



Impact Investors, Inc.

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**Form ADV Part 2A – Firm Brochure**

888.463.6861

Dated January, 2020

This Brochure provides information about the qualifications and business practices of Impact Investors, Inc., “Impact Investors”. If clients have any questions about the contents of this Brochure, they should contact us at 888.463.6861. 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.

Impact Investors, Inc. is registered as an Investment Adviser with the State of California. Registration of an Investment Adviser does not imply any level of skill or training. This is the initial SEC registration filing.

Additional information about Impact Investors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number (CRD) 289028.

## Item 2: Material Changes

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Impact Investors has made the following material changes since its last annual updating amendment:

**Item 4:** Impact Investors' Regulatory Assets Under Management as of January 2020 are \$156,903,425.

**Item 4 and Item 8:** Please note, we have changed the name of two of our portfolios to Impact Bond Strategy and Impact Stock Strategy. See Items 4 and 8 for more details.

**Item 5: Fees and Compensation:** Please note, fee schedules have been updated. Please review fee schedules for Investment Management via Third-party Managers beginning on page 10.

# Item 3: Table of Contents

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# Item 4: Advisory Business

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## Description of Advisory Firm

Impact Investors, Inc. is registered as an Investment Adviser with the State of California applying for initial registration with the SEC. We were founded in December 2014 and became registered as an investment adviser in February 2018. Catherine Woodman (Investment Advisor Representative since 2000, IAR with Impact Investors since 2018) and Shane Yonston (Investment Advisor Representative since 2004, IAR with Impact Investors since 2018) are the principal owners of Impact Investors. Impact Investors' Assets Under Management as of January 2020 are \$156,903,425. Assets under Advisement as of January 2020 are an additional \$27,796,346.

## Types of Advisory Services

### Investment Management Services

We are in the business of managing individually tailored investment portfolios using Socially Responsible Investments. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, social and environmental impact preferences, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or capital preservation), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

We also offer three custom investment portfolios (**Risk Parity Impact Portfolios, Impact Bond Strategy and the Impact Stock Strategy**) which we may recommend to clients if appropriate. Please see Item 8 for more information on these portfolios.

### Investment Management via Third-Party Money Managers

We also offer investment management services by referring clients, where appropriate, to third-party money managers ("Outside Managers") for portfolio management services. We assist clients in selecting an appropriate allocation model, completing the Outside Manager's

investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

## **Financial Planning**

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients investing in this service will receive a written or an electronic report, providing them with a detailed financial plan designed to achieve their stated financial goals and objectives.

The client always has the right to decide whether to act upon our recommendations. If the client elects to act on any of the recommendations, the client always has the right to affect the transactions through anyone of their choosing.

In general, the financial plan will address any or all the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with clients to assess current situation, identify objectives, and develop a plan aimed at achieving goals.
- **Cash Flow and Debt Management:** We will conduct a review of income and expenses to determine current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

**College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review client's financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).

- **Estate Planning:** This usually includes an analysis of client's exposure to estate taxes and client's current estate plan, which may include whether client has a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for clients to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that clients consult with a qualified attorney when initiating, updating, or completing estate planning activities. We may provide clients with contact information for attorneys who specialize in estate planning when clients wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between clients and their attorney with client's approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what clients plan to accomplish, what resources they will need to make it happen, how much time they will need to reach the goal, and how much they should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals, social and environmental impact criteria, and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting clients in establishing their own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of clients' likelihood of achieving their financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more,

spending less, taking more risk with investments).

If clients are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during their retirement years.

- **Risk Management:** A risk management review includes an analysis of clients' exposure to major risks that could have a significantly adverse effect on their financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of clients' overall financial planning picture. For example, we may make recommendations on Itemized Deductions, Roth Conversions, Charitable Remainder Trusts, and generally which type of account(s) or specific investments should be owned based in part on their "tax efficiency". Consideration is always given to the possibility of future changes to federal, state or local tax laws and rates that may affect their situation.

We recommend that clients consult with a qualified tax professional before initiating any tax planning strategy, and we may provide clients with contact information for accountants or attorneys who specialize in this area if clients wish to hire someone for such purposes. We will participate in meetings or phone calls between our clients and their tax professional with client approval.

### **Educational Seminars**

We may provide educational seminars on an "as announced" basis for groups seeking general information on Sustainable, Responsible Impact investing, advice on investments, and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one individual person's needs, nor does Impact Investors provide individualized investment advice to attendees during these seminars.

## **Retirement Plan Consultation Services**

With respect to services provided to a plan sponsor, we may conduct:

- Due diligence on existing, potential, and selected investment managers and service providers
- Plan asset-class menu recommendations
- Investment Policy Statement development and implementation
- Trustee education
- Plan design recommendations
- Plan mid-year and year-end reviews with trustee(s) as appropriate
- Investment monitoring reports
- Substitution recommendations
- Watch list recommendations
- Model portfolio generation for participants
- Participant educational workshops
- Site visits when/where needed

We will gather key information from the sponsor about its current or intended retirement plan. We will provide written recommendations and deliverables as specified in the proposal.

## **Retirement Plan Management Services**

Our retirement plan management service (a.k.a. investment advisory services) may recommend replacement of some or all the investments, the record keeper, the third-party administrator (TPA), and/or the custodian. Our recommendations will depend on a combination of the plan sponsor's goals and objectives, cost and service considerations.

## **Client Tailored Services and Client Imposed Restrictions**

We offer the same suite of services to all our clients. However, specific client financial plans and their implementation are dependent upon a client Investment Policy Statement, which outlines each client's current situation (income, tax levels, time horizon, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets. In addition, models provided via third-party money managers can be customized to meet clients' specifications.

## Wrap Fee Programs

We sponsor and participate in a wrap fee program. Please see our Appendix 1 regarding our wrap program information.

