

# Carbon Collective Investing, LLC Wrap Fee Programs Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of Carbon Collective Investing, LLC. If you have any questions about the contents of this brochure, please contact us at (559) 644-3195 or by email at: [info@carboncollective.co](mailto:info@carboncollective.co). 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.*

*Additional information about Carbon Collective Investing, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Carbon Collective Investing, LLC's CRD number is: 310129.*

2648 International Blvd., #115  
Oakland, CA 94601  
925-268-8041  
[info@carboncollective.co](mailto:info@carboncollective.co)  
<https://carboncollective.co>

*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 09/08/2023

## Item 2: Material Changes

We will promptly update this Wrap Fee Programs Brochure when material changes occur. Material changes are summarized in this section.

We initially provide you with a copy of our Wrap Fee Programs Brochure when we enter into an agreement with you. On an annual basis, we will provide you with a Summary of Material Changes within 120 days of our December 31 fiscal year-end. In the alternative, we may choose to provide you with a complete copy of our brochure.

Since our last annual amendment dated March 31, 2023, we have made the following material changes:

- We have updated **Item 5: Fees and Compensation** as follows:
  - Our mailing address has been updated to 2648 International Blvd., #115, Oakland, CA 94601.
  - For CCI's Personal Program portfolios, which use CCSO for exposure to Climate Solutions Companies, we impose a minimum account balance of \$1,000; however, CCI reserves the right to waive or reduce this minimum at its sole discretion.
  - Legacy clients may have a different fee schedule than reflected in this brochure. Each client's specific fee is set forth in their advisory agreement.
  - CCI Employer 401(k) plans are charged up to \$150/month plus up to 0.50% per annum of AUM for its 3(38) services.

Please see Item 5 for further details.

You may request a current copy of our Wrap Fee Programs Brochure by contacting us at (559) 644-3195 or by email at: [info@carboncollective.co](mailto:info@carboncollective.co). A copy is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Carbon Collective Investing, LLC's CRD number is: 310129.

### **Item 3: Table of Contents**

<b>Item 2: Material Changes</b>	<b>1</b>
<b>Item 3: Table of Contents</b>	<b>2</b>
<b>Item 4: Services, Fees, and Compensation</b>	<b>3</b>
<b>Item 5: Account Requirements and Types of Clients</b>	<b>5</b>
<b>Item 6: Portfolio Manager Selection and Evaluation</b>	<b>6</b>
Selecting/Reviewing Portfolio Managers	6
Related Persons	6
Advisory Business	6
Performance-Based Fees and Side-by-Side Management	7
Methods of Analysis, Investment Strategies and Risk of Loss	7
Material Risks Involved	8
Risks of Specific Securities Utilized	8
Voting Client Securities	9
<b>Item 7: Client Information Provided to Portfolio Managers</b>	<b>10</b>
<b>Item 8: Client Contact with Portfolio Managers</b>	<b>10</b>
<b>Item 9: Additional Information</b>	<b>10</b>
Disciplinary Action and Other Financial Industry Activities and Affiliations	10
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Code of Ethics	11
Participation in Client Transactions and Potential Conflicts of Interest	11
Review of Accounts	11
Client Referrals and Other Compensation	12
Financial Information	12

## **Item 4: Services, Fees, and Compensation**

Carbon Collective Investing, LLC (hereafter “CCI”) offers investment advisory services through the Carbon Collective Investing Personal Wrap Fee Program (“CCI Personal”), and the Carbon Collective Investing Employers Wrap Fee Program (“CCI Employer” and together with CCI Personal, the “CCI Programs”) over the internet via online interfaces. CCI is a Limited Liability Company organized in the State of California. The firm was formed in July 2020, and is a wholly owned subsidiary of Osmo Systems, Inc. a C Corporation registered in Delaware. If you have questions about the material contained herein, please contact CCI at [info@carboncollective.co](mailto:info@carboncollective.co).

This Wrap Fee Brochure is meant to help you understand the nature of the advisory services offered by CCI, whether the advisory services offered by CCI are right for you, and the potential conflicts of interest associated with your participation in the CCI Programs. You should review it carefully.

