



## Item 1: Cover Page

Sustainvest Asset Management, LLC

215 Western Avenue, Suite B  
Petaluma, CA 94952  
(415) 244-5003

[www.sustainvest.com](http://www.sustainvest.com)  
[www.sustainfolio.com](http://www.sustainfolio.com)

March 26, 2019

Investment Advisory Disclosures Form ADV Part 2A  
ADV Part 2B: Brochure Supplement

This Brochure provides information about the qualifications and business practices of Sustainvest Asset Management, LLC (SUSTAINVEST). If you have any questions about the contents of this Brochure, please contact us at 415-244-5003. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Sustainvest Asset Management, LLC is a registered investment adviser located in Petaluma, California. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Sustainvest Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD number, **166685**.

## Item 2: Material Changes

In the future, this section will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Dale Wannan at (415) 244-5003. Our Brochure is also available on our web site [www.sustainvest.com](http://www.sustainvest.com), free of charge.

## Item 3: Table of Contents

### Contents

Item 1: Cover Page .....	1
Item 2: Material Changes .....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	7
Item 6: Performance Based Fees and Side by Side Management .....	8
Item 7: Types of Clients .....	8
Item 8: Method of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9: Disciplinary Information.....	12
Item 10: Other Financial Industry Activities and Affiliations.....	12
Item 11: Code of Ethics.....	13
Item 12: Brokerage Practices .....	14
Item 13: Review of Accounts .....	18
Item 14: Client Referrals and Other Compensation.....	18
Item 15: Custody .....	18
Item 16: Investment Discretion .....	19
Item 17: Voting Client Securities .....	20
Item 18: Financial Information.....	21
Item 19: Requirements for State Registered Advisers.....	21
ADV Part 2B Brochure Supplement.....	22

Dale Wannan

## Item 4: Advisory Business

Sustainvest Asset Management, LLC (SUSTAINVEST) is a Petaluma-California based investment advisory firm specializing in sustainable and responsible investing (SRI), an investment strategy that seeks to maximize both financial return and positive social and environmental impact. SUSTAINVEST offers discretionary portfolio advisory and investment management services to individuals, trusts, estates, charitable organizations, foundations, corporations and other business entities. SUSTAINVEST's principal owner and manager is Dale Wannan. The firm started operations in April of 2013.

### I. Discretionary Portfolio Advisory and Investment Management Services

Discretionary Portfolio Advisory and Investment Management Services represent the core of our practice. These services are provided in accordance with each client's financial objective, risk tolerance and social investment criteria. Under our management agreement, we generally hold a limited power of attorney to act on a discretionary basis with client securities subject to any restrictions the client may place on individual securities or types of securities. Client assets are deposited with a qualified custodian. Our current custodian for client assets is Charles Schwab and Co.

We emphasize, but are not limited to, investments in stocks, bonds, mutual funds and exchange traded funds (ETFs). Stocks held in client accounts consist primarily of large cap domestic stocks, domestic mid-cap stocks, small-cap stocks and international equities. Only equities that pass our social screens and meet our financial criteria are included in our client's portfolios. We also use fixed income vehicles in accounts. Securities in this asset class may include corporate and municipal bonds, U.S. government and agency securities, convertible debentures and socially screened bond funds. All corporate bonds must be issued by companies that have passed our social screens. We also use a select group of SRI mutual funds and ETFs to provide clients with greater diversification in domestic small-cap stocks, foreign stocks, and fixed income. We may purchase commodity or currency ETFs to hedge against inflation and a decline in the value of the U.S. dollar. SUSTAINVEST does not invest in derivatives, short stock, or generally trade on margin.

SUSTAINVEST tailors its discretionary portfolio advisory and investment management services to the individual needs of clients. Due to this custom approach, clients may impose restrictions on investing in certain securities or types of securities.

SUSTAINVEST does not sponsor or participate in any type of wrap fee program.

As of March 26, 2019, SUSTAINVEST had approximately 210 accounts with approximately \$42,714,372 in discretionary or non-discretionary assets under management.

## **II. Financial Planning or Consulting Services**

When requested by the client, SUSTAINVEST will provide financial planning or consulting services. These services may include advice pertaining to investment selection, portfolio asset allocation, retirement planning, college planning, risk management, etc. SUSTAINVEST services do not include preparation of any kind of income tax, gift or estate tax returns or preparation of any legal documents, including will or trusts. These services are generally used by clients who prefer to manage their own portfolio or for any other reason do not wish to have it managed by SUSTAINVEST. This fee is billed in arrears and due in a timely manner after the services have been completed.

