



SUSTAINVEST
ASSET MANAGEMENT, LLC

3rd Quarter
2019

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YOUR INVESTMENTS. YOUR PLANET. YOUR CHOICE. ECONOMY

The heat continues as we enter the final quarter of 2019. Will the market continue to heat or will we see a correction. No one knows. One thing that is clear is that the S&P 500 is up about 18% heading into these winter months--another reason to maintain proper allocations regardless of headline risk. Having allocations in various asset classes like gold, REITs and dividend paying stocks will help weather market shifters like interest rate deductions and global trade tensions. At the same time, continuing to be invested in strong earning, low beta equities will keep us in the game and we will use any volatility to re-balance as needed.

People sometimes ask me what I am reading lately. Besides the doom and gloom books that inspire me such as *The Uninhabitable Earth* by David-Wallace Wells, a book that I recently went back to is Peter Lynch's 1994 classic *Beating the Street*. For those who don't remember (or

weren't born yet), Peter Lynch was the Fidelity fund manager from the 80s. What rings true to me as I read this old classic is how we invest today hasn't changed much from 25 years ago. Yes, there are fancy ETFs that invest inversely times 3, but when it comes to investing, don't forget about what is actually taking place here--investing in companies with strong earnings AND strong values. He mentions way back in 1994 how Southwest Airlines (LUV) gave all employees the same % raise each year, regardless of rank. Their annual corporate gala was a chili cookout. If one was to invest in LUV back in 1994, they would be up about 1400% today. On the other end of the spectrum, during this same time period, Exxon Mobil (XOM) is up only 300%, a fifth of Southwest's performance. (Note: Exxon is lagging the S&P500 this year by about 18%). The point here being, sustainable investing existed even 25 years ago and companies that are integrating these

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COMPANIES COMMITTED

Have you had one? You know, one of those meatless burgers. Lately, I find myself grilling this new phase of food and have been pleasantly surprised. Enter Beyond Meat Inc. Founded almost 10 years ago, Beyond (BYND), based out of El Segundo, CA, has quickly risen as a partner for many fast food restaurants. It's products include the Beyond Burger, Beyond Sausage, Beyond Beef Crumbles and Beyond Chicken Strips.

In terms of sustainability, a recent study discovered that the Beyond Burger generates 90% less greenhouse gas emissions, requires 46% less energy, and has 99% less impact on water scarcity and 93% less impact on land use than a quarter pound of U.S. beef. Now, that's a step in the right direction.

For many hungry folk, the decision to lessen the dependence on meat is based on health and dietary concerns.

But for many, especially younger eco-conscious types, it is for environmental reasons. It takes an estimated 1800 gallons of water to produce one pound of beef. (Peas, in comparison, take 18 gallons). Agriculture is one of the largest contributors to greenhouse gas emissions.



Recently, McDonalds tapped BYND to offer their burger at the 80 year old burger chain. The burger, called simply, the P.L.T. (for Plant, Lettuce, Tomato) will be offered at select locations.

Note: Sustainvest may have a position in the company



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"I dream of a day where I walk down the street and hear people talk about morality, sustainability, and philosophy instead of the Kardashians."

— Keanu Reeves

EDUCATION

Large, Medium and Small: The Goldilocks Way to Invest in Marijuana

It's hard not to run into someone these days who isn't dabbling in medical cannabis. There are those busy working parents of young children who just need some time to unwind and relax their minds and then there are seniors who are using CBD (Cannabidiol) with THC (tetrahydrocannabinol, a crystalline compound that is the main active ingredient of cannabis) to help ease the pains of arthritis and other ailments. While Canada legalized cannabis in late 2018, it does still remain illegal under federal U.S. law. There are currently 11 states in the U.S. where marijuana is legal for recreational use.

When it comes to investing, this industry could become a unique part of one's asset allocation model within their portfolio. Clearly, there are substantial risks here still, but perhaps one way to be invested in this market is to take the Goldilocks small, medium and large approach. Investing in companies that cover a wider range of revenues and market capitalization (size of company) could potentially mitigate the risks of owning just one asset class. Below is a list of companies that are somehow involved in cannabis (grouped within the size of their market capitalization along with their YTD performance as of 9/13/19).

Companies Involved in Cannabis Industry

NAME	SYMBOL	MKT CAP	YTD% (as of 9/13/19)	Notes
<u>SMALL (up to \$2billion market cap)</u>				
KushCo Holdings	KSHB	325m	-34.45	Packaging and Branding
Innovative Industrial Prop.	IIPR	1.1 B.	101.21	Buying and Leasing industrial properties
<u>MEDIUM (\$2.0-\$10billion)</u>				
Cronos Group Inc. (Canada)	CRON	3.8B	10.97	Altria Group owns half of the company
GW Pharmaceuticals	GWPH	4.4B	44.79	
The Scotts Miracle Gro	SMG	5.6B	65.85	Hydroponics
Aurora Cannabis Inc.(Canada)	ACB	6B	19.96	
Canopy Growth Corp (Canada)	CGC	9.2B	2.2	1st Canadian marijuana com. STZ owns 10%
<u>LARGE (\$10b+market cap)</u>				
Molson Coors Brewing	TAP	11B	1.8	International Beverage/Cannabis Hexo Drink
Constellation Brands	STZ	34B	26.89	International Beverage Co./Owns 10% of CGC
Heineken	HEINY	62B	22.22	International Beverage Co./Acquired Lagunitas
Abbvie	ABBV	104B	-23.52	Pharmaceutical Co.

