

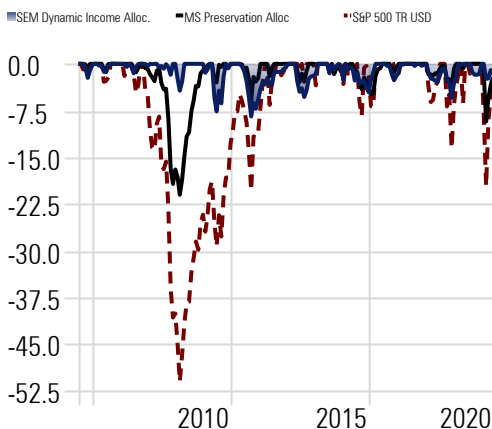
# SEM Dynamic Income Alloc.

Return Date: 6/30/2020

Benchmark: MS Preservation Alloc

## Drawdown - SEM (shaded) vs. Benchmark & S&P

Time Period: 7/1/2005 to 6/30/2020



	SEM Dynamic Income Alloc.	MS Preservation Alloc.
Max Drawdown	-8.45	-21.00
Max Drawdown # of Periods	5	16
Max Drawdown Peak Date	5/1/2011	11/1/2007
Max Drawdown Valley Date	9/30/2011	2/28/2009

## Risk/Return Statistics

Time Period: 7/1/2005 to 6/30/2020

Calculation Benchmark: S&P 500 TR USD

	SEM	Benchmark S&P	S&P 500
Annualized Return	5.27	3.73	8.83
Sharpe Ratio	0.72	0.42	0.51
Alpha	2.36	-0.35	0.00
Beta	0.20	0.35	1.00
Std Dev	5.48	5.77	14.71
Gain/Loss Ratio	2.12	1.75	1.65
Up Capture Ratio	30.54	34.87	100.00
Down Capture Ratio	14.67	31.20	100.00

## Program Information

Inception Date: 5/1/2016  
 Category: Preservation Alloc.  
 Maximum SEM Fee: 0.75%\*  
 Max. Financial Advisor Fee: 1.00%

\*Avail. on Adhesion, Axiom, & FTJ Fundchoice at different costs depending on platform.

## Manager(s) (start date):

Jeffrey Hybiak, CFA (1998)

## Investment Goal

SEM's Dynamic Income Allocation (DIA) program seeks to actively manage exposure to income generating assets. The DIA program deploys dynamic portfolio management which increases or decreases allocations to specific fixed income assets based on overall risk in the bond market.

## Investment Strategy

DIA utilizes an asset allocation model that seeks to adjust the income allocation based on the current portion of the economic and business cycle. Based on economic, market, and interest rate policy indicators, the model seeks to increase sensitivity to interest rates (duration) to take advantage of moves in the fixed income markets.

DIA uses the Morningstar Preservation Allocation portfolio as the starting point and adjusts the asset allocation based on a proprietary econometric model. If the economic indicators are pointing to a "bullish" environment for the economy, DIA will hold a higher allocation to dividend paying stocks and high yield bonds. During "bearish" times, DIA will be comprised of mostly lower credit risk bonds, such as US Government Bonds.

## What to Expect

Over the long-term DIA is expected to provide exposure to the general trend in the bond market, both up and down. Historically DIA has averaged nearly the same overall return as the benchmark allocation, with less volatility and downside participation. The advantage of the portfolio stems from the time spent in each asset class. The goal is to enhance returns by having additional exposure to higher risk assets at opportune times, while lowering market exposure when the fixed income market is struggling. Typically DIA adjusts the allocation 4-6 times per year. During prolonged periods of stock market growth, DIA may underperform a passive investment.

Overall DIA is suitable for intermediate-term investments (3-7 years) or for investors that need some fixed income exposure without the volatility that comes from buying and holding higher risk bonds. Investors should be comfortable with some degree of losses.

