

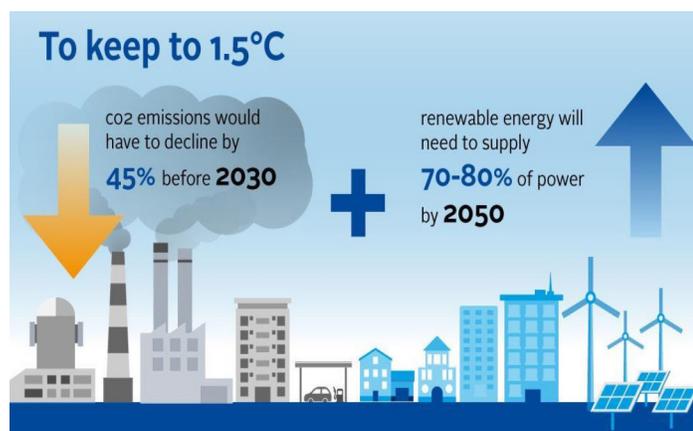


Trillium's fossil fuel free strategies exclude companies directly involved in the extraction, production, and distribution of fossil fuels, or generation of energy from fossil fuels.

As a firm dedicated to the transition toward a sustainable economy, Trillium offers three equity strategies that have been fossil fuel free since inception: Trillium P21 Global Equity (Global Equity Fund), also available in mutual fund form, Fossil Fuel Free Core, and Sustainable Opportunities. The Global Equity Fund is the oldest diversified, global, fossil fuel free mutual fund in existence and celebrates its 20-year anniversary in 2019. These fossil fuel free strategies incorporate environmental, social and governance (ESG) risk and opportunity analysis — looking to remove some risk and seeking opportunity through the exclusion of fossil fuel companies in the portfolios.

Third party research indicates the risks of investing in fossil fuel companies. The impacts of burning fossil fuels and rising greenhouse gas emissions which are ever more apparent and felt across the globe, include more extreme weather, diminishing sea ice, and rising sea levels. In October 2018, the Intergovernmental Panel on Climate Change (IPCC) affirmed the pressing need to limit global warming to 1.5°C above pre-industrial levels to mitigate the most catastrophic impacts of climate change. According to the report, this could be done through “rapid and far reaching” transitions in land use (i.e. agriculture and food), energy (i.e. renewables), industry (industrial emissions reductions), buildings (reduced energy demand for buildings), transport (increase use of low carbon fuels and electricity), and cities (transforming urban infrastructure and systems). These transitions need to occur quickly and will require a global commitment, dramatic political will, and dedicated business leadership to identify opportunities and innovate solutions.<sup>1</sup>

Our own research also makes these findings clear and we believe fossil fuel companies pose distinctive risks. The economic



From: *The IPCC special report on 1.5°C: key takeaways for PRI signatories*

**“As investors, we see climate change as a risk multiplier that endangers continued prosperity throughout the economy.”**

– Elizabeth Levy, Portfolio Manager, Fossil Fuel Free Core strategy

model of carbon-based energy companies is being disrupted by increasing climate regulation and increasing competition from cleaner renewable energy technologies. As such, fossil fuel companies may be facing a prolonged secular decline. Furthermore, health, safety, environmental hazards, and geopolitical instability amplify these risks.

Portfolio managers can instead invest in companies with business models benefiting from a more sustainable economy—companies involved in the urgent transitions described in the recent IPCC report. For example, Trillium holds shares of **Ingersoll Rand, PLC**, a leader in the development of energy efficient heating and air conditioning systems. The company has transparent and bold climate commitments and reports on its sustainability initiatives annually.<sup>2</sup> Ingersoll Rand's efforts are not only based on achieving sustainability goals in its own business, but attempting to change policy in regard to building codes and standards to enable the use of new refrigerants which are less toxic and more efficient, that it is researching.<sup>3</sup>

**“Choosing a portfolio without fossil fuels creates an opportunity for individuals to add to the financial markets rejecting the fossil fuel industry and to be directly involved in challenging the drivers of the climate crisis.”**

