



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

Absolute, Relative, and Risk-Adjusted Performance Metrics for the Swan Defined Risk U.S. Large Cap Prime Composite, S&P 500 Index, 60/40 portfolio, and Bloomberg US Aggregate Bond Index

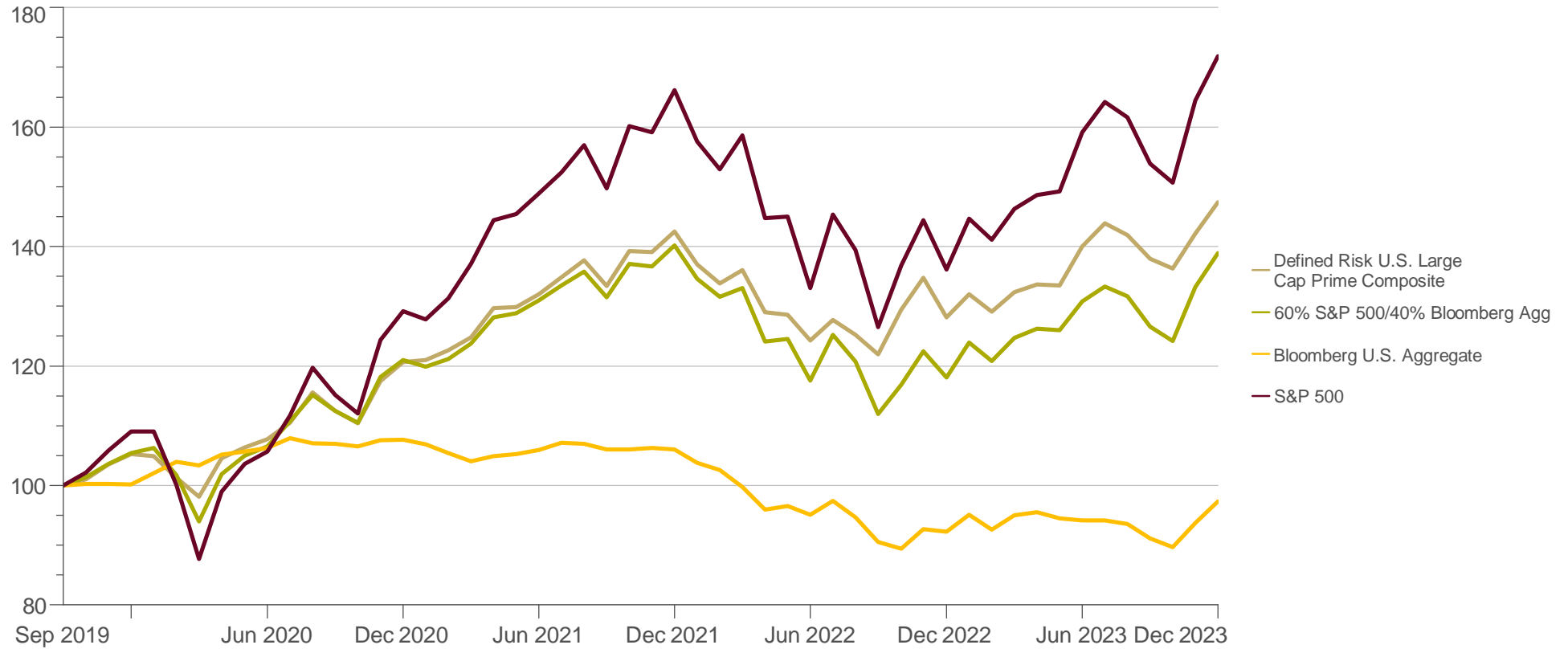
(Summary)

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December 31, 2023

# Manager Performance

October 2019 - December 2023 (Single Computation)



