022 (36-Month Moving Windows, Computed Monthly)



Time

### Upside / Downside (Quarterly)

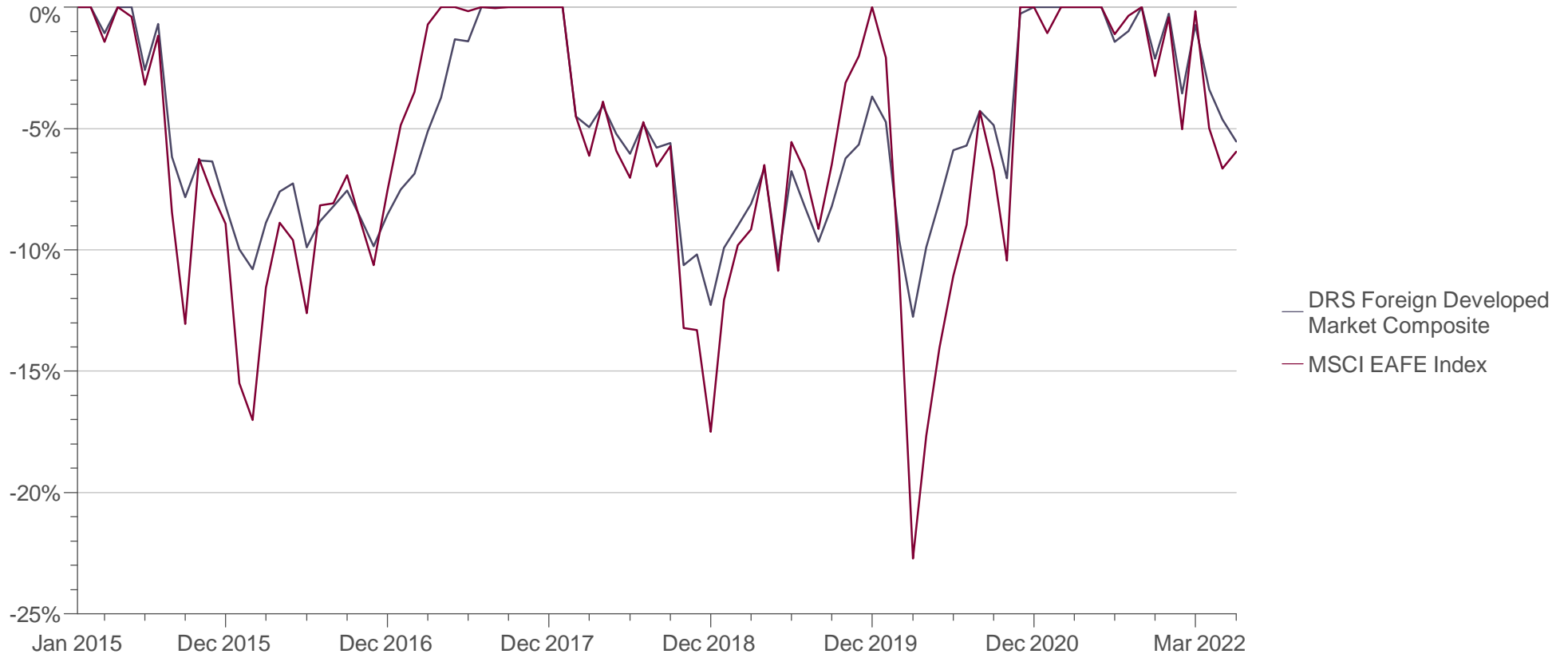
April 2015 - March 2022 (Single Computation)



Quarterly Calculation	# of Quarters		Average Return (%) vs. Market		Quarter (%)		1-Year (%)		Market Benchmark (%)		
	Up	Down	Up Market	Down Market	Best	Worst	Best	Worst	Up Capture	Down Capture	R-Squared
DRS Foreign Developed Market Composite	16	12	2.99	-3.33	8.62	-9.44	20.44	-11.09	45.3	61.4	93.04
MSCI EAFE Index	17	11	6.30	-5.42	16.09	-22.72	45.15	-13.92	100.0	100.0	100.00

