



SUSTAINVEST
ASSET MANAGEMENT, LLC

1ST QUARTER
2017

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YOUR INVESTMENTS. YOUR PLANET. YOUR CHOICE.

ECONOMY

Nothing seems to be able to rock the stock market as of late. Political banter, Presidential tweeting, North Korean missile launches, oil companies dropping in price, European elections, bond prices slowing to say the least, and the Fed raising rates. In most eyes, this would have done something bad to the markets, but the uptrend seems to stay intact. Volatility has remained low as the S&P 500 hasn't seen a 1% down day since October, 2016.

As far as markets go, the 1st quarter of 2017 we saw an increase of 5.50% in the S&P, 9.80% in the NASDAQ and 4.60% in the DJI. The eco-conscious SPYX fund

which eliminates fossil fuel companies saw an increase of 6.78%. On the more conservative side, the bond market or US Aggregate bond index was only up only 0.2% and the European stock markets up 6.8%.

This period of calm isn't going to last forever and we remain disciplined around diversification across a range of asset classes and continued rebalancing to match client profiles. With some healthy gains over the past 12 months, we will look for opportunities to take gains and re-allocate into positions that seem a little less frothy. *Continued on page 3*

COMPANIES COMMITTED

Considering the U.S.'s continued use of coal and oil as energy sources, we may want to lend an ear to Germany. Over 30% of Germany's power is now generated by renewable sources, with a long-term target of 80% by 2050. In line with this is one of Germany's largest companies, Siemens (ADR: SIEGY). This German industrial conglomerate whose businesses range from robots to home appliances to medical imaging machines, took the top spot on Corporate Knights Global 100 most sustainable list. It was the most energy-efficient firm in its sector, producing more revenue per kilowatt used than any other industrial corporation. Siemens scored highly on nearly every metric such as having a low carbon footprint and low employee turnover. The conglomerate is also dedicating a growing portion of its business to creating environmentally

friendly infrastructure, with products like green heating and air conditioning systems.

And their headquarters is rather impressive too. Siemens' new global headquarters meets the highest standards for sustainability. It has been certified DGNB Platinum and LEED Platinum. The office building is located in the heart of Munich and is one of Europe's most sustainable buildings. It consumes 90 percent less electricity and uses 75 percent less water than its predecessor.



American networking company Cisco ranked third on the Global 100 and fared particularly well on Corporate Knights' diversity measure: 38% of Cisco's senior executives are women, compared with 21% for ACWI companies. *(Sustainvest does not have a position in the stock).*



"NO ONE IS AN ENVIRONMENTALIST BY BIRTH. IT IS ONLY YOUR PATH, YOUR LIFE, YOUR TRAVELS THAT AWAKEN YOU."

- YANN ARTHUS-BERTRAND



**FOR THE
PLANET**

MEMBER

EDUCATION

DIVEST OF EVIL COMPANIES. CHECK. BUT WHAT ABOUT AN OVERALL FINANCIAL PLAN?

So you are saving money and have committed yourself to sustainable investing. Well done. But, do you know what you are saving for and how to get there? Will you have enough to pay for a child's college in 12 years? Can I spend \$6,000 a year on travel expenses for the next 20 years? What if I make half of what I earn now when I am semi-retired? Enter a financial plan.

To achieve goals of any kind you need a path or course to steer you in the right direction. The financial plan is the guide to use to keep heading in the right direction. A financial plan requires you to gather facts about your personal finances. Sustainvest utilizes the software of Money Guide Pro to create personalized financial plans. After the client fills out a 3 page worksheet along with providing account statements (those held outside of Sustainvest/Schwab) then we go to work inputting the data. These different bits of facts and information are used to put together key financial reports including a personal balance sheet listing assets and liabilities, an income and expense statement, and most importantly a blueprint as to what the financial situation may look like come

year 2030. This process of fact-finding and gathering helps to identify strengths and weaknesses in your personal financial condition and initiates a higher level of awareness and informed decision making regarding your finances.

Once you have gathered facts and put together key financial reports you can then begin to analyze your financial situation. Where will you be in five to ten years? Are you on track to achieve your long-term financial goals? If not, what do you need to do to arrive where you want to be at some future point? The financial plan is the document that allows you to address these important issues. The purpose of the financial plan is to help you achieve your long-term financial goals. In addition to clearly establishing long-term financial goals and creating key financial statements, the financial plan should make specific recommendations designed to help you achieve your long-term financial goals and enhance your financial condition over time.

All clients of Sustainvest are given a free financial plan if they so choose. For those interested in having a financial plan done who are not clients of Sustainvest, we charge an hourly rate of \$150 (generally 3 to 4 hours labor) to accomplish this for you.

EFFECTIVE MARCH 3, 2017, SUSTAINVEST'S CUSTODIAN, CHARLES SCHWAB AND CO. WILL HAVE ONE OF THE LOWEST STANDARD TRADE COMMISSIONS AVAILABLE FOR ONLINE EQUITIES AND ETFs AT \$4.95 PER TRADE.

SHAREHOLDER ACTIVISM

Amid the uncertainty about this administration's commitment to environmental and social issues, investors are relying more heavily than ever on companies to take action on initiatives such as addressing climate change, conserving water or reducing waste. So far in 2017, shareholder resolutions specifically related to social and environmental issues have increased to 430 from 370 resolutions last year, according to **Proxy Preview**, a joint publication of As You Sow, the Sustainable Investments Institute and Proxy Impact. If any Sustainvest news readers would like a copy of this publication feel free to reach out to us.

