

Next Economy Select

September 30, 2020

Green Alpha[®]

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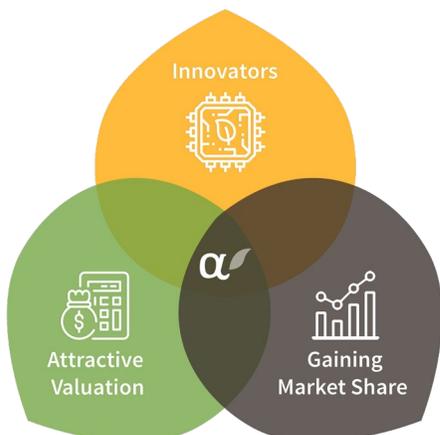
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Investment Philosophy

We believe companies that create or enable innovative solutions to climate change, resource degradation and scarcity, and worsening inequality are the greatest growth drivers of the twenty-first century. The idea is to invest in the best, growing industries and companies 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, economically competitive solutions.

We expect these companies to 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 Next Economy Select?

- Active research, stock selection, and portfolio management
- Low minimum vehicle provides democratized access to institutional-quality investing
- Seeks long-term capital growth to preserve and grow purchasing power
- 45-65 global, market-leading companies developing solutions to core economic and environmental risks
- Fossil fuel free since inception

Inception Date: March 31, 2013

Style: All-Cap Global Growth Equities

Vehicles: Mutual Fund,
Separately Managed Accounts

Portfolio Construction

The Next Economy Select portfolio is available both in a mutual fund vehicle, and as a separately managed account, to provide democratized, low-minimum account size access to this institutional-quality, innovation-focused portfolio. Because of this, the portfolio’s primary objective is capital appreciation via high-conviction, market-leading Next Economy companies. Since the primary vehicle available within this strategy is a mutual fund, this product follows standard mutual fund industry diversification guidelines, such as: limited position sizes over 5% of the portfolio and no industry concentration in excess of 25%.

We seek investments:

- committing more capital to R&D than their peers
- run by effective, diverse leadership teams and boards of directors with consistent track records increasing revenues and earnings
- trading at compelling valuations for proven and expected growth, within acceptable levels of risk

Next Economy Select

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

Characteristics

- **Highest conviction stocks, two investment vehicles** – democratizing access to leading Next Economy companies via a mutual fund and separately managed accounts, to provide clients of all shapes and sizes with institutional-quality options
- **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	Green Alpha Next Economy Select	Benchmark: MSCI ACWI IMI (SPGM)	Green Alpha Next Economy Index	Green Alpha Next Economy Social Index	Green Alpha Growth & Income	Sierra Club Green Alpha
# of Securities	52	1,521	120	93	35	42
Sales Growth, Trailing 1-Yr	682.84%	7.35%	155.48%	185.65%	455.79%	524.92%
P/E, Current	22.00	21.91	26.36	30.99	20.71	31.67
P/E, 1-Year Forward [†]	21.60	17.89	24.72	27.35	17.21	25.03
Price/Sales	2.39	1.70	2.11	1.36	1.97	2.12
Price/Book	4.86	2.40	4.27	5.08	2.15	4.97
LT Debt/Equity	0.75	0.97	0.84	1.22	0.94	0.71
Current Ratio	3.46	1.97	3.07	3.25	2.48	3.32
Dividend Yield	2.05%	2.63%	2.09%	2.30%	4.06%	1.88%
Market Capitalization Weighted Avg (US\$B)	\$95.16	\$289.73	\$121.83	\$125.35	\$53.39	\$107.03
Market Capitalization, Median (US\$B)	\$14.40	Not Available	\$10.39	\$12.64	\$23.53	\$11.18
Turnover, Trailing 1-Yr	19%	-	20%	26%	50%	18%
Beta, Trailing 2-Yrs	1.22	1.00	1.09	1.08	1.09	1.18
Active Share	95%	-	93%	92%	97%	96%

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

Largest Positions

How the Next Economy Select portfolio is driving progress toward the Next Economy

Vestas Wind Systems (Sector: Energy)

- The world's most advanced wind turbine manufacturer, and the clear leader in both onshore and grid-connected installations. Vestas is also a leading turbine service contract provider, a role that provides meaningful higher-margin recurring revenue, in addition to manufacturing and sales revenue.
- For Q3 2020, Vestas announced another strong quarter of turbine order intake as well as continued growth in their wind farm service business, despite the ongoing coronavirus pandemic. These orders have pushed Vestas' delivery dates well into 2022, giving transparency into revenue growth for the foreseeable future.
- They're targeting carbon neutral operations by 2030 (without using carbon offset credits!), and zero-waste production by 2040.
- The Senior Management team consists of 29% women, including the CFO and Senior Director and Head of Sustainability at Vestas, and there are four women (33%) on the Board of Directors.

