

Chapter 1 : NJDEP-Asset Management Policy Program

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View Larger Image Past performance is no guarantee of future results. Asset class total returns are represented by indexes from the following sources: Fidelity Investments proprietary analysis of historical asset class performance, which is not indicative of future performance. Looking at the performance of stocks, bonds, and cash from to , we can see that shifts between business cycle phases create differentiation in asset price performance see chart, right. In general, the performance of economically sensitive assets such as stocks tends to be the strongest when growth is rising at an accelerating rate during the early cycle, then moderates through the other phases until returns generally decline during recessions. By contrast, defensive assets such as investment-grade bonds and cash-like short-term debt have experienced the opposite pattern, with their highest returns during a recession and the weakest relative performance during the early cycle. Asset allocation decisions are rooted in relative asset class performance, and there is significant potential to enhance portfolio performance by tilting exposures to the major asset classes based on shifts in the business cycle. Investors can implement the business cycle approach to asset allocation by overweighting asset classes that tend to outperform during a given business cycle phase, while underweighting those asset classes that tend to underperform. In the early cycle, for example, the investor using this approach would overweight stocks and underweight bonds and cash. Business cycles since are represented, and all data are annualized for comparison purposes. Analyzing relative asset class performance Certain metrics help us evaluate the historical performance of each asset class relative to the strategic allocation by revealing the potential magnitude of out- or underperformance during each phase, as well as the reliability of those historical performance patterns see chart, below. Calculates the geometric average performance of an asset class in a particular phase of the business cycle and subtracts the performance of the benchmark portfolio. This method better captures the impact of compounding and performance that is experienced across full market cycles i. For each month, calculates the difference in the performance for an asset class compared to the benchmark portfolio, and then takes the midpoint of those observations. This measure is indifferent to when a return period begins during a phase, which makes it a good measure for investors who may miss significant portions of each business cycle phase. This method mutes the extreme performance differences of outliers, and also underemphasizes the impact of compounding returns. Calculates the frequency of an asset class outperforming the benchmark portfolio over each business cycle phase since This measure represents the consistency of asset class performance relative to the broader market over different cycles, removing the possibility that outsized gains during one period in history influence overall averages. This method suffers somewhat from small sample sizes, with only 10 full cycles during the period, but persistent out- or underperformance can still be observed. Early-cycle phase Lasting an average of about one year, the early phase of the business cycle has historically produced the most robust stock performance on an absolute basis see chart, below. Stocks have typically benefited more than bonds and cash from the backdrop of low interest rates, the first signs of economic improvement, and the rebound in corporate earnings. Relative to the long-term strategic allocation, stocks have exhibited the greatest outperformance in the early cycle, while bonds and cash have experienced the deepest underperformance see chart below. A hallmark of this phase is that hit rates against the balanced benchmark are the most definitive, which may give investors greater conviction to overweight riskier assets and underweight more defensive asset classes during the early cycle. Relative to a balanced benchmark, economically sensitive stocks have tended to do well in the early- and mid-cycle phases, bonds have tended to do well in the recessionary phase, and performance has been mixed during the late-cycle phase. Past performance is no guarantee of future results. Mid-cycle phase Averaging nearly three years, the mid-cycle phase tends to be significantly longer than any other phase of the business cycle. As the economy moves beyond its initial stage of recovery and growth rates moderate during the mid-cycle, the leadership of

economically sensitive assets has typically tapered. On an absolute basis, stock market performance has tended to be fairly strong though not as robust as in the early-cycle phase, while bonds and cash have continued to post lower returns than equities in the mid-cycle. This phase is also when most stock market corrections have taken place. Measured by average and median differences as well as hit rates, the mid-cycle pattern of performance relative to the strategic allocation is similar to that of the early cycle, with bonds and cash trailing stocks. However, both the magnitude and frequency of out- and underperformance have been more muted, justifying more moderate portfolio tilts than during the early phase.

Late-cycle phase The late-cycle phase has an average duration of roughly a year and a half. As the recovery matures, inflationary pressures build, interest rates rise, and investors start to shift away from economically sensitive areas. On an absolute basis, average stock performance is roughly in line with cash. The rising interest rates that typically accompany this phase of the business cycle tend to weigh on the performance of longer-duration bonds, which lags the absolute returns to shorter-duration cash. Across the asset classes, the late cycle has the most mixed performance relative to the strategic allocation, and the hit rates and relative performance are the lowest of the expansion phases. In general, stocks have exhibited somewhat better performance on some metrics during the late cycle, and cash tends to outperform bonds, but the indefinite frequency and magnitude of relative performance warrant more neutral allocations relative to the benchmark portfolio.