## CCR Section 260.235.2 Disclosure

For clients who receive our Financial Planning services, we must state when a conflict exists between the interests of our firm and the interests of our client. The client is under no obligation to act upon our recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through our firm.

# Item 5: Fees and Compensation

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Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees and without penalty. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

## Investment Management Services

Our standard advisory fee is based on the market value of the assets under management at the end of the last trading day of the quarter and is calculated as follows:

| Account Value                    | Annual Advisory Fee<br>Individual Bonds Acct | Annual Advisory Fee Managed<br>Funds Acct |
|----------------------------------|----------------------------------------------|-------------------------------------------|
| <b>\$0 - \$500,000</b>           | 0.80%                                        | 1.20%                                     |
| <b>\$500,000 - \$1,500,000</b>   | 0.70%                                        | 1.10%                                     |
| <b>\$1,500,000 - \$3,500,000</b> | 0.60%                                        | 1.00%                                     |
| <b>\$3,500,000 - \$8,500,000</b> | 0.50%                                        | 0.90%                                     |
| <b>\$8,500,000 and above</b>     | 0.40%                                        | 0.80%                                     |

The annual fees may be negotiable in certain circumstances and are pro-rated and paid in arrears on a quarterly basis. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a

combined weighted fee. For example, an account valued at \$3,000,000 would pay an effective fee of 1.07% with the annual fee of \$32,000.00. The quarterly fee is determined by the following calculation:  $((\$500,000 \times 1.20\%) + (\$1,000,000 \times 1.10\%) + (\$1,500,000 \times 1.00\%)) \div 4 = \$8,000.00$ . No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check in certain rare circumstances. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time passed in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

## **Investment Management via Third-party Managers**

Our fees for this service depend on which Outside Manager is used for the client's account. For accounts where Impact Investors provides non-discretionary advice and directs clients to Outside Managers, the Outside Manager will debit the client's account for the advisory fee and will remit Impact Investors' fee to Impact Investors. The fees will not exceed any limit imposed by any regulatory agency. Advisory fees for your selected third-party manager will be defined in your engagement agreement with the third-party investment manager and Impact Investors. Please note that the total fee charged to the client will not exceed 3%.

### **First Affirmative Financial Network (FAFN) Fees**

Accounts at FAFN are assessed a Total Account Fee. Each fee presented in the Fee Schedules below represents fees retained by First Affirmative for custody and clearing, portfolio management, if applicable, account administration, and other services, as well as separate account managers, if applicable, model managers, if applicable and Impact Investors' fee. The fees applicable for any given account are identified in the Investment Advisory Services Agreement signed by the client. FAFN accounts are billed for fees in arrears on a quarterly basis, beginning the end of the calendar quarter after the establishment and funding of the account. Fees are due for services rendered in the previous quarter and are therefore not refundable. Fees shown below are per annum and are calculated as a percentage of the average daily balance in the client account. The published fee schedule for new accounts may change from time to time. However, no client's service fees will be increased or decreased without the client's written consent. Impact Investors will provide clients access with the First Affirmative ADV Disclosure Brochure and the Folio Wrap Fee Brochure, as applicable, which contains information on fees and compensation.

**Managed Mutual Fund Accounts (at Schwab)**

|                     |              | <b>Advisory Fee</b> | <b>First Affirmative's Manager Fee</b> | <b>Total Fee</b> |
|---------------------|--------------|---------------------|----------------------------------------|------------------|
| <b>On the First</b> | \$200,000    | 1.00%               | 0.40%                                  | 1.40%            |
| <b>On the Next</b>  | \$300,000    | 0.95%               | 0.40%                                  | 1.35%            |
| <b>On the Next</b>  | \$500,000    | 0.80%               | 0.40%                                  | 1.20%            |
| <b>On the Next</b>  | \$1,000,000  | 0.61%               | 0.44%                                  | 1.05%            |
| <b>On the Next</b>  | \$1,000,000  | 0.52%               | 0.43%                                  | 0.95%            |
| <b>On the Next</b>  | \$2,000,000  | 0.50%               | 0.35%                                  | 0.85%            |
| <b>On the Next</b>  | \$5,000,000  | 0.40%               | 0.25%                                  | 0.65%            |
| <b>On the Next</b>  | \$10,000,000 | 0.35%               | 0.20%                                  | 0.55%            |
| <b>Above</b>        | \$20,000,000 | Negotiated          | Negotiated                             | Negotiated       |

**Separately Managed Accounts (at Schwab – Schwab Advisor Series)**

|                     |              | <b>Total Fee*</b> |
|---------------------|--------------|-------------------|
| <b>On the First</b> | \$500,000    | 1.00%             |
| <b>On the Next</b>  | \$1,500,000  | 0.80%             |
| <b>On the Next</b>  | \$18,000,000 | 0.70%             |
| <b>Above</b>        | \$20,000,000 | Negotiated        |

\*Impact Investors receives, 42% of the fee, First Affirmative receives 16% of the fee, and separate account managers receive 42% of the fee.

**Managed Mutual Fund Accounts (at Folio)**

|                     |              | <b>Advisory Fee</b> | <b>First Affirmative's Manager Fee (includes custody and clearing)</b> | <b>Total Fee</b> |
|---------------------|--------------|---------------------|------------------------------------------------------------------------|------------------|
| <b>On the First</b> | \$200,000    | 1.00%               | 0.55%                                                                  | 1.55%            |
| <b>On the Next</b>  | \$300,000    | 0.95%               | 0.55%                                                                  | 1.50%            |
| <b>On the Next</b>  | \$500,000    | 0.80%               | 0.55%                                                                  | 1.35%            |
| <b>On the Next</b>  | \$1,000,000  | 0.75%               | 0.45%                                                                  | 1.20%            |
| <b>On the Next</b>  | \$1,000,000  | 0.55%               | 0.58%                                                                  | 1.10%            |
| <b>On the Next</b>  | \$2,000,000  | 0.50%               | 0.50%                                                                  | 1.00%            |
| <b>On the Next</b>  | \$5,000,000  | 0.40%               | 0.40%                                                                  | 0.80%            |
| <b>On the Next</b>  | \$10,000,000 | 0.35%               | 0.35%                                                                  | 0.70%            |
| <b>Above</b>        | \$20,000,000 | Negotiated          | Negotiated                                                             | Negotiated       |

