

A PERFORMANCE-DRIVEN APPROACH TO FOSSIL-FUEL- FREE INVESTING

INVESTMENT STRATEGY

At the foundation of our investment philosophy is an understanding that economic vitality, environmental responsibility, and social equity are all “bottom line” issues. As each affects long-term financial returns, ignoring any of them can pose material investment risks of blind investors to real opportunities. This is why all of our stock investments are evaluated for Environmental, Social, and Governance (ESG) risk and opportunity factors that traditional investors typically miss, from climate change to racial and gender equity.

Our fossil-fuel-free US equity strategy eliminates exposure to the traditional energy sector, as well as to fossil-fuel-burning utilities. The strategy provides clients with a diversified, dynamic, and well-modulated ownership stake in a more sustainable US economy.

Our investment process begins with a mapping of global economic trends, opportunities, and risks. Based on the timing of the economic cycle, we make strategic shifts in our stock exposures, while carefully managing benchmark risk. Stock selection is driven by multiple uncorrelated factors, including technical performance and fundamental valuation.

ENLIGHTENED ENGAGEMENT

We strive to reclaim investing as a social constructive activity whose success is measured in terms of economic vitality, social equity, and environmental responsibility.

As shareholders, our clients play a crucial role in shaping corporate behavior toward more sustainable outcomes. We engage a targeted set of environmental and social policy issues, from climate change to gender and racial equity, to digital access, privacy, and openness.

Strategy

Benchmark	S&P 500
Holdings	60-85
Target Active Risk	2-5%
Sector Deviation	+/- 5%
0% fossil fuel energy and utilities	

Characteristics

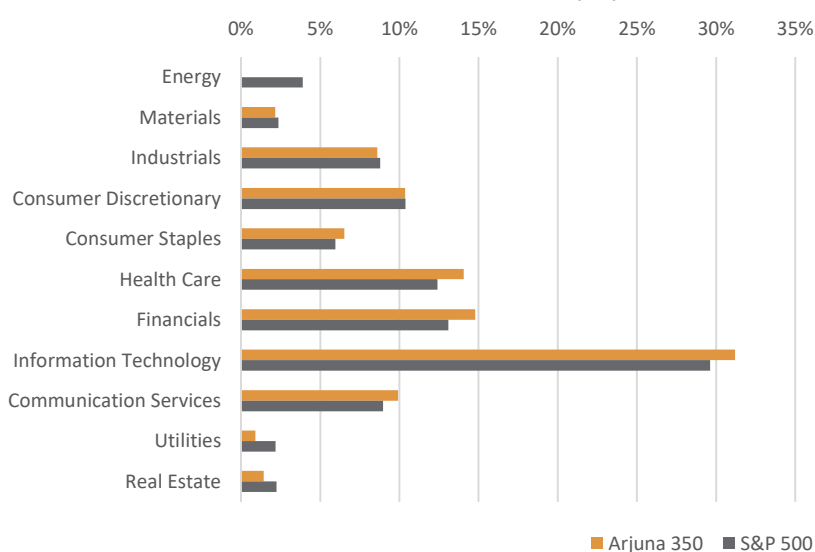
Wtd. Market Cap	\$868.0 bil
Return on Equity	30.4%
Earnings Growth	10.8%
Dividend Yield	1.80%
Price/Earnings	22.8
Net Profit Margin	13.0%
Debt/Equity	0.68

Performance*

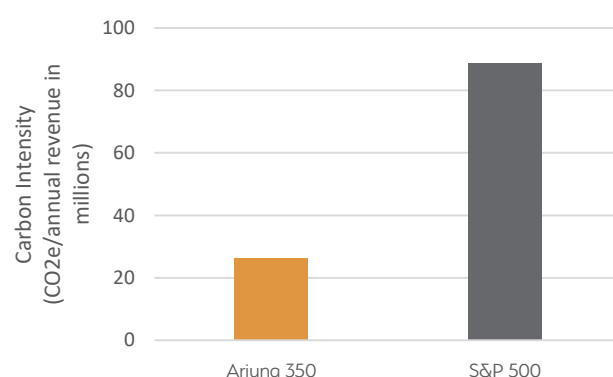
Arjuna 350, Cumulative Gross	224.9%
Arjuna 350, Cumulative Net	203.0%
S&P 500, Cumulative	210.5%
Arjuna 350, Annualized Gross	13.3%
Arjuna 350, Annualized Net	12.5%
S&P 500, Annualized	12.8%
Information Ratio	0.20
Active Risk	2.72%

*November 2014-March 2024; data as of 3/31/2024

SECTOR ALLOCATION (%)



CARBON FOOTPRINT



The Carbon to Revenue analysis normalizes absolute emissions quantities to allow for fair comparison of portfolios & benchmarks of different sizes. This analysis divides the apportioned emissions by the apportioned annual revenues, giving us an indication of ‘efficiency’ with respect to output. Carbon Dioxide Equivalents, or CO2E, is measured in units of millions of metric tons. CO2E includes Carbon Dioxide, Methane, Nitrous Oxide, Sulphur Hexafluoride, Per Fluoro Carbons, and Hydro Fluoro Carbons. Each gas is weighted by its Global Warming Potential.

