

# 2Q 2022 | Stakeholder Capitalism Portfolio\*

## INVESTMENT APPROACH

This portfolio seeks long term capital appreciation by investing primarily in domestic securities. This research driven portfolio examines each company's relationship with its shareholders, employees, customers, suppliers, competitors, and communities in which the company operates, determining how companies positively contribute to all of society through good governance practices.

## THE NEWDAY ADVANTAGE

### 1 Best Corporate Practices:

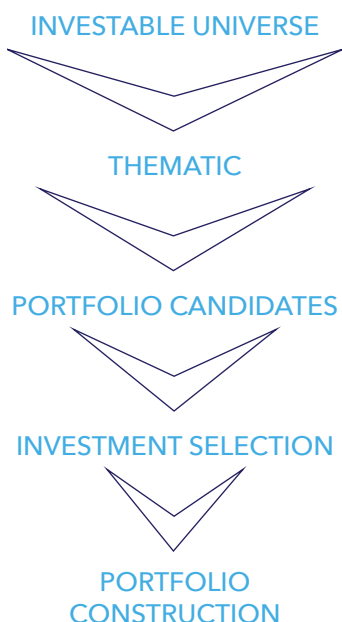
Newday licenses the Arcturus model for corporate governance best practices from the Caux Round Table (CRT) to establish the framework for evaluating a company's governance. The CRT is an international network of principled business leaders working to promote moral capitalism.

### 2 Measuring Behavior vs Intent:

Honesty, integrity, and transparency are the foundation of good governance, and measuring a company's behavior is the best indicator of good corporate governance rather than its self-described intent. Newday analyzes 188 factors to determine the level of adherence to their rules and regulations.

### 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.

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

	<b>Gender Equality</b>
	<b>Decent Work &amp; Economic Growth</b>
	<b>Industry, Innovation &amp; Infrastructure</b>
	<b>Sustainable Cities &amp; Communities</b>
	<b>Responsible Consumption &amp; Production</b>
	<b>Peace, Justice &amp; Strong Institutions</b>
	<b>Partnership for the Goals</b>

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

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.

**Risks:** Investing involves risk, including loss of principal and there is no guarantee investment objectives will be met.

\* As of 9/1/21, the Magni Secular Governance Portfolio was renamed the Newday Stakeholder Capitalism portfolio.

**SAMPLE HOLDINGS: PURE PLAY HIGHLIGHTS**

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

**Kroger (KR)**, made some bold commitments to its ESG strategy to achieve lasting positive change for billions of people and the planet by 2030 with its Zero Hunger | Zero Waste social and environmental impact plan.

**CBRE Group, Inc. (CBRE)** Strong focus on corporate sustainability with the 9th straight year being included in Fortune’s World’s Most Admired Companies list and 3rd consecutive year being named #1 Real Estate Company.

**Accenture (ACN)** has been gaining market share and consistently outperforming with a strong focus on Sustainability practices as it’s been named to Fortune World’s Most Admired Companies for 19 consecutive years.

**Republic Services (RSG)** is the second- largest integrated provider of traditional solid waste services in the US with strong FCF in a recession resistant industry. Fourth consecutive year the company has been certified as a Great Place to Work based on employee surveys and continues to be the only environmental services provider with that certification.

**Home Depot (HD)** Strong focus on stakeholders with its \$2bn enhanced employee pay and benefits during the pandemic, hired 35% more women and 53% more ethnically and racially diverse, reduced electric consumption by 14% YOY, decreased emissions to achieve 40% by 2030 and 50% by 2035, and contributed \$500M to veteran causes.

**INVESTMENT TEAM**



**Gordon Telfer**

Chief Investment Officer,  
Portfolio Manager  
35 Years Experience



**Shireen Eddleblute**

Head of ESG Research,  
Portfolio Manager  
20 Years Experience

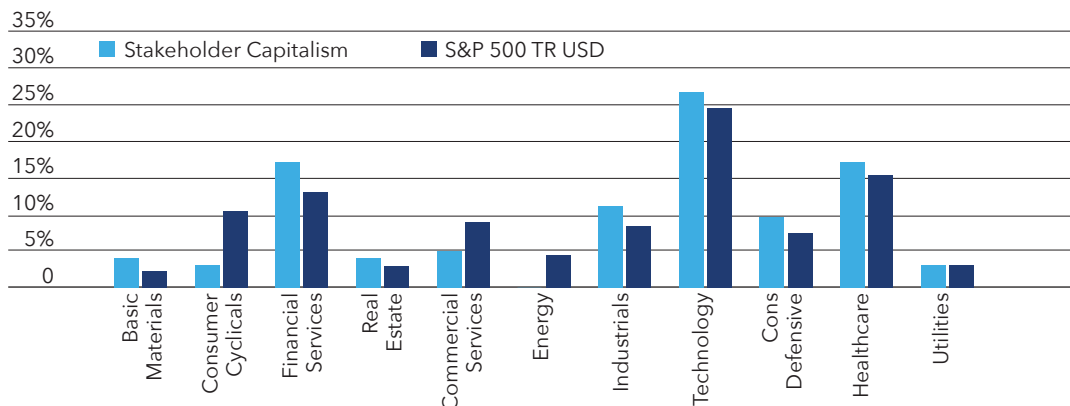
**OVERVIEW**

Inception Date	9/1/2020
Total Assets	\$218.0K
Benchmark	S&P 500 Index
Average Market Cap	<b>\$542.8B</b>
Number of Holdings	47
Country Allocation	98% US/2% Intl

While most investments are in U.S. companies, investments may also be made in ADRs and other securities 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 differences in auditing and other financial standards. These risks are magnified in emerging markets.

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

**SECTOR ALLOCATION** (as of 6/30/22)



Source: Morningstar

**PORTFOLIO CHARACTERISTICS**

	Portfolio
Alpha	<b>5.28</b>
Beta	<b>0.99</b>
R-Squared	<b>94.36</b>
Standard Deviation	17.18
Sharpe Ratio	0.93
Up Capture Ratio	<b>112.71</b>
Down Capture Ratio	<b>91.03</b>

As of 6/30/22

**ANNUALIZED RATES OF RETURN**

(as of 6/30/22)

	QTD	YTD	Since Inception*
Stakeholder Cap	-14.28	-19.78	<b>17.80</b>
S&P 500 Index	-16.20	-20.15	<b>18.96</b>

\*Inception Date: 9/1/2020

Source: Morningstar

**TOP 10 HOLDINGS**

(as of 6/30/22)

Microsoft Corp	5.00%
Apple Inc	5.00%
Alphabet Inc Class A	4.00%
UnitedHealth Group Inc	3.00%
Amazon.com Inc	3.00%
Aflac Inc	3.00%
Allegion PLC	2.50%
Elevance Health Inc	2.50%
Stifel Financial Corp	2.50%
Republic Services Inc	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).

**Risks**

All investments involve risk, including loss of principal and there is no guarantee that investment objectives will be met. Diversification does not assure a profit or protect against market loss.

There can be no assurances that a client's investment objective will be achieved and no inference to the contrary is being made. Prior to entering into an agreement with Newday Impact, a client should carefully consider that volatility from investing in the stock market can occur and that over time the client's assets may fluctuate and at any time may be worth more or less than the amount invested.

Newday Impact does not represent, guarantee, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate client from losses due to market corrections or declines.

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 Impact'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.

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

**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)**

Newday Funds, Inc. ("Newday Impact") is a subsidiary of Newday Financial Technologies, Inc. and is an SEC registered investment adviser.