SUSTAINVEST
ASSET MANAGEMENT, LLC

2nd Quarter 2018

YOUR INVESTMENTS. YOUR PLANET. YOUR CHOICE.

INSIDE

ECONOMY

Well, that's more like it. After witnessing last year's calm market return almost 20%, this 1st quarter's volatility of 2018 is more typical of what the market should look like. Just to recap, in 2017, the market did not post a two percent down day during the year, versus what would typically be seven or eight two percent down days in a year. Volatility has returned to the norm. For this 1st quarter we saw decreases of 1.2% in the S&P and 2.5% in the Dow Jones Industrials and an increase of 2.3% in the tech-heavy NASDAQ. Gold saw an increase of 1.3% in light of this volatility. Tariff announcements (sometimes being posted via twitter at late night hours) along with ongoing political turmoil, White House personnel shakeups, and data breaches could also be boosting the commodity's price.

While the exaggerated swings in equity markets are disconcerting, they are likely a result of investors grappling with too much "wait and see", rather than a reflection of any negative turn in the economy.

If you look at the quarterly statements of companies like Cummins and Google and Adobe, it sure is hard to not invest in companies that show revenue increase of 20% year over year. Company earnings continue to show strength which is supportive of equity markets going forward. Valuations, which were quite extended as we entered the year, have had the chance to retreat a bit.

Let's not forget about the potential tailwind due to the tax cuts that the majority of Americans are just now incorporating into their budgets.

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COMPANIES COMMITTED

The Iowa-based $1.2 billion company has teamed with Motiv Power Systems, a Silicon Valley company that specializes in electric conversions. Started in 1958, WGO has about 2,600 employees

Though this isn't the ultimate answer to climate change issues, perhaps in time we will start seeing these monstrocities of vehicles being powered by clean energy.

Note: Sustainvest may have a position in the company

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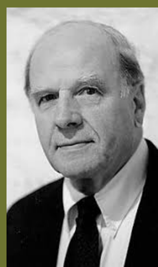


"The ultimate test of man's conscience may be his willingness to sacrifice something today for future generations whose words of thanks will not be heard."

- Gaylord Nelson (founder of Earth Day)

Education

RETIREMENT LIVING

Retirement means no longer dealing with the daily grind -- but having more freedom during retirement doesn't mean there are no rules to live by. Most retirees have limited incomes and concerns about making their money last -- which means that making a plan and setting guidelines can be essential.

Here are 3 rules to keep in mind as you head towards those golden years:

1. **Don't Spend Too Fast--**The No. 1 retirement rule to follow is to make your savings last. Retirement tends to be more expensive in the beginning -- when traveling to exotic places -- and in the end, with healthcare costs. Conventional wisdom centers around the 4% rule, which says you wouldn't run out of money if you withdrew 4% from investments the first year of retirement and adjusted upward annually based on inflation. Unfortunately, in this current low interest rate market, the 4% rule puts you at risk of running short on cash. Instead, you may wish to limit withdrawals to 2% to 3% of savings.
2. **Always take your RMDs--**Required Minimum Distribution-You must take RMDs from tax-advantaged accounts such as IRAs and 401(k)s during retirement. If you don't take RMDs starting at 70 1/2, you face a 50% tax on money you were supposed to withdraw, but didn't. If you were supposed to withdraw $20,000 but failed to do so, you'd lose $10,000 in tax penalties. RMDs typically must be taken by the end of each calendar year.
3. **Know how you'll cover healthcare costs-** While your plans for retirement probably don't include dealing with a serious illness, most people face more health challenges as they get older. In fact, according to a Nationwide study, 1 in 3 retirees said health issues were interfering with retirement plans. When you experience health problems, you may face both physical limitations and financial struggles. Unfortunately, many seniors aren't prepared to cover the costs of care because they believe Medicare provides comprehensive coverage. Bottom line: You need a plan to pay for healthcare.

