



S-Network BlackSwan Core Index (SWANXT)

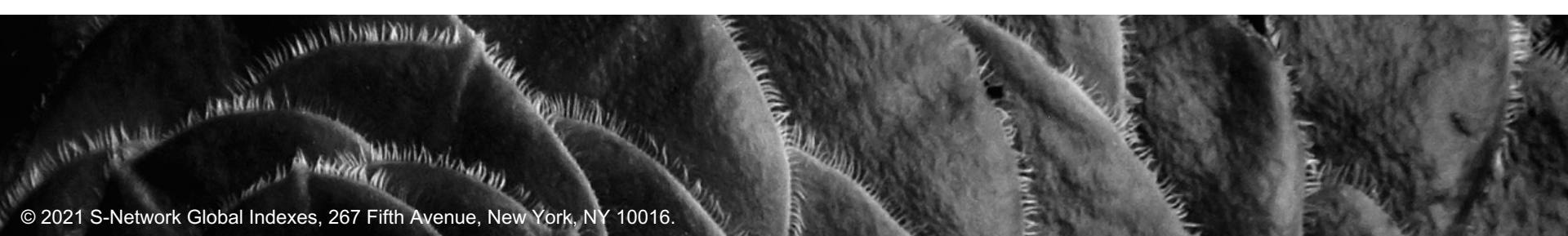
Q1 2021



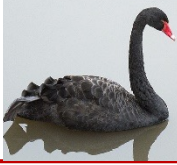
Index Description



- A Black Swan event is one that is rare, unpredictable, impactful and difficult to attribute to reason, even after its occurrence.
- The index is designed to help protect capital against Black Swan events.
- With the majority of assets in historically low-volatility Treasuries, remaining assets are used to purchase “in-the-money” calls (options with a strike price below the market price on the S&P 500 ETF Trust).
- The goal is to achieve capital appreciation above inflation while minimizing volatility as compared to standard asset-allocated investments.



Index Rationale



Allocation:

- 90% Treasury bond ladder targeting near 10-year Treasury's modified duration (rebalanced twice per year)
- 5% June 70 delta SPY option target (rebalanced once per year)
- 5% December 70 delta SPY option target (rebalanced once per year)

Rebalancing of options:

