

# SCGA

Sierra Club Green Alpha

March 31, 2017



## WHY INVEST IN SCGA?

- An active, long-only equity strategy operating in compliance with the Sierra Club's proprietary social and environmental criteria and Green Alpha's Next Economy™ portfolio construction methodology
- Invests in innovative solutions to core economic and environmental risks
- Fossil fuel free since inception

**INCEPTION DATE:** December 27, 2010

**STYLE:** All-Cap Global Growth Equity

**BENCHMARKS:** S&P 500 Index, MSCI ACWI IMI, WilderHill Clean Energy Index (ECO)

**PRODUCT TYPE:** Separately Managed Account

**PORTFOLIO MANAGERS:** Garvin Jabusch, Jeremy Deems

## 5 LARGEST SCGA HOLDINGS

| Company Name                        | Weight        |
|-------------------------------------|---------------|
| Tesla Motors, Inc.                  | 5.29%         |
| Pattern Energy Group, Inc.          | 4.78%         |
| Canadian Solar, Inc.                | 4.23%         |
| Vestas Wind Systems                 | 4.20%         |
| 8point3 Energy Partners             | 4.19%         |
| <b>Top 5 Total (% of portfolio)</b> | <b>22.69%</b> |

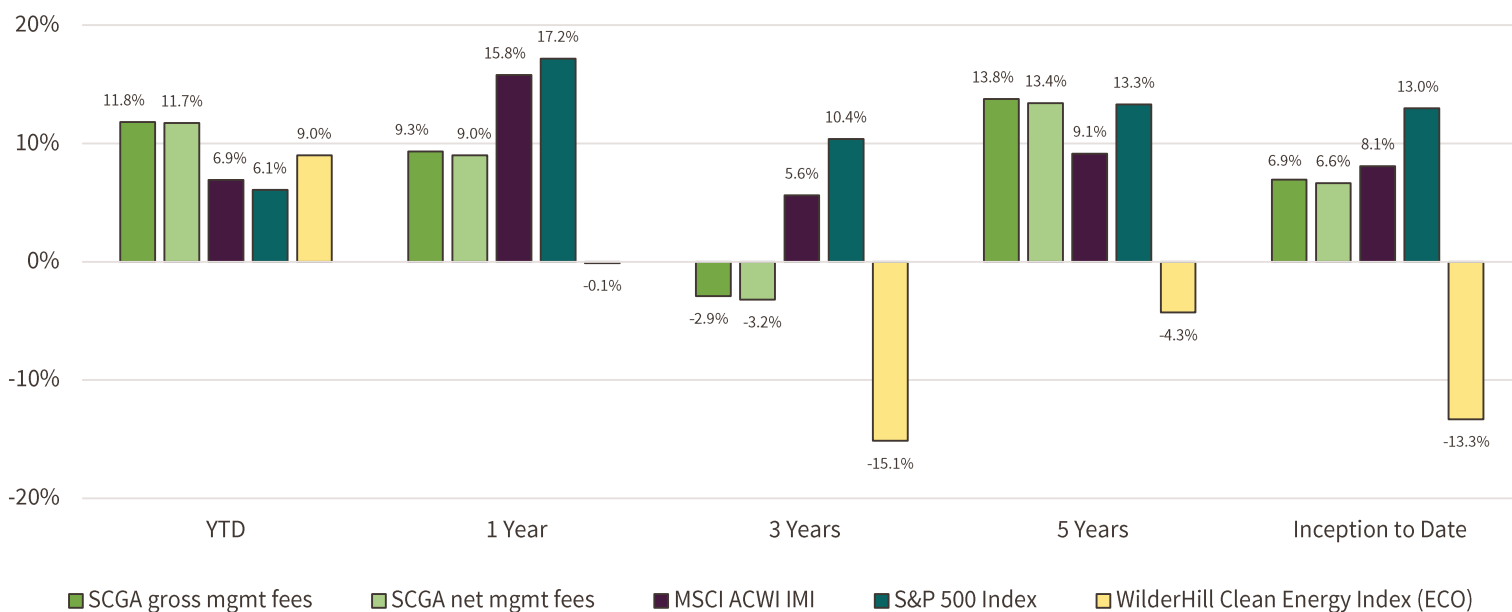
## MACROECONOMIC THEORY

Using science-driven, fundamentals-based research, Green Alpha Advisors invests in companies whose innovative products and services address a warmer, more populous and resource-constrained planet. We develop financial and investment models of an economy that can thrive within Earth's systems profitably and sustainably. This approach spans global sectors and defines the *eco-efficient* frontier of the Next Economy. Green Alpha seeks companies at the intersection of innovation, profitability and growth. **Green Alpha Advisors invests for the Next Economy.**

