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SoundMindInvesting®

Financial Wisdom for Living Well

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God's Will for Your Finances

The late financial teacher and author Larry Burkett graciously helped SMI get started 35 years ago. He also frequently told people about us via his radio programs and speaking engagements. In this article, first published in our inaugural issue in 1990, Larry discusses how God uses money to direct believers *toward* His plans and purposes and *away* from paths that lead to financial or spiritual harm.

by Larry Burkett

A steward is one who manages another's resources. Each of us is a manager, *not an owner*. God is the owner, and we are to manage according to *His* plan. All of the promises God has made regarding His blessings in this area are predicated on the principle that we relinquish ownership. If we refuse to do this, we can never experience God's plan for our finances. As a consequence, our lives will be characterized constantly by turmoil and anxiety in the area of money.

It is important for the Christian to trust God in *every* circumstance. If we believe that God really loves us and will give us only that amount of money that we can handle without worry, we can have perfect peace in finances. But not until we have committed *all* of our resources to Him.

It becomes clear that money is a training ground for God to develop (and for us to discover) our trustworthiness. "If therefore you have not been faithful in the use of unrighteous mammon, who will entrust the true riches to you?" (Luke 16:11).

Why do Christians have difficulty trusting God in this area? We really don't believe that He will only do the best for us. So we have the tendency to want to withhold a part of what we have. But until we have experienced freedom in the area of money, we will *never* experience God's total plan for our lives.

To dispel some of the "religious folklore" that exists concerning money, let's look at several common myths and then consider what attitude God wants us to have.

● **Folklore suggests that poverty is next to spirituality.** Wrong! There is no inherent virtue in poverty. There are dishonest poor just as there are dishonest rich. Look through Scripture. God never impoverished anyone *because* of spirituality. Even in Job's case, God allowed his wealth to be removed as a testimony to Him. When Job stood true to God, He returned Job's wealth twofold. God never once relates spirituality to poverty. Therefore, there is no way Christians can attain spirituality by impoverishing themselves or their families.

God condemns the *misuse* or the *preoccupation* with money, not the money itself. In Scripture, God lists the production of money as a spiritual gift. Romans 12:5-8 *(continued on page 99)*

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"FOR GOD HAS NOT GIVEN US THE SPIRIT OF FEAR BUT OF POWER, AND OF LOVE, AND OF A SOUND MIND."

EDITORIAL

Are You Making Acceptable Sacrifices, Well-Pleasing to God?

Another anniversary has arrived! We're now at 35 years and counting since Larry Burkett challenged me with an idea for a monthly financial publication—one that would build on the biblical principles he taught and would make specific and appropriate investment recommendations without conflicts of interest or ulterior motives.

Larry was God's provision for the early difficult days of SMI. He extended grace to me. Asking nothing in return, his mentoring, encouragement, and public support during the early 1990s allowed us to survive a slow, underfunded start, and his ongoing friendship enabled SMI to grow and flourish. Without Larry, there would have been no SMI.

A lot has changed around here since July 1990 when I ordered a printing of 500 copies of our first issue. For one thing, we have about 6,000 or so members rather than a list of a few hundred friends pulled together from my Rolodex! I now have a crew of teammates who help support our website, our radio appearances, and our mutual-fund and ETF partnerships (rather than just one loyal and long-suffering secretary).

One thing that hasn't changed, though, is the motivation behind our work. It's not, and never has been, because I've always wanted to be a teacher or even because I particularly enjoy the process of helping Christians strengthen their financial foundations.

No, stronger financial foundations mean little to me if they're not accompanied by increased generosity on your part. What motivates me (and our entire team) is a driving desire to see our wonderful God glorified as the message of salvation in His Son is carried around the world to people He loves, people who are lost without Him. And that, more often than not, requires money. *That's* why I want you to have more—so you can give more.

I admit it. I dream big dreams for you in this area, that you will excel in the grace of giving.[1]

- I want you to give more this year than you gave last year, and more next year than you gave this year, and still more the year after that.[2]
- I want you to reap a generous harvest.[3]
- I want you to bring joy to the Father's heart, because He just loves a cheerful giver.[4]
- I want you to experience what it's like to receive God's abundant provision as you give in good measure.[5]
- I want you to demonstrate your faithfulness as you earnestly seek to prove the sincerity of your love.[6]
- I want others to praise and glorify God because of your obedience in giving.[7]
- I want you to make acceptable sacrifices that are well-pleasing to God.[8]
- I want you to give in full proportion to your ability. For many, the tithe is a good place to start but a poor place to stop.[9]
- I want you to know what it's like to see God supply all your needs out of His glorious riches in Christ Jesus.[10]
- I want you to move on toward greater spiritual usefulness by proving yourself faithful in the small things.[11]
- I want your giving to convincingly testify to your belief that God is the owner of everything.[12]
- I want you to be able to gladly lay aside earthly wealth because you have God as your treasure.[13]
- I want you to be loved and prayed for all the more.[14]
- I want you to be Christ-like in making sacrifices so that others might become spiritually rich.[15]
- I want you to have the satisfaction of being singled out as a good example to others.[16]
- I want you to have a sense of urgency about making the most of your opportunities because life is fleeting and you don't know what tomorrow holds.[17]
- I want you to learn and enjoy the secret of contentment.[18]
- I want you to gladly count everything a loss compared to the priceless gain of knowing Christ, our Lord.[19]
- I want you to earn treasures in heaven where you will value them forevermore.[20]

I want all these wonderful things for you. And really, don't you want them, too?

The articles in this anniversary issue have been selected with a desire to encourage and spur you on to love and good deeds.[21] May the Father richly reward your faithfulness as you pursue the grace of giving.

Austin

AUSTIN PRYOR
FOUNDER/PUBLISHER

NECESSARY CAUTIONS
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[1] 2 Cor 8:7 [2] 2 Cor 9:6,8 [3] 2 Cor 9:6 [4] 2 Cor 9:7 [5] Luke 6:38 [6] 1 Cor 4:2, 2 Cor 8:7-8 [7] 2 Cor 9:11-13 [8] Phil 4:18, Heb 13:16 [9] 2 Cor 8:11 [10] Phil 4:19 [11] Luke 16:11 [12] Psalm 24:1-2 [13] Psalm 63:1,3,8 [14] 2 Cor 9:14 [15] 2 Cor 8:9 [16] 2 Cor 8:1-3 [17] John 9:4, Jas 4:14 [18] Ecc 5:10 [19] Phil 3:8 [20] Matt 6:19-20 [21] Heb 10:24

God's Will for Your Finances

(continued from front page)

describes the gift of giving. Obviously, if there is a gift of giving, there must be a gift of gathering, as it is impossible to give otherwise. In every scriptural reference, God promises that as we give, so it will be given back to us.

- **Money brings happiness is another myth.** There is no relationship between money and happiness. "Instruct those who are rich in this present world not to be conceited or to fix their hope on the uncertainty of riches, but on God, who richly supplies us with all things to enjoy" (1 Timothy 6:17). If riches could bring happiness, then the wealthy of the earth ought to be the most content. Instead, they have anxieties over what they are going to do with their money, how they are going to leave it to their children, and what effect it will have. And few children are appreciative of the large amounts of wealth their families leave them. Most, having grown up in affluence, see the devastating effect that an excess of money used unwisely can have on a family.
- **To be wealthy is a sin.** This is false too. Having money is *not* a sin. As a matter of fact, many times when God finds someone with the proper attitude, He blesses them with great riches. When God bestowed riches on Abraham, it was not His intention to corrupt what would become the nation of Israel. And when Solomon prayed for wisdom to be able to manage the people of Israel, God responded by granting him wisdom *and* great wealth. Psalm 8:6 says, "Thou dost make him to rule over the works of Thy hands." This is God's stewardship to us over *everything* on earth.
- **Money is the root of all evil.** Many people believe this comes from Scripture. They say, "I don't know exactly where, but the Bible says that money is the root of all evil." That is not what the Bible says at all. Paul points out in 1 Timothy 6:10, "For the *love* of money is a root of all sorts of evil, and some by longing for it have wandered away from the faith, and pierced themselves with many a pang." This is God's perspective; the *love* of money is the root of all sorts of evil.

Christ relates this attitude to the rich young ruler. He came before Jesus and asked Him, "Good Teacher what shall I do to inherit eternal life?" and Jesus said to him, "Why do you call Me good? No one is good—except God alone. You know the commandments, 'Do not commit adultery, Do not murder; Do not steal, Do not bear false witness, Honor your father and mother.' And he said, 'All these things I have kept from my youth.' And when Jesus heard this, He said to him, 'One thing you still lack; sell all that you possess, and distribute it to the poor, and you shall have treasure in heaven; and come, follow Me'" (Luke 18:18-22).

That young man turned sadly and went away, for he was very rich. And Jesus said, "How hard it is for those who are wealthy to enter the kingdom of God!" (Luke 18:24). Why? Christ knew that *inside* this man loved his money. He had kept all the external commandments, but he could not keep that internal *attitude* straight. Because of this, Jesus asked him to sell what he had and follow Him. He refused to do so; yet, we can be sure that, in death, he surrendered what in life he could not.

Attitude is always God's concern. Christ's statement dealing with the rich young ruler was based on that man's attitude, his motivation, and the purpose behind his money.

How is God's will expressed in finances?

The key to realizing God's will in the area of finances is a proper understanding of stewardship. Unfortunately, this term has been so misused that today most people think of stewardship only in terms of Christian fund-raising activities. As defined earlier, a steward is one who manages another's property. We are merely stewards of God's property while we are on this earth, and God can choose to entrust us with as much or as little as He desires. But in no case do we ever actually take *ownership*. When we try to do so, we are depending either on what Satan can supply or what we can achieve through our own self-will.

