



1ST QUARTER INSIDE
THE NUMBERS

S&P 500	.77%
DIIA	1.49%
Nasdaq	-2.75%
Russell 2000	-1.92%
Barclays US Bond Index	2.50%
Euro Stoxx 50	-8.60%
Oil	3.51%
Gold	16.00%
Euro vs \$	6.40%

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YOUR INVESTMENTS. YOUR PLANET. YOUR CHOICE.

ECONOMY

Welcome 2016. They say that the most depressing day of the year is the 3rd Monday of every January. I'm not sure why but we have to assume it's in relation to winter weather and the tax man looming. One added component to this week in 2016 was the fact that the markets saw the worst January on record (as of January 20th) with the S&P500 being down over 10%. All that being said, fortunately we have a quick rebound heading into the 2nd quarter. The S&P 500 finished this quarter up 0.75%, and the Nasdaq finished down 2.75%. Oil started off down over 20%

in January but has quickly moved above \$35 a barrel. We still believe the global recession and the continued increase in renewables will keep prices down.

STRONG DOLLAR AND CASH BURNING HOLES IN OVERSEAS POCKETS

The US dollar has seen its value increase over the past 12 months quite considerably. Head to Brazil or Europe and you will see the effects of this when purchasing dinner or new clothes. *(continued on page 3)*

COMPANIES COMMITTED

ALGAE TO SAVE THE WORLD

Algae-based fuels are nothing new. They were first used in 1942 for WWII. Seventy-five years later, the plant is becoming big business. Algae fuels recently have powered a Boeing 737-800 aircraft flight from Houston to Chicago. The U.S. Navy powered one of its frigate ships from Everett, Wash. to San Diego, Calif. using a blend of the stuff. On top of using it as a fuel source, Algae contain many unsaturated fatty acids (like omega-3 and omega-6), antioxidants, essential amino acids and other substances that we humans associate with a healthy diet.

One company behind the development of this fuel source is Solazyme (SZYM). Solazyme creates renewable oils and bioproducts and uses microalgae in an industrial fermentation process to transform a range of plant-based sugars into triglyceride oils and other bioproducts.



Solazyme grows microalgae in the dark, inside huge stainless-steel containers. The company's researchers feed algae sugar, which the organisms then convert into various types of oil. The oil can be extracted and further processed to make a range of fuels, including diesel and jet fuel, as well as other products. The Company offers skin and personal care products. The United States Department of Energy estimates that if algae fuel replaced all the petroleum fuel in the United States, it would require 15,000 square miles which is only 0.42% of the U.S. map or about half of the land area of Maine. This is less than 1/7 the area of corn harvested in the United States in 2000. Only time shall tell. *(Sustainvest does not have a position in the stock).*

EDUCATION

SELF-EMPLOYED IRAS AND THEIR CAVEATS

One of the biggest benefits of being self-employed is that there are more retirement plan options available to you than are available to most taxpayers. In addition to the standard traditional IRA/Roth IRA options here are three more noteworthy options:

SEP IRA

SEP IRAs work in almost the exact same way as a traditional IRA. That is, you are allowed an above the line deduction for any contributions you make. The only really important difference is the contribution limit. For 2016, if you have a SEP, you are allowed to contribute the lesser of: 25% of your net earnings from self-employment, or \$53,000.

Once the money is in the plan, you can invest it in all of the same things you would be allowed to invest in with a regular IRA (stocks, bonds, mutual funds, CDs, etc.). Also, the same withdrawal rules apply.

SIMPLE IRA

SIMPLE IRAs also function much like traditional IRAs. Again, the primary difference is the contribution limit. If you have a SIMPLE IRA, you can make: An employee contribution equal to 100% of your net earnings from self-employment, up to \$12,500 for 2015 (\$15,500 if you are 50 or over), plus an employer contribution equal to 3% of your net earnings from self-employment.

