

# Large Cap Core

## Equity and Balanced Account Management

as of December 31, 2009

### Objective

Large Cap Core Equity seeks to provide competitive long-term returns by investing in large capitalization stocks that are well-diversified across economic sectors. Stock selection is based on a growth-at-a-reasonable price methodology. Portfolios are designed to be consistent with each client's social concerns and objectives. The equity benchmark is the S&P 500.

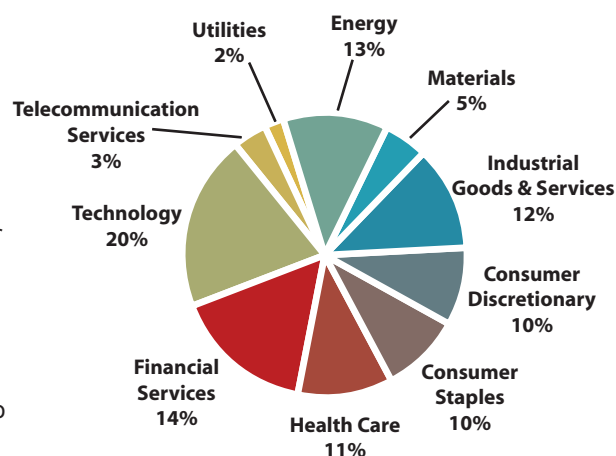
**Investment Process:** The investment process begins with asset and sector allocation based on economic outlook, benchmark allocation and risk/return expectations for each sector. Within sector guidelines, Large Cap Core Equity seeks stocks with superior earnings growth prospects, but which are available at a reasonable price. Financial analysis includes multi-factor valuation and risk modeling, as well as in-house fundamental research including balance sheet and income statement analysis. The Investment Management Committee, comprised of all portfolio managers and analysts, meets weekly to review fundamentals, monitor valuation, and approve buy and sell decisions. Technical analysis is used to monitor stock price movements and help determine entry and exit points for specific stocks. The stock selection process emphasizes companies making a positive contribution to society and the economy; however, no stock is added to the buy list without rigorous financial analysis that reveals superior investment attractiveness. Internal risk controls include limiting exposure to any single issuer to no more than 5% of total portfolio value, and using a proprietary process to reduce variability with the benchmark and across portfolios.

**Sell Discipline:** Sell discipline is governed by portfolio strategy and stock-specific analysis; securities may be sold because of a top-down change in asset or sector allocation guidelines, or due to a negative change in fundamentals or excessive relative valuation.

**Social Strategy:** Investments are carefully tailored to reflect each client's social concerns, which most frequently include the environment, human rights, workplace diversity, labor rights, non-proliferation of weapons, product safety, community development, and animal welfare. Stock selection process emphasizes companies making a positive contribution to society and economy. Large Cap Core Equity includes a focus on improving corporate practices through one of the most powerful forms of leverage: active stock ownership. On behalf of clients, the firm engages in dialogue with management on critical social issues and participates in the proxy resolution process, with a focus on complex issues related to the environment and global human rights.

**Balanced Account Options:** Tax-exempt balanced accounts combine tailored investment grade corporate and government agency bonds with Large Cap Core Equity. Tax-sensitive balanced accounts combine tailored investment grade municipal bonds with Large Cap Core Equity. A range of asset allocations (from conservative to aggressive) is available and a separate sheet is available for balanced performance.

### Sector Allocation\*



### Largest Holdings\*

IBM	Johnson & Johnson
Hewlett Packard	Oracle
BP, p.l.c.	Microsoft
Apache	3M
Apple	General Mills

### Equity Characteristics\*

	TRILLIUM ASSET MANAGEMENT®	S&P 500
Market Capitalization (weighted avg. in billions)	\$76.2	\$80.6
Dividend Yield	2.0%	2.1%
Price/Earnings Ratio	13.2x	14.4x
Price/Book Ratio	2.4x	2.2x
Est. 3-5 Yr. EPS Growth	10.6%	10.5%
Return on Equity	17.8%	14.3%
Operating Margin	16.3%	17.2%
LT Debt/Capital	32.7%	36.3%

\* Statistics shown for tax-exempt portfolios.  
Tax-sensitive available upon request.