### **CCI Programs- Investment Management Services**

The CCI Programs are designed to provide clients with investment portfolios that divest from the roughly 20% of the stock market that relies on fossil fuels and reinvest directly in the companies building solutions to climate change (“Climate Solutions Companies”). The programs manage risks by remaining broadly diversified and continuing investment in the roughly 80% of the stock market that is already low-carbon and doesn’t depend on fossil fuels for its core business. Further risk management and diversification is provided by altering the exposures between asset classes within this investable universe. The goal being, fewer emissions and more solutions for long-term investing for climate change.

#### *CCI Personal Program*

As part of CCI’s Personal program, we provide discretionary investment advisory services to individuals and high net worth individuals via an online interface. If you invested with CCI directly through our website at [www.carboncollective.co](http://www.carboncollective.co) with an individual, joint, trust, IRA, or other similar personal account(s); or if you have a solo 401(k) with Altruist, then you would be in the CCI Personal Program. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice. These automated investment solutions are customized to each client and based on individual characteristics, such as the client’s time horizon, risk tolerance, income, and current assets, among others. The investment strategy for a specific client is based upon the client goals and risk tolerance objectives stated by the client completed questionnaire. The client may change these objectives at any time via online form or email and may book a time to talk in order to address any questions, personal objectives or restrictions related to their account by clicking “Talk to a Human” at the top of CCI’s website or by emailing [james@carboncollective.co](mailto:james@carboncollective.co) or [Hello@carboncollective.co](mailto>Hello@carboncollective.co).

The CCI Personal program provides a monthly newsletter to members, the cost of which is included in the overall wrap fee and may be canceled immediately without notice. CCI also provides a variety of educational materials for clients on its website.

#### *CCI Employer Program*

CCI provides investment advisory services to company 401(k) plans through the CCI Employer wrap fee

program. If you invest with CCI through your employer's 401(k) plan, then you would be in the CCI Employer Program. CCI's Employer Program offers online, algorithm-based portfolio management advice, rather than in-person investment advice, to companies that would like to offer green investment options to their employees, in addition to traditional retirement portfolios. Through an employer's chosen recordkeeper, employees can choose from retirement target date portfolios; complete a questionnaire which is designed to recommend portfolios based on goals, risk tolerance, and time to retirement; or self-direct their contributions to one or more of the fund options in the employer's investment lineup. Employees may adjust their investments or portfolio types through the online interface provided by the recordkeeper.

### **CCI Programs- Fees**

The CCI Programs are designed to "wrap" together many common third-party fees, including custodian, brokerage, and investment management fees into a single fee of between 0.05% and 1.00% per year depending on the program and type of account as more fully described below. CCI negotiates directly with the custodian and broker dealer responsible for maintaining client accounts and executing securities transactions, then pays a flat fee for these services using the fee collected from the client. Accounts participating in the CCI Programs are not charged higher advisory fees based on trading activity, but clients should be aware that CCI has an incentive to limit trading activities since the firm absorbs those transaction costs. We are paid based on assets under management and therefore have a financial incentive to recommend you contribute more money to your accounts.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange-traded fund, 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. CCI's selected broker dealers are responsible for executing client transactions in the market, as instructed, and may be paid a "spread", the difference between the bid and ask price of a security on the market, when executing securities transactions. This spread is indirectly paid by clients through the purchase and sale of securities on the market. CCI reviews the execution practices of its selected broker dealers annually.

401(k) plans in the CCI Employer program are administered by Vestwell or Ubiquity who act as the plan recordkeeper and are chosen by the client. Either Vestwell or Ubiquity may charge the 401(k) plan or its sponsoring company fees which are not included in the wrap fee and are paid pursuant to a separate contract between the 401(k) sponsor/company and their chosen recordkeeper. CCI does not use third-party portfolio managers and does not separately pay our in-house portfolio managers based on client assets.

CCI fees are generally not negotiable. CCI will occasionally provide discounts or promotional rates which may reduce what a specific client will pay. The CCI Programs may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, CCI's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers). You will pay fees and costs whether you make or lose money on your investments and they will reduce any amount of money you make on your investments over time.

### *CCI Personal -Investment Management Wrap Fees and Minimums*

CCI Personal portfolios use the Carbon Collective Climate Solutions U.S. Equity ETF (“CCSO”) to provide exposure to Climate Solutions Companies. CCI is the sub-adviser to CCSO and receives an investment sub-advisory fee for providing investment advice to CCSO, therefore CCI Personal program fees are discounted when we use CCSO in a client account to ensure that clients are not paying twice for such services.

