

Sustainable Dividends

DIVERSIFIED EQUITIES PORTFOLIO

Overview

Newday's Sustainable Dividends portfolio is a more concentrated, high dividend-yielding subset of companies that meet the investment criteria for our Global All-Cap portfolio. The Sustainable Dividends portfolio invests in companies with a strong commitment to measuring, reducing, and reporting on their environmental impact. It's an all-cap, global equities portfolio benchmarked against the MSCI All Country World Index (MSCI ACWI) and aims to pay clients invested in the strategy approximately 2x the dividend yield of the benchmark.

The Newday Investments portfolio construction process starts by analyzing key performance indicators across the over 2,200 publicly-traded companies contained in the benchmark. They are forced ranked by quartile within industry peer groups and we only include the 1st quartile performers in each industry for investment consideration, analyzing a variety of criteria, including but not limited to:

- clean technology development;
- renewable energy deployment;
- carbon footprint reduction and mitigation;
- natural resource usage reduction for itself and its supply chain;
- energy efficiency;
- recycling corporate waste and take-back programs; and
- land preservation.

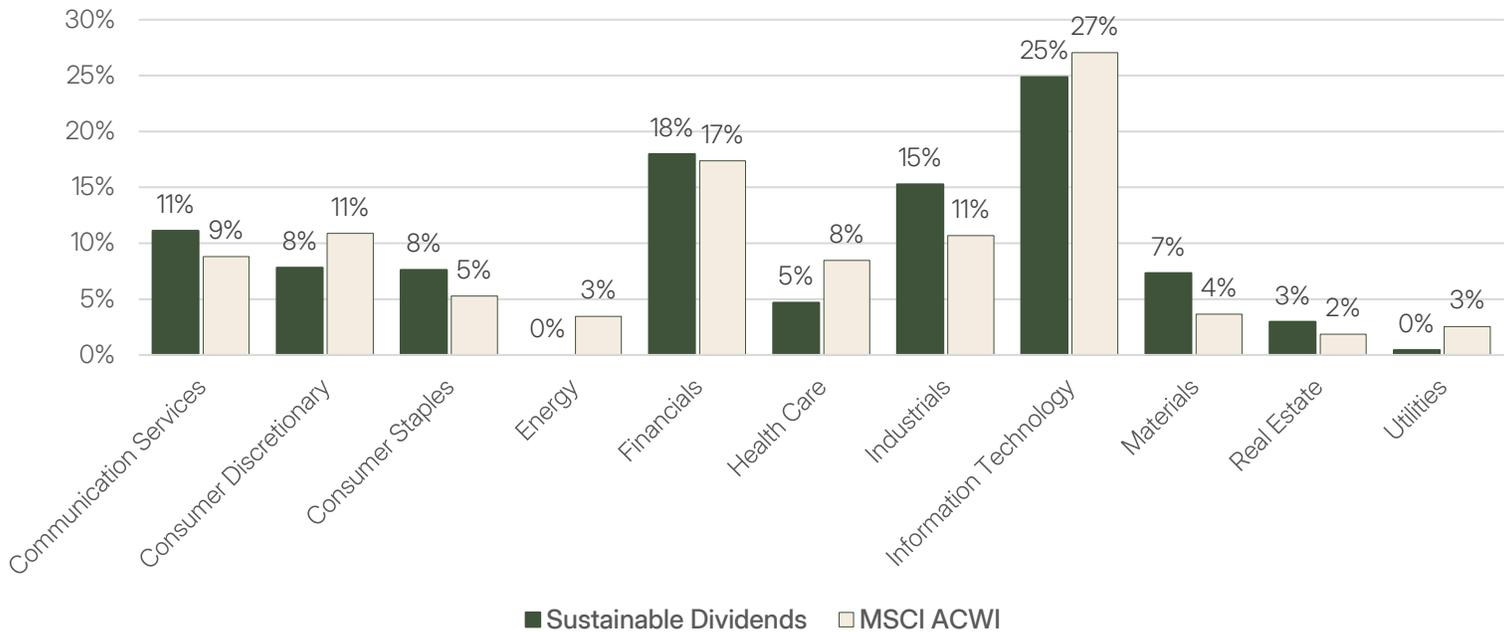
The initial phase of analysis results in a list of 550 companies, which we then assess using rigorous traditional financial metrics. Eliminating companies that are not attractive on our valuation basis, our investment universe has been narrowed down to 200 potential companies.

Our Investment Team then utilizes a proprietary optimizer to test the coordination and interaction of eligible positions resulting in a "best fit" portfolio in terms of dividend yield, position size, sector tilts with respect to current and expected market conditions, and other factors.

Newday's Sustainable Dividends portfolio does not invest in fossil fuels companies, nor in services directly adjacent to fossil fuel usage.

The portfolio is rebalanced quarterly to ensure that current information about each company and broader market conditions are incorporated into each clients' holdings.

Portfolio Characteristics & Allocation



Characteristics	Sustainable Dividends	MSCI ACWI
# Securities	42	2,251
Dividend Yield	3.5%	1.9%
Sales Growth	4.0%	4.2%
Price/Earnings, Current	15.8x	24.4x
Price/Earnings Growth (PEG)	2.6x	3.0x
Price/Cash Flow	8.5x	16.8x
Price/Book	1.9x	3.5x
Debt/Equity	112.2%	135.7%
Current Ratio	1.2x	1.2
Return on Equity	10.7%	14.5%
Market Cap, Wtd Avg	\$501.3 B	\$902.4 B
Market Cap, Median	\$56.6	\$19.5 B
% U.S. Companies	41%	63%
Beta	0.89	1.07

*The sector chart utilizes the Global Industry Classification Standard (GICS) and is presented as a percent of equity holdings.

