

Next Economy Social Index

September 30, 2021

Green Alpha[®]

Contents

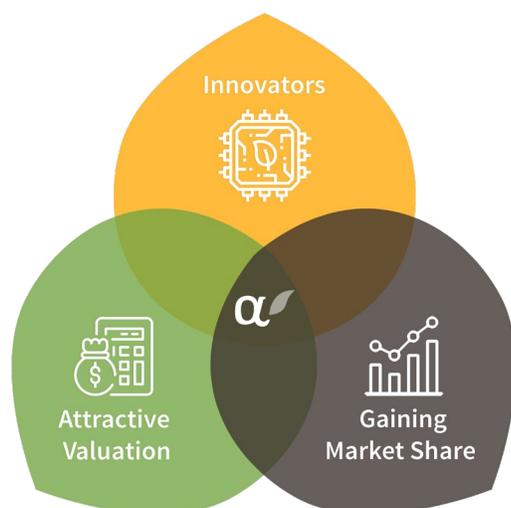
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Investment Philosophy

We understand that high-functioning, innovative companies creating and accelerating solutions to system-level risks like the climate crisis, resource degradation, worsening inequality, and the human disease burden are the greatest growth drivers of the twenty-first century.

Green Alpha's investment philosophy is straightforward: don't invest in companies that cause global systemic risks; do seek out those creating smart, scalable and rapidly evolving, economically-competitive solutions.

We expect Next Economy™ companies to gain market share, which makes investing in them our best chance at preserving and growing our clients' purchasing power.



Why Invest in the Social Index?

- Active research and stock selection; passively managed through an annual rebalance
- Uniquely rigorous gender and social inclusion criteria to create a powerful one-two punch of innovative companies led by diverse, empowered teams
- ~87 global, market-leading companies developing solutions to core economic and environmental risks
- Fossil fuel free since inception

Inception Date: December 31, 2015

Style: All-Cap Global Equities

Vehicle: Separately Managed Accounts

Portfolio Construction

The Social Index construction is based on the science that the cognitive capacity, execution abilities, and risk management skills of groups exceeds that of individuals, and the more diverse the group, the greater potential.

To manage the portfolio, we start by seeking companies:

- with products and/or services lowering the global 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 executive teams and boards of directors with consistent track records of increasing revenues and expanding margins, leading to earnings growth and potential dividend increases
- that trade at compelling valuations relative to proven and expected growth, within acceptable levels of risk

We set initial weights by market capitalization, then assign additional weighting to companies where women hold significant decision-making authority, have especially strong leadership representation, and/or implemented policies are eminently inclusive of all demographics.

Social Index

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

Characteristics

- **Next Economy innovators, diversity leaders** – harnessing the performance enhancing and risk reducing potential offered by diverse teams, we apply rigorous gender and social inclusion criteria to the Next Economy universe
- **Fundamentals-driven:** the underlying quality of companies and the price paid for their shares are key drivers of LT returns
 - ✓ **High growth:** indicated by Sales Growth, and a decrease from Current P/E to Forward P/E as revenue and earnings grow
 - ✓ **Compelling valuation:** demonstrated by Price/Sales and Price/Book metrics relative to growth expectations
 - ✓ **Strong balance sheet and management execution:** conveyed by capital stewardship, LT Debt/Equity, and Current Ratio
- **Fossil fuel free since inception:** we have never invested in companies that prospect, extract, refine, or transport fossil fuels, nor in fossil-fired utilities or internal combustion engine manufacturers
- **Diversified – we seek solutions wherever we can find them:** across the globe, in companies of all sizes, and every industry
- **Public equities, long-only:** largest asset class; largest opportunity for impact

Characteristics	Green Alpha Next Economy Social Index	Benchmark: MSCI ACWI IMI (SPGM)	Green Alpha Next Economy Index	Green Alpha Next Economy Select	Green Alpha Growth & Income	Sierra Club Green Alpha
# of Securities	87	1,709	138	60	34	45
Active Share	95%	-	94%	96%	98%	97%
Sales Growth, Trailing 1-Yr	176%	41%	347%	504%	373%	634%
P/E, Current	31.76	18.83	29.04	26.53	24.43	31.02
P/E, 1-Year Forward [†]	25.48	16.34	22.33	22.04	20.20	24.26
Price/Sales	3.00	1.96	3.14	2.22	2.44	2.04
Price/Book	4.75	2.72	4.48	3.71	2.76	4.22
LT Debt/Equity	0.89	0.86	0.86	0.73	0.91	0.75
Current Ratio	3.05	1.99	3.54	4.36	2.05	3.02
Dividend Yield	2.13%	2.32%	1.85%	2.54%	3.23%	2.28%
Market Capitalization, Weighted Avg (US\$B)	\$90.91	\$340.00	\$91.57	\$106.66	\$72.61	\$95.00
Market Capitalization, Median (US\$B)	\$13.97	Not Available	\$12.17	\$10.00	\$35.18	\$14.03
Turnover, Trailing 2-Yr Avg Annual	36%	-	31%	10%	30%	22%
Beta, Trailing 2-Yrs	1.01	1.03	1.04	1.07	1.09	1.15

