



Invests in small and mid cap stocks that are well-diversified across economic sectors and meet Trillium's sustainability criteria.

## INVESTMENT PROCESS

Fundamental equity analysts, who divide coverage by sector, are responsible for providing in-depth analysis of companies and generating new buy ideas consistent with the strategy's high quality approach, 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. In this sense, the strategy is fundamentally driven, but quantitatively assisted.

## INVESTMENT PERFORMANCE % (as of 03/31/2019)

	QTR	1-YR	3-YR	5-YR	10-YR	GIPS INCEPTION
Gross of Fees	14.4%	1.8%	12.2%	7.4%	16.2%	9.1%
Net of Fees	14.4%	1.4%	11.7%	6.8%	15.6%	8.5%
S&P 1000	13.6%	2.3%	11.6%	8.3%	16.5%	8.8%
Russell 2500	15.8%	4.5%	12.6%	7.8%	18.6%	8.0%

Annualized returns for Small/Mid Cap Core composite through 03/31/2019. GIPS composite inception is 1/1/2007 for the Small/Mid Cap Core Composite. Please see important performance disclosures on the back page. Composite assets are \$131.6 million as of 03/31/2019.

## SECTOR ALLOCATION vs. BENCHMARK

SECTOR	SMALL/MID CAP CORE	S&P 1000
Consumer Discretionary	12.0%	12.5%
Consumer Staples	3.8%	3.0%
Energy	2.7%	4.1%
Financial Services	16.4%	16.4%
Health Care	12.3%	10.2%
Industrial Goods	17.5%	16.2%
Materials	4.7%	6.2%
Real Estate	7.4%	9.3%
Information Technology	16.8%	15.9%
Communication Services	1.1%	2.4%
Utilities	5.4%	3.9%

Sector Allocation, Equity Characteristics and Top Holdings based on a representative account as of 03/31/2019 and **exclude cash**.

## FIRM OVERVIEW

- Boston based firm started in 1982
- \$2.8 billion in assets under management
- Over \$400 million in model-driven platform assets
- Employee owned, with broad distribution of shares
- Deep expertise in domestic equities with a focus on full ESG integration

Please see performance disclosures on the back for firm definition.

## STRATEGY DETAILS

Benchmark	S&P 1000
Inception Date	2001
Strategy Assets*	\$160 m
Holdings	70–80
% Top 10 Holdings	21%
Max Position Sizes	5%
Target tracking Error	4–5%
Sector Deviation +/-	3%
Annual Turnover	20–40%

\*Strategy assets are supplemental.

## EQUITY CHARACTERISTICS

	SMALL/MID CAP CORE	S&P 1000
Market Capitalization (weighted avg. billions)	\$7.1	\$4.4
Dividend Yield	1.4%	1.6%
Price/Earnings (FTM EST)	16.9x	16.8x
Price/Book	2.5x	2.0x
Est. 3-5 Yr. EPS Growth	9.9%	10.4%
Operating Margin	15.6%	15.5%
LT Debt/Capital	36.1%	37.6%

## TOP TEN HOLDINGS

Hexcel Corporation	Hologic, Inc.
Zendesk, Inc.	Reinsurance Group of America, Inc.
Cambrex Corporation	Middleby Corporation
LHC Group, Inc.	Tractor Supply Co.
Hanover Insurance Group, Inc.	Tetra Tech, Inc.

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

## PORTFOLIO MANAGERS



### Lead Manager: **Laura L. McGonagle, CFA**

- Former Equity Research Analyst at Adams, Harkness, and Hill as sell-side analyst in “Healthy Living” group, covering specialty consumer stocks addressing the consumers’ growing awareness of the impact of nutrition, environment, and lifestyle choices on their well-being)
- B.A., Quantitative Economics, Tufts University



### **Elizabeth R. Levy, CFA**

- Former PM for Winslow Management Company
- Member of the Advisory Board of UMass Boston Center for Sustainable Enterprise and Regional Competitiveness
- B.S., Chemistry, College of William and Mary
- M.S., Environmental Management, Yale School of Forestry and Environmental Studies



### **Matthew W. Patsky, CFA**

- Former Director of Research, Chairman of the Investment Committee, and PM at Winslow Management Company
- First sell-side analyst in U.S. to publish on the topic of socially responsible investing in 1994
- Serves on the Boards of Environmental League of Massachusetts (ELM), Shared Interest, and Pro Mujer
- Member of the Social Venture Network (SVN)
- B.S., Economics, Rensselaer Polytechnic Institute

## CONTACT INFORMATION

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## PERFORMANCE DISCLOSURES

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 historically until 10/1/2013. Effective 10/1/2013 the firm has redefined itself to include wrap-fee assets under management. Previously, the firm included only institutional and high net worth accounts. The firm was redefined to include the wrap-fee business to reflect all business lines managed by the organization.

The Small/Mid Cap Core Composite was created on August 28<sup>TH</sup> 2011 and has an

inception date of January 1, 2007. The U.S. Dollar is the currency used to express valuations and performance.

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.

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

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 1000 combines the S&P MidCap 400 and the S&P SmallCap 600, to form a benchmark for the small-mid cap universe of the U.S. equity market.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000® Index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. It is not possible to invest directly in an index.

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

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>