Tesla (Sector: Consumer Cyclical)

- Tesla is a leader in design and manufacture of electric vehicles and stationary battery packs for homes, commercial properties, and utility-scale power. All divisions within the company are technology and innovation-leaders gaining market share.
- Tesla's innovations, represented by an impressive patent portfolio and world-leading products, have given them first-mover advantage in EVs, and a tech advantage in stationary storage. Tesla is capitalizing via continual reinvestment and expanding production capacity; their motto of nonstop innovation seems to be their actual practice. Collaborations with SpaceX gives them unique access to advanced science and engineering.
- Their production is highly efficient. They manufacture and sell EVs profitably, and in pandemic-restricted Q1 2020 Tesla reported 20% automotive gross margin, excluding regulatory credits.

Brookfield Renewable Corp. (Sector: Utilities)

- Brookfield Renewable is one of the world's leading zero-carbon energy utilities. Brookfield's 2020 acquisition of Terraform Power, as well as other M&A activity, has given it a present total of 19.3 GW of renewable electricity generation capacity globally.
- Financially, Brookfield Renewable is very stable. It is very conservatively managed, looks for acquisitions at very favorable prices, and has revenues largely backed by long-term power purchase agreements with high-quality clients
- Leadership includes five women, and the Board of Directors has two women (29% of total), including the Chair of the Audit Committee.

Moderna (Sector: Consumer Non-cyclical)

- Clinical-stage biotechnology firm focused on using messenger RNA to develop therapies and vaccines.
- Moderna's revolutionary science has potential applications for many areas, including: oncology, infectious diseases (including COVID-19), and cardiovascular diseases. Robust early-and-advanced stage pipeline means their future growth may be impressive with or without major revenue contributions from a COVID-19 vaccine.
- Both the Exec Team and Board of Directors consist of 25% women, including General Counsel and Chief HR Officers.

JinkoSolar Holding Co (Sector: Energy)

- JinkoSolar is the world's largest solar panel manufacturer, and is highly vertically integrated, making ingots, cells, panels, and modules. JinkoSolar shipped 14.2 GW of modules in 2019 the closest competitor shipped 10.3 GW. Moreover, Jinko has announced its intention to nearly double its assembly capacity to as much as 30 GW by the end of 2020. They distribute and earn revenues globally (70+ countries are active markets), thus mitigating political and trade-dispute-related growth obstacles.
- JinkoSolar is also a technology leader, providing panels that are globally competitive on a cost-per-watt basis.
- JinkoSolar is the top-ranked firm worldwide on the Silicon Valley Toxics Coalition's Solar Scorecard, receiving 100 out of 100 available points for sustainability of their operations.

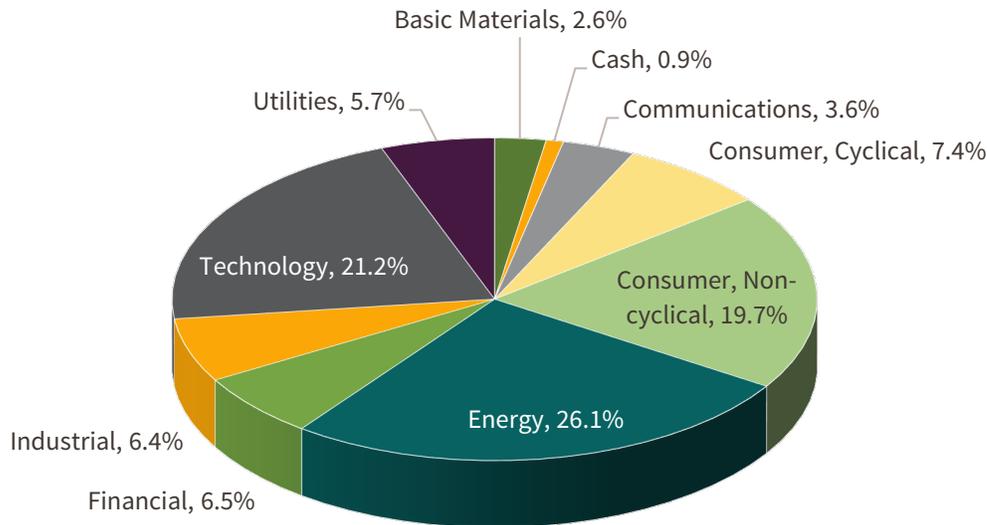
Company Name	Ticker	Weight
Vestas Wind Systems	VWDRY	7.08%
Tesla	TSLA	6.77%
Brookfield Renewable	BEPC	5.70%
Moderna	MRNA	5.36%
JinkoSolar Holding	JKS	5.02%
Invitae	NVTA	4.33%
First Solar	FSLR	3.29%
Applied Materials	AMAT	3.03%
Hannon Armstrong Sust. Infrastructure	HASI	2.85%
CRISPR Therapeutics	CRSP	2.82%
% of Portfolio		46.25%