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

Largest Positions

How the Social Index is driving progress toward the Next Economy

Company Name	Ticker	Weight
Atlassian	TEAM	2.35%
Moderna	MRNA	2.20%
NVIDIA	NVDA	2.00%
DocuSign	DOCU	1.80%
Box	BOX	1.71%
Switch	SWCH	1.66%
Dassault Systemes	DASTY	1.66%
Palo Alto Network	PANW	1.64%
American Water Works	AWK	1.62%
Autodesk	ADSK	1.62%
% of Portfolio		18.28%

Atlassian (Sector: Technology)

- Leading provider of collaboration and productivity software with 200,000+ customers, surpassing \$2 billion in annual revenue.
- They're moving customers to exclusively cloud-based offerings, with more than 90% of total customers already taking advantage of their enterprise-grade data privacy and security solutions embedded in the cloud products.
- Exec team maintains strong capital allocation priorities with the collaboration software industry-leading level of R&D investment as a % of total revenues. They are also running global ops 100% on renewables.
- The exec team is 29% women, and the board of directors includes two women, one of whom is the Board Chair. Widely regarded as a top global employer in terms of culture and benefits, as well as the firm's commitment to the planet and social progress.

Moderna (Sector: Health Care)

- Discovery-to-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, and cardiovascular diseases. Robust early-and-advanced stage pipeline means future growth may be impressive even excluding revenues from a COVID-19 vaccine, although the vaccine has accelerated their time to profitability, as well as their ability to fund further research and trials.
- Moderna is not just pioneering new medicines, but *new categories* of medicines, potentially transforming medicine overall.
- The exec team is 40% women, including the Chief Commercial Officer, General Counsel, and Chief HR Officer, and the board of directors is comprised of 38% women, including the Chair of the Audit Committee, and the Product Development Committee.

NVIDIA (Sector: Technology)

- NVIDIA's processors are dominant in datacenters, machine learning, and AI. Their processors are used by many of the world's most advanced companies for hundreds of advanced products and applications.
- NVIDIA's proposed acquisition of Arm could unite two global leaders with different business models to create a premier AI hardware provider, widening the IP moat around both companies. The potential merger is attracting regulators, creating interesting dynamics. As Q2 drew to a close, Arm's CEO wrote, "Combining with NVIDIA will give us the scale, resources and agility needed to maximize the opportunities ahead."
- The exec team is 40% women, including the CFO and EVP of Operations, and the board of directors includes three women.

DocuSign (Sector: Technology)

- DocuSign provides electronic, paperless, legally-binding business solutions. They began by offering a way to make signatures on binding documents like applications and contracts quick, paper-free, instant, and legally recognized. DOCU has added time, money, and paper-saving applications and services such as automating contract lifecycles, document generation, collaboration, and workflow automation, AI-based contract analytics to accelerate review, identity verification, and notary services.
- Five of 15 (33%) executives in DOCU's management team are women, including the Chief Financial Officer, Chief People Officer, General Counsel, and the Chief Trust & Security Officer, as well as 30% of the board of directors.

Box (Sector: Technology)

