

SUSTAINABLE DEVELOPMENT GOALS



Communication on Progress
Supporting the United Nations Global Compact
Submitted August 2018



This is our **Communication on Progress** in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.

Statement of Continued Support

To our stakeholders:

I am pleased to confirm that SharePower Responsible Investing, Inc. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'R. Torgerson', with a stylized flourish at the end.

Richard W. Torgerson
President and CEO

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Our Company

SharePower Responsible Investing

Our mission is to bring socially responsible investing strategies to individuals, families, small businesses and nonprofits who wish to align their investments with their values. We believe that the best investment program meets the needs of each client, contributes to a just society, and promotes a healthy planet. We are one of very few financial firms in the US that has committed to the United Nations Global Compact, a pledge to commit our resources to further human rights, labor rights, environment and social justice.

Our Founding Circle of Financial Advisors came together to launch SharePower Responsible Investing because we wanted a firm that would support the growth of our practices, always put client interests first, support state of the art SRI products and services, leverage the talents of each member through collaboration and cooperative effort, and not be beholden to any other financial interests from outside shareholders or controlling holding companies. We believe that the more perspectives we incorporate into our business and our investment analysis, the wiser our decisions will be.

Just as our investment choices are made with your clients' financial goals, a just society and a healthy planet in mind, so too should our company contribute. We've committed to the United Nations Global Compact and the UN Sustainable Development Goals. We are a national leader in Green America's Green Business Network, and have sponsored Green America's invaluable Guide to Socially Responsible Investing since 2016.



Cambridge Investment Research

To build a better financial services firm, we wanted to align with the best independent broker/dealer. We investigated broker/dealers the same way we investigate socially responsible companies to invest in. After a

comprehensive two year search evaluating the professional capabilities, social and environmental profiles of the largest and most capable independent broker/dealers in the US, Cambridge Investment Research stood out above the rest. A remarkably clean and exemplary regulatory record showed us that Cambridge lived and breathed their stated corporate goals: Commitment, Integrity, Flexibility, and Kindness. No other financial firm we know of strives for kindness as a corporate mission, and Cambridge's record and conduct shows the talk is walked every day. Cambridge was voted by our peers as the best broker/dealer in the US for several years running.¹

2017 Broker-Dealer of the Year



Investment Advisor magazine, 2017, 2016, 2015, 2014, 2013, 2012, 2010, 2008, 2007, Division IV; 2003, Division III

¹ Investment Advisor magazine, 2017, 2016, 2015, 2014, 2013, 2012, 2010, 2008, 2007, Division IV; 2003, Division III. A broker-dealer becomes eligible for this honor only after a minimum of 10% of its producing rep-advisors cast valid ballots. The ballots rate the broker-dealer in 15 different categories defined by Investment Advisor as relevant challenges and concerns. Broker-dealers receiving the highest marks in each of four are declared Broker-Dealer of the Year. Results are based on experiences and perceptions of participants surveyed in June of each of the years listed. Experience may vary. This recognition is not representative of investment performance or returns of rep/advisors. Visit advisorone.com.

Socially Responsible Investing

Simply put, "socially responsible investing" is the act of applying social and ethical considerations to investment decisions. Today there are generally three different strategies taken by socially responsible investors to apply those standards:

SCREENING (ESG INCORPORATION)

Screening (ESG Incorporation) seeks to understand companies' behavior and impact on environmental (E), social (S) and corporate governance (G) issues, including those companies with a positive impact and excluding companies with a negative impact in your investment portfolio.

SHAREOWNER ADVOCACY

Shareowner advocacy leverages our ownership in companies to influence positively the behavior of those companies through dialogues with companies informally or formally through proxy resolutions.

COMMUNITY INVESTING

Community investing helps disadvantaged communities grow and thrive by directing capital to communities, development banks and small businesses that lack access to traditional financial markets.

Who Decides What Is "Socially Responsible"?

