Ethical Capital Complete Documentation Bundle

Investment Strategies, Process, and Due Diligence Package

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Chapter 1

Executive Summary

This comprehensive documentation package provides complete transparency into Ethical Capital's investment philosophy, strategies, and operational framework.

Invest Vegan LLC DBA Ethical Capital is a Utah-registered investment adviser (CRD #316032) specializing in values-aligned investing without compromising financial returns.

1.1 Quick Reference

- **Investment Approach**: We accept clients based on mission alignment, not wealth level
- **Advisory Fee**: 1.0% annually on assets under management (reduced fees for adviser referrals)

- **Strategies**: Growth (25 positions), Income (15-20 holdings), Diversified (6-10 funds)
- **Exclusions**: 57% of S&P 500 companies excluded through ethical screening
- **Primary Contact**: hello@ethicic.com

Chapter 2

Investment Philosophy & Approach

Our investment philosophy centers on the principle that **ethical screening is a luxury, not a limitation**. We demonstrate that values alignment and financial performance are synergistic when implemented through rigorous active management.

2.1 Core Principles

1. **evidence-based research**: Unbiased research methodology eliminating wishful thinking
2. **Comprehensive Exclusions**: Rigorous ethical screening of all investments
3. **Transparent Performance**: Honest reporting of successes and challenges
4. **Fiduciary Commitment**: Legal obligation to put client interests first

2.2 Ethical Framework

2.2.1 Product-Based Exclusions

- **Fossil Fuels**: Oil, gas, coal extraction and infrastructure
- **Weapons & Defense**: Military contractors and weapons manufacturers
- **Factory Farming**: Industrial animal agriculture
- **Tobacco & Gambling**: Production, distribution, and related services
- **Surveillance**: Privacy-violating technology and incarceration systems

2.2.2 Conduct-Based Exclusions

- **Human Rights Violations**: Direct harm to people and communities
- **Environmental Misconduct**: Climate damage and pollution
- **Governance Failures**: Systematic ESG and operational failures
- **Predatory Practices**: Exploitative financial and business models

2.2.3 Strategic Commitments

- **Apartheid Free Pledge**: No investments supporting Israeli apartheid
- **Plant Based Treaty**: Supporting sustainable food system transition
- **Petrochemical Avoidance**: Excluding fossil fuel derivative dependence

Chapter 3

Investment Strategies

3.1 Growth Strategy - Our Best Work

Target: Long-term capital appreciation through concentrated positions

3.1.1 Key Characteristics

- **Holdings**: 25 individual companies
- **Position Size**: 4-6% each (high conviction)
- **Time Horizon**: 5+ years
- **Risk Level**: High volatility
- **Benchmark**: ACWI (All Country World Index)

3.1.2 Performance Targets

- **Historical Returns**: 12.4% annually (3-year)
- **Excess Return**: +2.1% vs S&P 500
- **Sector Allocation**: Technology 35%, Healthcare 20%, Infrastructure 15%

3.1.3 Suitability

Appropriate For: Long-term wealth building, values-driven investors comfortable with volatility **Not Suitable For**: Conservative investors, short-term needs, risk-averse profiles

3.2 Income Strategy - For Near-Term Needs

Target: Regular cash flow with capital preservation

3.2.1 Key Characteristics

- **Holdings**: 15-20 dividend-paying stocks
- **Current Yield**: 4.2% portfolio average

- **Distribution**: Quarterly dividends
- **Risk Level**: Moderate

- **Benchmark**: Dividend Aristocrats Index

3.2.2 Performance Targets

- **Historical Returns**: 8.9% annually (3-year)
- **Dividend Growth**: 6.8% (3-year average)
- **Sector Allocation**: Utilities 25%, REITs 20%, Healthcare 15%

3.2.3 Suitability

Appropriate For: Regular income needs, retirees, conservative equity exposure **Not Suitable For**: Growth-focused investors, high tax brackets (taxable accounts)

3.3 Diversification Strategy - Risk Management

Target: Balanced returns through broad diversification

3.3.1 Key Characteristics

- **Holdings**: 6-10 carefully selected funds
- **Asset Classes**: Global equity (60%), Fixed income (25%), Alternatives (15%)
- **Risk Level**: Moderate-Low
- **Benchmark**: 60/40 Portfolio (ACWI/AGG)

3.3.2 Performance Targets

- **Historical Returns**: 7.2% annually (3-year)
- **Volatility**: Lower than concentrated strategies
- **Global Exposure**: US 40%, International 20%, Bonds 25%

3.3.3 Suitability

Appropriate For: Sequence of returns risk, broad diversification preference **Not Suitable For**: High-conviction investors, maximum growth seekers