Recession phase The recession phase has historically been the shortest, lasting nine months on average from to As economic growth stalls and contracts, assets that are more economically sensitive fall out of favor, and those that are defensively oriented move to the front of the performance line. The stock market has performed poorly during this phase. Cash has continued to play a defensive role, while the falling interest-rate environment typically seen during recessions acts as a major tailwind for bonds. Performance patterns relative to the strategic allocation have been significantly different in recessions than in the other three phases, most notably in the high frequency of outperformance for bonds, and the opposite for stocks. Cash positions also enjoy their best performance relative to the balanced benchmark, albeit with only moderate hit rates. This phase of the business cycle tends to favor a high conviction in more defensive allocations. Sector performance rotations within asset classes

Equity sector relative performance has tended to be differentiated across business cycle phases. View Larger Image Unshaded white portions above suggest no clear pattern of over- or underperformance vs. Similar patterns of relative performance can be identified across sectors of the major asset classes, such as equity sectors or different credit qualities in the fixed income universe. Bond market sectors have also exhibited economic sensitivity. More credit-sensitive fixed-income sectors such as high-yield corporate bonds have tended to do better in the early phase of the cycle, while less economically sensitive areas such as government and other investment-grade bonds have done relatively well in slowdowns and recessions. For instance, high-yield corporates have averaged strong annual gains during the early cycle but have been roughly flat in recessions, when interest rate-sensitive investment-grade bonds have exhibited solid positive returns. Many fixed-income categories that are fairly new to the marketplace have limited history and hence smaller sample sizes that make historical performance analysis less useful. Nevertheless, comparing the performance of credit and interest-rate sensitive bonds across the phases illustrates that business cycle-based asset allocation within a fixed income portfolio has considerable potential to generate active returns see chart, above.

Merits of the business cycle approach The economic sensitivity of high-yield bonds has caused them to behave more like equities than investment-grade bonds. There is generally broad agreement among many academics and market participants that economic factors influence asset prices. One of the most widely used paradigms for economically linked asset allocation decisions is to specify the economy as being in one of two states, expansion or contraction. However, many of these economic approaches have significant shortcomings. First, some may have a strong theoretical backing but lack the ability to be practically applied, often relying on data that are revised frequently or not released on a timely basis. For instance, the NBER announced the beginning of the most recent recession a full 12 months after the fact. Second, the binary approach is not granular enough to catch major shifts in asset price performance