### Drawdown

February 2015 - March 2022



	Max Drawdown	Max Drawdown Begin Date	Max Drawdown End Date	Max Drawdown Length	Max Drawdown Recovery Date	Max Drawdown Recovery Length	Longest Drawdown	Longest Drawdown Begin Date	Longest Drawdown End Date	Longest Drawdown Length	Longest Drawdown Recovery Date	Longest Drawdown Recovery Length	Pain Index	Pain Ratio
DRS Foreign Developed Market Composite	-12.76%	Feb 2018	Mar 2020	26	Dec 2020	9	-12.76%	Feb 2018	Mar 2020	26	Dec 2020	9	5.04%	0.22
MSCI EAFE Index	-22.72%	Jan 2020	Mar 2020	3	Nov 2020	8	-17.50%	Feb 2018	Dec 2018	11	Dec 2019	12	5.73%	0.93



	<u>What Is It?</u>	<u>What Is Considered Good?</u>
Alpha	Alpha measures the risk-adjusted added value an active manager adds above and beyond the passive benchmark.	Alphas should be positive. A negative alpha suggests the manager failed to add value over the benchmark on a risk-adjusted basis.
Beta	Beta measures the sensitivity of the manager to movements in an underlying benchmark.	Conservative investors prefer a beta less than 1.0, suggesting the investment moves less than the market. Aggressive investors prefer a beta greater than 1.0, which are more sensitive to market movements.
Down Capture	Down capture measures the percentage of market losses endured by a manager when markets are down.	Down capture should be less than 100%, meaning a manager experiences less than the full market downswing.
Downside Deviation	Downside deviation is a risk statistic measuring volatility. It is a variation of standard deviation that focuses only upon the "bad" volatility.	Generally, the lower the better. A manager's downside deviation should be lower than index or lower than universe's average.
Excess Return	The simplest of the benchmark-relative statistics, excess return measures the difference between the manager return and the benchmark return.	One would want the excess return to be positive, indicating the manager outperformed its benchmark.
Information Ratio	A benchmark relative return-versus-risk metric, the information ratio measures the excess return against the benchmark divided by tracking error, where tracking error is a measure of consistency.	Information ratios should be positive. A good information ratio is typically in the 0.40-0.60 range; it is rare to see active managers with information ratios greater than 1.00.
Kurtosis	Kurtosis identifies where the volatility risk came from in a distribution of returns. Kurtosis improves one's understanding of volatility risk.	Generally investors like to see kurtosis numbers close to zero or even negative. The larger the kurtosis, the more of an investment's risk lies in the tails of the distribution.
Maximum Drawdown	A risk metric indicating capital preservation, the maximum drawdown measures the peak-to-trough loss of an investment.	The smaller the maximum drawdown the better. A maximum drawdown of 0% indicates an investment never lost money. One should keep in mind the type of investment and the time period analyzed to understand if a maximum drawdown is reasonable.
Pain Index	A proprietary risk metric, the pain index quantifies the capital preservation tendencies of a manager or index. It measures the depth, duration, and frequency of periods of losses.	The lower the pain index the better. A pain index of 0% indicates the investment has never lost value. A pain index should be compared against a benchmark or peer group in order to understand context.
Pain Ratio	A proprietary return-versus-risk trade-off metric, the pain ratio compares the added value over the risk-free rate against the depth, duration, and frequency of losses.	The higher the pain ratio the better. A high pain ratio indicates 1) a high risk premium over the risk free rate, 2) very little losses, or 3) a combination of both. One should compare an investment's pain ratio to a benchmark or universe.
R-Squared	R-squared represents the "goodness of fit" of a manager to its benchmark. R-squared is the percentage of variation in a manager's returns explained by the benchmark's returns.	An investor who believes it is difficult for active managers to outperform a passive benchmark would likely prefer a high r-squared. Alternatively an investor who believes in active management would prefer a lower r-squared.
Sharpe Ratio	The most famous return-versus-risk measurement, the Sharpe ratio represents the added value over the risk-free rate per unit of volatility risk.	Generally, the higher the better. A manager's Sharpe ratio should be higher than index or higher than a universe average.
Skewness	Skewness measures to what direction and degree a set of returns is tilted or "skewed" by its extreme outlier occurrences.	Generally speaking investors prefer a positive skewness rather than a negative skewness. However, in the real world it is difficult to find

investment with a positive skew.

