

A direct index portfolio designed for you

Everence Asset Management

Let our team develop customized portfolios for you with active tax-sensitive strategies and our unique values screens.

Using a process called direct index investing, we can buy a portfolio of individual stocks that closely tracks the performance of a selected index. This provides a greater autonomy, control, and tax advantages over owning an index mutual fund or an index exchange-traded fund (ETF).

Benefits

- Portfolio customization.
- Rebalancing when needed.
- Investing to reflect your values.
- Tax- and risk-sensitive strategies (for taxable portfolios).

Portfolio customization to meet your needs

Get further customization for your investment portfolio through optimized index investing, with:

- **Transition management** – Efficiently transition your portfolio to Everence, while managing tax liability and considering charitable giving opportunities when appropriate.
- **Option to avoid individual stocks** – If you want to avoid investing in a particular stock or industry – because you already own it, work for the company or other personal reasons – we will avoid adding it to your portfolio.
- **Rebalancing when needed** – Helps your portfolio stay in balance throughout rapid market moves.

Investing to reflect your values

We can help when you want your faith to inform your financial decisions. Here's how we do it:

- **Values investing** – Everence offers portfolios that reflect faith-based screens.
- **Individualized screening** – Tailor the mix of screens to reflect your personal or corporate values, with options to exclude the segments that aren't right for you.

Tax-sensitive strategies to lower your tax bill

For taxable investors, we can balance lowering your tax bill with maintaining your portfolio's recommended asset allocation by:

- **Tax-loss harvesting** – We monitor your portfolio daily for opportunities to sell securities that decline in value and offset gains from elsewhere in your portfolios.
- **Gains deferral** – When we hold certain positions to defer, reduce or avoid taxes, we try to balance your portfolios to control risk by underweighting similar securities.*
- **Compliance strategies** – Tax-loss harvesting managed to follow IRS rules on realizing losses when buying and selling the same security within a 30-day window.
- **Taxes-saved reporting** – A custom report will show you in detail the estimated taxes saved or deferred through active tax sensitive strategies.
- **Tax budget** – Set a maximum amount of capital gains taxes you are comfortable paying per year. We'll continuously manage your portfolio to determine how to best implement your tax budget.

Get started

To invest with Everence or learn more, please contact your local Everence financial professional or call at 800-348-7468.

** There are multiple reasons for gains deferral. It may push back your tax bill, which could allow you to keep more money invested longer. It may lower your taxes if you hold a short-term position until it's long term, or delay sales until you're in a lower tax bracket (such as when you retire; of course, this can go the opposite direction if you sell the security when you're in a higher tax bracket). And it may allow you to avoid capital gains taxes entirely through charitable donation or transfer through your estate.*

Investments are subject to market fluctuations, may lose value and are not subject to any company or government guarantee. Consider a fund's investment objectives, risks and charges and expenses carefully before you invest. A fund's prospectus contains this and other information. Investments and other products are not NCUA or otherwise federally insured, may involve loss of principal and have no credit union guarantee.

Everence does not provide tax advice or tax management services. You should consult with your tax advisor to fully understand the tax implications of any investment.

Individualized direct index screening

Everence Asset Management

Direct index investing allows you to tailor the mix of screens to reflect your personal values, with options to include or exclude the segments that are right for you. If you select any of the screens below for our account, you will only be invested in securities that pass the screens, based on the MSCI definition.

Adult entertainment

Companies that produce adult content print media, live entertainment, video games, cable TV programming and online products or services. Companies that produce movies containing adult content or video content for mature audiences rated XXX.

Alcohol producers

Companies that derive more than 5% of their revenue from alcohol sales.

Gambling

Companies that derive more than 5% of their revenue from gaming-related business activities.

Abortifacients

Companies that manufacture abortifacients; companies of which 50% or more is owned by a company with involvement; companies that own 20 to 49.99% of a company with involvement.

Weapons - civilian and military

Companies involved in the firearms industry for non-military markets; companies involved in the manufacture of land mines, cluster bombs, or key components of either of these weapons; and companies of which 50% or more is owned by a company with involvement. Also included are companies contracted with the U.S. Department of Defense that are involved in the production of chemical and/or biological weapons and related systems or components, or involved in the production of conventional or nuclear weapons and related systems or components.

Tobacco

Companies that manufacture tobacco products as well as companies that derive revenue from distribution or retail of tobacco products.

Child labor and sweatshops

Companies whose brands or products have been the subject of high-profile or persistent controversies surrounding alleged use of child labor or sweatshop labor.

Environment / Emissions about scale

Companies with significant controversies related to pollution, contamination, and the emission of toxic and carcinogenic substances including, but not limited to, companies that create large volumes of toxic and carcinogenic emissions or waste, yet lack programs or policies to reduce or control these substances.



Application of screens may cause the investments to lag the performance of its index.

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