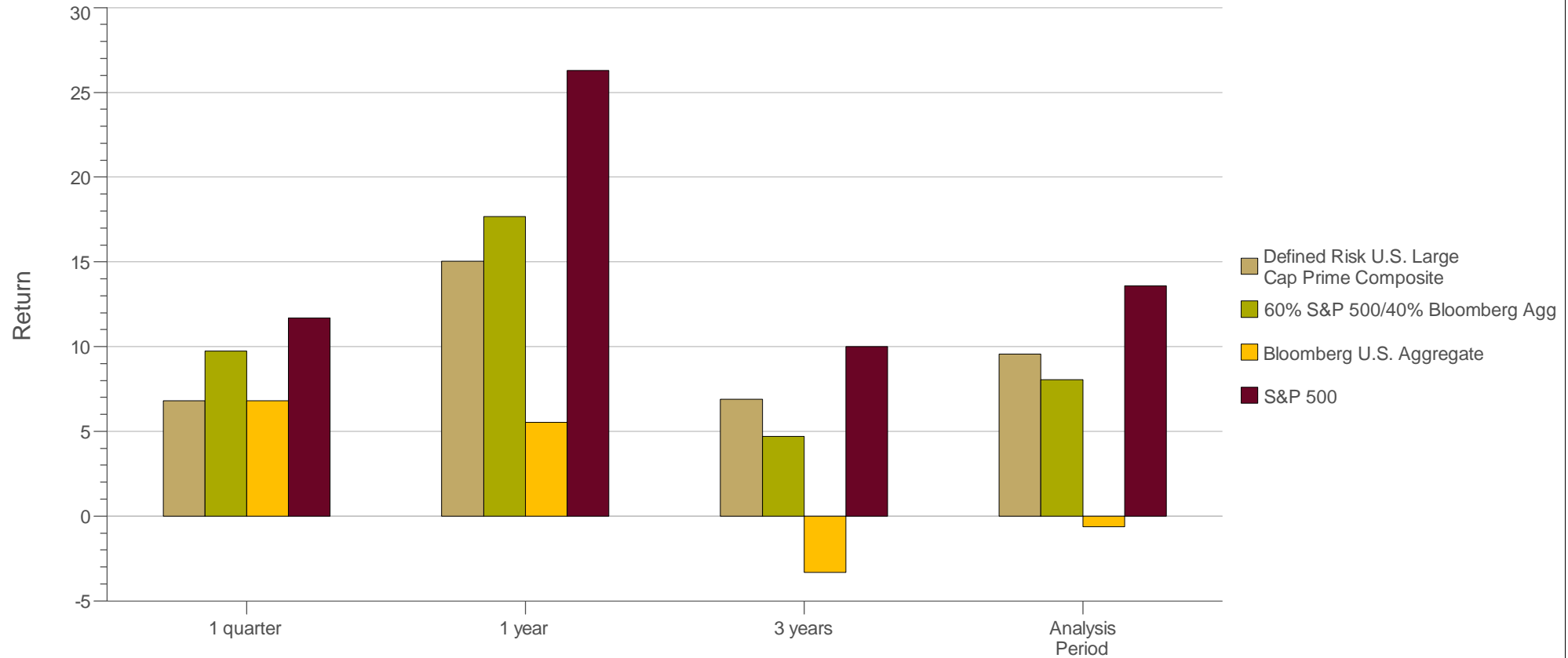
## Multi-Statistic (Custom Table)

October 2019 - December 2023: Summary Statistics

	Return	Cumulative Return	Standard Deviation (Population)	Beta vs. Market	Excess Return vs. Market	Sharpe Ratio
Defined Risk U.S. Large Cap Prime Composite	9.55%	47.38%	10.33%	0.52	-4.04%	0.74
60% S&P 500/40% Bloomberg Agg	8.04%	38.90%	12.96%	0.67	-5.55%	0.47
Bloomberg U.S. Aggregate	-0.63%	-2.66%	6.33%	0.19	-14.22%	-0.38
S&P 500	13.59%	71.88%	18.97%	1.00	0.00%	0.61

## Manager vs Benchmark: Return

October 2019 - December 2023 (not annualized if less than 1 year)