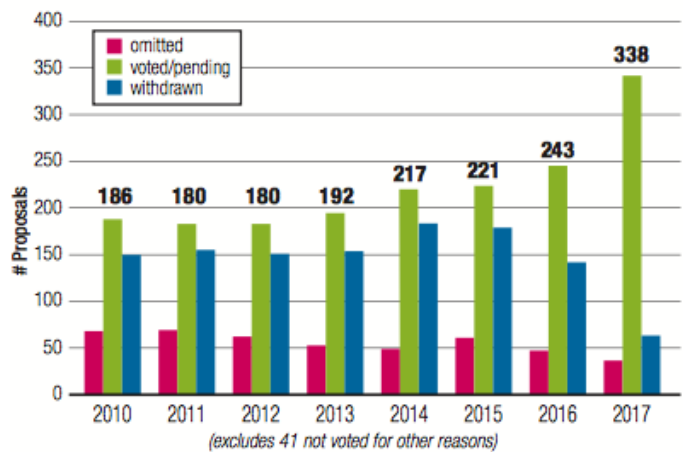
Shareholder resolutions, also known as shareholder proposals, are a key part of sustainable investing. A recent study by Harvard University found that about 40 percent of shareholder proposals on the Russell 3000, an index that is a benchmark for the entire U.S stock market, are related to ESG issues, a 60 percent increase since 2003. While the study found that most of these ESG proposals fail to receive majority support, it also found that these resolutions nonetheless can improve a company's attention and performance on the ESG issue in question.

Resolutions are placed on the company's proxy and any shareholder owning at least \$2,000 worth of stock for at least a year is allowed to bring up a shareholder proposal. Also remember that anyone who owns just 1 share of a company can attend the annual shareholder meeting of these firms—events that put attendees up close and personal with CEOs and board members.

Continued of ECONOMY from page 1

There are looming issues that could shift this trend. First off, Trump. Restrictions on trade by the Trump administration could trigger other countries to retaliate and lead to lower profits for U.S. companies that depend on customers and suppliers around the world. About 44 percent of sales for the S&P 500 came from foreign countries in 2015. Second is interest rates and the Fed. The worry here is they could raise rates faster than the market anticipates. It's not a huge risk, but one that should be noted. And third, is valuation. The market's historical forward P/E is about 15. It currently sits above 18. With the market continuing its run, finding value becomes more and more important. Anyone who tries to predict where this market will go could be surprisingly mistaken, but making small adjustments may help. Certain funds or ETFs concentrate on "value" or companies that perhaps have not run up as much as others. For example, IBM has a PE ratio of 14 versus say a Facebook PE of 40.

Proposals Filed Since 2010



UPDATE ON DONUTS AND K-CUPS

Success! Sustainvest filed a proposal this year asking multi-billion dollar donut maker Dunkin Brands to report on the effects of all of those K-Cups they are selling across the world. Last year they sold over 300 million of those little buggers. Even though the company argued that this was not material and told Sustainvest to go contact Keurig (the manufacturer of the cups), the SEC agreed with Sustainvest that it is material to the company's stock value and it will be on the proxy. Stay tuned as we engage the press on getting the word out on how we can make these cups better for the environment.

OVERALL

Taking profits in outsized positions and maintaining a diversified portfolio are important to being successful long-term investors. As a sustainable advisor, we aim to invest in funds that have good ESG ratings and also have strong returns. For example, one fund that currently fits the bill is Parnassus Endeavor (PARWX). It's a fund that invests in companies that are great places to work, and this focus has paid off. PARWX is up 40% for the year ending February 15, 2017 and is a "no-load" fund, meaning you don't pay some high 4 to 5% up-front fee. Despite the cautious outlook, the new administration's growth policies and business friendly deregulation should have a positive effect on the market over the long term so a correction would present a buying opportunity for those with cash.

GREENY OF THE QUARTER

Have a Wells Fargo or JP Morgan account? If so, you probably should stop reading this and walk to the nearest branch and close your account. This past quarter we finally were able to see which big banks were funding the Dakota

Access Pipeline- the 1172 mile pipeline that would stretch from Canada to the Gulf of Mexico that seems to have been given the green light by this new administration. Several NGOs have tried to educate the public on which of these financial institutions are putting money before the well-being of humans and animals. It is because of these organizations that we are able to make informed decisions on closing that checking account and moving elsewhere.

Researchers with the DC-based nonprofit **Food & Water Watch**, the first national organization to call for an all-out ban on fracking, found that 38 banking institutions are involved in funding the proposed Bakken pipeline. A section of this project is the Dakota Access pipeline, where the Standing Rock Sioux and thousands of allies have physically put themselves in the path of the pipeline to

protect their reservation and a stretch of the Missouri River.

Green America is encouraging all Americans to take a close look at their relationship with their bank.



Green America is a non-profit membership organization founded in 1982. Green America's "Break Up With Your Mega-Bank" campaign is helping consumers and investors create and strengthen healthy communities in the U.S. and abroad. As a growing number of people move away from mega-

banks and invest in community investing institutions instead, they will help create jobs, housing, and social services in communities that need them most.

Perhaps we can all take a lesson the city of Seattle which pledged to remove \$3 billion from Wells Fargo accounts because of the bank's investments in the Dakota Access Pipeline. If a large city like Seattle with much more bureaucracy can divest of its large bank, then one would think that smaller entities or individuals can do the same.

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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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