Once we accept our role as stewards and manage God's resources according to His direction, He will entrust more and more to us. But why would God entrust property to those He knows will hoard it and to those who feel they are owners?

God will not force His will on us. A verse that relates specifically to God's attitude is Proverbs 28:26, "He who trusts in his own heart is a fool, but he who walks wisely will be delivered." God is looking over the entire earth for men and women who have the proper attitude toward money and who will use it according to His direction and not according to their own interests.

Every parable that Jesus Christ left us about money tells us many things about the attitude He desires for us. The parable of the talents is rich in wisdom (Matthew 25:14-30, summarized below):

The master was going on a trip, and he called in three of his servants, telling them, "I'm taking a long trip and entrusting to you money to use on my behalf." To the first he gave five talents, to the second he gave two talents, and to the third he gave one, each according to his own ability. (Note that he didn't give each the same; he gave them according to the physical, worldly ability they possessed.)

Immediately, upon the master's leaving, the first took the five talents, invested them, and promptly earned five more. The second, who had the two talents, took them out and invested them and promptly earned two more. But the one to whom one talent had been entrusted, knowing that his master was a harsh man, wrapped it in a handkerchief and buried it in the ground.

Later, the master returned and called for his three servants. He spoke to the first saying, "How did you fare?" The first said, "I've done well, Master; I've taken your five and gotten five more talents with them." His master then replied, "Well done! You were good and faithful with the few things I put you in charge of, and you have entered into my great joy." Then the one who had the two came up and said, "Master, you gave me two, and I've gained two more with them." The master said, "Very good. You are faithful also. I'll put you in charge of many things!"

And the one who had received the one talent came to the master and told him, "Master, I knew you to be a hard man, reaping where you did not sow and gathering where you scattered no seed. I was afraid and I went away and hid your talent in the ground. Here, I'll return it to you!" But his master told him, "You are a wicked and lazy slave. You knew that I would reap where I did not sow and gather where I scattered no seed. You should have put my money in the bank and at least earned interest on it!" He told those around him, "Take the talent from the one who has invested poorly and give it to the one who had five. Because to everyone who has shall more be given, and he shall have abundance. But from the one who does not have, even what he does have will be taken away, and cast him out into the darkness."

This parable is *prophetic* in nature. It is given in Matthew 25, a chapter that deals with the Second Coming of Christ. It reveals many things. Among them:

1. God will entrust to us that which is within our own ability and not beyond it.
2. God is the owner and has the right to recover what He has given us to manage.
3. God thoroughly disapproves of slothfulness on our part and expects multiplication of the assets He leaves us, not simply maintenance of them. That multiplication is to be achieved according to ability.

God expects those who have the ability to invest to do so, but He also expects the return of what is given. This involves *wisdom* in finances—another key to understanding God's plan.

How can we seek the Lord's wisdom in our finances? God says that if we pray anything in His will, believing, it shall be given to us. But God's will and His ways do not always coincide with ours. So when we turn our finances over to God, we must also be willing to accept His direction.

It is wrong to go our own way and then expect Him to bail us out when we run into trouble. Christians who do this regularly have not accepted that God's wisdom is superior to theirs.

How God works through our finances

● **God will use money to strengthen our trust in Him.** It is often through money that God can clearly and objectively show us that He is God and in control of everything. Matthew 6:32-33: "For all these things the Gentiles eagerly seek; for your heavenly Father knows that you need all these things. But seek first His kingdom and His righteousness; and all these things shall be added to you." This principle establishes that God will use money to strengthen our trust if we will just accept our positions as stewards and turn it over to Him.

● **God will use money to develop our trustworthiness.** This principle is important because our lives revolve around the making, spending, saving, and other uses of money. Luke 16:11 states: "If therefore you have not been faithful in the use of unrighteous mammon, who will entrust the true riches to you?"

● **God will use money to prove His love.** Many Christians remain outside God's will because they are afraid to yield their lives and their resources to Him. Matthew 7:11 has the answer: "If you then, being evil, know how to give good gifts to your children, how much more shall your Father who is in heaven give what is good to those who ask Him!" By this Scripture, we can see God assumes the responsibility of providing the basic necessities for everyone trusting Him.

● **God will use money to demonstrate His power over this world.** Too often we forget that we worship the creator of the universe. We think of God in human terms and relate to Him as we relate to a human. It is important that we understand God's power and His resources. When God promises us things, He promises them through His Word. And the Bible has in it everything God will ever do for us. As we read it, we begin to understand that God indeed is the owner of everything. He is a multi-zillionaire, He is a multi-universaire, and when He says He can supply things, He can. What God promises in Scripture, He delivers.

He may give small things at first because we are only capable of trusting Him for small things. But as He gives us small things, our confidence begins to grow; and the more our confidence in Him grows, the more He is able to supply. Thus, God can use money to demonstrate His power to us. "For the Scripture says, 'Whoever believes in Him will not be disappointed.' For there is no distinction between Jew and Greek; for the same Lord is Lord of all, abounding in riches for all who call upon Him" (Romans 10:11-12).

● **God will use money to unite Christians through many shared blessings.** "He who gathered much did not have too much, and he who gathered little had no lack" (2 Corinthians 8:15). God will use the abundance of one Christian to supply the needs of another. Later, He may reverse the relationship, as described in 2 Corinthians 8:14: "At this present time your abundance being a supply for their want, that their abundance also may become a supply for your want, that there may be equality." It is important that Christians accept the principle that a surplus of money in our lives, indeed everything that we have, is there for a purpose. For example, God sent Joseph into Egypt specifically to supply the needs of Israel. Had Joseph refused his position of stewardship, God simply would have assigned it to someone else.

● **God uses money to provide direction for our lives.** There is probably no way God can direct our lives faster than through the abundance or lack of money. Too often, we believe God will direct our lives only through an abundance of money, and we keep probing to see where He supplies it. However, through the lack of money, God will steer us down His path just as quickly. "And let us not lose heart in doing good, for in due time we shall reap if we do not grow weary" (Galatians 6:9). We don't give up just because we face some difficulty. God will ultimately provide the direction we are seeking, and one of the primary ways He gives insight into His will is by supplying or withholding money. A Christian seeking God's will must be certain that he has first relinquished control of his life, including his finances, and is truly seeking God's direction.

● **God can use money to satisfy the needs of others.** Christians who hoard money and never plan for their financial lives cannot experience this area of fulfillment. Often I hear Christians say, "How can I give? I only have enough to barely meet my needs now." If we have never learned to give, God can never give back. God cannot be in control as long as we believe we are the owners.

Attitudes of self-control

Let's look at some guides that will clearly define when God is *not* in control; understanding that is just as important as understanding when He is in control.

● **God will never use money in our lives to worry us.** If a Christian is worried, frustrated, and upset about money, God is not in control. God said that wealth without worry is His plan for our lives. "For this reason I say to you, do not be anxious for your life, as to what you shall eat, or what you shall drink; nor for your body, as to what you shall put on. Is not life more than food, and the body more than clothing?" (Matthew 6:25). If we are operating within His plan, God promises to supply food, clothing, and shelter—the needs of life. Believing that, we can concentrate on other things, using the ability God has given us to accomplish the plan He has for our lives.

● **God will never use money in our lives to corrupt us.** Naturally, God would not use money to corrupt us. But many Christians have fallen into Satan's trap and are being corrupted. They fail to realize that *God cannot be in control when they are becoming corrupted.* "For the Lord knows the ways of the righteous, but the way of the wicked will perish" (Psalm 1:6). A Christian whose financial life is characterized by greed, ego, deceit, or any of the many other worldly snares is not God's ally.

● **God will never use money in our lives to build our egos.** Frequently, Christians are trapped by financial ego. Most people cater to the wealthy in our country (Christians included). Read through the book of James. It makes very clear the admonition not to fawn over the wealthy. In Christ, we are all financially equal. The things of this world will quickly pass away. Death will remove all wealth from us. And when we as Christians meet again, there are going to be many surprises. Those who will have the crowns of heaven and are placed in charge of the cities of God will not be those using money to build egos. "And let the rich man glory in his humiliation, because like flowering grass he will pass away. For the sun rises with a scorching wind, and withers the grass; and its flower falls off, and the beauty of its appearance is destroyed; so too the rich man in the midst of his pursuits will fade away" (James 1:10-11).

● **God will not allow Christians to hoard money.** There is a distinct difference between saving and hoarding. The writer of Proverbs 30 said (in paraphrase), "Lord, I ask but two things from You: first, help me to never tell a lie; second, give to me neither riches nor poverty because in my poverty, I might steal, and in my riches I might become content without You!" (see Proverbs 30:8-9). The wealthy have a great responsibility to understand why God gave them money and to avoid hoarding. A Christian *cannot* be within God's will and hoard money. "For he sees that even wise men die; the stupid and the senseless alike perish, and leave their wealth to others. Their inner thought is that their houses are forever, and their dwelling places to all generations; they have called their lands after their own names" (Psalm 49:10-11). That is an important spiritual lesson.

Those who hoard large sums of money to leave to their children or for "security" are fooling themselves. It cannot be done. It is important that Christians understand and believe that. Scripture speaks very strongly about true values: "I advise you to buy from Me gold refined by fire, that you may become rich, and white garments, that you may clothe yourself, and that the shame of your nakedness may not be revealed, and eye salve to anoint your eyes, that you may see" (Revelation 3:18).

Hoarding can evolve into a trap. It is possible to see others in need and ignore them rather than abandon a hoarding plan. Unfortunately, those trapped by hoarding can rationalize their behavior with arguments that contradict God's Word.

● **God will not use money to allow us to satisfy our every whim and desire.** It is important that we begin to adjust to lifestyles compatible with a Christian commitment. That means something less than lavishness. God does not want us to live in poverty; we have discovered that there is nothing inherently spiritual in poverty. Neither is there any sin in wealth. However, God does not desire for a Christian to live in worldly lavishness while His work needs money and other Christians go without food and clothing. So, while we can live well—and in this country we live very well—it is important that there be a difference in our commitment as compared to that of the nonbeliever.