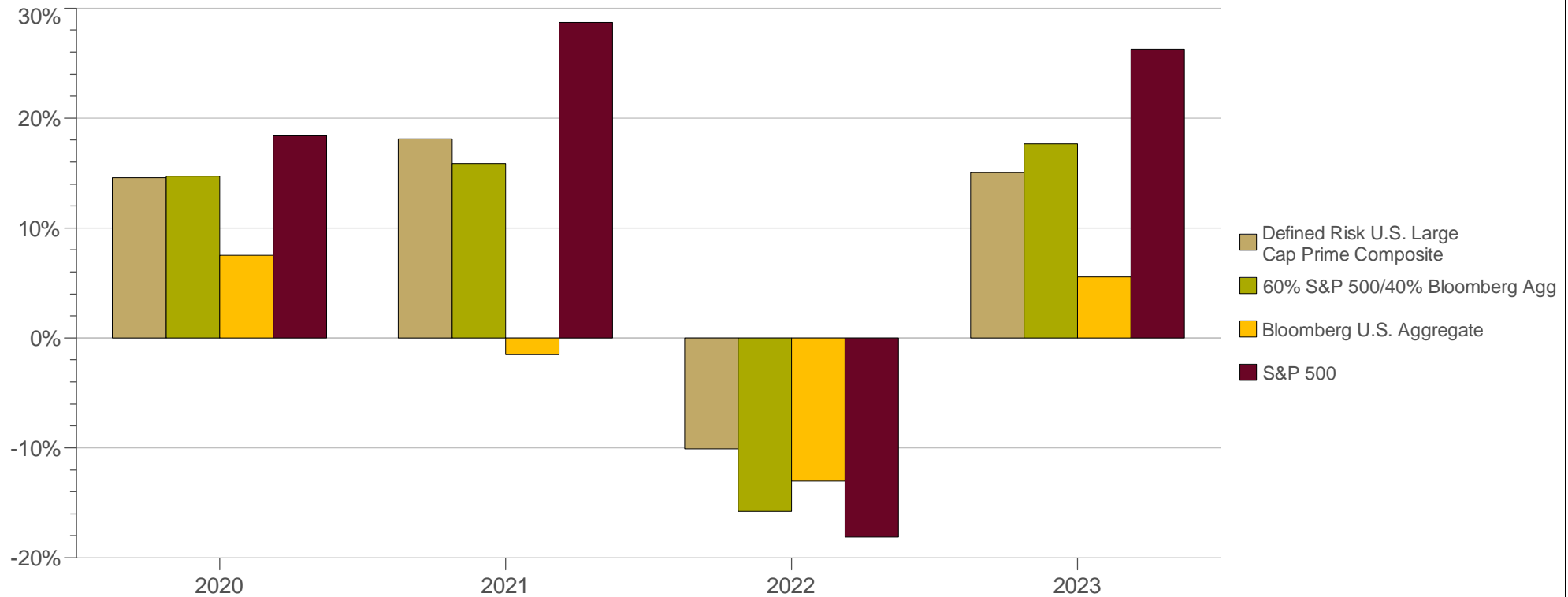
## Manager vs Benchmark: Return

October 2019 - December 2023 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	Analysis Period
Defined Risk U.S. Large Cap Prime Composite	6.81%	15.03%	6.90%	9.55%
60% S&P 500/40% Bloomberg Agg	9.74%	17.67%	4.71%	8.04%
Bloomberg U.S. Aggregate	6.82%	5.53%	-3.31%	-0.63%
S&P 500	11.69%	26.29%	10.00%	13.59%