The term "socially responsible" begs the question: *If "socially responsible investing" is the act of applying social and ethical considerations to investment decisions, whose social and ethical considerations?* SharePower advisors have historically taken the position that the investor's own views should be paramount in deciding what is "socially responsible" in their portfolio. To accomplish this we employ a comprehensive social issues questionnaire to help investors define their instructions to us. At the same time, many clients look to us for guidance and ask us to help craft the most responsible and proactive portfolios possible. We start by understanding that 'social responsibility' means being accountable for the effect our investments have on the health and well-being of society and its members (including our clients).

Social Justice and Environmental Stewardship

A recent study funded by NASA by researchers at the Universities of Maryland and Minnesota² surveyed the collapse of all known societies in history and created a predictive mathematical model showing how societies do collapse. Natural resources, wealth and inequality of wealth were the variables found to be relevant. Egalitarian societies tended to prosper. Unequal societies collapsed because of (1) misuse and/or depletion of natural resources and /or (2) violence between economic classes (rich versus poor). The conclusion from this breakthrough research is that to be **socially responsible**, social justice and environmental stewardship are equally important.

Still, no one company such as ours can dictate what social responsibility means for all. Fortunately, we have a blueprint forged by virtually all of the cultures of the world. That blueprint is contained in the United Nations Global Compact and the

² Human and Nature Dynamics (HANDY): Modeling Inequality and Use of Resources in the Collapse or Sustainability of Societies Safa Motesharrei School of Public Policy and Department of Mathematics University of Maryland and National Socio-Environmental Synthesis Center (SESYNC); Jorge Rivas Department of Political Science University of Minnesota and Institute of Global Environment and Society (IGES); Eugenia Kalnay Department of Atmospheric and Oceanic Sciences University of Maryland March 19, 2014

Sustainable Development Goals. Both of these documents are declarations of universal goals common to mankind that offer perhaps the closest thing to a universal definition of social responsibility there is.

The United Nations Global Compact

In 1999, United Nations Secretary General Kofi Annan challenged the global private sector to adhere to 10 principles of human rights, labor rights, environmental protection and anti-corruption. Since then, over 9,500 companies in 170 countries, including SharePower, have pledged to support the Compact and guide their operations by the ten principles. The Principles are:



Human Rights

PRINCIPLE ONE: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND

PRINCIPLE TWO: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Labor

PRINCIPLE THREE: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING;

PRINCIPLE FOUR: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR;

PRINCIPLE FIVE: THE EFFECTIVE ABOLITION OF CHILD LABOR; AND

PRINCIPLE SIX: THE ELIMINATION OF DISCRIMINATION IN RESPECT TO EMPLOYMENT AND DISCRIMINATION.

Environment

PRINCIPLE SEVEN: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;

PRINCIPLE EIGHT: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY; AND

PRINCIPLE NINE: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.

Anti-Corruption

PRINCIPLE TEN: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING EXTORTION AND BRIBERY.

The Sustainable Development Goals

Seventeen sustainable development goals (SDGs) were adopted by all 193 member states of the United Nations in September 2015, and endorsed as a natural expression of the Global Compact by the UNGC. A blueprint for social progress, the SDGs cover issues including poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, urbanization, environment and social justice. The SDGs are:



Goal 1. End poverty in all its forms everywhere



Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Goal 3. Ensure healthy lives and promote well-being for all at all ages



Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Goal 5. Achieve gender equality and empower all women and girls



Goal 6. Ensure availability and sustainable management of water and sanitation for all



Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all



Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Goal 10. Reduce inequality within and among countries



Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable



Goal 12. Ensure sustainable consumption and production patterns



Goal 13. Take urgent action to combat climate change and its impacts



Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

Investors and investment advisors can play a crucial role in supporting the SDGs based upon how they invest and how they engage with their investments.

Can Investors have Real World Impact?

Many in the financial sector differentiate “socially responsible investing” from impact investing, saying the former merely excludes companies from investment while the latter actually directs investment towards enterprises that have a societal or environmental impact. This is a misleading argument, as **all** investment decisions have real world impact. Another common argument is that buying publicly traded securities doesn’t have any impact on the company itself, because it is the securities’ seller that receives your payment, not the company.