**Multi-Manager Accounts (at Folio)**

|                     |              | <b>Advisory Fee</b> | <b>First Affirmative's<br/>Manager Fee (includes<br/>custody, clearing and<br/>model manager's share)</b> | <b>Total Fee</b> |
|---------------------|--------------|---------------------|-----------------------------------------------------------------------------------------------------------|------------------|
| <b>On the First</b> | \$200,000    | 0.95%               | 0.85%                                                                                                     | 1.80%            |
| <b>On the Next</b>  | \$300,000    | 0.81%               | 0.86%                                                                                                     | 1.67%            |
| <b>On the Next</b>  | \$500,000    | 0.70%               | 0.77%                                                                                                     | 1.47%            |
| <b>On the Next</b>  | \$1,000,000  | 0.61%               | 0.71%                                                                                                     | 1.32%            |
| <b>On the Next</b>  | \$1,000,000  | 0.52%               | 0.70%                                                                                                     | 1.22%            |
| <b>On the Next</b>  | \$2,000,000  | 0.50%               | 0.62%                                                                                                     | 1.12%            |
| <b>On the Next</b>  | \$5,000,000  | 0.40%               | 0.40%                                                                                                     | 0.80%            |
| <b>On the Next</b>  | \$2,820,000  | 0.35%               | 0.35%                                                                                                     | 0.70%            |
| <b>On the Next</b>  | \$7,180,000  | 0.35%               | 0.40%                                                                                                     | 0.75%            |
| <b>Above</b>        | \$20,000,000 | Negotiated          | Negotiated                                                                                                | Negotiated       |

**Custom Sustainable Investment Solution Accounts (at Folio)**

|                     |              | <b>Advisory Fee</b> | <b>First Affirmative's<br/>Manager Fee (includes<br/>custody and clearing)</b> | <b>Total Fee</b> |
|---------------------|--------------|---------------------|--------------------------------------------------------------------------------|------------------|
| <b>On the First</b> | \$1,000,000  | 0.75%               | 0.40%                                                                          | 1.15%            |
| <b>On the Next</b>  | \$1,000,000  | 0.60%               | 0.34%                                                                          | 0.94%            |
| <b>On the Next</b>  | \$1,000,000  | 0.60%               | 0.32%                                                                          | 0.92%            |
| <b>On the Next</b>  | \$2,000,000  | 0.55%               | 0.32%                                                                          | 0.87%            |
| <b>On the Next</b>  | \$5,000,000  | 0.50%               | 0.20%                                                                          | 0.70%            |
| <b>On the Next</b>  | \$2,820,000  | 0.45%               | 0.20%                                                                          | 0.65%            |
| <b>On the Next</b>  | \$7,180,000  | 0.40%               | 0.20%                                                                          | 0.60%            |
| <b>Above</b>        | \$20,000,000 | Negotiated          | Negotiated                                                                     | Negotiated       |

The above fee schedules include Impact Investors' advisory fee. First Affirmative's fees will vary based on what type of investment solution the client chooses and where the client's assets are custodied. See the Investment Advisory Services Agreement for full disclosure of fees. Fees are billed from client's account, if authorized.

### **Zevin Asset Management (ZAM) Fees**

Accounts at ZAM are assessed a Total Account Fee. Each fee presented in the Fee Schedule below represents fees retained by ZAM for portfolio management, account administration, and other services, as well as Impact Investors' fee. The fees applicable for any given account are identified in the Investment Advisory Services Agreement signed by the client. ZAM accounts are billed for fees in arrears on a quarterly basis, starting with the beginning of the calendar quarter after the establishment and funding of the account. Fees are due for services rendered in the previous quarter and are therefore not refundable. Fees shown below are per annum and are calculated as a percentage of the account value as of the last trading day of the quarter. The published fee schedule for new accounts may change from time to time. However, no client's service fees will be increased without the client's written consent. Impact Investors will provide clients access to the Zevin Asset Management ADV Disclosure Brochure, which contains information on fees and compensation.

### **Zevin Asset Management Accounts**

|              |              | <b>Advisory Fee</b> | <b>Zevin Asset Management's Manager Fee</b> | <b>Total Fee</b> |
|--------------|--------------|---------------------|---------------------------------------------|------------------|
| On the First | \$2,000,000  | 0.75%               | 0.75%                                       | 1.50%            |
| On the Next  | \$8,000,000  | 0.65%               | 0.65%                                       | 1.30%            |
| On the Next  | \$40,000,000 | 0.50%               | 0.50%                                       | 1.00%            |
| Above        | \$50,000,000 | 0.45%               | 0.45%                                       | 0.45%            |

### **Social Equity Group (SEG) Fees**

Accounts at SEG are assessed a Total Account Fee. Each fee presented in the Fee Schedule below represents fees retained by SEG for portfolio management, account administration, and other services, as well as Impact Investors' fee. The fees applicable for any given account are identified in the Investment Advisory Services Agreement signed by the client. SEG accounts are

billed for fees in arrears on a quarterly basis, starting with the beginning of the calendar quarter after the establishment and funding of the account. Fees are due for services rendered in the previous quarter and are therefore not refundable. Fees shown below are per annum and are calculated as a percentage of the account value as of the last trading day of the quarter. The published fee schedule for new accounts may change from time to time. However, no client's service fees will be increased without the client's written consent. Impact Investors will provide clients access to the Social Equity Group ADV Disclosure Brochure, which contains information on fees and compensation.

