

### Investment Strategy

**SWAN Hedged Precious Metals** is a portfolio designed for participation in precious metals equity markets, providing an investment that correlates less with traditional equity and fixed income securities. We focus on investments in gold- and silver-producing and royalty companies that are considered major or "emerging-major" industry participants. We look for leadership and management who can (1) deliver strong governance of vision and oversight, (2) manage with proven mining experience, (3) understand the jurisdictions where they operate, and (4) demonstrate a history of sound business practices. Our selection process targets well-capitalized businesses generating cash from efficient operations across multiple properties in politically stable jurisdictions. Target companies usually trade at equity capitalization levels of \$1 billion or more. To reduce return variability in this highly volatile sector, we look for dividend-paying stocks as appropriate and hedge the portfolio with "put options" written on the SPDR Gold Trust ETF (GLD). Investors should anticipate that our hedging strategy reduces some, but not all, volatility. Margin, or leverage in the form of borrowed funds, is never used.

### Investment Team

**SWAN Asset Management** offers traditional and alternative equity management to address the specific needs and preferences of institutional and individual investors. Our objective is to preserve capital and to provide higher returns with less risk than the market. To accomplish this goal, we concentrate on the fundamental importance of profitability and value. Portfolios are constructed with focused positions since we view too much diversification as lowering the opportunity for higher returns without reducing risk. All portfolios are held at independent custodians.

**Solari Investment Advisory Services, LLC (Solari Advisors)** provides research to SWAN Asset Management with regard to the Hedged Precious Metals portfolio, including (1) review of individual company leadership, management and business practices, and (2) analysis of geopolitical and regulatory risks impacting individual companies and the precious metals bullion and mining industries as well as related commodity and capital prices.

#### Portfolio Manager

##### J. Steven Smith, CFA

- Managing Director, SWAN Asset Management, LLC
- Investment Committee, Nuveen Asset Management, LLC (Radnor, PA)
- Treasurer, Harman International Industries (HAR)
- Vice President, Shearson Lehman Brothers, Inc.
- Analyst, Morgan Stanley & Co. Inc.
- Williams College (BA), Tuck School at Dartmouth (MBA)

#### Research Advisor

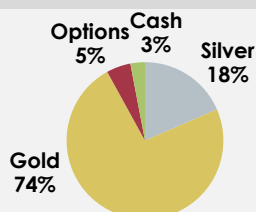
##### Catherine Austin Fitts

- President, Solari, Inc.; Managing Member, Solari Advisors
- President, Hamilton Securities Group, Inc.
- Assistant Secretary of Housing – Federal Housing Commissioner
- Managing Director, Dillon, Read & Co. Inc.
- University of Pennsylvania (BA), the Wharton School (MBA)

### Representative Account <sup>1</sup>

Top Holdings <sup>2</sup>	%
Agnico Eagle Mines	5.0
Franco-Nevada	5.0
Goldcorp	5.0
Hecla Mining	5.0
Pan American Silver	5.0
GLD 9/15/17 100 Put	2.5

#### Equity Asset Allocation



#### Financial Overview <sup>3</sup>

	Data*
Return on Equity	1.1%
Projected Growth	22.6%
Indicated Yield	1.0%
Forward P/E	22.2x
Price/Cash Flow	16.2x
Price/Book	2.1x
*Source: Morningstar.	

<sup>1</sup> Based on a representative fully-discretionary account managed according to SWAN's Hedged Precious Metals strategy.

<sup>2</sup> The Top Holdings are intended only as sample of the types of securities that SWAN may purchase and hold and may differ from actual accounts and change any time without notice. The securities listed are not recommendations to buy, sell or hold.

<sup>3</sup> The Equity Fundamentals are intended only as a sample of the current weighted-average profile of equity securities that SWAN may purchase and hold and may differ from actual accounts and change any time without notice. These profile characteristics are not comprehensive and are not guaranteed to either generate returns or control risk. Source of data is Morningstar, which SWAN has deemed reliable but does not guarantee.

**For use by the individual recipient only. Past performance is not a guarantee of future results. Additional information on SWAN's performance results is available upon request.**