This ignores the nature of modern markets and corporate finance. The Law of Supply of Demand in economics says that the price of a good goes up when demand rises or supply falls. The price falls when demand falls or supply rises. When an investor decides to buy a stock, demand for that stock rises. Similarly, when an investor decides to sell, supply of that stock available to buy rises, reducing price. This is not just theory. Today’s professional traders have instant access to any number of “Market Impact Models”, algorithms to predict the effect a particular trade might have on stock price. What’s more, institutional money managers try very hard to enter and exit stock positions with the least price impact possible, using off floor block trades or off exchange trades in dark pools etc. This means the much smaller market orders placed by individual investors have, dollar for dollar, a much greater impact on stock price than larger institutional orders.

Even a small change in stock price has magnified impact on a publicly traded company’s finances. In one typical example, a one penny increase in one major oil company’s stock price increased the company’s executive compensation plan by \$2.1 million, the CEO’s net worth by \$60,000, the market capitalization of the company by \$18.1 million and the value of the stock the company could issue to fund acquisitions, exploration projects or any number of financial uses by almost \$50 million. Just from that one penny increase. Individual investors truly have the power to change the world!

Responsible Investing

Social justice and environmental stewardship are two of the three objects of focus for SRI. The third comprises the needs and objectives of the investor. Just as employees, customers, suppliers, society and the earth itself are important stakeholders affected by corporate behavior, so too are the shareowners and bondholders of the enterprise.

Many faith traditions speak of these three worlds – the individual, society and the environment. For example, some branches of Buddhism speak of *Ichinen Sanzen*, a concept encompassing all of the various perspectives of reality from the standpoint of the individual self, the society of humankind and the natural environment or planet itself. In this formulation, wisdom is not complete if any perspective is left out.

That makes a good model for how we look at investments. If an investment in a security or enterprise is beneficial to society, healthy for the planet, and contributes to the financial needs and objectives of the investor, then it can be considered a responsible investment. However, a financially promising investment beneficial to society but harmful to the environment falls short. So does an inappropriately risky investment despite promising social or environmental benefits. In our view, compromise in any of the three areas cannot be considered responsible. At SharePower, we feel that combining socially responsible investing with a laser focus on the investor’s own financial needs and objectives is the *responsible* thing to do. That’s why we call what we do simply Responsible Investing.



Actions in Support of the Principles

Human Rights



PRINCIPLE ONE: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND

PRINCIPLE TWO: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Policies, Operations and Implementation

SharePower Responsible Investing has policies in place that address sexual harassment in the workplace, as well as responsible sourcing of materials.

SharePower also conducts social screening research and analysis to evaluate the record of companies in the area of human rights. Investments in companies found to have problematic behaviors in human rights issues are divested or avoided, while investments in companies with exemplary human rights records are emphasized. The following human rights issues are evaluated:

- Complicity in Violence
- Dangerous or Exploitative Community Impact
- Firearms Manufacture and/or Distribution
- Freedom of Expression & Censorship
- Weapons & Military Contracting

To obtain a fully rounded picture of companies' behavior on human rights issues, SharePower employs

- social research from professional research vendors such as MSCI ESG Manager and IW Financial.
- primary research sources such as government databases and company filings with the SEC.
- wherever possible, street level reports from activist, community, and labor groups and NGO's.

SharePower participated in the following initiatives to address human rights issues:

We joined investors representing \$3.75 trillion in assets submitting SEC comments urging continued support for Section 1502 of the Dodd-Frank Wall Street Reform Act and the SEC's Conflict Minerals Rule. This rule addresses material risks in companies' supply chain in sourcing minerals obtained in conflict areas of Africa, notably the Democratic Republic of the Congo. By shining a light on how mining activities provide revenue for militia groups, this rule has already served to reduce that revenue.

We joined OpenMIC in submitting comments to the Federal Communications Commission urging the continuation of net neutrality protections threatened by FCC proposed rules.

We joined other institutional investors in a letter urging Chevron Corporation to pressure the government of Burma/Myanmar to stop the violence against the Rohingya or else cease operations in that country.