TESLA AND THE EPA

Tesla shares are taking a little hit fueled by a fatal crash of a Model X car, a recall of about 123,000 Model S vehicles and a credit-rating downgrade, but recovered some after better-than-feared production news on its Model 3 production line. Tesla said it won't need to raise more equity or debt this year, apart from its standard credit lines, because it expects to assemble cars faster. But investors are still focused on the company's finances, as its $10 billion debt load is turning into a real burden, cash is dwindling and costs are rising. The year-end balance sheet showed Tesla had about 51 cents of cash and other highly liquid assets on hand for every dollar's worth of expenses coming due within 12 months.

Another factor that could hurt the growth of EV sales is based upon the announcement by the EPA. The Environmental Protection Agency moved to cut Obama-era fuel-efficiency rules for cars and light trucks, saying the anti-pollution targets are too stringent and must be revised. The EPA also said it's considering revoking the waiver that allows California to set its own emissions rules. The move might backfire on automakers as industry analysts said it could lead to pollution rules that vary by state, complicating logistics for car makers.

Still, there is little doubt that increasing numbers of gas and diesel-fueled cars and trucks will be replaced by electric vehicles as consumer demand continues to rise.

Investments in EVs globally already exceed $90 billion, and virtually all the major automotive manufacturers have announced plans to roll out many more models of hybrids and EVs. Some companies, including GM, Daimler, Jaguar Land Rover and Volvo, have announced plans to electrify their entire vehicle lineups.

Shareholder Activism

Sustainvest Update

Let's just chalk up 2017/18 as a tough year for Sustainvest's shareholder filings. All 3 proposals that we submitted for inclusion into proxy statements have be excluded by the companies and the SEC. The most surprising proposal that was rejected by the SEC was the Dunkin Donuts item discussing the use of wasteful K-Cups in their business. Last year this resolution received over 13% Yes votes in favor of. For the first time in over 20 years, a proposal that should automatically be put onto the proxy statement the following year (2018), the SEC allowed it to be rejected by the company. Perhaps a sign of the times with our current administration.

Both our Apple Inc. proposal on climate control at their retail shops and our Anthem Inc. proposal on issuing a sustainability report were also rejected by the SEC.

We will have to roll up our sleeves and come back with stronger arguments for the 2019 proxy season.

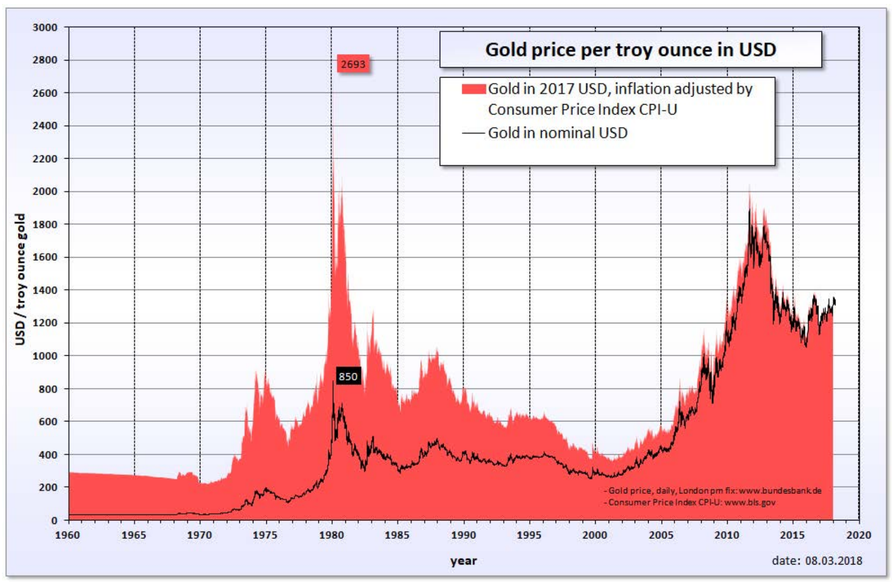
"Keurig Green Mountain last year sold more than 9 billion of its traditional single-serve plastic coffee pods — or K-Cups. Precisely zero could be easily recycled."

