



An investment for your future.®

## ANNUAL REPORT

Green Century Balanced Fund  
Green Century Equity Fund  
Green Century MSCI International Index Fund  
July 31, 2018

114 State Street, Boston, Massachusetts 02109

*For information on the Green Century Funds®, call 1-800-93-GREEN. For information on how to open an account and account services, call 1-800-221-5519 8:00 am to 6:00 pm Eastern Time, Monday through Friday. For share price and account information, visit [www.greencentury.com](http://www.greencentury.com).*

Dear Green Century Funds Shareholder:

Whether you are a long-time or new investor with Green Century, you are one of a growing number of individuals (and institutions) who are choosing to invest in a manner that reflects your values and makes an impact. Thank you for choosing Green Century as your partner.

A lot has changed since Green Century helped start the responsible investing movement almost thirty years ago, including with us. In just the last five years ending July 31, 2018, our assets under management have grown 268 percent.

Green Century also is pleased to provide people with new ways to align their investments with their values, including our Green Century MSCI International Index Fund (GCINX and GCIFX) and the new institutional share class of our Green Century Equity Fund (GCEUX).

While responsible investing is increasingly common, Green Century remains unique. Our three-pronged approach offers investors an opportunity to make a real difference while seeking competitive financial returns.

In this Annual Report, we share performance information and analyses about our Funds, the Funds' financial statements and a sampling of some of the tangible environmental victories Green Century achieved this year with the help of investors like you.

The first prong of our approach is our investment strategy that includes:

*Fossil Fuel Free Portfolios.* Green Century believes that responsible mutual funds should not invest in the most irresponsible industries, especially the ones most culpable for climate change.

As the first family of diversified and responsible fossil fuel free mutual funds in the U.S., Green Century has championed fossil fuel free investing since before the fossil fuel divestment movement's founding in 2012. And, as more individuals and institutions—from the New York City Pension Funds to Ireland—divest, Green Century is proud of our leadership role.

As interest in fossil fuel free investing has grown, so too has our role in sharing the evidence demonstrating its potential financial benefits, including better performance, lower volatility, and avoidance of stranded assets.

Green Century also has been a leader in explaining the fossil fuel divestment movement's goal of diminishing the influence of fossil fuel companies over U.S. policies, which draws on lessons from the successful divestment campaign to end apartheid in South Africa. Please see [www.GreenCentury.com](http://www.GreenCentury.com) for more information on fossil fuel free investing.

*Value-Aligned Choices.* Green Century also avoids other dangerous and harmful industries including nuclear energy, nuclear weaponry and conventional firearms as well as producers of GMOs (Genetically Modified Organisms) and tobacco. Instead the Green Century Funds seek to invest in sustainable companies in renewable energy, healthy living, and many other industries.

*Environmental, Social, and Governance (ESG) Performance Ratings.* Since our beginning, Green Century has invested in companies that are outstanding in addressing the most relevant environmental, supply chain, and corporate governance factors relative to their peers. While some firms are launching new investment products incorporating ESG factors, Green Century's decades of experience provides our investors with an authentic and time-tested approach. Using ESG ratings has been shown to reduce risk and it may offer financial advantages as well. It definitely allows investors to put their money in businesses that are leaders in reducing greenhouse gas emissions, improving supply chain practices, and implementing strong governance structures.

### **Making Companies More Sustainable and Part of the Solution**

Green Century believes that even corporate sustainability leaders have room for improvement, which is why we pressure dozens of companies every year to adopt stronger environmental practices and policies throughout their operations and supply chains. We believe that companies that protect the environment, the communities in which they operate, and public health may avoid brand and reputational damage, which can protect shareholder interests.

Green Century's in-depth shareholder advocacy program goes well beyond voting proxies to include dialogues, shareholder resolutions, and global collaborations that leverage the power of our investors, reduce potential investment risks, and deliver tangible results.