## **III. Sustainfolio Accounts**

In 2018, Sustainvest launched the Sustainfolio platform. Sustainfolio ("the Program") is an automated investment program through which clients, who decide to work with Sustainvest through this means, are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds (ETFs) and a cash allocation. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co (CS&Co.). We use the Institutional Intelligent Portfolios platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provided to independent investment advisors and an affiliate of CS&Co., to operate the Program.

Prior to opening an account, a client will complete a questionnaire on the website, which once completed will suggest the most appropriate model based on the answers provided by the client that pertained to the client's investment objectives, risk tolerance, and investment time horizon. If the client decides to open an account with Sustainvest, the client will complete an application and receive new account forms online, including an investment advisory agreement, Sustainvest's Form ADV Part 2 brochure and a privacy policy.

We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The system also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting.

We charge clients a fee for our services as described below under *Item 5 Fees and Compensation*. Our fees are not set or supervised by Schwab. Clients in this Program do not pay brokerage commissions or any other fees to CS&Co. as part of the program. Schwab does receive other revenues in connection with the Program.

We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Program.

## Item 5: Fees and Compensation

### I. Discretionary Portfolio Advisory Services

The standard annual investment management fee for accounts is:

#### Discretionary Portfolio Advisory Accounts

•	Accounts with less than \$100,000	1.00%
•	\$100,000 to \$1 Million	0.75%
•	Next \$2 Million	0.50%
•	Next \$2 Million	0.40%
•	Over \$5 Million	0.25%

### II. Sustainfolio Accounts

•	All Accounts	0.50%
---	--------------	-------

Non-profit organizations (501c3) are given a 10 basis point reduction in management fees for Discretionary Portfolio Advisory Accounts.

The foregoing asset-based fees are payable in arrears at the end of each calendar quarter. SUSTAINVEST causes such fees to be deducted directly from the client's assets upon written notice to the client. If SUSTAINVEST provides service for less than one full calendar quarter, it will pro-rate its fee based on the number of days of the quarter SUSTAINVEST provided its services.

SUSTAINVEST cannot use its fiduciary authority to increase advisor compensation. The fee negotiated upon account opening will remain intact. Either SUSTAINVEST or the client can terminate the client's investment management agreement upon written notice at any time, and if a client terminates an agreement within five (5) business days after signing the agreement, SUSTAINVEST charges no fees for the period between signing and terminating. SUSTAINVEST may hold mutual funds and ETFs in client accounts to provide greater diversification among and between asset classes. All efforts are made to select no-load funds. All mutual funds have fees associated with their management, and some funds also charge a distribution or services fee (i.e. 12b-1) to cover marketing costs. Clients pay these fees when SUSTAINVEST purchases mutual funds in their accounts. Clients also pay all brokerage, transaction and custodial expenses that incur as a result of our management of their portfolio. SUSTAINVEST or any supervised persons does not accept compensation for the sale of securities or other investment products. Please see *Item 12* for more information on our brokerage practices.

### **Investment Management Consulting Services**

In addition to our discretionary portfolio advisory services, SUSTAINVEST also provides investment management and consulting services to clients on an hourly basis for a fee of \$150/hour. These services are generally used by clients who prefer to manage their own portfolio or for any other reason do not wish to have it managed by SUSTAINVEST. This fee is billed in arrears and due in a timely manner after the services have been completed.

We believe SUSTAINVEST's fees are competitive with those charged by other investment advisors for comparable services. However, lower fees for comparable services may be available from other sources.

Per Sustainfolio, and as described in *Item 4 Advisory Business*, clients do not pay fees to SPT or brokerage commissions or other fees to CS &Co. as part of the Sustainfolio Program. Schwab does receive other revenues in connection with the program. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.

## **Item 6: Performance Based Fees and Side by Side Management**

Our discretionary portfolio advisory clients pay the foregoing asset-based fees only. They do not incur performance-based fees.

## **Item 7: Types of Clients**

As discussed above in Item 4, SUSTAINVEST provides discretionary portfolio and investment management services to individuals, trusts, estates, charitable organizations, foundations, corporations and other businesses. We generally require new Discretionary Portfolio Advisory Accounts clients to have a minimum investment portfolio of \$100,000 to open an account (Sustainfolio platform minimum of \$5,000). We reserve the right to waive these minimums.

Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporation and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974 are not eligible for the Sustainfolio Program. The minimum investment required to open an account in the Program is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

## **Item 8: Method of Analysis, Investment Strategies and Risk of Loss**

### **Method of Analysis**

SUSTAINVEST uses both internal and external sources to conduct sustainable and financial research on securities. Internal financial research involves using analytical methods to determine the underlying value of a company's stock, as well as analyzing a number of quantitative measures, such as valuation (e.g. price-earnings/PEG ratio), growth performance (earnings per share, revenues and free cash flow), return on capital and various debt metrics, such as current ratio or debt to equity to identify potentially undervalued stocks and/or stocks with good growth potential. Internal research on social screening and environment, social and governance (ESG) criteria involves reading reports published by independent social investing organizations and reading corporate sustainability reports. External research on financial issues is obtained using data provided by our custodian.

## Investment Strategy

Any investment advice provided is based mainly upon the long-term investment strategies and principles of Modern Portfolio Theory. This theory favors a long-term buy and hold philosophy with a “passive” approach to investing with asset allocation at its core. After obtaining an understanding of the client’s financial situation, SUSTAINVEST develops an asset allocation that is designed to help the client achieve their financial goals while minimizing risk exposure. There are two types of investments that make up the majority of our client’s portfolio assets; equities and fixed income. Our equities sector primarily includes individual stocks of large cap domestic companies, mid-cap stocks, small-cap stocks and foreign ADRs may be included in a portfolio if they meet the client’s financial needs and social goals. The equities sector may also include sustainably screened mutual funds and ETFs to provide greater diversity. Our fixed income sector includes mainly investment-grade corporate and municipal bonds, U.S. government and agency securities, convertible debentures, preferred stocks, and socially screened mutual bond funds and ETFs. All corporate bonds and preferred stocks are issued from companies that have passed our social screens. We do not invest in derivatives or short stock, or trade on margin.

SUSTAINVEST offers three asset allocation models to fit the risk tolerance of our clients. The growth model is for clients with a long-term investing horizon who are primarily interested in investing for capital appreciation. The balanced model is for more conservative clients with a medium to long-term investment horizon interested in generating income with some capital appreciation. The income model is for clients who are primarily interested in preservation of principal and generating income from investments. All three models can be varied to fit the individual client’s risk tolerance.

SUSTAINVEST maintains a list of mutual funds, ETFs and individual securities which is updated on a regular basis. Securities from our proprietary list are the basis for developing our stock allocation for our clients, dependent on value of the account. Some portfolios may hold between 15-25 stocks at any one time along with mutual funds and ETFs, however for smaller accounts, mainly sustainably screened mutual funds and ETFs are used. The social and financial screening process at SUSTAINVEST consists of three phases. First, we use negative screens (exclusionary criteria) to eliminate all companies that negatively impact our communities. These screens could include:

- Manufacture tobacco products
- Fossil Fuel Companies
- Manufacture weapons
- Manufacture nuclear power
- In constant violation of environmental and banking regulations
- Produce genetically modified seeds
- Revenues derived from the gambling industry
- In consistent violation of human rights of workers
- Are non-responsive to shareholder communications
- In consistent violation of treatment of animals in their practices

- Are in violation of discrimination laws on the basis of race, ethnicity, and sexual preference

Second, we evaluate the environmental record, social impact, and corporate governance practices of potential companies to identify sustainable leaders within each sector of the stock market (inclusionary criteria). Positive screening embraces the idea of sustainability, whether environmental or humanitarian, and is potentially an added component when evaluating a company's long-term potential to compete and succeed. These criteria could include:

### **Governance and Ethics**

- Have diverse boards
- Publish sustainability reports
- Align the interests of management and boards with shareholders
- Promote the economic advancement of women and ethnic minorities
- Give generously to charitable causes

### **Environment**

- Demonstrate leadership in addressing climate change
- Full disclosure of environmental risk and liability and are taking actions to minimize
- Have strong pollution prevention programs

### **Workplace**

- Demonstrate diversity policies and fair treatment of employees
- Support employee health and safety policies
- Bargain fairly with employees

### **Product Safety and Impact**

- Produce goods that enhance quality of life
- Maintain quality control and respond quickly to correct problems
- Demonstrate integrity in their labeling and advertising

### **Community Relations**

- Develop programs that help neglected populations
- Show a solid commitment to the communities in which they operate

After the screening process is complete, we then analyze the financial strength of the top performing sustainable companies (as stated above in Method of Analysis and Investment Strategy). Only stocks that have consistent earnings growth along with a proper valuation for long-term sustainable growth potential are included on the list.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. The principal risks of our investment strategies include:

*Management Risk*-Our ability to meet the portfolios' investment objectives is directly related to our investment strategies. The value of our client's account may vary with the effectiveness of

our research, analysis and asset allocation among portfolio securities. If our investment strategies do not produce the expected results, our client's account assets could be diminished or even lose value.