Following the Stoneman-Douglas High School shootings, we joined the Interfaith Center for Corporate Responsibility's Investor Statement on Gun Violence, a comprehensive statement calling on gun makers and distributors to halt manufacture and sale of assault-style weapons, and calling on financial institutions to stop financing them.

Joining with Domini Investments and Green Century Capital Management and 100 other institutional investors, we sent a challenge to the Roundtable on Sustainable Palm Oil (RSPO) concerning its inadequate response to serious labor rights violations within the operations of RSPO member companies, such as forced and bonded labor, child labor, and systemic gender discrimination.

We're a signatory to a letter sent to all members of Congress by the Interfaith Center for Corporate Responsibility urging them to support the Dream Act of 2017 to establish comprehensive and just immigration reform.

We also joined ICCR in a letter to Congressional leaders urging the renewal of Temporary Protected Status (TPS) for El Salvador, Haiti, Nicaragua, Syria, Nepal, Honduras and other countries for at least 18 months.

Goals and Measurement of Outcomes

For the coming year, we seek to achieve the following measurable goals:

1. Communicate the importance of human rights issues in the investments we seek in the performance of our financial services to all of our clients. Beyond active collaboration, we will accomplish this by delivering and implementing our social issues questionnaire to current and prospective clients. We will measure the number and percentage of clients and prospective clients that review our social issues questionnaire. (For 2017, 81% of new clients guided their investments via our social issues questionnaire.)
2. Appoint a working group of advisors and staff to review the UN Guiding Principles on Business and Human Rights in regards to our internal operations, delivery of service to clients, and our purchasing of materials and supplies for our business operations. This working group will report progress to the Board on the implementation of each point in the Principles.

Labor



PRINCIPLE THREE: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING;

PRINCIPLE FOUR: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR;

PRINCIPLE FIVE: THE EFFECTIVE ABOLITION OF CHILD LABOR; AND

PRINCIPLE SIX: THE ELIMINATION OF DISCRIMINATION IN RESPECT TO EMPLOYMENT AND DISCRIMINATION.

Policies, Operations and Implementation

SharePower Responsible Investing has policies in place that address discrimination in the workplace due to race, religion, ethnicity, age, sexual orientation or identity. Our purchasing policies include a prohibition against sourcing materials from companies with known labor rights issues, and to seek union made products wherever possible.

SharePower advisors and employees are 1099 independent contractors and therefore prohibited by U.S. law from joining a union.

SharePower also conducts social screening research and analysis to evaluate the record of companies in the area of labor rights. Investments in companies found to have problematic behaviors in labor rights issues are divested or avoided, while investments in companies with exemplary labor rights records are emphasized. The following labor rights issues are evaluated:

- Discriminatory Treatment by Age, Elderly Issues
- Discriminatory Treatment of Gay, Lesbian, Bisexual or Transgendered
- Discriminatory Treatment of Racial, Ethnic or Religious Minorities
- Discriminatory Treatment of the Disabled
- Discriminatory Treatment of Women
- Exploitative Labor Practices
- Hostility to Collective Bargaining and Workers' Rights
- Involvement in Child and/or Forced Labor
- Lack of Family Friendly Employment Policies
- Workplace Safety

To obtain a fully rounded picture of companies' behavior on labor rights issues, SharePower employs

- social research from professional research vendors such as MSCI ESG Manager and IW Financial.
- primary research sources such as government databases and company filings with the SEC.
- wherever possible, street level reports from activist, community, and labor groups and NGO's.

SharePower participated in the following initiatives to address labor and workers' rights issues:

We submitted comments to the Securities & Exchange Commission in support of retaining the requirement for companies to report on the ratio of CEO pay to the median pay of employees. We also co-signed a letter from the AFL-CIO on the same subject. Shining a light on excessive executive compensation is a key tool to slow and reverse the growing power and wealth of elites.

Joining an investor coalition with \$169 billion in assets, letters are being sent to dozens of S&P500 companies challenging them to endorse and implement effective paid family leave policies throughout their workforces.

