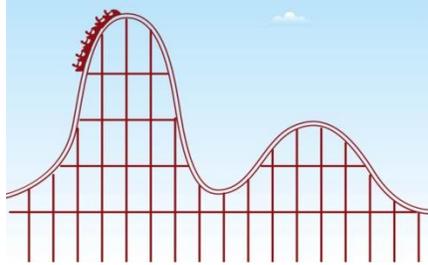


3D Defender Program (Daily Dynamic Defensive S&P 500)

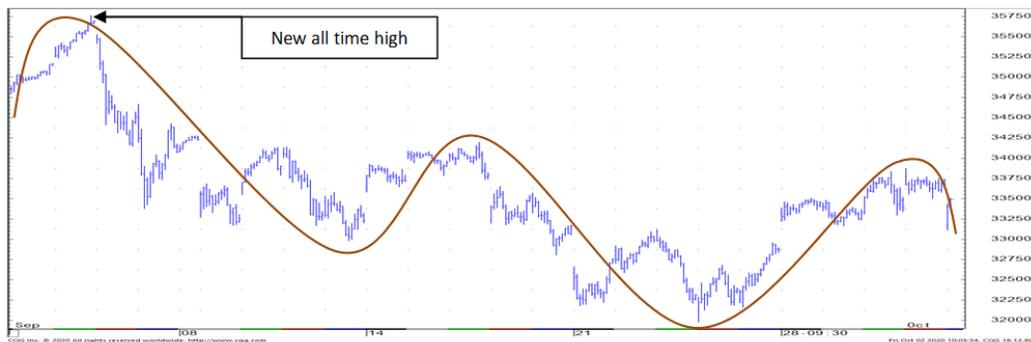
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October 2, 2020



Roller coasters may be fun if you like amusement parks but not if you are a stock market investor. The stock market continues to take investors on a roller coaster ride which can be seen in the monthly September S&P 500 chart below.

**S&P 500: September 2020 (30-minute chart)**

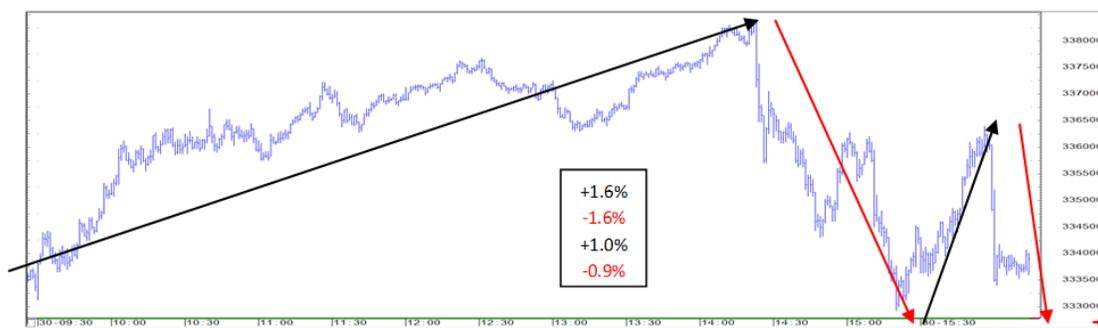


The S&P 500 finished the month of September -3.9%. 3D Defender finished the month +0.04% (25% funded and gross of fees). Given the environment, magnitude and velocity of intraday swings we are pleased that 3D Defender met its investment objective which is to consistently profit and outperform the S&P 500 when the S&P 500 is down on the month. This month is consistent with 3D Defender's nearly 10 year live track record (below) of outperforming the S&P 500 over 90% of the time when the S&P 500 is down on the month.

After making a new all-time high on September 2, 2020 the market made a rapid descent (RISK HAPPENS FAST). Ironically that same morning I shared this [LinkedIn video](#) expressing and sharing why I am concerned about the equity market. 2020 has clearly been unprecedented and historic, and the velocity and magnitude of overnight and intraday swings this month is the market's reminder that we have entered a new volatility regime and that stock market investor's should be nimble.

The stock market remains turbulent. Overnight and intraday swings in excess of +/-1% are seemingly the "norm" right now. What's also "normal" right now is the market going from 0 to 100 MPH. This is due to a variety of reports, i.e. a surge in COVID cases and news about vaccines, and headlines about the Democrats and Republicans being near or far apart on a stimulus agreement, etc. Below I have isolated the last day of September to give you an idea of what these market swings have looked like throughout the month. It is also a perfect example of the market grinding higher and selling off sharply.

