

# REASONS TO USE BIBLICALLY RESPONSIBLE INVESTING (BRI)

**Align your investing with the moral standards of the Bible**

**1 SOURCE OF PROFIT MATTERS.** As Christians, we are called to use the resources God provides for us in ways that will honor God. One of those resources is money. It's important to strive to not invest in companies that promote sinful and immoral activities -- even if you'll make potentially more money. How will you choose to invest God's money?

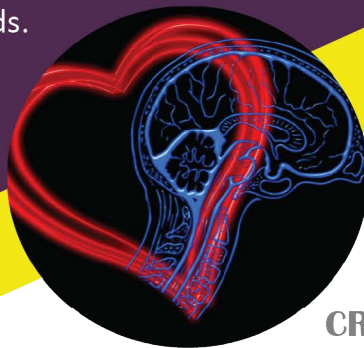
*"Treasures gained by wickedness do not profit, but righteousness delivers from death." - Proverbs 10:2*

**2 NO SEPARATION BETWEEN SPIRITUAL & BUSINESS IDENTITY.** So many Christians believe they need to separate their spiritual life with their business life; however, that isn't biblical. 1 Corinthians 10:31 says: "So, whether you eat or drink, or whatever you do, do all to the glory of God." While not perfect, a BRI approach helps remove the separation.

**3 YOU STILL CAN HAVE A DIVERSIFIED PORTFOLIO.** A common stigma with BRI is not having enough options to create a diversified portfolio -- that isn't true today. SEM's research has shown over the long-term BRI funds have similar results as the popular secular index funds. There are over 55 BRI funds currently available, with the list growing rapidly. Over half of the current funds were founded in 2001 or earlier.

## WHY SEM?

Since 1992, SEM Wealth Management has helped clients overcome the emotions that arise during prolonged bull markets and the subsequent crashes. The focus of SEM is to provide Scientifically Engineered Models that seek to find the best return vs. risk investments across the financial landscape. SEM's quantitative approach helps filter through the growing list of BRI funds. The Cornerstone Portfolios allow clients to pursue a Biblically Responsible mandate while still keeping an appropriate risk level in the portfolio.



**THE CORNERSTONE  
PORTFOLIOS**

**CREATED BY SEM WEALTH MANAGEMENT**

Scan for Performance Snapshot



For more information on the Cornerstone Portfolios go to [SEMWealth.com/Cornerstone-Portfolios](https://SEMWealth.com/Cornerstone-Portfolios)

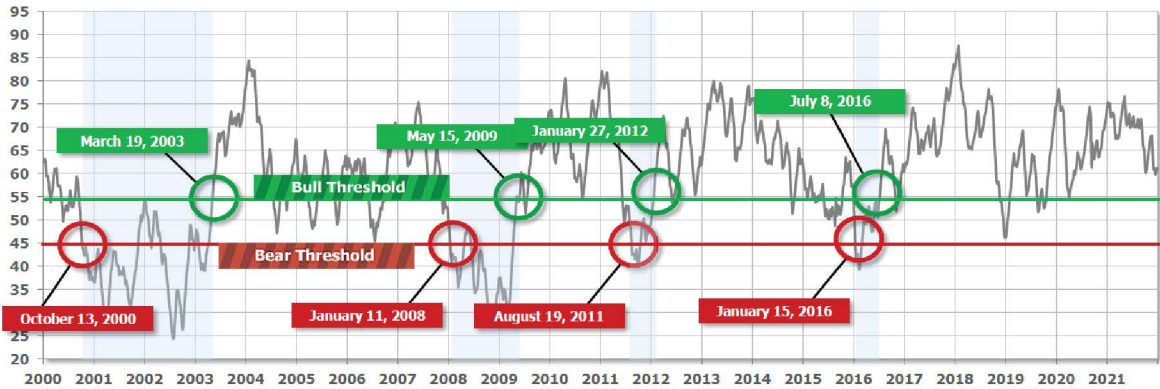
# How the Cornerstone models work

The Cornerstone model asset allocation comes down to 2 questions:

