

3D Defender Program (Daily Dynamic Defensive S&P 500)

3dcapitalmanagement.com

September 18, 2020

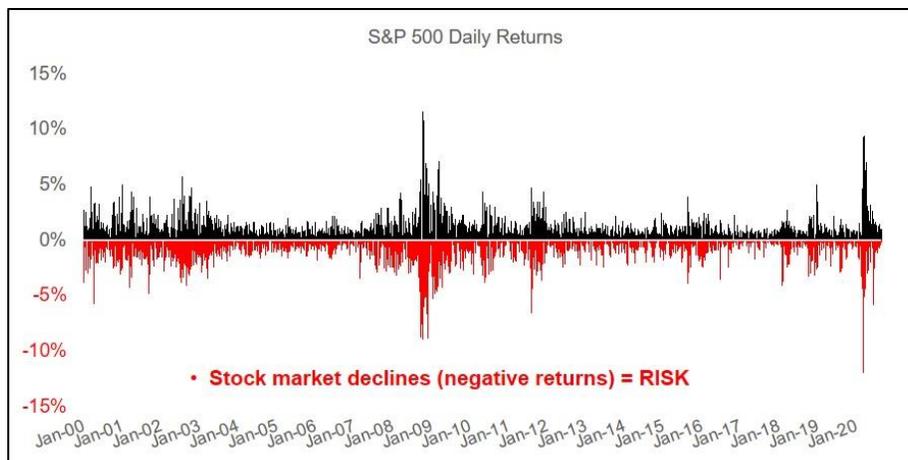
This is what comes to mind when I think of the stock market right now, i.e. it's sick.



I've been managing money for three decades and have managed equity market risk through the longest Bull market in history, the fastest Bear market in history, the best 100 days in stock market history and everything in between. This includes Long Term Capital Management, Dot-Com, and the Financial Crisis.

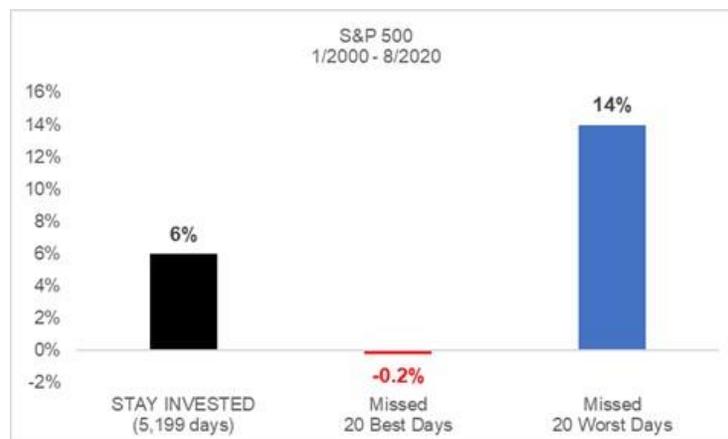
I am sharing this because on September 2, 2020, when I posted this video on LinkedIn expressing concern about the stock market it was the first time during this "melt up" and +62% rally in 5 months, that there was what I refer to as "panic buying", i.e. it was very different that day. Here is the link to the video which was also ironically the day of the all-time high in the S&P 500: [Video link](#).

The **stock market provides two guarantees. Gains when the market goes up** and **losses when the market goes down**. The chart below makes it very clear which is the problem, and which is the risk that needs to be managed.



OVER 100 YEARS - That's how long 3D Capital's team has been collectively researching, developing, and managing equity risk mitigating strategies. We exist to protect the buy and hold stock market investor and daily declines in the stock market are a risk, problem, and opportunity to be profitable. 3D Capital manages that risk and protects our clients one day at a time.

Why do we manage equity market risk one day at a time? Days make up weeks, months and years, and because missing the down days in the stock market matters more than missing the best days. This chart makes that clear.