#### **Social Equity Group Accounts**

|              |             | Advisory Fee | Social Equity Group's Manager Fee | Total Fee  |
|--------------|-------------|--------------|-----------------------------------|------------|
| On the First | \$1,000,000 | 0.50%        | 0.50%                             | 1.00%      |
| Above        | \$1,000,000 | Negotiated   | Negotiated                        | Negotiated |

#### **Orion Portfolio Solutions Fees**

Accounts at Orion Portfolio Solutions are assessed a Total Account Fee. Each fee presented in the Fee Schedule below represents fees retained by Orion Portfolio Solutions for portfolio management, account administration, and other services, as well as Impact Investors' fee. The fees applicable for any given account are identified in the Investment Advisory Services Agreement signed by the client. Orion Portfolio Solutions accounts are billed for fees in arrears on a monthly basis, starting with the beginning of the calendar month after the establishment and funding of the account. Fees are due for services rendered in the previous month and are therefore not refundable. Fees shown below are per annum and are calculated as a percentage of the account value as of the last trading day of the month. The published fee schedule for new accounts may change from time to time. However, no client's service fees will be increased without the client's written consent. Impact Investors will provide clients access to the Orion Portfolio Solutions ADV Disclosure Brochure, which contains information on fees and compensation.

### **Orion Portfolio Solutions Accounts**

|                     |             | <b>Advisory Fee</b> | <b>Mgmt. Fee</b> | <b>Total Fee</b> |
|---------------------|-------------|---------------------|------------------|------------------|
| <b>On the First</b> | \$50,000    | 1.00%               | 0.55%            | 1.55%            |
| <b>On the Next</b>  | \$50,000    | 0.95%               | 0.40%            | 1.35%            |
| <b>On the Next</b>  | \$400,000   | 0.80%               | 0.30%            | 1.30%            |
| <b>On the Next</b>  | \$500,000   | 0.61%               | 0.54%            | 1.15%            |
| <b>Above</b>        | \$5,000,000 | Negotiated          | 0.18%            | Negotiated       |

The above fee schedules include Impact Investors' advisory fee. Clients may also incur fees or expenses directly from their custodian or brokerage firm, including commissions from a broker each time a security is purchased or sold, and, if the account is placed with an independent custodian, the client may incur a separate custodial charge, typically quarterly, from the custodian.

### **Van Hulzen Asset Management (VAM) Fees**

Accounts at VHAM are assessed a Total Account Fee. Each fee presented in the Fee Schedule below represents fees retained by VHAM for portfolio management, account administration, and other services, as well as Impact Investors' fee. The fees applicable for any given account are identified in the Investment Advisory Services Agreement signed by the client. VHAM accounts are billed for fees in arrears on a quarterly basis, starting with the beginning of the calendar quarter after the establishment and funding of the account. Fees are due for services rendered in the previous quarter and are therefore not refundable. Fees shown below are per annum and are calculated as a percentage of the account value as of the last trading day of the quarter. The published fee schedule for new accounts may change from time to time. However, no client's service fees will be increased without the client's written consent. Impact Investors will provide clients access to the Van Hulzen Asset Management ADV Disclosure Brochure, which contains information on fees and compensation.

### **Van Hulzen Asset Management (TD Ameritrade Institutional and Schwab Advisor Series)**

|                     |              | <b>Advisory Fee</b> | <b>Van Hulzen<br/>Advisory Fee</b> | <b>Total Fee</b> |
|---------------------|--------------|---------------------|------------------------------------|------------------|
| <b>On the First</b> | \$10,000,000 | 0.60%               | 0.60%                              | 1.20%            |
| <b>Above</b>        | \$10,000,000 | 0.40%               | 0.50%                              | 0.90%            |

## **Fixed Fee Financial Planning**

Financial Planning is offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$1000 and \$10,000. The fee is negotiable. If a fixed fee program is chosen, half of the fee is due at the beginning of process and the remainder is due at completion of work, however, Impact Investors will not bill an amount above \$500.00 more than 6 months in advance of the service represented by the fee. In the event of early termination, the client will be billed for the hours worked at a rate of \$300 per hour. If the initial deposit is greater than the amount billed, then the client will be refunded the difference. If the initial deposit is less, then the client will be billed the difference.

## **Ongoing Financial Planning**

Ongoing Financial Planning consists of an initial planning fee ranging between \$599 and \$2999 and ongoing fee that is paid monthly, in arrears, at the rate of \$99.00 - \$999.00 per month. The initial planning fee covers review and feedback of financial information, planning meetings and/or calls, and the development of an initial financial plan. The fee may be negotiable in certain cases. This service may be terminated with 30 days' notice. Since fees are paid in arrears, no rebate will be needed upon termination of the planning relationship.

## **Educational Seminars**

Fees for Educational Seminars will vary due to varying scope, length, and complexity of seminars. Fees may be negotiated with and paid for by the organizing body. In the event that seminar attendees will be responsible for payment, the fee will be published on the seminar announcement or invitation. Impact Investors may also provide pro bono seminars at its own discretion.

## **Employer-Sponsored Retirement Plan Fees (not applicable to non-organization/company clients)**

### **Asset-Based Fees**

An annualized asset-based fee will be assessed to employer-sponsored retirement plans for consultation services to the retirement plan. Typically, the plan's record-keeper collects this fee and sends it to our firm. Some employers prefer to be invoiced directly, which our firm will do upon request.

Fees for such services generally range up to .75% of the assets in the plan, depending upon the retirement plan providers or program selected, amount of assets within the plan and the number of plan participants. Our firm may receive up to 100% of the total fee for its ongoing consultation, plan participant services, and our continued coordination with the third-party manager(s). Advisory fees will be defined in the engagement agreement with our firm once retirement plan service provider selection has been completed.

### **Fixed Fees**

Each project is unique and customized for the plan sponsor, therefore the fixed fee will be based on the complexity of the engagement, types of services involved as well as level of detail that may be necessary. The fee will also take into consideration factors such as the amount of assets in the plan and the number of plan participants. Due to these varied and yet unknown factors, the fee will range from \$500 for smaller plans, to as much as \$10,000 for ongoing, in-depth engagements.

