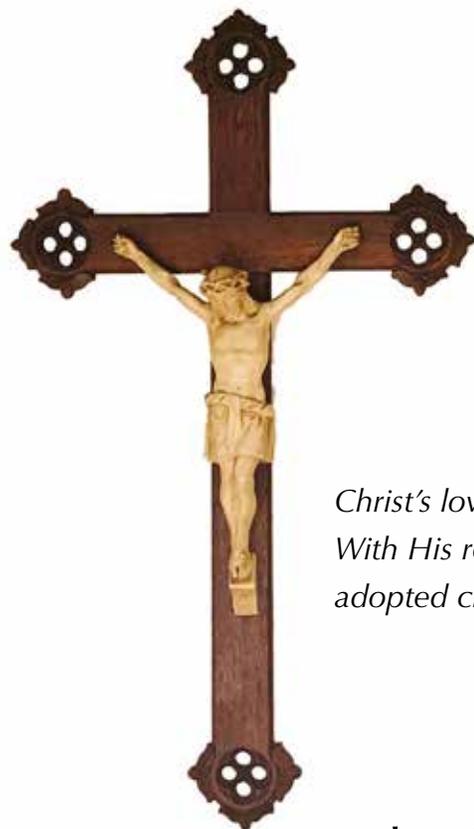


# Strategic Moral Investing

*Glorifying Him who first loved us.*

*... and whatever else you do, do it all for the glory of God.*

1 Corinthians 10: 31



## Strategic Moral Investing (SMI)

is a factor and faith-based investment response to God's great Love for us.

*Christ's loving sacrifice to God on our behalf.  
With His resurrection, we become God's  
adopted children, an Easter people.*

## Why SMI?

Like family life, economic life is one of the chief areas where we live out our faith, love our neighbor, confront temptation, fulfill God's creative design and achieve our holiness. Our economic activity in factory, field, office or shop feeds our families—or feeds our anxieties. It exercises our talents—or wastes them. It raises our hopes—or crushes them. It brings us into cooperation with others—or sets us at odds.

*As a key component of our economic lives, our investments either further **endear** us to or **estrangle** us from our awesome loving God.*

*"You shall love the Lord,  
your God, with all your heart,  
with all your soul, and  
with all your mind.*

Matthew 22:37  
NABRE

## How does the WI SMI process work?

Wallick Investments ranks stocks by financial factors:

Momentum, Volatility, Quality, Size and Value,

which academic research **has shown** to provide strong

risk-adjusted returns over the long term. These results

are then filtered based on compliance with Christian investment guidelines and

positive social impact. Positive social impact, based on Environmental, Social, and

Corporate Governance criteria, has shown to enhance factor-based investing results.

It can be considered a part of Quality or a sixth factor. Diversified portfolios are built based on the companies with the highest rankings.



## What companies become WI portfolio holdings?

Wallick Investments SMI process acknowledges the importance of both science and faith.

Stocks that receive positive scores for faith-based social impact and receive the highest

average factor scores for Value, Quality and Momentum, including EPS revisions

(earnings per share) make it into our equity portfolios. Detailed information of factor

criteria and Christian screening inputs can be found on pages 3–5.

## How can the SMI process be used?

After evaluating whether stock allocation (with its commensurate risk level) is in an

investor's best interest, the process can help discern appropriate investment choices.

Do-it-yourself investors can use the process to develop their personal stock portfolios.



## WI SMI Factor Grade Inputs

All evaluated financial data comes from third parties and is not guaranteed. The individual inputs for Momentum, Quality and Value (approximately evenly weighted) that feed into our overall factor scores consist of:

### Quality Factor

- Financial Health
- Profitability
- Growth
- Dividends
- Economic Moat
- Inspire Social Impact Score (ESCG)

### Value Factor (GARP)

- P/E/Earnings Growth
- S/Earnings Growth
- P/C/Earnings Growth
- P/B/Earnings Growth
- Price-to-intrinsic value
- Beta – 3 years
- Standard Deviation – 3 months

### Momentum Factor

- Relative Strength – 1 year
- Relative Strength – 3 months
- Earnings Estimate Revisions

Wallick Investments adds together the scores for each major factor category to calculate an overall ranking grade.