*General Market Risk*-The market value of a security may move up or down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industry, or sector of the economy or the market as a whole

*Equity Market Risk*-Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors including: expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic and banking crises.

*Large-Capitalization Company Risk*-Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Also, large capitalization ("large cap") companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion.

*Mid-Capitalization and Small-Capitalization Company Risk*-Generally, mid-capitalization ("mid-cap") companies may have more potential for growth than large-cap companies. Investing in mid-cap companies, however, may involve greater risk than investing in large-cap companies. Mid-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies and therefore their securities may be more volatile than the securities of larger, more established companies, making them less liquid than other securities.

*Risk Relating to Investment in International Companies*-Investments in international companies involve certain risks not generally associated with investments in the securities of U.S. companies including changes in currency exchange rates, unstable political, social and economic conditions, a lack of adequate or accurate company information, differences in the way securities markets operate, less secure international banks or securities depositories than those in the U.S. and foreign controls on investment.

*Political Risk*-The value of our portfolios' international company investments may be adversely affected by political and social instability in their home countries and by changes in economic or taxation policies in those countries. Investments in international companies will expose these portfolios to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or countries in which the issuers are located.

*Foreign Currency Risk*-International company investments often are purchased with and make interest payments in foreign countries' currencies. Therefore, if our portfolios invest in international companies, they will be subject to foreign currency risk, which means that the portfolios' values could decline as a result of changes in the exchange rates between foreign country currencies and the U.S. dollar.

*Debt Market Risk*-Debt securities are subject to interest rate risk, credit risk, call risk and liquidity risk, which are more fully described below.

*Interest Rate Risk*-Debt securities are subject to the risk that the securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Debt securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities

*Call Risk*-During periods of declining interest rates, a bond issuer may "call"--or repay-- its high yielding bonds before their maturity dates. We would then be forced to invest the unanticipated proceeds at lower interest rates, resulting in a decline in our portfolios' incomes.

*Credit Risk*-Debt securities are generally subject to the risk that the issuer may be unable to make principal and interest payments when they are due. There is also the risk that the securities could lose value because of a loss of confidence in the ability of the borrower to pay back debt. Lower rated debt securities involve greater credit risk, including the possibility of default or bankruptcy.

## **Item 9: Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SUSTAINVEST or the integrity of SUSTAINVEST's management. SUSTAINVEST has no information applicable to this item and has never been involved in a disciplinary event.

## **Item 10: Other Financial Industry Activities and Affiliations**

SUSTAINVEST does not have a relationship or arrangement with a broker-dealer, investment advisor, bank, accounting firm, lawyer or any other financial institution that that would present a conflict of interest with the needs of our clients.

## **Item 11: Code of Ethics**

SUSTAINVEST has adopted a Code of Ethics in compliance with Rule 204A-1 under the Advisers Act that establishes standards of conduct for our supervised persons. The Code of Ethics includes general requirements that our supervised persons comply with their fiduciary obligations to clients and applicable securities laws. The Code of Ethics is intended to ensure that the financial best interests of the client are always placed above those of SUSTAINVEST, or any officer, director, or employee of SUSTAINVEST. SUSTAINVEST believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel.

SUSTAINVEST's Code of Ethics addresses the following areas of portfolio management and supervisory oversight:

**Business Conduct:** All employees shall observe high standards of commercial honor and just and equitable principles of trade. Employees shall not advise clients in areas in which they lack expertise and/or credentials. Employees shall maintain strict confidentiality at all times.

**Use of Information Obtained in Fiduciary Capacity:** All employees are expected to adhere to SUSTAINVEST's "Privacy Policy" which prohibits the dissemination of information about a client to another person not specifically authorized by the client to receive information.

**Influencing or Rewarding Employees of Others:** No employee shall directly or indirectly, give or permit to be given anything of value, including gratuities in excess of fifty (\$50) dollars per individual per year to/from any person, principal, proprietor, employee, agent or representative of another person, where such payment or gratuity is in relation to the business of the employer of the recipient of the payment or gratuity.

**No Guarantee against Loss:** No employee shall guarantee a client against loss in any managed account of such client. The risk of investment belongs with the investor. It shall not be stated or suggested in any way that there is any guarantee against loss and the inherent risk to the customer must be made clear.

**Insider Information:** All employees are prohibited from trading, for themselves, SUSTAINVEST, or any client, in any security while in possession of material, non-public (inside) information concerning that security or its issuer.