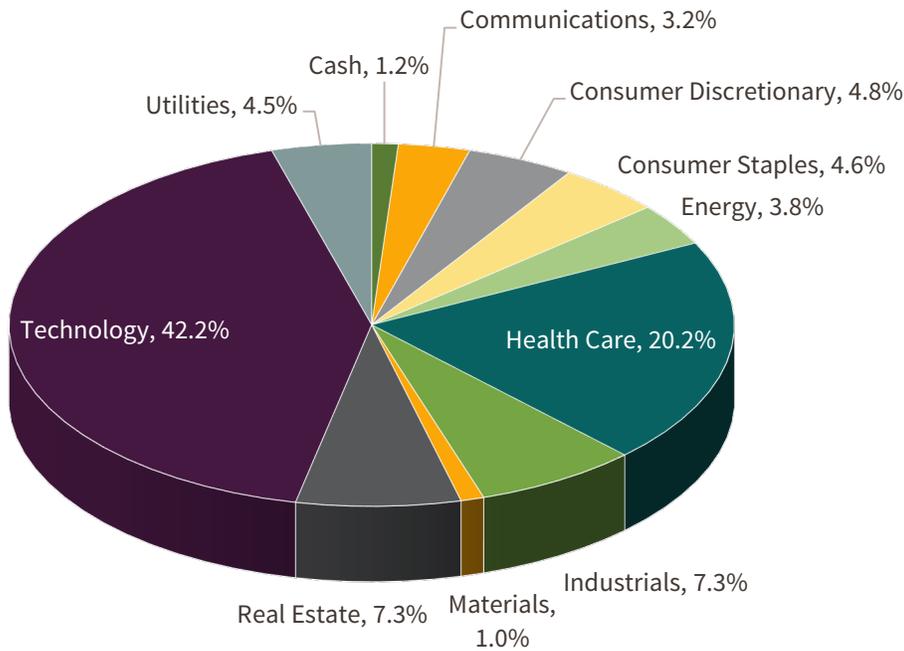
- Box is a leading cloud content management platform that enables customers to securely store and manage their content and power workplace collaboration from anywhere.
- 96% of their revenues come from recurring revenue, high profit subscriptions with over 100,000 customers worldwide, and representing 67% of the Fortune 500.
- With significant governance changes since 2019, Box's executive team now boasts four women, and the board consists of an impressive 44% women, including the chairs of three key committees.