Accounts with restrictions that may not be automated by our broker-dealer or which otherwise require or request a custom, or bespoke, portfolio of individual securities for exposure to Climate Solutions Companies must have a minimum of \$100,000 of investable assets under management with CCI. For CCI’s Personal Program portfolios which use CCSO for exposure to Climate Solutions Companies, we impose a minimum account balance of \$1,000; however, CCI reserves the right to waive or reduce this minimum at its sole discretion.

The CCI Personal wrap fee breakdown for account types with and without CCSO are detailed in the table below:

Portfolio Type	Annual Wrap Fee
Safety Net, Core, or Climate Only without CCSO (bespoke portfolios - \$100,000 minimum assets under management)	1.00%
Core or Safety Net using CCSO	0.20% + \$12/account
Climate Only using CCSO	0.05% + \$12/account

Asset-based portfolio management fees are withdrawn directly from the client’s account with the client’s written authorization provided in the investment advisory contract. Fees are paid every month in arrears.

Legacy clients may have a different fee schedule than that described above. In addition, some clients may have received a discount or participated in a special offer at the time of their engagement of our services. Each client’s specific fee is set forth in their advisory agreement. All discounts are at the sole discretion of CCI.

CCI receives a sub-advisory fee of 0.02% for investment advisory services provided to CCSO. In addition, CCI would receive any profit remaining after payment of all operational expenses of CCSO. Otherwise, neither CCI, nor any representatives of CCI receive any additional compensation beyond advisory fees for the participation of clients in the CCI Programs. However, the compensation received may be more than what would have been received if the client paid separately for investment advice, brokerage, and other services. Therefore, CCI may have a financial incentive to recommend the CCI Programs and CCSO to clients.

### *CCI Employer-Investment Management Wrap Fees and Minimums*

Investment management fees for the CCI Employer program are accrued monthly and billed quarterly to either the company/sponsor or may be debited from plan participants in accordance with the 401(k) plan agreement with the company’s chosen recordkeeper. There is no account minimum for the CCI

Employer program. CCI Employer 401(k) plans are charged up to \$150/month plus up to 0.50% per annum of AUM for its 3(38) services.

## **Item 5: Account Requirements and Types of Clients**

CCI generally offers advisory services to the following types of clients:

- Individuals - CCI Personal
- High-Net-Worth Individuals - CCI Personal
- 401(k) Plans - CCI Employer (except Solo 401(k) with Altruist which is CCI Personal)
- Registered Investment Companies, specifically the Carbon Collective Climate Solutions U.S. Equity ETF (“CCSO”)

No account minimum applies to The CCI Employer program or to the CCI Personal program accounts which use CCSO for exposure to Climate Solutions Companies; however, CCI Personal accounts will only be invested once the account is funded with at least \$100. CCI Personal clients who request or require a custom or bespoke portfolio of individual securities for exposure to Climate Solutions Companies must have a minimum of \$100,000 of investable assets under management with CCI.

## **Item 6: Portfolio Manager Selection and Evaluation**

### ***A. Selecting/Reviewing Portfolio Managers***

CCI provides in-house portfolio management for both of the CCI Programs and does not select among third-party portfolio managers to provide its investment advisory services. CCI’s co-founders designed the CCI Programs to provide green investing for long-term investors and conducts all investment research in-house.

CCI reviews the performance information published on its website to determine and verify its accuracy and compliance with its presentation standards. The performance information is updated quarterly and is reviewed by CCI.

### ***B. Related Persons***

CCI and its personnel serve as the portfolio managers for all CCI Programs accounts. This is a conflict of interest in that no outside adviser assesses CCI’s management of the CCI Programs. CCI addresses this conflict by acting in its clients’ best interest consistent with its fiduciary duty as sponsor and portfolio manager of the CCI Programs and maintaining a compliance program customized to address the specific risks and conflicts that may affect CCI’s business.

### ***C. Advisory Business***

CCI provides discretionary investment advice designed to divest investment accounts from portions of the market which are dependent on fossil fuels and reinvest in companies building climate change solutions while maintaining diversification across the portion of the market which is already low-carbon or energy neutral.

CCI generally limits its investment advice to ETFs, equities, green bonds, and treasury bonds/notes but may recommend other securities as well to help diversify a portfolio when applicable.