What kind of commitment is it to be? It must be one for *you* personally, brought on by a conviction of the Holy Spirit. But you must ask yourself, "Is there a difference between my lifestyle and the nonbeliever's?" If not, seek God's direction. First Timothy 6:6-8 says, "But godliness actually is a means of great gain, when accompanied by contentment. For we have brought nothing into the world, so we cannot take anything out of it either. And if we have food and covering, with these we shall be content."

God does not supply money to satisfy our every whim and desire. His promise is to meet our needs and provide an abundance so that we can help other people. It is when we accept this principle that God will multiply our abundance as well.

Application

Just as Christians cannot experience the fullness of the Holy Spirit until they surrender ownership of their lives to Christ, so too they cannot experience freedom and peace in the area of finances until they surrender control of this area to God and accept their position as stewards.

They also must *listen to Him*—through Scripture and through prayer—and *apply* what He says. A Christian who does not surrender to the Lord and never asks for God's direction about his or her finances will never get an answer. ◆

To find out more about Larry Burkett's role in the founding of SMI, visit soundmindinvesting.com/about#our-story.

LEVEL 1 ONE

Strengthening Your Foundation

Wise money management begins with a strong financial foundation. In this column, we cover topics such as how to manage cash flow, apply strategies for getting debt-free, make wise purchasing decisions, build savings, choose appropriate insurance protection, navigate marital financial issues, and many more.

"By wisdom a house is built, and through understanding it is established." Proverbs 24:3

BUILDING GENEROSITY INTO YOUR MONTHLY BUDGET

by Jason Topp[1]

Imagine you are out to eat with your family and you strike up a conversation with the server. You learn she is a single mom with three kids and works two jobs to make ends meet. After her children go to bed, she spends several hours taking online classes in hopes of getting a college degree and moving forward in life.

Your heart goes out to her, all the more so when you discover she is a fellow believer. She seems happy and energetic, yet underneath the smiles, you sense a deep longing for things to be different. She tells you that she's working hard to create a better life for herself and her children. You can only imagine how difficult it must be to juggle the demands of employers, children, and professors.

You would love to help in some way, but you feel like you can't afford to. You leave the restaurant with an empty feeling in your heart and you hope she "makes it." After you get in the car, you turn to your spouse and remember the words of James 2:15-16:

Suppose a brother or a sister is without clothes and daily food. If one of you says to them, "Go in peace; keep warm and well fed," but does nothing about their physical needs, what good is it?

Conviction sets in. You decide it's time for a change. You imagine how exciting it would be if you had an extra $25, $50, or even $100 a month set aside specifically for times like this. You picture yourself plopping down an extra-large tip with a note that says, "We're praying for you!"

But how can you increase your ability to give without hurting your own financial situation? After all, you don't want to do anything financially foolish, like going deeper into debt or taking an early IRA withdrawal. The answer lies in *building generosity into your budget*.

Designing your giving plan

Before adding more generosity to your budget, first be sure you decide on an appropriate amount to give to your local church. Budget a specific percentage that you will faithfully give via your local body of believers.

Next, go above and beyond—put additional generosity into your plan. This involves setting aside a monthly amount that allows you to be a direct financial blessing to others. It doesn't have to be a large amount, but this money should be a "non-negotiable"—just as you'd treat your savings or expenses.

The challenge is finding a figure you're comfortable with and sticking to it. (To keep things simple, my wife and I use a *dollar* amount for our generosity money, rather than a percentage of income.)

Finally, agree on the details. I want to emphasize that if you're married (or engaged and beginning to plan a budget together), it's essential to agree on the details of your generosity plan. If you don't, what typically happens is that one person is overly ambitious with giving, while the other gets upset that too much hard-earned money is given to others when it could be used to meet family goals, such as debt reduction or savings.

Here are a few details my wife and I have agreed on:

- **A set amount.** We have decided on a specific dollar amount, and each of us gets the same amount.
- **No hoarding.** Generosity money must be used within that particular month (this keeps us active in looking for opportunities to be generous).
- **Autonomy.** We're not allowed to tell each other whom to give to or what to use the money for. We make our own decisions—and then we have the fun of sharing with each other how the Lord has led us to give.

Benefits of a generosity budget

One benefit we have experienced from building generosity into our budget is that we receive a tremendous amount of joy. It's a great feeling to be able to help someone by giving a gift unexpectedly. Here are other blessings we've enjoyed—and you will too:

- A generosity budget allows you to help others immediately—when they need it—rather than waiting until the end of the month and hoping there is extra money to give.
- It keeps you actively looking for opportunities to assist those in need, thus continually fostering an attitude of personal generosity.
- Implementing your generosity plan is a fun way to store up treasure in heaven. Not all the benefits of giving are enjoyed now. Some will come later!

Ideas for being generous

There are no hard-and-fast rules when it comes to putting your generosity budget into action, so be creative and stay attentive to the needs of those around you. Here are a few examples to get you thinking:

- Leave a card with money inside on the desk of a financially struggling coworker;
- Buy grocery gift cards for a family whose breadwinner has lost a job;
- Give a gift card from a local restaurant to someone experiencing a rough patch in life;
- Buy gas cards for a single parent trying to make ends meet;
- Pay for a babysitter for a single parent, foster family, or a married couple that needs a break;
- Buy birthday cards and presents for women and children in local shelters;
- Purchase Bibles for inmates in your local jail;
- Leave an extra tip for a server you know is struggling with life;
- Mentor an *(continued on page 109)*

[1]Jason Topp is a Private Wealth Advisor and Certified Financial Planner in Merrillville, Ind. He and his wife Jen have three children who keep them busy.

LEVEL 2 TWO

Developing Your Investing Plan

Investing decisions are best made as part of a comprehensive personalized plan. In this column, we focus on topics that will help you implement an investment strategy that takes into account your personal goals, attitude toward risk-taking, and current season of life. We explain investing essentials, discuss SMI's core investing strategies, and help you decide which strategy is best for your situation.

"The plans of the diligent lead to profit as surely as haste leads to poverty." Proverbs 21:5

USING DOLLAR-COST-AVERAGING WITH THE SMI STRATEGIES

Napoleon Hill, acclaimed author of several of the 20th century's top-selling self-help books, offered this advice on productivity: "Plan your work and work your plan." It's good counsel for investors, too, especially those who frequently struggle with uncertainty about the timing and amount of their investments.

Dollar-cost averaging (DCA) is a well-known investing method that helps you put the principle of "plan your work, work your plan" into practice. DCA removes the need for repeated decisions about investment timing and amount. Instead, you decide once on a fixed investment amount and a regular schedule, such as "$600 monthly" or "$400 per paycheck." The key is to choose an amount and interval you can consistently maintain and then follow your predetermined plan.

Dollar-cost-averaging frees you from concerns about buying at the "wrong" time. Because you're investing a constant dollar amount, you naturally acquire more shares when stock prices decline and fewer when they increase. Put another way, your fixed dollar amount will buy more shares at "bargain prices" and fewer shares at what may be considered high prices. (Of course, only when you look back in future years will you know when prices were indeed bargains and when they were expensive!)

DCA and automated investment contributions

To implement dollar-cost averaging effectively, automate the process. This involves setting up recurring transfers from your bank (or paycheck) to your brokerage account. Subsequently, within your brokerage account, establish automatic investment purchases. By integrating automated contributions and automatic purchases, your investing becomes streamlined and consistent, much like recurring contributions/purchases in a workplace retirement plan.

To facilitate systematic investing, many brokerage firms offer "automated investing plans" (AIPs).[1] These plans enable you to authorize your broker to automatically withdraw funds from your bank account (or accept direct payroll deposits) and then invest them in your chosen funds according to a predetermined schedule.

Dollar-cost averaging into a single mutual fund[2] or a portfolio with a consistent fund selection, such as SMI's Just-the-Basics indexing strategy, can be easily automated.

(Note: Not all brokers allow the purchase of exchange-traded funds via automated investing plans. Fidelity and E-Trade do, but Schwab and Firstrade generally permit automated purchases of traditional mutual funds only. Vanguard supports automated investments in both fund types, but it limits ETF purchases to Vanguard-branded funds.)

Using DCA with SMI's active strategies

Because SMI's Fund Upgrading and Dynamic Asset Allocation strategies frequently *alter* their fund lineups, investors using a dollar-cost-averaging approach are presented with a "moving target" that stymies full automation. However, recent changes to these strategies have made incorporating DCA and automated investments simpler.

● **Fund Upgrading.** Not too many years ago, SMI routinely recommended more than a dozen Stock Upgrading funds at a time. Today, things are less complex, with typically only six or seven recommendations. Another substantial simplification occurred in 2024: the inclusion of the FCTE ETF[3] as a semi-permanent holding, representing 50% of the model Stock Upgrading portfolio.

That means Upgraders using a dollar-cost-average can now *fully* automate at least half of their Stock Upgrading contributions, investing directly in FCTE via an automated investing plan (if the broker's AIP policies support ETF purchases). The other half of the DCA investment for Upgrading could be auto-deployed into a sweep account (or "core" position, in Fidelity's case) and then invested "manually" from there. (Another option is to auto-invest the entire Upgrading contribution into FCTE and then sell shares as needed to rebalance into other recommended funds.)

Since Schwab and Firstrade don't allow automated ETF purchases, the most effective dollar-cost averaging approach with these brokers is to direct your entire automated contribution into your sweep account. Then, manually purchase your desired funds once your DCA deposit is available for trading.

