DEFINED RISK STRATEGY - GOLD

"By actively seeking to not lose big, we believe that investors will be better off in the long run."
– RANDY SWAN, CEO AND LEAD PORTFOLIO MANAGER

Investing in Gold

We believe investing in gold ETFs may serve various roles in a portfolio and investors have numerous reasons for utilizing this asset class, including:

- Diversification of assets
- Uncorrelated to equities
- Potential downside protection in market panics
- Inflation hedge

Risk Exposure in Gold

Seeking growth opportunities through investment in gold ETFs may expose investors to a volatile ride with unpredictable periods of severe losses along the way.

Did you know?

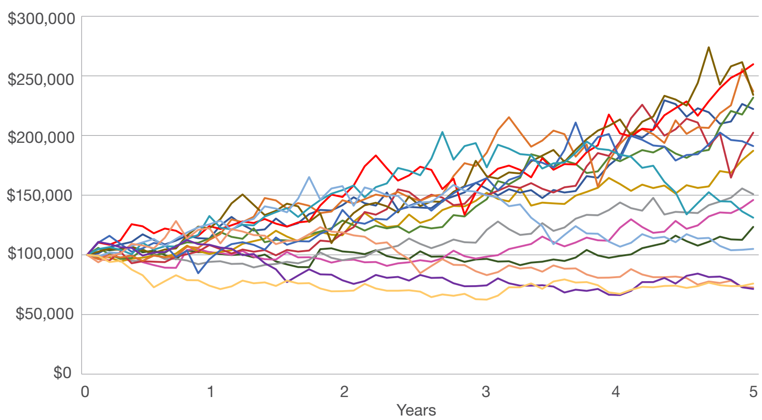
When losses in commodity markets occur, they can be severe. Largest pullbacks for the S&P GSCI Gold Index since 1980:

Largest Pullbacks	Beginning	Ending
-53.50%	Oct - 1980	June - 1982
-44.52%	Feb - 1983	Feb - 1985
-43.39%	Sep - 2011	Dec - 2015
-34.32%	Feb - 1996	Aug - 1999
-31.45%	Dec - 1987	Feb - 1993
-27.07%	Mar - 2008	Oct - 2008

Source: Swan Global Investments and Zephyr StyleADVISOR. Largest pullbacks for the S&P GSCI Gold Index, calculated on an end-of-month basis, from January 1980 through December 2017. Past performance is no guarantee of future results.

A Bumpy Ride May Lead to an Early Exit

The trouble with 'buy and hold' is that volatility makes it hard to know when to buy and difficult to hold on, often leading investors to 'buy and fold'. Investment timing, or the point when one begins investing, can have a huge impact on the outcome.



Exposed to Investment Timing Risk

The graph on the left shows sixteen, 5-year investment periods in the S&P GSCI Gold Index (GSCI). The first period is from 1/1998 to 12/2002 and the last period is 1/2013 to 12/2017.

- S&P GSCI Gold - Jan-98 to Dec-02
- S&P GSCI Gold - Jan-99 to Dec-03
- S&P GSCI Gold - Jan-00 to Dec-04
- S&P GSCI Gold - Jan-01 to Dec-05
- S&P GSCI Gold - Jan-02 to Dec-06
- S&P GSCI Gold - Jan-03 to Dec-07
- S&P GSCI Gold - Jan-04 to Dec-08
- S&P GSCI Gold - Jan-05 to Dec-09
- S&P GSCI Gold - Jan-06 to Dec-10
- S&P GSCI Gold - Jan-07 to Dec-11
- S&P GSCI Gold - Jan-08 to Dec-12
- S&P GSCI Gold - Jan-09 to Dec-13
- S&P GSCI Gold - Jan-10 to Dec-14
- S&P GSCI Gold - Jan-11 to Dec-15
- S&P GSCI Gold - Jan-12 to Dec-16
- S&P GSCI Gold - Jan-13 to Dec-17

Source: Swan Global Investments and Morningstar. Based on S&P GSCI Index returns from December 1992 through December 2017.

Seeking a Better 'Buy and Hold'

"Market risk, also called 'systematic risk,' cannot be eliminated through diversification, though it can be hedged against."
- Investopedia

Many investors struggle to hold on when losing money. **So let's try help them lose less.**

The Defined Risk Strategy - 'Buy, Hold, and Hedge'

Always Invested — **We believe that markets tend to go up over time, so we remain always invested.**

Always Hedged — **We also believe severe losses can derail investors from their goals, so we remain always hedged.**

Changing the Game for Gold Investors

The Swan Defined Risk Strategy is Always Invested and Always Hedged.

By actively seeking to not lose big, this distinct strategy, launched in 1997, seeks to minimize the impacts of the bear markets, which may result in less volatile and more consistent results.

Investment Process

1

Equity

ALWAYS INVESTED in low-cost equity ETFs. No stock picking, market timing, or sector rotation.

2

Protection

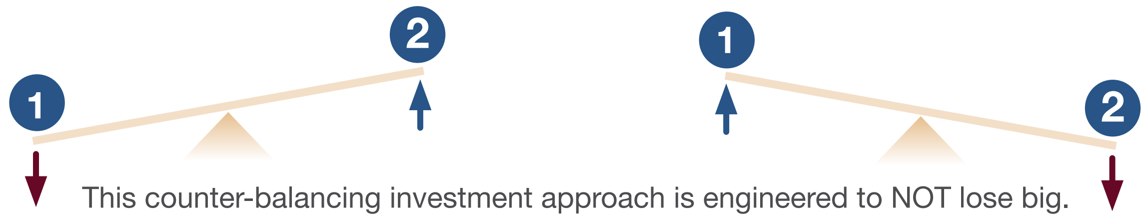
ALWAYS HEDGED using long-term put options to potentially protect against large market declines.

3

Option Premium

ALWAYS seeking to harvest option premium using market-neutral option trades.

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.

Swan Defined Risk GLD Strategy

Based on the flagship Defined Risk Strategy (DRS), the DRS GLD strategy was launched in 2015 to seek positive returns while minimizing the downside risk and volatility. This strategy is designed to address common investor concerns, such as protecting capital, tax implications and market participation, while investing in low-cost ETFs that track the GLD ETF.

Key Elements of the Strategy include:

- Always invested to participate in market appreciation
- No reliance on market timing
- Always hedged using put options
- Designed to seek consistent returns

There is no guarantee that any investment strategy will achieve its objectives, generate profits, or avoid losses. Past performance is not indicative of future results.

Consider adding the Swan Defined Risk GLD Strategy to your portfolio.

For more information visit swandefinedriskfunds.com or call 970.382.8901.

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The S&P GSCI Gold Index, a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future. Indexes are unmanaged and have no fees or expenses. An investment cannot be made directly in an index. 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.

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