

# SEM HISTORY



Rick begins managing his own money after researching trend-following trading systems.

1986

SEM launched after Rick's personal success navigating late-80s volatility.



*Price divergence & rotation to strength systems created to manage accounts.*

*High yield bond trading system created by Merit Advisors.*

1992

Jeff begins building his economic model

1995

1998

Jeff joins SEM



*Sector rotation system introduced*

1999

SEM begins using high yield bond signal with clients



2000

Elliot Spitzer investigation causes mutual funds to severely restrict frequent trading

Due to fund restrictions, SEM restructures trading system to match new rules

2001

*SEM revises Merit High Yield Bond signal to match new trading rules.*

FRED online launched, allowing SEM to mechanize Jeff's economic model.

*To offer more diversification, SEM splits out Income Allocator (INA) and Tactical Bond (TB) to be stand-alone investment models.*





*Enhanced Portfolio Allocator (EPA) launched as a blend of INA, TB, and SEM's stock program.*

*Enhanced Growth Allocator (EGA) created with just stock trading systems.*

During the world financial crisis, SEM's systems performed as expected, reducing the risk significantly across all models (relative to their benchmarks.)

Using the ideas generated from the CFA materials, *SEM launches Dynamic Allocation Models utilizing the economic model created in 2001.*

SEM opens an office in Virginia to service east coast advisors.

2002

2005

2007

2008

2015

2016

2017

2018

*Volatility system was created and added to SEM's stock program.*

SEM's economic model predicts recession.

Jeff begins studying for the CFA exams.

After being hired as the OCIO by a firm in Virginia, *SEM creates AmeriGuard portfolios to fill the remaining hole in our model lineup.*

SEM begins warning advisors in April about the "Pending Forest Fire."

At the request of other advisors, *SEM creates a Platinum Advisor program to serve as the OCIO for financial planning firms.*

