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The Market the Way I See It

A monthly report for investors and friends from Eric Dugan
 June 2021

S&P 500: June 2021 - Highest monthly closing price in history



June 2021 was another record setting month for the S&P 500 as it closed at its highest monthly closing price in history, but as the markets do, they provided a subtle reminder about how best to prepare and protect your historic stock market gains.

Before we get to the 3D Capital solution for the problem of guaranteed losses when the stock market declines, let's celebrate the market's historic +96% rally off the March 2020 low and highest monthly closing price in history in June 2021. The S&P 500 has now made new all-time highs in 10 of the last 11 months and is off to a record start in 2021. According to Sentiment Trader it's been one of the best most consistent, and most persistent rallies year-to-date in its history. Through the end of June, the S&P 500 has rallied more than 14%, ranking in the top 85% of all years since 1928. It's also been one of the most consistent years. The S&P has scored 34 record highs for the year already, ranking in the top 88% of all years. And it has been a very persistent rally. The S&P has now gone more than 150 sessions since the index was more than 5% off its peak. That streak ranks in the top 93% of all years since 1928.

The S&P 500 finished June 2021 +2.2%. 3D Defender finished June 2021 net **-0.02%** (fully funded) and **-0.08%** (25% funded). In the chart above I have highlighted the down week because that is the problem and why 3D Capital exists. There are many opinions about how best to solve or manage this problem. Our tested solution to stock market declines is 3D Defender. Below are some common sources of stock market defense and diversification and how they performed during the worst week for the S&P 500 since February. I have included defensive stocks which as we know are guaranteed to lose money when they decline.

PROBLEM > WEEK OF JUNE 18, 2021: WORST WEEK IN S&P 500 IN 3 MONTHS

Weekly Gross Rate of Return Estimates:

Diversification and Defensive solutions:

S&P 500	-1.9%
Gold	-5.8%
Bitcoin	-4.6%
Proctor Gamble (PG)	-2.1%
Coca-Cola (KO)	-4.3%
Global Hedge Fund Index	-0.7%
SG CTA Index	-3.9%
3D Defender (fully funded)	+0.2%
3D Defender (25% funded)	+0.8%

3D DEFENDER IS DIFFERENT

Specifically built to identify and profit from intraday weakness in the S&P 500.

- ✓ Global-macro Short S&P 500 System
- ✓ Data Driven Repeatable Process
- ✓ One side (Short), One Market (S&P 500), One day at a time (No overnight risk)

**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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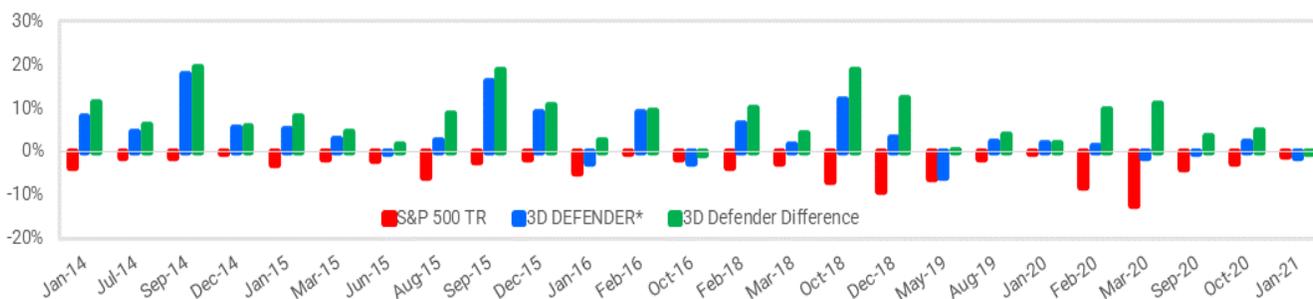
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The S&P 500 followed its worst week since February with its best week since February and the quietest day of 2021. This coincided with smaller daily ranges, a drop in the VIX, and multiple days in June where the S&P 500 tested lower only to bounce and make a new daily and or all-time high. June 28th, 2021 was one of those days. In order to provide you a closer look and example of how 3D Defender manages risk, I have included an S&P 500 chart from June 28th, 2021 below. On that day 3D Defender entered a short position and exited the position when Defense was no longer needed. The green arrow depicts what the S&P 500 did after 3D Defender exited its short position. The S&P finished June 28, 2021 up +0.2% and 3D Defender +0.0%.



We take great pride in protecting investors when they need it not when they don't. June 28th, 2021 was an example of this, as is our live track record during the most historic moves ever seen in the history of the stock market.

3D Defender is specifically built to profit from intraday S&P 500 declines and to help investors when they need it most. Below is how 3D Defender has done during the down months in the S&P 500 dating back to November 2013.



*25% funded

Combining our 3D Defender Short-Side Alpha Program with a Passive Long S&P 500 position can help you prepare for stock market moves in both directions and make the stock market a better long-term investment. This is the investment objective of our new tailored 3D Hedged Equity Program.

As a reminder 3D Defender is a global-macro, intraday, short only S&P 500 system that manages equity market risk every day because everyday matters (RISK HAPPENS FAST). This singularly focused systematic approach enables us to see things differently, and as of now, we are beginning to see signs around the globe that the S&P 500 is vulnerable to the downside (need confirmation).

Whether the S&P 500 is going to continue its record setting surge or it's going to consolidate, 3D Capital can help you prepare for stock market moves in both directions. Reach out now and learn more about our **3D Defender Program** – "Short-Side Alpha" Dynamic S&P 500 Hedge and our **3D Hedged Equity Program** – Passive Long S&P 500 & 3D Defender.

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