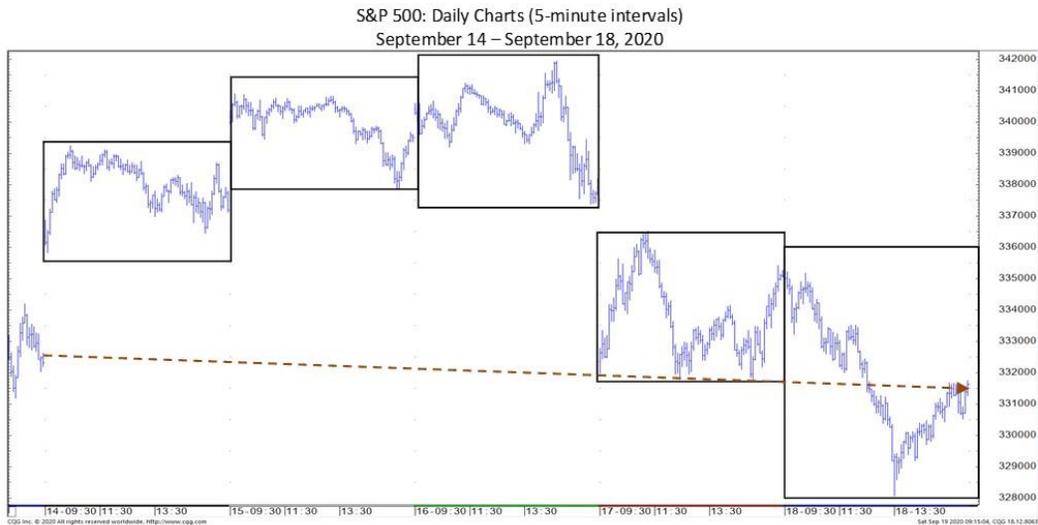


**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.
THERE IS NO ASSURANCE OUR PROGRAMS WILL ACHIEVE THEIR OBJECTIVES OR AVOID LOSSES.**

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Now let's look at what happened this week.

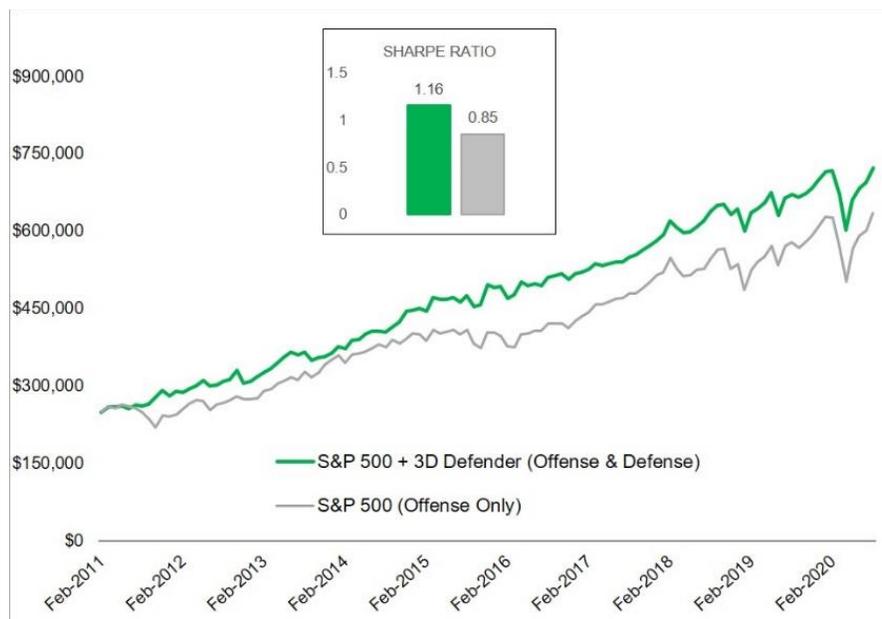


As you can see from this week's chart the S&P 500 started the week by opening higher and moving higher. Earlier I mentioned I believe the market is "sick". What I mean by this is that since the market's new all-time high in the first week of September, the market has been unable to sustain a rally and the trend has clearly changed with the market making lower lows and lower highs. Now that may change but as of Friday September 18, 2020, the S&P 500 continues to confirm the fundamental and "technical" warning signs that it's vulnerable to the downside. These warnings signs can be found in our previous weekly updates at www.3dcapitalmanagement.com.

As you can also see from the daily charts above, rallies are being sold and dips are being bought. There is seemingly a tug of war going on between the Bulls and the Bears and thus far the Bulls are still ahead with the S&P 500 up about 3% YTD.

The S&P 500 finished the week down -0.63%. 3D Defender finished the week +0.08% (25% funded and gross of fees).

3D Capital exists to protect the Bull. The S&P 500 is all Offense all the time. 3D Defender is the Defense that can make your Offense better. Offense and Defense wins championships and you win championships one game and day at a time. This can be seen in the chart below.



Green line and bar is 20% 3D Defender and 80% S&P 500
(3D Defender is 25% funded, net of fees, and does not include interest income.)

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The S&P 500 remains vulnerable to the downside (need confirmation).

If you have questions about how we can help you manage your equity market risk call or text us to begin a dialogue.

Tom 804-855-4481

Eric 609-947-0405

We are here to help.

Enjoy the rest of your weekend and best wishes and health to you and your families.