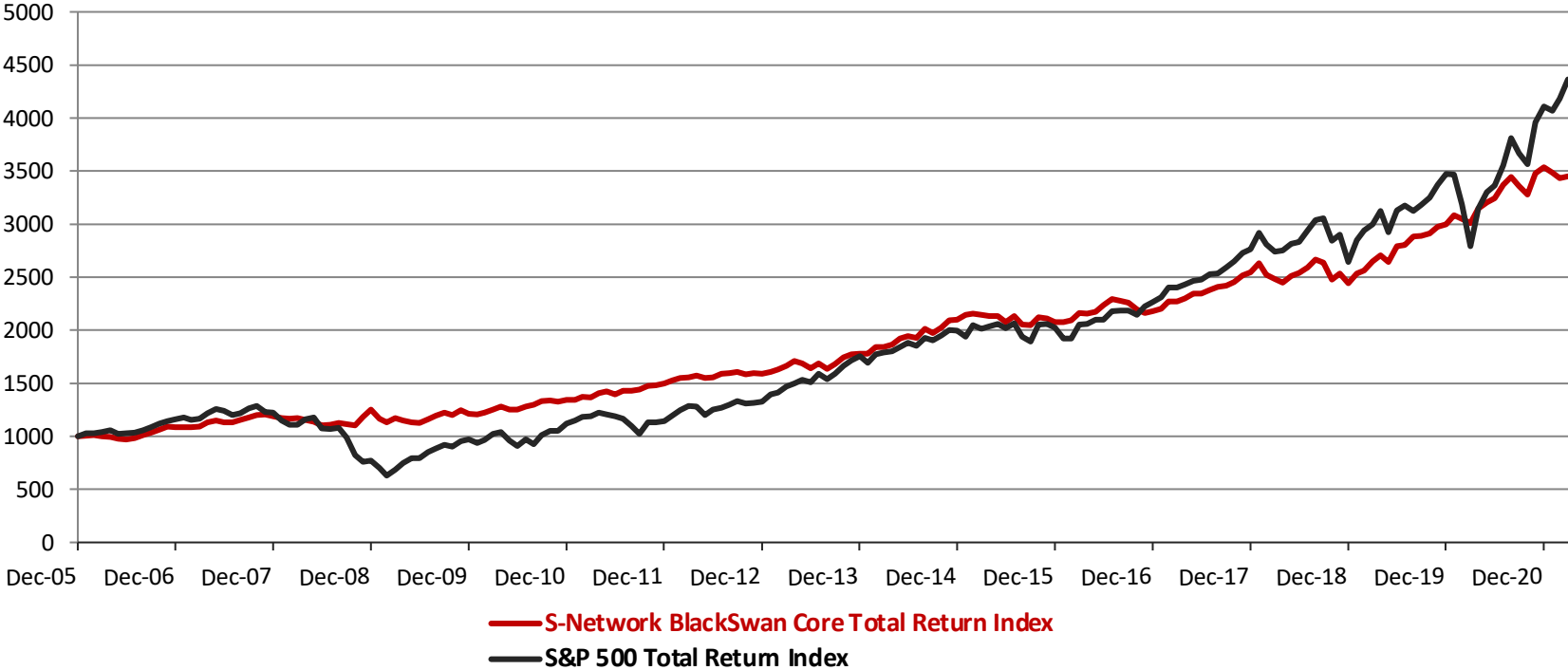
- Every 6 months, either the June option or the December option will be rolled to the following year.
- If options are at a net loss on the first trading day of rebalance month, the index is rebalanced on the first business day of trading of that rebalance month (June or December).
- If options are at a gain, rebalance occurs at 365+1 trading days for the option to make the gain long-term.



Historical Performance



S-Network BlackSwan Core TR vs. S&P 500 TR
(12/6/2005-03/31/2021)



Source: Bloomberg, as of 3/31/2021

Return Statistics



Calendar Year Returns		
	S-Network BlackSwan Core TR	S&P 500 TR
12/31/2006	8.54%	15.79%
12/31/2007	9.65%	5.49%
12/31/2008	5.26%	-37.00%
12/31/2009	-3.12%	26.46%
12/31/2010	10.79%	15.06%
12/31/2011	11.37%	2.11%
12/31/2012	6.27%	16.00%
12/31/2013	11.71%	32.39%
12/31/2014	18.18%	13.69%
12/31/2015	-1.07%	1.38%
12/31/2016	4.91%	11.96%
12/31/2017	16.71%	21.83%
12/31/2018	-4.09%	-4.38%
12/31/2019	22.76%	31.49%
12/31/2020	18.00%	18.40%
YTD 3/31/2021	-2.45%	6.17%

Source: Bloomberg, as of 3/31/2021



Max Drawdown



**S-Network BlackSwan Core TR Index Max Drawdown
(Since Inception)**

Peak	12/18/08	
Trough	6/10/09	-13.09%
Recovery	4/13/10	15.13%

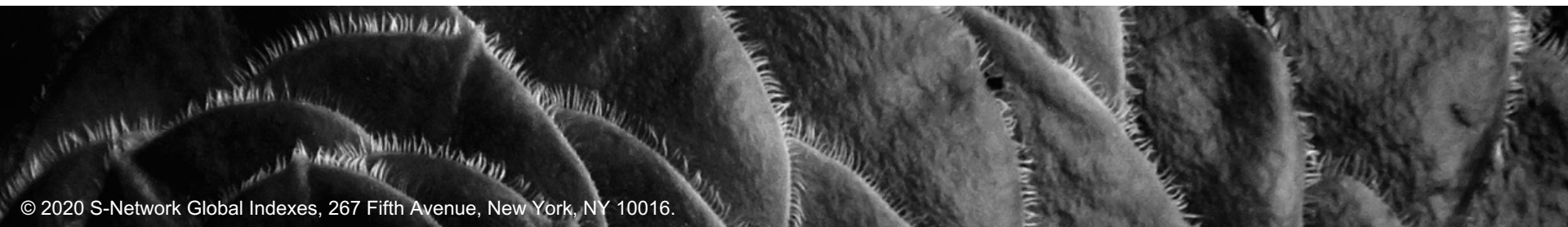
	Days
Drawdown Period	174
Recapture Period	307
Total	481