## SIERRA CLUB GREEN ALPHA PORTFOLIO (SCGA)

The Sierra Club Green Alpha Portfolio is unique among our portfolios in that it is a blend of Green Alpha Advisors' Next Economy philosophy and the Sierra Club's proprietary environmental and social criteria. SCGA holdings are equity securities, consisting of US domiciled companies and globally domiciled companies whose shares trade on US exchanges. SCGA is an actively managed strategy that seeks long term capital appreciation. The portfolio typically holds 30 to 40 companies.

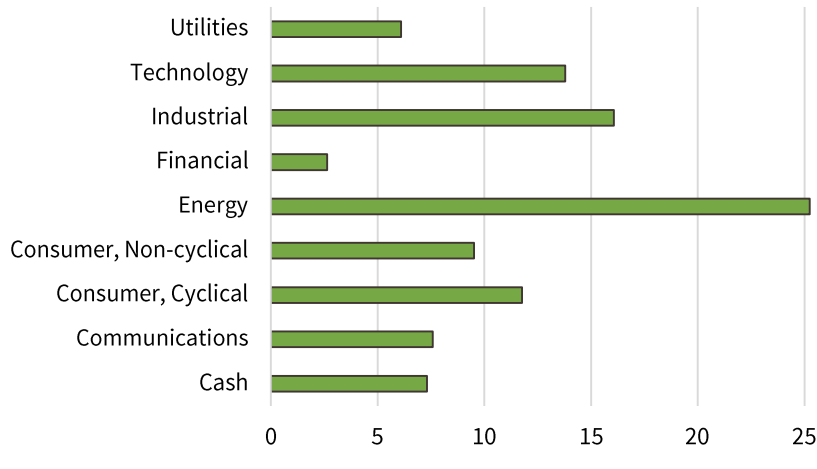
## PERFORMANCE HISTORY



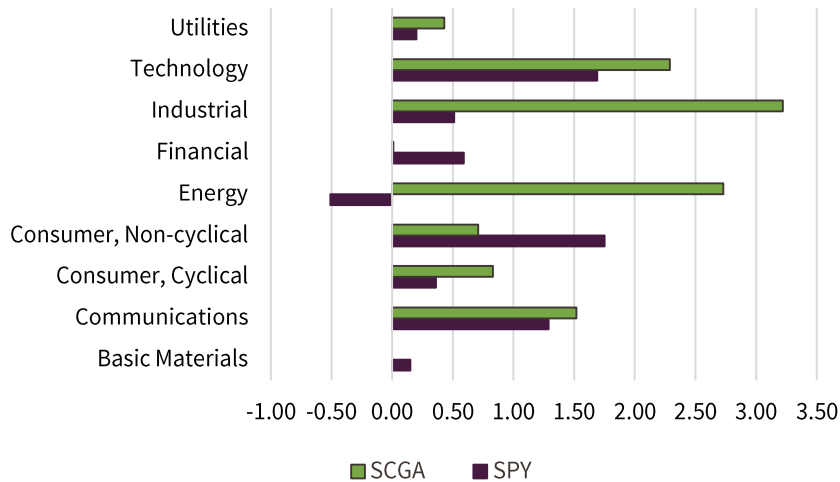
All returns presented above that are greater than 1 year in length have been annualized. Performance data quoted represent past performance. Past performance does not guarantee future results and current performance may be lower or higher than the data quoted. SCGA performance results reflect actual performance for a representative account, net of actual management fees and transaction costs. Assets managed to the SCGA strategy in the representative account receive a reduced fee from the standard fee schedule. SCGA performance results do not reflect the reinvestment of dividends and interest. Extreme periods of underperformance or outperformance are due to the concentrated nature of the strategy and the impact of specific security selection. Such results may not be repeatable. Please see more important disclosures on page 2 of this document.