There's another important point that typically applies to ETF trading: Most brokers (with Fidelity being a key exception) don't allow fractional-share purchases of exchange-traded funds. That means you likely won't be able to invest your entire dollar-cost averaging contribution into ETFs immediately. At least a portion of your DCA deposit will have to remain uninvested until you have enough additional money to purchase a whole share.

● **Dynamic Asset Allocation.** This Premium-level strategy uses ETFs exclusively, holding four at any given time. One of those four—RAA[4]—is a semi-permanent holding, accounting for half of the model DAA portfolio. Consequently, if your broker allows automated purchases of ETFs, you can now invest half of your DCA deposit for Dynamic Asset Allocation directly into RAA.

The remainder of your DCA money could be auto-deployed to your broker's sweep account (or "core" position) and then used to purchase the DAA strategy's current recommendations. But, again, bear in mind that most brokers don't permit frac- *(continued on page 109)*

[1]Search "automated investing" or "automatic investing" on your broker's website. [2]Such as one of the SMI mutual funds, managed by SMI Advisory Services. SMIAS is a separate business from the SMI newsletter, although the two companies are affiliated. See www.smifund.com. [3]Aug2024:p119 [4]Mar2025:p40

LEVEL 3 THREE

Broadening Your Portfolio

This column goes beyond the investing essentials taught in Level 2, introducing you to a wider range of investment securities and markets. By further diversifying your holdings, you can create a more efficient, less volatile portfolio. We also comment quarterly on the performance of the various markets, and on how SMI's fund recommendations and strategies have fared.

"Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth." Ecclesiastes 11:2

A CLOSER LOOK AT THE "DIVIDENDS ONLY" RETIREMENT-INCOME STRATEGY

Let's compare two retired investors: Dividend Dan and Total Returns Tom. Dan's portfolio consists mostly of dividend-paying stocks. To highlight the wisdom of his approach, Dan points to 2022, when his 500 shares of 3M generated nearly $3,000 of dividend income. It didn't faze him that 3M's share price fell by nearly one-third that year because it didn't decrease his income. In fact, the $3,000 he received was slightly *more* than he received in 2021. Like other so-called "dividend aristocrats," 3M had a long history of annually increasing its dividend payout, come what may in the markets.

On the other hand, the mutual fund-based portfolio of Total Returns Tom is built around an assumption that total returns (which includes the reinvestment of most capital gains, interest, and dividends generated by his holdings) will be sufficient to allow him to periodically sell shares while still growing his portfolio. Selling during the downturn of 2022, however, meant locking in significant losses.

With an example like that, it's easy to see the appeal of dividend investing. However, as with so many things, there's more to it than meets the eye.

Dividend investing 101

Profitable companies have several choices when it comes to their excess cash. Young and/or fast-growing companies often plow the money back into their businesses to fuel expansion or greater efficiency. Established companies with stable earnings and strong margins, but with less need for capital to reinvest in the company or few opportunities for growth, often distribute some of the money to shareholders in the form of dividends. Investors can have dividends automatically reinvested to purchase more shares or take the money as income.

Company dividends are issued as a dollar amount per share, not a percentage of the share price. That's why Dividend Dan did so well in 2022. While his net worth took a hit because the value of his holdings fell, 3M, flush with cash, increased its dividend.

The unique math of dividend investing

Dividend investing is especially popular with a segment of retirees—those adamant about taking only income from their portfolios, never principal. Many such investors think dividend income fits that definition. After all, they don't have to sell shares to receive income.

This is what Samuel Hartzmark, professor of finance at Boston College, calls the "free dividends fallacy"—the belief that dividends are independent from the price of the stock that issued the dividend. He says investors "wrongly view dividends as additional income, rather than a shift of money from the stock price to the dividend."[1]

The fact is that when a dividend is issued, the stock's price declines by the same amount. It's where the term "ex-dividend date" comes from. That's the date, announced in the same news release that tells investors how much the next dividend will be, when a dividend-paying stock will begin trading at a price that is reduced by the amount of the dividend.

Some investors believe dividends are as reliable as the interest paid by bonds, but they aren't. A bond is sold with a promise to repay the full amount at maturity, with interest payments made along the way that do not reduce the value of the bond. As long as the issuer doesn't go bankrupt, that's what will happen.

With a dividend-paying stock, there are no guarantees that its price will ever recover to where it was before the dividend was paid, or that its dividend won't be reduced or even eliminated.

The pros and cons of dividend investing

As with most strategies, dividend investing has pros and cons.

• **Pro: Simplicity.** With dividend investing, you don't have to decide what to sell or when. The income just flows, usually quarterly. In retirement, when there are no more regular paychecks, having a source of consistent portfolio income can do wonders for a person's peace of mind. Although dividends aren't guaranteed, many companies have long histories of not only paying dividends but increasing them.

• **Pro: Taxes.** If you take dividends as income and they are deemed to be "qualified," the tax rate can be far lower than ordinary income-tax rates. In 2025, for example, a married couple with household income between $96,951 and $600,050 would pay just 15% on qualified dividend income vs. 22%-35% for ordinary income. To receive this favorable tax treatment, the stock needs to have been held for 60 days within a 121-day window that begins 60 days before the stock's next ex-dividend date. (A couple with income of $250,000 or more may also be subject to an additional 3.8% "net investment income tax" on their dividend income.)

While many investors see the regular flow of dividend income as a benefit, others prefer more control over when they receive income. They have dividends automatically reinvested and then sell shares on a schedule of their choosing. (Either way, in a taxable account, dividends are taxable in the year they are received.)

• **Con: Risk.** When a dividend-paying stock sports an especially attractive yield, that may be because the company is in distress. Remember, a dividend is set as a dollar amount per share, not a percentage of the share price. A stock that sells for $20 today and that pays a quarterly dividend of $0.15 works out to an annual yield *(continued on page 109)*

[1] bit.ly/4kz9KxQ

LEVEL 4 FOUR

Looking Toward Retirement

As you move through your 50s, 60s, and beyond, you face a new set of financial decisions related to reducing your investment risk and generating income from your portfolio. In this column, we address such topics, as well as those pertaining to Social Security, long-term health care, advanced giving strategies, estate planning, and other matters of importance to those nearing and in retirement.

"There is precious treasure and oil in the dwelling of the wise." Proverbs 21:20a

SETTING A FINANCIAL FINISH LINE

Our consumer culture promotes one overarching goal: More! In countless ways, both subtle and overt, we're told we don't have enough. We need a bigger house, a newer car, a nicer vacation, more money in savings, and on it goes.

In the face of such a messaging onslaught, a small but growing number of Christians are declaring—and encouraging others to declare—they don't need more. They have enough. They describe it as "setting a financial finish line."

Chicago-area financial planner Tim Mohns first heard of the idea 20 years ago through his involvement with Kingdom Advisors,[1] an organization for Christian financial professionals.

"As a Christian, I was used to thinking in terms of, 'How much should I give?' Then I was challenged to flip the question around to, 'How much should I keep?' But it's actually about something bigger than that. It starts with the question, 'Is Jesus really Lord? If so, how do I steward what he has entrusted to me? And more specifically, how much do I keep for myself versus how much should flow through my hands as a conduit of God's love?'"

For Mohns, setting a financial finish line started as a six-month experiment. He was making about $300,000 per year at the time, but was increasingly concerned that his work may be at cross purposes with God. As he helped people achieve *financial* independence, he worried that he might be fostering *spiritual* independence.

Challenged by a friend to join a ministry that would have paid him one-third of what he was making, Mohns and his wife decided to see if they could live on that amount. Ultimately, they sensed God directing him to continue as a financial advisor, but they kept their lifestyle capped at what he would have earned in the ministry.

God's blessings quickly became apparent. In 2008, when the market fell, they weren't forced to live on less; they had already decided to. "I had a huge lack of fear. So, there was a freedom that I would not have known."

Since then, Mohns and his wife have been able to increase the flow of their financial resources toward Kingdom purposes.

A financial finish-line framework

The book, *God and Money,* unpacks the idea of setting a financial finish line in more detail. Authors John Cortines and Gregory Baumer describe their journey of generosity. Both found early career success, meeting at Harvard Business School where they earned MBAs and initially dreamed of million-dollar homes and early retirements. At the time, Cortines even used the online password "Retire_at_40."

They were already committed Christians and in the habit of giving at least 10 percent of their incomes, but a prompting to read the Bible from front to back opened Baumer's eyes to how much God's Word says about money. Then, a class about God and money at Harvard's Divinity School challenged them further, turning their dreams of increasingly comfortable lifestyles into dreams of increasingly generous lives.

A term paper for the class turned into the book, *God and Money*, in which they candidly share many financial details of their lives, including the finish lines they and their wives have established for their families.

While trying to avoid being overly prescriptive, the book provides a framework for establishing finish lines in the areas of lifestyle spending, savings, and net worth. They acknowledge that there are seasons of life and individual circumstances to consider. For many people earning low to moderate incomes, the idea may never be realistic.

But for wealthier people, the authors suggest there comes a point when they objectively have enough. Setting financial finish lines through a thoughtful, prayerful process, and with the help of trusted counselors, could free tremendous resources to be used for ministry work.

An idea whose time has come?

While national studies point to relatively meager giving among Christians (various studies indicate that American Protestants give, on average, about 2-3% of their income), a survey Cortines and Baumer conducted among wealthy believers (median income of $200,000 - $400,000) gives hope for more generous days to come.

Among 200 respondents, a little over 50% reacted positively to the idea of setting lifestyle spending limits, with most placing the value of such a limit at less than $150,000 per year.

As for capping their net worth, 25% said they have already done this or plan to, and more than half said they found the idea intriguing, but had never heard of it or given it much thought. Once a net-worth limit is set, any amounts above that cap would be given toward Kingdom purposes.

Isn't it wise to save?

Even for wealthier Christians, setting a financial finish line may seem unnecessary. After all, where does the Bible talk about this idea?

