

3D Defender Program (Intraday short-bias S&P 500)

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Not to state the obvious, but there is a difference between looking forward and looking back. More specifically there is a discernible difference between reviewing what happened, what you could have done and what you did to prepare and protect your equity portfolio.

Admittedly there is an inordinate amount of information, data and market “recaps” that provide great analysis and commentary about what happened after the fact. This is helpful in that it educates investors and helps them understand why their portfolio experienced a gain or a loss. 3D Capital is all for educating and helping investors manage stock market risk. This is why we exist.

3D Capital is also DIFFERENT. We manage equity market risk every day because everyday matters. Each week I provide insight into 3D’s systems and forecast the direction of the S&P 500. I share this information in our weekly updates, my Bloomberg TV appearances and most recently on LinkedIn and Twitter @3Dcapital.

In last week’s 3D Defender update I shared the S&P 500 trend was clearly up “as of now”. Things changed quickly and there were clear warning signs the S&P 500 was vulnerable to weakness midweek. So much so I was compelled to share those warning signs in a video I posted on LinkedIn and Twitter on Tuesday, June 9th. I believe a twitter follower’s response and tweet said it best: #RiskHappensFast. Here is the link to the video [Linkedin Video](#) and below are recent examples of 3D’s systems identifying the direction of the S&P 500.

LINKEDIN VIDEO		
S&P 500 FORECAST		FOLLOWING WEEK
June 9, 2020 “Beginning to see signs that the stock market is now vulnerable”	→	The S&P 500 drops -5.4% the following 3 days
3D DEFENDER WEEKLY UPDATE		
May 15, 2020: “S&P 500 can continue higher”	→	S&P 500 is +3.7%
May 8, 2020: “S&P 500 is vulnerable this coming week”	→	S&P 500 is -2.3%
April 3, 2020: “Sets up for the S&P 500 to move higher”	→	S&P 500 is +12%
March 27, 2020: “S&P 500 remains vulnerable to the downside”	→	S&P 500 is -1.5%
3D BLOOMBERG TV APPEARANCES		
March 4, 2020: “S&P 500 price action reminds me of 2008”	→	The S&P 500 drops -30% the following 13 days
December 12, 2019: “I’m concerned that the VIX and S&P 500 is similar to January of 2018”	→	The S&P 500 drops -20% the following quarter (Q1 2020) and enters bear market territory

You will often here me say markets grind higher and sell off sharply. This week is a perfect example of that. As is the last 3+ years! Let’s start with this week. After rallying nearly 50% in the last 50+ days and closing Monday up on the year everything changed when the S&P 500 dropped -5.4% from Wednesday’s open to Friday’s close. As a reminder there were warning signs which I posted on LinkedIn on Tuesday, June 9th. The S&P 500 finished the week -4.8%. 3D Defender was short multiple times during the week and finished the week +0.60% (25% funded and gross of fees), a 3D Difference of +5.3% on the week.