For additional information, go to [SEMWealth.com/Programs](http://SEMWealth.com/Programs)

## Investment Growth

Time Period: 7/1/2000 to 6/30/2020



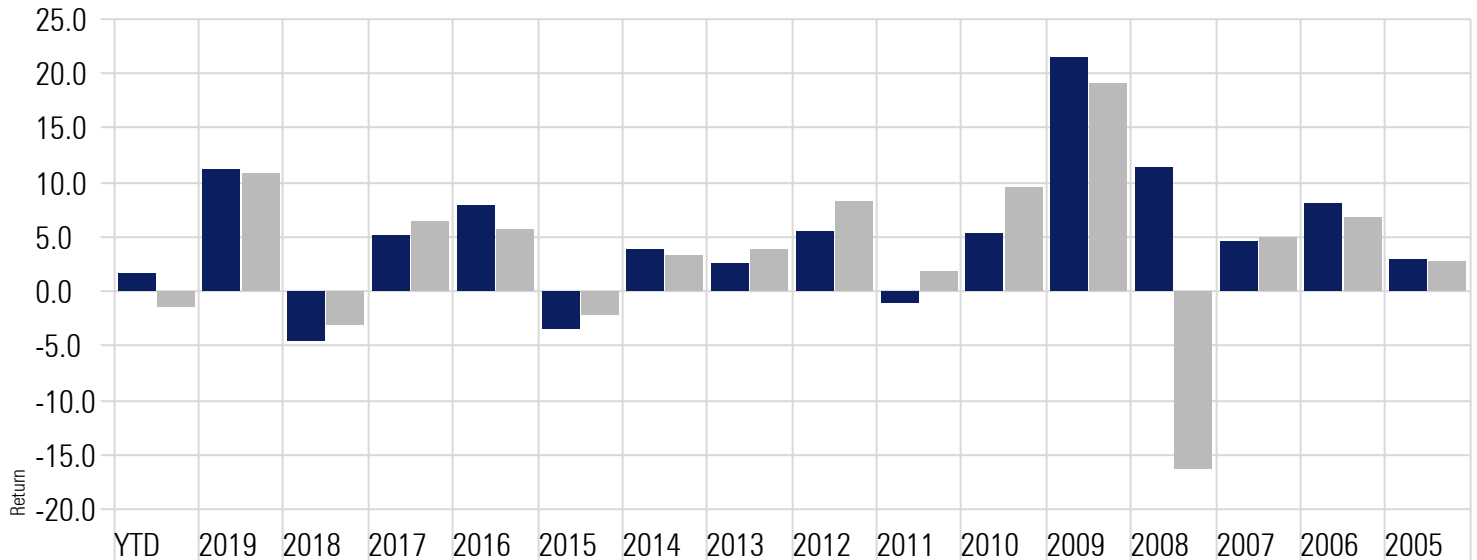
## Trailing Returns

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
SEM Dynamic Income Alloc.	1.74	3.33	3.26	3.78	3.90	5.27
MS Preservation Alloc	-1.50	1.75	2.88	3.02	4.14	3.73

SOURCE: Morningstar Direct | Results are net of maximum advisory fees and assumes all dividends and capital gains are reinvested. Past performance is not a guarantee of future results. Please see disclaimer on next page for additional information.



# Calendar Year Returns (Results prior to 5/2016 are HYPOTHETICAL model results)



■ SEM Dynamic Income Alloc.

■ US Fund Allocation--15% to 30% Equity

	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
SEM Dynamic Income Alloc.	1.74	11.26	-4.52	5.18	7.97	-3.44	3.86	2.55	5.50	-1.00	5.32	21.57	11.36	4.61	8.10	3.05
US Fund Allocation--15% to 30% Equity	-1.50	10.89	-3.09	6.48	5.67	-2.09	3.38	3.95	8.34	1.78	9.62	19.19	-16.26	5.05	6.80	2.82