## Calendar Year Return

As of December 2023



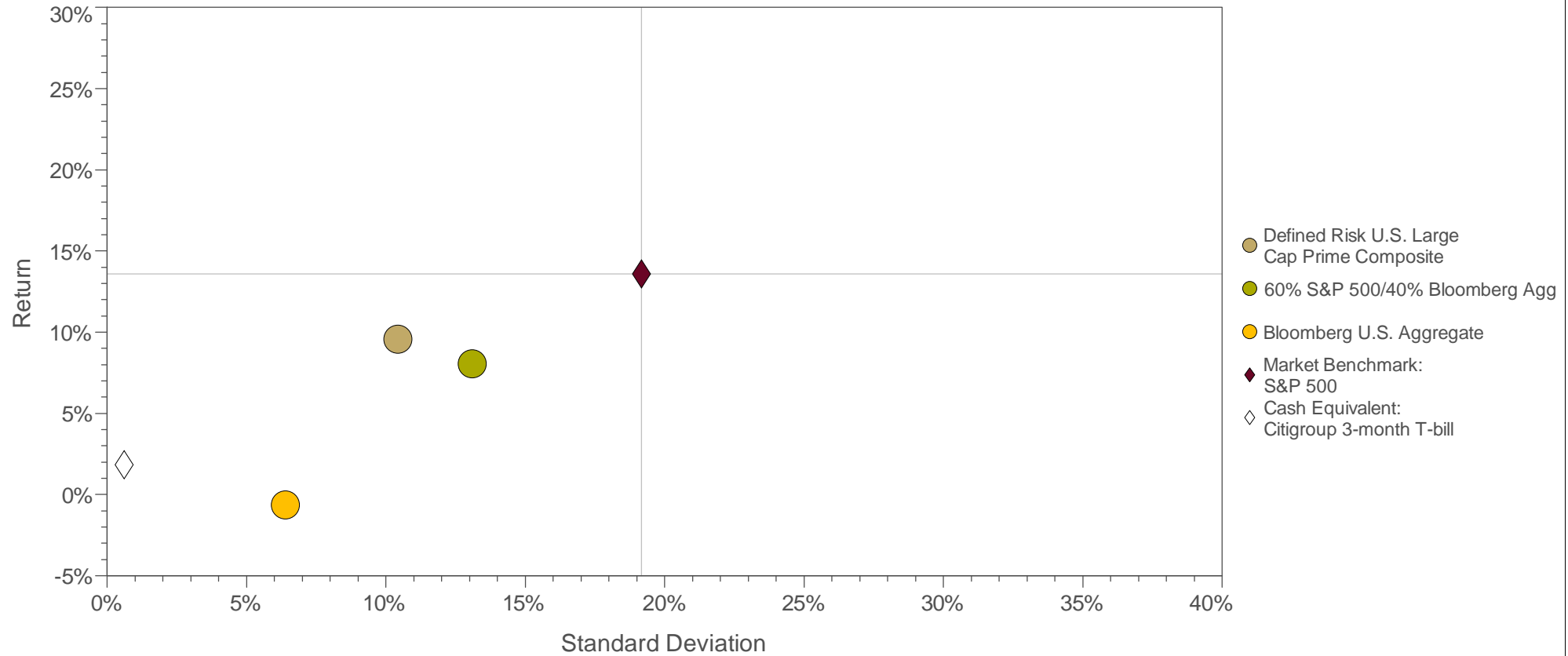
## Calendar Year Return

As of December 2023

	2020	2021	2022	2023
Defined Risk U.S. Large Cap Prime Composite	14.60%	18.11%	-10.09%	15.03%
60% S&P 500/40% Bloomberg Agg	14.73%	15.86%	-15.79%	17.67%
Bloomberg U.S. Aggregate	7.51%	-1.54%	-13.01%	5.53%
S&P 500	18.40%	28.71%	-18.11%	26.29%

