



Invests across the range of market capitalizations and economic sectors in companies that meet Trillium's sustainability criteria. This strategy has no direct exposure to fossil fuels.

## INVESTMENT PROCESS

The investment process begins with sector allocation based on economic outlook, benchmark allocation, and risk/return expectations for each sector. Within these sector guidelines, the strategy seeks stocks with superior earnings growth prospects and environmental, social, and governance (ESG) records, but which are available at a reasonable price. A team of fundamental, sector focused analysts conduct bottom-up financial analysis including a rigorous integrated review of financial and ESG factors. The Investment Management Committee, comprised of portfolio managers and analysts, meets periodically to review and approve recommendations to the buy-list recommended by the analysts. A strategy team, headed by the lead Portfolio Manager, rebalances the portfolio on at least a quarterly basis to identify the best subset of names from the buy-list at that particular point of time. The team leverages an optimization process that helps monitor and control portfolio characteristic exposures while overweighting companies based on a proprietary alpha score that includes an analyst rating, an ESG rating, and technical, valuation, and momentum inputs. In this sense, the strategy is fundamentally driven, but quantitatively assisted.

## INVESTMENT PERFORMANCE % (as of 12/31/2013)

	QTR	1-YR	3-YR	5-YR	GIPS INCEPTION
Gross of Fees	10.2%	36.0%	16.0%	17.7%	7.3%
Net of Fees	10.0%	35.0%	15.1%	16.8%	6.4%
S&P 1500	10.3%	32.8%	16.2%	18.4%	6.5%

Annualized returns for Fossil Fuel Free Core composite through 12/31/13. GIPS composite inception is 1/1/2007 for the Fossil Fuel Free Core Composite. Composite assets \$6 million as of 12/31/13. Please see important performance disclosures on the back page.

## SECTOR ALLOCATION vs. BENCHMARK

SECTOR	FFF CORE	S&P 1500
Consumer Discretionary	14.1%	12.8%
Consumer Staples	9.1%	9.1%
Energy	0.0%	9.7%
Financial Services	16.6%	16.9%
Health Care	14.7%	12.6%
Industrial Goods & Services	13.1%	11.9%
Materials	5.4%	3.9%
Technology	21.9%	18.1%
Telecommunication Services	3.5%	2.1%
Utilities	1.6%	3.1%

Sector Allocation, Equity Characteristics and Top Holdings based on a representative account as of 12/31/2013 and **exclude cash**.

## FIRM OVERVIEW

- Boston based firm started in 1982
- Over \$1.4 billion in assets under management\*
- Employee owned, with broad distribution of shares
- Deep expertise in domestic equities with a focus on full ESG integration

\*This figure contains assets from both wrap and non-wrap accounts and is provided as supplemental information. Please see performance disclosures on the back for firm definition.

## STRATEGY DETAILS

Benchmark	S&P 1500
Inception Date	2007
Strategy Assets*	\$43m
Holdings	60-70
% Top 10 Holdings	27%
Max Position Sizes	5%
Target tracking Error	4-5%
Annual Turnover	35-45%

\*Strategy assets are supplemental.

## EQUITY CHARACTERISTICS

	FFF CORE	S&P 1500
Market Capitalization (weighted avg. billions)	\$88.4	\$106.5
Dividend Yield	1.6%	1.9%
Price/Earnings (FTM)	15.4x	15.8x
Price/Book	2.6x	2.6x
Est. 3-5 Yr. EPS Growth	11.8%	11.9%
Operating Margin	20.7%	19.6%
LT Debt/Capital	28.9%	33.9%

## TOP TEN HOLDINGS

MasterCard	J. M. Smucker
East West Bancorp	Apple
Lincoln Electric	Oracle
Holdings	Johnson Controls
Westinghouse Air	Cisco
Brake Technologies	Unitedhealth Group

Top holdings are provided as additional information. A GIPS compliant presentation is available upon request.

## PORTFOLIO MANAGEMENT



### Elizabeth Levy, CFA

Elizabeth is a senior vice president, portfolio manager and research analyst, and leads our All Cap Core and Fossil Fuel Free Core strategies. She also provides research to Trillium's Community Investment portfolio.

Before joining Trillium in 2012, she worked as a portfolio manager for Winslow Management Company, a division of Brown Advisory, where she had been since 2004. She managed two environmentally-focused investment strategies, the Winslow Green Large Cap strategy from 2009-2011 and the Winslow Green Growth strategy during 2011. She also provided equity research across Brown Advisory's strategies, with a focus on water companies and green transportation companies. Before joining Winslow she was a research associate for Tellus Institute, an environmental research organization. She serves on the Steering Committee of the Social Investment Research Analysts Network (SIRAN), and is a previous Treasurer and Vice President of the Board of Directors of Harvest Cooperative Markets in Boston. She holds a B.S. in Chemistry from the College of William and Mary, and a Master of Environmental Management from the Yale School of Forestry and Environmental Studies, as well as the Chartered Financial Analyst designation.

## CONTACT INFORMATION

### Institutional/Advisor

#### Paul Hilton, CFA

philton@trilliuminvest.com  
617-532-6671

### Individual/Direct

#### Lisa MacKinnon

lmackinnon@trilliuminvest.com  
617-532-6665

## PERFORMANCE DISCLOSURES

1. Trillium Asset Management, LLC (Trillium) claims compliance with the Global Investment Performance Standards (GIPS®). Trillium is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors act of 1940. For the purposes of establishing and maintaining compliance with the GIPS standards, the firm has elected to define itself exclusive of wrap-fee assets under management both currently and historically.

2. The Fossil Fuel Free Core Composite was created on August 28, 2011 and has an inception date of January 1, 2007. The U.S. Dollar is the currency used to express valuations and performance.

3. Performance is presented for all periods net of trading costs and both net and gross of management fees, includes the reinvestment of all income, and is vested and calculated on a trade date basis. Individual performance will vary from that of the composite.

4. Lists, descriptions, and GIPS compliant presentations are available upon request for all Trillium performance composites.

5. The S&P Indices are widely recognized, unmanaged indices of common stock. It is not possible to invest directly in an index. The S&P 1500 combines three indices, the S&P 500, the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization.

6. Past performance is no guarantee of future results. Every investment carries the potential for both profit and loss.

7. Investments in smaller companies generally carry greater risk than is customarily associated with larger companies for various reasons, such as narrower markets, limited financial resources and less liquid stock.



Delivering Sustainable Investments Since 1982<sup>SM</sup>