**Appropriateness of Investments:** SUSTAINVEST employees shall, when making an investment recommendation or taking an investment action for a specific portfolio or client, consider its appropriateness and suitability for such portfolio or client. In considering such matters, the employee shall take into account (1) the client's investment objectives and restrictions, (2) the needs and circumstances of the client, (3) the basic characteristics of the investment involved, and (4) the basic characteristics of the total portfolio.

**Material Financial Interest:** SUSTAINVEST does not trade securities for clients in which SUSTAINVEST or any of its related persons has a material financial interest.

**Employee Trading Policy:** Under our Code of Ethics, SUSTAINVEST employees may personally invest in securities held in our client's accounts. This could present a conflict of interest in that SUSTAINVEST employees could buy or sell such securities at times that adversely affect the price received by clients for similar trades. In the event that an employee wishes to trade the same security that has been traded for clients on a specific day, the employee must obtain permission to

do so from the Chief Compliance Officer and will be required to execute that trade for his/her personal account(s) at the end of the trading day on which the approval is given. SUSTAINVEST employees may also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals that we do not deem appropriate to buy or sell for clients. SUSTAINVEST has approved the Code of Ethics. Clients and prospective clients may obtain a copy of our Code of Ethics by contacting Dale Wannan at 415-244-5003 or by email at [info@sustainvest.com](mailto:info@sustainvest.com).

## Item 12: Brokerage Practices

In selecting a broker/dealer or custodian (CUSTODIAN) to effect portfolio transactions for our clients, SUSTAINVEST will take into consideration not only the available prices and rates of brokerage commissions, but other relevant factors that better improve our ability to serve our clients. These factors include:

- the execution capabilities of the brokers and/or dealers
- the research provided by the broker/dealer (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), which are expected to enhance SUSTAINVEST's general portfolio management capabilities
- the level of difficulty in executing online trades
- the quality of the operational facilities and service department
- the expertise of the bond department
- the financial strength and stability of the broker-dealer
- the efficiency of fee and trade error resolution for our clients
- the broker-dealers' willingness to execute related or unrelated difficult transactions in the future
- the broker-dealers' online access to computerized data regarding client accounts
- other matters involved in the receipt of quality brokerage services.

Under this arrangement, CUSTODIAN provides SUSTAINVEST products and services designed specifically for investment managers and their clientele, including, without limitation, product and account services, an electronic securities trading platform, secure online coverage of detailed client account information, and access to a broad range of independent research and information services. CUSTODIAN also provides SUSTAINVEST's clients with monthly account statements, transaction confirmations, reports and other "back-office" and technical support. All SUSTAINVEST client accounts are held at an independent qualified custodian (generally a broker dealer, bank, trust company, or other financial institution). SUSTAINVEST requires clients to open an account with CHARLES SCHWAB AND CO. Member FINRA/SIPC/NFA ("CHARLES SCHWAB AND CO."), a registered broker-dealer. The client will enter into a separate agreement with CHARLES SCHWAB AND CO. to custody the assets. SUSTAINVEST is independently owned and operated and is not affiliated with CHARLES SCHWAB AND CO. By requiring clients to use CHARLES SCHWAB AND CO., SUSTAINVEST believes we may be able to more effectively manage the client's portfolio,

achieve favorable execution of client transactions, and overall lower the costs to the portfolio.

As part of our fiduciary duties to clients, SUSTAINVEST endeavors at all times to put the interests of our clients first.

### **Research and Other Soft Dollar Benefits**

Unless the client requests a specific broker, SUSTAINVEST generally has complete discretion over the selection of the broker to be used for client securities transactions and the commission rates to be paid. In selecting a broker for any transaction or series of transactions, we may consider a number of factors, including, for example, net price, clearance, settlement, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, special execution, offering to us on-line access to computerized data regarding clients' accounts and other matters involved in the receipt of brokerage services generally.

*Benefit from using client brokerage commissions to obtain research or other products and services:* Though we generally do not establish such relationships and except as otherwise expressly agreed with a client, we reserve the right to purchase from a broker or allow a broker to pay for certain research, products or services, including proprietary (*i.e.*, created or developed by the brokerage firm) or third-party research services, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, costs of research conferences, general reports, certain periodical subscription fees, consultations, performance measurement data, on-line pricing, charges for news wire and market data services, quotation services, certain computer software, and the like (a "soft dollar" relationship).