### **Compensation Methodology**

Retirement plans are typically assessed fees based on a percent of the amount of assets within the plan, with the percentage declining as the plan balance increases along with consideration for the number of participants in a plan. For a given size plan, generally the greater the number of participants the smaller the reduction in the percentage charged. In the case of small businesses and non-profit organizations, the fee is typically based on the balance of the assets under advisement by our firm. At times retirement plan sponsors prefer to negotiate a fixed fee and this fee will vary with the size of the assets in the plan. This is often the case where the sponsor pays for our fee rather than having plan participants pay such services.

For all of our engagements, the services that are to be provided and the anticipated fee will be detailed in our agreement. We believe our fees are reasonable in light of the services to be provided, as well as the experience and expertise of the assigned financial planner. Our fees may be negotiable at the discretion of our firm principal. Lower fees for comparable services may be available from other sources.

### **Retirement Plan Payment of Fees**

The plan trustee will be required to execute a letter to the plan record keeper directing the record keeper to charge plan participants the asset-based fee or fixed fee on a pro-rated basis on each participant's assets and to forward those funds to our firm after the end of each

calendar quarter. Should a third-party investment manager be engaged, the third-party investment manager will remit our portion of the deducted fee directly to our firm.

In jurisdictions where required, an invoice of the fees to be deducted from accounts will be provided by our firm to the plan trustee or administrator and it will include the total fee assessed as well as the covered time period, calculation formula utilized, and assets under management on which the fee has been based. Account holders are responsible for verifying the accuracy of the fee calculation; the custodian does not verify fee accuracy.

## **Other Types of Fees and Expenses**

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

## **CCR Section 260.238(j) Disclosure**

Please note, lower fees for comparable services may be available from other sources.

# **Item 6: Performance-Based Fees and Side-By-Side Management**

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We do not offer performance-based fees and therefore do not engage in side by side management.

## Item 7: Types of Clients

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We provide financial planning and portfolio management services to socially and environmentally conscious individuals, families, and organizations that wish to align their investments with their social and environmental values. Our clients are mostly inheritors, highly compensated professionals, retirees, and non-profits with over \$500k in assets to manage, who want their money to make a positive impact in the world. We help them implement prudent strategies to achieve their financial and impact objectives.

Our minimum requirement for investment management is \$500,000 per household or organization, unless certain conditions apply.

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

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We utilize various methods of portfolio development and investment analysis including SRI, fundamental analysis and passive investing. Please note that investing in securities involves risk of loss and all clients should be prepared to bear this risk prior to investing.

### **SRI**

We consider our clients' social and environmental priorities and tailor their investments accordingly using **Sustainable, Responsible, Impact (SRI) investments**. Applying a systematic approach to fund selection and rebalancing, we allocate your portfolio according to your objectives and risk tolerance using only sustainable, responsible, impact investments that score in the top of their peer group. Using a combination of both fundamental analysis and passive investment management, we orient client portfolios in a way that is prudent and financially sophisticated, not only aimed at achieving clients' financial goals but also incorporating their impact objectives

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be

the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

### **Passive Investment Management**

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

Please also note, we strive to maintain our portfolio weighted average internal fund expenses below 1/2 of a percent by using passive index funds, individual bonds, and institutional shares where available and prudent. We also focus on overall portfolio correlation figures to reduce volatility for a desired rate of return.

### **Risk Parity Impact Portfolios**

In situations where our client requires more of a capital preservation approach, we employ a methodology known as Risk Parity, utilizing SRI funds and ETFs to reduce the down-side capture rates during market declines and lower correlations of investments. Our modified Risk Parity approach considers and offers alternatives to the environmental impacts of commodities such as gold, the social impact of the heavy fixed income positions, and the somewhat common aversion to treasuries (due to government spending on defense) that are a staple in the traditional Risk Parity models used by pension fund and institutional management teams. For this reason, we refer to our models as Risk Parity Impact (RPI) portfolios.

## Impact Bond Strategy

Bond investments can provide a steady stream of income while preserving their principal over the long-term. Clients who are more risk adverse may commonly hold a heavier weighting of bonds in their portfolio, with a goal of tempering the volatility prevalent in the stock market. For many clients, Impact Investors will select individual bonds instead of using bond funds, as a way to reduce the costs, control the interest rate risk, and customize the investment impact. Additionally, municipal bonds will be used to reduce the tax liability for clients, providing double tax-free income while supporting specific municipal infrastructure such as brown fields, recycling, schools, clean water, public transportation, healthcare, green building, or renewable energy.

## Equity Impact Strategy

For some clients, we provide individual stock management tailored to meet our client's impact criteria. Impact Investors Equity Impact Strategy seeks long term capital appreciation from high quality stocks, allocated across a diverse range of sectors, company sizes, and geographic regions to provide clients with a diversified portfolio. The management team analyzes companies with the intention of holding the investment for a time horizon of 3-5 years, seeking companies and industries positioned to thrive as we transition to a more sustainable economy, integrating Environmental, Social, and Governance (ESG) factors into the investment process as a way to identify the companies best positioned to deliver strong long-term performance.

## Material Risks Involved

**All investing strategies we offer involve risk and may result in a loss of some or all of Client's original investment.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain ETFs held in portfolios may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of Client's investment portfolio, even if the dollar value of Client's investments remains the same.

## **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic

interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest. However, neither Impact Investors, nor any of its recommended third-party managers, utilize highly leveraged ETFs.

# Item 9: Disciplinary Information

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## **Criminal or Civil Actions**

Impact Investors and its management have not been involved in any criminal or civil action.

## **Administrative Enforcement Proceedings**

Impact Investors and its management have not been involved in administrative enforcement proceedings.