**Sortino Ratio** A variation of the Sharpe ratio, the Sortino ratio is a return-versus-risk trade-off metric that uses downside deviation as its measure of risk.

**Standard Deviation** Standard deviation measures how closely returns track their long term average. Standard deviation measures volatility risk.

**Up Capture** Up capture measures the percentage of market gains captured by a manager when markets are up.

The larger the Sortino ratio the better. One must compare a manager's Sortino ratio to an index or peer group in order to understand whether or not a Sortino ratio is good or bad. It is also useful to keep in mind the time period being analyzed.

Generally, the lower the better. A manager's standard deviation should be lower than index or lower than universe's average.

Ideally up capture will be greater than 100%, meaning the manager does better than the market when markets are up. The larger the up capture the better.

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, 2020. 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](mailto:operations@swanglobalinvestments.com).

Definition of the Firm: Swan Global Investments, LLC is an SEC registered investment advisor providing asset management services utilizing the Swan Defined Risk Strategy (“DRS”), allowing its clients to grow wealth while protecting capital. Please note that registration of the adviser does not imply a certain level of skill or training. Swan Global Investments, LLC is affiliated with Swan Capital Management, LLC, Swan Global Management, LLC and Swan Wealth Management, LLC.

Swan offers and manages The Defined Risk Strategy (“DRS”) for its clients including individuals, institutions and other investment advisor firms. There are seven 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 and mutual fund 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. 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.

Firm Redefinition: Previously Swan offered and managed The Defined Risk Strategy for its clients which were individual investors. Swan redefined itself to include all client types, including individuals, institutions and sub-advised clients, as of January 1, 2010. This redefinition resulted in a change to Swan’s 2009 performance numbers, due to adding all sub-advised clients beginning on June 30, 2009. Additionally, Swan created affiliated entity Swan Capital Management, Inc. on April 13, 2012 to be an advisor and distributor of the Swan Defined Risk Fund launched in July 2012. In December 2014, Swan Capital Management, Inc. converted to Swan Capital Management, LLC. Swan created affiliated entity Swan Wealth Management, LLC to serve as the portfolio manager of the DRS in 2014, and subsequently created affiliated entity Swan Global Management, LLC to serve as the portfolio manager of the DRS starting in 2015.

Name Changes: Swan Consulting, Inc. changed its name to Swan Wealth Advisors, Inc. on April 8, 2011 to better reflect that the Company is a money management firm. Investment consulting firms generally do not manage money. Swan Wealth Advisors, Inc. changed its name to Swan Global Investments, LLC on December 5, 2014 to better reflect that the Company is a money management firm rather than an advisor. Advisors are the Company’s clients, and it does not want to give the impression that the Company is competing with other advisors. Instead, Swan Global Investments, LLC offers investment products and manages money for sub-advised clients and the mutual funds of its affiliate Swan Capital Management, LLC.

Composite Definition: The DRS Foreign Developed Markets Composite was defined on January 1, 2017 and demonstrates the performance of all mutual fund accounts invested in Swan’s proprietary Defined Risk Foreign Developed Markets Fund and separately managed account(s) invested in DRS Foreign Developed Market Strategy. 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. A complete list and description of Composites is available on request.

Composite Inception Date: The inception date of the Defined Risk Foreign Developed Markets Strategy Composite was on February 1, 2015

Composite Creation Date: The DRS Foreign Developed Markets Composite was created on January 1, 2017.

Composite Description: The DRS Foreign Developed Markets Composite demonstrates the performance of separately managed account(s), and mutual fund investors in the DRS Foreign Developed Markets Strategy. DRS Foreign Developed Market accounts seek the upside potential of owning stock and the desire to minimize the downside risk associated with owning stock. The Composite relies on LEAPS and other options to manage this risk. The portfolios invest in exchange traded funds (ETF) that own securities tied to emerging and foreign developed markets, and LEAPS associated with the ETFs as well as multiple other option spreads that represent other indices that are widely traded. The DRS 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.