*Incentive to select or recommend a broker-dealer:* If we do engage in soft dollar relationships, our relationships with brokerage firms that provide soft dollar services to us would influence our judgment in allocating brokerage business and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. We would have incentives to select a brokerage firm based on our interest in receiving the research or other products or services rather than on our clients' interest in receiving the most favorable execution. These conflicts of interest would be particularly influential to the extent that we use soft dollars to pay expenses we would otherwise be required to pay ourselves.

*Causing clients to pay commissions higher than those charged by other broker dealers in return for soft dollar benefits:* If we do enter into one or more soft dollar relationships, we may pay a brokerage commission in excess of that which another broker/dealer might charge for effecting the same transaction in recognition of the value of the brokerage, research and other services and soft dollar relationships. In such a case, however, we would determine in good faith that such commission is reasonable in relation to the value of brokerage, research and other services and soft dollar relationships provided by such broker/dealer, viewed in terms of either the specific

transaction or our overall responsibilities to the portfolios over which we exercise investment authority. However, an account may pay higher brokerage commissions than are otherwise available or may pay more brokerage commissions based on account trading activity. In addition, some clients may direct us to use a broker that does not provide soft dollar benefits to us. Nevertheless, the research and other benefits resulting from the brokerage relationship would benefit all accounts managed by us or our operations as a whole as we would not necessarily allocate soft dollar benefits only to those accounts that generated the soft dollar benefits or even proportionally to those that do.

*Products and Services SUSTAINVEST acquired with client brokerage commissions over the past fiscal year:* We did not acquire any products or services with client brokerage commissions during the last year.

### **Brokerage for Client Referrals**

If we do enter into one or more soft dollar relationships, we may select a broker or dealer to execute transactions in recognition of that broker's or dealer's referral of clients, or in anticipation of future referrals. As with soft dollar payments for research or other services or products, in some cases the transaction compensation paid in connection with such a selection might be higher than that obtainable from another broker-dealer who did not provide (or undertake to provide) referrals. However, SUSTAINVEST will always seek "best execution."

### **Directed Brokerage**

If a client directs SUSTAINVEST to use a specific broker other than CUSTODIAN, we will not negotiate the terms and conditions (including, but not limited to commission rates) relating to the services provided by such broker. If a client directs us to use a specific broker, we will not have negotiated the terms and conditions (including, but not limited to, commission rates) relating to the services provided by such broker. The client may not obtain rates as low as it might otherwise obtain if we had discretion to select brokers other than those chosen by the client. The client may not participate in aggregate securities transactions, as described below, and may trade after such aggregate transactions and receive less favorable execution in terms of price or transaction costs. In short, a client's directing of brokerage could cost the client more money. We disclaim any responsibility for obtaining for the client from any such broker the best prices or particular commission rates with or through any such broker.

### **Aggregation of Securities Transactions**

SUSTAINVEST may aggregate orders of more than one client if it is determined that aggregation is in the best interests of the clients. Trade aggregation is usually sought to obtain lower commissions and costs or a better transaction price. When orders are aggregated, the price paid by each account is the average price of the order. Transactions costs are allocated to each client on a pro-rata basis, based upon the ratio of the amount of particular issue of securities

allocated to the account to the overall amount of that issue purchased. SUSTAINVEST may not aggregate securities orders for particular client accounts in cases where it believes that aggregation is inconsistent with the investment objectives and guidelines for the client accounts participating in the trade. In such cases, these clients may receive less favorable execution in terms of price or transaction costs. It is SUSTAINVEST policy that non-aggregated trades are not prioritized in any manner that favors one group of similarly situated clients over another.

Client accounts enrolled in the program are maintained at, and receive brokerage services of, CS&Co., a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co. then we cannot manage the client's account through the Program. CS&Co. may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&CO. provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services—trading, custody, reporting and related services—many of which are not typically available to CS&Co. retail customers. CS&Co. also makes available support services.

CS&Co.'s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. CS&Co. also offers other services intended to help us manage our business enterprise including educational conferences and events, technology consulting, etc.

### **Item 13: Review of Accounts**

Dale Wannan, President and CEO, reviews client accounts on a weekly basis or more frequently if prompted by specified price movements, market conditions or other developments. The valuations of all securities in client portfolios are provided by CUSTODIAN. These values can be accessed by clients in real time online at the custodian's website. SUSTAINVEST reconciles the cash positions of each client account at CUSTODIAN with the cash records maintained in SUSTAINVEST's portfolio management system on a monthly basis. SUSTAINVEST reconciles the total valuation of each client account with the account values maintained in SUSTAINVEST's portfolio management system on a monthly basis. SUSTAINVEST discretionary asset management clients provides clients with a written performance report for their account at the end of each quarter. Sustainfolio Platform clients will only receive account statements directly from CS&Co. Annually, CUSTODIAN provides SUSTAINVEST clients with an end of the year written capital gains report for tax purposes. CUSTODIAN also provides clients with a 1099 showing all taxable interest payments from stock dividends, bond payments, CDs, and other sources of taxable income. Dale Wannan is available at least twice each calendar year to review, preferably in person with each client, the client's investment objective and goals. More frequent meetings will be held at the request of clients. Upon a client's written request, SUSTAINVEST will consult with a client's accountants or tax preparers to coordinate these objectives and goals with the client's tax planning.