**September 30, 2020 (1-minute chart)**

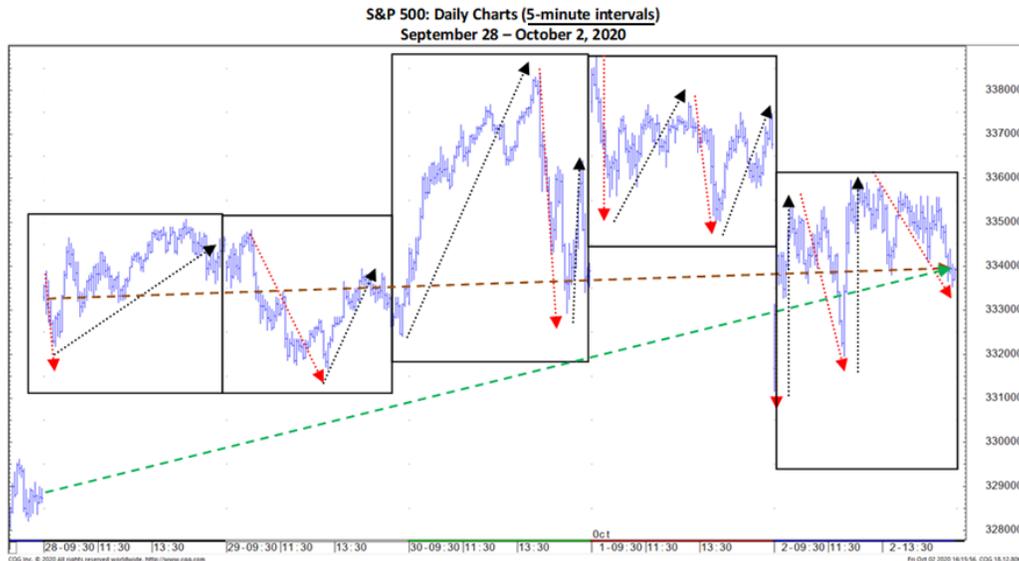


**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.  
THERE IS NO ASSURANCE OUR PROGRAMS WILL ACHIEVE THEIR OBJECTIVES OR AVOID LOSSES.**

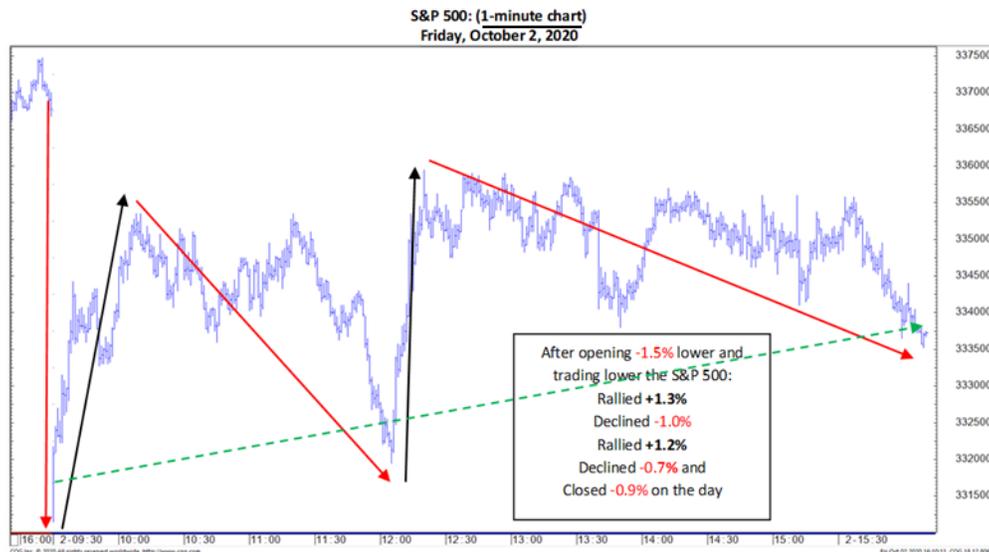
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Now let's take a look at this week which was more of the same, i.e. overnight and intraday swings in excess of +/-1%. As you can clearly see from the charts below, dips continue to be bought and for that matter, rallies continue to be sold. This is why I mentioned a few weeks ago that I believe the market is "sick". Friday was a perfect example of dips being bought and rallies being sold. On Friday the S&P 500 gapped -1.5% lower on news that President Trump tested positive for COVID. This was followed by multiple rallies and declines > +/- 1%, before the market finished higher than its open. The S&P 500 also finished higher on the week (green dashed line).