HISTORICAL PERFORMANCE | ARJUNA 350 VS S&P 500 | NOVEMBER 2014-MARCH 2024

	1 YEAR	3 YEAR (annualized)	5 YEAR (annualized)	FROM INCEPTION NOVEMBER 2014 (annualized)	FROM INCEPTION NOVEMBER 2014 (cumulative)	INFORMATION RATIO	ACTIVE RISK
Gross of Fees	27.1%	9.6%	15.0%	13.3%	224.9%	0.20	2.72%
Net of Fees	26.2%	8.8%	14.2%	12.5%	203.0%		
S&P 500 Index	29.9%	11.5%	15.1%	12.8%	210.5%		

ARJUNA CAPITAL LEADERSHIP TEAM

Arjuna Capital’s investment professionals have substantial, focused experience in sustainable investing, with particular depth in integrating Environmental, Social and Governance (ESG) risk and opportunity analysis.

Chief Investment Officer & Portfolio Manager: Natasha Lamb, MBA

Specializing in the integration of sustainability and shareholder value creation, Natasha integrates ESG factors into fundamental investment decisions, while engaging corporate leadership through shareholder advocacy. Previously, Natasha was Vice President of Shareholder Advocacy and Corporate Engagement and an Equity Analyst at Trillium Asset Management. Natasha has served as Chairman of the board of the Intentional Endowments Network and on the boards of The Food Project and Change is Simple. She holds an M.B.A in Sustainable Business from Presidio Graduate School, where she taught sustainable investing for five years. Natasha received her B.A. cum laude from Mount Holyoke College.

Chief Strategist: Farnum Brown, Ph.D.

Farnum established one of the earliest sustainable advisory services in the country in the 1980’s. Prior to launching Arjuna Capital, Farnum served as Senior Vice President, Chief Strategist, and Technical Analyst at Trillium Asset Management, a pioneer in responsible investing. He founded the nonprofit Open Media and Information Company Initiative (OpenMIC), a shareholder coalition promoting an open, competitive digital ecosystem. He has served on the Boards of the Future of Music Coalition, the Public Media Company, the Nasher Museum, Duke Performances, and the Art of Cool Project. Farnum earned his bachelors, masters and doctoral degrees in philosophy from the University of North Carolina at Chapel Hill.

Quantitative Analyst: Karl Fries, CFA

With a background in multi-asset investments, corporate finance, and sustainable business operations, Karl works to develop investment opportunities that create economic value and positive environmental and social impact. Previously, Karl was Chief of Staff and Senior Finance Manager at the Appalachian Mountain Club and a Quantitative Investment Associate at Putnam Investments. He holds an MBA from the Yale School of Management, graduated cum laude from Colgate University with a BA in Physics and Applied Mathematics, and is a Chartered Financial Analyst.

DISCLOSURES

Past performance is not indicative of future results. Returns are presented gross of investment advisory fees, net of trading commissions, and include the reinvestment of all income. Net composite performance is calculated on a basis of Arjuna’s highest blended fee rate of 1% annually. Arjuna’s fee schedule provides discounted fees based on relationship size and is available upon request. Gross returns will be reduced by investment advisory fees that may be incurred in the management of the account. Active Risk is defined as the annualized standard deviation of the strategy excess return relative to benchmark. The Information Ratio is the annualized excess return divided by the active risk, or the strategy’s risk-adjusted return.

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index (stock price times number of share outstanding), with each stock’s weight in the Index proportionate to its market value. The S&P 500 is one of the most widely used benchmarks of US equity performance. Portfolio characteristics are median values, except Market Capitalization, which is weighted by position size. Performance data as of 3/31/24. Sector allocations and characteristics data are as of 3/31/24. The sector allocation weights for the benchmark reflect the holdings of the SPDR S&P 500 ETF Trust, which closely tracks the S&P 500 Index. The carbon footprint data is scope 1 and 2 emissions as of 3/31/24. Data and analysis by MSCI.

The opinions expressed herein are those of Arjuna Capital, LLC (Arjuna Capital) and are subject to change without notice. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will be profitable, or that the investment recommendations or decisions Arjuna Capital makes in the future will be profitable or equal the performance of the securities discussed herein.

Arjuna Capital, LLC is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Arjuna Capital including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request. AIC-24-07