CCI serves as the sponsor and investment sub-advisor to CCSO and receives a management fee for providing sub-advisory services to CCSO in addition to any profit remaining after payment of all operational expenses. CCI Personal uses CCSO for exposure to some, or all, of a client's allocation to Climate Solutions Companies in their portfolio.

#### *CCI Personal -How we provide services*

CCI Personal provides investment advisory services through an online interface at [www.carboncollective.co](http://www.carboncollective.co). Clients may access their accounts via an online portal from App.Altruist.com to view their portfolio balance, current account allocation mix, holdings, transactions and other information. The investment strategy for a specific client account is based upon the client goals, time horizon, and risk tolerance as stated by the client completed questionnaire. Based on the client's responses, the algorithm recommends a mix of equities, bonds and cash for the client's consideration. The client may accept this recommendation or choose another portfolio. The client may change these objectives at any time via an online form or email and may book a time to talk in order to address any questions, personal investment objectives, or restrictions related to their account by clicking "Talk to a Human" at the top of CCI's website or by emailing [james@carboncollective.co](mailto:james@carboncollective.co) or [Hello@carboncollective.co](mailto>Hello@carboncollective.co).

CCI Personal account transactions are executed by Altruist Financial LLC as the broker dealer for the wrap fee program. CCI selected the broker dealer based on its execution capabilities and quality (including the ability to transact in fractional shares), fees, ability to provide automated rebalancing and other transaction monitoring tools, financial standing, and overall customer service provided to CCI's clients. Broker dealer services may be available separately, potentially at a lower cost than the CCI Personal program. CCI seeks to obtain best execution through evaluation of the full range and quality of the brokerage's services and conducts a review of execution practices, among other things, annually.

#### *CCI Employer-How we provide services*

CCI Employer works with experienced 401(k) recordkeepers, Ubiquity and Vestwell, to enable employers to offer low-fee, diversified, mission-driven portfolios in their 401(k) plans. We work with employers to help offer a range of portfolios from generic, target-date style portfolios, to general "ESG" portfolios, and climate focused portfolios. Individual employees ("participants" in industry speak) can log-in to an online platform provided by their recordkeeper to change investment options or individual investment allocations at any time. Participants in a 401(k) are limited to the investment choices included in their plan. CCI provides ongoing review of the investment options and advises the company regarding changes or updates to the offerings.

CCI Employer participant transactions are executed by Matrix Trust Company ("Matrix") as the broker dealer and custodian for each plan recordkeeper. Matrix provides automated trust, custody and agent services for qualified plans through the recordkeepers selected by the employer. CCI conducts annual due diligence on the recordkeepers and indirectly Matrix, including its execution services and capabilities but does not have the ability to change the broker dealer without the client's permission.



## ***D. Performance-Based Fees and Side-by-Side Management***

CCI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## ***E. Methods of Analysis, Investment Strategies and Risk of Loss***

CCI specializes in portfolios built to remove fossil fuels and other companies with high carbon emissions and replace them with companies building climate change solutions. We start by identifying the companies working to build a healthier, safer and cleaner, decarbonized world.

Publicly traded companies which have been identified as building a climate solution (Climate Solutions Companies) by independent third-parties such as Project Drawdown and As You Sow are included in the investable universe. Then we exclude companies who also build products that depend on the fossil fuel industry. We evaluate companies on an ongoing basis and as more and more companies are building climate solutions, we evaluate them versus our ethical criteria for inclusion. Likewise, we re-screen and remove any companies that no longer meet our ethical criteria for inclusion. We don't try to pick winners and losers, but instead let the broader market decide. For example, we include all solar companies traded on the NYSE. The big ones, get a big share. The small ones get a proportionally smaller share. We make a couple of adjustments to ensure no company is too over- or under-weighted.

CCI Personal typically uses CCSO for some, or all, of a client's allocation to Climate Solutions Companies while CCI Employer often uses QCLN, an unaffiliated ETF. Other unaffiliated ETFs or mutual funds, in addition to individual stocks in certain CCI Personal portfolios, are typically used to provide exposure to the low-carbon economy and green bonds. CCI may also use U.S Treasury or agency bonds in its Safety Net portfolios.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### **Material Risks Involved**