### **Item 14: Client Referrals and Other Compensation**

Although it is not currently our practice, we reserve the right from time to time to employ solicitors to whom we may pay cash or a portion of the advisory fees paid by clients referred to us by those solicitors. In such cases, this practice will be disclosed in writing to each client solicited by the solicitor in compliance with the other requirements of Rule 206(4)-3 under the Advisers

Act. We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Item 15: Custody**

SUSTAINVEST has the right to deduct fees from client accounts to pay for their advisory services. Advisory firms that deduct fees from client accounts are considered to have limited custody of client assets and as such are required to make sure their clients receive a monthly account statement from the broker where their assets are held. To comply with this ruling, SUSTAINVEST checks an alert webpage set up by CUSTODIAN, showing which clients have received statements. SUSTAINVEST also checks to see that statements are available online for clients to access. They will be sent to the email address the client provides to CS&Co. Clients should carefully review those statements promptly when received.

*Maintain Accounts with Qualified Custodians:* We have all client funds and securities, except shares of mutual funds, maintained by a “qualified custodian” (i.e., a bank, registered broker-dealer) in separate accounts for each client. Although we may recommend a custodian, and generally do, the client may choose its own. Shares of mutual funds and exchange traded funds are held by the fund’s transfer agent.

*Periodic Account Statements:* We require each custodian to furnish account statements to our clients no less frequently than quarterly. We also require that this statement, at a minimum, identifies the amount of funds and of each security in the account at the end of the quarter and all transactions in the account during the quarter.

## **Item 16: Investment Discretion**

SUSTAINVEST usually receives discretionary authority from the client in the form of a Limited Power of Attorney (LPOA) at the outset of an advisory relationship. The LPOA gives us the power to select the securities to be bought and sold in the account. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment and social objectives for the particular client account.

When selecting securities and determining amounts to purchase, SUSTAINVEST observes the investment policies, risk tolerance, and any other limitations or restrictions placed on the accounts by the clients for which it advises. Because we engage in an investment advisory business and manage more than one account, there may be conflicts of interest over our time devoted to managing any one account and the allocation of investment opportunities among all accounts managed by us. We attempt to resolve all such conflicts in a manner that is generally fair to all of our clients. We may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any particular client so long as it is our policy, to the extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to other clients. We are not obligated to acquire for any account any security that we or our employees may acquire for our or their own accounts or for the account of any other client, if in our absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

## Item 17: Voting Client Securities

SUSTAINVEST may vote proxies in advisory accounts unless the client reserves the right to vote his/her securities. Proxies over which SUSTAINVEST has voting authority shall be voted in a manner consistent with SUSTAINVEST's social and economic criteria and the best economic interest of the client.

The following is a summary of the guidelines used by SUSTAINVEST to vote client proxies.

**1. Director Related Issues:** SUSTAINVEST will generally vote for any shareholder proposal that favors independence of directors, and allows for maximum control, by shareholders (as opposed to management), of the composition and tenure of the Board of Directors.

**2. Auditors:** SUSTAINVEST will generally vote to allow shareholders to elect the auditors of a corporation. SUSTAINVEST will generally vote against the ratification of existing auditors.

**3. Executive and Director Compensation:** SUSTAINVEST will always vote for increased disclosure of compensation and against any shareholder proposal that favors highly compensated executive and upper level management personnel at the expense of lower paid personnel. This category would include option grants, stock-based incentive plans, golden parachutes, and ESOPs.

**4. Social and Environmental Proposals:** SUSTAINVEST will vote for proposals to add women and minorities to boards, and the inclusion of language in EEO statements barring discrimination on the basis of sexual orientation. SUSTAINVEST will vote in favor of shareholder proposals to implement human rights standards and workplace codes of conduct both in the United States and abroad. Shareholder proposals seeking greater disclosure on environmental practices will be supported, including the adoption of the CERES Principles. SUSTAINVEST will vote for shareholder proposals to label products that contain genetically modified organisms ("GMO"), and/or to phase out the use of GMOs.

