



The Cedar Portfolio

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Research Services  
to help grow capital and derive yield  
through **real wealth investments**  
and **trading opportunities**.

## The Cedar Impact Investing Portfolio: *Helping Society and the Environment through Financial Outperformance*

*Target: Outperformance relative to funds or industry benchmark indices at lower risk, and through businesses with strong corporate social responsibility (CSR) programs that address environment, social and governance (ESG) factors towards socially responsible investing (SRI), and with business models or projects involving Impact Investing.*



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[cedarportfolio.com](http://cedarportfolio.com)

# Disclaimer

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- *All information contained in this presentation has been derived from sources that are deemed by us to be reliable but cannot be guaranteed.*
- *Yra Harris is serving as a Research Strategist role and not performing in a Portfolio Manager role.*



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# Key Highlights of the Portfolio

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- **Covers not only Environmental, Social and Governance (ESG) Investing but also Impact Investing - the businesses in our portfolio have either a business model or projects and initiatives that involve impact investing**
- **Led by an industry veteran with over 40 years of trading experience - Yra Harris - and who is a strong and widely known media figure (comes on CNBC regularly for discussions with Rick Santelli)**
- **Helps society and the environment through financial outperformance with a focus on the UN Sustainable Development Goals (SDGs) by a firm which is a signatory to the UN Principles for Responsible Investment (PRI)**
- **Has target outperformance at lower risk relative to industry benchmarks**



# Management Team- Trade through the eyes of Yra!

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**Yra** Harris  
Research Strategist

- *Recognized Trader with 40+ years of track record*
- *Track record of successful trading through technical and fundamental analysis*
- *Member of the Board of the Chicago Mercantile Exchange (CME) for 6 years*
- *Floor Broker and Floor Trader*
- *Provides regular analysis on the Financial Markets as a guest on*

**Bloomberg**



# Management Team – Portfolio, Risk, Policy Expertise

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**Uli** Kortsch  
Senior Advisor

- *International leader in management, corporate growth, restructuring, investment and financings with experience in over 50 countries*
- *Macro economics and monetary policy specialist*
- *MBA in Finance*
- *On the Board of Directors of several entities*



# Management Team – Macroeconomics Expertise

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**Alejandro A. Tagliavini**  
Senior Advisor

- *Member of the Advisory Board of the Center on Global Prosperity of The Independent Institute*
- *Macroeconomics and private banking advisor*
- *Opinion columnist from Argentina with articles published globally*
- *Author “The Future is Made of Hope” and “How to Be Rich and Happy”*

# Management Team – Portfolio, Risk, Policy Expertise

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**Guy Haselmann**  
Advisor

- *Financial Market Executive and Global Market Strategist known for thought-provoking ideas driving innovation*
- *Founder and CEO of FETI Group, Inc., a market consultancy firm*
- *Held leadership positions at Scotiabank, Barclays and Lehman, as well as, at macro hedge funds Moore Capital Management and Capra Asset Management*
- *Served on the NJ State Investment Council from 2010-2018*

# Management Team – CEO

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**Richard** Bonugli  
CEO, The Cedar Portfolio

- *Founder and CEO of The Cedar Portfolio and Cedargold*
- *Senior management positions with KPMG and Manulife*
- *Series 65, Professional Risk Manager and Derivatives Market Specialist, Wealth Management/Capital Markets*
- *Education/degree from MIT*





# Current Challenges in Investing



*How do you get real yield in an environment of essentially 0% interest rates, negative real interest rates (nominal interest rates minus inflation), or even negative nominal interest rates?*



*How do you preserve purchasing power when central banks and governments around the world are intentionally weakening their currencies or intervening in the economy with ring-fencing regulations?*



*How do you mitigate potential adverse risks such as defaults, capital controls, protectionism, trade wars, bank account bail-ins, nationalizations, climate change and regulatory capture?*



*How do you invest to help society, the environment and target financial outperformance at the same time? How do you invest in strong Corporate Social Responsibility (CSR) programs, Environment, Social, and Governance (ESG) factors, Social Responsible Investment (SRI), and Impact Investing business models and projects?*



