

# Red Cedar Strategic Income SRI, LP Fact Sheet



March 31, 2024

## OBJECTIVE

Strategic Income SRI is a dynamic relative-value strategy that seeks income and total return opportunities across an array of global income markets, while exhibiting reduced interest rate sensitivity and correlation to traditional equity and fixed income asset classes. The strategy seeks to outperform its peers as well as the Bloomberg U.S. Aggregate Index, and is managed to USCCB principles.

## INVESTMENT APPROACH

A global, flexible approach allows tactical changes among a variety of income producing asset classes. Employing a top-down macro perspective with bottom-up security selection, we place emphasis on high quality, relative value and high current income.

## INVESTMENT PHILOSOPHY

We invest in a wide range of income producing asset classes, while focusing on high quality, low leverage, and transparency to help limit volatility and downside risk. A lower overall correlation to equity and fixed income enhances return per unit of risk. Further, we aim to make impact investments that are closely aligned with the ethos of our clients in addition to being sensible investments from a risk-adjusted return perspective.

## RISK MANAGEMENT

Along with broad diversification across asset classes and a high quality credit focus, the Strategy has strict issuer limits of less than 4% and defined sector ranges for bonds, preferreds, convertibles, REITs, high dividend equities, high yield debt, and emerging market exposure.

## INVESTMENT PROCESS OVERVIEW

“Strategic Income SRI seeks current income, across global markets, in any capital structure where we find relative value. The strategy provides reduced correlations to both stocks and bonds in a high quality portfolio.” – John Cassidy

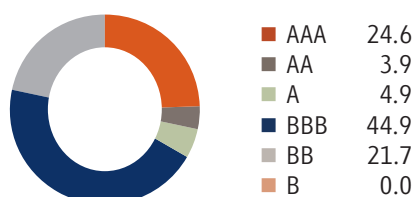


## ASSET ALLOCATION

	(%)
<b>Bonds</b>	<b>28.91</b>
ABS	1.94
CMBS	9.56
Corporate	6.56
Mortgage	10.85
Treasury and Agency	0.00
Non-Dollar	0.00
<b>Preferreds</b>	<b>49.16</b>
Institutional Preferreds	23.54
Corporate Hybrids	8.16
AT1	16.70
\$25	0.76
<b>REITs</b>	<b>3.44</b>
<b>Equity</b>	<b>12.74</b>
<b>Cash</b>	<b>5.39</b>
<b>Options</b>	<b>0.36</b>

Source: Bloomberg.

## PORTFOLIO RATING\*



## PREFERRED QUALITY RATING\*



Source: Bloomberg.

## ASSETS

Strategy Assets (\$M)

Composite 16.02

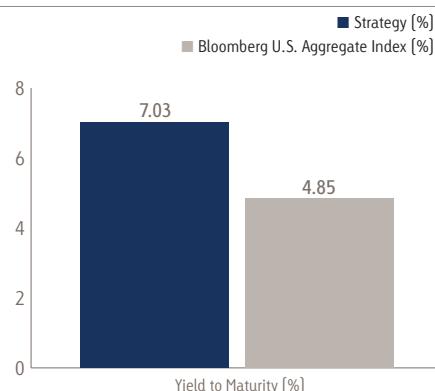
## KEY FACTS

	Bloomberg U.S. Aggregate Index
Benchmark	
Number of Holdings	114
Vehicles	Separate Account, SRI Private Fund

## CHARACTERISTICS

	Strategy	Index
Effective Duration (Years)	3.45	6.15
Average Credit Quality	A/A-	A/A-