#### *Investment Strategies Risk*

**Long term investing** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

#### *Risks of Specific Securities Utilized*

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment-grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation-linked bonds is dependent upon the U.S. Treasury defaulting (unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of Investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange-Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that are one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed-income investments (as applicable). Foreign securities, in particular, are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Investment in CCSO** - the Carbon Collective Climate Solutions U.S. Equity ETF, CCSO, is typically used for some or all of a client’s allocation to CCI’s climate index portfolio of stocks. CCI serves as the sponsor and investment sub-advisor to CCSO and receives a management fee for providing sub-advisory services to CCSO in addition to any profit remaining after payment of all operational expenses of CCSO. CCSO is a new ETF with a limited operating history and is CCI’s first pooled investment vehicle. CCI has attempted to mitigate this risk by contracting with knowledgeable and

experienced industry service providers and implementing procedures designed to limit other risks, however not all risks can be limited or mitigated. More information about CCSO, its investments and principal risks are discussed in the prospectus and on the fund's website at [www.carboncollectivefunds.com/ccso](http://www.carboncollectivefunds.com/ccso).

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

*Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***E. Voting Client Securities***

CCI currently is not able to accept proxy voting authority for new clients, but hopes to be able to do so in the future. Clients for whom we cannot vote proxies will receive the proxies directly from their account custodian and are encouraged to review the proxy voting guidelines of As You Sow, a non-profit leader in shareholder advocacy, when making their proxy voting decisions.

Certain of CCI's legacy clients which are linked to our third-party proxy voting vendor, Proxy Edge, and CCSO have delegated authority to receive and vote all proxies and related materials for their accounts to CCI.

CCI maintains policies and procedures reasonably designed to mitigate conflicts of interest and reasonably ensure that proxy matters are conducted in the best interest of clients and in support of our objective to reduce carbon emissions and support the building of climate change solutions. CCI believes that when individuals and intuitions are voting proxies to drive tangible climate impact from publicly traded companies, they can influence the style of their growth and help drive a path to a stable climate. CCI uses the Proxy Voting Guidelines published by As You Sow, a non-profit leader in shareholder advocacy to promote environmental and social corporate responsibility. CCI may abstain from voting on proxies if it determines that abstaining is in the best interest of its clients. Clients for whom CCI votes proxies may request information regarding how CCI voted a their client's proxies, and clients may request a copy of CCI's proxy voting policies and procedures, which may be updated from time to time, by emailing [info@carboncollective.co](mailto:info@carboncollective.co).

### **Item 7: Client Information Provided to Portfolio Managers**

Portfolio managers have access to questionnaire responses and other client information, as well as any updates to such information, as may be necessary to ensure proper management of the account. The portfolio managers are primarily responsible for overseeing, monitoring and updating the algorithms resulting from the Company's portfolio construction criteria and for evaluating potential Climate Solutions Companies.

### **Item 8: Client Contact with Portfolio Managers**

CCI does not restrict clients from contacting portfolio managers. CCI's representatives can be contacted during regular business hours using the information on the Form ADV Part 2B cover page. CCI primarily uses electronic rather than telephonic means to provide customer support and client contact. Clients

may also communicate with us by choosing to “talk to a human” from our website or by emailing james@carboncollective.co or Hello@carboncollective.co., however all investment advice is provided exclusively through our website.

## **Item 9: Additional Information**

### ***A. Disciplinary Action and Other Financial Industry Activities and Affiliations***

CCI has not been subject to any disciplinary events by regulators nor is it a party to any legal events that are material to client evaluation of our advisory business.

CCI is the sponsor and investment sub-adviser to the Carbon Collective Climate Solutions U.S. Equity ETF (CCSO) and as such receives a management fee of 0.02% for such services in addition to any profit remaining after payment of all operational expenses of CCSO. CCI typically uses CCSO as all or part of the allocation to our climate index portfolio of stocks for client portfolios and as a result may receive fees and income as a result of this investment. CCI discounts its investment management fee for portfolios which use this as a material portion of such allocation as detailed under Item 4 above to avoid client accounts paying a double fee for these advisory services.

Neither CCI nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer or as a futures commission merchant, commodity pool operator, or commodity trading advisor or an associated person of the foregoing entities.

CCI does not select or recommend third-party investment advisers.

### ***B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

#### **Code of Ethics**

CCI maintains a Code of Ethics and Code of Conduct that requires all officers and employees to conduct themselves with the highest standards of honest conduct and business ethics in all aspects of their activities concerning CCI and CCI’s clients. CCI’s Code of Ethics is available free upon request to any client or prospective client.