# Our Approach is based on a powerful school of economics and emphasizes these study findings

*The approach is based upon using the principles of the Austrian School of Economics (ASE) towards investing and trading. The ASE is a school of thought initially developed by some economists in Vienna Austria back in the 1870s. The ASE emphasizes savings and investment, with minimal debt and leverage, and maintains that policy changes which allow markets to operate freely result in economic growth and wealth creation. As opposed to interventionist policies which are not friendly to the markets and result in economic stagnation and wealth destruction. Profit opportunities exist when these changes are anticipated and interpreted properly, and when identifying cash-flowing businesses characterized by innovation, longevity and growth in value.*



- Deutsche Bank – University of Hamburg (2015)
  - *Positive link between stronger ESG management and better financial performance*
- Harvard Business Study (2015)
  - *Focusing on material sustainability issues can be value-enhancing for shareholders*
- Alex Edmans on The Business Case for Purposeful Business
  - [Link to Presentation](#)



# General Approach: How we differentiate Impact Investing from ESG Investing and SRI Investing

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- Impact Investing focuses on investing in businesses with products, services or projects that can generate measurable, beneficial social or environmental impact alongside financial return. The goal is to invest in businesses providing benefit to society or the environment.
- This is different from ESG Investing, which focuses on using environmental, social and governance (ESG) best practices that may have a material impact on the business' financial performance. ESG factors are often used by investors who seek to reward and influence a business' long-term health. ESG is about economic value.
- Social Responsible Investing (SRI) incorporates ethics and social concerns into investment portfolios. SRI is about individual values. SRI actively eliminates or selects investments according to specific ethical guidelines. The underlying motive could be religion, personal values, or political beliefs. SRI uses ESG factors to apply negative or positive screens on the investment universe. Negative screens may include alcohol, tobacco, gambling, weapons, environmental damage, human rights and labour violations. Positive screens may include charitable cause contributions and social justice.

