



TRILLIUM INVESTMENTS LLC

1398 55th St.
Emeryville, CA 94608

510-601-8800
www.trilliuminvestments.com

December 31st, 2022

This brochure provides information about the qualifications and business practices of Trillium Investments. If you have any questions about the contents of this brochure, please contact us at 510-601-8800 or INFO@TRILLIUMINVESTMENTS.COM. Trillium Investments is a registered investment advisor, however, registration does not imply a certain level of skill or training. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

**Additional information about Trillium Investments is also available on the SEC's website at www.adviserinfo.sec.gov.
FIRM CRD: 300353**

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC rules. This Brochure dated December 31st, 2022 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Nik Bhardwaj at 510-601-8800.

Additional information about Trillium Investments is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Trillium Investments who are registered, or are required to be registered, as investment adviser representatives of Trillium Investments.

Trillium Investments maintains a written business continuity plan.

Trillium Investments is the successor to the firm with CRD number 125258.

In December 2021 Carlson Financial Management was renamed Trillium Investments.

In January 2022 Trillium Investments reorganized from a sole proprietorship to a California Limited Liability Company.

Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side by Side Management	2
Item 7 – Types of Clients.....	2
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	2
Item 9 – Disciplinary Information	5
Item 10 – Other Financial Industry Activities and Affiliations	5
Item 11 – Code of Ethics	6
Item 12 – Brokerage Practices	7
Item 13 – Review of Accounts.....	10
Item 14 – Client Referrals and Other Compensation.....	10
Item 15 – Custody	10
Item 16 – Investment Discretion.....	11
Item 17 – Voting Client Securities.....	11
Item 18 – Financial Information	11
Item 19 – Requirement for State-Registered Advisers	11

Item 4 – Advisory Business

- Trillium Investments (TI) is an independent investment advisory firm offering a unique combination of comprehensive investment management services including portfolio management, financial planning and retirement, estate and tax planning services.
- Our primary goals are:
 - To understand each client's unique financial situation and assist them in reaching their financial objectives
 - Generate superior, tax efficient returns regardless of market conditions
 - Preserve capital and minimize risks of permanent loss
 - Provide the highest level of personalized service
- We employ a highly disciplined approach to investment selection and portfolio management, with an emphasis on maximizing tax efficiency and minimizing risk
- We recognize that the market is eminently reasonable on a longer-term basis, reflecting corporate profitability and prevailing interest rates; while on a short-term basis the market can be quite irrational
- As a consequence, we maintain strict risk management discipline at all times and continually monitor positions. Our risk management strategy includes, but is not limited to:
 - Avoiding concentrated positions and employing a strict sell discipline
 - Re-assessing positions when they reach valuation targets
 - Diversifying equity positions by purpose: growth, income or stability
 - Diversifying income positions by type of security, capital appreciation potential and credit quality
- The tax implications for each client are carefully considered before any transaction is executed, as appropriate
- Clients may impose restrictions on investments TI is allowed to make on their behalf. These can include security types, certain sectors, or individual companies
- The firm does not participate in any wrap fee programs
- Nikhil Bhardwaj has operated Trillium Investments since 2021 and as of December 31, 2022 had \$67,181,836 under management. 100% of the assets under management are discretionary

Item 5 – Fees and Commissions

Trillium Investments is a fee only manager and does not accept commissions. The standard fee is 1% of all assets under management. Calculation of fees is based on the account value at the end of the quarter, with the addition of any amounts withdrawn during that quarter. The fee is assessed on a family basis so that individual family members may aggregate different accounts to meet the dollar limits. Ordinarily no amount is charged during the first quarter of service, unless the account is in place and ready for investment in the first half of the quarter. In those cases the fee is prorated.

Billing is done on a quarterly basis and the fee is taken directly out of the clients account. Amounts due are for the prior quarter's management service.

Fees are negotiable and can, by separate agreement, be billed directly to the client.

In the ordinary course of investment there will be brokerage commissions for the trades made by the outside broker-dealer. There are also management fees charged by mutual funds.

Neither the firm nor any of its supervised persons accept compensation for the sale of securities or other investment products.

Lower fees for comparable services may be available from other sources.

Item 6 – Performance Based Fees and Side-by-Side Management

Trillium Investments does not currently manage any money on a fee for portfolio performances basis. As a consequence we do not have the problem of managing two accounts with the same portfolio but having different incentives for the management.

