



# 3D CAPITAL MANAGEMENT

DAILY DYNAMIC DEFENSE IN THE S&P 500

## It's Prudent To Be Prepared

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I started my investment career in 1993 working for one of the most successful money managers of our time - Monroe Trout. *Here is a link to an article if you don't know who Monroe Trout is* - <https://blog.topsteptrader.com/two-lessons-from-monroe-trout>.

Money managers make a variety of choices: investment objective, investment style, investment approach, markets to trade, time-frames, etc. The most important question I faced in 2008 when I embarked on the creation of 3D Capital Management was - **What investment problem do I want to solve?**

My observation was, the vast majority of equity market investors are long-only. They make money when the equity market goes up (i.e. **Offense**). The investment **Problem** is that long-only equity market investors are guaranteed to lose money when the equity market goes down (i.e. they lack **Defense**).

The alternative investment industry (i.e. Hedge Funds) offers many investment products designed to help diversify equity market risk. Some are more complex than others, some are more liquid than others, many use different asset classes to provide a 'hedge' to the investors' equity market risk. The jury is still out as to which ones work best.

My **Solution** was to keep it simple and address equity market risk head-on using only the S&P 500 through the E-mini S&P 500 futures contract, which is exchange traded, liquid and capital efficient. The program can be long, short, or flat (no position) on a daily basis. It is highly selective and does not carry positions overnight. Perhaps most importantly, the program has a short-bias. I designed the program to provide the **Defense** that many investors are lacking in their equity market allocations. We call our equity market risk solution - the **3D Defender Program**.

**What is the greatest risk in your portfolio?** If it is equity market risk, 3D Capital Management welcomes the opportunity to begin a conversation.

[www.3dcapitalmanagement.com](http://www.3dcapitalmanagement.com)