# Responsible Investing (RI) Portfolio General Approach

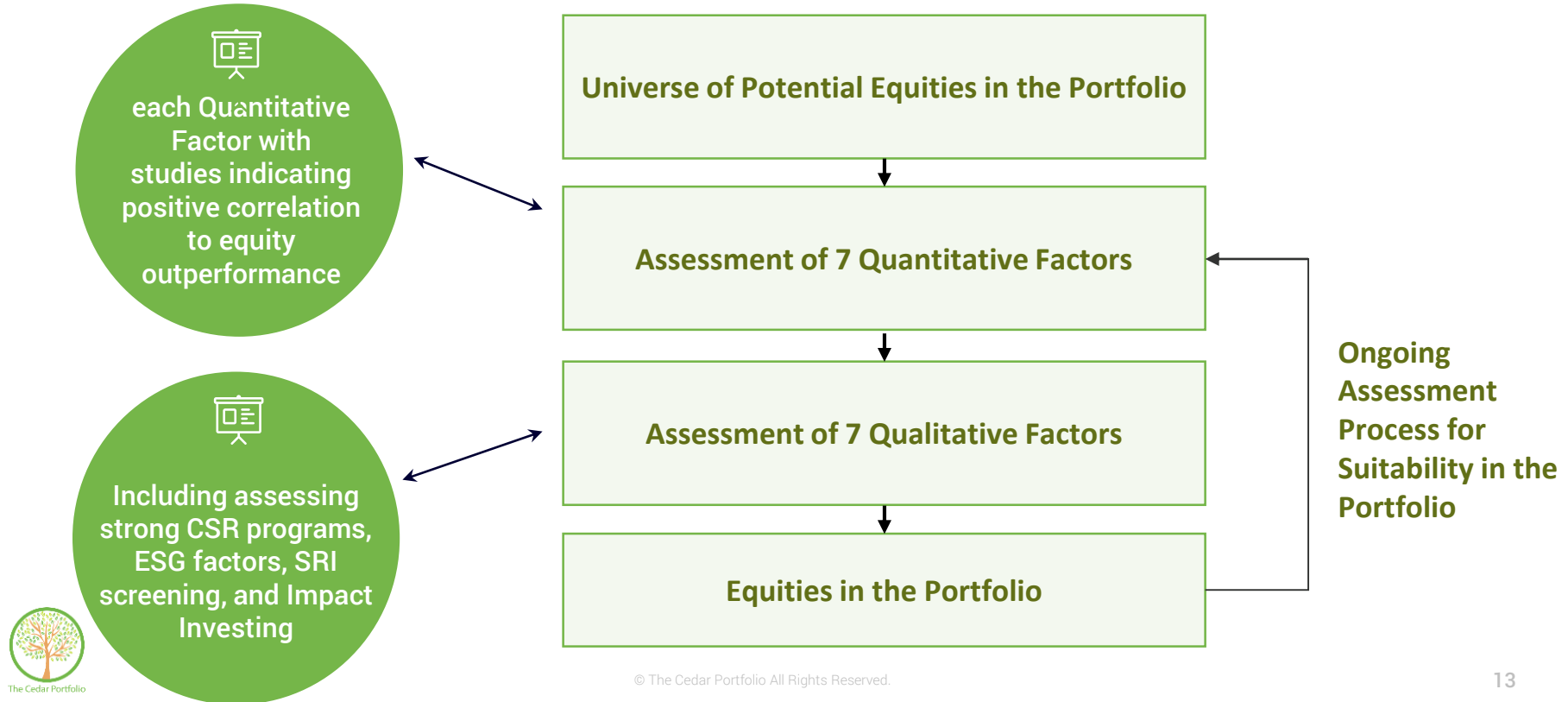


- We incorporate Responsible Investing (RI) into the investment decision-making process because it is a key part of our investment strategy, it enhances all stakeholders – ecosystems, communities, customers, employers and contractors suppliers and investors.
- We emphasize a dual focus of helping society and the environment at the same time targeting financial outperformance relative to other portfolios or industry benchmarks at generally the same or lower overall risk:
  - Businesses increasing their profitability grows the stakeholder pie, enhancing socially responsible performance to all stakeholders – investors, communities, employees, customers, suppliers and governments;
  - Businesses implementing responsible corporate actions and activities with respect to strong CSR programs, ESG factors, SRI screening and Impact Investing all have a positive direct or indirect influence on financial performance.
  - The portfolio targets all UN Sustainable Development Goals (SDGs). *We are a signatory to the UN Principles for Responsible Investment (<https://unpri.org>)*



# Investing Process for The Cedar Portfolio

## Assess 7 Quantitative + 7 Qualitative Smart Beta Factors



# Austrian School of Economics (ASE) Principles

## -> 7 Quantitative Smart Beta Factors

- 1 ASE Principle - Value is placed upon cash-flowing businesses
- 2 ASE Principle - Value is placed upon limited debt and leverage
- 3 ASE Principle - Value is placed upon high earnings per share
- 4 ASE Principle - Value is placed upon payout distribution
- 5 ASE Principle - Value is placed upon enduring operations
- 6 ASE Principle - Value is placed upon owner-operators
- 7 ASE Principle - Value is placed upon stable or decreasing float



Each Factor with studies indicating positive correlation to equity outperformance

**7 Positive Correlated Factors Taken Together Sequentially in Series – Powerful!**



# Austrian School of Economics (ASE) Principles

## -> 7 Qualitative Smart Beta Factors

- 1 ASE Principle - Value is placed upon strong corporate social responsibility and ESG factors, SRI screening and Impact Investing
- 2 ASE Principle - Value is placed upon alignment to economic trends
- 3 ASE Principle - Value is placed upon alignment to millennial trends
- 4 ASE Principle - Value is placed upon uniqueness and scarcity
- 5 ASE Principle - Value is placed upon innovation
- 6 ASE Principle - Value is placed upon risk mitigation
- 7 ASE Principle - Value is placed upon holding value/purchasing power



