Sierra Club Green Alpha

March 31, 2020

SIERRA CLUB

Green Alpha®

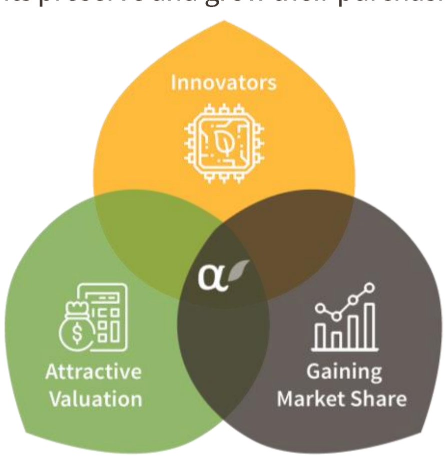
Contents

Investment Philosophy

We believe companies that create or enable innovative solutions to climate change, resource degradation and scarcity, and widening inequality are the greatest growth drivers of the twenty-first century. The idea is to invest in the best, growing industries that are building an extremely efficient, sustainable economy – that's what we call the Next Economy.™

Green Alpha's investment philosophy is straightforward: don't invest in companies that cause global systemic risks; instead, invest in the most innovative, rapidly evolving solutions.

We believe these companies will gain market share from their legacy economy counterparts – today and into the future. That makes investing in them our best chance at helping clients preserve and grow their purchasing power.



Why Invest in Sierra Club Green Alpha?

- Active research, stock selection, and portfolio management
- Blend of Green Alpha's forward-looking Next Economy research processes, and the Sierra Club's® proprietary social and environmental criteria applied to each company's operating history
- 30-50 global, market-leading companies developing solutions to core economic and environmental risks
- Fossil fuel free since inception

Inception Date: December 27, 2010

Style: All-Cap Global Growth Equities

Vehicle: Separately Managed Accounts

Portfolio Construction

Green Alpha is proud to be the only financial services firm licensed to utilize the Sierra Club's rigorous investment guidelines. These provide a criterion that is applied to our Next Economy investing philosophy and research, creating what very well may be the most progressive, sustainability-focused portfolio available. We seek investments:

- whose products and/or services lower the economy's risk profile by creating solutions to our most pressing economic and environmental risks
- committing more capital to R&D, and owning more intellectual property than their peers
- run by effective, diverse leadership teams and boards of directors with consistent track records of increasing revenue, and expanding margins, leading to earnings growth and potential dividend increases
- trading at compelling valuations for proven and expected growth, within acceptable levels of risk

Every portfolio holding is a forward-looking solutions provider contributing to the transition to a sustainable economy, with a Sierra Club-compliant operating history.

Sierra Club Green Alpha

How the portfolio compares to the MSCI All Country World Investible Market Index (MSCI ACWI IMI) and other Green Alpha portfolios

Characteristics

- **Sierra Club® criteria** – the only portfolio available in the market that utilizes the Sierra Club's proprietary, rigorous social and environmental screening criteria
- **Fundamentals-driven** –the underlying quality of the companies you invest in and the price you pay for them matter
  - ✓ **High growth** – indicated by Sales Growth, drop from Current P/E to Forward P/E as revenue and earnings grow
  - ✓ **Compelling valuation** – demonstrated by Price/Sales, Price/Book metrics
  - ✓ **Strong balance sheet, solid management execution** – expressed by LT Debt/Equity, Current Ratio
- **Fossil fuel free since inception** – we have never invested in companies that prospect, extract, refine, or transport fossil fuels, nor fossil-fired utilities or internal combustion engine manufacturers
- **Diversified – we look for solutions wherever we can find them** – across the globe, companies of all sizes, in every industry
- **Public equities, long-only** – largest asset class, largest opportunity for impact