## YIELD\*\*



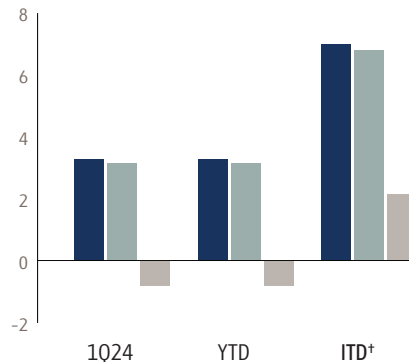
The characteristics shown are based on a representative account and are for illustrative purposes only. Individual client accounts may differ based on a variety of client-specific factors, including account fees, account size, cash flows, client specific investment opportunities and restrictions. Strategy performance results shown may reflect the reinvestment of income. Past performance is no guarantee of future results. Index performance used throughout this piece is intended to illustrate historical market trends and is provided solely as representative of the general market performance for the same period of time. Indices are unmanaged, may not include reinvestment of income, and do not incur investment management fees. An investor is unable to invest in an index. The holdings and sectors listed should not be considered to be a recommendation to buy or sell a particular security. Actual holdings are subject to change daily. The mention of specific securities illustrates the application of our investment approach only and is not to be considered a recommendation by RCIM.

FIRST QUARTER 2024

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### PERFORMANCE



	1Q24	YTD	ITD*
Gross [%]	3.26	3.26	6.98
Net [%]	3.14	3.14	6.81
Bloomberg U.S. Aggregate Bond Index [%]	-0.78	-0.78	2.15
<b>Outperformance [%]</b>	<b>3.92</b>	<b>3.92</b>	<b>4.66</b>

†Performance calculated from inception date 12/1/2023  
Periods greater than 12 months are annualized  
Source: Bloomberg, Clearwater Analytics

### PORTFOLIO MANAGEMENT TEAM



**John L. Cassidy III, CFA**

Co-Chief Investment Officer  
Industry start date: 1987  
Joined Red Cedar: 2018



**Brandon F. Bajema, CFA, CPA**

Co-Chief Investment Officer  
Industry start date: 2003  
Joined Red Cedar: 2021



**Julia Batchenko, CFA**

Senior Portfolio Manager  
Industry start date: 2011  
Joined Red Cedar: 2019



**Jason M. Schwartz, CFA**

Director of Portfolio Management  
Industry start date: 2004  
Joined Red Cedar: 2018



**David L. Withrow, CFA**

Senior Market Strategist  
Industry start date: 1988  
Joined Red Cedar: 2018

### DISCLOSURES

\*Quality ratings are based on Moody's, S&P, or Fitch, as applicable. Securities rated by all three services are assigned the median rating; if a bond is rated by only two agencies, it is assigned the lower rating; if it is only rated by one agency, that rating is assigned.

\*\*Yield to maturity calculated using the compound convention of the bond. This is current as of the date of this material and is subject to change at any time based upon market or other conditions. Charts, diagrams, and graphs, by themselves cannot be used to make investment decisions.

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The information presented in this material is general in nature and not designed to address your investment objectives, financial situation, or particular needs. Prior to making any investment decision, you should assess, or seek advice from a professional

regarding whether any particular transaction is relevant or appropriate to your individual circumstances. The mention of specific securities and sectors illustrates the application of our investment approach only and is not considered a recommendation by RCIM.

There is no assurance that the securities purchased remain in the portfolio or that securities sold have not been repurchased. The opinions expressed herein are those of RCIM and may not actually come to pass.

All information and performance are reported in U.S. dollars.

The "Net" returns presented are net of fees. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results.

The information herein was obtained from various sources. RCIM does not guarantee the accuracy or completeness of information provided by third parties. The information in this report is given as of the date indicated and believed to be reliable. RCIM assumes no obligation to update this information, or to advise on further developments relating to it.

The Red Cedar Strategic Income SRI Fund invests in Treasury and agency bonds, investment grade and non-investment grade corporate bonds, municipal bonds, asset-backed securities, agency, non-agency mortgage-backed securities, collateralized mortgage obligations, preferred securities, equity REITS and equity securities. The strategy may use derivatives, including forward contracts, futures contracts, swap contracts and options in implementing

its strategy. The use of derivative instruments allows the strategy to achieve its investment objectives, reduce risks, or manage the strategy more efficiently. The strategy also invests in international securities, foreign exchange, and non-U.S. dollar denominated securities. The Fund assets are invested in accordance with United States Conference of Catholic Bishop principles. The Fund was created on December 1, 2023.

The benchmark is the Bloomberg U.S. Aggregate Bond Index. The index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

An index is an unmanaged portfolio of specific securities, the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Investors cannot invest directly in an index. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.

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