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

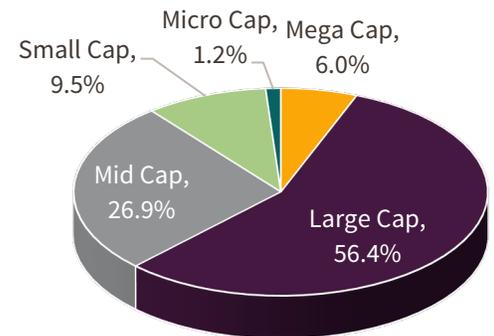
Portfolio Allocations

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

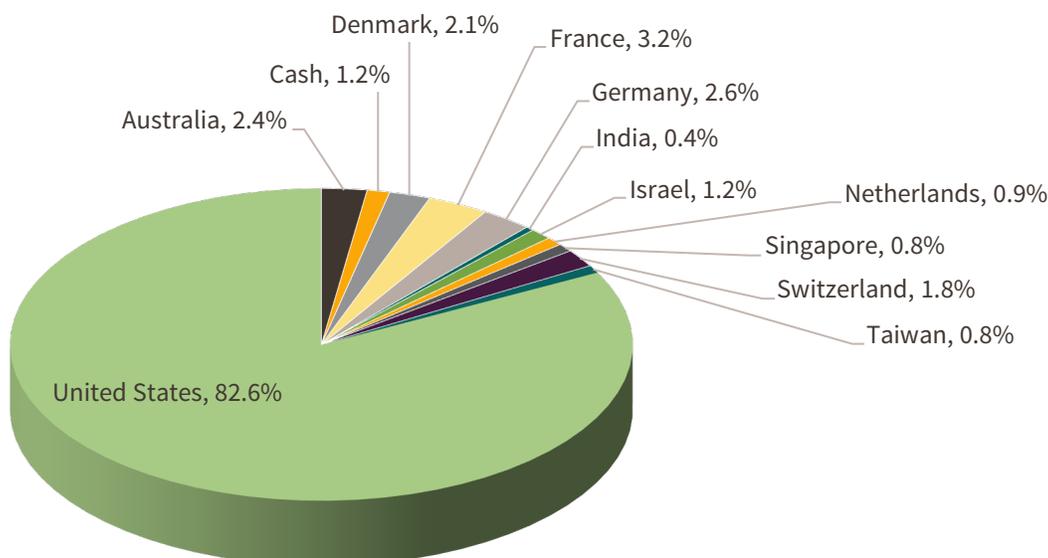
Economic Sectors ††



Market Capitalizations

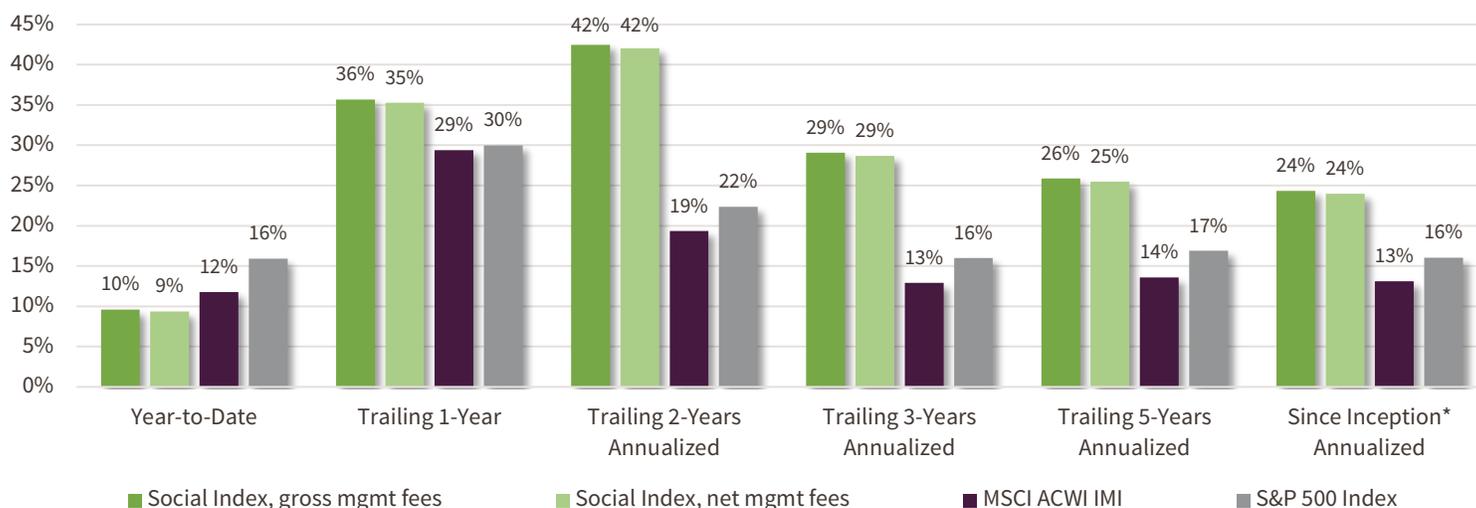


Companies' Main Headquarters



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

Performance & Commentary



In Q3 2021, several different, and at times countervailing, narratives and macroeconomic forces increased market volatility. Early in the quarter, buoyant economic data and a return-to-normal narrative led equities higher, underlining a general sense of optimism. But by quarter-end, bond selling due to fears of supply chain shortages, inflation, and interest rate increases began to rattle equity markets, and—perhaps unintentionally—pushed interest rates higher; rarely a good environment for share prices. This is especially true of perceived growth stocks and the shares of more innovative companies.

The underlying business results of our holdings have generally been strong, as innovators and fixers of the economy's worst risks gain market share. Exceptions have been companies hit by supply chain constraints and/or international trade disputes, and subsequent margin pressures caused by those things, primarily within the renewable energy industry. Renewable energy continues to proliferate globally. However, in the current difficult environment for obtaining basic resources and securing supply chains, tighter margins have resulted in some lower-than-expected earnings, particularly compared to 2020 results. We expect this to ameliorate as suppliers respond to meet demand and the simultaneous need for zero emissions energies continues to grow.

Year-to-date, Green Alpha's Social Index strategy returned 9.36% net of management fees, compared to its benchmark, the MSCI All Country World Investable Market Index (MSCI ACWI IMI), returning 11.78%.

The top two contributing sectors to the Social Index's returns were Technology and Health Care. Within Technology, the semiconductor industry contributed the most. The front-end capital equipment sub-industry furnished most of the gains, as a global semiconductor supply chain squeeze continued to affect nearly every industry in the economy, permitting providers of equipment required to make semiconductors to raise prices. Another contributor was the world's largest foundry and fabrication company, similarly able to charge higher prices for its finished wafers and chips. Downstream, semiconductor devices, such as graphics cards and microcontrollers, also added to returns. In Health Care, the two biotech firms first to develop and distribute messenger RNA-based COVID-19 vaccines continued to add significantly to portfolio returns. Biotech and healthcare facilities and services had mixed returns overall, but our gainers outweighed detractors.

