

Impact Report:

Quantitative Portfolio: Global Climate Solutions

The **Quantitative Portfolio: Impact Global Climate Solutions** strategy is designed to provide passive exposure to the largest global equity asset classes, including domestic large cap and international developed markets. The portfolio seeks to provide risk exposures and returns similar to those of the blended benchmark. The portfolio excludes fossil fuels and companies involved in major environmental controversies, while allocating to companies involved in creating solutions for climate related issues. The overall portfolio is optimized relative to the benchmark to ensure a positive environmental score, a reduced fossil fuel footprint, and better carbon risk rating.

You Support:



Companies that are environmental leaders and prioritize resource efficiency



Companies with lower carbon emissions relative to their industry



Companies supporting a more sustainable and energy efficient economy



Companies creating products and services to help mitigate pollution and climate change

You Avoid:



Exposure to fossil fuel companies, increased pollution levels and disruptors of natural habitats



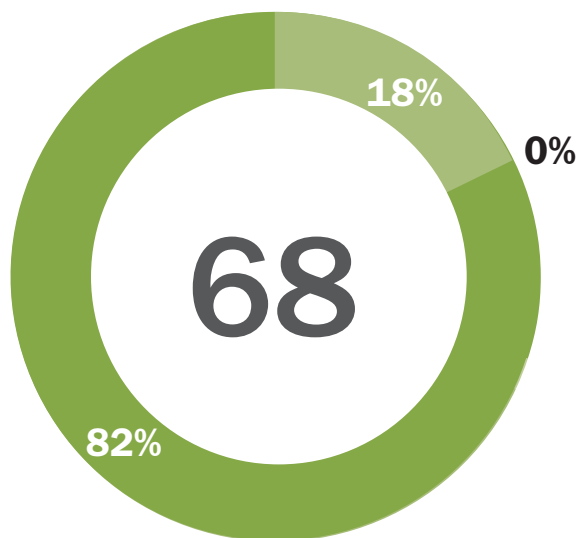
Companies that poorly manage carbon risks



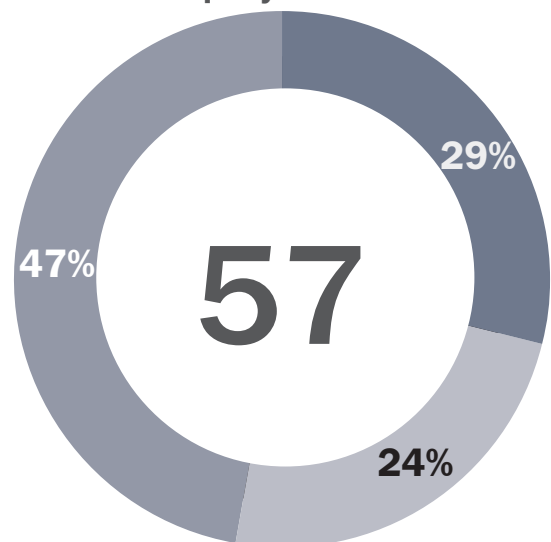
Companies with severe environment related controversies

Environment Score

Climate Solutions QP



Global Equity Benchmark*



● Environmental Innovators ● Average ● Environmental Laggards

● Environmental Innovators ● Average ● Environmental Laggards

Source: Sustainalytics company level data (Environment Score)

*Benchmark: 69% CRSP US Total Market/31% BNY Mellon Dev Mkt Classic ADR

Tilting the Portfolio

QRG's optimization process aims to enhance exposure to companies in these climate-conscious categories relative to the index. As a result, the portfolio has an increased allocation to companies solving climate related issues.



Renewable Energy

Portfolio: 200% more exposure compared to the benchmark towards companies providing renewable energy production and transmission

Energy Efficiency

Portfolio: 300% more exposure compared to the benchmark towards companies that are helping implement energy efficient practices



Green Transportation

Portfolio: 230% more exposure compared to the benchmark towards companies providing green transportation options

Green Buildings

Portfolio: 210% more exposure compared to the benchmark towards companies involved in the construction of green buildings



Sustainable Agriculture

Portfolio: 200% more exposure compared to the benchmark towards companies providing sustainable agriculture products

Coal Exposure

Portfolio: 0 coal companies compared to 30 coal companies held in the benchmark



Source: Sustainalytics sustainable products company level revenue data (% revenue exposure)

Benchmark: 69% CRSP US Total Market/31% BNY Mellon Dev Mkt Classic ADR

Company Highlight:

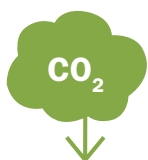


Iberdrola, S.A.

