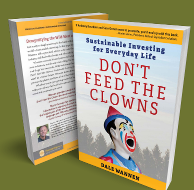
SUSTAINVEST
ASSET MANAGEMENT, LLC

1st Quarter 2023

Your Investments. Your Planet. Your Choice.

Inside

Book Release!
More Info on Page 4...



Economy

The year of the rabbit is upon us, which supposedly should bring longevity and prosperity with it. One could say this a good sign for the markets, but then again, we most likely shouldn't depend on Chinese zodiacs to guide how we invest. Instead, it is clear that diversification amongst various asset classes can sure make a portfolio ride the ups and downs a bit more smoothly. In the face of a banking crisis that has yet to work itself out and large tech firms laying off thousands to prepare for higher interest rates, one could say that at this moment, being diversified across assets like international stocks and yes, bonds, could prove helpful. For this first quarter of 2023, we saw the S&P 500 go up 7.05%, the NASDAQ return 16.77%, and the US Aggregate Bond market return 2.5%. Considering the Fed has raised rates nine times in the last 12 months this market is showing some resiliency and stability. With the price of oil dropping from $100 a barrel a year ago down to about $70 (down 30%) one could assume that inflation will settle and the markets will do their thing. Not to toot the sustainable horn, but the go-to sustainable index fund DSI was up 8.64% outpacing the S&P by 1.5% so far this year. To hammer home the diversification part of investing, international stocks or the Schwab International Index Fund (SWISX) is up 9% beating US markets in Q1. Gold (GLD) was up 8% in Q1. The Global X Autonomous & Electric Vehicle ETF (DRIV) was up about 20% in Q1, perhaps giving us a glimpse of what's to come for electric vehicle

continued page 3...

Companies Committed

First off, we are not recommending investing in any of the following oil companies. This is just to shed light on what some of these firms are doing when it comes to spending monies on renewables.

The process of screening out fossil fuel companies has been on the mind for sustainable investors for many years. Most Sustainvest clients are completely free (or at least minimally allocated to big energy). But perhaps there will be a day when investors will actively invest in fossil fuel companies because of the fact that most of their revenue comes from clean energy? I often say, "Who knows, maybe McDonalds will be the most sustainable company in the world one day." Not holding our breath though. Just a thought.

All of that said, the following is a list of certain energy companies and what their commitment to renewables looks like.

BP- Plans to spend 40% of its annual budget on lower carbon generation sources like wind and biofuels by 2025.

Chevron-Shelling out about 10% of its annual spend on low-carbon efforts costing about $10 billion to 2028.

Exxon Mobil-Spending about 11% of its budget or $15 billion in areas like carbon capture through 2027.

Shell-Looking to spend up to 50% of its expenditures on wind and solar by 2025--higher then comps.

Total Energies-Targeting 30% of its expenditures to install over 30 gigawatts of renewables.

At the current point, it isn't fathomable that sustainable investors are seeking to invest in these companies, but keeping an eye out on their progress helps. Even Darth Vader and Maleficent turned good at one point. We shall see.

Note: Sustainvest does not have a position in these companies

SUSTAINVEST ASSET MANAGEMENT
215 Western Avenue, Suite B
Petaluma CA 94952
@Sustainvest1

Education

Donor Advised Fund: What is It?

With life passing by and elders leaving behind estates, many beneficiaries of large portfolios are left with new assets and with that, perhaps large taxable gains. After feeling very fortunate for their financial gains, many investors may start to look for ways to “push off” significant capital gains. Though one could just gift away their Apple or old Exxon stock, there are a few options out there that may create a longer lasting legacy. One of these items is a donor advised fund or "DAF". This vehicle allows donors to make a charitable contribution, receive an immediate tax benefit and then gift grants to non-profits of their choosing from the fund over time.

Here at Sustainvest, we manage DAFs on behalf of clients. If the invested amount exceeds $250,000 you can have an advisor like Sustainvest act as the investment manager and therefore be able to utilize impact and sustainable investing for your holdings along with guidance on granting. They are extremely simple to create and Schwab makes gifting to any 501c3 seamless as well.

"The most important quality in investing is temperament, not intellect."

-Warren Buffett

Besides a DAF, a private foundation is a nonprofit organization which is usually created via a single primary donation from an individual or a business and whose funds and programs are managed by its own trustees. A private foundation is a freestanding legal entity over which the donor retains complete control, generally with higher fees to manage. With a private foundation, there is an oversight board along with an attorney needed to create the entity. With a DAF, often managers talk about the 3 G's-

1. **Give**-Make the $ gift into the DAF you create. You then receive a taxable deduction for doing so.