Returns: The DRS Foreign Developed Markets Composite presented returns are calculated for both Gross-of-Fees and Net-of-Fees. Separate account Net-of-Fees monthly return accrues and deducts from Gross-of-Fees performance (after the deduction of actual transaction and administrative fees but before investment management fees have been deducted) 1/12th of the annual advisory fee rate assigned to the account using Swan's investment management fee schedule for each client account in the Composite. Accrual and deduction of investment management fees are Swan fees only and do not include any third-party advisors' fees. The composite includes portfolios that pay zero commissions on certain securities in the portfolio (e.g., exchange traded funds (ETFs)).

The Net-of-Fees return in the four classes of the mutual fund are calculated based on actual fees paid by the Fund (after management fees, trading expenses, acquired fund fees, and administrative costs). Gross-of-Fees monthly return for the Fund accrues and adds back the 1/12th of the 1.00% annual management fee

Benchmark: The benchmark used for The DRS Foreign Developed Markets Composite is the MSCI (Morgan Stanley Capital International) EAFE index (Gross), which comprises the MSCI country indexes capturing large and mid-cap equities across developed markets, excluding the U.S. and Canada.

Year	Swan Global Investments, LLC DRS Foreign Developed Markets Composite												MSCI EAFE (Gross) ("The Benchmark")				
	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-Fee)	Standard Deviation (External) (Net-of-Fee)	Sharpe Ratio (Net-of-Fee)	# of Accts / Assets in Millions	Total Firm Assets (\$MM)	Dispersion (Internal) Gross of Fees	Return	Cumulative Return	Annualized Return	Standard Deviation (External)	Sharpe Ratio
2015	-3.83%	-3.83%	-3.83%	-2.95%	-2.95%	-2.95%	N/A	N/A	N/A	1 / 0.52	2,446.11	<6	-0.89%	-0.89%	-0.89%	N/A	N/A
2016	-0.38%	-4.20%	-2.21%	0.62%	-2.35%	-1.23%	N/A	N/A	N/A	1 / 18.96	3,620.08	<6	1.51%	0.61%	0.32%	N/A	N/A
2017	14.77%	9.95%	3.31%	15.93%	13.21%	4.34%	N/A	N/A	N/A	1 / 43.94	5,030.83	<6	25.62%	26.39%	8.36%	N/A	N/A
2018	-11.09%	-2.24%	-0.58%	-10.20%	1.66%	0.42%	0.49	6.09%	-0.20	1 / 41.68	4,063.88	<6	-13.36%	9.50%	2.35%	11.27%	0.13
2019	9.81%	7.35%	1.45%	10.91%	12.76%	2.47%	0.52	6.91%	0.06	2 / 37.14	3,065.24	<6	22.66%	34.31%	6.18%	10.80%	0.42
2020	7.28%	15.17%	2.42%	8.36%	22.18%	3.44%	0.48	9.29%	0.18	2 / 32.1	2,236.86	<6	8.28%	45.43%	6.53%	17.87%	0.36

Beta: Beta for the Composite has been calculated using the standard formula: covariance of portfolio and benchmark returns divided by the variance in benchmark returns. The time period used in calculations is February 1, 2015 through the end of the period and the frequency of returns used is monthly. Beta is based on net-of-fee returns. A beta greater than 1.0 indicates that the investment is more volatile than the index, whereas a beta between 0 and 1.0 indicates that the investment is less volatile than the market index. A negative beta indicates the investment performance is counter-cyclical to the Benchmark. Values are not displayed prior to 2018 to ensure a sufficient number of measurement points for more meaningful statistical analysis.

Standard Deviation (External): Standard deviation measures the variability of the Composite's monthly returns, and states that variability on an annualized basis. Annualized standard deviations of monthly returns for both the Composite and Benchmark have been calculated using the following method: Standard Deviation of 36 monthly returns multiplied by the Square Root of 12 (which annualizes it). This measure is based on returns that are net of Swan fees only. Values are not displayed prior to 2018 to ensure a sufficient number of measurement points for more meaningful statistical analysis.

Measure of Dispersion (Internal Standard Deviation): The Composite dispersion is measured using standard deviation of Gross-of-Fees returns as stated above. The dispersion represents the variability of Gross-of-Fees returns within the Composite to remove the variance in fees per account. Only portfolios that were included in the Composite the entire year were included.