INDIVIDUAL 401(K) PLANS

An individual 401(k) plan functions very much like a 401(k) plan with a person's employer. The difference is that you are

allowed to make a contribution in the role of employee and a contribution in the role of employer. You are allowed to make: An employee contribution of 100% of your net earnings from self-employment, up to \$18,000 for 2015 (\$24,000 if you are 50 or over), plus an employer contribution of 25% of your net earnings from self-employment. This employer contribution is the same as the contribution you can make to a SEP IRA, and it uses the same definition of "net earnings from self-employment" that is used for a SEP IRA. Also, the total contribution is limited to the lesser of your net earnings from self-employment or (for 2015) \$53,000.

WHAT IF YOU HAVE OTHER RETIREMENT ACCOUNTS?

Given that you now have so many different options available to you, it's important to know how each of these plans interacts with other retirement accounts. None of the above-mentioned plans will affect your ability to contribute to a traditional or Roth IRA. They can affect your ability to claim a deduction for a contribution to a traditional IRA, because if you have one of the business retirement plans described above, you are considered to be covered by a retirement plan at work, which means that if your adjusted gross income is over a certain amount, you will not be able to claim a deduction for a traditional IRA contribution. In addition, if you have another job as an employee and you are allowed to contribute to a 401(k) at that job, contributions you make to your plan at work will count against the limit for employee contributions to an individual 401(k) or SIMPLE IRA. Contact a CPA for tax-related issues such as these.

SHIFT TO SCHWAB

Sustainvest recently shifted gears and elected to have Charles Schwab and Company become our custodian. We want to thank all clients for making this transition. Schwab was listed as #1 in Customer Service and Trade Reliability in

the 2015 Investor's Business Daily Best of the Online Brokers Survey. Clients have access to their accounts via www.schwab.com and offer all Sustainable and Responsible (SRI) funds, ETFs and stocks for servicing clients.



"TOMORROW BELONGS
TO THOSE WHO CAN
HEAR IT COMING"
- DAVID BOWIE

(Economy continued from page 3)

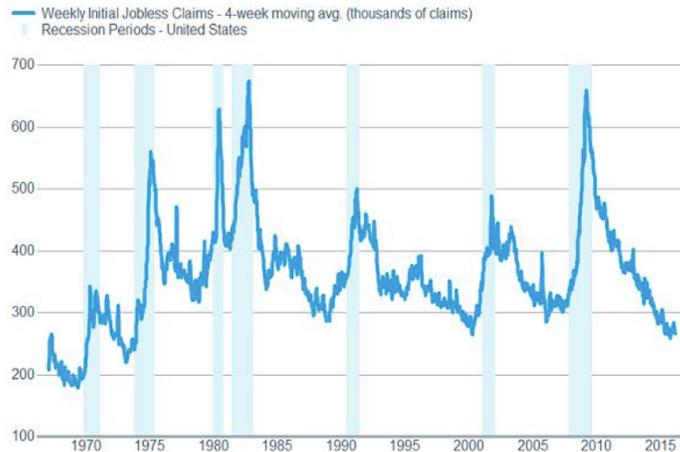
Though this may seem positive, for US companies it could become a problem. A strong US dollar makes American made products more expensive to purchase overseas.

For example, Apple (AAPL) generates 66% of its revenue from our neighbors overseas. For every \$100 worth of iPhones it sold last year, this now equates to only \$85 a year later. Even jeans maker Levi's Strauss saw a 5% decline in profits (even with revenues being up 6%).

Keeping an eye on currency and trying to mitigate this could prove effective.

Of the \$1.4 trillion held in cash by the companies of the S&P 500, about half of that is parked outside of the US. There have been talks of "repatriating" the cash and have it move back to where it came from. Of course, these companies are not too keen on paying a 25% tax hence why this will be a long battle.

Some examples include very well known "American" companies. Hewlett Packard (HPQ) holds about \$17 billion overseas or 94% of its market cap. General Electric holds about \$50 billion overseas. Coca-Cola holds \$18



billion. Though the American in all of us wants the money to be held in American based banks, should we blame these companies for taking advantage of the system which allows them to do this?