Item 7 – Types of Clients

We provide investment management services to high net worth individuals. Minimum account size is generally \$500,000 however, this is at the discretion of Trillium Investments.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

- Investment Process
 - Meet with clients to fully understand their current financial position: income, cash flow requirements, current investments, sensitivity to risk, time horizon, tax considerations and long, medium and short-term goals

- Complete a macro-economic analysis of the current U.S. economy taking into consideration a broad range of economic indicators including (but not limited to): money supply, corporate profits, sales, producers' orders and consumer confidence
 - Gauge broader market movement by looking at a wide range of indicators including (but not limited to): recent trends in market volume and price, money flow, price-to-earnings ratios and yield curves (the difference in return from different kinds of securities)
 - Design a well diversified portfolio that takes into account the appropriate mix of securities for this particular client given current and anticipated future market conditions
 - Thoroughly analyze and select individual securities. Equities are selected on the basis of company fundamentals, specific industry prospects and client fit. Income securities are selected on the basis of quality, total return, term-maturity, type of issuer, and tax effect
 - Security analysis is value oriented. Trillium Investments studies quarterly and annual financial statements, management discussion and balance sheet notes included in 10-K's and 10-Q's, annual and cumulative changes in EPS, sales, cash flow, and any other items that may seem appropriate for a particular equity; reviews financial ratios; examines debt provisions; reviews research reports on earnings projections, company and industry prospects. Mutual funds are examined for general investment category, tax characteristics, cumulative returns and risk adjustment
- Asset Allocation
 - Our goal is to build a well diversified portfolio of investments that takes into account the appropriate mix of securities for each individual client given current and anticipated future market conditions
 - Most individually managed accounts include a mix of income-generating and growth-oriented investments with tactical moves to cash when appropriate
- Stock Selection
 - Equities are selected on the basis of company fundamentals, sector analysis and individual client needs and can generally be categorized as short, medium or long-term positions

- Short-term positions are taken in stocks which move in a reasonably predictable cycle. Technical factors like volume and price movement are included in this analysis. The intended holding period is up to 24 months
 - Medium-term positions are typically taken in mature companies that are undervalued and expected to return to full value in 3-5 years
 - Long-term positions are either growth companies or established companies paying reasonable dividends. The projected holding period for long-term equity investments is 5 or more years
- Fundamental analysis carries unique risks. Those risks include, but are not limited to vulnerability to wrong data, overreliance on past data, and incorrect assumptions.
- Income Securities
 - Identify income securities with potential for capital appreciation and income growth
 - Assess credit quality and price stability
 - Diversify with a mix of bonds, real estate investment trusts (REITs), master limited partnerships, convertible bonds, preferred shares, and stocks paying high dividends
- Other Investments
 - Upon request we will advise regarding alternative investment vehicles including private placement limited partnerships, real estate and tax free exchanges
 - In each case, the relevant tax consequences are considered
- Risk Analysis
 - We classify both stocks and income securities as either conservative or aggressive
 - Conservative usually means companies or funds with a long and established history, with a stable business and a price that does not fluctuate dramatically

- Aggressive means investing in a company or situation that has great promise for capital appreciation, has a high yield if it is an income security, but carries correspondingly greater risk
 - Under all circumstances we emphasize that investing in securities involves risk of loss that clients should be prepared to bear.
- **Margin Disclosures**
 - Certain clients of Trillium Investments may choose to enable margin on their brokerage accounts managed by Trillium.
 - Margin trading increases the clients level of market risk by increasing the client's buying power.
 - Margin downside risk is not limited by the collateral value in a client's margin account. When a client buys securities on margin, they are borrowing money from their broker. Securities in the client account are pledged as collateral against the loan. As the value of the securities in the client account decline, so does the value of the collateral. This may result in a margin call, which is a request for additional cash, or a forced sale of securities.
 - For more information regarding the unique risks in margin trading, clients are strongly encouraged to reach out to Trillium for further explanation.

Item 9 – Disciplinary Information

Neither Trillium Investments nor any of its personnel have ever been involved in any disciplinary proceeding involving any regulatory body nor has any criminal or civil action been entered in any court in any jurisdiction against either the company or its people.

Item 10 – Other Financial Industry Activities and Affiliations

Trillium Investments or any of its management persons are not currently registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. TI or any of its management persons are not currently registered, or have an application pending to be registered, as a futures commission merchant, commodity pool operator, or commodity trading adviser, or an associated person of the foregoing entities.

Trillium Investments does not have any relationship or arrangements that are material to its advisory business with third parties such as municipal securities dealers, government securities dealers, other investment advisers or financial planners, or banking and thrift institutions. TI does not select other investment advisers for its clients.

Trillium Investments does not recommend to clients, or buys or sells for client accounts, securities in which the firm, or any relation persons, has a material financial interest.