## BICS<sup>††</sup> SECTOR ALLOCATION (% OF PORTFOLIO)

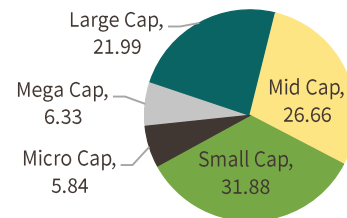


## YTD 2017 ATTRIBUTION BY BICS<sup>††</sup>



| Characteristics                            | SCGA   | SPY    |
|--|--------|--------|
| # of Securities                            | 36     | 500    |
| Market Capitalization Weighted Avg (US\$B) | 53.63  | 163.96 |
| Beta, 1-Year Trailing                      | 1.28   | 1.00   |
| LT Debt/Equity                             | 0.45   | 0.87   |
| Current Ratio                              | 3.10   | 1.95   |
| Price/Book                                 | 1.84   | 3.10   |
| Price/Sales                                | 1.11   | 2.07   |
| P/E, Current                               | 22.20  | 21.76  |
| P/E, 1-Year Forward <sup>†</sup>           | 20.15  | 17.66  |
| Sales Growth, 1-Year Trailing              | 10.53% | 5.99%  |
| Dividend Yield                             | 1.27%  | 1.97%  |
| Turnover, 1-Year Trailing                  | 30%    | -      |
| US Domicile                                | 64.75% | 100%   |
| Non-US Domicile                            | 27.94% | -      |
| Cash                                       | 7.31%  | -      |

## EQUITY ALLOCATION (%) BY MARKET CAP



<sup>†</sup> Bloomberg consensus estimates

<sup>††</sup> Bloomberg Investment Classification System

### IMPORTANT INFORMATION AND DISCLOSURE:

- All performance and characteristics data are sourced from Bloomberg Finance L.P. Green Alpha portfolios may invest in companies with small and medium market capitalizations, which may have more limited product lines, markets and financial resources than larger companies. In addition, their securities may trade less frequently and in more limited volume than those of larger companies. Small or mid-cap stocks may be more volatile than those of larger companies and, where trading volume is thin, the ability to dispose of such securities may be more limited. Green Alpha portfolios may also invest in foreign domiciled companies. Investing in foreign securities may involve additional risks, including exchange-rate fluctuations, limited liquidity, high levels of volatility, social and political instability and reduced regulation. Emerging markets are often more volatile than developed markets, and investing in emerging markets involves greater risks. An investment in Green Alpha portfolios should be considered a long-term investment.
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- The S&P 500 Index is an unmanaged index of 500 common stocks chosen for market size, liquidity and industry group representation. It is a market-value weighted index. The S&P 500 Index figures do not reflect any fees expenses or taxes. Investors cannot invest directly in this index.
- The SPDR S&P 500 ETF (SPY) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500 Index. Investors can invest directly in SPY.
- MSCI ACWI IMI: The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 developed markets and 23 emerging markets countries. With over 8,600 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set. Investors cannot invest directly in this index.
- WilderHill Clean Energy Index (ECO): The WilderHill Clean Energy Index is composed of stocks of companies that are publicly traded in the United States and engaged in the business of advancement of cleaner energy and conservation. ECO is rebalanced and reconstituted quarterly. Investors cannot invest directly in ECO.
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