

Sierra Club Green Alpha Portfolio (SCGA)

Portfolio Profile

December 31, 2011

Green Alpha Advisors, LLC

Money Management for **Environmentally Focused Capital**

Sierra Club Green Alpha Portfolio

Eco-efficiency is an inherent part of risk and return for businesses regardless of enterprise size or economic sector of activity. In a warming, resource-constrained world, transition to an eco-efficient economy is the only viable path for global financial health. Investing in companies representing the Next Economy is the clearest path to long-term capital appreciation.

We believe that the best way to generate investment returns in this new world revolves around environmental sustainability. Investing in the next, green economy helps mitigate climate change, promotes both energy security and national security and, importantly, helps rebuild the economy with high quality, long term jobs. Companies in Green Alpha portfolios are selected because they are in some way working toward these goals. Each is a leader in its field and each has above average prospects for growth in the rapidly expanding green economy. This is part of our overarching investment thesis and it applies to all our portfolios.

The Sierra Club Green Alpha Portfolio is unique among our portfolios in that it is a blend of Green Alpha Advisors' Next Economy universe and the Sierra Club's proprietary green investment guidelines, which they have used for decades to ensure they invest in only the least environmentally detrimental companies. The intersection of these two cutting-edge green stock selection processes produces the Sierra Club Green Alpha Portfolio, possibly the greenest stock portfolio on Earth.

Green Alpha Advisors' [research process](#) employs proprietary, research-intensive macro-economic criteria to identify publicly traded companies with business models optimized for [eco-efficiency](#); and also business models that address one or more of the economic-environmental challenges facing civilization.

Methodologies used to appraise the long-term shareholder value potential of each company integrate bottom-up, fundamental analyses with explicit assessment of business model externalities and top-down macroeconomic constraints. In effect, from the top-down we ask 'what are the greatest environmental risks facing civilization, and what are the sectors, industries and companies best positioned to address these issues?' From the bottom up, we evaluate which of those companies are the healthiest, with the best management teams and the best possibilities for rapid growth. The output of this process produces a set of companies on the eco-efficient frontier. For the **Sierra Club Green Alpha Portfolio**, this universe is then screened to ensure compliance with the Sierra Club's strict environmental criteria, and then further reduced to reflect our best ideas on an ongoing basis, as an active long-equity strategy.

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Top 5 SCGA Holdings (as of 12/31/2011)

Company Name	Weight
Universal Display Corporation	8.35%
Hain Celestial Group, Inc.	7.30%
Google, Inc.	6.12%
Discovery Communications, Inc.	5.63%
IXYS Corporation	5.24%
Top 5 Total (% of portfolio)	32.63%

Characteristics (as of 12/31/2011)

	SCGA	SPY
# of Securities	28	500
Market Capitalization		
Weighted Ave (US\$B)	15.39	93.89
Beta (TTM)	1.49	1.00
R-Squared (TTM)	0.77	1.00
Price/Book	1.53	2.23
LT Debt/Equity	0.32	0.82
EPS Annual	2.95	4.32
Current Ratio	1.33	1.44
Dividend Yield	0.27	2.19

Style: Cross-cap Growth Equity

Benchmark: S&P 500 Index

Minimum Investment: \$10,000

Account Size **Management Fee**

\$10,000—\$49,999 2.65%

\$50,000—\$99,999 2.25%

\$100,000 + 1.75%

Fee discounts offered for Sierra Club Members & NPOs



SIERRA
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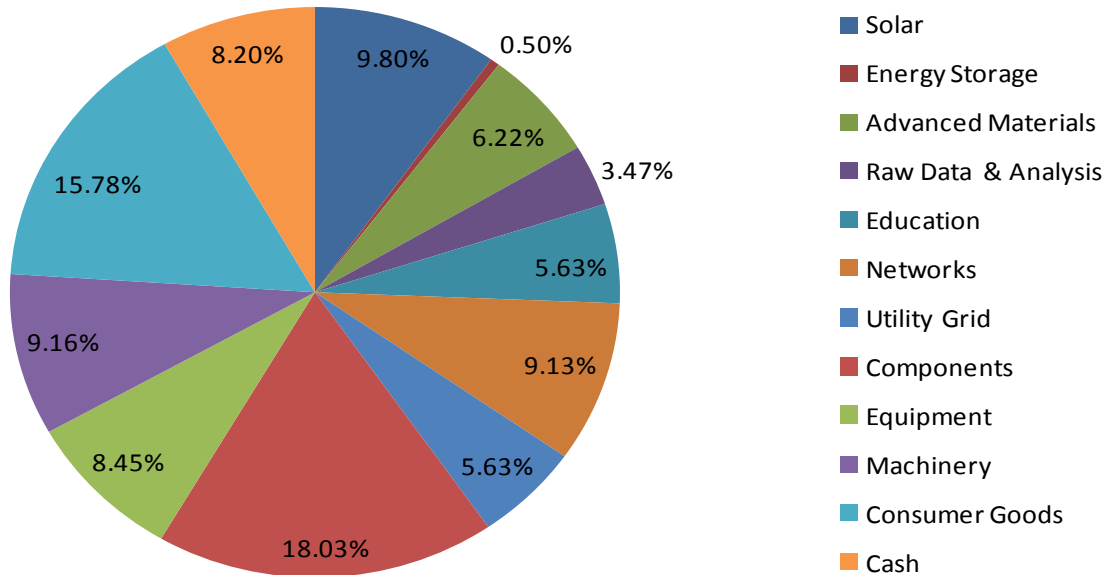
Price Returns % (as of 12/31/2011)