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

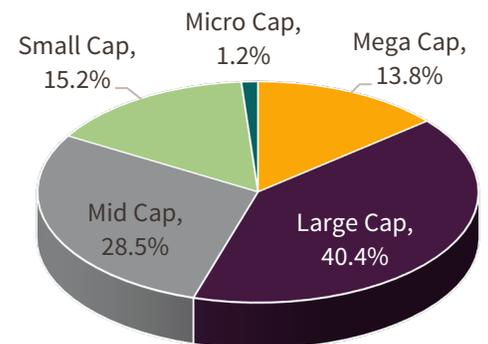
Portfolio Allocations

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

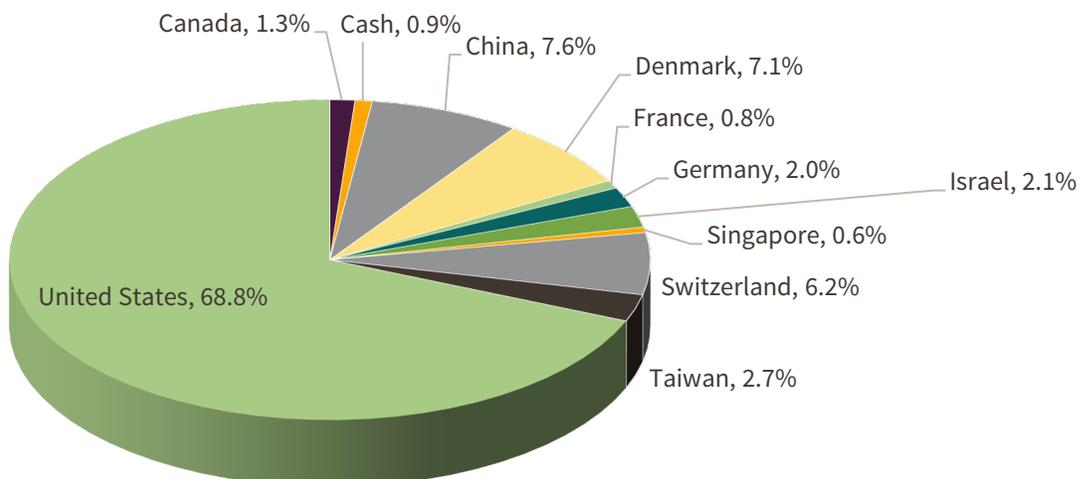
Economic Sectors ^{††}



Market Capitalizations

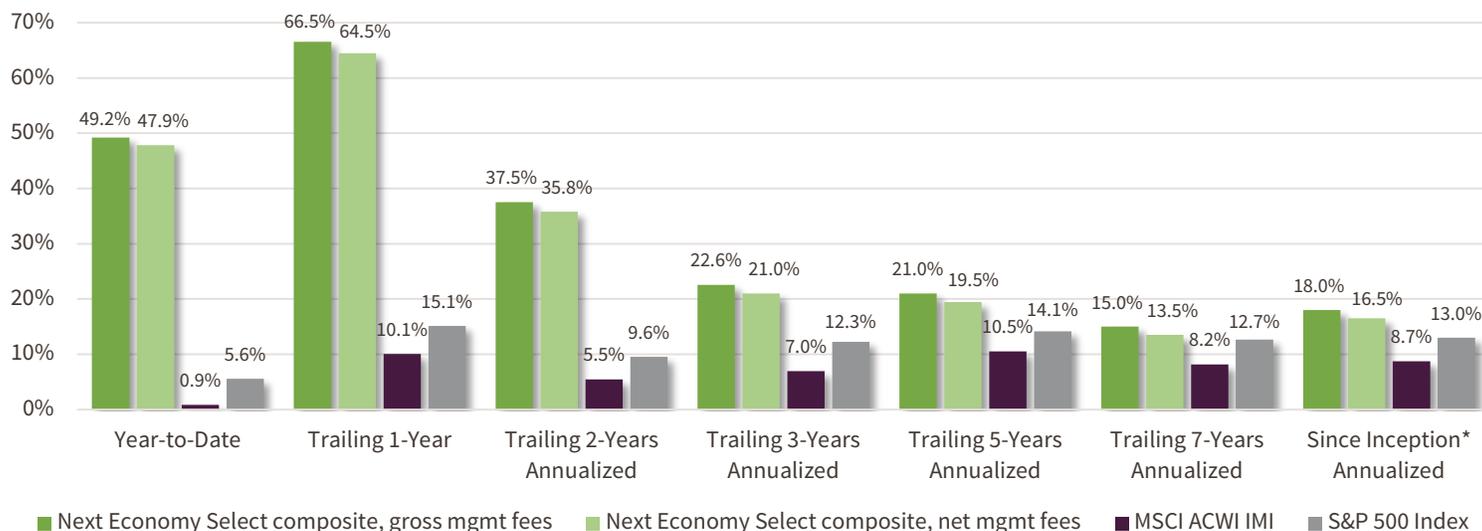


Companies' Main Headquarters



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

Performance & Commentary



The pandemic era has revealed many things, not the least of which are the roles of innovation in addressing the largest threats to humanity, the environment, and to the global economy. In response, markets have begun rewarding companies at the intersection of innovation, large-scale problem solving, and economic competitiveness. This has involved a transition to active stock picking and away from indexing, which, in Green Alpha's opinion, is long overdue.

Put another way, if the majority of investment assets does not flow primarily to companies solving the climate crisis and other key systems risks, like health and inequality, we'll be in trouble and investing may seem like the least of our concerns.

Year-to-date, Green Alpha's Next Economy Select composite has returned 47.86%, net of management fees, vs its benchmark the MSCI All Country World Investable Market Index (MSCI ACWI IMI) at 0.86%.

The top two contributing sectors to the portfolio's returns were Energy and Consumer Non-cyclical, contributing 15.71% and 14.24% respectively.

- Within the Energy sector, returns were led by the world's leading wind turbine manufacturer and service provider, followed closely by the largest PV solar manufacturer by GW shipped, and by North America's leading solar PV installer for commercial properties; that firm also owns some manufacturing capability for the world's most efficient PV panels.
- In the Consumer Non-cyclicals sector, biotechnology stocks led returns, with three developers of genomic therapeutics and vaccines to treat a wide range of health concerns from viruses to cancers, contributing the most. Healthcare services also grew, as genomic sequencing equipment saw positive returns.

The lowest performing sectors in the portfolio were Industrials and Communications, contributing -0.61% and 0.67% respectively.

- Losses in the Industrials sector were from a world-leading supplier of smart meters for residential and commercial utility customers, from a designer and IP owner of and for efficient, high-performance OLED displays for computers, smartphones and other devices, and from a maker of upstream semiconductor manufacturing componentry. These declines offset gains from recycled composite decking materials, as homeowners went to work improving their living spaces amid quarantine and social distancing situations.
- Modest gains within the Communications sector were provided by the world's leading search engine, the word's greenest datacenter firm, and by a provider of datacenter infrastructure.

**Composite Inception: March 31, 2013. 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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- Next Economy Select performance results reflect actual performance for a composite, net of actual management fees and transaction costs. Some assets managed to the Next Economy Select strategy in the composite receive a reduced fee from the standard fee schedule. Actual client returns experienced will vary from the composite returns based on a variety of factors, and we encourage you to ask about specific factors. Accounts are included in the composite for all full-month periods under management with Green Alpha Advisors, LLC. Next Economy Select performance results reflect the reinvestment of dividends and interest for some client accounts in the composite, but not all, as that is dictated by each client. 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.
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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.
- 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 8,766 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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