Mohns says while it isn't tied to a specific verse, the idea comes from a biblical theme about wealth best expressed in 1 Timothy 6:17-19: "We have an opportunity to take hold of the life that's truly life," Mohns said. "That comes from not putting our hope in wealth, but being willing to share."

Still, even in the pursuit of good stewardship, some may wonder whether it makes sense to cap retirement savings. After all, no *(continued on page 109)*

[1] kingdomadvisors.com

SOUND MIND PORTFOLIOS

Basic Strategies

The fund recommendations shown below for Upgrading account holders are based primarily on “momentum” scores calculated just before this issue was published (not the earlier end-of-month scores shown on this page). Consistency of performance is considered as well, along with the fund’s risk level and portfolio manager’s philosophy. Recommendations are made in each of the three risk categories shown. Select the fund(s) most in accord with your preferences and broker availability.

“Plans fail for lack of counsel, but with many advisers they succeed.” Proverbs 15:22

RECOMMENDED FUNDS FOR SMI’S JUST-THE-BASICS STRATEGY

Data through 5/31/2025	Portfolio Invested in	------------ Performance ------------ MOM	YTD	1Mo	3Mo	6Mo	12Mo	3Yr Avg	Relative Risk	Expense Ratio	------ Stock/Bond Mix ------ 100/0	80/20	60/40	40/60	Ticker Symbol
Total International Stock	Foreign stocks	32.0	13.8%	4.7%	8.2%	10.9%	12.9%	9.2%	0.99	0.09%/0.05%	10%	8%	6%	4%	VTIAX/VXUS
Extended Market Index	Small company stocks	-2.4	-3.1%	7.2%	-2.0%	-9.9%	9.5%	9.6%	1.34	0.05%/0.05%	30%	24%	18%	12%	VEXAX/VXF
S&P 500 Index	Large company stocks	11.7	1.1%	6.3%	-0.4%	-1.4%	13.5%	14.4%	1.00	0.04%/0.03%	60%	48%	36%	24%	VFIAX/VOO
Total Bond Market Index	Medium-term bonds	5.8	2.5%	-0.7%	-0.3%	0.7%	5.4%	1.6%	1.00	0.04%/0.03%	None	20%	40%	60%	VBTLX/BND

JUST-THE-BASICS: JtB is a buy-and-hold *indexing* strategy that helps ensure that your returns are in line with those of the overall market. You won’t “beat the market,” but neither will you fall far behind. Depending on your particular stock/bond mix, your JtB portfolio should be allocated across either three or four traditional funds/ETFs (see ticker symbols in rightmost column—performance data above is for traditional funds). JtB requires only once-a-year maintenance. For more, see soundmindinvesting.com/strategies/just-the-basics.

RECOMMENDED FUNDS FOR SMI’S STOCK FUND UPGRADING STRATEGY

For alternative fund options, see footnotes and consult SMI’s monthly *Fund Performance Rankings* report at soundmindinvesting.com/FPR.

Risk	Data through 5/31/2025[1]	Ticker Symbol	% Allo-cated	Date Added	Fidelity Avail[2]	Schwab Avail[2]	E-Trade Avail[2]	Firstrade Avail[2]	MOM[3]	---------------- Performance ---------------- YTD	1Mo	3Mo	6Mo	12Mo	Relative Risk[4]	Exp Ratio	Redemp Fee?[5]
Situational	☎ USCF SummerHaven Dyn Cmdty	SDCI	10%	07/25	ETF	ETF	ETF	ETF	21.9	5.7%	1.4%	1.4%	7.5%	13.0%	0.73	0.60%	None
Situational	First Trust STOXX Eur Sel Div	FDD	10%	05/25	ETF	ETF	ETF	ETF	82.5	35.7%	6.1%	19.4%	33.8%	29.4%	1.22	0.59%	None
Situational	Cambria Global Value	GVAL	10%	04/25	ETF	ETF	ETF	ETF	59.3	26.1%	2.8%	12.2%	24.9%	22.2%	1.02	0.64%	None
Small Company	Aegis Value	AVALX	10%	04/25	Yes	Yes	NTF	NTF	59.9	24.5%	10.8%	20.0%	17.2%	22.7%	1.39	1.45%	None
Large Company	Morgan Stanley Inst Growth A[6]	MSEGX	10%	06/25	NTF	NTF	NTF	NTF	86.2	11.1%	14.4%	9.0%	6.8%	70.5%	1.99	0.87%	None
Large Company	SMI 3Fourteen Full-Cycle Trend	FCTE[7]	50%	08/24	ETF	ETF	ETF	ETF	N/A	1.5%	3.9%	-0.4%	-2.9%	N/A	N/A	0.85%	None

Footnotes: [1] Upgrading recommendations are based primarily on unpublished momentum data current through late June, rather than on the end-of-May momentum scores shown on this page. A telephone symbol (☎) signals a change in recommendation. **[2] Fund Availability:** NTF (no transaction fee) means the fund can be bought and sold without paying a transaction fee if you stay within the trading limitations imposed by Fidelity (800-343-3548), Schwab (800-435-4000), E-Trade (800-387-2331), or Firstrade (800-869-8800). Policies may change so verify accuracy. “Yes” means the fund is available for purchase but carries a transaction fee or load. ETFs (exchange-traded funds) are available at all brokers and typically carry no transaction fee if bought/sold online. See bit.ly/ETF-orders for details about trading ETFs. **[3] Momentum** is SMI’s primary performance-evaluation tool. It is a measure of a fund’s performance over the past year. See bit.ly/SMI-momentum. **[4]** A 1.00 relative-risk score indicates the fund has had the same volatility as the market in general over the past three years. A score of 1.40 means the fund was 1.4 times (40%) more volatile than the market. See Nov2020:p167. **[5]** Depending on how long you hold a fund, a redemption fee may apply when selling (e.g., a fee of 1% if you sell within 60 days of purchase). Fees may change and can vary by broker. Check with your broker for current information. **[6]** This is normally a “load” fund (i.e., it charges a sales commission). *Purchase only if available load-waived at your broker.* **[7]** For more on FCTE, see the August 2024 SMI cover article and Aug2024:p119. Longer-term performance data for this relatively new ETF isn’t yet available.

RECOMMENDED FUNDS FOR SMI’S BOND FUND UPGRADING STRATEGY

Data through 5/31/2025[1]	Ticker Symbol	% Allo-cated	Date Added	Fidelity Avail[2]	Schwab Avail[2]	E-Trade Avail[2]	Firstrade Avail[2]	MOM[3]	--------------- Performance --------------- YTD	1Mo	3Mo	6Mo	12Mo	Duration[8]	Exp Ratio	Redemp Fee?[5]
Invesco BulletShares 2025[9]	BSCP	50%	05/24	ETF	ETF	ETF	ETF	8.7	1.9%	0.3%	1.0%	2.3%	5.4%	0.2	0.10%	None
Permanent: Vanguard I-T Bond	BIV[10]	25%	Perm	ETF	ETF	ETF	ETF	9.4	3.6%	-0.5%	0.7%	1.9%	6.7%	6.1	0.03%	None
Permanent: Vanguard S-T Bond	BSV[11]	25%	Perm	ETF	ETF	ETF	ETF	10.1	2.7%	-0.2%	1.2%	2.6%	6.3%	2.6	0.03%	None

Footnotes: [8] Duration: This column shows the average duration (in years) of the bonds in the portfolio. Typically, the longer the duration, the greater the risk/reward. To learn more, see Nov2023:p167. **[9] Rotating Fund:** This bond recommendation changes periodically based on SMI’s Upgrading methodology. The Intermediate-Term (I-T) and Short-Term (S-T) index recommendations (shown below the rotating fund) are fixed allocations and don’t change periodically. See bit.ly/bond-upgrading for more information. **[10]** Investors preferring a traditional mutual fund option can invest via Vanguard’s VBILX. **[11]** Investors preferring a traditional mutual fund option can use Vanguard’s VBIRX.

☎ The new fund recommendation is explained in the MoneyTalk column on page 108.

Upgrading: Easy as 1-2-3

Fund Upgrading has long been SMI's most popular Basic Strategy. Whether used in isolation or in combination with SMI's Premium Strategies, Upgrading forms a solid foundation for an investing plan. Upgrading has proven itself over time and is easy to implement. This page explains how to set up your own Upgrading portfolio.

"If you have not been trustworthy in handling worldly wealth, who will trust you with true riches?" Luke 16:11

WHY UPGRADE?

SMI subscribers with a Basic-level membership have access to two investing strategies. These strategies differ in philosophy and the amount of attention required.

Our preferred strategy is **Fund Upgrading.** It's based on the idea that if you are willing to monitor your mutual-fund holdings regularly and replace laggards periodically, you can improve your returns. While Upgrading is relatively low-maintenance, it does require checking your holdings each month and replacing funds occasionally. (If you don't wish to do this yourself, a professionally managed version of Upgrading is available—learn more at bit.ly/smifx.)

As an alternative to Upgrading, we offer **Just-the-Basics** (JtB), a strategy based on investing via index funds. JtB requires attention only once a year. The JtB strategy is helpful to SMI members whose workplace retirement plans lack a sufficient number of fund options to make successful Upgrading possible. On the Basic Strategies page at left, see the top section for the funds and percentage allocations we recommend for JtB.

Past returns for both Upgrading and Just-the-Basics are shown on the back page of this issue.

A BROKERAGE ACCOUNT

Opening an account with a discount broker offering a large selection of no-load funds simplifies the Upgrading process. Having such an account allows you to easily buy/sell no-load mutual fund shares without having to open separate accounts at various fund organizations. We recommend reading our latest Broker Review (Oct2023:Cover, also available online at bit.ly/smi-broker) for the pros and cons of each broker. Your specific investing needs will dictate which broker is best suited to your situation.

