



## May 2020 | Newsletter

Keeping you up to date with all the latest news from The S Factor Co.

### We put the S in ESG™

Greetings!

#### COVID-19 SOCIAL IMPACT DATA

We sincerely hope that this newsletter finds you, your loved ones and your teams **healthy and safe** and **managing** through these times of continued uncertainty.

It has always been **our mission** (for decades) to lend clearer, **simplified insight** with our **expertise on the social impact** of companies' measurements and management.

We hope that our content will act as a **resource** for you, to help **navigate evolving market trends** related to **COVID-19, ESG, Big Data** and companies' behaviours, **responsibilities and impacts**.

This month's newsletter focuses on a couple of **key highlights**, publications and **MSPI market performance** updates. There certainly isn't any shortage of headlines for ESG and specifically the **S in ESG, our signature trademark!** We've included lots of **resources and articles, blogs and podcasts** to keep you abreast of the **rapidly evolving ESG landscape**.

*From our team to yours, and to your families and communities - stay safe, and stay informed.*

The S Factor Team.

Contact us for your product demo  
today!

## The Latest News & Events

Friday May 22, 2020 - It's not too late to register. Reserve your spot now! **Over 800 participants are registered for this week!**



On Friday, May 22<sup>nd</sup>, S-Factor will have a whopping 3 minutes to pitch their Alpha Capture outcomes with their innovative pandemic tracking data set. Find the right signals to navigate us back to the market. Join us during the Virtual Eagle Alpha conference online this week!

[Register Here](#)



### Alternatives Watch: Despite pandemic, more alts firms seek data to invest for the greater good

Profiled on April 20, 2020, The S Factor Co., and CEO, Bonnie Lyn de Bartok, “found that its newly created S-Factor Pandemic Score signals seem to be five to 10 days ahead of the actual stock performance moves.” [Read more](#) about what we had to say and stay tuned next month for a review of how some of our bold predictions panned out.



### It's here! It's here! Recorded February 13th, 2020 Pre-COVID onset.

By the grace of our good friends at the Fields Institute CQAM and the TED team, post-COVID onset here in Toronto, they have done a lovely job of pulling our talk together. Thank you again for the wonderful opportunity. Some idea-generating thoughts on Social Return on Impact and the ESG / SRI market enjoy!



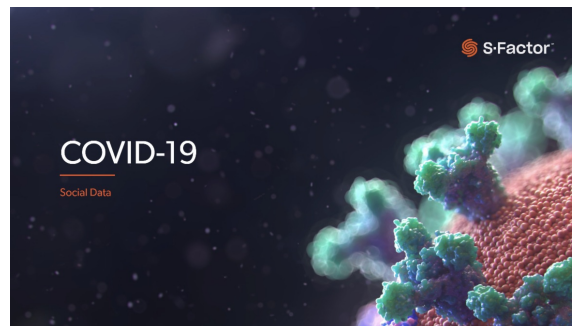
TED [website](#) link



## S-Factor COVID-19 Social Data

### How are companies measuring up?

Earlier in **April** S-Factor delivered an **online session** on the latest on S-Factor **COVID-19 Pandemic social data** and trends. You can access a recording of this webinar and download the **FREE** report from the site [here](#).



## CAASA Pod Cast: S-Factor & Alquity: Both Sides of the Coin

Recorded April 15th, 2020

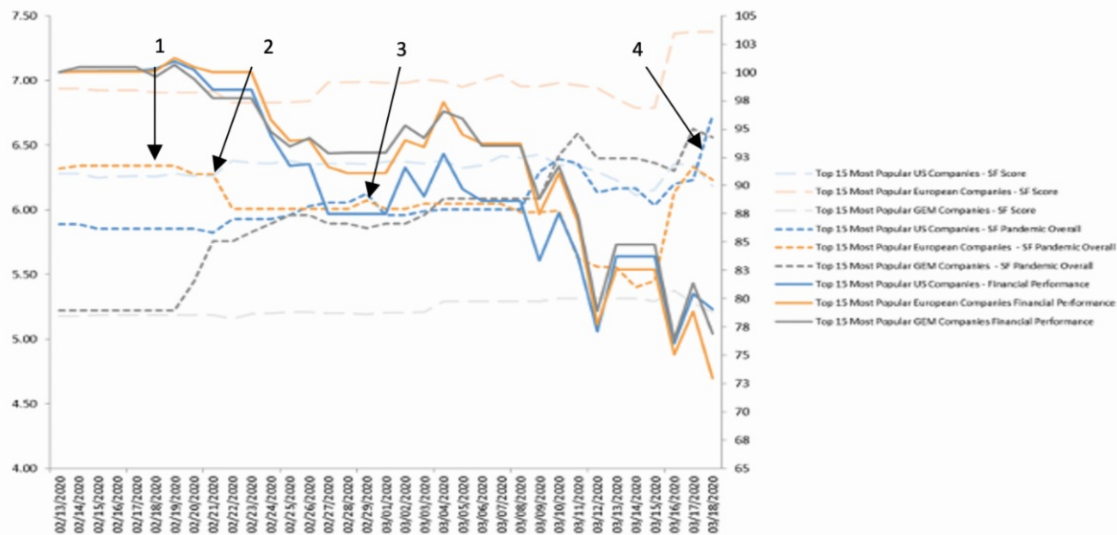
In this episode led by James Burron, Co-Founder CAASA, joined by Robert Lampl Head of Emerging Markets for Alquity Investment Management, an emerging markets portfolio manager and S-Factor, a big data insight provider who both have ESG as the core component of their business (with S-Factor™ focusing on the Social aspects). We take a deep dive look into what ESG truly is, how it can be a leading indicator of equity performance, and the inherent risks that come from so-called ESG-washing.