S&P 500: Daily Charts (10 minute intervals)
June 8 – June 12, 2020



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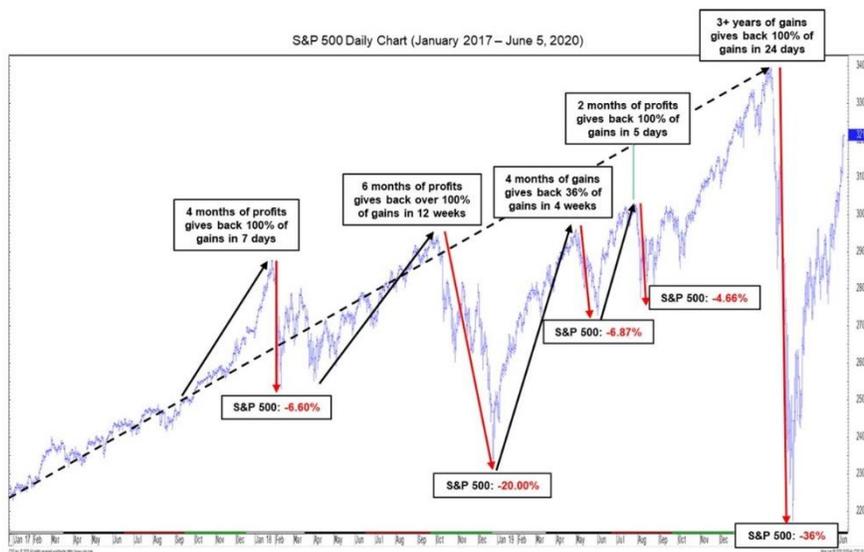
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As a portfolio manager I get my fuel from sharing insight into what is moving the S&P 500 and getting into the “arena” every day and defending our client’s equity market risk and portfolio, our Managing Director Tom O’Donnell provides a more institutional perspective.

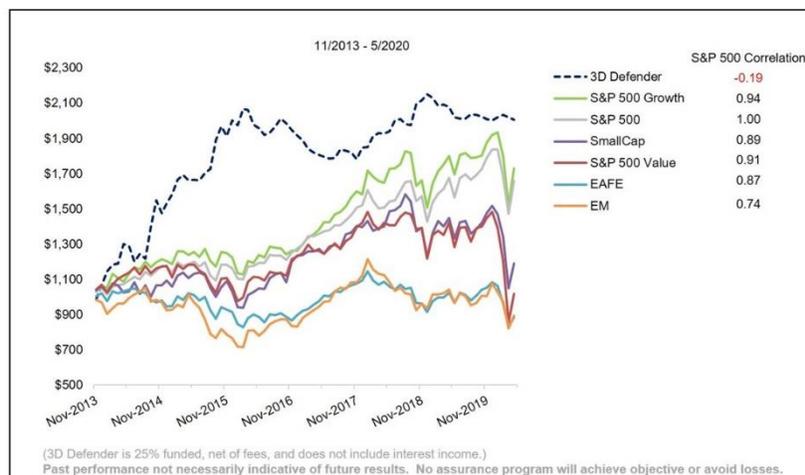
Tom entered the institutional investment arena in 1987 through his work at the Virginia Retirement System. His most senior responsibility was managing the stock market risk in a \$10 billion global equity portfolio and a \$500 million managed futures program. As an institutional investor helping to ensure the financial well-being of tens of thousands of beneficiaries, he was keenly aware of two things: One, the stock market goes up and down, and two, fiduciaries cannot pay their beneficiaries with negative returns, so minimizing the risk of large losses is key.

Tom posted a great definition and explanation of managing equity market risk on LinkedIn this week, which is included here. The top provides a great visual of the last 3+ years and how the S&P 500 grinds higher and sells off sharply. Also included is how 3D Defender has performed and diversifies your equity portfolio compared to other types of stock market allocations.

- **RISK** is defined as the possibility that an event will occur that adversely affects the achievement of an objective.
- Negative events can be classified as **RISKS** while positive events are classified as **OPPORTUNITIES**.
- More specifically, the **black arrows** in this S&P 500 chart are **OPPORTUNITIES** and the **red arrows** are **RISKS**.



3D DEFENDER is our defensive S&P 500 program that has a long history of turning stock market **RISKS** into **OPPORTUNITIES**.



We manage stock market risk very day because everyday matters.

If you have stock market **RISK** in your portfolio, we can help you.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.
THERE IS NO ASSURANCE OUR PROGRAMS WILL ACHIEVE THEIR OBJECTIVES OR AVOID LOSSES.**



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While the S&P 500 had a terrible week this week, as of now, the trend is still up.

If you are interested in learning more about 3D Defender or have questions about what we are seeing I encourage you to reach out.

Thank you for your interest and participation in 3D Defender.

Best wishes and health to you and your families.

Have a nice weekend.