Characteristics	Sierra Club Green Alpha	Benchmark: MSCI ACWI IMI (SPGM)	Green Alpha Next Economy Index	Green Alpha Next Economy Social Index	Green Alpha Next Economy Select	Green Alpha Growth & Income
# of Securities	42	1,362	119	92	53	33
Sales Growth, Trailing 1-Yr	192.88%	10.89%	60.40%	75.82%	252.39%	101.43%
P/E, Current	18.31	14.36	22.11	21.99	16.64	15.80
P/E, 1-Year Forward†	16.09	13.59	17.67	19.39	13.59	14.04
Price/Sales	1.38	1.20	1.35	0.87	1.30	1.88
Price/Book	2.45	1.76	2.66	3.20	2.19	2.08
LT Debt/Equity	0.73	0.89	0.79	1.17	0.70	1.07
Current Ratio	3.25	1.73	2.84	2.88	3.35	2.22
Dividend Yield	2.94%	3.45%	2.83%	3.06%	3.32%	4.84%
Market Capitalization Weighted Avg (US$B)	$71.12	$177.97	$77.96	$72.31	$51.67	$41.17
Market Capitalization, Median (US$B)	$8.04	Not Available	$6.84	$8.80	$6.22	$16.82
Turnover, Trailing 1-Yr	17%	-	23%	30%	15%	24%
Beta, Trailing 2-Yrs	1.07	0.99	1.03	1.00	1.02	1.01
Active Share	97%	-	94%	94%	97%	97%

† *Bloomberg consensus estimates. Please see the final page of this document for important disclosures about portfolio, benchmark and characteristic information*

Largest Positions

How the Sierra Club Green Alpha portfolio is driving progress toward the Next Economy

Company Name	Ticker	Weight
Vestas Wind Systems	VWDRY	5.01%
Terraform Power	TERP	4.41%
Solaredge Technologies	SEDG	4.16%
Alphabet	GOOG	4.07%
Alexandria Real Estate Equities	ARE	3.84%
% of Portfolio		21.49%

Vestas Wind Systems (Energy, Renewable Energy)

- The world's most advanced wind turbine manufacturer, and the clear leader in both onshore and grid-connected installations. Also a leading turbine service contract provider, a role that provides meaningful higher-margin recurring revenue, in addition to manufacturing and sales revenue
- In Q1 2020, Vestas announced 23 orders, their highest first-quarter order intake ever, totaling 2.06 gigawatts, despite the coronavirus pandemic. The orders have pushed Vestas' delivery dates into 2022, giving stellar transparency into revenue for the foreseeable future
- Senior Management includes an award-winning female CFO; and three women on the Board of Directors; the firm is targeting operating on a carbon neutral basis, without purchasing carbon offsets, and has set a target for zero-waste turbine production.

Terraform Power (Utilities, Power Generation)

- Owner of wind and solar power generation assets that serve utility, commercial, and residential customers
- Expanding global portfolio, with facilities located in the U.S., Canada, the UK, Spain, Portugal, Chile, and Uruguay, with ~4.223 gigawatts of generating capacity globally, up from ~3.4 gigawatts in Q4, 2019
- The takeover offer from Brookfield Renewable Partnership, announced in Q1, creates a broader growth mandate, as well as increased access to capital and liquidity. The combination will be the largest publicly-traded, globally diversified, pure-play renewable energy platform, while maintaining a high dividend payout

Solaredge Technologies (Energy, Renewable Energy)

- Makes and distributes advanced solar inverters, smart optimizers and energy monitoring products. Systems are installed in 130 countries across five continents
- Gives investors direct exposure to fast-growing solar PV industry without selecting any one panel maker. Solaredge's panel optimizers are applicable anywhere solar energy is generated, from residential rooftops to large utility-scale solar farms, and also enable integration of battery storage to any system. Has a large, defensible IP portfolio, created by focus on innovation and R&D

Alphabet (Communications, Media)

- Democratization and organization of access to the worlds of information and data
- Innovation-driven venture capital structure (Google Ventures and Google X) with dozens of subsidiaries and Next EconomyTM "moonshots" (e.g., "Project Loon – the balloon-powered internet for everyone," Deepmind AI, fiber bandwidth for everyone, a spoon that helps Parkinson's patients eat, and much more).
- First to actualize a programmable superconducting processor to effect quantum computing. Google's quantum machine is said to have solved a calculation that would take the world's fastest supercomputer 10,000 years to solve. Innovation with unknowable, innumerable use cases. All global operations run 100% on renewable energy

