

**3D CAPITAL
MANAGEMENT**
DAILY DYNAMIC DEFENSE IN THE S&P 500

**Eric
Dugan**

Founder & CEO

Redefining Stock Market Risk Management with a Radical Offering

3D Capital Management is an investment management firm that focuses exclusively on protecting and defending stock market investors from declines in the S&P 500. The company's expertise is in profiting from declines in the stock market. 3D Capital has a long history of generating positive returns and beating the S&P 500 when the S&P 500 is down on the month. Further, the company believes that the powerful combination of its 3D Defender stock market "defense" with an investor's buy-and-hold "offense" can help its customers lose less and make more gains in the stock market.

Crafting a Niche in the Industry

3D Capital's mission is simple, i.e. provide stock market

investors with a solution to their guaranteed problem of losing every time the stock market declines. The company's solution 3D Defender Program has a long history of profiting from intraday declines in the S&P 500 and stepping aside during market rallies.

Eric Dugan, Founder and CEO of 3D Capital, had his eureka moment in late 2007; when he observed that all stock market investors were facing the same problem where they were paranoid about the strong possibility to lose money in case the stock market declines.

After spending 15 years working for two multi-billion-dollar hedge funds, Eric knew he could identify and profit from daily weakness in the S&P 500. After this realization and brimming

with excitement, he resolved not to let his stock portfolio get run over. He founded 3D Capital on the grounds of faith that through his knowledge and expertise, he could help stock market investors avoid declines in the stock market.

To test this, Eric bought the stock market (S&P 500) in 2008. The caveat was when his system identified stock market weakness, he resigned from his S&P 500 position and went to cash. This happened just in time for the financial crisis of 2008. Eric's long-only S&P 500 strategy generated a positive +3.34% annual return vs the S&P 500 decline of -38.5%. It was profitable in a horrific year because it avoided many of the declines the market experienced in 2008.

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Our proven solution to stock market declines is our 3D Defender Program. We defend your equity portfolio every day because everyday matters.

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Eric Dugan

www.3dcapitalmanagement.com

His success at avoiding stock market declines led to a rigorous and convincing analysis. Eric hired an accountant to comb through the trading records of his long-only S&P 500 strategy. This was to determine what the profits would have been if instead of getting out of the market to avoid the declines; he had gone short to profit from the declines. The results of that analysis were extremely promising and incredibly encouraging for Eric. This inspired him to create 3D Defender in 2011.

3D Defender is an innovative defensive equity program. More specifically, it seeks to profit from intraday declines in the S&P 500 with unparalleled consistency, step aside during rallies, and outperform the S&P 500 when the S&P 500 is down on the month. It is intended to complement an investor's buy-and-hold equity portfolio.

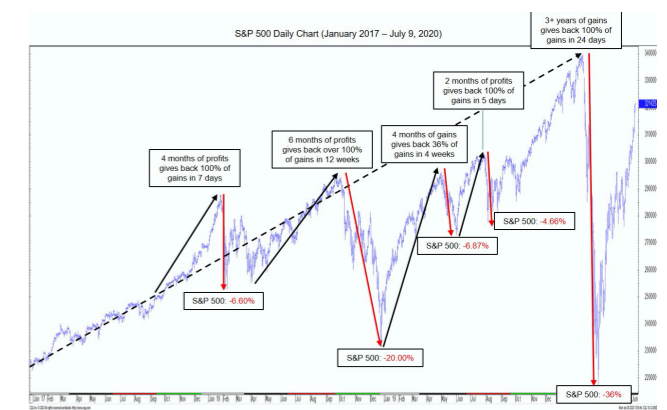
3D Defender also boasts of a live 9 plus year track record of beating S&P 500 over 90% of the time when S&P 500 is down on the month, and done so profitably 70% of the time. 3D Capital takes great pride in defending its investor's equity portfolios every day. This is how the company has been able to profitably short the longest bull market and the fastest bear market in history.

A Dynamic, Trailblazing Leader with Proactive Ideas

Eric spent the first 15 years of his 28-year investment management career in managing money and researching and developing stock market risk-mitigating strategies for two legendary multi-billion-dollar hedge funds.

The entire hedge fund industry exists to protect stock market investors by offering investment products that manage risk and deliver non-correlated profitable returns. Eric realized that with his knowledge, he could provide investors with a more logical way to profit from stock market declines. He explains that Negative events are classified as RISKS, while positive events are classified as OPPORTUNITIES. More specifically, Eric points out that the black arrows in the following S&P 500 chart are OPPORTUNITIES and the red arrows are RISKS.