#### **Participation in Client Transactions and Potential Conflicts of Interest**

CCI is the sponsor and investment sub-adviser to the Carbon Collective Climate Solutions U.S. Equity ETF (CCSO) and as such receives a management fee of 0.02% for such services in addition to any profit remaining after payment of all operational expenses of CCSO. CCI typically uses CCSO as all or part of the allocation to Climate Solutions Companies in the CCI Personal portfolios and as a result may receive fees and income as a result of this investment. CCI discounts its investment management fee for portfolios which use this as a material portion of such allocation, as detailed under Item 4 above, to avoid such client accounts paying a double fee for these advisory services.

From time to time, representatives of CCI may buy or sell securities for themselves that they also recommend to clients. Many CCI employees are also CCI Clients. This may provide an incentive to buy or sell such securities for client accounts, although this incentive is limited because CCI typically recommends highly liquid ETFs and equities and because client activity is unlikely to materially impact their price. Employees, officers, or contractors who are Access Persons, meaning that they

have access to client account information, trading information and/or are part of our team considering prospective Climate Solutions Companies, must report securities transactions to CCI compliance on a quarterly basis for review. Access persons who intend to purchase securities CCI has identified as Climate Solutions Companies are encouraged to become clients of CCI or invest in CCSO where potential trading conflicts can be more easily managed and readily observed.

It is CCI's express policy that no person employed by CCI may use material, non-public information obtained during the course of their work in deciding whether to purchase or sell any security or prior to any pending transactions(s) being executed for an advisory account.

### ***C. Review of Accounts***

#### *CCI Personal*

CCI's portfolio managers continuously review securities held in clients' accounts in the CCI Personal program. CCI's algorithms are designed to automatically rebalance your account in reaction to deposits or withdrawals to maintain portfolios within a set range of their intended allocation. Clients are reminded to notify CCI of changes in their financial situation (such as retirement, termination of employment, physical move, or inheritance) as such changes may change the recommended account allocation. Clients are encouraged to contact CCI through our website "Talk to a Human" option to send a message or set up a meeting, or via email to [info@carboncollective.co](mailto:info@carboncollective.co).

CCI Personal client accounts are reviewed on an ongoing basis through the algorithm. Accounts are also reviewed for correct assignment and adherence to investment policies at least Annually by James Regulinski, Cofounder, or Marissa Browne, Head of Client Relations. Clients can log-in to their account to view their account, including balances, holdings, trades, etc., at any time. The custodian also provides monthly statements to each client through its website or application.

#### *CCI Employer*

CCI works with the recordkeeper to set up portfolio allocation targets and rebalancing terms. Portfolios are typically rebalanced quarterly by the recordkeeper and contributions are invested as directed by the individual plan participant. Clients can log-in to their account at the recordkeeper to review their account, balances, trading, holdings and portfolio allocation at any time. Clients can also change the allocation of their account or of their future contributions through the recordkeepers platform. CCI regularly reviews and evaluates securities used plan options in client accounts.

### ***D. Client Referrals and Other Compensation***

CCI does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CCI clients.

CCI periodically compensates clients for their testimonials regarding our climate objectives and our advisory services in compliance with Rule 206(4)-1(b). These clients are typically paid a flat fee based on the number of followers and expected community response.

CCI has occasionally entered into Referral Agreements with individuals or companies ("Referrers") who are clients or are otherwise familiar with CCI's wrap fee program to provide prospective client

referrals. These Referrers are typically paid a flat fee (often \$100) for each introduction that results in a funded client account as a result of the referral.

CCI also occasionally offers short-term fee reductions for clients who refer friends or family. This may or may not lower the fee the new client pays, but will reduce the referring client's fee by a specified amount for a specified period as described by the offer made from time to time.

CCI's Green 401(k) Scouts program provides compensation to unaffiliated persons who make an introduction to a company or organization that leads to that company converting to a CCI Employer program account. Scouts must sign a referral agreement, use only CCI approved materials, if any, and participate in a brief training session. For each 401(k) referred by a Scout which converts to a CCI Employer program account, the Scout receives half of CCI's first year of revenue with a minimum of \$500 and a maximum of \$25,000.

### ***E. Financial Information***

CCI neither requires nor solicits prepayment of more than \$1,200.

CCI does not have any financial condition that would impair its ability to meet contractual commitments to clients.

CCI has not been the subject of a bankruptcy petition.