## Product Highlights

### Behaviour Monitoring during COVID -19

The most significant outcome? Early market detection.

## Composite Daily Scores vs Financial Performance



The S-Factor Co. has been tracking companies' behaviours and changes in behaviours regarding their ethics, supply chain, employees and communities since early Feb 2020 in real-time. The SF Pandemic Score (SFP) has resulted in performance signals, usually 5-10 days ahead of stock price/market movement (1-4).

In our recent report released in March of 2020, we captured a 35-day period of this performance from February 13 through to March 18, 2020, for 45 specific companies across 3 regions, to demonstrate the case. We found that the tone of sentiment versus the quantifiable action by companies in a timely manner as it related to their inherent fiduciary care where they operate, clearly defined the out-performers in a predictable fashion. The outcome signals are evident in short-term performance (1-4).

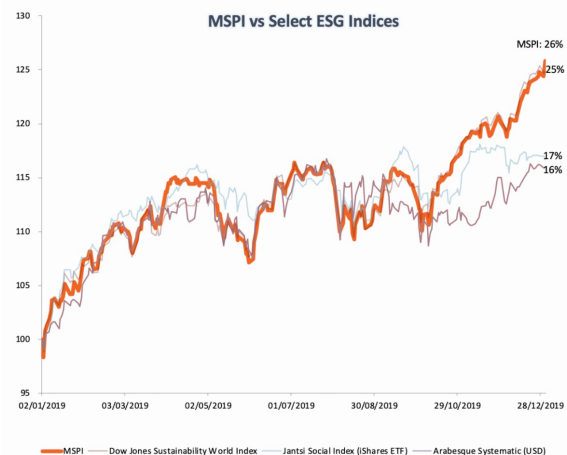
This signal monitoring has been tracking 1,000's of companies in real-time in the SF system since February 13, 2020. This feature has been added as a free add-on to the SF product to help markets navigate a more responsible future.



## Business Case

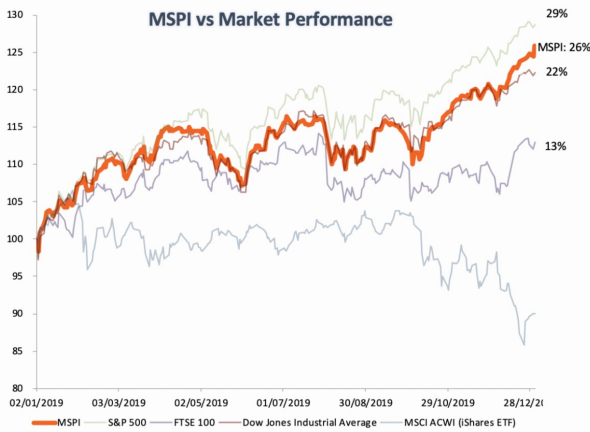
### MSPI v ESG Indices

The difference between the MSPI (which is S-Factor's Social Performance Index) and other ESG Indices on the market is the addition of 1,000's of social factor metrics and the proprietary algorithms which measure companies' social policy compliance, best-practice behaviour and management, public sentiment, externalities, and their financial performance.



## Business Case MSPI v Market





The MSPI is S-Factor's Social Performance Index. It measures companies' social impact in relation to their compliance, best-practice norms, public sentiment, externalities and financial performance. The MSPI collectively represents top-performing companies' SF performance, with a minimum threshold of 50% social impact topic coverage, maintaining an average grade of C+ for the fiscal year, monitored and adjusted quarterly.