The two most detracting sectors were Energy and Utilities. Renewable Energies detracted year-to-date as both solar and wind equipment manufacturers experienced supply chain issues and related margin pressures. Solar inverter manufacturers saw declines for similar reasons. Gains in a leading residential and commercial solar installation firm partially offset these losses. The Utilities sector detracted from returns as a renewables-based, utility-scale electric utility declined on generalized concerns around economic growth and rising interest rates, and an emerging market, large-scale solar utility struggled to gain market visibility. These losses were partially offset by modest gains in two U.S.-based water utilities.

**Portfolio Inception: December 31, 2015. All returns presented above that are greater than 1 year in length have been annualized. Performance data quoted represents 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.*

Important Disclosures

- Green Alpha Advisors, LLC is a registered investment advisor. Registration as an investment advisor does not imply any certain level of skill or training.
- Green Alpha is a registered trademark of Green Alpha Advisors, LLC. Green Alpha Advisors also owns the trademarks to “Next Economy,” “Next Economics,” “Next Economy Portfolio Theory,” “Investing in the Next Economy,” and “Investing for the Next Economy.”
- Performance quoted throughout this document represent past performance. Past performance does not guarantee future results, and current performance may be lower or higher than the data quoted. Investment returns and principal will fluctuate with market and economic conditions, and investors may have a gain or loss when shares are sold.
- Beginning July 31, 2021, the Next Economy Social Index performance results are a composite of discretionary client accounts invested in the strategy on specific custodial platforms. Green Alpha’s discretionary client accounts that are not included in the composite are those custodied at Folio Institutional due to operational limitations of Folio’s data feeds to Green Alpha’s portfolio accounting system Advent APX. The Next Economy Social Index composite performance results reflect actual performance for a composite of discretionary client accounts, net of actual management fees and transaction costs. Some assets managed in the Next Economy Social Index strategy within the composite receive a reduced fee from the standard management 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 full-month periods under management with Green Alpha Advisors, LLC. Next Economy Social Index performance results do not reflect the reinvestment of dividends and interest.
- Actual advisory fees may vary among clients with the same investment strategy. Green Alpha’s standard fee schedules are available within Form ADV Part 2. For those details and additional legal information, please see information and files here: <http://greenalphaadvisors.com/about-us/legal-disclaimers/>.
- From the strategy’s inception through July 31, 2021, Next Economy Social Index performance results reflect performance of a model portfolio. The Next Economy Social Index model performance does not reflect any transaction costs. The Next Economy Social Index model performance results do reflect the reinvestment of dividends and interest. Model performance has inherent limitations. The returns shown during that time period are model results only, and do not represent the results of actual trading of client assets. The model performance shown does not reflect the impact that material economic and market factors had, or might have had, on decision making if the account held actual client capital. Actual client accounts in this strategy are managed by Green Alpha based on the model portfolio, but the actual composition and performance of these accounts may differ from those of the model portfolio due to differences in the timing and prices of trades, and the identity and weightings of securities holdings.
- The Next Economy Social Index strategy contains stocks that are managed with a view towards capital appreciation. 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.
- Regardless of time frame, all characteristics data are sourced from Bloomberg Finance L.P. based on a model Next Economy Social Index portfolio that may or may not be exactly what is delivered and available on each custodial or wrap account platform.
- 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. International investing may not be suitable for everyone. An investment in Green Alpha portfolios should be considered a long-term investment.
- The holdings identified throughout this document do not represent all the securities purchased, sold, or recommended for advisory clients. You may request a list of all recommendations made by Green Alpha in the past year by emailing a request to info@greenalphaadvisors.com. It should not be assumed that the recommendations made in the past or future were or will be profitable or will equal the performance of the securities cited as examples in this document.
- The MSCI All Country World Investable Market Index (ACWI IMI) captures large, mid, and small cap representation across 23 developed markets and 27 emerging markets countries. With ~9,226 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.
- The S&P 500 Index is an unmanaged index of 500 common stocks chosen for market size, liquidity, and industry group representation. It is market-value weighted. The S&P 500 Index figures do not reflect any fees, expenses, or taxes. Investors cannot invest directly in this index.
- This presentation is for informational purposes only, and should not be construed as legal, tax, investment, or other advice. This presentation does not constitute an offer to sell, or the solicitation of any offer to buy, any security. Any mention of an individual security is for illustrative purposes only and should not be considered a recommendation to buy or sell any security. The presentation does not purport to contain all of the information that may be required to evaluate Green Alpha Advisors and its investment strategies.