**S&P 500 TR Index Max Drawdown
(Since 12/6/2005)**

Peak	10/9/07	
Trough	3/9/09	-55.25%
Recovery	4/2/12	123.65%

	Days
Drawdown Period	517
Recapture Period	1120
Total	1637

Source: Bloomberg, as of 3/31/2021



Statistical Profile I



Total Return Appreciation		
	S-Network BlackSwan Core TR	S&P 500 TR
Since Inception*	244.94%	336.37%
10 Year	152.32%	267.88%
5 Year	59.69%	112.71%
3 Year	39.06%	59.25%
1 Year	14.59%	56.35%

Compound Annual Growth Rate		
	S-Network BlackSwan Core TR	S&P 500 TR
Since Inception*	8.46%	10.14%
10 Year	9.70%	13.91%
5 Year	9.81%	16.29%
3 Year	11.62%	16.78%
1 Year	14.59%	56.35%

*Since first month's end, 12/31/2005

Source: Bloomberg, as of 3/31/2021

Statistical Profile II



Annualized Standard Deviation		
	S-Network BlackSwan Core TR	S&P 500 TR
Since Inception*	7.47%	15.03%
10 Year	7.29%	13.58%
5 Year	8.13%	14.89%
3 Year	9.09%	18.40%
1 Year	9.61%	17.33%

Sharpe Ratio		
	S-Network BlackSwan Core TR	S&P 500 TR
Since Inception*	0.9804	0.5993
10 Year	1.2469	0.9800
5 Year	1.0654	1.0174
3 Year	1.1272	0.8371
1 Year	1.5073	3.2452

*Since first month's end, 12/31/2003

Source: Bloomberg, as of 3/31/2021

Statistical Profile III



Upside Capture Ratio (vs. S&P 500 TR)

	S-Network BlackSwan Core TR
Since Inception*	46.46%
10 Year	51.73%
5 Year	51.52%
3 Year	47.91%
1 Year	37.60%

Downside Capture Ratio (vs. S&P 500 TR)

	S-Network BlackSwan Core TR
Since Inception*	23.92%
10 Year	32.23%
5 Year	40.19%
3 Year	29.62%
1 Year	84.46%

*Since first month's end, 12/31/2005

Source: Bloomberg, as of 3/31/2021

Statistical Profile IV



Correlation (vs. S&P 500 TR)	
	S-Network BlackSwan Core TR
Since Inception*	0.5967
10 Year	0.7124
5 Year	0.7658
3 Year	0.7905
1 Year	0.9183

Beta (vs. S&P 500 TR)	
	S-Network BlackSwan Core TR
Since Inception*	0.2965
10 Year	0.3826
5 Year	0.4184
3 Year	0.3903
1 Year	0.5093

*Since first month's end, 12/31/2003

Source: Bloomberg, as of 3/31/2021

Statistical Profile V



R-Squared (vs. S&P 500 TR)	
	S-Network BlackSwan Core TR
Since Inception*	0.3561
10 Year	0.5076
5 Year	0.5864
3 Year	0.6249
1 Year	0.8432

Source: Bloomberg, as of 3/31/2021

*Since first month's end, 12/31/2005

Key Highlights



- Goal is to achieve capital appreciation above inflation while minimizing volatility
- Stable long-term annualized returns create lowered standard deviation
- Since inception, Sharpe ratio greater than that of S&P 500
- Favorable upside-to-downside capture ratios
- Low Correlation, R-Squared, and Beta to S&P 500