## Quarterly Performance (Results prior to 5/2016 are HYPOTHETICAL model results)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
2020	1.02	0.71			1.74
2019	6.56	2.80	1.89	-0.33	11.26
2018	-1.38	-0.54	2.25	-4.79	-4.52
2017	1.89	1.35	1.47	0.38	5.18
2016	4.97	4.19	0.31	-1.58	7.97
2015	0.20	-1.72	-0.13	-1.81	-3.44
2014	2.76	1.32	-0.91	0.67	3.86
2013	2.16	-2.25	0.19	2.50	2.55
2012	2.61	-0.05	2.12	0.73	5.50
2011	3.21	0.59	-7.33	2.91	-1.00
2010	1.70	-6.89	6.08	4.86	5.32

### DISCLAIMER

All results assume the maximum management fee was deducted in arrears and capital gains and dividends were reinvested. The default maximum management fee for all accounts is 0.375% per quarter. Financial advisors have the ability to charge up to 1% for their fee based on the services provided. This would result in a maximum management fee of 0.4375% per quarter. Results prior to April 30, 2016 are not actual, they are HYPOTHETICAL model performance. There are inherent limitations in HYPOTHETICAL results. One of the mutual funds used (Emerging Market Leveraged Index) was not available until 2005, making the HYPOTHETICAL results unattainable during that time. Actual mutual fund prices are utilized where available. HYPOTHETICAL results were obtained by using the actual mutual fund prices and/or estimated fund performance using their benchmark index. Where indices are used, mutual fund expenses are approximated using expense ratios of the funds. Results do not include the benefit of money market dividends used when the model allocations utilized money market funds. Real time results WILL deviate from the HYPOTHETICAL results due to several factors such as mutual fund expenses, differences between the time the trade was placed and the actual market closing price, tracking differences between the fund and the index, the fact that material economic and market factors might have an impact on the investment advisor's decision making process, and the fact that tested results occurred in an unusually strong market environment. Advisor reserves the right to add or replace trading systems during real time without restating model performance results if they believe the return/risk profile will not change substantially. All accounts within a program at a specific custodian are managed in a similar manner. Starting May 1, 2016 performance results are an asset weighted composite of all accounts in the program for the entire period. For more details on the composite construction, please contact Strategic Equity. Individual client results may vary from the performance of the composite. Some or all of the following may occur: There could be cash flows into or out of the account. The advisor could select a different fund in the same asset class for different client accounts. Different custodians could have different fund availability, annual costs, and fees. The advisor may use different trading systems or system allocations at different custodians. Clients in the same program can be charged different fees. Fee schedules are available in Strategic Equity Management's Firm Brochure or upon request.

Benchmark results were provided by Morningstar or the index provider and include dividends.

Past performance is no guarantee of future results. There is potential for loss as well as gain in security investments of any type, including those managed by Strategic Equity Management, Inc. The investments discussed in this presentation may not be suitable for all investors. Strategic Equity Management's Firm Brochure is available upon request.

### Benchmark Descriptions and Comparison to SEM Programs

There are material differences between the programs Strategic Equity Management manages and the benchmarks selected that impact performance. The objective of the benchmark is to represent a passive investment in similar asset classes to this program. The objective of SEM's Dynamic Income Allocator Program is to provide benchmark type returns with lower volatility over a full market cycle. The returns should be expected to vary from the returns of the benchmark due to our active management style, which utilizes money market funds and inverse funds or sub-accounts with the goal of reducing volatility.

The following is a description of the benchmark used in the performance materials:

**Morningstar Category Preservation Allocation (15% - 30% Equities):** Preservation Allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in bonds than other allocation portfolios. These portfolios average 15-30% in equities and the remainder in fixed income and cash.

**S&P 500 Index:** The S&P 500 index is an unmanaged capitalization weighted group of 500 stocks as selected by Standard & Poor's. They are usually the 500 largest companies in terms of market capitalization and are chosen to represent the entire market's value. The S&P 500, while not a benchmark for any specific SEM program, is often used by institutional investors to compare performance of the overall "stock market". The index is not available for direct investment and therefore does not include any management fees, transaction costs, or other expenses.

There is no representation made as to the future results of SEM's programs or if they will be profitable.  
CONTACT Information can be found at [www.semwealth.com](http://www.semwealth.com)