Other Activism TidBits

Exxon Mobil defeated a lawsuit by investors in its 401(k) plan accusing the company of violating federal benefits rules because it allegedly knew its stock had become artificially inflated because of fraud and misrepresentation related to climate change research. A Texas judge held March 30 that the investors failed to allege sufficient facts to bring their claim, but gave them leave until April 30 to amend their complaint.

New York City Comptroller Scott Stringer made a statement asking Facebook founder Mark Zuckerberg to step down as chairman and make way for new oversight of how the company protects user data. The city's pension funds own about $895 million of stock in the social media giant. Stringer said a board revamp is needed to restore investor confidence following the breach involving Cambridge Analytica.

Zuckerberg will testify before Congress in April for the first time ever, answering politician's questions over user privacy, this Cambridge privacy breach and the discover of Russian election meddling on Facebook.



Continued of ECONOMY from page 1

While unnerving at times, we continue to believe the economic and earnings environment should support a continuation of this bull market for this year, albeit with more volatility and some elevated risks. We will continue to search for value (where it can be found) and at the same time maintain client allocations that fit their profile. For clients allocated more towards fixed income, we are starting to see some better interest rates out there helping to fund those retirement expenses. We will continue to slightly shift away from US equities and into more global markets as valuations seem a bit more reasonable. Cash and Gold (chart above) also may mitigate a bumpier road and give us liquidity to hop on opportunities if they are presented.

Greeny of the Quarter

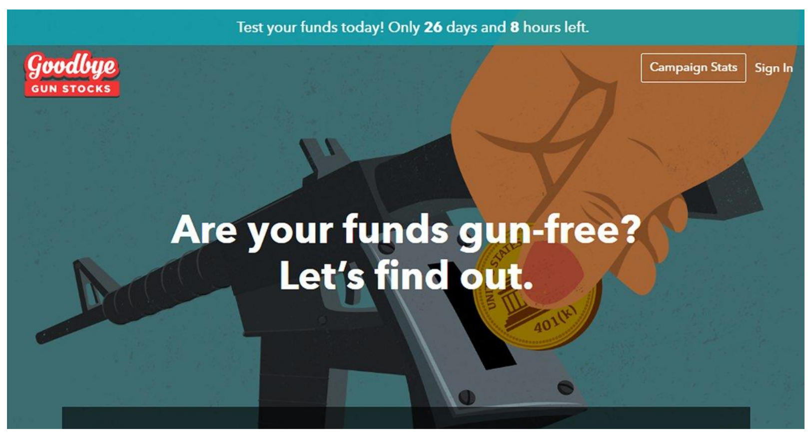
With daily news of mass shootings taking place here in the states it has become clear that something has to be done about this problem. It has been amazing to watch how strong-footed the youth movement has been and continues to show their weight to be sure that steps are taken to make our schools safer. Companies like Hertz, MetLife and Delta all stepped up to the plate making announcements to end their partnerships with the National Rifle Association.

One organization that is helping investors make the decision to get out of gun stocks is **Goodbye Gun Stocks**. Goodbye Gun Stocks is a member of the Campaign to Unload coalition, a partnership of more than 50 organizations that have united to hit back at irresponsible gun makers where it hurts: their sources of funding. The website makes it very simple for any investor to type in the name of an investment fund they own to see if they are supporting any gun manufacturers.

Own the Vanguard Dividend Appreciation Fund? You own a 3.5% stake in gun manufacturers. Some investors may think that selling stock in a company isn't going to make a difference. We think otherwise.

Calls to divest from Remington, which made the AR-15 used in Sandy Hook, are one factor that pushed the company into bankruptcy. Cerberus, the investment firm that owned the largest stake in the company, decided to sell the company "amid pressure from investors revolted by the carnage" in Sandy Hook. CalSTRS — the California State teachers retirement fund — sold off its stake in publicly traded gun manufacturers, including Sturm Ruger and American Outdoor Brands (formerly Smith & Wesson) in 2013.

Sustainvest clients have already taken the step to divest from these gun manufacturers. If you haven't ask us how!



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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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1% FOR THE PLANET MEMBER