



# Short Term Bond Fact Sheet

September 30, 2022

## OBJECTIVE

The investment objective of the Red Cedar Short Term Bond Strategy is to seek preservation of capital and maximize current income.

## INVESTMENT PROCESS

The Strategy employs an active management and fundamental investment process. Emphasis is placed on securities with a high level of current income through rigorous capital structure analysis to identify potential stable sources of yield.

## INVESTMENT PHILOSOPHY

“We seek income producing opportunities while preserving capital by focusing on securities that have demonstrated superior risk-adjusted returns over time.”

- Jason Schwartz

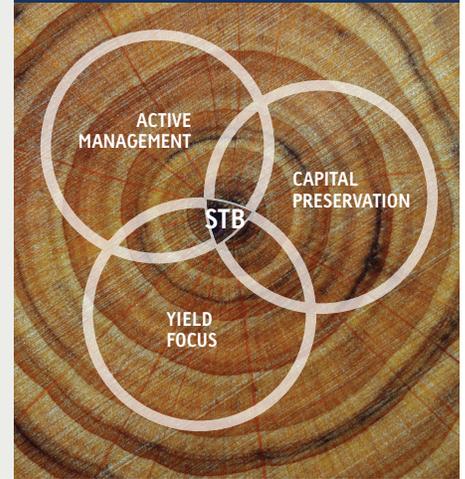
## INVESTMENT STRATEGY

The Strategy normally invests at least 80% of its net assets in the following types of U.S. dollar-denominated debt obligations:

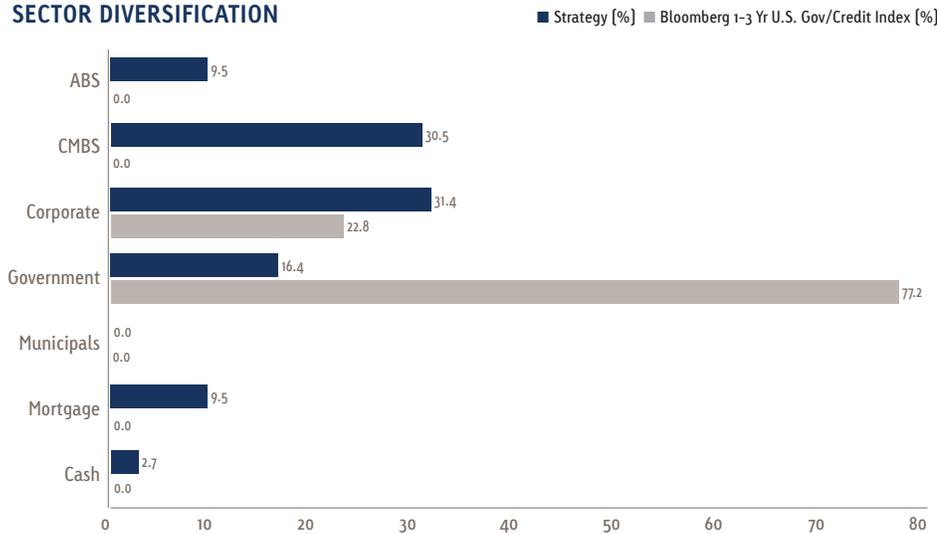
- Corporate bonds
- U.S. government and agency securities
- Municipal bonds
- Asset-backed, commercial mortgage-backed and residential mortgage-backed securities
- U.S. dollar denominated bonds issued by foreign governments and corporations

The Strategy only invests in debt obligations that, at the time of purchase, are rated at least Baa3 or higher by Moody's Investors Services, Inc., or BBB- or higher by Standard & Poor's Ratings Services or Fitch, Inc., or, if unrated, are determined by Red Cedar Portfolio Management to be of comparable quality.

Under normal circumstances, the Strategy's dollar-weighted average portfolio effective maturity will be more than one year but less than three. The Fund may shorten or lengthen its average weighted effective maturity for temporary defensive purposes. The Strategy may invest in debt obligations of all maturities.



## SECTOR DIVERSIFICATION



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.