Qualitative Factors  
taken into account



# Investing Approach Framework

		<b>17 United Nations Sustainable Development Goals</b>		<b>1<sup>st</sup> Qualitative Factor</b>	<b>7 Qualitative Factors</b>
<b>Best Practices</b>	<b>Stakeholder Relationships</b>	Impact Investment Business Model Project			
		Social Responsible Investment (SRI) Screening			
		Environmental, Social, Governance (ESG) Factors			
		Corporate Social Responsibility			
		6 Qualitative Smart Beta Factors			
		7 Quantitative Smart Beta Factors			





# Stakeholders in CSR, ESG, SRI and Impact Investing

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<b>Stakeholder Relationships</b>	<b>Ecosystems</b>
	<b>Communities</b>
	<b>Customers</b>
	<b>Employees and Contractors</b>
	<b>Suppliers</b>
	<b>Investors</b>



# Our Dual Focus of *Helping Society and the Environment* through *Financial Outperformance*

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- Our approach is to identify specific companies that not only have high probability-based financial outperformance, but also that are involved with or promote social or environment related services, products or projects. Our unique powerful approach considers 7 quantitative smart beta factors with studies indicating correlation to financial outperformance relative to industry benchmarks, and 7 qualitative smart beta factors which include social and environment assessment, and alignment to the real working economy and with economic and millennial trends.
- We do not take an investment approach of identifying Impact investment themes to select businesses. We allow the real working economy to “select” the businesses. Individuals, organizations and governments are generally poor at identifying businesses to succeed in the real working economy. We do not identify investment themes to drive our investment approach.
- Our approach is designed to maintain a dual focus for not only helping society and the environment but also targeting financial outperformance. We see investing in our portfolio of businesses as being the most effective way for the all stakeholders to meet the United Nations (UN) Sustainability Development Goals (SDGs).
- This approach is in line with the principles of the Austrian School of Economics which takes an efficient laissez-faire approach to the economy, emphasizing little or no intervention.



# General Approach: Our Specific Thematic Investments

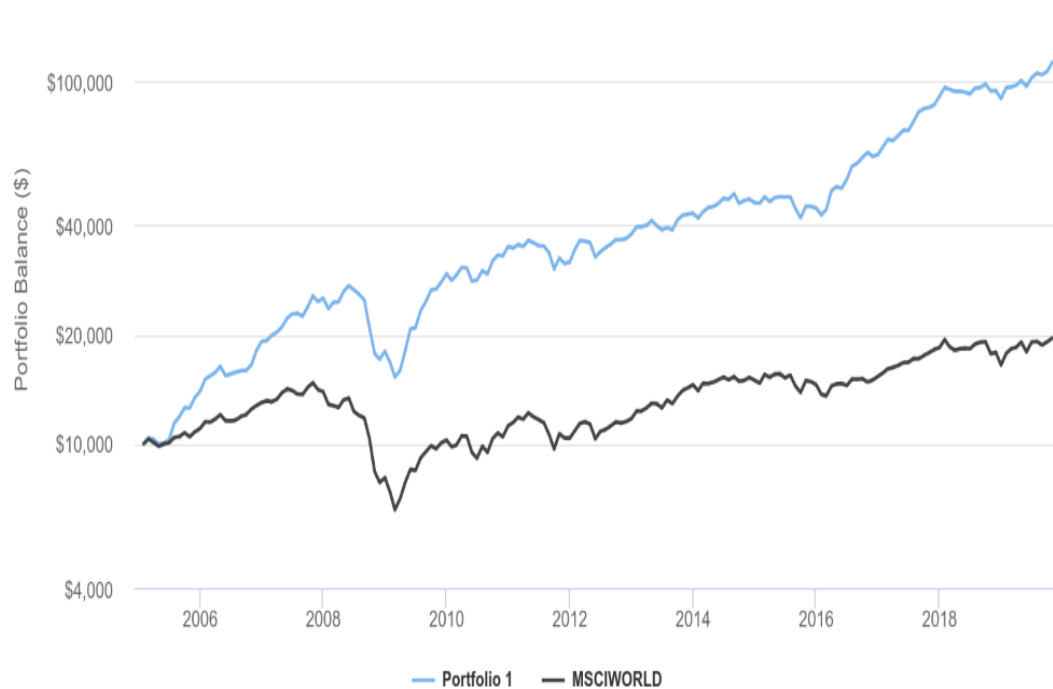
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- **The output of our Investment Approach identifies investment themes. As such, our current Impact Investing model portfolio is characterized by the following themes:**
  - **Businesses offering new or enhancing existing products or services towards being more ecofriendly and contributing to local, national and global communities;**
  - **Businesses enhancing the health and well-being of customers and society as a whole;**
  - **Businesses strengthening the capabilities of their suppliers;**
  - **Businesses improving working environment and conditions, and boosting overall worker productivity;**
  - **Businesses enhancing transparency with their investors**