401(K) INVESTORS

For an explanation of how to Upgrade within a 401(k) plan, see bit.ly/smi401ktracker. That article also contains ideas on Upgrading in any account in which available fund choices are limited.

HOW TO BEGIN UPGRADING

❶ Determine your stock/bond target allocation by working through the investment temperament quiz online in the "Start Here" section of the SMI website at soundmindinvesting.com. (Look for the "Start Here" link on the main navigation bar near the top of the page). Table 1 in the center column at left provides guidelines for those with an "Explorer" temperament.

❷ Using Table 2, find the column that matches your suggested stock/bond allocation. For example, an investor whose stock/bond allocation is 80% stocks/20% bonds would use the percentages shown in the second column. (If your allocation target falls between two listed columns, split the difference.)

For each of the recommended stock funds and, if applicable, each of the three recommended bond funds, calculate the dollar amount to invest in each fund.[1] Simply multiply the percentage shown for each fund by the overall number of dollars you have to invest.[2]

❸ Now, it's time to buy your funds. Look at the fund recommendations on the opposite page. For each category—Situational, Small Company, Large Company, and (if applicable) Bonds—invest in the funds shown. If a recommended fund isn't available via your broker, find an alternative fund from the same category by using SMI's monthly *Fund Performance Rankings* report (bit.ly/smi-fpr).

Once you've made your fund investments and your portfolio is in place, check the Basic Strategies page each month for any new recommendations. When an owned fund is dropped as a recommendation, sell it and invest in a newly recommended fund.

❶ PICK YOUR ALLOCATION

Seasons of Life	Stocks	Bonds
15+ years until retirement	100%	0%
10-15 years until retirement	80%	20%
5-10 years until retirement	70%	30%
5 years or less until retirement	60%	40%
Early retirement years	50%	50%
Later retirement years	30%	70%

Note: These are SMI's Seasons-of-Life recommendations for an investor with an "Explorer" temperament. See Step ❶ in the text for information on our investment temperament quiz. You may want to fine-tune the above percentages to suit your personal approach to risk-taking.

❷ FIND YOUR PORTFOLIO MIX

Portion of Portfolio Allocated to Stocks:	100%	80%	60%	40%
Portion of Portfolio Allocated to Bonds:	**None**	**20%**	**40%**	**60%**
Stock: Situational Fund	10%	8%	6%	4%
Stock: Situational Fund	10%	8%	6%	4%
Stock: Situational Fund	10%	8%	6%	4%
Stock: Small-Company / Active Fund	10%	8%	6%	4%
Stock: Large-Company / Active Fund	10%	8%	6%	4%
Stock: Large-Company / FCTE ETF*	50%	40%	30%	20%
Bond: "Rotating" Bond Fund	None	10%	20%	30%
Bond: Intermediate-Term Bond Fund	None	5%	10%	15%
Bond: Short-Term Bond Fund	None	5%	10%	15%

*See August 2024 cover article and Aug2024:p119.

❸ BUY YOUR FUNDS

Using the dollar amounts calculated for each row in Table 2, invest in the corresponding funds listed in the Fund Upgrading section of the Basic Strategies page.

To purchase a fund, log in to your brokerage account. Click the word "Trade" or "Invest" (account interfaces vary by broker), then choose the type of fund you wish to buy. Some SMI recommendations are traditional mutual funds while others are exchange-traded funds (ETFs).

Enter the fund's ticker symbol along with the dollar amount of your investment. If purchasing an ETF, you may have to convert the dollar amount to "number of shares" using your broker's online calculator.

Review your order and complete your purchase. Trades of traditional mutual funds will be filled after the market closes for the day. ETF trades, if using a "market order," typically will execute right away. For more on ETF order types, see Dec2020:p184.

MORE ON BOND UPGRADING

Your bond allocation (if any) is divided among three funds, as seen in Table 2. One-half of the bond allocation is invested in a "rotating" Upgrading selection, which is reviewed monthly and changes from time to time. The other half is divided evenly between two permanent holdings: a short-term bond fund and an intermediate-term bond fund (both are index funds).

For more on why SMI approaches bond investing this way, see "Introducing an Upgrading Approach to Bond Investing that Outperforms the Bond Market" (bit.ly/smibondupgrading). ◆

[1]During extended periods of market weakness, stock Upgrading may recommend holding cash (via a money-market fund or cash-like bond fund). [2]Use SMI's Fund Upgrading Calculator at bit.ly/fund-upgrading-calc. Rounding to the nearest $100 for each fund is fine.

MONEYTALK

STOCK UPGRADING — NEW FUND RECOMMENDATION

[Stock Upgrading is a strategy involving owning traditional mutual funds and ETFs exhibiting strong recent momentum. As momentum fades, holdings are replaced. The simplest method of selecting funds is to buy those recommended on the "Basic Strategies" page.]

Investors continued to push stock prices higher in June following April's sharp "Liberation Day" correction, apparently expecting that the July 9 conclusion of President Trump's 90-day tariff grace period won't upset the market apple cart again. For now, modestly slowing economic data has yet to dent employment in any significant way, meaning new 401(k) contributions keep flowing into stocks while the softer data boosts the likelihood of eventual Fed rate cuts, which the stock market normally appreciates.

Given the strength of the recent equity rally, it's a bit surprising that Stock Upgrading is replacing a stock fund with commodities this month. But the specific circumstances of the fund being replaced are such that it makes sense.

◆ **In the Small Company Group, sell Kinetics Market Opportunities (KMKNX, 3/2025).** This is an unusual small-company growth fund. That has pros and cons, both of which we've witnessed during the brief time Stock Upgrading has owned it. As we noted when we recommended it at the end of February, it is highly concentrated, with over 40% of the fund allocated to a specific and unique energy stock (TPL). While we don't prefer such concentration, the fund's setup and performance seemed to make it worth the risk.

For a while, that was indeed the case. From our purchase in late February until May 19, KMKNX outperformed the Russell 2000 Index (IWM) by a +3.1% to -2.4% margin. This despite the fact that when we bought the fund, we had warned, "To be blunt, if February's decline was just the start of a deeper market correction ahead, it's unlikely this recommendation is going to perform well." It turns out February *was* the start of a deeper correction, but KMKNX held up just fine through the worst of the market decline.

Unfortunately, *since* May 19, KMKNX has been in a tailspin, losing -10.2% while the Russell 2000 Index has gained +2.9%. The fund's largest holding missed its earnings target in early May, and the price of oil fell dramatically from April 2–May 5. So the stock's significant decline makes sense generally, even if it happened on a delay.

We are selling KMKNX with a -7.5% loss (through June 24), a disappointing result given the small company index was roughly flat (+0.4%) over the four months since our purchase. That poor recent performance, particularly over the past several weeks since May 19, makes the opportunity to shift to a stronger commodities trend appealing.

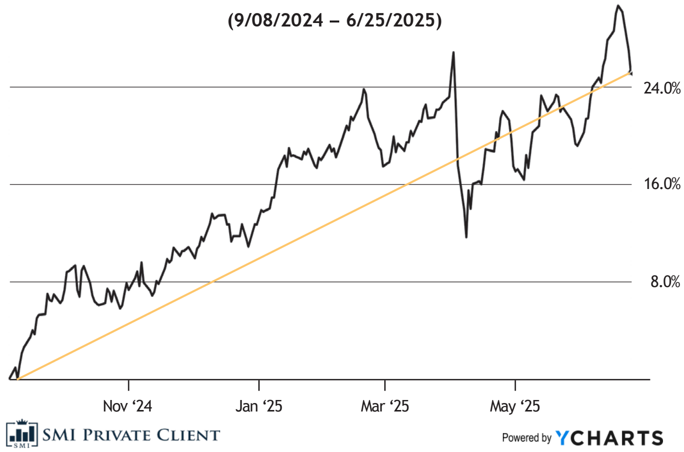
● **USCF SummerHaven Dynamic Commodity ETF (SDCI) is being added to the Situational Group.**[1] SMI readers may remember that we started paying much closer attention to commodities in 2020. That was a good decision, as the ETF being recommended this month (SDCI) has outperformed the S&P 500 Index's total return by a +135.3% to +73.5% margin since we formally added commodities to the Stock Upgrading strategy at the beginning of 2021. In addition to stronger absolute returns, diversifying into commodities has helped smooth the portfolio's overall performance trajectory, particularly during 2022 when stocks fell sharply while commodities posted strong gains.

When SMI introduced commodities to Stock Upgrading, we did so using an independent commodities timing process. The group is prone to booms and busts, and there are specific times we don't want to own them, even though we may be optimistic about their longer-term prospects.

This process has generally provided solid guidance, which has been on display so far in 2025. At the end of January, despite the broad stock market approaching its February all-time high, Stock Upgrading had us sell the small-growth index (IWO) and replace it with commodities (SDCI). That turned out to be an excellent move, as SDCI would gain +1.4% over the following three months while IWO fell sharply (-13.8%). Then, at the end of April, our process gave us a commodities sell signal, replacing SDCI with a Foreign ETF (FDD). Since that switch, SDCI has gained +4.4%, but FDD has gained more at +7.3%.

Now, despite the oil price's sharp retracement lower this week following the end of the Iran war, we're responding to another commodities buy signal and adding SDCI back to the Stock Upgrading lineup. Oil is the big dog in the commodities index, but it's not the *only* factor, and the active approach used by SDCI (as opposed to passive commodity indexes like former commodity recommendation PDBC), has really shined over the past three years as oil has largely flatlined while other commodities have continued to climb.

COMMODITIES TRENDING HIGHER OVER PAST 9 MONTHS
(9/08/2024 – 6/25/2025)



As the nearby chart shows, oil's big April price drop, followed by the June surge and subsequent decline, have certainly influenced SDCI's recent performance. But the longer-term trend has clearly been higher since last September. In fact, while oil is back within 4% of its September price, SDCI is up an impressive +25% since Sept. 8. Given that it's impossible to predict how oil's price path will unfold from here, that's reassuring. ◆

[1]For more on this fund, visit www.morningstar.com.