*“How can... process be used?” continued*

Investors and their financial advisors can work together by using the process to identify core or supplemental choices. Individual financial advisors can contact us to license the process or find a custodial platform with access to our models in order to develop and maintain separately-managed accounts for their own clients. Please note— factor scores and results related to biblically-based screening can change frequently. Investors should do further research before making final decisions. Past performance is no guarantee of future results.

## How will SMI affect performance?

Research has shown investing based upon factors such as Quality, Momentum, Size and Value as well as Environmental, Social and Corporate Governance criteria, can enhance overall long-term risk-adjusted performance. For information concerning the positive effects of faith-based factor investing, please see the research papers from TruVal labs (Factset), Altum and S&P Global which are available on our website under “Resources.”

## Equity ownership, mutual funds and ETFs?

Many Christian faiths encourage ownership; being part of something bigger. With ownership comes responsibility. Indifference to corporate activity should not be an option. Ownership brings opportunities to shine light on companies acting as a force for good. In a mutual fund or ETF, a hired investment manager makes ownership decisions for a pool of investors, including voting proxies. Since the manager invests for the benefit of the pool and not each individual investor, it can be difficult to find managers who make the most of what both factor- and faith-based solutions have to offer. Direct ownership, through personal accounts, is frequently a more efficient option for investors wanting to be good stewards. Direct ownership of a portfolio of companies chosen based on faith-based factor criteria can be achieved by do-it-yourself investors who have access to factor- and faith-based research such as provided above, which leverages free or inexpensive online resources such as Inspire Insights and AAll.com. Both of these resources can be accessed through our website under the “Resources” tab. Similarly, effective faith-based factor investing can be achieved by working with an advisor to access these key resources.





## Invest with Purpose &

## Inspire Insight Negative Screens

Although there is no universal agreement concerning comprehensive, biblically-based screening criteria, in order to minimize potential offense or moral hazard, Wallick Investments utilizes both Invest with Purposes' (IWP) Screens

(FFV) and Inspire Insight's Social Impact scores. These two databases identify the following potential areas of concern:

- |  |  |
|--|--|
| Adult Content Provider                   | Opioid Production                      |
| Alcohol 5% Revenues                      | Pornography Company                    |
| Alcohol Company                          | Predatory Lending                      |
| Animal Testing                           | Private Penitentiary Operations        |
| Assisted Reproduction Treatment Provider | Private Security Operations            |
| Cannabis Product Production              | State Owned Enterprise                 |
| Cannabis: CBD Only                       | Tax Fraud Controversies                |
| Cannabis: Cultivation/Processing         | Third-Party Debt Collection Operations |
| Cannabis: Pharmaceutical Development     | Tobacco 5% Revenues                    |
| Cannabis: Retail THC                     | Tobacco Company                        |
| Child Labor Usage                        | Tobacco Product Production             |
| Civilian Firearm Production              | Unsatisfactory CRA Rating              |
| Coal Mining                              | Weapons Components (5% Revenues)       |
| Communist Chinese Military Company       | Weapons: Civilian Manufactures         |
| Contraceptive Production                 | Weapons: Military Manufactures         |
| Contraceptives: Barrier                  | Weapons: Weapons Components            |
| Contraceptives: Hormonal                 |  |
| Controversial Weapon Production          |  |
| E-Cigarette Production                   |  |
| Embryo Testing                           |  |
| Embryonic Stem Cell Research             |  |
| Gambling 5% Revenues                     |  |
| Gambling Company                         |  |
| Gambling Operations                      |  |
| LGBT Philanthropy                        |  |
| Military Weapon Production               |  |
| Nuclear 5% Revenues                      |  |
| Nuclear Company                          |  |
| Nuclear Weapon Production                |  |

## Inspire Insight Positive Screens

- Social Impact (Best In Class)
- Renewable Energy (Best In Class)
- Political Action (Best In Class)
- Marketing Ethics (Best In Class)
- Labor Practices (Best In Class)
- Innovation (Best In Class)
- Governance (Best In Class)
- Environment (Best In Class)
- Data Security & Privacy (Best In Class)

For more information about Factor investing, visit:



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AAII.com

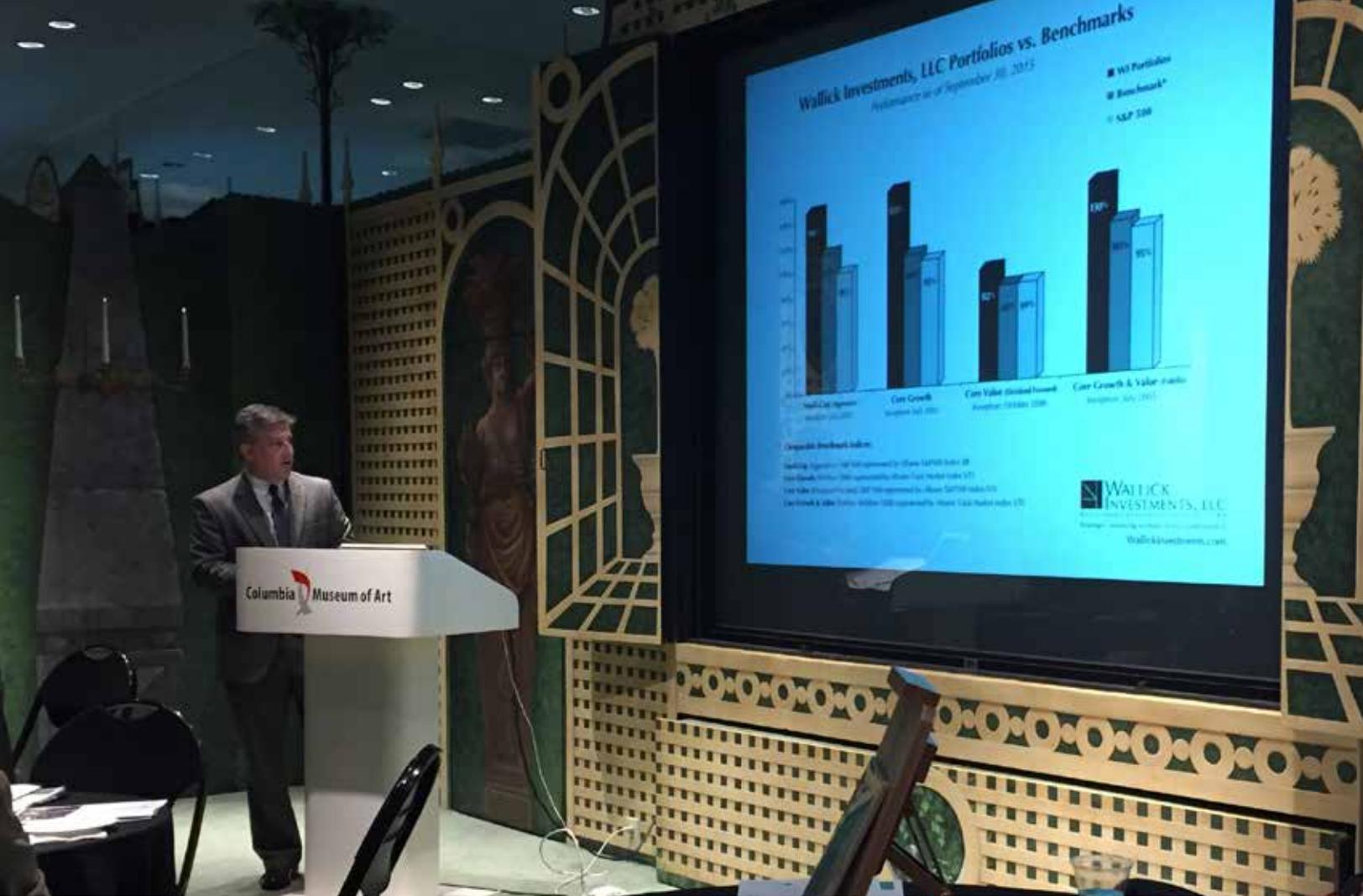
For more information on Inspire Insight Social Impact & IWP Scores visit:



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iwpcapital.com



*"Clients who value moral/ethical decisioning of their investments can continue to feel comfortable with both the positions they hold and the performance they can expect— based on our system of research, the length of time we have applied SMI and our skilled application of it."*

- Dan Wallick, managing partner and chief investment officer

## Aligning Faith and Investing

As good stewards, desiring to glorify God in all we do, Wallick Investments strives to educate and enlighten investors. We are portfolio managers with more than 50 years combined experience and over 10 years of strong investment performance. We have a consistent investment and moral/ethical selection process with on-going investment and spiritual due-diligence monitoring. For more information about Wallick Investments' portfolios, our proven investment processes, and our performance, visit [WallickInvestments.com](http://WallickInvestments.com) or call us at 803.699.9400.

*Past performance is no guarantee of future results.*



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