**The Sustainable Dividends portfolio does not invest in fossil fuel companies, nor in services directly adjacent to fossil fuel usage; therefore, the Energy sector weighting is 0.0%.

***The characteristics presented above are sourced from Bloomberg. Portfolio data on this page is based on a representative account.

Industry Leader

A.P. Moller-Maersk

Sector: Industrials | Industry: Marine Shipping

- Maersk's business model is centered on its strategic goal of becoming a **"Global Integrator" of logistics**, which is a significant shift from its former role as a simple ocean freight carrier. By offering a single point of contact and integrated platform, Maersk aims to simplify the complex process of global trade for its customers, including shipping, customs management, warehousing, and delivery.
- **Ambitious Decarbonization Strategy:** Maersk is tackling the decarbonization of the highly polluting global shipping industry with concrete, ambitious actions and investments. While the industry as a whole has been slow to change, Maersk is a pioneer, often setting targets and making investments years ahead of their peers. In 2022, they pulled forward their target for achieving net-zero GHG emissions by a decade, from 2050 to 2040. Importantly, this applies to its entire business and supply chain, including ocean, land, and air transportation.
- **Pioneering Green Fuels:** They are making major investments in green fuels, particularly methanol. They have already launched and retrofitted vessels to run on green methanol, while also securing long-term supply agreements for bio- and e-methanol to ensure they can grow their fleet of dual-fuel vessels. By being the first to order and operate green-fueled vessels, they are forcing competitors and suppliers to accelerate their own sustainability efforts.
- **Port and Terminal Decarbonization:** Maersk is also electrifying its port equipment and investing in renewable energy to power its terminals, with 45% of their terminals' electricity currently powered by renewable energy. Importantly, they are investing in solar energy at terminals where it is not possible to enter into power purchase agreements for renewable electricity.
- **Responsibility to Protect Ocean Habitats:** Maersk strives to minimize disturbances to marine wildlife and are increasing their understanding of impacts and risks to ocean health. For example, they are improving their StarConnect AI-powered fleet energy efficiency platform to monitor their presence in Marine Protected Areas and Particularly Sensitive Sea Areas and are adding additional whale zones based on the latest WSC Whale Chart.
- **Humanitarian Aid:** They are leveraging their logistics network to provide pro bono support during humanitarian crises. During 2024 they supported flood relief efforts in Vietnam, Guatemala, Brazil, Kenya, and the U.S. through donation and delivery of water and other essential relief supplies, and donation of relief item storage containers.
- **Financial Management and Dividend Payouts:** Maersk has a policy of paying out a percentage of its underlying net profit, typically between 30-50%, resulting in a current forward dividend yield of 8.3%.
- **Financial Valuation:** As one of the largest shipping/logistics companies in the world, Maersk maintains one of the healthiest balance sheets relative to its peer group in a highly capital-intensive industry. With over \$55 Bn USD in retained earnings and a debt-to-equity ratio of approximately .5x as of August 31st, Maersk has the financial strength to weather any tariff-related choppy waters.

Largest Holdings	Ticker	Weighting
Verizon Communications	VZ	7.21%
A.P. Moller-Maersk	AMKBY	7.19%
NVIDIA	NVDA	6.63%
Toronto-Dominion Bank	TD	5.43%
Canadian Imperial Bank of Commerce	CM	5.30%
% of Portfolio		31.75%

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Investment & Leadership Team

Betsy Moszeter, CEO & President

- **Green Alpha Advisors:** COO, Chief Distribution Officer, Chief Marketing Officer, Portfolio Manager, Compliance Officer, Principal
- **First Affirmative Financial Network:** SVP, Managing Member
- **TAMRO Capital Partners:** COO, CCO, Principal
- **Harbor Capital Management:** Sr. Portfolio Administrator

Boards of Directors

- The Darden School of Business
- The Alliance for Sustainable Colorado / The Alliance Center

Education

- University of Virginia, Darden School of Business, MBA
- University of Oregon, Lundquist College of Business, BS

Jason Britton, CIO

- **Reflection Asset Management:** President, CIO
- **Reflection Analytics:** Founder, CEO
- **U.S. Trust, BAML:** Head Portfolio Manager for Thematic Investments; Co-Chair Impact Investing Committee; Product Engineer on \$3B+ in AUM and \$10B+ AUA
- **Barclays/Lehman Brothers:** Portfolio Manager, Head of Community Investment Team, Product Engineer USCII
- **Keefe, Bruyette & Woods:** Equity Research Analyst

Education

- Yale School of Management, MBA
- Georgetown University McDonough School of Business, BSBA

Disclosures

- Sustainable Dividends portfolio inception: August 31, 2025
- Newday Funds, Inc. ("Newday") is a registered investment advisor. Registration as an advisor does not imply any certain level or skill of training.
- Reflection Asset Management is a registered investment advisor led by Jason Britton, who also acts as Newday's CIO through a sub-advisory agreement between the two firms.
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- The MSCI All Country World Index (MSCI ACWI) captures large and mid-cap representation across 23 developed markets and 24 emerging markets countries. With more than 2,250 constituents, the index covers approximately 85% of the global investable equity set. As a proxy for the benchmark, for characteristics and sector allocations cited in this document, Newday utilizes the iShares MSCI ACWI ETF (ticker ACWI), sourced from Bloomberg.
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