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Chapter 4

Investment Process & Decision-Making

4.1 Research & Analysis Framework

4.1.1 Ethical Screening Process

1. **Product Screening**: Exclude harmful goods and services
2. **Conduct Analysis**: Review business practices and governance
3. **Strategic Alignment**: Apply apartheid free and sustainability commitments
4. **Impact Assessment**: Measure exclusion effects on universe and performance

4.1.2 Financial Analysis

1. **Fundamental Research**: Financial health and competitive positioning
2. **Valuation Analysis**: Price assessment and growth potential

3. **Risk Evaluation**: Concentration, sector, and ESG risk factors
4. **Portfolio Construction**: Position sizing and diversification

4.2 Investment Committee Structure

Decision Authority: Chief Investment Officer (sole proprietor) **Research Process**: Systematic approach with multiple validation points **Review Frequency**: Quarterly portfolio review and rebalancing **Client Communication**: Regular performance and holdings transparency

4.3 Risk Management

4.3.1 Risk Categories Monitored

1. **Market Risk**: Equity volatility and sector concentration
2. **ESG Risk**: Exclusion constraints on diversification
3. **Operational Risk**: Technology, personnel, business continuity
4. **Regulatory Risk**: Investment adviser regulation changes

4.3.2 Mitigation Strategies

- **Diversification**: Across sectors, market caps, geographies
- **Position Limits**: Maximum concentration and rebalancing rules
- **Research Validation**: Multiple analysis points and ongoing monitoring
- **Technology Infrastructure**: 3-2-1 backup strategy and secure systems

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Chapter 5

Operational Framework & Infrastructure

5.1 Business Structure

Legal Entity: Invest Vegan LLC DBA Ethical Capital **Registration**: Utah Registered Investment Adviser **CRD Number**: 316032 **Primary Regulator**: Utah Division of Securities

5.2 Key Personnel

Chief Investment Officer: Sloane Ortel - All investment decisions and client relationships - Regulatory compliance and business operations - Research, analysis, and portfolio management

5.3 Technology & Custodial Relationships

5.3.1 Portfolio Management

System: Garden (internally developed application) **Capabilities**: Portfolio tracking, performance analysis, client reporting **Data Integration**: Real-time custodial data feeds and reconciliation

5.3.2 Custodial Relationships

Primary Custodians: Altruist and Charles Schwab **Account Types**: Individual, joint, IRA, trust, business entities **Protection**: SIPC insurance and additional private coverage

5.3.3 Data Security & Backup

Communication: Encrypted client portals and secure messaging **Backup Strategy**: 3-2-1 backup protocol (3 copies, 2 different media, 1 offsite) **Disaster Recovery**: Daily backups with tested recovery procedures

5.4 Regulatory Compliance

5.4.1 Registration Status

- **Utah State Registration**: Active and current
- **Form ADV**: Filed and regularly updated
- **Annual Review**: Fiscal year-end compliance review
- **Record Keeping**: Detailed transaction and communication documentation

5.4.2 Client Protections

- **Fiduciary Standard**: Legal obligation to act in client best interests
- **Fee Transparency**: Clear disclosure and quarterly reporting
- **Regular Communication**: Portfolio updates and performance attribution
- **Complaint Resolution**: Direct access to Chief Investment Officer

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Chapter 6

Performance & Reporting

6.1 Transparency Commitments

6.1.1 Client Reporting

- **Quarterly Reports**: Performance, holdings, attribution analysis
- **Annual Summaries**: Tax documents and year-end statements

- **Real-Time Access**: Client portal with current account information
- **Impact Reporting**: ESG outcomes and engagement activities

6.1.2 Public Transparency

- **Open-Source Methodology**: Published screening criteria and process
- **Research Sharing**: Analysis and findings available publicly
- **Performance Disclosure**: Honest reporting of successes and challenges
- **Regulatory Filings**: Timely Form ADV updates and compliance

6.2 Benchmarking & Performance Analysis

6.2.1 Primary Benchmarks

- **Growth Strategy**: S&P 500 Total Return Index
- **Income Strategy**: Dividend Aristocrats Index

- **Diversification Strategy**: 60/40 Portfolio (ACWI/AGG)

6.2.2 Performance Metrics

- **Total Return**: Time-weighted returns with fee impact
- **Risk-Adjusted**: Sharpe ratio, maximum drawdown, volatility
- **Attribution**: Sector allocation, security selection, ESG impact
- **Peer Comparison**: Performance vs. ESG and traditional managers

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Chapter 7

Fee Structure & Account Information

7.1 Investment Minimums

We accept new clients based on their level of alignment with our mission, not their level of wealth. We believe ethical investing should be accessible to everyone committed to values-driven investing.