Iberdrola, S.A., engages in the generation, transmission, distribution, sale, and retail of electricity. The company generates electricity from solar, hydro, and wind energy sources. As of the end of 2018, these plants have a total installed capacity of 29,177 MW, which represents 61.49% of the total generating capacity. Iberdrola also has the world's largest wind portfolio at 15 GW, with plans to exceed 20 GW by 2020. The company has plans to further transition to renewable power in the coming years, with significant investment, directed to its renewables business, primarily in the UK, US, Mexico, and Brazil.

Translating Holdings to Carbon Emissions

Tilts are helpful in understanding how the portfolio is aligned with a client’s values, but through QRG’s reporting capabilities, the portfolio’s holdings can be broken down into data clients can easily relate to.



The carbon footprint of the portfolio is 78% lower than its benchmark.*

With a \$200,000 investment, the relative reduction is equivalent to the annual carbon emissions of:



1,728 gallons of gasoline burned



7.8 years of daily commutes by the average driver in the US



16,925 pounds of coal burned



Carbon sequestered by 254 trees grown for 10 years, or 20 acres of forest in one year.

Source: S&P Trucost Company level CO2e data; Environmental Protection Agency website; NPR, 2018

This portfolio produces approximately

6,886 Gigawatt hours (GWh) of Renewable Energy.

Powering
626,000 homes
per year

Source: S&P Trucost Company level renewable energy data (kWh)

*Benchmark: 69% CRSP US Total Market/31% BNY Mellon Dev Mkt Classic ADR

Company Highlight:



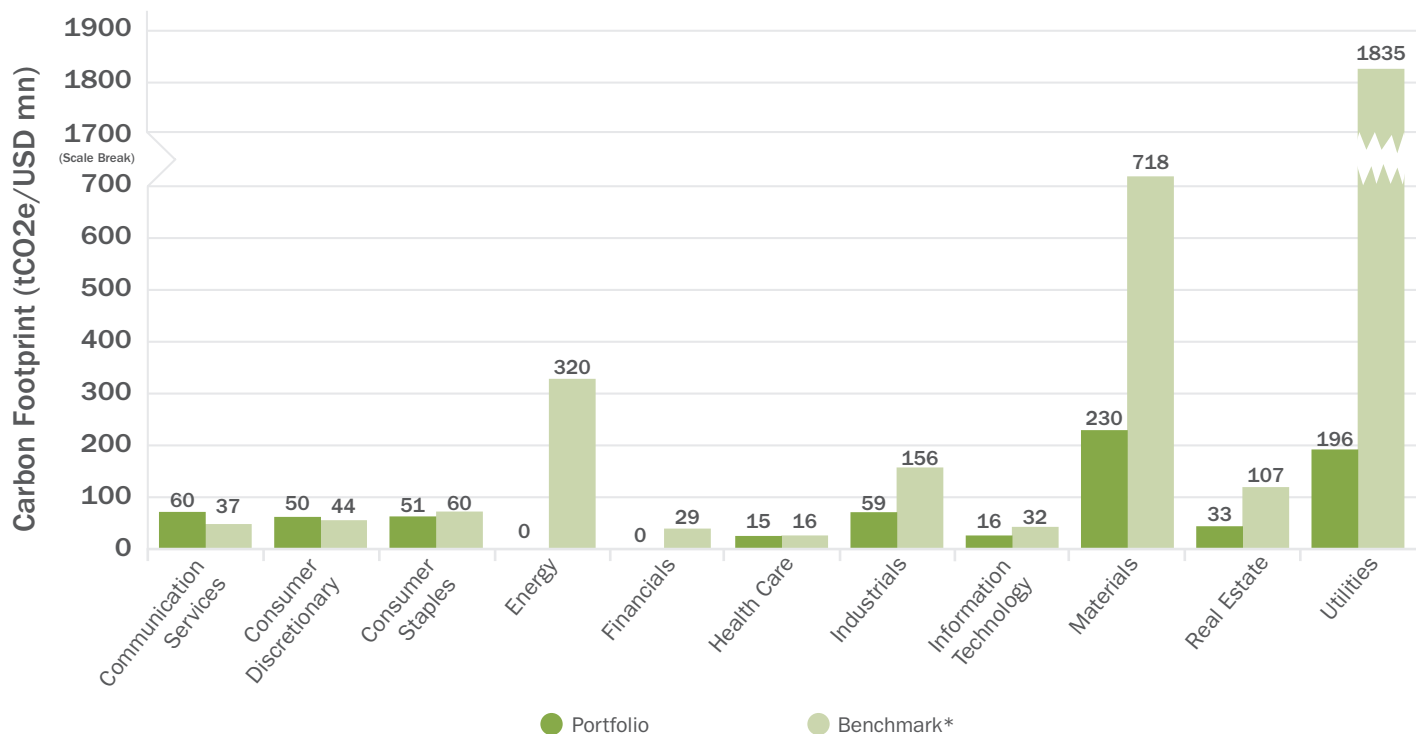
UPM-Kymmene Oyj

UPM-Kymmene Oyj is engaged in the production of pulp, which can be used for tissue and papers, and timber used in construction industries. UPM-Kymmene Oyj signed a global partnership with Forest Stewardship Council (FSC) International and states that 85% of all wood and wood fiber used in its production is certified. Moreover, 100% of UPM’s forests received the Endorsement of Forest Certification. The company recognizes that climate change and GHG emission regulations can pose risks and has commitment to monitoring and reducing its GHG emissions. The firm is targeting a 30% decrease in greenhouse gas emissions by 2030.

Reducing the Carbon Footprint

In addition to excluding fossil fuel companies, this portfolio invests in companies that use less carbon relative to peers, reducing the overall carbon footprint.

GICS Sector Carbon Intensity



Source: S&P Trucost Analytics Platform

*Benchmark: 69% CRSP US Total Market/31% BNY Mellon Dev Mkt Classic ADR

Company Highlight:



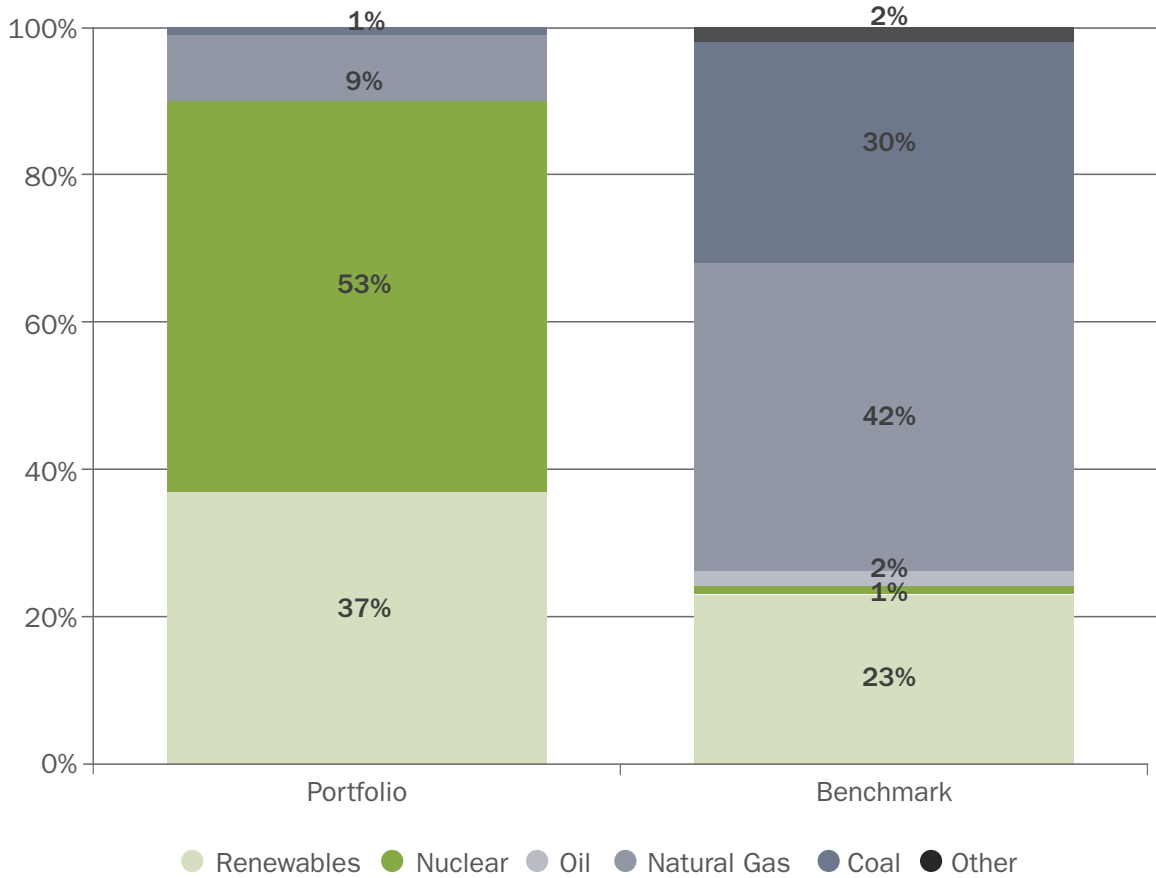
Wheelock and Company Limited

Wheelock and Company Limited engages in the development and management of real estate properties across Hong Kong, Mainland China and Singapore. The company reports a portfolio of property development of 56,628,300 square feet and a property management area of 41,719,000 square feet. One of the Group’s development projects obtained a BEAM plus Gold certification, while another 16 have obtained Provisional BEAM Plus certifications. Additionally, three of these buildings were also awarded U.S. Building Council LEED certifications.