# The Cedar Impact Investing Portfolio – Backtesting Results from 2005

## Financial Outperformance to Industry Benchmarks at generally lower risk!

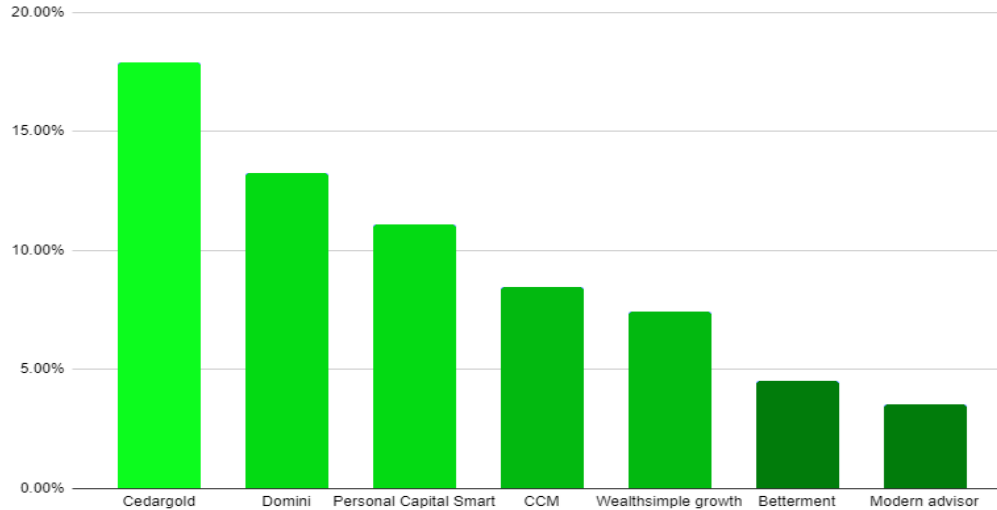


METRIC	PORTFOLIO	MSCI WORLD INDEX
Start Balance	\$10,000	\$10,000
End Balance	\$112,830	\$19,552
End Balance (inflation adjusted)	\$83,801	\$14,521
CAGR	17.86%	4.65%
CAGR (inflation adjusted)	15.50%	2.56%
Annualized Volatility	15.96%	14.74%
Beta	0.95	1.00
Max. Drawdown	-44.02%	-55.37%
Sharpe Ratio	1.04	0.30
Sortino Ratio	1.73	0.41

\$ = USD



# Performance Statistics of Impact Investing Portfolios Compared with The Cedar Impact Investing Portfolio



*Cedar performance numbers include the financial crisis years – if only going back to 2009, the Cedar performance numbers are even much better than the other portfolios, funds or ETFs*

METRIC	<a href="#">CEDARGOLD's CEDAR</a>	<a href="#">DOMINI</a>	<a href="#">PERSONAL CAPITAL SMART</a>	<a href="#">CCM</a>	<a href="#">WEALTHSIMPLE GROWTH</a>	<a href="#">BETTERMENT</a>	<a href="#">MODERN ADVISOR</a>
CAGR	17.9%	13.24%	11.1%	8.47%	7.4%	4.5%	3.5%
SINCE WHEN	2005	2009	1990	2018	2016	2007	2017



The Cedar Portfolio

**CAGR = Compound Annual Growth Rate**

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**click on hyperlinks for reference to numbers provided**

# ***The Cedar Portfolio – Contact Information***

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[link here to our website for more information and subscription information](#)

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