NIKE AND BACK TO THE FUTURE

With the self-driving car soon to enter the American household, Nike (NKE) thought it would be imperative to do the same with the sneaker business. To the dismay of many 3 years old who thought they were going to have to learn how to tie their shoes, enter the self-tying sneaker. Unveiled to hoopla at a New York event, the Nike HyperAdapt 1.0 has power-operated laces. As soon as you step into a pair and press a button, the laces tighten. In line with this, is of course Google's self-driving car.

UNEMPLOYMENT

The labor market continues to be the star of the economic picture, with unemployment at 4.9%, and the sharp decline in forward-looking initial jobless claims indicating continued strength. The attached chart shows jobless claims down to pre-2000 levels.

SHAREHOLDER ACTIVISM

PROXY PREVIEW

For anyone interested in learning more about 2016's shareholder proposals the Proxy Preview 2016 was recently released. Presented by As You Sow, the Sustainable Investments Institute, and Proxy Impact this free resource gives an overview of the 370 environmental, social and sustainable governance resolutions filed the year along with a re-cap of the 2015 proxy season.

www.proxypreview.org

EXXON FACING RECORD NUMBER OF CLIMATE PROPOSALS

New York state and the Church of England are leading calls on ExxonMobil to reveal its exposure to climate risk. Following the UN carbon-cutting pact struck in Paris, they warn the oil major could lose value in the shift to alternative energies. Both of these institutions hold a combined \$1 billion worth of shares in Exxon. "The unprecedented Paris agreement

to rein in global warming may significantly affect Exxon's operations," said Thomas DiNapoli, trustee of the New York State Common Retirement Fund. Under the proposal, Exxon would have to disclose how government efforts to hold global warming to 2C affects the demand for its product.

This proposal is one of seven among climate-related resolutions that shareholders hope will make it to a vote at Exxon this year. If all seven climate-related proposals make it to a vote of stockholders, Exxon's proxy statement would have the largest number of such resolutions since 2008, when there were seven, based on an Inside Climate News

review of fossil fuel proxy statements going back to 1990. Exxon's 1990 proxy statement had six climate and environment-related proposals.



GREENY OF THE QUARTER



PETALUMA WILDLIFE AND NATURAL SCIENCE MUSEUM

The Petaluma Wildlife and Natural Science Museum is founded on an innovative education theory: if you give high school students as much responsibility and freedom as possible, they will rise to the challenge and succeed. Each school year, the Museum hosts several high school classes, educating over 100 teens about a variety of wildlife related subjects. Students take rigorous courses in Wildlife and Museum Management to learn about environmental education, wildlife biology, animal husbandry, public speaking, and museum operations and maintenance. Additionally, throughout the school year, student docents are responsible for animal care, museum maintenance, program development and conducting tours.



TESLA AND THE MODEL 3

The Model 3 makes our greeny of the quarter list as well due to its price. What once was looked upon as an elite car that many could not afford, Elon Musk is committed to the everyday driver and dropping the price to \$35,000 shows his commitment to more people being able to drive electric. As of the end of this quarter, more than 276,000 pre-orders had been placed. Tesla requires a \$1,000 deposit for people to secure their spot in line for the mid-sized sedan. More than 115,000 pre-orders were placed for the Model 3 on Thursday 3/31, even before those people set eyes on the new vehicle.

"This is a critical vehicle for Tesla, much more critical vehicle than any vehicle that has come before," Jack Nerad, executive editorial director at Kelley Blue Book, told ABC News. "This is their effort to become more than a niche. A lot is riding on this." On the design front, the Model 3 fits into the Tesla family with sleek lines and boasts a roof area with a continuous pane of glass, giving the five adults it can seat extra headroom and the feeling of having more space, Musk said.

The key metric many people were waiting for was range per charge. The Model 3 can go 215 miles on a single charge. Musk also committed to doubling the number of Tesla's public charging stations from 3,600 to 7,200. It also includes semi-autonomous driving features, including automatic lane changing and lane keeping, and can accelerate from zero to 60 in less than 6 seconds.

If you are interested in learning more about our services, please contact us at info@sustainvest.com or call us at 707-766-9480

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