## Headlines

### Bloomberg: 'Social Washing' Is Becoming Growing Headache for ESG Investors

With the pandemic emphasizing the 'S' in ESG, investors are struggling to find social data that does not overstate the credentials of social projects. ESG investors must hold companies accountable for social issues. There needs to be an increase in thought and analysis in the sphere of social issues to avoid social-washing.

[Read More](#)



### Financial Times: Coronavirus forces investor rethink on social issues



In the past, environmental and governance concerns have overshadowed social investment considerations. COVID-19 has shifted investor focus to how companies treat employees, customers and suppliers. Previous social statements are now being put to the test. [Read More](#)



### CFA Institute: Public Sentiment and the Price of Corporate Sustainability (In Practice)

Harvard researchers consider whether the value of ESG information has already been accounted for by investors and reflected in share prices. Their findings indicate that the market undervalues companies that are experiencing negative ESG sentiment,

causing ESG factors to not always be reflected in the share price and leaving a gap for investors to exploit. [Read More](#)



## **Business faces stern test on ESG amid calls to 'build back better' : Financial Times**

**Financial Times: Can companies still afford to care about sustainability?**

**Bloomberg: COVID-19 may change corporate sustainability as we know it**

**The New York Times: How Business Should Change After the Coronavirus Crisis**

**Financial Times: Ethical investors want more proof of good deeds**

**BCG: Unlocking Tomorrow's ESG Opportunities**

**Forbes: Four Lessons We Should Learn From The Pandemic**

**FitchRatings: Fitch Ratings' ESG Relevance Score Framework and Coronavirus**

## Upcoming Events

### **CAASA Family Office Summit**

**New Date:**

**August 5-6 (Virtual)**

The CAASA Family Office Summit brings together speakers and participants from single and multi- family offices, investment dealers, Canadian and global investment management houses, and affiliated service providers. Panels and break-out sessions will focus on key issues facing family offices in Canada and elsewhere including structuring, legal & tax issues, IT and operational areas, and investments – including: hedge funds, CTAs, private equity, private lending, real estate, infrastructure, and crypto-assets/blockchain-related investments. All content is subject to Chatham House Rule.



Join the S-Factor and a panel of experts for an intriguing discussion on ESG and Investment strategies. More details will follow.

**Sponsors of the event include:**





## Talking Hedge

**New Date:**

**September 15-16, 2020**

**SANTA MONICA**

**Loews Santa Monica Beach Hotel**

Alternative investment managers and solutions providers increasingly construct unique portfolios for institutional asset owners and establish well-defined alignment of interests. Tailoring solutions for investors results in lower costs, operational efficiencies, and alpha generation.



## Generating Alpha

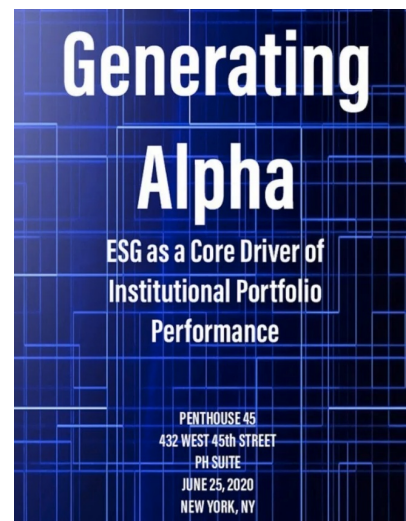
**New Date:**

**Fall 2020**

**Penthouse 45, 432 WEST 45th Street, NYC, NY**

ESG as a Core Driver of Institutional Portfolio Performance: Companies have begun to implement ESG practices to reshape how they create value. This value manifests itself through returns in the equity selection process, as valuation models emerge to demonstrate those returns for institutional investors who seek out companies with strong ESG practices and ratings.

[Register Here](#)



## Team



**CAREERS @  
The S Factor Co.**

Despite the uncertainty, 2020 continues in growth mode as we scale to serve the demand for quality ESG content, information validation and creative use cases.

### Current Open Positions:

Head of Sales, Americas - New York

Head of Sales, Europe - London

Product Lead, Toronto

Case / Account Managers

Account Executives - Sales (Toronto, NYC, London)

Many new openings to come - watch for these postings here - [Careers](#) @The S Factor Co.

## Get in Touch



*We look forward to helping the market solve some seriously complex social impact challenges, fulfilling the gaps in information, benchmarking international norms, content validation and providing quality material evidence you can count on.*

*Sincerely,*

***Bonnie Lyn de Bartok***

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The S Factor Co.

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