## QUALITY RATINGS\*

Quality Rating	Strategy (%)
AAA	65.1
AA	6.8
A	15.6
BBB	12.5

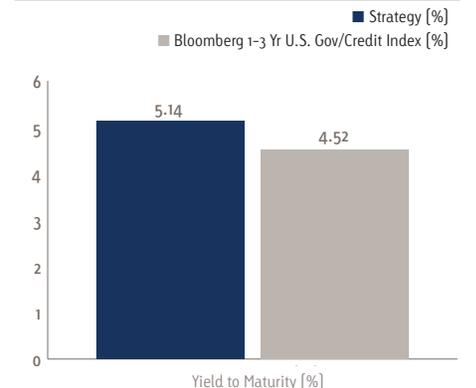
## KEY FACTS

Benchmark	Bloomberg 1-3 Yr U.S. Gov/Credit Index
Business Minimum	\$15 M
Number of Holdings	73

## CHARACTERISTICS

	Strategy	Index
Effective Duration (Years)	1.74	1.82
Average Credit Quality	AA	AA+

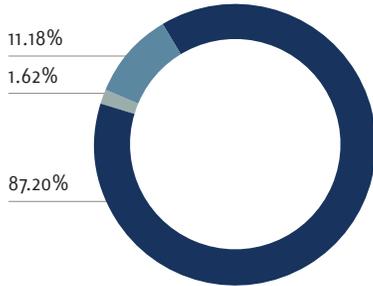
## YIELD\*\*



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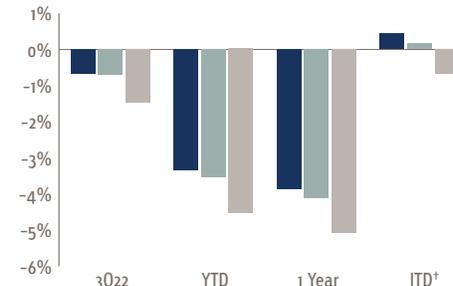
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## DURATION BREAKDOWN



Duration in Years	Percentage [%] of Portfolio
0-1	11.18
1-3	87.20
3+	1.62

## PERFORMANCE



	Composite Gross [%]	Composite Net [%]	Index [%]*
3Q22	-0.67	-0.70	-1.48
YTD	-3.35	-3.53	-4.54
1 Year	-3.86	-4.11	-5.07
ITD*	0.43	0.14	-0.67

\*Inception Date 1/1/2020  
 Periods greater than 12 months are annualized  
 \*Bloomberg 1-3 Yr U.S. Gov/Credit  
 Source: Bloomberg, Clearwater Analytics

## PORTFOLIO MANAGEMENT TEAM



**Jason M. Schwartz, CFA**

Senior Portfolio Manager  
 Industry start date: 2004  
 Joined Red Cedar: 2018



**Michael J. Martin, CFA**

Senior Portfolio Manager  
 Industry start date: 1994  
 Joined Red Cedar: 2018



**Patricia S. Younker**

Senior Portfolio Manager  
 Industry start date: 1987  
 Joined Red Cedar: 2018



**John L. Cassady III, CFA**

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

## DISCLOSURES

\*The quality ratings are calculated on a market value-weighted basis using the highest credit quality rating given by S&P, Moody's, or Fitch for each security in the strategy. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest).

\*\*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 securities discussed do not represent the Composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

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.

The "Gross" returns presented are gross of fees. The results do not reflect the deduction of investment management fees. The client's return will be reduced by the management fees and any other expenses incurred in the management of the account. For example, a US \$100 million account, paying a 0.50% annual fee, with a given rate of 10% compounded over a 10-year period would result in a net of fee return of 9.5%. Management fees are described in Part 2A of RCIM's Form ADV Part 2A. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results.

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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.

Short Term Bond Composite includes all fully discretionary institutional portfolios that invest in Treasury and agency bonds, U.S. dollar denominated investment grade corporate bonds, municipal bonds, asset-backed securities, agency and non-agency mortgage-backed securities and collateralized mortgage obligations. The strategy also invests in derivatives such as Treasury futures and CDX for hedging purposes. The weighted average portfolio effective duration range will be 80% - 120% of the benchmark effective duration during normal market conditions. The Composite was created January 1, 2020. The inception date of the Composite was January 1, 2020. Prior to November 1, 2021 the name of the Composite was RCIM Short Term Bond Composite.

The benchmark is the Bloomberg 1-3 Year U.S. Government/Credit Index. Bloomberg 1-3 Year U.S. Government/Credit Index measures Treasuries, government-related issues, and corporates with maturity between 1-3 years.

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