Goals and Measurement of Outcomes

For the coming year, we seek to achieve the following measurable goals:

3. Communicate the importance of labor rights issues in the investments we seek in the performance of our financial services to all of our clients. Beyond active collaboration, we will accomplish this by delivering and implementing our social issues questionnaire to current and prospective clients. We will measure the number and percentage of clients and prospective clients that review our social issues questionnaire.
4. Appoint a working group of advisors and staff to review the Labor principles of the United Nations Global Compact in regards to our internal operations, delivery of service to clients, and our purchasing of materials and supplies for our business operations. This working group will report progress to the Board on the implementation of each point in the Principles.

Environment



PRINCIPLE SEVEN: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;

PRINCIPLE EIGHT: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY; AND

PRINCIPLE NINE: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.

Policies, Operations and Implementation

SharePower's environmental footprint is negligible. Employees and advisors of SharePower are encouraged to minimize their carbon footprint substantially:

- 100% of all SharePower advisors members are empowered to telecommute from home at their sole discretion.
- As of this date, no employee of SharePower commutes to a separate job site as a result of their SharePower employment.
- All SharePower management meetings are conducted via teleconference.
- 100% of SharePower paper marketing materials are produced using recycled paper and soy based inks.
- Over 90% of all furnishings, carpeting etc. in SharePower's Westminster Maryland headquarters are made from recycled and/or repurposed materials. Low VOC paints and fluorescent or LED lighting are employed throughout.

SharePower also conducts social screening research and analysis to evaluate the record of companies in the area of environmental responsibility. Investments in companies found to have problematic behaviors in environmental issues are divested or avoided, while investments in companies with exemplary environmental impacts and records are emphasized. The following environmental issues are evaluated:

- Destructive Biodiversity & Land Use Practices
- Fossil Fuel Companies Targeted by Fossil Fuel Divestment Campaign
- Fossil Fuel Companies Owning and Extracting Reserves - All
- Major Greenhouse Gas (GHG) Emissions or Impact
- Major Toxic Emission & Waste Management Impact
- Major Water Use & Management Impacts
- Nuclear Power
- Use of Genetically Modified Organisms (GMO) products

To obtain a fully rounded picture of companies' behavior on environmental issues, SharePower employs

- social research from professional research vendors such as MSCI ESG Manager and IW Financial.
- primary research sources such as government databases and company filings with the SEC.
- wherever possible, street level reports from activist, community, and labor groups and NGO's.



SharePower participated in the following initiatives to address environmental issues:

SharePower has endorsed the United Nation's CEO Water Mandate.

We're a signatory to the Low Carbon USA letter to President Trump urging the incoming administration to support the Paris Climate Agreement and programs to invest in the a low-carbon economy.

We joined institutional investors representing \$180 billion in assets to urge Congress to oppose using the Congressional Review Act (CRA) to repeal common sense environmental regulations, including the Bureau of Land Management's (BLM) methane waste prevention rules. Congress is using the CRA to gut decades of environmental, consumer protection and worker safety regulations in bold partisan fashion.

We endorsed a campaign by Green Century Funds mobilizing investors representing more than \$617 billion calling on food and agricultural companies reaffirm and extend zero deforestation commitments in Latin America.

We're a signatory to separate letters from 390 institutions representing \$22 trillion in assets to the heads of the G7 and the G20 nations urging support and full implementation of the Paris Climate Agreement.

When the Trump Administration signaled its intention to pull out of the Paris Climate Agreement, we joined the Low Carbon USA campaign of businesses, organizations, state and local governments to proclaim to the world that "We Are Still In!".

We joined other USSIF members in a letter to Interior Secretary Ryan Zinke opposing that departments proposed new rules greatly expanding offshore oil drilling in US coastal waters.

Goals and Measurement of Outcomes

For the coming year, we seek to achieve the following measurable goals:

5. Communicate the importance of environmental issues in the investments we seek in the performance of our financial services to all of our clients. Beyond active collaboration, we will accomplish this by delivering and implementing our social issues questionnaire to current and prospective clients. We will measure the number and percentage of clients and prospective clients that review our social issues questionnaire. (For 2017, 81% of new clients guided their investments via our social issues questionnaire.)
6. Appoint a working group of advisors and staff to review and report on the six components of the United Nation's CEO Water Mandate. Our next UNGC COP will include a communication on progress in implementing the six Water Mandate areas.