Alexandria Real Estate Equities (Financials, Real Estate)

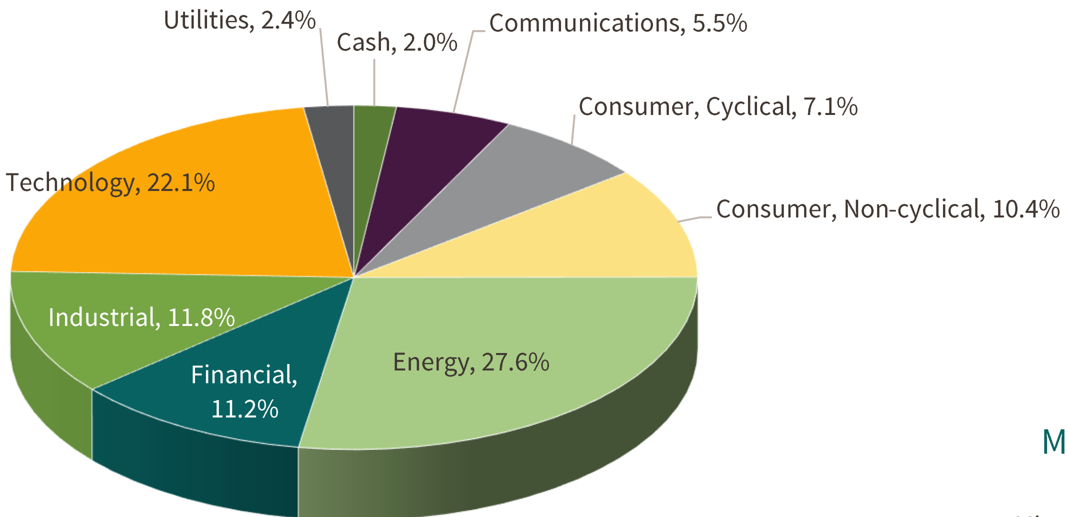
- Alexandria REIT develops laboratory and office space properties, which it leases to pharmaceutical, biotechnology, diagnostic and personal care products companies, research institutions, and research-related government agencies. It is the only pure-play lab-office REIT in publicly traded equities
- The company focuses on leasing labs and offices in AAA-rated innovation clusters, and focuses on developing in urban areas, as opposed to greenfielding. Roster of tenants with investment-grade credit ratings and government agencies provides visibility into recurring revenues and dividend streams. 100% of new developments target minimum LEED Gold certification.

Please see the final page of this document for important disclosures about portfolio, benchmark and characteristic information.

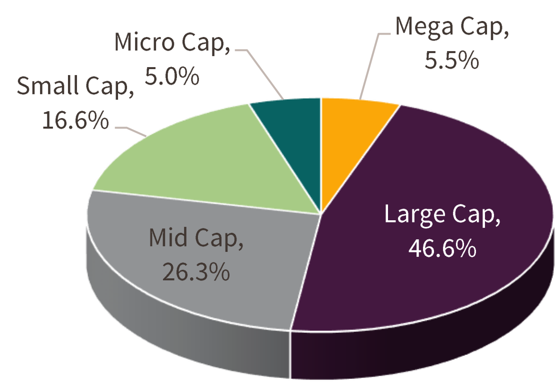
Portfolio Allocations

Our search for Next Economy companies is unconstrained. For the Sierra Club Green Alpha portfolio, we seek solutions to systemic risks wherever they exist – across sectors, market caps, and geographies.

