

Magni Halakhic Portfolio

BECAUSE GOVERNANCE MATTERS™

Magni Halakhic Portfolio is constructed under the guidance of the Bais HaVaad Halacha Center in order to comply with Halakhic law and the values that emanate from Halakha. This law, while religious in origin, includes a substantial amount of monetary law.

FOUNDATION OF THE PORTFOLIO

From the perspective of investing, Halakhic law defines improper behavior and companies engaging in improper behavior, such as manufacturing or distributing immoral material, idols for worship, and recreational drugs. It is also praiseworthy to avoid certain other activities, such as *lifnei iveir*, *ribbis*, and *issurei hana'ah*. Based on the research and guidance of the Bais HaVaad Halacha Center, Magni identified 15 topics to apply to portfolios as well as whether the topics should be implemented as a negative or positive screen.

Negative Screen—A negative screen means that the activity is unacceptable, and any company involved in the activity should not be eligible for investment (e.g., a company that produces lewd content). Any companies identified by the negative screen will not get an allocation within a Halakhic portfolio.

Positive Screen—a positive screen means that a company may or may not act consistent with the topic, both in terms of its Halakhic standard and the values that emanate from that standard (e.g., unethical business practice). A company where there is demonstrated behavior consistent with Halakhic law will receive a larger allocation, while a company where there is demonstrated behavior inconsistent with Halakhic law will receive a small allocation.

HALAKHIC LAW ON INVESTING

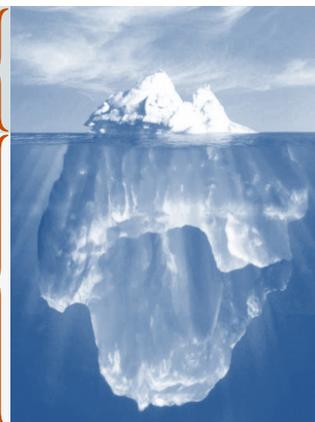
In the column to the right are the 15 topics derived from the research of the Bais Havaad Halacha Center. Between 'improper behavior' and 'praiseworthy to exclude,' each topic has been broken down into objective factors to determine which companies should be *excluded* from the Halakhic portfolio.

THE MAGNI DIFFERENCE—LOOKING BELOW THE SURFACE FOR THE BIG PICTURE

Traditional analysis focuses on surface-level data reported by the company instead of actual behavior of employees and management.

Magni's Corporate Governance Assessment takes the research methods used on good country-level governance and applies them to a best-practices model for corporate governance.

This provides a more accurate and complete analysis of governance that aligns with the guidance of the Bais HaVaad Halacha Center.



IMPROPER BEHAVIOR

1. Jewish ownership of a company carries specific responsibilities
2. Pornography
3. Prurient interests
4. Abortion
5. Firearms for private purchase
6. Idols
7. Recreational drugs, including marijuana
8. Restrict religion

PRAISEWORTHY TO EXCLUDE

9. Stumbling block / *Lifnei Iveir*
10. *Ribbis*
11. *Chometz* on Pesach
12. Grapes
13. Dairy and meat
14. Forbidden meat
15. Unethical practices

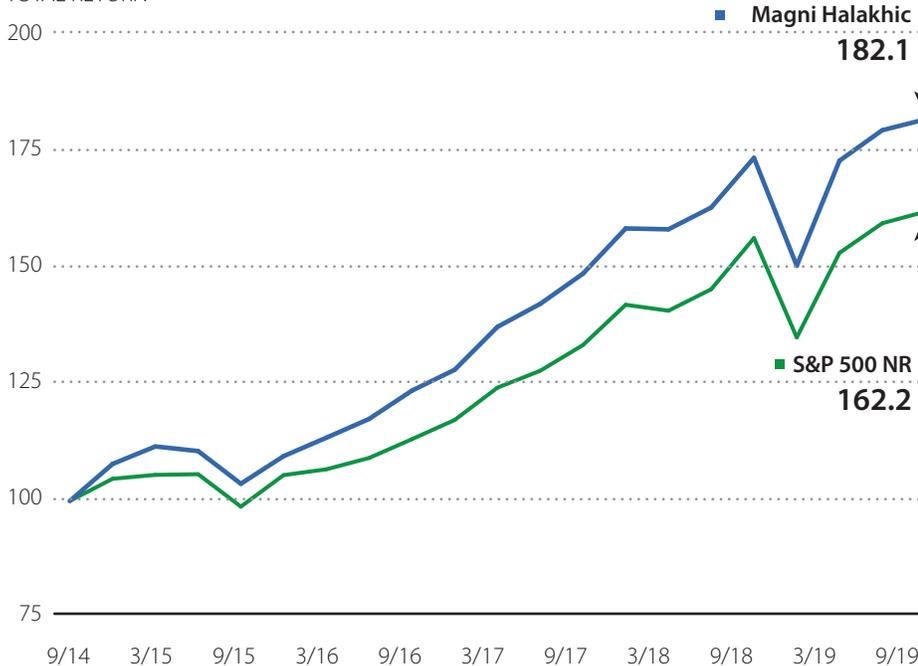
Provided by Magni Global Asset Management LLC.

WHY MAGNI?

- 1. Governance**—Magni builds portfolios based on governance. Understanding governance requires measurement of behavior. A religious portfolio should do more than exclude matters inconsistent with the religion. Good governance helps reduce the risk that the company does something bad in the future.
- 2. Quality and depth of research**—Magni's research database analyzes 316 factors based on the Sustainable Value Creation principles. We assess the company's behavior with not only its shareholders and employees, but also its customers, suppliers, and competitors along with the communities in which the company operates.
- 3. Repeatable process**—Our research results in a score for each company, and that score determines the company's weight in the portfolio.
- 4. Experienced Manager**—Magni has used this approach in their country governance research to run Magni Model Portfolios since 2003 and to manage money for clients in Magni Global Portfolios since 2012.

PORTFOLIO BACK-TEST RESULTS

TOTAL RETURN



DESCRIPTION OF THE MAGNI HALAKHIC BACK-TESTED PORTFOLIO The returns are based on a 5-year back-tested model portfolio starting 10/1/2014 and ending 9/30/2019. The model portfolio uses Magni Halakhic scores for corporate governance from a Jewish perspective as of 9/30/2019 and the portfolio allocations were based on these scores. Rebalancing was performed annually based on closing prices at year-end. The results are based on a model and do not represent actual trades. Trading costs and imputed commissions were not included in the model results. The model's universe contains companies from the S&P 500 index as of 9/30/2019 but excludes those companies whose activities are deemed incompatible with Halakhic law.

TOP 10 HOLDINGS

As of 9/30/19

- Arconic Inc
- Fortive Corp
- Allegion PLC
- IQVIA Holdings Inc
- Fortune Brands Home & Security Inc
- The Mosaic Co
- General Motors Co
- Broadcom Inc
- American Water Works Co Inc
- TE Connectivity Ltd