Anti-Corruption



PRINCIPLE TEN: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING EXTORTION AND BRIBERY.

Policies, Operations and Implementation

SharePower has endorsed the UN Global Compact's Call to Action: Anti-Corruption and the Global Development Agenda.

SharePower Responsible Investing supports and adheres to Cambridge Investment Research Advisors' Code of Ethics.

All SharePower advisors and support staff take annual continuing education courses on anti-money laundering efforts within our business and industry.

Neither SharePower nor our advisors have any reportable employment related, investment customer related or investment related regulatory actions or complaints filed with any relevant regulatory body.

Cambridge Investment Research was chosen by SharePower advisors to be our broker/dealer in large part because Cambridge has an exemplary and remarkably clean regulatory record.

SharePower also conducts social screening research and analysis to evaluate the record of companies in the area of anti-corruption, which in the case of companies encompass issues of corporate governance as well as bribery, extortion and money laundering. Investments in companies found to have problematic behaviors in corporate governance issues are divested or avoided, while investments in companies with exemplary corporate governance records are emphasized. The following corporate governance issues are evaluated:

- Anticompetitive Practices
- Board Structure, Transparency, & Conflicts of Interest
- Business Ethics: Bribery & Fraud
- Destructive Political Involvement
- Egregious Product Safety Issues
- Excessive Executive Compensation
- Exploitative and/or False Advertising & Marketing
- Predatory Practices Against Consumers and/or Communities
- Repressive Regimes Involvement and Support

To obtain a fully rounded picture of companies' behavior on corporate governance issues, SharePower employs

- social research from professional research vendors such as MSCI ESG Manager and IW Financial.
- primary research sources such as government databases and company filings with the SEC.
- wherever possible, street level reports from activist, community, and labor groups and NGO's

SharePower employed this research to apply social screens to our clients' money market balances in 2016. In anticipation of major changes in money market funds in 2016, we've recommended National Financial's FDIC Bank Sweep Program as the default cash option for clients' brokerage accounts. This program provides FDIC protection by sweeping available cash in a brokerage account with up to 10 banks. We then conduct social screening on banks in the program, excluding those that fail social screens on predatory lending, risky practices leading up to the 2008 financial collapse and the range of issues outlined by the United Nations Global Compact. (Consult the NFS Disclosure Document for more info, available on request.)

SharePower participated in the following initiatives to address anti-corruption issues:

We joined with USSIF and other financial firms to urge US Labor Secretary Tom Perez to rescind new Department of Labor regulatory language (DOL Interpretive Bulletin Relating to Exercise of Shareholder Rights (29 CFR 2509.08-2) ("Shareholder Rights Bulletin" or IB 08-02)) that would severely curtail shareowner rights and fiduciaries' ability to act on their judgment to mitigate long-term risk through shareholder engagement with companies they own. These rules would remove an important force in checking socially irresponsible corporate behavior of publicly owned and traded corporations.

We joined with Americans for Financial Reform and 32 other NGO's and financial firms to urge Federal regulators to strengthen the proposed implementation of Wall Street incentive compensation rules under Dodd-Frank Sec. 956. Strengthening the rules would serve to reduce the incentives for inappropriate short-term risk-taking that could create disastrous long term consequences for society.

- We signed a letter with the the American Sustainable Business Council and the Interfaith Center for Corporate Responsibility urging President Trump and Congress to **support the Consumer Financial Protection Bureau** and its Director Richard Cordray. A strong CFPB is crucial to ensure a fair and transparent financial marketplace.
- We submitted comments to the Securities & Exchange Commission in support of retaining the requirement for companies to **report on the ratio of CEO pay to the median pay of employees**. We also co-signed a letter from the AFL-CIO on the same subject. Shining a light on excessive executive compensation is a key tool to slow and reverse the growing power and wealth of elites.