7.2 Fee Structure

- **Advisory Fee**: 1.0% annually on assets under management (reduced fees for adviser referrals)
- **Fee Calculation**: Based on average daily balance, deducted quarterly
- **Custodial Fees**: Covered by Ethical Capital (no additional client charge)
- **Transaction Costs**: Minimal, absorbed into overall fee structure

7.3 Account Types Available

- **Individual and Joint**: Taxable investment accounts
- **IRA Accounts**: Traditional, Roth, SEP, Simple IRAs
- **Business Entities**: Corporate and partnership accounts
- **Trust Accounts**: Revocable and irrevocable trust management

7.4 Account Setup Process

7.4.1 Timeline

- **Initial Consultation**: Same day or within 24 hours
- **Account Opening**: 2-3 business days for paperwork
- **Funding**: 1-5 business days depending on method
- **Investment Implementation**: 1-2 business days after funding
- **Total Timeline**: 5-10 business days to full investment

7.4.2 Required Documentation

- Government-issued photo ID

- Social Security card or tax documents
- Proof of address (utility bill or bank statement)
- Employment verification (if required)

Chapter 8

Legal Disclosures & Risk Factors

8.1 Investment Adviser Registration

Invest Vegan LLC DBA Ethical Capital is registered as an investment adviser with the Utah Division of Securities. Registration does not imply a certain level of skill or training. More information about our investment advisory services is available in our Form ADV Part 2, which is available upon request.

8.2 General Disclaimers

8.2.1 Not Investment Advice

The information contained in this document is for educational and informational purposes only and does not constitute investment advice. Any investment or strategy mentioned may not be suitable for all investors and you should consult with a qualified investment adviser before making any investment decisions.

8.2.2 Past Performance Disclaimer

Past performance is not indicative of future results. All investments involve risk of loss, including loss of principal. No investment strategy or risk management technique can guarantee returns or eliminate risk in all market environments.

8.2.3 Forward-Looking Statements

This document may contain forward-looking statements regarding our expectations about future market conditions, investment performance, or business operations. These statements are based on current expectations and assumptions that may prove to be incorrect. Actual results may differ materially from those expressed or implied in forward-looking statements.

8.3 Fee Disclosures

8.3.1 Advisory Fees

Our investment advisory fees are disclosed in detail in our Form ADV Part 2 and client agreements. Fees may be negotiable based on account size and other factors.

8.3.2 Additional Costs

Clients may incur additional costs including but not limited to:

- Custodial fees charged by the account custodian
- Transaction costs for buying and selling securities
- Mutual fund or ETF expense ratios
- Tax preparation and accounting costs

8.4 Investment Risks

8.4.1 General Investment Risks

- **Market Risk**: All investments subject to market volatility and potential loss
- **Concentration Risk**: Focused strategies create individual security impact
- **Sector Risk**: Concentrated exposure to specific industries or themes
- **ESG Constraint Risk**: Ethical screening may limit diversification opportunities

8.4.2 ESG-Specific Risks

- **Limited Universe**: ESG screening reduces the investable universe, which may impact diversification
- **Data Quality**: ESG data may be incomplete, inaccurate, or subject to interpretation
- **Evolving Standards**: ESG criteria and methodologies continue to evolve and may change over time
- **Performance Impact**: ESG constraints may result in performance that differs from broader market indices

8.4.3 Strategy-Specific Risks

- **Growth Strategy**: High volatility, concentration risk, growth premium fluctuations
- **Income Strategy**: Interest rate sensitivity, dividend cut risk, sector concentration
- **Diversification Strategy**: Fund manager risk, style drift, broad market exposure

8.5 Important Disclaimers

- **Past Performance**: Does not guarantee future results
- **Risk of Loss**: All investments involve risk of loss, including loss of principal
- **No Guarantee**: No assurance of achieving investment objectives
- **Professional Advice**: Consult tax and legal advisors before investing

8.6 Regulatory Disclaimers

Invest Vegan LLC DBA Ethical Capital is a registered investment adviser. This document is for informational purposes only and does not constitute investment advice, an offer to sell, or solicitation to purchase securities.

Registration does not imply endorsement by regulators nor indicate particular skill level. All information believed reliable but not guaranteed. Please consult Form ADV for complete disclosures.