	2011	Q3 2011	Q2 2011	Q1 2011
SCGA Portfolio	(27.90)	(26.27)	(7.84)	11.32
SPDR S&P 500 (SPY)	(0.20)	(14.26)	(0.47)	5.44
Russell 3000 Index	(0.92)	(15.70)	(0.49)	5.92

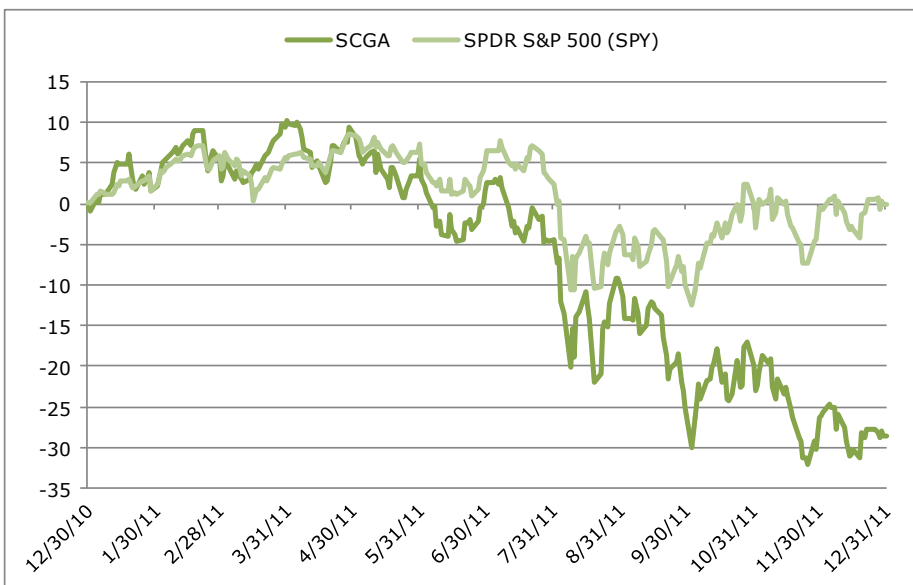
Sierra Club Green Alpha Portfolio

Inception Date: 12/27/2010 Portfolio Managers: Jeremy Deems, Garvin Jabusch & Richard Imperiale

Sierra Club Green Alpha Portfolio Next Economy Sector Classifications (NESC) as of 12/31/11



Inception-to-Date Performance (12/27/10 to 12/31/2011)



Inception-to-Date:
12/27/10 to 12/31/11
Price Returns (%)
SCGA: (28.62)
S&P 500 (SPY): (0.12)

SCGA Best Performers 2011	Price Change %
Telvent GIT, SA	53.63
Green Mountain Coffee Roasters	36.49
The Hain Celestial Group, Inc.	35.48
Universal Display Corporation	19.71
Tesla Motors Inc.	14.10

This summary is for informational purposes only. Past returns are no indication of future results. All data is based on the Sierra Club Green Alpha Model Portfolio, gross of fees. All return data listed are price returns. The contents are based on information from sources believed to be reliable, but accuracy and completeness cannot be guaranteed. The SPDR S&P 500 ETF (ticker SPY) represents the performance of the S&P 500 Index, which represents the legacy US equity market. This summary has been prepared solely to determine investor interest in the Sierra Club Green Alpha Portfolio. It is being furnished on a confidential basis to a limited number of accredited investors and may not be used or reproduced for any purpose. SIERRA Club, the Sierra Club logos, and "Explore, enjoy and protect the planet" are registered trademarks of the Sierra Club. Green Alpha is a registered trademark of Green Alpha Advisors, LLC. Green Alpha Advisors, LLC is a registered investment advisor. For additional information and legal disclosures, please visit our website: <http://www.greenalphaadvisors.com>