This information is not a recommendation to purchase or sell the stocks listed.

SHAREHOLDER ACTIVISM

Sustainvest Update

As a refresher here regarding shareholder activism, we wanted to make sure all readers understood what this type of activism meant. Shareholder advocacy or activism is a way to leverage the power of stock ownership in publicly-traded companies to promote environmental, social, and governance change from within.

Shareholder resolutions are a powerful way to encourage corporate responsibility and discourage practices that are unsustainable, unethical, or have an increased exposure to risk.

Shareholders holding at least \$2,000 worth of stock in a publicly-traded company for at least one year prior to the filing deadline can introduce a resolution to company management to be voted on at the next annual meeting. The goal of a shareholder resolution is to influence a company's decision making. As a shareholder we have the right. If the company is privately held, we do not.

For this upcoming file year, we are looking to file resolutions with Enphase Energy, Dunkin Brands, Sonos, Adobe Inc. and Merck Pharmaceutical.

Stay tuned as Sustainvest continues to submit shareholder proposals in the upcoming months for the 2020 proxy season.

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principles today should continue to be strong performers because they have morals. Times, they are a changing, and it's good to be invested with this social and environmental compass to help guide the ship.

Performance numbers for Q3 and YTD below:

	Q3	2019 YTD
S&P 500	1.3%	19.82%
Total Bond Mkt.Index (BND)	1.64%	6.86%
Nasdaq	-.09%	21.50%
Sustainable Index ETF (DSI)	1.45%	20.28%
Gold	4.26%	14.71%
Energy Sector/Oil ETF (XLE)	-7.16%	3.68%
Clean Energy ETF (PBW)	-1.88%	29.81%

NEWS!

Recently, we launched a robo advisor site with just a \$5,000 minimum.



With a \$5,000 minimum balance, the program was created to help further the mission of sustainable investing and opening up the movement of SRI to those who perhaps couldn't get into. Our mission is to help guide those who are possibly taking their first attempt into this more environmentally friendly way to invest.

SustainFolio is a technology based investment platform designed for individuals who want to integrate sustainability into their portfolios digitally. SustainFolio allows its clients to establish a portfolio based on their tolerance for risk and their aspirations for building wealth using sustainable low cost ETFs.

Portfolios are held in a brokerage account at Charles Schwab and Co., Inc.

Check it out here at www.sustainfolio.com

GREENY OF THE QUARTER

Greeny of the Quarter is Swedish activist Greta Thunberg, 16, who spoke at the United Nations in New York City on climate change, accusing world leaders of inaction and half-measures. As shareholder activists ourselves, we felt the speech was so powerful that we are placing the text below. If you haven't watched the entire speech online, we suggest you take time to do so.

"My message is that we'll be watching you.

This is all wrong. I shouldn't be up here. I should be back in school, on the other side of the ocean. Yet you all come to us young people for hope. How dare you!

You have stolen my dreams and my childhood with your empty words. And yet I'm one of the lucky ones. People are suffering. People are dying.

Entire ecosystems are collapsing. We are in the beginning of a mass extinction, and all you can talk about is money, and fairy tales of eternal economic growth. How dare you!

For more than 30 years the science has been crystal clear. How dare you continue to look away, and come here saying that you're doing enough when the politics and solutions needed are still nowhere in sight.

You say you hear us and that you understand the urgency. But no matter how sad and angry I am, I do not want to believe that. Because if you really understood the situation and still kept on failing to act, then you would be evil. And that I refuse to believe.

The popular idea of cutting our emissions in half in 10 years only gives us a 50 percent chance of staying below 1.5 degrees and the risk of setting off irreversible chain reactions beyond human control.

Fifty percent may be acceptable to you, but those numbers do not include tipping points, most feedback loops, additional warming hidden by toxic air pollution or the aspects of equity and climate justice.

They also rely on my generation sucking hundreds of billions of tons of your CO₂ out of the air with technologies that barely exist.

So a 50 percent risk is simply not acceptable to us, we who have to live with the consequences.

How dare you pretend that this can be solved with just business as usual and some technical solutions? With today's emissions levels, that remaining CO₂ budget will be entirely gone within less than eight and a half years.

There will not be any solutions or plans presented in line with these figures here today, because these numbers are too uncomfortable and you are still not mature enough to tell it like it is.

You are failing us, but the young people are starting to understand your betrayal. The eyes of all future generations are upon you and if you choose to fail us, I say: We will never forgive you.

We will not let you get away with this. Right here, right now is where we draw the line. The world is waking up and change is coming, whether you like it or not.

Thank you."

-Greta Thunberg
9/23/2019

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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