**5. Capital Structure:** SUSTAINVEST evaluates capital structure issues on a case by case basis, but generally votes in favor of proposals that strengthen the company's balance sheet and encourage market liquidity.

**6. Voting Structure:** SUSTAINVEST generally votes in favor of the adoption of cumulative voting and confidential voting, including the use of independent tabulators and inspectors.

**7. Proxy Contest Defenses / Takeover Defenses:** SUSTAINVEST will vote against any proposal to prohibit shareholder ability to call special meetings and for proposals that seek to remove anti-takeover provisions. SUSTAINVEST will favor proposals that allow shareholders equal access to information and are generally shareholder-friendly.

**8. Mergers and Corporate Restructurings:** SUSTAINVEST will vote on a case by case basis, using best judgment to determine whether the proposed merger / restructuring / reorganization is in the best interests of the shareholders and employees of the corporation. A client may instruct us by phone or in writing if the client wants to direct our vote in a particular proxy solicitation. If a material conflict of interest over proxy voting arises between us and a client, we will vote all proxies in accordance with the policy described above. If we determine that this

policy does not adequately address the conflict of interest, we will notify the client of the conflict and request that the client consent to our intended response to the proxy solicitation. If the client consents to our intended response or fails to respond to the notice within a reasonable period of time specified in the notice, we will vote the proxy as described above. If the client objects to our intended response, we will vote the proxy as directed by the client.

## **Item 18: Financial Information**

We are required in this Item to provide you with certain financial information or disclosures about SUSTAINVEST's financial condition. SUSTAINVEST has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, and has not been the subject of a bankruptcy proceeding. SUSTAINVEST does not require prepayment of more than \$500.00 in fees from clients more than six months in advance of services.

## **Item 19: Requirements for State Registered Advisers**

SUSTAINVEST's executive officer is Dale Wannan. Education and business background may be found in the ADV Part 2B Brochure Supplements, attached to this Brochure. SUSTAINVEST's principal business is offering investment advice and providing investment management services. Neither SUSTAINVEST nor its employees have been involved in any arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding. SUSTAINVEST or its employees do not have any relevant material relationships with issuers of securities.

All material conflicts of interest regarding us, our representatives and employees which could reasonably be expected to impair our rendering of unbiased and objective advice are disclosed herein.

## ADV Part 2B Brochure Supplement

### Item 1: Cover Page

#### Dale Wannan, MBA

Sustainvest Asset Management, LLC  
215 Western Avenue, Suite B  
Petaluma, CA 94952  
T: 415-244-5003  
www.sustainvest.com

March 26, 2019

This brochure supplement provides information about Dale Wannan that supplements the Sustainvest Asset Management, LLC Form ADV Part 2A Brochure. You should have received a copy of that brochure. Please contact Dale Wannan at 415-244-5003 or by email at [info@sustainvestmanagement.com](mailto:info@sustainvestmanagement.com) if you did not receive our Brochure or if you have any questions about the contents of the supplement. Additional information about Dale Wannan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 2: Educational Background and Business Experience

Dale Wannan is the President and CEO of Sustainvest Asset Management, LLC. Dale Wannan was a Portfolio Manager at Harrington Investments, Inc. from November 2007 to March 2013. He has held various positions in the financial services industry since 1994 including Financial Advisor with UBS Advisory Services in San Francisco, Personal Banker with First Republic Bank and Financial Specialist with Wells Fargo (previously Wachovia Bank).

#### Educational Background:

Mr. Wannan received his B.A. in Economics from Rowan University in 1998. He received his MBA in Sustainable Business at Presidio Graduate School in San Francisco, California in 2012. He currently holds the Series 65 license and has previously held the Series 6, 7, 63, and 66. Mr. Wannan was born in 1976.

### Item 3: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### Item 4: Other Business Activities

No information is applicable to this Item.

## **Item 5: Additional Compensation**

No information is applicable to this Item.

## **Item 6: Supervision**

As President and CEO, Mr. Wannan is not directly supervised by other persons. Mr. Wannan is subject to SUSTAINVEST's compliance program policies and procedures, including SUSTAINVEST's Code of Ethics.

## **Item 7: Requirements for State-Registered Advisers**

State securities authorities require that SUSTAINVEST disclose if a supervised person has been found liable in arbitration or liable in a civil, self-regulatory organization, or administrative proceeding; or if the supervised person has been the subject of a bankruptcy in the last ten (10) years.

Dale Wannan has not been involved in any of the above activities.