The chart above will show nearly all of the week's gain were made from the gap higher on Monday and the market was essentially unchanged from Monday's open to Friday's close (brown dashed line), i.e. rallies were sold and dips were bought all week. Below I've isolated Friday so you can see what the intraday swings looked like this week & remind you that RISK HAPPENS FAST. The green dashed line is the market's move open to close.



The S&P 500 finished the week +1.6%. The multiple intraday swings throughout the week in excess of +/- 1%, and having the S&P 500 essentially open and close at the same price on the week made for an unfavorable environment for 3D Defender. 3D Defender finished the week -0.88% (25% funded and gross of fees).

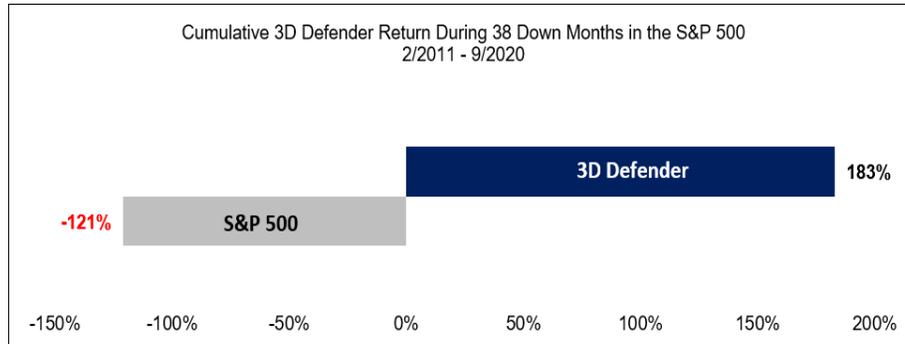
During a recent conversation with a client I shared the following quote, "All I've ever wanted to do is make the stock market a better investment".

I've never put it into that context before. It resonated with me and thought it would with you too.

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How can you make the stock market a better investment? By consistently profiting and outperforming the S&P 500 when the S&P 500 is down on the month. This is what 3D Defender has been doing since 2011 and we are proud to share the following live track record results with you. This is updated through September 2020.



*(3D Defender is 25% funded, net of fees, and does not include interest income.)*

As a reminder the 3D Defender investment objective is to consistently profit and outperform the S&P 500 when the S&P 500 is down on the month and to step aside during rallies. We manage risk one day at a time and adapt to the daily narrative of the market. Days make up weeks, months and years and we manage equity market risk for our clients every day because everyday matters. 3D Defender only invests in the S&P 500 and does not carry positions overnight.

When I set out to make the stock market a better investment I knew it wouldn't be easy and that it would take patience, persistence, and discipline (just to name a few). Defense may not be pretty to some but I've been a Defender my entire life and love defending and protecting our clients. It is with great pride we can share our nearly 10 year track record below, which shows the stock market is a better investment with 3D Defender than without. These statistics are since 3D Defender inception February 2011 through September 2020.

02/2011 – 9/2020	S&P 500 with 3D Defender	S&P 500
Total Return	194.5%	161.4%
Annualized ROR	11.8%	10.5%
Max Drawdown (Max DD)	-16.1%	-20.0%
Annualized Standard Deviation	10.6%	13.3%
Sharpe Ratio (0%) Annualized	1.11	0.81
Correlation to S&P 500	0.79	1.00

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

In last week's update I mentioned the S&P 500 strength on September 25, 2020 was pointing to the market heading higher (need confirmation). Conversely, there were also warning signs around the globe that were saying the S&P 500 was vulnerable to the downside (need confirmation). This seemingly meant the S&P 500 was "boxed-in" and we saw that tug of war play out throughout the week. The Bulls won this week and the S&P 500 has the same "blueprint" for next week. It will be interesting to see if the S&P 500 is able to continue higher or if the warning signs in Crude, Copper, EURJPY and global equity markets will mean the S&P 500 tests lower.

If you are tired of the stock market roller coaster ride and would like to learn more about our 3D Defender Program (Defensive S&P 500 Program), give us a call or text us. We love what we do and we want to help you.

Tom O'Donnell 804-855-4481  
Eric Dugan 609-947-0405

Have a great weekend and best wishes and health to you and your families.

*P.S. This is a picture of the Harvest Moon setting on October 1, 2020. It's called the Harvest Moon because before electricity farmers depended on the moon's light to harvest their crops. Did you know that in the United States trading of futures contracts for agricultural commodities dates to at least the 1850s?*