## 1

### What is the overall trend in the market?

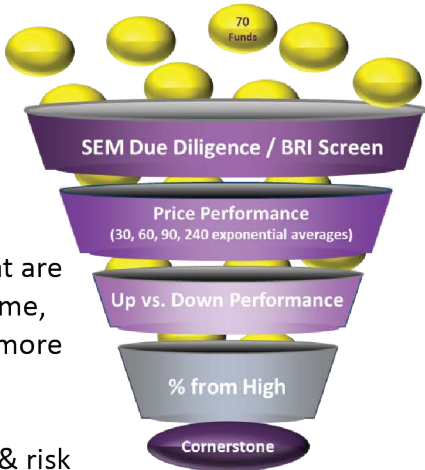
“The trend is your friend” is a common investing phrase and is critical to the asset allocation of the Cornerstone Models. SEM scientifically monitors the trend in the overall stock market. The goal is to be fully invested when the trend is rising and to reduce allocation when the trend is falling. In order to avoid short-term market noise the trend indicator is designed to wait until the trend is clearly defined. The chart below illustrates the real-time history of the Cornerstone Trend Indicator.



## 2

### Where should I invest?

After determining how much to invest, the Cornerstone models begin to filter through the numerous active Biblically Responsible Investment (BRI) funds. This filter allows the Cornerstone Models to take advantage of current trends in the markets, allocating the assets to the “hot hand” and reducing or eliminating allocations to market segments that are out of favor. While not always perfect, trends typically stay in place for long periods of time, so this focus on the stronger funds gives the Cornerstone Models a potential edge over more traditional buy and hold allocations.



The Cornerstone Portfolios are designed to meet a wide range of investment objectives & risk preferences. Starting with a “balanced” allocation, which moves above and below 50% stock market exposure, each Cornerstone Portfolio increases market exposure and with it, the overall risk. The table below illustrates the equity exposure which will vary based on the current trend in the market. *Investors are encouraged to look at their own portfolio and work with their financial advisor when determining the appropriate Cornerstone portfolio.*

**Cornerstone Model Stock Market Exposure Range & Risk**

| Stock Allocation: | 0%                     | 10% | 20% | 30% | 40% | 50% | 60% | 70% | 80% | 90% | 100% | Risk        | Riskalyze | TOLERISK   |
|-------------------|------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-------------|-----------|------------|
| <b>Bond</b>       | [Bar from 0% to 10%]   |     |     |     |     |     |     |     |     |     |      | <b>-10%</b> | <b>23</b> | <b>32</b>  |
| <b>Income</b>     | [Bar from 10% to 45%]  |     |     |     |     |     |     |     |     |     |      | <b>-15%</b> | <b>26</b> | <b>40</b>  |
| <b>Balanced</b>   | [Bar from 30% to 75%]  |     |     |     |     |     |     |     |     |     |      | <b>-25%</b> | <b>52</b> | <b>50</b>  |
| <b>Growth</b>     | [Bar from 55% to 95%]  |     |     |     |     |     |     |     |     |     |      | <b>-40%</b> | <b>71</b> | <b>92</b>  |
| <b>Max</b>        | [Bar from 85% to 100%] |     |     |     |     |     |     |     |     |     |      | <b>-46%</b> | <b>76</b> | <b>101</b> |

*ILLUSTRATIVE PURPOSES ONLY Allocation ranges based on mandate of funds owned inside a portfolio. If an underlying fund holds more or less stock exposure than the last report, the range may vary. The Riskalyze Scores are estimated based on Cornerstone model portfolio risk distribution. The score can range from 0 (no risk) to 100 (extreme risk). An average balanced portfolio of 50% stocks / 50% bonds falls somewhere around a Riskalyze score of 50. The score will vary from quarter to quarter. There are other risk scoring software providers that may yield different results. The use of Riskalyze in the above illustration is not an endorsement of Riskalyze by SEM nor an endorsement of SEM by Riskalyze.*