

# 2Q 2022 Sustainable Development Equity Portfolio

## INVESTMENT APPROACH

This portfolio invests in both domestic and international securities and seeks long term capital appreciation. The portfolio embraces a bottom-up stock thematic selection process representing all Newday's current ESG themes and aligns with all the 17 United Nations Sustainable Development Goals.

## THE NEWDAY ADVANTAGE

### 1 Core ESG Portfolio:

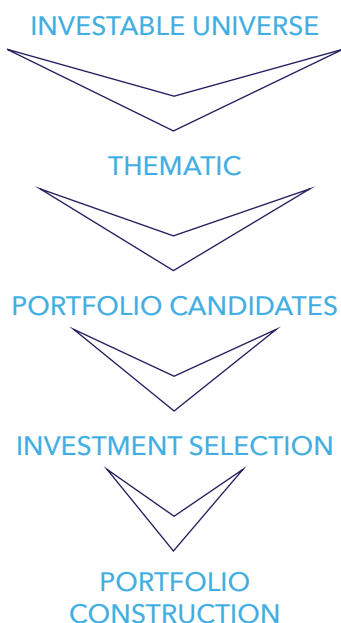
This portfolio is a core ESG portfolio and can serve as a foundation for any investor that wants exposure to most environmental and social responsibility themes. The portfolio is specifically designed to consider all 17 of the United Nations Sustainable Development Goals and is aligned with the impact considerations of the United Nations.

### 2 A Focus on What Matters Most:

While the Newday Sustainable Development portfolio touches on every United Nations Sustainable Development Goal, its focus is to address those impact issues that are most severely testing the limits of our nine planetary boundaries and in the greatest need of immediate attention to create a more sustainable world.

### 3 High Concentration of Pure Plays:

We construct portfolios to ensure that at least 50% of portfolio constituents are "pure plays" tied to the ESG theme. Every company in our portfolios has either a direct or indirect connection to the impact issue with which it's associated, and every portfolio is connected to an impact NGO or nonprofit partner.



## NEWDAY IMPACT INVESTMENT PHILOSOPHY: COMBINE ESG & FUNDAMENTAL RESEARCH

Newday Impact portfolios address major ethical issues and are designed and constructed around a combination of UN Sustainable Development Goals and ESG principles using a rigorous, repeatable process.

Newday exclusionary ESG screens include fossil fuels, armaments, gambling, tobacco, alcohol, and child labor.

We believe that consistent alpha can be generated by combining our highest rated ESG companies with an emphasis on governance and fundamental factors to create a portfolio of our highest conviction companies.

We identify which companies may outperform or underperform in any given stage of the prevailing economic/business cycle.

Bottom-up stock selection for 40-60 of the highest conviction holdings.

**Risks:** Investing involves risk, including loss of principal and there is no guarantee investment objectives will be met. The managers' environmental, social and governance (ESG) investment strategies may limit the types and number of investment opportunities available and, as a result, may underperform strategies that are not subject to such criteria.

The Sustainable Development Equity Portfolio is aligned with the following United Nations Sustainable Development Goals

-  **1 No Poverty**
-  **2 Zero Hunger**
-  **3 Good Health & Well-Being**
-  **4 Quality Education**
-  **5 Gender Equality**
-  **6 Clean Water & Sanitation**
-  **7 Affordable & Clean Energy**
-  **8 Decent Work & Economic Growth**
-  **9 Industry, Innovation & Infrastructure**
-  **10 Reduced Inequalities**
-  **11 Sustainable Cities & Communities**
-  **12 Responsible Consumption & Production**
-  **13 Climate Action**
-  **14 Life Below Water**
-  **15 Life On Land**
-  **16 Peace, Justice & Strong Institutions**
-  **17 Partnership for the Goals**

Learn more at [sdgs.un.org/goals](https://sdgs.un.org/goals)

**SAMPLE HOLDINGS: PURE PLAY HIGHLIGHTS**

- Industry leaders in fulfilling mission aligned Impact goals
- Chosen based on proven ESG-ratings & scoring systems

**Agilent Technologies (A)**, Barron’s recognized Agilent’s strong ESG commitment and progress by awarding them first place in its 100 Most Sustainable Companies list for 2020 and second place in 2021.

**O’Reilly Automotive (ORLY)**, produced three annual Sustainability Reports showing greater focus on prioritizing positive climate related actions and improving the environment, giving back to the communities in which they operate in, growing, developing and retaining their human capital and improving their corporate governance efforts.

**Target Corp (TGT)**, strong legacy of corporate responsibility and sustainable practices and recently launched “Target Forward” which is an ambitious strategy to design and elevate sustainable brands, innovate to eliminate waste, and accelerate opportunity and equity.