## Risk / Return

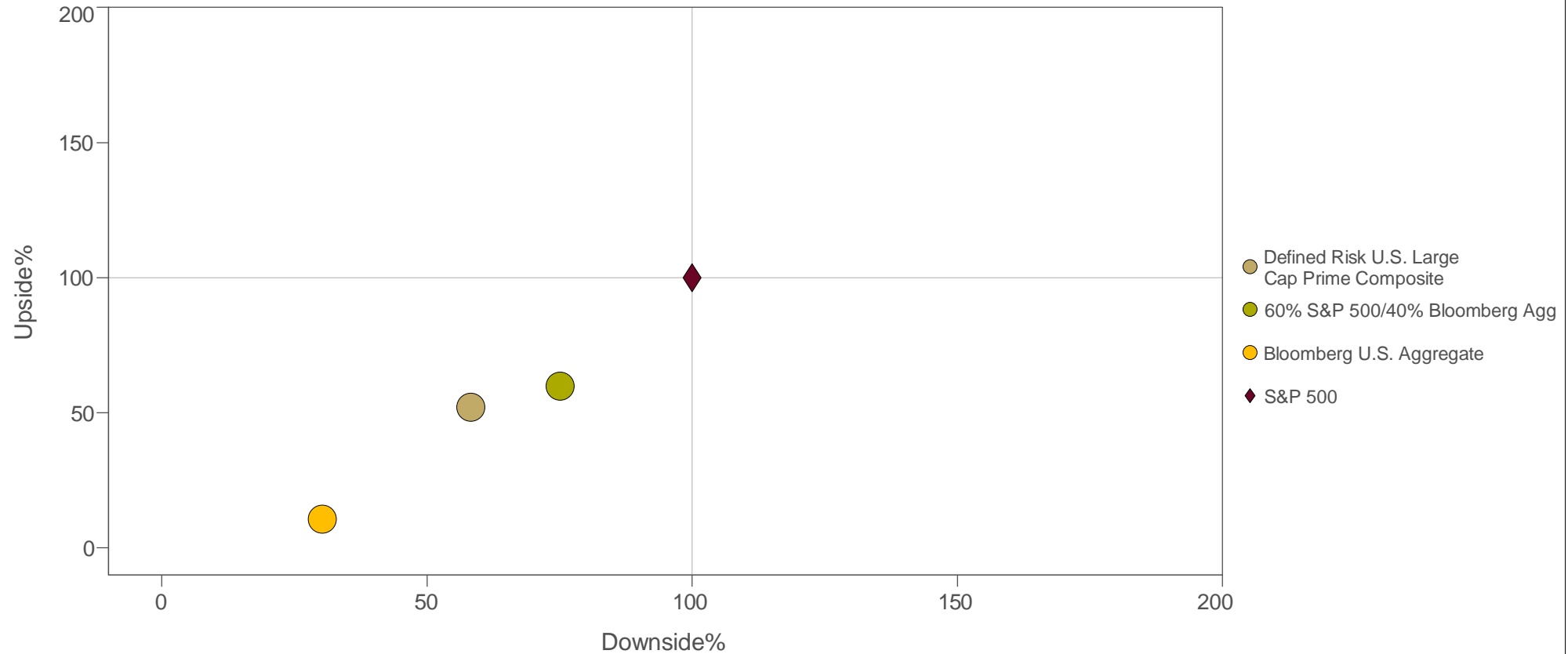
October 2019 - December 2023 (Single Computation)



	Return (%)	Std Dev (Pop.) (%)	Downside Risk (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market (%)	Sharpe Ratio
Defined Risk U.S. Large Cap Prime Composite	9.55	10.33	7.53	0.5155	2.18	89.69	0.7408
60% S&P 500/40% Bloomberg Agg	8.04	12.96	9.68	0.6740	-1.25	97.36	0.4744
Bloomberg U.S. Aggregate	-0.63	6.33	4.34	0.1851	-3.09	30.76	-0.3846
S&P 500	13.59	18.97	14.23	1.0000	0.00	100.00	0.6139