during the lengthy expansion phase, which reduces the potential for capturing active returns. Other asset allocation paradigms also include market-based asset price signals. These tend to shift phase identifications more quickly than models based purely on the economy, likely due to the fast pace of asset market price movements. For example, one prominent strategy uses earnings yield—a function of corporate profits and stock prices—and recent stock market returns as primary inputs to an asset allocation model, which at times has shifted through all four phases in a one- or two-year period. While such strategies may capture more trading opportunities than the more economically based models, frequent portfolio composition changes often generate higher turnover and transaction costs. Those strategies based more on asset price movements also have a greater likelihood of being whipsawed by price volatility, and they can be susceptible to false signals based on temporary investor optimism or pessimism. Some alternative asset allocation approaches center on forecasting gross domestic product GDP and inferring asset market performance from those forecasts, but historical analysis has shown a relatively low correlation between GDP growth rates and stock or bond market investment rates of return over a cyclical time frame. Our approach to business cycle investing Our quantitatively backed, probabilistic approach encompasses a number of key attributes: First, the approach focuses on critical drivers of relative asset performance. As demonstrated above, there is a large differential in asset performance across the various phases of the business cycle. A key to identifying the phase of the cycle is to focus on the direction and rate of change of key indicators, rather than the overall level of activity. We focus on economic indicators that are most closely linked with asset market returns, such as corporate profitability, the provisioning of credit throughout the economy, and inventory buildups or drawdowns across various industries. Second, we employ a practical and repeatable framework that provides a solid foundation and can be applied more consistently. Our business cycle dating scheme measures high-quality indicators that have a greater probability of representing economic reality and are not dependent on perfect hindsight. For instance, tangible measures such as inventory data are less likely to be revised or present false signals compared to other, broader indicators such as GDP growth. We use a disciplined, model-driven approach that helps minimize the behavioral tendency to pay too much attention to recent price movements and momentum, called the extrapolation bias, which is a common pitfall suffered by many investors. Third, the cycle phases we employ are grounded in distinct, intermediate-term fundamental trends, typically only shifting over periods of several months or longer. This approach unfolds more slowly than tactical approaches, whose frequent shifts can whipsaw investors during periods of high volatility. Our approach is best suited to strategies with an intermediate-term time horizon and a lower ability or willingness to trade into and out of positions quickly. On the other hand, this approach captures more frequent phases than the two-state NBER strategies, thus providing more scope for generating active returns. Other considerations Like any other approach, our business cycle approach has limitations and requires adept interpretation in order to use the framework appropriately as part of an investment strategy. For example, identifying the current phase of the business cycle determines the underlying trend of economic activity, but that trend can always be disrupted by an exogenous shock, such as natural disasters, geopolitical events, or major policy actions. A number of factors, including a relatively slow pace of expansion or a heavy dependence on other economies or external drivers of growth, may make an economy more susceptible to such a shock. It is also important to note that we draw a distinction between developed and developing economies when mapping their business cycles. For developed economies such as the U. We adopt this definition because developing countries tend to exhibit strong trend performance driven by rapid factor accumulation and increases in productivity, and the deviation from the trend tends to matter the most for asset returns—even if there is no outright contraction in activity. Investment implications As a result, complementing the business cycle approach with additional strategies may further enhance the ability to generate active returns from asset allocation over time. For instance, tactical shifts in portfolio positioning may be used to mitigate the risks or opportunities presented either by the threat of external shocks or by major market moves that may be unrelated to changes in the business cycle. Another possibility is to analyze the domestic business cycle combined with the business cycles of major trading

partners or the entire world, in order to capture more of the exogenous risks facing an economy. Using additional complementary strategies may be particularly relevant during phases when the relative performance differential from the business cycle framework tends to be more muted. For example, performance differences have been less pronounced during the late-cycle phase among stocks, bonds, and cash, or the mid-cycle for equity sector relative performance. During these phases, it may make sense to take fewer active allocation tilts based on the business-cycle approach compared with other strategies. Every business cycle is different, and so are the relative performance patterns among asset categories. These signals can provide the potential to generate incremental returns over the intermediate term, and they can be incorporated into an asset allocation framework that analyzes underlying factors and trends across various time horizons. Next steps to consider.

Chapter 2 : Capital Projects

Box Structure of Chapter 3. Assessing trends in natural capital is a comprehensive undertaking, and SOER highlighted the need for dedicated management of natural capital as a means of integrating environmental priorities and the many sectoral interests that depend upon them.

It provides a wide range of detailed information on the current EPA CPIC process as well as recommended techniques, procedures, and best practices for use in preparing an OMB Exhibit business case. Who is responsible for creating the OMB Exhibit business case? Who is responsible for reviewing and approving the OMB Exhibit business cases? What are its major phases and what does each entail? What procedures are to be followed in completing an OMB Exhibit business case? How should you approach each of the wide variety of topics that must be addressed in an Exhibit business case? Specifically, the document contains the following five sections: The document also contains a number of appendices that provide additional resources and references as well as "best practices" for a variety of topics related to the preparation of the OMB Exhibit , including: This CPIC Procedures document, in conjunction with other EPA CPIC policies, procedures, and guidance, will help formulate a more standardized, consistent, and repeatable process for planning and managing capital investments across the Agency. Over time, these CPIC policies, procedures, processes, and guidance will lead to a portfolio of investments that best meets the mission and needs of EPA and its stakeholders. They support the portfolio management approach, and address the strategic planning needs of EPA. Possible repercussions include delays, reductions in future funding, and possible cancellation. Requires special management attention because of its importance to agency mission goals;. Was a major project in the current budget submission and is continuing;. Has significant program or policy implications;. Has high executive visibility;. Additionally, the following must be identified as major IT investments: IT investments that are E-Government in nature or use e-business technologies regardless of the costs;. IT investments that have significant multiple- agency impact;. IT investments that are mandated by legislation or executive order, or identified by the Administrator as mission critical. Successful investments and those that are terminated or delayed are evaluated both to assess the impact on future proposals and to benefit from any lessons learned. CPIC contains three phases: Select, Control, and Evaluate. Each phase is described in a different chapter of this document, and each chapter contains the following common elements: EPA policy boxes highlight policies that must be followed during the lifecycle of the investment and the CPIC process. These Procedures contain the following sections: Document Summary - The purpose and scope of this document 2. Details the legislative requirements that support the development of the CPIC process 3. The Control Phase - Process to ensure that IT initiatives are developed and implemented in a disciplined, well- managed, and consistent fashion; that project objectives are being met; that the costs and benefits were accurately estimated; and that spending is in line with the planned budget. This promotes the delivery of quality products and results in initiatives that are completed within scope, on time, and within budget. References - Details a list of references used to develop this document as well as resources for additional information on related topics; 7. Glossary of Terms and Acronyms - Defines terms and acronyms used throughout this document; 8. Performance Measurement - Provides information on developing performance measures for IT investments; Risk Assessment - Provides guidance on conducting a project risk assessment for IT capital investments; Earned Value Management Provides guidance on conducting earned value management activities and calculations; Conducting a Post-Implementation Review- Describes the purpose and content of a PIR, as well as the methodology for completing one; and Project Management - Provides guidance on project planning and management for IT investments. This overview describes the CCA-mandated, three-phased approach for investment review and management, and a maturity model for implementing this process. The three- phase approach includes a Select Phase, a Control Phase and an Evaluate Phase for strategically managing major IT investments that will have a material effect on Federal Agencies and subsequently the Federal Government.