Chapter 9

Contact Information & Next Steps

9.1 Primary Contact

Sloane Ortel, Chief Investment Officer
Email: hello@ethicic.com
Website: https://ethicalcapital.com

9.2 Getting Started

1. **Discovery Call**: Discuss goals, values, and investment approach
2. **Strategy Selection**: Choose appropriate strategy or combination
3. **Account Setup**: Complete paperwork and funding
4. **Investment Implementation**: Begin values-aligned investing

9.3 Additional Resources

- **Complete Website**: https://ethicalcapital.com
- **Investment Process**: https://ethicalcapital.com/content/process/
- **Strategy Details**: https://ethicalcapital.com/content/about/investment-strategies
- **Legal Documents**: https://ethicalcapital.com/content/legal/

Chapter 10

Privacy Policy

Effective Date: August 2025
Last Updated: August 31, 2025

10.1 Our Commitment to Privacy

Invest Vegan LLC DBA Ethical Capital is committed to protecting the privacy and confidentiality of our clients' personal and financial information. This Privacy Policy explains how we collect, use, disclose, and safeguard your information when you visit our website or engage our investment advisory services.

10.2 Information We Collect

10.2.1 Personal Information

When you engage our services or visit our website, we may collect:

- **Identity Information**: Name, address, phone number, email address, date of birth, Social Security number
- **Financial Information**: Investment accounts, income, net worth, investment objectives, risk tolerance
- **Professional Information**: Employment details, employer information, professional designations
- **Communication Records**: Records of phone calls, emails, and meetings
- **Website Usage**: IP address, browser type, pages visited, time spent on site

10.2.2 How We Collect Information

- **Directly from You**: Through forms, applications, consultations, and ongoing communications
- **From Third Parties**: With your consent, from custodians, other financial advisors, or service providers
- **Automatically**: Through website cookies and analytics tools
- **Public Sources**: Information available in public records or databases

10.3 How We Use Your Information

10.3.1 Primary Uses

- **Investment Management**: To provide personalized investment advice and portfolio management services
- **Account Administration**: To open accounts, process transactions, and maintain records
- **Communication**: To respond to inquiries and provide ongoing service
- **Compliance**: To meet regulatory requirements and conduct required reporting
- **Service Improvement**: To enhance our services and develop new offerings

10.3.2 Legal Basis for Processing

We process your information based on:

- **Contractual Necessity**: To fulfill our advisory agreement with you
- **Legal Obligation**: To comply with securities regulations and other legal requirements
- **Legitimate Interest**: To operate our business and improve our services
- **Consent**: For marketing communications and certain website features

10.4 Information Sharing and Disclosure

10.4.1 When We Share Information

We may share your information only in limited circumstances:

- **Service Providers**: With custodians, technology providers, and other service providers who help us operate our business
- **Legal Requirements**: When required by law, regulation, or legal process
- **Business Transfers**: In connection with a sale or transfer of our business
- **Client Consent**: When you provide explicit consent for specific sharing

10.4.2 We Do Not Sell Information

We do not sell, rent, or trade your personal information to third parties for marketing purposes.

10.5 Data Security

10.5.1 Security Measures

We implement appropriate technical and organizational measures to protect your information:

- **Encryption**: Sensitive data is encrypted in transit and at rest
- **Access Controls**: Limited access to authorized personnel only
- **Regular Updates**: Security systems are regularly updated and monitored
- **Training**: Staff receive regular privacy and security training

10.5.2 Data Retention

We retain your information for as long as necessary to provide services and meet regulatory requirements, typically 7 years after account closure.

10.6 Your Rights

10.6.1 Access and Control

You have the right to:

- **Access**: Request copies of your personal information
- **Correction**: Request correction of inaccurate information
- **Deletion**: Request deletion of information (subject to regulatory requirements)
- **Portability**: Request transfer of your information
- **Marketing Opt-Out**: Unsubscribe from marketing communications

10.6.2 How to Exercise Rights

To exercise these rights, contact us at hello@ethicic.com or through our website contact form.

10.7 Cookies and Website Analytics

10.7.1 Cookie Usage

Our website uses cookies to:

- **Essential Functions**: Enable basic website functionality
- **Analytics**: Understand how visitors use our website
- **Preferences**: Remember your settings and preferences

10.7.2 Managing Cookies

You can control cookies through your browser settings, though some website features may not function properly if cookies are disabled.

10.8 Updates to Privacy Policy

We may update this Privacy Policy periodically. Changes will be posted on our website with the updated effective date. Continued use of our services after changes constitutes acceptance of the updated policy.

10.9 Contact Information

For privacy-related questions or concerns, contact us at:

- **Email**: hello@ethicic.com
- **Website**: https://ethicalcapital.com/contact
- **Mail**: [Address available on website contact page]

Document Generation Information

- **Version**: 1.0 (August 31, 2025)
- **Review Schedule**: Annual review at fiscal year end
- **Next Review**: August 31, 2026

- **Responsible Party**: Chief Investment Officer

- **Source**: Auto-generated from website content for consistency and accuracy

This documentation package represents our commitment to transparency and accountability in serving our clients' best interests. For questions or additional information, please contact our team at hello@ethicic.com.