## Upside / Downside (Monthly)

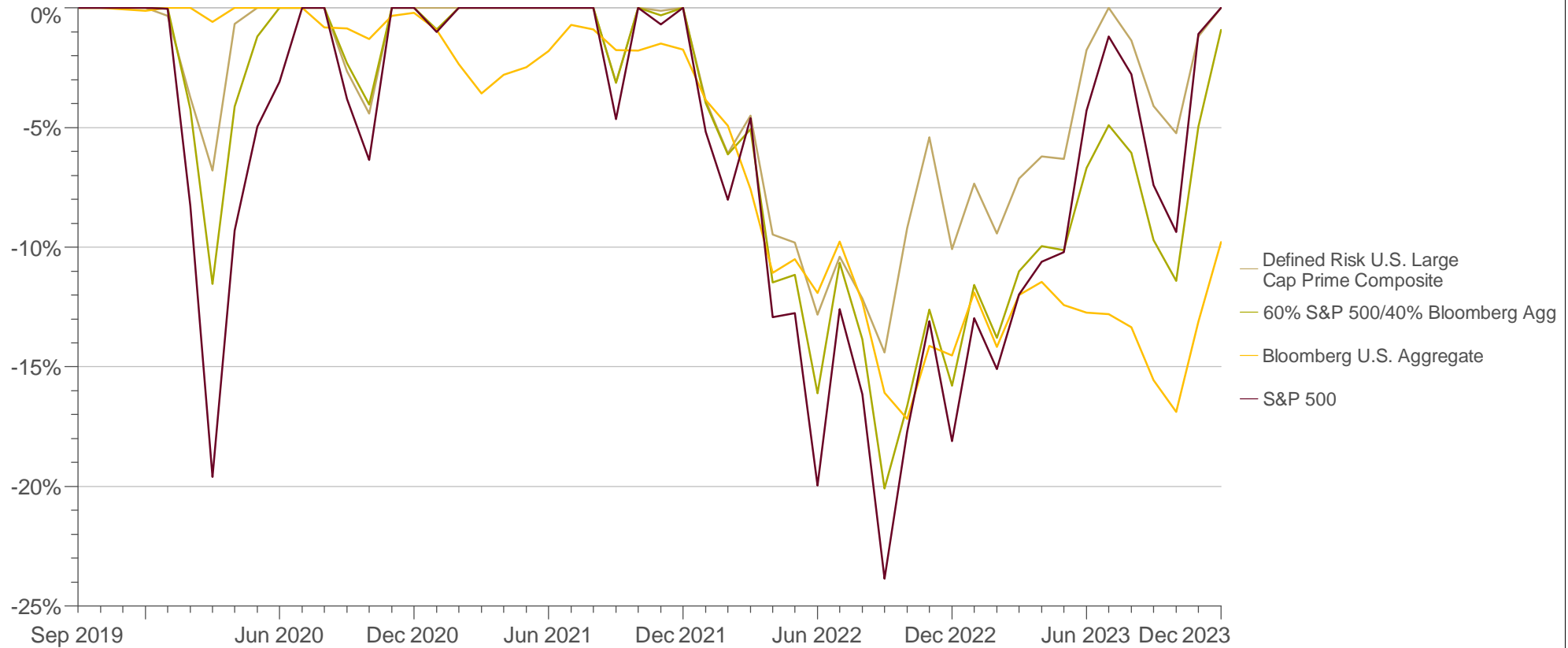
October 2019 - December 2023 (Single Computation)



Monthly Calculation	# of Months		Average Return (%) vs. Market		Month (%)		1-Year (%)		Market Benchmark (%)		
	Up	Down	Up Market	Down Market	Best	Worst	Best	Worst	Up Capture	Down Capture	R-Squared
Defined Risk U.S. Large Cap Prime Composite	31	20	2.73	-2.43	6.58	-5.21	27.19	-10.09	52.0	58.2	89.69
60% S&P 500/40% Bloomberg Agg	32	19	3.08	-3.26	8.40	-7.65	31.71	-15.79	59.8	75.2	97.36
Bloomberg U.S. Aggregate	22	29	0.64	-1.17	4.53	-4.32	7.51	-15.68	10.6	30.2	30.76
S&P 500	32	19	4.71	-4.66	12.82	-12.35	56.35	-18.11	100.0	100.0	100.00

## Drawdown

October 2019 - December 2023



	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
Defined Risk U.S. Large Cap Prime Composite	-14.40%	Jan 2022	Sep 2022	9	Jul 2023	10	-14.40%	Jan 2022	Sep 2022	9	Jul 2023	10	3.53%	2.19
60% S&P 500/40% Bloomberg Agg	-20.10%	Jan 2022	Sep 2022	9	N/A	N/A	-20.10%	Jan 2022	Sep 2022	9	N/A	N/A	5.42%	1.15
Bloomberg U.S. Aggregate	-17.18%	Aug 2020	Oct 2022	27	N/A	N/A	-17.18%	Aug 2020	Oct 2022	27	N/A	N/A	6.21%	-0.40
S&P 500	-23.87%	Jan 2022	Sep 2022	9	Dec 2023	15	-23.87%	Jan 2022	Sep 2022	9	Dec 2023	15	6.15%	1.91

	<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, 2022. 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. 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 Inception Date: The inception date of the Defined Risk U.S. Large Cap Prime Strategy Composite was October 1, 2019.  
Composite Creation Date: The Defined Risk U.S. Large Cap Prime Strategy Composite was defined on January 1, 2020.

Composite Description: The Defined Risk U.S. Large Cap Prime Strategy Composite demonstrates the performance of portfolios invested in The DRS U.S. Large Cap Prime Strategy. Account holders seek risk-managed growth of capital by matching or exceeding the long-term performance of the U.S. large-cap equity market by minimizing large declines typically experienced during bear markets. The portfolios use exchange-traded long-term put options on exchange-traded funds seeking to track the S&P 500 Index for hedging purposes and exchange-traded put and call options to generate additional returns. 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.