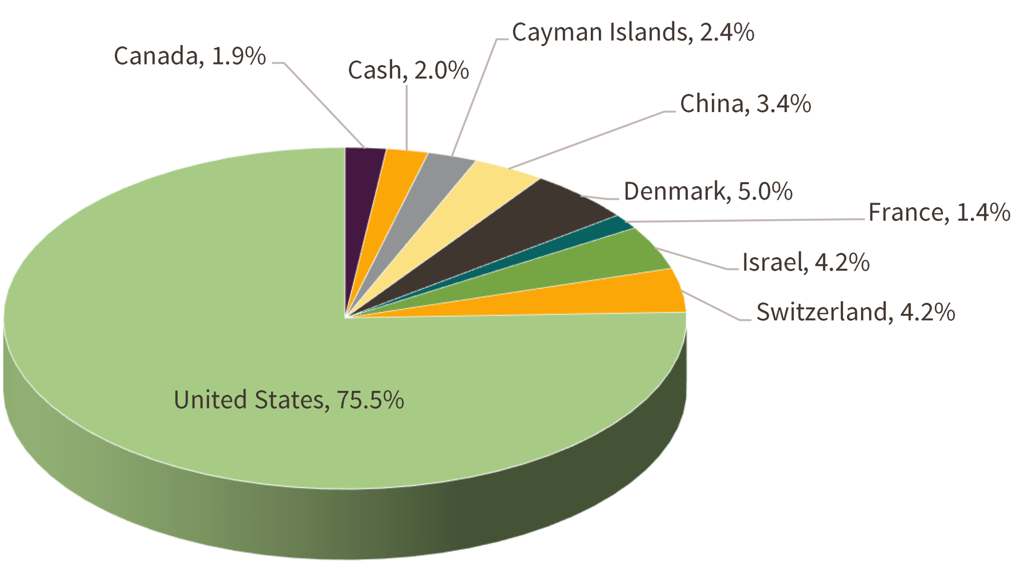
Economic Sectors ††



Market Capitalizations

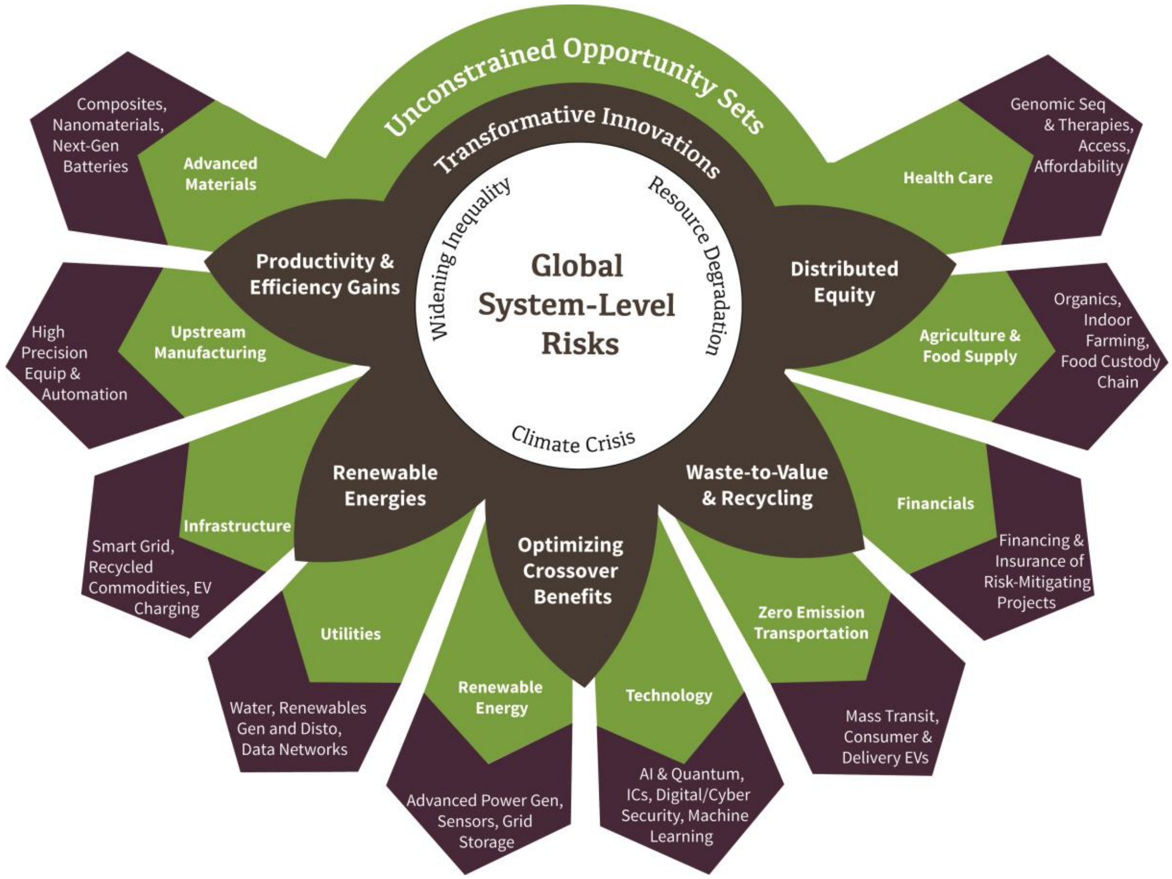


Companies' Main Headquarters



†† *Bloomberg Industry Classification Standard. Please see the final page of this document for important disclosures about portfolio, benchmark and characteristic information.*

Performance & Commentary



> The first quarter of 2020 was unique. The market peaked on February 19th, so it is about right to say that Q1 was approximately half normal-market conditions (with the caveat that “normal” here is pretty relative), and half COVID-19-induced volatility, most of it downward. Generally, our strategies held up well relative to major indices (providing “downside protection” in the industry parlance).