Ensure Agency sponsorship of all IT investments; 2. Ensure that each investment has a rational, documented business case that will meet the requirements of the Office of Management and Budget OMB and Exhibit ; 5. Ensure that IT investments are fairly evaluated through the development of standardized business cases; 6. Reduce the risk of investment failure by enforcing a performance-based measurement system; 7. Reduce the risk of project failure by enforcing a cross-functional integrated project team IPT. The E-Government Act of E-Gov requires agencies to support E-Government initiatives, cross-agency e-business opportunities, and implement performance measures for E-Government projects. The E-Gov Act requires agencies to conduct Privacy Impact Assessments PIAs on investments before developing or procuring information technology that collects, maintains, or disseminates information that is in an identifiable form. It also requires these plans to be reviewed annually by agency program officials and Inspector General IG audits of information security programs and practices. The Paperwork Reduction Act of PRA requires that agencies perform information resource management activities in an efficient, effective and economical manner. Requires agencies to provide for electronic submission of forms, including electronic signature and proper security. The OMB has policies and standards by which financial management systems should be designed, developed and operated. These Procedures focus primarily on the CCA requirements. Provide for the selection of IT investments to be made by the executive agency, the management of such investments, and the evaluation of the results of such investments; 2. Be integrated with the processes for making budget, financial, and program management decisions within the executive agency; 3. Include minimum criteria to be applied in considering whether to undertake a particular investment in information systems. Provide for identifying information systems investments that would result in shared benefits or costs for other Federal agencies of State or local governments; 5. Require identification of quantifiable measurements for determining the net benefits and risks of a proposal investment; and 6. Provide the means for senior management to obtain timely information regarding the progress of an investment, including a system of milestones for measuring progress, on an independently verifiable basis, in terms of cost, capability of the system to meet specified requirements, timeliness, and quality. A list of investment management reference guides and memos is identified in Appendix A - References. The policy and processes described herein are consistent with this guidance. These are the procedures that each Office is expected to use to manage its major IT investments. Major investments are considered to be strategic for the Agency and thus, have a greater documentation burden, including being individually reported to OMB on an Exhibit The thresholds for a project to be considered "major" are described in Section 1. CPIC enables the Agency to view its IT investments strategically, thus ensuring they are aligned with the overall goals and objectives of the Agency. Additionally, emphasis is placed on: Performance; and E-Gov The long-term success of EPA is directly linked to achieving its strategic goals and objectives. The five strategic goals of EPA are: Clean Air - Protect and improve the air so it is healthy to breathe and free of levels of pollutants that harm human health or the environment. Clean and Safe Water - Ensure drinking water is safe. Restore and maintain oceans, watersheds and their aquatic ecosystems to protect human health, support economic and recreational activities, and provide healthy habitat for fish, plants and wildlife. Preserve and Restore the Land - Preserve and restore the land by reducing and controlling risks posed by releases of harmful substances; promoting waste diversion, recycling, and innovative waste management practices; and cleaning up contaminated properties to levels appropriate for their beneficial reuse. Healthy Communities and Ecosystems - Protect, sustain, or restore the health of people, communities and ecosystems using integrated and comprehensive approaches and partnerships. Compliance and Environmental Stewardship - Improve environmental performance through compliance with environmental requirements, preventing pollutions and providing environmental stewardship. Additionally, EPA has cross-goal strategies that will contribute toward progress of the five goals described above. These strategies involve administration, financial management, legal services, and processes employed to help accomplish objectives. These strategies cover the different perspectives, or views, of the Agency. For example, CPIC processes promote oversight to ensure that project management to develop the Major IT Investment Portfolio follows sound tactical management