## **Self-Regulatory Organization Enforcement Proceedings**

Impact Investors and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of Impact Investors or the integrity of its management.

# Item 10: Other Financial Industry Activities and Affiliations

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No Impact Investors' employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No Impact Investors employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Impact Investors does not have any related parties. As a result, we do not have a relationship with any related parties.

Catherine Woodman is licensed to sell life insurance and Shane Yonston and Ian McLeod are licensed to sell life, health, long term care insurance and fixed annuities. They may engage in product sales with our clients, for which they will receive additional compensation. Any commissions received through life or health insurance sales do not offset advisory fees the client may pay for advisory services under Impact Investors. The very nature of these commissions creates a financial incentive to recommend insurance products. However, Ms. Woodman, Mr. Yonston, and Mr. McLeod are required to strictly adhere to the firm's code of ethics, including a fiduciary standard with respect to all advice provided to Impact Investors' clients. In addition, clients always retain the right to act (or not) on insurance recommendations and, if they do, to select the insurance representative they will use.

## **Recommendations or Selections of Other Investment Advisers**

In some cases, Impact Investors may refer clients to other investment advisers to manage their accounts. In such circumstances, Impact Investors will share in the total account asset management fee as compensation for managing the relationship with the client, reviewing the account regularly, providing administrative support and periodic, objective, performance reviews. This situation creates a conflict of interest. However, when referring clients to another investment adviser, the client's best interest and suitability of the other investment advisers will be the main determining factors of Impact Investors. This relationship is disclosed to the client at the commencement of the advisory relationship. These compensation arrangements present a conflict of interest because Impact Investors has a financial incentive to recommend the services of certain investment advisers over other investment advisers. At all times, clients maintain the right to decide which managers to use, if any. Additionally, Impact Investors will only recommend another investment adviser who is properly licensed or registered as an investment adviser.

## **Disclosure of Material Conflicts**

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding Impact Investors, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

# **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis for all our dealings.

## **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - We shall offer and provide professional services with integrity.
- Objectivity - We shall be objective in providing professional services to clients.
- Competence - We shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which we are engaged.

- Fairness - We shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - We shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Our conduct in all matter shall reflect credit of the profession.
- Diligence - We shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide of copy of its Code of Ethics to any client or prospective client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm and its “related persons” may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. Our policy is designed to assure that the personal securities transactions, activities and interests of the employees of our firm will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. To reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## **Trading Securities at/Around the Same Time as Client's Securities**

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. Our firm or its "related persons" will not trade non-mutual fund, non-ETF securities (like individual stocks or bonds) prior to trading the same security for clients on the same day.

# Item 12: Brokerage Practices

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## **Factors Used to Select Custodians and/or Broker-Dealers**

Specific custodian recommendations are made to client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm and on their availability of Sustainable, Responsible, Impact investment options as well as the portfolio management tools and costs of doing business. Portfolio management tools and other services are offered by custodians to Impact Investors for using them as a provider and can create an incentive for Impact Investors to select one custodian over another. Tools and services offered are more comprehensive than what a custodian's client would receive if only opening single personal account. However, the tools and services offered to Impact Investors do not vary based on the number of trades placed or on the assets held at selected custodians.

### **1. Research and Other Soft-Dollar Benefits**

We currently do not receive soft dollar benefits.

### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third-party in exchange for using that broker-dealer or third-party.

### **3. Clients Directing Brokerage**

For investment management accounts, we do not allow clients to direct us to use a specific broker-dealer to execute transactions.

## Aggregating (Block) Trading for Multiple Client Accounts

Outside Managers used by Impact Investors may block client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with our clients’ accounts; however, they will not be given preferential treatment.

## Item 13: Review of Accounts

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Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Shane Yonston, Principal Advisor and CCO. The account is reviewed with regards to the client’s investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client’s needs. Impact Investors will meet with clients annually, in person or by other means, to review clients’ profile, personal situation and investment needs.

Clients will receive trade confirmations from the custodian(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Impact Investors will provide written reports to Investment Management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian and notify us promptly of any discrepancies.

## Item 14: Client Referrals and Other Compensation

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Per our arrangements with third-party managers, we receive an advisory fee that is collected by selected third-party managers as a part of a total client fee. Other than this compensation, we do not receive any economic benefit, directly or indirectly from any third-party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

## Item 15: Custody

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Impact Investors does not accept physical custody of client funds or securities. Clients should receive at least quarterly statements from the custodian that holds and maintains client's investment assets. We urge clients to carefully review such statements and compare such official custodial records to reports provided by Impact investors. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For client account in which Impact Investors directly debits their advisory fee:

- i. Impact Investors will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The c u s t o d i a n will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization instructing the custodian to deduct the fee directly from accounts held by the custodian and pay the fee to Impact Investors.

## Item 16: Investment Discretion

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For accounts where our clients are using Outside Managers for investment management, Outside Managers will maintain investment discretion, over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold.

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold.

Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant either the Outside Manager or our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

## Item 17: Voting Client Securities

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Impact Investors does not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us to arrange such service to be provided.

In most cases, clients will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to clients by mail, unless authorized to receive electronically.

## Item 18: Financial Information

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We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$1200 in fees per client six months in advance.

Impact Investors, Inc.

548 Market St., #82444

San Francisco, CA 94104

888.463.6861

Dated January, 2020

Form ADV Part 2B – Brochure Supplement

*For*

**Catherine Lorraine Woodman**

Principal Advisor

This brochure supplement provides information about Catherine Woodman that supplements the Impact Investors, Inc. (“Impact Investors”) brochure. A copy of that brochure precedes this supplement. Please contact Shane Yonston if the Impact Investors brochure is not included with this supplement or if clients have any questions about the contents of this supplement.

Additional information about Catherine Woodman is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 4268744.