2. **Grow**-Invest the funds with an advisor like Sustainvest (over $250,000) and work with your manager to include your values with the portfolio. This could be stocks in renewable energy, bonds that invest in "green" inititatives, or community investing through Calvert Foundation impact note.

3. **Grant**-Annually speak with your family and your advisor about what non-profits match your values and then make the grants to those 501c3's.

Donor advised funds do not have minimum payout requirements unlike a private foundation which mandates gifting 5% away annually. For these many reasons, DAFs have grown in popularity against private foundations. We do find that with clients, they actually gift more from their DAF then the required 5% (being more generous) even though this is not required. With DAFs and sustainable investing becoming more and more popular, making it seamless and simple will be a priority to firms like Schwab and Sustainvest. Please always consult a tax consultant if this form of investing and tax deduction is for you. DAFs can be held indefinitely allowing account holders to "pass the torch" onto their heirs to continue the legacy of gifting.

Shareholder Activism

Politicians Misunderstood on ESG

In recent news, there has been a lot of press around politicians that are denouncing ESG. Representative Andy Barr of Kentucky brought this topic to the attention of many as he introduced a bill that basically said employers with 401k plans should not be concerned with ESG issues when it comes to retirement plans for their employees. He warned that having ESG funds in a lineup would ultimately saddle Americans with higher fees for less-diversified investments in lower-performing portfolios. He, of course, is incorrect. Remember, just because an employer offers ESG choices, they also offer non-ESG funds as well, giving employees the right to choose. I manage a handful of 401k's for non-profits and small businesses and always let the employees decide whether they want sustainable or not. Congress did end up passing Mr. Barr's bill, but President Biden quickly vetoed the resolution. This is the first veto of Biden's administration. As many of you can attest to, there are a plethora of financial reasons why ESG should be part of an investment decision, not the opposite and those that shun this are only doing so for ulterior motives.

2023 Proxy Preview Out

The new Proxy Preview is out! Proxy Preview is the most comprehensive data on hundreds of shareholder resolutions including environmental, corporate political spending, human rights, diversity, sustainable governance issues, and many more. As a firm that files shareholder proposals, we often refer to this preview to see what current trends look like.

This document is a collaboration between three organizations including As You Sow, Sustainable Investment Institute and Proxy Impact.

It has been quoted that the proxy preview is the "bible for socially progressive foundations, religious groups, pension funds, and tax-exempt organizations". If your non-profit organization is interested in pushing forth your values a step beyond, this is a good start. For more information go to https://www.proxypreview.org/

Economy continued from page 1

plays over the next few years.

We all have had enough news regarding the recent bank "debacle". My skin still boils when I think of what happened and how the 15th largest bank, based in the wealthiest place in this country, collapsed in literally two days. But it is what it is. Individual transactions each amounting to tens to hundreds of millions left this bank via rapid online wire transfers and bank links erasing 40 years of work in a snap—all due to the fact that SIVB simply just wasn't diversified enough outside of long duration bonds that they had to quickly sell to cover their losses. Perhaps the lack of community aspect in a valley that prides itself on not only innovation, but he or she who acts fastest wins contributed as well. The authorities that be did step in to cover all deposits but we are still left wondering which regional banks could have the rug pulled out, if any. Let's hope zero. As I have said before, I am all for the Fed creating a more normal rate environment (30 year fixed mortgage rates sit at 7% and we like 1 year CD's paying 5%) but they must be questioning their decision to raise rates in such a quick pace to collapse the balance sheets of a few large banks. Oddly enough, with investors searching for alternatives to the banks, there has been a run to cryptocurrency. Coinbase (COIN), a stock involved in crypto infrastructure was up 90% in Q1, but still down 65% over the last year.

With all this talk about an upcoming recession, one can get lost in the clickbait. Sure, a recession (2 consecutive quarters of negative GDP growth) could show itself with layoffs happening and higher interest rates, but that doesn't mean the stock market will fall. Some called for a recession 4 or 5 months ago, and well, if they sold their stocks then, they would have missed out on this recent rise in values. It can sometimes help to get out of the weeds and look at things with a more macro view. Though no one knows which way this market heads for the next 3 quarters of 2023, below is a chart that shows you the difference between bond and stock market returns annually. Regardless of stock market outperformance, it's clear these two asset classes generally act quite differently each year, with spreads as much as 40% in any given year. Note how "tough" last year was. It is literally the only year where bonds and stocks both were negative. A reversion to the mean must be around the corner.