Last year Green Century engaged more than 40 companies on a variety of issues and achieved many victories, including:

- Secured a policy from Dr Pepper Snapple<sup>1</sup> to require all of its agricultural suppliers to reduce their use of pesticides to protect bees and other pollinators.
- Pressed companies, including Procter & Gamble,<sup>1</sup> to reduce their use of plastic packaging and single-use plastics, such as straws and bags.

- Worked with The Kellogg Company<sup>1</sup> to adopt a palm oil policy to protect forests and endangered species in Southeast Asia. Kellogg now buys 99.5 percent of the palm oil it uses in its cereal, crackers and cookies from growers on certified sustainable land.
- Led a high-profile campaign to pressure Amazon,<sup>1</sup> owner of Whole Foods, to take steps to reduce food waste.

### Supporting Environmental and Public Health Organizations

Green Century is the only U.S. mutual fund company founded and owned by environmental non-profit organizations. This means that 100 percent of the profits Green Century Capital Management earns managing our Funds support non-profit environmental and public health advocacy organizations. This unique ownership structure is integral to our mission and an important way that we help our investors align their investments with their values.

In the last year, Green Century funded these organizations and programs:

- Environment America, which protects the places you love and promotes core environmental values, such as clean air to breathe, clean water to drink, and clean energy to power our lives. With 29 state affiliates and members in every state, the organization is working to protect our National Parks, urging cities and campuses to go 100 percent renewable, and advocating that states and companies harness the abundant wind power off the Atlantic coast.
- Environment California, which played a key role in passing a recent California law that will equip all new homes with solar panels.
- U.S. PIRG, which is working to win concrete results on real problems that affect millions of lives, and standing up for the public against powerful interests when they push the other way. U.S. PIRG's "Stop the Overuse of Antibiotics" program is working to curtail the use of antibiotics on farms that is contributing to the rise of antibiotic-resistant bacteria and threatening the health of millions of people every year. The organization is calling on states and working with companies to address this growing public health threat. The campaign has helped persuade McDonald's,<sup>1</sup> Subway,<sup>1</sup> KFC<sup>1</sup> and other large restaurant chains to adopt and implement policies that have stopped the use of antibiotics in poultry.

Green Century's many environmental victories are made possible by our investors. Thank you for using your investments to make a difference and for choosing Green Century. We appreciate your support and are always here to answer your questions.

We also want to share more of the ways you are making an impact through our free online newsletter. You can sign up by visiting [www.GreenCentury.com](http://www.GreenCentury.com), emailing us at [info@greencentury.com](mailto:info@greencentury.com) or calling us at 1-800-934-7336.

Sincerely,

Leslie Samuelrich, President

Green Century Capital Management

## Green Century on the Web

**E-News.** For more regular updates on the Green Century Funds and on our advocacy efforts, please consider signing up for our e-newsletter. Call 1-800-934-7336, visit [www.greencentury.com](http://www.greencentury.com), or email [info@greencentury.com](mailto:info@greencentury.com).

**Online Access.** Information on your account is available on our website at [www.greencentury.com](http://www.greencentury.com). From the home page, click on Access My Account. Shareholders may also perform online transactions on the site. While there, please consider registering for e-delivery of your statements and other fund documents.

**Twitter.** Green Century is on Twitter. Follow us at [Twitter.com/Green\\_Century](https://twitter.com/Green_Century) for a sustainable investor's perspective on critical issues.

The Green Century Funds' proxy voting guidelines and a record of the Funds' proxy votes for the year ended June 30, 2018 are available without charge, upon request, (i) at [www.greencentury.com](http://www.greencentury.com), (ii) by calling 1-800-934-7336, (iii) by sending an e-mail to [info@greencentury.com](mailto:info@greencentury.com), and (iv) on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

The Green Century Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of the year on Form N-Q. The Green Century Funds' Forms N-Q are available on the EDGAR database on the SEC's website at [www.sec.gov](http://www.sec.gov). These Forms may also be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The information on Form N-Q may also be obtained by calling us at 1-800-934-7336, or by e-mailing a request to [info@greencentury.com](mailto:info@greencentury.com).