**Waters Corp (WAT)**, commitment to sustainability stems from its founding to “Deliver Benefit” by positively impacting customers, employees, shareholders, and society at every opportunity by advancing scientific progress to enhance human health and well-being.

**Tractor Supply Company (TSCO)**, named to Investor’s Business Daily’s (IBD) 100 Best ESG Companies of 2021 and recently announced its deeper commitment to ESG with new Sustainability and Diversity, Equity and Inclusion goals.

**McKesson Corp (MCK)**, Invests in healthcare access for rural and underserved populations, providing opportunities to qualified small, small disadvantaged, Minority, Women, Veteran, Service-disabled Owned Veteran, LGBTQ+, HUBZone and Disabled Owned companies and hiring and promoting underrepresented talent at all levels of the company. The company has also implemented efficiency measures to reduce energy consumption and increase its renewable energy procurement.

**Hershey (HSY)**, In 2020, Hershey established new programs and targets in order to align its work with all the 17 global goals to maximize positive impacts while minimizing or eliminating negative impacts.

**Aflac Inc (AFL)**, In 2020, the company achieved carbon neutrality in Scope 1 & 2 GHG emissions. Achieved their goal of least 23% of manager positions filled with women in Japan and increased the percentage of females and people of color in senior management positions to 28% and 27%, respectively.

**INVESTMENT TEAM**



**Gordon Telfer**

Chief Investment Officer,  
Portfolio Manager  
35 Years Experience



**Shireen Eddleblute**

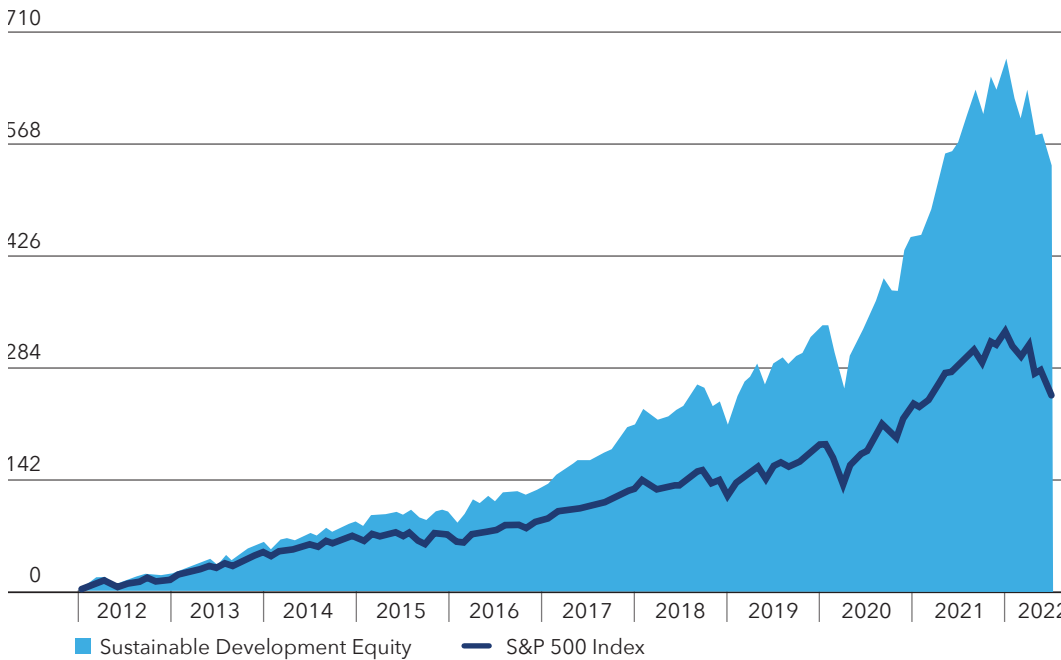
Head of ESG Research,  
Portfolio Manager  
20 Years Experience

**OVERVIEW**

Inception Date	9/1/21
Total Assets	\$190.74K
Benchmark <sup>1</sup>	S&P 500 Index
Average Market Cap	\$361.6B
Number of Holdings	46
Country Allocation	96% US/4% Intl

**Investing involves risk:** Past performance does not guarantee or indicate future results. The information expressed herein is as of the expressed dates and is subject to change.