Goals and Measurement of Outcomes

For the coming year, we seek to achieve the following measurable goals:

7. Communicate the importance of corporate governance issues in the investments we seek in the performance of our financial services to all of our clients. Beyond active collaboration, we will accomplish this by delivering and implementing our social issues questionnaire to current and prospective clients. We will measure the number and percentage of clients and prospective clients that review our social issues questionnaire. (For 2017, 81% of new clients guided their investments via our social issues questionnaire.)
8. Continue working with USSIF, the Financial Services Institute and other industry organizations to promote more responsible political and regulatory behaviors by financial institutions in the US.

Company Wide Goals and Measurement of Outcomes

In addition to the issue specific goals outlined above, SharePower Responsible Investing commits to the following goals for the coming year:

Access to Financial Services and Management

The United States investor class is shrinking. With a national Gini wealth coefficient of 0.80 and rising, the US has the most unequal distribution of wealth of any developed country in the world³. Many financial services firms are refusing full service advisory or brokerage services to any with less than 7 figure portfolios. Yet the “bottom 99%” of Americans needs professional financial guidance now more than ever. SharePower believes that the increasing concentration of wealth and income is the financial industry’s critical social issue. To address this issue we will:

- Seek ways to reduce the minimum investment of our products and services to the lowest amount feasible to make them accessible to more investors.
 - a. SharePower undertook major initiatives to reduce the minimum investment of our services. Cambridge’s WealthPort Wrap Program allows portfolio management for taxable accounts of \$25,000 or more, and imposes no minimum on IRA or other retirement accounts.
- Encourage our SharePower advisors to reduce or eliminate investment minimums in their own practices.
 - a. Many SharePower advisors utilize FTJ Fundchoice, an investment management platform that has very low investment minimums to start investing.
 - b. Our Takoma Park office pioneered the CapitalStart program to encourage first time investors to save and ultimately invest for their first investment programs.

³ Brandmeir, Kathrin, Michaela Grimm, Michael Heise, and Arne Holzhausen. Allianz Global Wealth Report 2015. Munich: Allianz SE Economic Research, 2015. Allianz SE Economic Research, Aug. 2015. Web. 21 Aug. 2016.

- Encourage our SharePower advisors to provide pro bono social investment education seminars in public venues in our respective service areas.
 - a. SharePower advisors conducted 11 pro bono educational seminars in 2107, including one recorded by the Real News Network and broadcast on YouTube in 2017.
- Make available to SharePower advisors mechanisms to access commission-based, asset fee-based, planning fee-based and/or hourly fee-based strategies to insure that our products and services are available in the most cost effective way to all people in all situations.
 - a. All SharePower advisors have access to all of the above payment mechanisms.
 - b. Cambridge's WealthPort program eliminates custodial fees, ticket charges and IRA annual fees for all accounts within the program.
- To seek out, evaluate and/or develop financial products and services appropriate not only for high net worth investors but to middle class investors as well.
 - a. Through our money market screening program, as well as our availability of high impact community investment notes with minimums of \$1,000, SharePower makes available low cost socially responsible investments appropriate for most middle income families.

Continue Refining Our Operations in Congruence with the UN Global Compact

We will employ the framework of the six steps in the UN Global Compact Management Model: Commit, Assess, Define, Implement, Measure, and Communicate. Our progress will be reported in next years' Communication On Progress Report.

Communicating Socially Responsible Investing to a Wider Audience

SharePower will bring socially responsible investing, and the UN Global Compact's and the Sustainable Development Goals to a wider audience by:

- Working with Cambridge Investment Research to promote SRI to the wider group of over 3,000 Cambridge advisors.
- Continued sponsorship of Green America's Guide to Socially Responsible Investing.
- Training and recruiting additional advisors to SharePower.
- Creating and giving educational seminars covering SRI, the Fossil Fuel Free Movement, the UN Global Compact and the Sustainable Development Goals.

The Advisors of SharePower



ALINE A. AUTENRIETH
REGISTERED ASSISTANT
SALEM, OREGON



HAL MASOVER, CRPC®
CHARTERED RETIREMENT
PLANNING COUNSELOR
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