Internal dispersion is not displayed from inception through December 31, 2019 as the Composite only includes one portfolio for each full year period, (one in-house research and development account from February 1, 2015 to January 31, 2016, four share classes of the mutual fund from January 1, 2016 to present with the only difference being fee structure, and separately managed account(s) from June 1, 2019 to present).

Sharpe Ratio: Sharpe Ratios for both the Composite and the Benchmark have been calculated using the standard formula of (Annualized Return – Risk Free Annualized) / Standard Deviation. The time period used in calculations is February 1, 2015 through the end of the period and the frequency of returns used is monthly. Annualized Returns in this calculation are net-of-fee. Risk Free Return values used in calculations are based on 91 Day Treasury Bill returns for the same period. Values are not displayed prior to 2018 to ensure a sufficient number of measurement points for more meaningful statistical analysis.

Fee Schedule: The management fee schedule for mutual fund accounts in The DRS Foreign Developed Markets Composite is 1.00% per annum. Other fees include acquired fund fees (0.30% as of October 27, 2020) and general and administrative fees which depend on share class and the amount of assets invested in the Fund. The standard investment management fee schedule for sub-advised separately managed clients in the composite is 60 bps but is negotiable to as low as 35 bps. Swan's rate for direct clients in the composite is negotiable but ranges between 1.00%-1.25%. Actual investment management fees incurred by composite accounts may vary.

Policies: Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Use of Derivatives: The purchase and sale of options are a component of The DRS Foreign Developed Markets Composite. Options are traded on both long-term and short-term horizons to reduce the risk of owning stock and to generate income. Since inception of The Defined Risk Strategy, options have been responsible for a significant portion of total returns. The DRS uses little or no leverage (<2% of total portfolio value). Portfolios are generally balanced annually with approximately 85-90% stock, 10-15% options. Please contact Swan Global Investments, LLC if you would like more detailed information on the use of options in The DRS.

Leverage and Short Positions: The DRS Foreign Developed Markets Composite uses a combination of ETFs (long) and options, both long (portfolio has bought a position in a call or put option) and short (the portfolio holds a written call or put option) positions which constitute approximately 85-90% and 10-15% of the portfolio, respectively. The Defined Risk Strategy does not typically borrow money to buy stock on margin and as a result does not use leverage in the traditional sense. However, the DRS uses options as a material part of the strategy and by definition may constitute use of leverage since options typically control a large amount of the underlying security. This does not imply that The DRS portfolio is leveraged. The short option positions that are used to generate income are offset in whole or in part by the long stock and long options positions contained in the portfolio. Regardless, a margin account is required.

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.

There is no guarantee any investment or the DRS will meet its objectives. All investments involve the risk of potential investment losses as well as the potential for investment gains. Prior performance is not a guarantee of future results and there can be no assurance, and investors should not assume, that future performance will be comparable to past performance. Further information is available upon request by contacting the company directly at 970-382-8901 or [www.swanglobalinvestments.com](http://www.swanglobalinvestments.com).

Currency: All valuations are computed, and performance reported in US dollars. Past results do not guarantee future performance.

Net-of-Fees Calculations: The Net-of-Fee returns are calculated based on a 1.00% management fee charged monthly in arrears from February 1, 2015 through December 31, 2015 as the only portfolio in the composite during this timeframe is an in-house research and development account so no fees were actually charged. In January 2016, the composite included the in-house account and the three share classes of the mutual fund, and in February 2016 to November 30, 2018 the composite included the three share classes of the mutual fund only. In December 2018 to May 31, 2019 the composite included four share classes of the mutual fund only. Starting June 1, 2019 to present the composite included separately managed accounts in addition to the four share classes of the mutual fund. The Net-of-Fee returns for the four classes of the mutual fund are calculated based on actual fees paid by the Fund. Separate account Net-of-Fee Accrual returns accrues and deducts from Gross-of-Fee performance (after the deduction of actual transaction and administrative fees but before investment management fees have been deducted) 1/12th of the annual advisory fee rate assigned to the account using Swan's investment management fee rate for each

client account in the Composite. Accrual and deduction of investment management fees are Swan fees only and do not include any third-party advisors' fees  
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