# Item 2: Educational Background and Business Experience

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## **Catherine Lorraine Woodman CFP®**

Born: 1973

### **Educational Background**

- 2008 – Master of Arts – Integral Psychology, JFK University
- 1995 – Bachelor of Arts – Theater Arts, University of Iowa

### **Business Experience**

- 07/2015 – Present, Impact Investors, Inc., Principal Advisor
- 06/2016 – 06/2018, Cambridge Investment Research Advisors, Inc., Investment Advisor Representative
- 06/2016 – 06/2018, Cambridge Investment Research Advisors, Inc., Registered Representative
- 01/2003 – 07/2016, Protected Investors of America, Financial Advisor
- 08/2000 – 12/2002, Salomon Smith Barney, Financial Advisor

### **Professional Designations, Licensing & Exams**

**CFP (Certified Financial Planner)®:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and several other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent

from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## Item 3: Disciplinary Information

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No management person at Impact Investors, Inc. has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

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Catherine Woodman is licensed to sell life insurance and may engage in product sales with our clients, for which she will receive additional compensation. Any commissions received through life or health insurance sales do not offset advisory fees the client may pay for advisory services under Impact Investors. The very nature of these commissions creates a financial incentive to recommend insurance products. However, Ms. Woodman is required to strictly adhere to the firm's code of ethics, including a fiduciary standard with respect to all advice provided to Impact Investors' clients. In addition, the client always retains the right to act (or not) on insurance recommendations and, if they do, to select the insurance representative they will use. This activity accounts for approximately 5% of her time.

## Item 5: Additional Compensation

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Catherine Woodman does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Impact Investors.

## Item 6: Supervision

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Shane Yonston, as Principal Advisor and Chief Compliance Officer of Impact Investors, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Impact Investors, Inc.

548 Market St., #82444

San Francisco, CA 94104

888.463.6861

Dated January, 2020

Form ADV Part 2B – Brochure Supplement

*For*

**Shane Garret Yonston**

Principal Advisor and Chief Compliance Officer

This brochure supplement provides information about Shane Yonston that supplements the Impact Investors, Inc. (“Impact Investors”) brochure. A copy of that brochure precedes this supplement. Please contact Shane Yonston if the Impact Investors brochure is not included with this supplement or if clients have any questions about the contents of this supplement.

Additional information about Shane Yonston is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 4799518.

# Item 2: Educational Background and Business Experience

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**Shane Garret Yonston, AIF®, CFP®, MFP**

Born: 1978

## **Educational Background**

- 2013 – Master of Science in Personal Financial Planning
- 2010 – Certified Financial Planner Practitioner™ (CFP®)
- 2007 – Accredited Investment Fiduciary® (AIF®)
- 2001 – Bachelor of Arts, Global Studies, University of California – Santa Barbara

## **Business Experience**

- 12/2014 – Present, Impact Investors, Principal Advisor and CCO
- 06/2016 – 06/2018, Cambridge Investment Research Advisors, Inc., Investment Advisor Representative and Registered Representative
- 11/2014 – 07/2016, Protected Investors of America, Registered Representative
- 01/2013 – 11/2014, Cetera Advisors LLC, Registered Rep.
- 01/2009 – 11/2014, Blue Summit Financial Group, Inc., Investment Advisor Representative
- 02/2012 – 12/2012, Multi-Financial Securities Corporation, Registered Representative

## **Professional Designations, Licensing & Exams**

**CFP (Certified Financial Planner)®:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and several other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Accredited Investment Fiduciary® (AIF®)**

Investment fiduciaries and professionals are constantly exposed to legal and practical scrutiny. It is likely that complaints and/or lawsuits alleging investment mismanagement will continue to increase. Many can be avoided by having clear knowledge of who constitutes a fiduciary and what is required of one.

The AIF Designation Training and designation help mitigate this liability with instruction covering pertinent legislation and best practices. Accredited Investment Fiduciary® (AIF®)

designees have the ability to implement a prudent process into their own investment practices as well as being able to assist others in implementing proper policies and procedures.

### **Benefits of the AIF® Designation**

In addition to the knowledge and business opportunities the AIF designation represents, all active designees are entitled to the following services and benefits:

- Access to a library of materials focused on the fiduciary standard created by experts and continually updated based on advances in case law, regulatory activity and thought leadership.
- Listing in our online Designee Search Library accessible to prospective and current clients, media, potential employers and referrals.
- Continuing education credit opportunities at no extra cost.
- One-on-one service and support from Fi360 staff.
- Access to Fi360's software tools and annual Conference and bookstore

### **Qualifications**

There are four requirements for attaining the AIF® designation: 1.

Enroll in and complete the AIF® Training

2. Pass the AIF® Examination

3. Meet the experience requirement

4. Submit the application and dues

Included in the application are sections to attest to both the Code of Ethics and Conduct Standards. The Code of Ethics consists of the tenets of ethical conduct expected of all credential holders, while the Conducts Standards pertain to any past criminal and civil litigation, regulatory events, and personal and professional conduct.

### **Continuing Education Requirement**

AIF® designees must accrue a minimum of six hours of continuing education annually. The CE requirement is effective immediately upon attainment of the AIF® designation, and CE hours may be accrued from a variety of sources. All CE is subject to audit by, and final approval from, Fi360.

## Item 3: Disciplinary Information

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No management person at Impact Investors, Inc. has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

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In addition to working with Impact Investor's team to deliver a high level of service, Shane Yonston also volunteers time as an Advisory Board member for Self Help Credit Union in San Diego and as a Conference Agenda Committee member for the longest running annual conference on Socially Responsible Investing in the United States.

Shane Yonston is licensed to sell life insurance and may engage in product sales with our clients, for which he will receive additional compensation. Any commissions received through life or health insurance sales do not offset advisory fees the client may pay for advisory services under Impact Investors. The very nature of these commissions creates a financial incentive to recommend insurance products. However, Mr. Yonston is required to strictly adhere to the firm's code of ethics, including a fiduciary standard with respect to all advice provided to Impact Investors' clients. In addition, the client always retains the right to act (or not) on insurance recommendations and, if they do, to select the insurance representative they will use. This activity accounts for approximately 5% of his time.