Year	Bond Agg.	S&P 500	Diff.
2008	5.24%	-36.55%	41.79%
2009	5.93%	26.94%	21.01%
2010	6.54%	14.82%	8.28%
2011	7.84%	2.10%	5.74%
2012	4.21%	15.89%	11.68%
2013	-2.02%	32.15%	34.17%
2014	5.97%	13.52%	7.55%
2015	1.14%	1.38%	0.24%
2016	3.25%	11.77%	8.52%
2017	3.54%	21.61%	18.07%
2018	0.01%	-4.23%	5.23%
2019	8.72%	31.21%	22.49%
2020	3.76%	18.02%	14.26%
2021	-1.50%	28.47%	29.97%
2022	-13%	-18%	5.00%

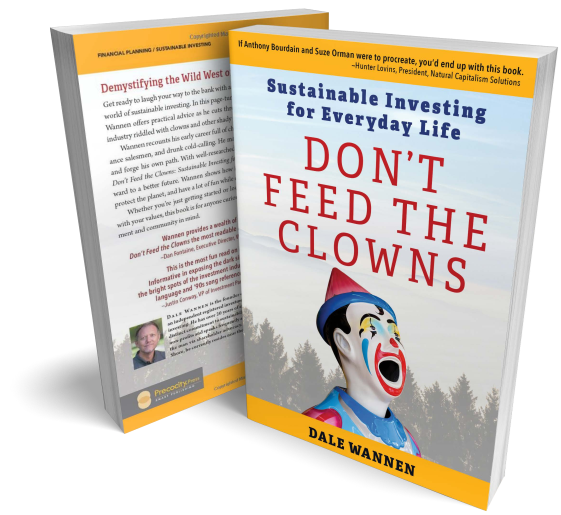
Greeny of the Quarter

It's finally out. After all of the book coaching zoom sessions (thanks Sara Volle and Susan Shankin) and late nights writing after actually working, Dale Wannen, owner of Sustainvest Asset Management, finally completed his first book. Through a lens of sustainability, Wannen illuminates current and interesting topics including shareholder proposals, the metaverse, cryptocurrencies, impact investing, and how robots are entering our lives. He also describes the lurking "clowns" existing in the dark corners of the investment industry and what to watch out for. Below are some words about his purpose for doing so.

"My purpose for writing this book came from a few different feelings I held deep in my loins for a long time. The first one is that as an investment advisor/person associated with the stock market, I am always lumped into this category of someone who drives their Porsche around town and is quick with a pen and contract in my back pocket to sell people insurance policies or expensive investment products. This is not me. Though I can go toe to toe with any multi-billion dollar hedge fund on the topic of PEG and Sharpe ratios, believe me, I would rather talk about the Phillies or the release of Pliny the Younger craft beer. All investment folk are not created the same and there are some out there who tell it how it is, something that is hard to come by these days.

The second reason I wrote this book is really about saving the polar bears and my children's future on this planet. Sustainable investing gets pooh-poohed all the time and that is only due to the suit and tie investment folk out there who simply don't understand it. They are scared that clients will expose this fact and instead of saying, "Sorry, that's not my specialty," they say, "You shouldn't do that as it's for crazy people." This book is a wake-up call for investors to run away from the "clowns" who say this. Your next of kin's future is dependent on these behemoth corporations in which our 401(k) plans are invested."

Throughout the book, Wannen shares colorful personal stories from his years in the investment industry that will keep readers laughing, even as they learn solid investment strategies that will help them implement his practical advice around sustainable investing. He uses light-hearted chapter titles such as "Hippies and Cowboys Hug it Out", "$36,000 to Click Sell Buttons" and "The Art of Shareholder Activism".



Dale will be doing a book reading discussion (and offering first drink for free!) at a local cafe in Petaluma, Aqus Cafe, on Wednesday, May 10th at 5:30pm if anyone is inclined to hear about this endeavor.

One can grab their very own copy of the paperback by visiting **www.dalewannen.com**

And thank you for the support! This book is rather personal but everyone kept saying that with all of the talking that I do about the topic, I might as well write a book about it! --Cheers

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

SUSTAINVEST
ASSET MANAGEMENT, LLC
215 Western Avenue, Suite B
Petaluma CA 94952
@Sustainvest1

If printed, please use recycled/reused paper!