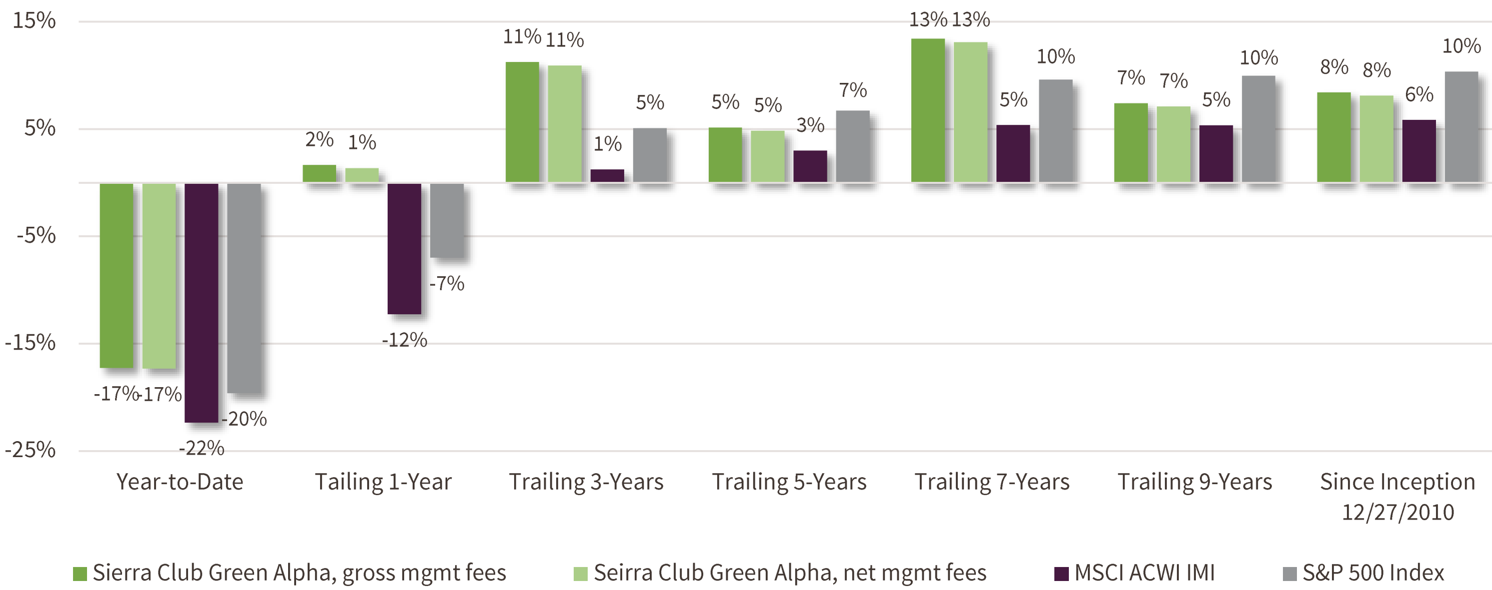
While naturally we're not excited that our portfolios are down year-to-date, operationally, we are comfortable functioning as asset managers in this environment, since our thesis has always been about operating at a time of exponential change. Rapid change has been upon us for a while now, but the current economic crisis brought about by the COVID-19 pandemic throws this into stark relief. It is more clear than ever that innovation is both key to finding solutions to system-level risks, pandemics included, and is the cornerstone of investing to preserve and grow wealth and purchasing power into the future.