Item 11 – Code of Ethics

Trillium Investments has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

Trillium Investments anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which TI has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which TI, and its' clients, directly or indirectly, have a position of interest. TI's employees and persons associated with TI are required to follow TI's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of TI and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for TI's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of TI will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of TI's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee.

Any and all material conflicts of interest regarding TI, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice have been disclosed in this brochure.

Trillium Investment's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Nik Bhardwaj at 510-601-8800.

It is TI's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. TI will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

Item 12 – Brokerage Practices

Trillium Investments does not maintain custody of your assets that we manage or on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see *Item 15 – Custody*, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We request that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we request that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see *“Your Brokerage and Custody Costs”*).

How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the price
- Reputation, financial strength, and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see *“Products and Services Available to Us from Schwab”*)

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade-away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services.

Services That Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of clients assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Trillium Investments, generally, buys securities in the aggregate amount and then allocates the respective amount to each client account. This allows the same pricing across account and prevents favorable pricing to any accounts. This type of trade is known as a block trade. TI will execute block trades whenever possible and reasonable. Schwab's services described in this paragraph generally benefit you and your account.

Service That May Not Directly Benefit You

Schwab also makes available to us products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing

and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade executions and allocate aggregated trade orders for multiple clients
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to request that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in

the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services.

Item 13 – Review of Accounts

Nikhil Bhardwaj, principal, performs a daily review of all accounts and a periodic review of client investment goals and risk tolerance. We maintain client contact via phone, mail, and e-mail and encourage all clients to meet with us whenever there are important events in their financial life, whenever they seek clarification as to their portfolios and whenever they feel they may want a change in the nature and direction of their investments.

Trillium Investments' clients receive monthly statements from the custodian/broker as well as confirmations on all trades and a quarterly notice of management fees charged. On request we can issue periodic reports to specific clients on designated themes. Generally these are performance reports.

Financial planning clients are able to receive numerous reports. These reports include, but are not limited to, personal balance sheets, full financial plans, retirement plans, and college plans.

Item 14 – Client Referrals and Other Compensation

Trillium Investments does not pay any outside agent for referrals to us. Neither does TI receive any economic benefit from anyone as a result of our investment decisions or financial advice. For services that TI receives from our custodian (Schwab) please see Item 12 above.

Item 15 – Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the e-mail or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

Trillium Investments must have written authorization from the client to deduct advisory fees from any account held with the custodian. Each time a fee is directly deducted from a client account, TI concurrently:

- Send the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client account; and
- Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under

management on which the fee is based, and the time period covered by the fee.

Item 16 – Investment Discretion

Trillium Investments usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Trillium Investments observes the investment policies, limitations and restrictions of clients for which it advises.

Item 17 – Voting Client Securities

As a matter of general policy Trillium Investments does not vote proxies. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. Upon request we will provide advice regarding proxy votes. In special circumstances, where TI believes either that management must be changed or that a particular corporate policy should be pursued, we will vote proxies.

Clients may obtain a copy of Trillium Investments complete proxy voting policies and procedures upon request.

Item 18 – Financial Information

We are required to provide you with certain financial information or disclosures about Trillium Investments financial condition. TI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. The firm does not require the prepayment of any fees.

Item 19 – The Principal

Trillium Investments is owned and operated by Mr. Nikhil Bhardwaj. Nikhil Bhardwaj has a B.S. in Business Administration with a concentration in Management from San Francisco State University. He has sixteen years of experience in financial reporting and analysis, equity research and valuation, equity, fixed income, and options trading, and economic research. Mr. Bhardwaj has operated an investment advisory website and has passed the Series 65 examination from the National Association of Securities Dealers.

Mr. Bhardwaj has never been the subject of any regulatory agency's action nor has he ever been charged criminally or sued in a civil action.



As part of its business Trillium Investments offers advice on a variety of personal financial issues from educational funding, major purchases, investments outside of exchange traded stocks and bonds, retirement and estate planning. Mr. Bhardwaj feels his years of experience in the investment advisory business have qualified him to advise on all such topics. There is a charge for financial advice when it is rendered to non-clients.

Mr. Bhardwaj has no outside business interests. Neither he in his capacity as an individual nor Trillium Investments as a company receive any monetary compensation from non-clients who might have an interest in inducing TI to direct investments towards a particular security or fund. As explained in Item 12 Trillium Investments does receive valuable free services from Charles Schwab & Co. as a result of having client accounts there. Neither TI, nor any supervised person, receives performance-based fees or has any relationship or arrangement with any issuer of securities.