– Jonas D. Kron, Senior Vice President  
Director, Shareholder Advocacy

Management of fossil fuel free portfolios is unique to the manager but data shows that it is possible to produce risk-adjusted returns that are competitive with appropriate broad market benchmarks through a portfolio that does not invest in fossil fuel companies. According to the data available from MSCI, one of the world's leading stock market index and ESG research providers, investors who discarded holdings in fossil fuel companies would have earned an annualized five-year return of 6.93%, compared to 6.09% return earned by conventional investors, based on the MSCI ACWI benchmark performance as of 08/31/19.<sup>4</sup> Our own Global Equity Fund supports this research with a 20-year track record and out-performance relative to the benchmark for the 1, 3, and 5 year periods, which is outlined in the chart on page 2.

By offering our clients three fossil fuel free investment strategies, Trillium actively supports the momentum towards a sustainable transition away from fossil fuels. However, while long-term performance provides a compelling argument for excluding fossil

## Fossil Fuel Free Investing

fuels, not every client is ready to embrace the more volatile relative performance (versus the benchmark) over shorter time periods. For this reason, Trillium also offers strategies that are not fossil fuel free. These strategies also integrate ESG analysis which utilizes both risk-based exclusionary screening and positive factors to help identify the companies we believe are positioned best to deliver long-term investment performance. In

fact, all of Trillium's equity strategies are less carbon intensive than their corresponding benchmarks, ranging from 52% to 70% less carbon intensive, as of 9/30/18. Whether investing in Trillium's fossil fuel free strategies, or one of our strategies that include fossil fuel companies, our integrated ESG approach ensures that we consider the significance of climate change in the construction of all portfolios.

### Trillium P21 Global Equity Fund (as of 09/30/2019)

	INCEPTION DATE	QTR	YTD	1-YR	3-YR	5-YR	10-YR	SINCE INCEPTION
PORTX (R Shares)	9/30/1999	-0.13%	17.36%	3.60%	10.94%	8.23%	7.96%	5.90%
MSCI ACWI (NR)		-0.03%	16.20%	1.38%	9.71%	6.65%	8.35%	N/A
PORIX (I Shares)	3/30/2007	-0.04%	17.62%	3.91%	11.25%	8.52%	8.27%	5.31%
MSCI ACWI (NR)		-0.03%	16.20%	1.38%	9.71%	6.65%	8.35%	N/A

*Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800-853-1311.*

The Gross Expense Ratio for PORIX is 1.02%. The Gross Expense Ratio for PORTX is 1.29%

### SOURCES

1. IPCC, 2018: Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. World Meteorological Organization, Geneva, Switzerland, 32 pp.
2. "Our Climate Commitment," Ingersoll-Rand PLC, 2019.
3. "2018 ESG Report: Public Policy Advocacy and Compliance," Ingersoll-Rand PLC, 2019.
  - a. Ingersoll Rand, PLC makes up 0.779% of the total net assets in The Trillium P21 Global Equity Fund as of 08/31/19.
4. MSCI ACWI EX FOSSIL FUELS INDEX (USD) Factsheet as of 08/31/19

### IMPORTANT DISCLOSURES

*The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and it may be obtained by calling 800-853-1311, or visiting [www.TrilliumMutualFunds.com](http://www.TrilliumMutualFunds.com). Read it carefully before investing.*

**Mutual fund investing involves risk. Principal loss is possible. The Trillium P21 Global Equity Fund may invest in foreign securities, which are subject to the risks of currency fluctuations, political and economic instability and differences in accounting methods. Investing in foreign securities is riskier than investing in domestic securities. The fund invests in smaller companies, which involve additional risks such as limited liquidity and greater volatility. Trillium P21 Global Equity Fund's environmental policy could cause it to make or avoid investments that could result in the portfolio under performing similar funds that do not have an environmental policy. There are no assurances that the fund will achieve its objective and/or strategy.**

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The **MSCI ACWI** (All Country World Index) is a market capitalization weighted index designed to provide a broad measure of equity market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International (MSCI), and is comprised of stocks from both developed and emerging markets. It is not possible to invest directly in an index.

Diversification does not guarantee a profit or protect from loss in a declining market.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

The Trillium P21 Global Equity Fund is distributed by Quasar Distributors, LLC



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