**MODEL GROWTH CHART<sup>1</sup>** (as of 6/30/22)



Source: Morningstar

**PORTFOLIO CHARACTERISTICS<sup>1</sup>**

	Portfolio
Alpha	8.43
Beta	1.00
R-Squared	96.44
Standard Deviation	17.28
Sharpe Ratio	1.04
Up Capture Ratio	120.11
Down Capture Ratio	91.18

Five years ending 6/30/22

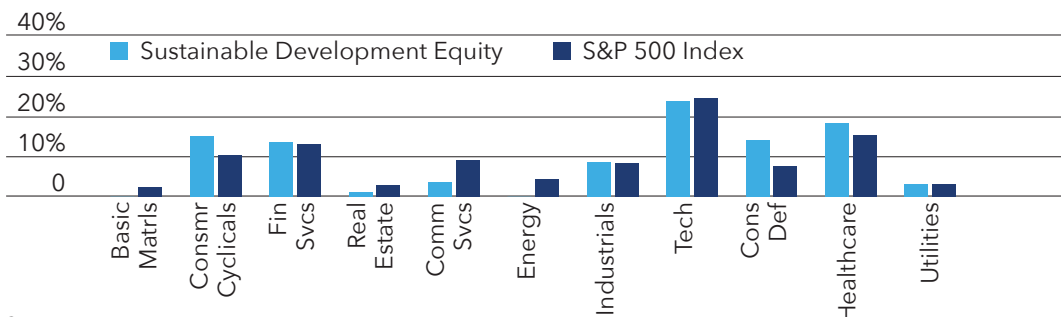
**TOP 10 HOLDINGS**

(as of 6/30/22)

Microsoft Corp	5.00%
Apple Inc	5.00%
Stride	
Alphabet Inc CL C	4.00%
Tesla Inc	3.00%
O'Reilly Automotive Inc	3.00%
McKesson Corp	3.00%
Costco Wholesale Corp	3.00%
Amazon.com Inc	3.00%
Waters Corp	2.50%

As of 06/30/2022. Current and future holdings are subject to change and risk. Current holdings can be found at [www.newdayimpact.com](http://www.newdayimpact.com).

**MODEL SECTOR ALLOCATION<sup>1</sup>** (as of 6/30/22)



Source: Morningstar

**MODEL ANNUALIZED RATES OF RETURN<sup>1</sup>** (as of 6/30/22)

	YTD	1 Year	3 Years	5 Years
COMPOSITE	-16.91	-4.76	18.46	19.14
S&P 500 Index	-20.15	-11.01	10.05	10.71

Source: Morningstar

**1 Important Information and Disclosures:** Back-tested portfolio performance returns are for illustration purposes only and does not reflect an actual account. Investing in securities involves risks, and there is always the potential of losing money when you invest in securities. Please consider your adjectives and Newday Impact's fees prior to investing. Past performance does not guarantee future results.

Certain information contained herein has been obtained from third-party sources believed to be reliable but we cannot guarantee its accuracy or completeness.

**1 Back-tested performance is NOT an indicator of future results.** In order to show performance of the portfolio prior to inception we use the returns of a model portfolio, not an actual client account. The results reflect performance of a strategy not historically offered to investors and do NOT represent returns that any client account actually attained. Back-tested results are calculated by the retroactive application of a model constructed on the basis of historical data and based on assumptions integral to the model which may or may not be testable and are subject to losses.

**General assumptions include:** Newday would have been able to purchase the securities recommended by the model and the markets were sufficiently liquid to permit all trading. Changes in these assumptions may have a material impact on the back-tested returns presented. Certain assumptions have been made for modeling purposes and are unlikely to be realized. No representations and warranties are made as to the reasonableness of the assumptions. This information is provided for illustrative purposes only.

Back-tested results are adjusted to reflect the reinvestment of dividends and other income and, except where otherwise indicated, do not include the effect of transaction costs, management fees, performance fees or expenses, the incurrance of which would have the effect of decreasing historical performance results.

This factsheet is not an offer, solicitation of an offer, or advice to buy or sell securities in jurisdictions where Newday Impact is not registered. Registration does not imply a certain level of skill or training. Nothing in this factsheet should be construed as tax advice, an offer, solicitation, or recommendation to purchase or sell any security. This factsheet is not intended as investment advice, and Newday Impact does not represent in any manner that the circumstances described herein will result in a particular outcome. Investment advisory services are provided to investors who become Newday Impact clients. For additional information regarding investment advisory fees and/or material risk is discussed in Part 2A of Newday's Form ADV. **Prospective investors should read all documents thoroughly prior to making an investment in the Strategy.**

**ADRs.** Non-U.S. company exposure is achieved through investments made in American Depositary Receipts ("ADRs"). Investment in ADRs of non-U.S. companies in developed and emerging markets, which involve risks in addition to those ordinarily associated with investing in domestic securities, including the potentially negative effects of currency fluctuation, political and economic developments, foreign taxation and difference in auditing and other financial standards. These risks are magnified in emerging markets.

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**Benchmark:** The benchmark is represented by the **S&P 500 Index** is a capitalization-weighted common index. It monitors the performance of 500 widely held corporations. The index is not managed and not subject to management or brokerage commissions. Dividends are subject to reinvestment. A board based index may not reflect the same volatility when compared to a more narrow based portfolio.

**Newday Financial Technologies, Inc. | [www.newdayimpact.com](http://www.newdayimpact.com)**

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