Two of the reasons we provided downside protection recently are that:

1. Our portfolios had exposure to some of the biotechnology innovations addressing the pandemic, and
2. Our portfolios don’t have—never have, and never will—exposure to fossil fuel extractors, refiners, pipelines, fossil-burning utilities, or any other company that derives material revenue directly from fossil fuel consumption. Why not? It’s the cause of arguably our greatest system-level risk: the climate crisis. The current and future economies don’t resemble the economy of the past, so we continue to believe that backwards-looking correlation with an old-economy benchmark doesn’t make sense. Now, it is clear that our industry’s obsession with low tracking error to a benchmark makes less sense than ever, because we can now really can see firsthand how rapidly the global economy can change. The best way to future-proof Green Alpha’s investment portfolios is to look ahead, and never back. Yes, it sure was a rough quarter, but this is when we have even greater opportunity to get in front of the future, at better company-specific valuations (aka: current stock prices relative to expected future revenue and earnings growth).

Sierra Club Green Alpha portfolio-specific details are provided on the following page.

Performance & Commentary *(continued)*



For the first quarter of 2020, the Sierra Club Green Alpha portfolio returned -17.32%, net of management fees, compared with the MSCI All Country World Investible Market Index (ACWI IMI) at -22.34%, and the S&P 500 Index -19.60%.

The three sectors that performed the best in the portfolio were Consumer Non-cyclicals, which contributed 0.46%, Utilities at 0.04%, and Communications, which detracted 0.44%.

- Responsible for the positive return from the Consumer Non-cyclicals sector were two companies working on responses to the COVID-19 pandemic, one with a vaccine in trials, the other working on therapeutics for those already infected. As we always say, the Next Economy investment approach seeks to invest in front of solutions to key systemic risks, including the unfortunate inevitability of pandemics. Consumer non-cyclical gains from biotechnology were partially offset by losses from some popular natural and organic food producers.
- In Utilities, the portfolio benefitted from the downside risk protection offered by a water utility, in this case, in the form of a slight gain from a desalination-based provider of bulk water.
- In Communications, gains in data-network infrastructure were offset by losses from the world's leading Internet search provider.

The sectors detracting the most from portfolio performance were Energy at -6.78%, Industrials at -3.74%, and Technology detracting 3.18%.

- In the Energy sector, the entire value chains of both solar and wind energy production were down in Q1. In absolute return terms, wind turbine and power inverter makers posted relatively modest losses, but these were dragged down further by more significant losses from solar PV manufacturers. Renewable energy-based utilities were buoyant, returning modest gains.
- Industrials fared poorly across the board with losses coming from smart meters, a high-efficiency display maker, an upstream provider to the integrated circuit industry, and a provider of precision power conversion, measurement, and control devices.
- The Technology sector declined due to losses in the value chain of semiconductors, which overall represented 78% of the losses in the strategy from that sector. Among these companies are the leader in 5G chipsets; leaders in IoT connectivity; advanced chip makers, including for AI and machine learning; and design and rendering software. These are among the companies keeping the global economy going presently—they remain global leaders and will continue to be key constituents of the Next Economy.

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. Please see the final page of this document for important disclosures about portfolio, benchmark and characteristic information.

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- MSCI ACWI IMI: The MSCI All Country World Investable Market Index (ACWI IMI) captures large, mid and small cap representation across 23 developed markets and 26 emerging markets countries. With over 8,976 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set. Investors cannot invest directly in this index.
- The SPDR MSCI Global Stock Market ETF (ticker: SPGM) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the MSCI ACWI IMI. Investors can invest directly in SPGM.
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