Performance on back

**TRILLIUM ASSET MANAGEMENT® Investment Returns**  
**Large Cap Core**

	Tax-Exempt Equity <i>Net of Fee</i>	Tax-Exempt Equity <i>Gross of Fee</i>	Tax-Sensitive Equity <i>Net of Fee</i>	Tax-Sensitive Equity <i>Gross of Fee</i>	S&P 500
Q4 2009	6.59	6.75	6.79	6.91	6.04
2009	29.99	30.77	29.24	29.75	26.46
2008	-35.70	-35.32	-34.21	-33.82	-37.00
2007	6.01	6.61	4.45	5.10	5.49
2006	7.94	8.48	8.18	8.79	15.79
2005	5.04	5.60	4.00	4.91	4.91
2004	9.25	10.02	10.49	11.56	10.88
2003	26.15	26.86	27.23	28.43	28.68
2002	-20.85	-20.40	-22.35	-21.60	-22.10
2001	-18.11	-17.69	-20.39	-19.53	-11.89
2000	---	---	-1.48	-0.53	-9.10
1999	---	---	29.57	30.80	21.04
<b>Annualized Returns</b> (through 12/31/2009)					
1 Year	29.99	30.77	29.24	29.75	26.46
3 Year	-3.95	-3.39	-3.88	-3.36	-5.63
5 Year	0.09	0.65	-0.02	0.59	0.42
7 Year	4.76	5.37	4.97	5.72	5.52
10 Year	---	---	-1.55	-0.77	-0.95

## Disclosures

- As of January 1, 2006, the Large Capitalization Core Tax-Exempt composite includes all tax-exempt portfolios over \$1,000,000 that meet the described investment guidelines. The composite includes the equity performance of all fully discretionary, separately managed tax-exempt portfolios with multiple social screening criteria, a beginning market value greater than \$1,000,000, managed in a Large Capitalization Core style, and benchmarked to the S&P 500. Prior to 2006, the minimum market value required for the composite was \$600,000. If a portfolio in the composite falls below the minimum market value for more than one quarter it is removed from the composite from that time forward, but past performance for that account remains as part of the composite performance. Prior to January 1, 2006, this composite included the equity component of all balanced accounts meeting the above management and social screening criteria with an equity benchmark between 40% and 70% of assets.
- As of January 1, 2006, the Large Capitalization Core Tax-Sensitive composite includes all taxable portfolios over \$1,000,000 that meet the described investment guidelines. The composite includes the equity performance of all fully discretionary, separately managed taxable portfolios with multiple social screening criteria, a beginning market value greater than \$1,000,000, managed in a Large Capitalization Core style, and benchmarked to the S&P 500. Prior to 2006, the minimum market value required for the composite was \$600,000. If a portfolio in the composite falls below the minimum market value for more than one quarter it is removed from the composite from that time forward, but past performance for that account remains as part of the composite performance. Prior to January 1, 2006, this composite included the equity component of all balanced accounts meeting the above management and social screening criteria and with an equity benchmark between 35% and 45% of assets.
- Equity performance represents the performance of equities only; we do not allocate cash to the equity performance.
- Figures include performance for portfolios under our management for three full months since inception, including those clients no longer with the firm. No alterations of composites as presented here have occurred because of changes in personnel at any time. Composite results presented reflect all portfolios meeting the composite guidelines in each period.
- Prior to January 2007, equity performance was presented on an accrual basis; since January 2007, equity dividends are treated on a cash-received basis. No selective periods for presentation have been used. Data from all portfolios included have been continuous from after the first three months since their inception to the present or to the cessation of the client relationship with the firm.
- Performance for each portfolio is calculated monthly, and portfolios are weighted in the composite by monthly beginning market value.
- Performance is presented for all periods net of trading costs and both net and gross of management fees.
- Portfolios are valued and performance is calculated on a trade date basis.
- No leverage has been used in the portfolios in these composites.
- All portfolios included in the composites are fee-paying portfolios.
- A list of all TRILLIUM ASSET MANAGEMENT® performance composites is available.
- Past performance is no guarantee of future results. Every investment carries the potential for both profit and loss.