Returns: Performance results reflect the reinvestment of dividend and other earnings and are expressed in U.S. dollars. Gross-of-fee performance do not reflect the deduction of the firm's investment management fees or custodial fees but are net of all transaction costs and withholding taxes (if applicable). Net-of-fees returns are calculated by deducting the higher of either actual management fees or a model management fee equal to the highest tier of the fee schedule (0.60% annual, or 0.05% monthly) from the monthly gross-of-fee composite return. The composite includes portfolios that pay zero commissions on certain securities in the portfolio (e.g., exchange traded funds (ETFs)).

Fee Schedule: The investment management fee schedule for sub-advised clients is as follows. Rate breaks are applied to total aggregate assets under management under the sub-advisory agreement:

Annual fees are 60 basis points (0.60%) on the first \$10 Million; 50 basis points (0.50%) on the next \$190 Million; 45 basis points (0.45%) on the next \$300 Million; 40 basis points (0.40%) on the next \$500 Million; and 35 basis points (0.35%) over \$1 Billion. Actual investment management fees incurred by clients may vary.

Benchmark: The benchmark used for The DRS U.S. Large Cap Prime Composite is the S&P 500 Index, which consists of approximately 500 large cap stocks.

Policies: Policies for valuing investments, calculating performance, and preparing GIPS reports, as well as a complete list and description of composites and broad distribution pooled funds are all available upon request.

Use of Derivatives: The purchase and sale of options are a component of the Defined Risk U.S. Large Cap Prime Strategy 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 Defined Risk U.S. Large Cap Prime Strategy 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 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.

**Beta:** Beta for the Composites has been calculated using the standard formula of: covariance of portfolio and benchmark returns divided by the variance in benchmark returns. The period used in calculations is October 1, 2019 through the end of the period and the frequency of returns used is monthly. Beta is based on returns that are net of Swan fees only. 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 market. . Values are not displayed prior to 2022 to ensure enough 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 2022 to ensure enough 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, 2020 as the Composite included less than six portfolios for each full year period.

**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 period used in calculations is October 1, 2019 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 2022 to ensure enough measurement points for more meaningful statistical analysis.

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

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.

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Additional benchmarks that might be used in this report are: The Barclays US Aggregate Bond Index, which 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) issues.

The 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 HFRI Fund Weighted Composite Index, which is a global, equal-weighted index of over 2,000 single-manager funds that report to the HFR database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

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

Swan Global Investments, LLC DRS U.S. Large Cap Prime Strategy 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-Fee)	Standard Deviation (Net-Of-Fee)	Sharpe Ratio (Net-Of-Fee)	# of Accts / Assets (\$MM)	Total Firm Assets (\$MM)	Dispersion (Internal) (Gross-Of-Fee)	Return	Cumulative Return	Annualized Return	Standard Deviation (External)	Sharpe Ratio
2019 <sup>+</sup>	5.27%	5.27%	5.27%	5.43%	5.43%	5.43%	N/A	N/A	N/A	1 / 0.07	3,065.24	<6	9.07%	9.07%	9.07%	N/A	N/A
2020	14.60%	20.64%	16.20%	15.29%	21.55%	16.90%	N/A	N/A	N/A	72 / 35.53	2,236.86	<6	18.40%	29.14%	22.70%	N/A	N/A
2021	18.11%	42.49%	17.04%	18.82%	44.43%	17.75%	N/A	N/A	N/A	134 / 76.62	2,571.77	0.35%	28.71%	66.21%	25.33%	N/A	N/A
2022	-10.09%	28.12%	7.92%	-9.54%	30.64%	8.57%	0.50	10.62%	0.67	167 / 86.27	2,202.24	0.74%	-18.11%	36.11%	9.95%	20.87%	0.45

+ : 2019 Annual Returns are total returns (i.e. not annualized) from October-December consistent with initial Strategy implementation.

N/A: The Net three-year annualized standard deviation, Beta, and Sharpe Ratio of the Composite and Benchmark are not presented as 36-month returns are not available.

<6: Measure of internal dispersion is not displayed because there are less than six accounts included in the composite for the calendar year.