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practices. Accurate analysis; Acquisition Agency; budgeting and cost benefit strategies that benefit the Project planning that emphasizes achieving milestones on time and on budget; Real-time corrective measures by analyzing project trends using earned value calculations. Consistent tactical management reduces both project and strategic risks by providing project managers with proven, reusable processes and tools that enable efficient monitoring of time, vendors, and costs. Evaluate Phase - Actual results of the implemented projects are compared to expectations to assess investment performance. Mature, or steady state systems are assessed to ascertain their continued effectiveness in supporting mission requirements, evaluate the cost of continued maintenance support, assess potential technology opportunities, and consider retirement or replacement options. Each of these three phases is structured in a similar manner using a set of common elements. These common elements provide a consistent and predictable flow and coordination of activities within each phase. The common elements are defined by the OMB-developed Exhibit template. Completing one CPIC phase is necessary before beginning a subsequent phase. This ensures that each investment receives the appropriate level of managerial review and that coordination and accountability exist. This table offers suggestions for cascading changes. Every business case is different, so OEI will help identify how changes will affect the business plan. While OEI is responsible for the enterprise and portfolio process and guidance, each Office must maintain its own investment planning and management functions to fulfill CPIC goals and objectives. To assist Exhibit preparers, EPA produces a question-by-question guidance document separate from this document, and distributes it to the preparers. It contains more specific "how-to guidance" for each OMB Exhibit question than these procedures, and can be found on the OEI intranet after publication. The current version of the OMB Exhibit can be found by accessing the current version of Circular A, via the following link: [List the names, roles, responsibilities and contact information of the team](#) Emphasis is on developing three viable alternatives, one of which may include continuing with the "as-is" system or solution. Emphasis is on identifying risks in the 19 areas and planning how to manage those risks. Major changes indicate that there will be adjustments in many sections of the document. If there are minor changes here, look for changes in the Description and Performance Goals. Major changes indicate review of Alternatives Analysis and EA and may require a kick-back to the Select phase Select. If there are minor changes, look for adjustments in the Description and Justification section. Major changes indicate required review of Alternatives Analysis and EA, and may require a kick-back to Select. Ensure the contact information is correct.

Chapter 3 : Business cycle investing - Fidelity

Charles D. Baker's Five Year Capital Investment Plan FY - FY Department of Environmental Protection. Fiscal Year Resource Summary (\$).

Chapter 4 : DCP's Investment in Sunpower Group | Markets Insider

Venture Capital Enters Environmental Protection An international investment fund managed by Tsinghua Incubation and Investment Management Co. has been recently set up in Beijing.

Chapter 5 : Venture Capital Enters Environmental Protection

China Energy Conservation and Environmental Protection Group (CECEP), formerly the China Energy Conservation and Investment Corporation (CECIC), was established by the Chinese Government in for the promotion of energy efficiency, and is the most powerful investment holding group in the fields of energy conservation and environmental.

Chapter 6 : Agency Summary - Environmental Protection Agency | IT Dashboard

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REPORT OF FINDINGS Environmental Protection Agency additional capital investment would be required. the scenario based observations about life-cycle and.

Chapter 7 : Home | GreenFin Capital

Document Purpose This document describes the Environmental Protection Agency's (EPA) Information Technology (IT) Capital Planning and Investment Control (CPIC) process. It documents the process that EPA staff should follow to manage an IT investment portfolio.

Chapter 8 : Who are EIS investors? - racedaydvl.com

GreenFin is a strategic investor in Clean Tech and renewable energy related investment opportunities. We are focused on disruptive technologies, businesses and product architectures which spearhead new markets, or significantly improve the efficiencies and environmental impact of existing ones.