Moving Towards a Low-Carbon Economy

At the portfolio level, QRG's tilts lead to holding companies that rely less on coal and more on climate-conscious energy sources, such as renewables and nuclear energy.

Relative Energy Mix



 **This portfolio has 29% less coal exposure compared to the benchmark.**

Source: S&P Trucost Analytics Platform
 *Benchmark: 69% CRSP US Total Market/31% BNY Mellon Dev Mkt Classic ADR

Company Highlight:



Tesla Inc.

Tesla Inc. is a vertically integrated sustainable energy company that also aims to transition the world to electric mobility by making electric vehicles. It sells solar panels and solar roofs for energy generation plus batteries for stationary storage for residential and commercial properties including utilities.



Appendix – Sustainalytics Definitions

Sustainalytics measures percentage of revenues a company derives from climate solutions through:

1. Reported revenues

If a company reports actual revenues or percentage of revenues derived from a particular category of involvement, we capture this reported figure in the Percentage of Revenue, and Product Revenue data fields.

2. Estimated revenues

If a company does not report actual revenues or a percentage of revenues derived from a particular category of involvement, we:

- a) estimate a revenue range based on a review of business segment revenues, sales data, and quantity and quality of disclosed product information; and then,
- b) take the mid-point of the estimated revenue range as the Percentage of Revenue. For example, if the estimated revenue range is 10-20%, the Percentage of Revenue figure will be the mid-point of this range, 15%.

The **Renewable Energy theme** allocates to companies that generate of renewable energy or in the manufacture of products and services that support renewable energy generation.

The **Energy Efficiency theme** allocates to companies that provide products and services that significantly improve energy efficiency across a broad range of applications.

The **Sustainable Agriculture, Food and Forestry theme** allocates to companies that produce agriculture, food and forestry products and services that are considered sustainable, according to credible global or national certification schemes.

The **Green Buildings theme** allocates to companies that develop, manage, or provide products for sustainable buildings.

The **Green Transportation theme** allocates to companies that provide sustainable transportation products and/or services.

The **Environmental Innovators and Environmental Laggards** are a percentage of companies in the portfolio with a high Environment Score, according to Sustainalytics data. Companies are assessed on a 0-100 scale, on industry specific environmental criteria, with 100 being the best, and 0 being the worst. An innovator is a company that scores in the top quartile and a laggard is a company that scores in the bottom quartile.

Appendix – S&P Trucost Definitions

The **Portfolio Coal Exposure** shows the portfolio and benchmark exposure to companies exceeding the coal thresholds as defined in the upper bar. This report pulls the companies that are generating revenues from the following three coal sectors as defined by Trucost: Bituminous Coal Underground Mining, Bituminous Coal and Lignite Surface Mining, and Coal Power Generation.

The **Revenue Derived from Extractive Activities** shows the portfolio and benchmark dependency on fossil fuel revenues, by calculating the percentage of apportioned revenues coming from fossil fuel extraction activities, in the portfolio and benchmark. Trucost tracks fossil fuel involvement in the following fossil fuel extractive sectors: Crude Petroleum and Natural Gas Extraction, Tar Sands Extraction, Natural Gas Liquid Extraction, Bituminous Coal and Lignite Surface Mining, Bituminous Coal Underground Mining, Drilling Oil & Gas Wells, and Supportive Activities for Oil & Gas Operations.

The **Sector Carbon Intensity** shows the weighted average of the portfolio and benchmark holding's Carbon to Revenue intensity and allocates it by GICS sector. The 'Carbon to Revenue' metric allocates company revenues on an equity ownership basis.



Overview

Index performance is presented for illustrative purposes only and does not represent the performance of any specific investment product or portfolio. An investment cannot be made directly into an index.

CRSP US Large Cap measures the performance of US companies that comprise the top 85% of investable market capitalization and are traded on NYSE, NYSE Market, NANASDAQ or ARCA.

BNY Mellon Dev Mkt Classic ADR is capitalization-weighted and designed to track the performance of approximately 100 developed market-based ADRs.

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Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) funds are subject to interest rate risk which is the risk that debt securities in a fund's portfolio will decline in value because of increases in market interest rates.

Investors should consider the investment objectives, risks, and charges and expenses of mutual funds carefully before investing. A prospectus or summary prospectus which contains this and other information about these funds can be obtained by contacting your Financial Advisor. Please read the prospectus carefully before investing.

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