If one considers buying the stock market is the most logical way to profit from the up moves, then he/she should also know that selling the stock market when it falls is the most logical way to profit from stock market declines. This is precisely where 3D Defender fits in. Its defensive S&P 500 program has a long history of profiting from stock market declines. 3D Defender seeks to turn stock market risks into opportunities.



Safeguarding Equities with Stringent Customer First Policy

3D Capital's Daily, Dynamic, Defense in the S&P 500 is disruptive, and it is logical.

Eric points out, "If your equity portfolio is playing offense all the time, then your equity portfolio is guaranteed to lose money when the stock market declines. Being guaranteed a loss is not logical. You buy the market because it goes up. What are you doing with the other side of the equation? Are you just tolerating a loss when the market goes down? Are you hoping one of the other asset classes you own will go up at that time?"

The disruptive part of what we do is we run towards the risk not away from it. After an investor diversifies into other "non-correlated" assets, they still need to protect the eggs in their public equity market basket. The single best way to protect those eggs is to sell the stock market when it falls. This is where 3D Capital shines.

The company does not tolerate losing as a solution. 3D Capital's proven solution to stock market declines is its 3D Defender Program. It helps to defend the client's equity portfolio every day because of everyday matters. This innovative and disruptive approach has helped investors beat the S&P 500, which is why one will often hear Eric say that clients are better with 3D Capital than without it. The industry has recognized the company as an exemplary exponent of its services. To the best of our knowledge, 3D Capital is the only money manager that has profitably 'shorted' the longest bull market and the fastest bear market in history with no overnight risk.

Leveraging Data-Driven Technologies to Identify Stock Market Weakness

The company follows a systematic investment approach that relies on rules which are logical, symmetrical, and persistent.

Being a data-driven company, the team uses the price and time of the S&P 500 and global markets to help identify the daily direction of the S&P 500. The instrument they use is the E-mini S&P 500 futures contract, which is liquid, capital efficient and exchange-traded.

3D Capital's "adapt, evolve, compete or die" mindset is applied to the ongoing complex and rigorous process of identifying statistically significant patterns. This data-driven and systematic approach have enabled 3D Defender to help stock market investors consistently profit when the S&P 500 is down on the month. Like any innovation, it should be put to the test during good times and bad. As mentioned earlier, 3D Defender has accomplished its investment objective during the longest bull market and the fastest bear market in history.

Mitigating Challenges with a Revolutionary Offering

Eric feels that perseverance and discipline are probably the two greatest challenges every money manager faces. But he is thankful for being able to do the things he loves. For him, his "Why" is to add value and protect stock market investors and to literally "guard" & "defend" their equity portfolio every day. "My unrelenting discipline, drive, and persistence were instilled in me at a young age by my Dad, who is a Marine, Attorney, and State Senator. I was also fortunate to be mentored by a legendary hedge fund manager Monroe Trout," he says while conveying his gratitude.

Other significant challenges 3D Capital has faced is dealing with investors, their advisers, and consultants belief that the only way to make money investing in the stock market is to buy-and-hold. 3D Capital agrees that buy-and-hold is essential to achieve competitive long-term performance, but in the short-term buy-and-hold is guaranteed to lose money when the stock market goes down. These guaranteed losses are a problem and represent a large risk.

The expression, "Necessity is the mother of invention" reminds us that a need or a problem inspire creative efforts. 3D Capital believes investors do not like losing when the stock market declines. 3D Defender is their defensive stock market solution that manages stock market risk every day because everyday matters.

Recognitions for Proven Excellence

3D Capital has received numerous industry awards including Best Specialized Trading Advisor and numerous systematic stock trading awards.

The company's executives have also been recognized as pioneers and innovators in the industry.

3D Defender is an innovative investment management program with live 9 plus year track record of protecting stock market investors by profiting from intraday declines in the S&P 500 and stepping aside during rallies. Hence, investors appreciate the role this company plays in their portfolios and what it has accomplished for them. They are grateful and acknowledge having 3D Capital, guard, and defend their portfolio every day.

Envisioning Future Growth

Eric believes the stock market will continue to play an important role in broadly diversified portfolios. Investors own the stock market because it goes up over time. The problem is that it also goes down, and the down moves can be painful. It is never too late to add stock market defense as the stock market is going to move up and down forever. The right S&P 500 defense can work in bull and bear markets. Eric is optimistic about the opportunity to help investors who care about the stock market declines as much as 3D Capital Management does.

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