MONEYTALK

LEVEL 1 / CONTINUED FROM PAGE 102

BUILDING GENEROSITY INTO YOUR MONTHLY BUDGET

underprivileged young person in your church or community and use your generosity money for occasional splurges;

- Buy food (or gift cards to restaurants) for the homeless in your community;
- Support local charities that are making a positive impact.

Now it's your turn. Go and be generous! ◆

LEVEL 2 / CONTINUED FROM PAGE 103

USING DOLLAR-COST-AVERAGING WITH THE SMI STRATEGIES

tional-share purchases of ETFs.

- **Sector Rotation:** SR utilizes only one fund at a time. However, given that fund recommendation changes occasionally, it's advisable to make DCA contributions intended for Sector Rotation into your brokerage sweep account instead of trying to automate SR investments fully. Once your DCA contribution is available for trading, you can then execute your SR purchases.

Conclusion

There's no single "right" way to employ DCA—the timing and amount are up to you. Furthermore, what works in your situation, especially when using DCA in conjunction with SMI strategies, will depend on the options available through your broker's automated investing plans.

Discover what's available, then select a method that enables regular investing with minimal complications. ◆

LEVEL 3 / CONTINUED FROM PAGE 104

A CLOSER LOOK AT THE "DIVIDENDS ONLY" RETIREMENT-INCOME STRATEGY

of 3%. A year from now, if the stock has fallen to $12, its yield will rise to 5%, assuming the dividend amount stays the same. But the higher yield (caused by the lower price) likely doesn't signal a more attractive stock.

The fact that many companies continue paying dividends through market declines may tempt some investors to pay too little attention to the share price, figuring the dividend income will continue no matter what. But it doesn't always work that way. Some companies, even with long histories of paying dividends, have reduced or eliminated them.

Take GM, for example. After decades of issuing dividend distributions, the automaker ran into trouble in the lead-up to the Great Financial Crisis. Its stock price fell from over $60 in early 2003 to under $20 three years later. For a while, the company maintained its dividend, which made its yield look especially appealing. However, the company slashed its dividend in half in 2006, eliminated it altogether in 2008, and went bankrupt in 2009. (After emerging from bankruptcy, the company reinstated its dividend in 2022. Its yield, as of this writing, is about 1.25%.) There are other cautionary tales out there as well, such as Enron and GE.

By the time your dividend income from a particular stock is reduced or eliminated, the value of your investment likely will have declined to the point that you could not sell it and buy another that would fully replace your former income.

- **Con: Conservatism.** Taking a dividends-only approach to retirement income means counting on dividend increases that will outpace inflation. That may not happen. In 2024, for example, 3M reduced its dividend, eliminating the company's status as a dividend aristocrat.

Especially during a bull market, a dividends-only plan could leave an investor living on an unnecessarily low income even as his or her portfolio grows substantially. If leaving a large inheritance or bequest is one of your financial goals, there's certainly nothing wrong with that approach. Just understand the trade-off you're making.

The bottom line

Given some of the advantages of dividend income described earlier, it would be understandable if an SMI member wanted to diversify retirement income streams by holding a portion of a portfolio in dividend-paying stocks. However, we believe most SMI retirees are better off taking a "total returns" approach with most or all of their portfolio, periodically selling shares to generate needed income.

A blended-strategy portfolio[1] that uses Dynamic Asset Allocation and Fund Upgrading, with perhaps a small allocation to Sector Rotation, provides objective buying and selling guidance and should prove better able to outpace inflation while also offering healthy downside protection. Pairing that approach with "the bucket strategy," where two to three years' worth of living expenses are kept liquid, provides further protection, helping prevent you from having to sell shares during a falling market.[2] ◆

LEVEL 4 / CONTINUED FROM PAGE 105

SETTING A FINANCIAL FINISH LINE

one knows what their medical or long-term care costs might turn out to be—or the cost of living, or the performance of the market, or…

Wouldn't it be better to err on the side of having more than you really need and leave the excess to charity upon your death rather than run the risk of not having enough while you're still alive?

"If God doesn't exist, that makes all the sense in the world," Mohns replied. "But think about this: If you trust that your faith in Jesus is good enough for all eternity, can't you take God at his word when he says if you seek him first everything else will be taken care of?"

More, indeed

At first glance, it may seem that setting a financial finish line is a tangible way of rejecting the quest for more. But Mohns says that's not quite right. He's highly motivated by the pursuit of more—just a different type.

"I've seen firsthand that the cultural definition of 'more' does not deliver the life that is truly life. Where I have experi-

[1]Blending strategies adds complexity. Some members may prefer an automated approach. See bit.ly/SMIPrivateClient. [2]Feb2025:p25

enced it—the only place—is in my relationship with Jesus. The 'more' that I want is more of what He has in mind for me."

Mohns says that setting a financial finish line has taken away his fear of not having enough, provided a greater sense of purpose and adventure in his marriage, and given him a far stronger sense of calling in his work as a financial advisor, where he regularly challenges people to set financial finish lines.

"One client worth about $12 million said, 'If I take this advice, what's that going to do to you? What will you have to manage and make money from?' I said to him that if God isn't in this we're both in trouble!"

For more on this topic, read *God and Money*,[1] visit Godandmoney.net and finishlinepledge.com, and listen to the powerful stories of generosity at generousgiving.org. ◆

SIGHTING: SOCIAL SECURITY'S TRUST FUND RESERVES WON'T HOLD OUT MUCH LONGER, WARNS TRUSTEE BOARD

"[T]he baby-boom generation is aging and increasing the number of beneficiaries much faster than the increase in the number of covered workers, as subsequent lower-birth-rate generations replace the baby-boom generation at working ages. There were [only] about 2.7 workers for every [Social Security] beneficiary in 2024. This ratio had been stable, remaining between 3.2 and 3.4 from 1974 through 2008.... The underlying demographic shift will continue to drive this ratio down over the next 10 to 15 years.

"Under the Trustees' [estimates under current law], Social Security's total cost is projected to be higher than its total income in 2025 and all later years.... The OASI [Old-Age & Survivors Insurance] Trust Fund reserves are projected to become depleted in 2033, at which time OASI income would be sufficient to pay [only] 77 percent of...scheduled benefits.

"Legislative action will be needed to prevent OASI reserve depletion.... Broadly speaking, the approaches that lawmakers can take include:

- increasing revenue from workers and employers by raising the tax rate or the maximum level of taxable earnings, or by dedicating revenue from other sources;
- lowering benefits for some or all beneficiaries by changing certain program parameters; or
- a combination of these approaches....

"The Trustees recommend that lawmakers address the projected trust fund shortfalls in a timely way in order to phase in necessary changes gradually and give workers and beneficiaries time to adjust."— From the *Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, released 6/18/2025. The report is available at www.ssa.gov/OACT/TR/2025/. ◆

MARKET NOTES, QUOTES, AND ANECDOTES

Sound and fury

"Most of the noisy information flow coming from your TV, radio, web browser, and social media is ephemeral, emotional issues that are wholly outside of your control. These include the war between Hamas and Israel (which has since escalated to a hot conflict between Israel and Iran), the Russian invasion of Ukraine, the 'No Kings' protests, when the Fed cuts next, the tariff trade, etc. You have no insight into any of these issues, nor should you."– Money manager Barry Ritholtz, in a post on his blog, *The Big Picture,* on June 17. He considers most headline-grabbing news stories to be "noise" and of no consequence for long-term investors. Read more at bit.ly/45Oyn5N.

It's always something

"We're always in the process of change. We'll always find... things to criticize in the country.… If you don't think the United States has changed since I was born in 1930…we've gone through all kinds of things. We've gone through great recessions. We've gone through world wars. We've gone through the development of the atomic bomb that we never dreamt of when I was born. So I would not get discouraged about the fact that it doesn't look like we've solved every problem that's come along."– Warren Buffett, quoted in a May 18 post by *TKer* blogger Sam Ro. Read more at bit.ly/4n9Uycw.

It only requires... perfection

"[G]etting out of stocks before a crash is only a fraction of what you need to do as a successful market timer. You have to be right about your economic forecast—when it will begin to take hold and when it will end. You also have to be correct about when and how the stock market, interest rates and other variables will respond. 'You have at least four opportunities to get it wrong,' says [money manager John] Montgomery, and 'if you're off by only a couple of months, that can destroy any chances of making money.'"– The *Wall Street Journal's* Jason Zweig, in a May 30 column about the difficulty of market timing. Read more at bit.ly/4kPhFYD.

It's time for the talk

"Just like it was awkward for them to tell you about the birds and the bees, it's going to be awkward for you to talk to them about finances. The sooner you do it, the better it is likely to go. You'll have more time to correct a bad trajectory or at least to make changes in your own financial life that will allow you to help them when that bad trajectory results in its eventual outcome."– Dr. Jim Dahle, in a June 20 post on his blog *The White Coat Investor,* about the importance of talking with your aging parents about how they plan to navigate their financial future. Read more at bit.ly/445nn15.

[1]Available to purchase at bit.ly/3ZFSSxj.

PREMIUM STRATEGIES

The strategies described below are available to SMI Premium-level members. They have characteristics that may make them desirable depending upon your individual goals, risk tolerance, and tax bracket. You can learn more about each strategy in the Premium section of the SMI website.