## Item 5: Additional Compensation

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Shane Yonston does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Impact Investors.

## Item 6: Supervision

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Shane Yonston, as Principal Advisor and Chief Compliance Officer of Impact Investors, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Impact Investors, Inc.

548 Market St., #82444

San Francisco, CA 94104

888.463.6861

Dated January, 2020

Form ADV Part 2B – Brochure Supplement

*For*

**Ian B. McLeod**

Financial Planner

This brochure supplement provides information about Ian McLeod that supplements the Impact Investors, Inc. (“Impact Investors”) brochure. A copy of that brochure precedes this supplement. Please contact Shane Yonston if the Impact Investors brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Ian McLeod is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 4608041.

# Item 2: Educational Background and Business Experience

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**Ian B. McLeod CFP®**

Born: 1978

## **Educational Background**

- Bachelor of Arts, University of Connecticut

## **Business Experience**

- 2018 – Present, Impact Investors, Inc, Financial Planner
- 2012 – July 2018, Communitas Financial Planning, Co-Founder/Shareholder/Financial Planner/IAR [Formerly Your Money & Your Life Financial Planning, PBC]
- 2004 –2011, The Social Equity Group, Investment Advisory Representative
- 2004 –2011, Financial West Group, Investment Advisory Representative and Registered Representative

## **Professional Designations, Licensing & Exams**

**CFP (Certified Financial Planner)®:** CFP certificants must have three years of full-time relevant personal financial planning experience, or two years of Apprenticeship experience that meets additional requirements, is required. Qualifying experience includes activities involving the delivery of financial planning services to clients. Experience can be gained in a number of ways, including personal delivery, supervision and teaching. They must pass a comprehensive two-day, 10-hour CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. As a final step to certification, CFP practitioners agree to abide by a strict code of professional conduct.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**AIF (Accredited Investment Fiduciary)®:** The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF® designation, individuals must complete a training program, successfully pass a comprehensive, closed book final examination under the supervision of a proctor and agree to abide by the AIF® Code of Ethics. In order to maintain the AIF® designation, the individual must annually renew their affirmation of the AIF® Code of Ethics and complete six hours of continuing education credits. The certification is administered by Center for Fiduciary Studies, LLC (a Fiduciary 360 (fi360) company).

## Item 3: Disciplinary Information

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Registered investment advisors are required to disclose certain material facts regarding any criminal, civil, legal or industry/professional association disciplinary event that would be material to your evaluation of each officer or a supervised person providing investment advice. No reportable information is applicable to this section for Mr. McLeod or our advisory firm.

## Item 4: Other Business Activities

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Mr. McLeod participates in the following businesses or activities outside of our firm. We do not believe that these present a material conflict of interest for the financial planning and investment advice provided by Mr. McLeod via our advisory firm.

Mr. McLeod is licensed to sell life insurance and may engage in product sales with our clients, for which he will receive additional compensation. Any commissions received through life or health insurance sales do not offset advisory fees the client may pay for advisory services under Impact Investors. The very nature of these commissions creates a financial incentive to recommend insurance products. However, Mr. McLeod is required to strictly adhere to the firm's code of ethics, including a fiduciary standard with respect to all advice provided to Impact Investors' clients. In addition, the client always retains the right to act (or not) on insurance recommendations and, if they do, to select the insurance representative they will use. This activity accounts for approximately 0% of his time.

## Item 5: Additional Compensation

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Mr. McLeod is not compensated for advisory services involving performance-based fees. Our firm also prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes for providing advisory services.

## Item 6: Supervision

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We supervise Mr. McLeod by requiring that he adhere to our processes and procedures as described in our firm's Code of Ethics and procedural guidelines. We will monitor the advice that Mr. McLeod may provide you by performing the following ongoing reviews:

- Account opening documentation when the relationship is established,
- Daily review of account transactions,
- Annual oversight of your financial situation, objectives, and investment needs, and
- A review of client correspondence on an as needed basis, and
- Periodic internal office reviews.

Mr. McLeod is supervised by Shane Yonston, Principal Advisor and Chief Compliance Officer of Impact Investors, Inc. Questions relative to our firm, services or this Form ADV Part 2B may be made to the attention of Mr. Yonston at 888.463.6861.

# Impact Investors, Inc.

548 Market St., #82444

San Francisco, CA 94104

888.463.6861

Dated January, 2020

## Form ADV Part 2B – Brochure Supplement

*For*

**Bradley (“Brad”) Gilbert**

Investment Advisor Representative

This brochure supplement provides information about Brad Gilbert that supplements the Impact Investors, Inc. (“Impact Investors”) brochure. A copy of that brochure precedes this supplement. Please contact Shane Yonston if the Impact Investors brochure is not included with this supplement or if clients have any questions about the contents of this supplement.

Additional information about Brad Gilbert is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 4458821.

## Item 2: Educational Background and Business Experience

**Bradley (“Brad”) Gilbert**

Born: 1979

### **Educational Background**

- 2000 – Bachelor of Science (Business Administration-Computer Information Systems, Colorado State University, Fort Collins, CO

### **Business Experience**

- 05/2019 – Present, Impact Investors, Inc, Portfolio Management
- 08/2018 – 05/2019, Unemployed
- 07/2017 – 08/2018, Engage Financial Technologies, Software/Operations Analyst
- 05/2017 – 07/2017, Brad Gilbert, LLC, Consultant
- 07/2016 – 05/2017, Kforce, Business Analyst

## Item 3: Disciplinary Information

No management person at Impact Investors, Inc. has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

Mr. Gilbert is not involved with outside business activities.

## Item 5: Additional Compensation

Brad Gilbert does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Impact Investors.

## Item 6: Supervision

Shane Yonston, as Principal Advisor and Chief Compliance Officer of Impact Investors, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