DYNAMIC ASSET ALLOCATION

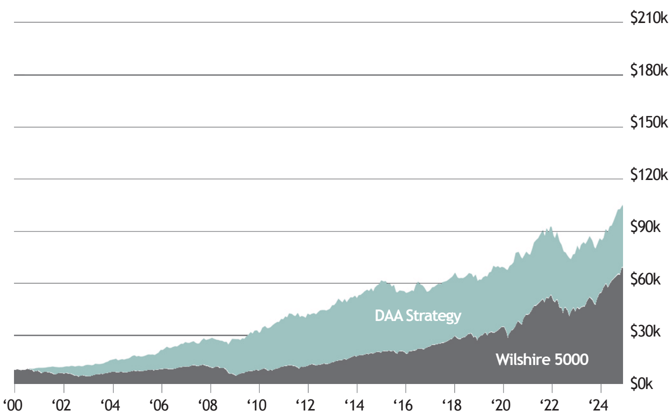
Overview

An investor can use Dynamic Asset Allocation (DAA) in combination with or in place of SMI's Basic Strategies. DAA is designed to help investors share in some of a bull market's gains while minimizing or even preventing losses during bear markets. It's a low-volatility strategy that nonetheless has generated impressive back-tested results over the long term. DAA involves rotating among six assets classes—U.S. Stocks, Foreign Stocks, Gold, Real Estate, Bonds, and Cash—by using exchange-traded funds (ETFs). Only three ETFs are held at any one time.

Who Should Consider This Strategy

Anyone—but especially those more concerned with avoiding major losses during bear markets than with capital growth during bull markets. **Pros:** Excellent downside protection during bear markets, as reflected in both a comparatively small worst-case result and a low relative-risk score (see performance table below). Great long-term track record. **Cons:** Subject to short-term whipsaws. Lags the market in "up" years. Making trades promptly and concentrating one's entire portfolio in only three asset classes can be emotionally challenging.

Dynamic Asset Allocation vs Wilshire 5000
Growth of $10,000 — January 2000–December 2024
(DAA performance data before January 2013 is backtested)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Avg[1]	Worst12[1]	Rel Risk[1]
DAA	7.1	4.0	10.4	22.4	19.3	8.6	25.7	10.1	1.3	17.6	20.3	1.4	13.9	16.2	13.0	-6.8	-0.5	16.0	-4.5	13.7	12.4	19.2	-17.1	11.3	17.3	9.6%	-19.0%	0.60
Wilshire	-10.9	-11.0	-20.9	31.6	12.5	6.4	15.8	5.6	-37.2	28.3	17.2	1.0	16.1	33.1	12.7	0.7	13.4	21.0	-5.3	31.0	20.8	26.7	-19.0	26.1	23.8	7.9%	-43.3%	1.00

SECTOR ROTATION

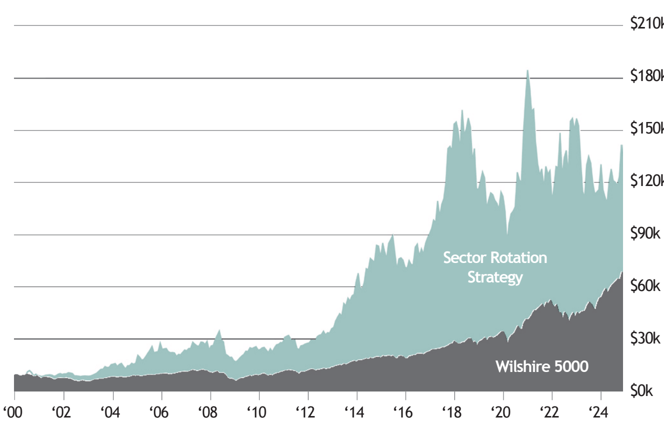
Overview

Sector Rotation (SR) is intended to be used in combination with Just-the-Basics, Fund Upgrading, or DAA (or a mix of these). SR is a high-risk strategy that invests in a single special-purpose stock fund focused on a specific sector (such as biotech, energy, or financial services). Such funds carry a higher degree of risk because they invest in a narrow slice of the economy. In making our fund recommendation, we choose a fund demonstrating especially strong momentum relative to other sector options. Sector Rotation has generated especially impressive long-term returns but with the performance peaks and valleys higher and lower than SMI's other strategies. We suggest that an SR investment account for no more than 20% of one's *total stock allocation*—or, if using SR in combination with DAA, no more than 20% of one's *overall* portfolio.

Who Should Consider This Strategy

Experienced investors willing to concentrate an investment in a single sector of the economy. **Pros:** Attractive long-term returns. **Cons:** Much greater month-to-month volatility and relative risk, dramatic short-term loss potential.

Sector Rotation vs Wilshire 5000
Growth of $10,000 — January 2000-December 2024
(SR performance data before November 2003 is backtested)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Avg[1]	Worst12[1]	Rel Risk[1]
SR	0.7	3.7	-13.1	54.4	12.6	46.1	-1.9	28.1	-31.5	30.5	9.1	-3.2	23.3	65.7	49.9	-9.7	16.9	56.7	-15.8	-1.6	45.8	-24.1	18.5	-22.8	9.6	10.7%	-40.9%	1.85
Wilshire	-10.9	-11.0	-20.9	31.6	12.5	6.4	15.8	5.6	-37.2	28.3	17.2	1.0	16.1	33.1	12.7	0.7	13.4	21.0	-5.3	31.0	20.8	26.7	-19.0	26.1	23.8	7.9%	-43.3%	1.00

[1]The three data points at the far right in each table reflect the 25-year period from Jan2000–Dec2024. "Avg" shows the average annualized return over those years. "Worst12" represents the worst investor experience over the 289 rolling 12-month periods during those years.

PERIODICALS POSTAGE
PAID AT LOUISVILLE, KENTUCKY

Dated Investment Material
Please Do Not Delay!

PERFORMANCE DATA

SOUND MIND INVESTING MODEL PORTFOLIOS • DATA THROUGH MAY 31, 2025

BASIC STRATEGIES - STOCKS

	Year to Date	1 Month	3 Months	12 Months	3 Yrs Annual	5 Yrs Annual	10 Yrs Annual	25 Yrs Annual
U.S. Stock Market[1]	0.6%	6.4%	-0.5%	13.0%	13.8%	15.5%	12.4%	8.1%
Just-the-Basics[2]	1.9%	6.3%	0.7%	12.0%	11.6%	13.2%	9.8%	7.4%
Stock Upgrading[3]	-0.1%	3.6%	0.0%	5.3%	6.7%	12.0%	8.1%	8.6%

BASIC STRATEGY - BONDS

	Year to Date	1 Month	3 Months	12 Months	3 Yrs Annual	5 Yrs Annual	10 Yrs Annual	25 Yrs Annual
U.S. Bond Market[4]	2.5%	-0.7%	-0.3%	5.5%	1.5%	-0.9%	1.5%	3.8%
Bond Upgrading[5]	2.5%	0.0%	1.0%	5.9%	1.7%	0.9%	2.3%	5.6%

PREMIUM STRATEGIES

	Year to Date	1 Month	3 Months	12 Months	3 Yrs Annual	5 Yrs Annual	10 Yrs Annual	25 Yrs Annual
DAA[6]	7.7%	2.1%	2.6%	16.5%	9.6%	8.9%	6.1%	10.0%
Sector Rotation[7]	-27.4%	12.8%	-24.4%	-23.3%	-14.7%	-2.0%	0.8%	11.0%

BLENDED PORTFOLIOS

	Year to Date	1 Month	3 Months	12 Months	3 Yrs Annual	5 Yrs Annual	10 Yrs Annual	25 Yrs Annual
60/40 JtB indexed[8]	2.1%	3.4%	0.3%	9.5%	7.6%	7.5%	6.6%	6.4%
60/40 Upgrading[9]	1.0%	2.1%	0.4%	5.1%	4.6%	7.4%	5.8%	7.7%
50/40/10[10]	1.5%	2.8%	-0.8%	7.9%	5.4%	7.7%	5.8%	9.5%

Notes: Transaction costs and redemption fees—which vary by broker and fund—are not accounted for in the performance calculations. • [1]Based on the float-adjusted Wilshire 5000 Total Return index, the broadest measure of the U.S. stock market. • [2]Assuming rebalancing at the beginning of each year with 40% of the stock allocation invested in the Vanguard S&P 500 (VOO), 40% in Extended Market (VXF), and 20% in Total International Stock (VXUS). • [3]For a 100% stock portfolio, assuming the allocation for each risk category was divided evenly among all recommended funds. • [4]Based on the Bloomberg U.S. Aggregate Bond Index, the broadest measure of the U.S. bond market. • [5]For a 100% bond portfolio, assuming 25% of the portfolio was invested in Vanguard's I-T Bond Fund (BIV), 25% in Vanguard's S-T Bond Fund (BSV), and 50% in the rotating recommended bond fund. Bond Upgrading results before January 2015 were calculated by backtesting the strategy using a mechanical rules-based system. • [6]DAA results before January 2013 were calculated by backtesting the strategy using a mechanical rules-based system. • [7]Sector Rotation results before November 2003 were calculated by backtesting the strategy using a mechanical rules-based system. • [8]Performance data is for a Just-the-Basics 60% stocks/40% bonds portfolio (see 60/40 column in the JtB section on the Basic Strategies page). • [9]Data is for an Upgrading portfolio using a mix of 60% stocks/40% bonds. • [10]For a blended portfolio allocated 50% to SMI's Dynamic Asset Allocation strategy, 40% to Fund Upgrading (split 60% stocks/40% bonds), and 10% to Sector Rotation. See bit.ly/SMI-50-40-10 for details. 50/40/10 results before January 2013 were calculated from backtesting the strategy using a mechanical rules-based system.

SMI Private Client: Although the SMI newsletter encourages blending multiple strategies, such an approach increases complexity and can be challenging to implement. Readers desiring a simpler alternative may want to consider professional management from SMI Private Client. Private Client is managed by SMI Advisory Services, a separate (but affiliated) company from the SMI newsletter. More information is available at www.smiprivateclient.com.