

Newground

Social Investment

www.newground.net



Item 1 – Title Page**Newground Social Investment, SPC
Form ADV, Part 2A, Disclosure Brochure**

October 31, 2016

This Brochure provides information about the qualifications and business practices of Newground Social Investment, SPC¹ (“Newground Social Investment” or “Newground”).

If you have any questions about the contents of this Brochure, please contact us at area code (206) 522-1944 or info@newground.net

Additional information about Newground Social Investment is available on the SEC website at: www.adviserinfo.sec.gov

Required disclosure language:

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any State securities authority.

Newground Social Investment is a Registered Investment Advisor. Registration as an Investment Advisor does not imply any particular level of skill or training. A client should determine whether to hire or retain any Investment Advisor based upon the oral and written communications provided by an Advisor.

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¹ SPC = Social Purpose Corporation. Newground was the nation's first Social Purpose Corporation.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amended the disclosure document that we provide to clients as required by SEC Rules. This Brochure is prepared according to the SEC’s new requirements and rules.

Item 2 of this new form of disclosure provides a summary of specific material changes made to the Brochure since its last update.

Material changes since the last update:

No material changes.

Effective November 1st 2016 Newground moved to new offices,
located at: 111 Queen Anne Ave N, Suite 500
Seattle, WA 98109

An earlier notice regarding a transition to becoming SEC registered was delayed; thus, Newground continues to be Washington State registered.

Copies of our current Brochure are available without charge at any time, and may be requested by contacting us at (206) 522-1944 or info@newground.net

Additional information about Newground Social Investment is available via the SEC's web site: www.adviserinfo.sec.gov

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Item 4 – Advisory Business

(4-A) Firm description

Since 1994, Newground Social Investment has provided socially conscious (SRI/ESG²) money management to institutions and individuals who are principled, proactive, and inspired by the opportunity to make a difference with their investments. Our clients wish to achieve financial goals in a way that is consistent with their values, beliefs, or mission in the world.

Newground's Chief Executive is Bruce Herbert, who:

- Founded Newground in 1994.
- Began his career in the securities industry with Merrill Lynch in 1984.
- Has focused exclusively on Socially Responsible Investment (SRI/ESG) since 1986.

(4-B) Types of services offered

Newground offers separately-managed accounts (non-pooled assets) that use individual securities (stocks, bonds, etc.) for larger accounts, and mutual funds for smaller ones. Within certain parameters, the choice of asset type is the client's. Newground provides its investment advisory services through the selection of "sub-advisors" (or "sub-managers"), which represents a "manager of managers" approach intended to be both cost effective and lower risk than other approaches.

(4-C) Individualization of advisory services

Client portfolios may be highly individualized to meet financial needs, and to address social, environmental, and governance (ESG/SRI) concerns. Many options exist for addressing ESG/SRI concerns, including:

- Security selection or exclusion (commonly called "screening").
- Portfolio allocations to "community" or "impact" investment, or to micro-credit lending.
- Shareholder engagement and proxy voting.

Social investment is commonly referred to in the following ways:

- Socially Responsible Investment (SRI)
- Socially Responsive Investment (SRI)
- Sustainable & Responsible Impact (SRI) investment
- Sustainability Investing

Social investment pays attention to:

- Environmental, Social & Governance (ESG) factors
- Corporate Social Responsibility (CSR)
- Sustainability Initiatives (and more)

² SRI = Socially Responsible Ivestment; ESG = Environmental, Social & Governance factors.

(4-D) Wrap-fee programs

Newground does not offer or participate in any form of wrap-fee program.

(4-E) Assets under management

Assets in client accounts linked to Newground are approximately \$92.2 million as-of 8/25/2016..

Item 5 – Fees and Compensation

Newground is a fee-only Registered Investment Advisor – we receive no compensation via commission, soft-dollar, or other undisclosed arrangements. The fee schedules noted below represent the total of management fees charged to clients – any sub-advisor engaged on a client's behalf is paid by Newground out of its own management fee.

(5-A) Fee Schedules

Newground offers three fee schedules, depending on the type of asset under management: mutual funds, individual securities (equities), or individual securities (fixed income). Newground may also be engaged for services on an hourly basis.

Fees for each of the schedules are negotiable, and the published fee schedule for new accounts may change from time-to-time; however, no existing client's service fees will be increased without the client's knowledge and written consent.

(5-A.1) Separately Managed Account ('SMA') Fee Schedules (ver. SMA-7.0A)

Fees for individual securities-managed account relationships are computed according to the following tiered pricing schedule:

Equity Management

On the first:	\$1,000,000	(1st \$1m)	1.40% / yr
On the amount between:	\$1,000,000 - \$2,000,000	(next \$1m)	1.20% / yr
On the amount between:	\$2,000,000 - \$3,000,000	(next \$1m)	1.10% / yr
On the amount between:	\$3,000,000 - \$5,000,000	(next \$2m)	0.95% / yr
On the amount between:	\$5,000,000 - \$10,000,000	(next \$5m)	0.80% / yr
On the amount between:	\$10,000,000 - \$20,000,000	(next \$10m)	0.70% / yr
On the amount above:	\$20,000,000	(above \$20m)	0.60% / yr

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Fixed Income Management

On the first:	\$1,000,000	(1st \$1m)	0.85% / yr
On the amount between:	\$1,000,000 - \$2,000,000	(next \$1m)	0.80% / yr
On the amount between:	\$2,000,000 - \$3,000,000	(next \$1m)	0.75% / yr
On the amount between:	\$3,000,000 - \$5,000,000	(next \$2m)	0.70% / yr
On the amount between:	\$5,000,000 - \$10,000,000	(next \$5m)	0.65% / yr
On the amount between:	\$10,000,000 - \$20,000,000	(next \$10m)	0.60% / yr
On the amount above:	\$20,000,000	(above \$20m)	0.55% / yr

In addition, a custodian may assess asset based pricing (ABP) and related expenses for separately-managed accounts, which are detailed in that particular custodian or sub-advisor's agreement (signed separately).

(5-A.2) Mutual Fund Fee Schedule (ver. MF-7.0A)

Fees for mutual fund-managed account relationships are computed according to the following tiered pricing schedule:

On the first:	\$750,000	(1st \$750k)	1.25% / yr
On the amount between:	\$750,000 - \$1,000,000	(next \$250k)	1.10% / yr
On the amount between:	\$1,000,000 - \$2,000,000	(next \$1m)	1.00% / yr
On the amount between:	\$2,000,000 - \$3,000,000	(next \$1m)	0.90% / yr
On the amount between:	\$3,000,000 - \$5,000,000	(next \$2m)	0.80% / yr
On the amount above:	\$5,000,000	(above \$5m)	0.70% / yr

When clients have accounts in more than one asset category, larger accounts are billed on their applicable fee schedule; then smaller size accounts are billed on their applicable fee schedule – but aggregated with the other accounts so as to benefit from tier breakpoints.

This provides clients with lower average pricing the more assets that are placed under Newground's care.

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(5-B) Billing & payment of fees

Fees for all schedules are billed from client accounts quarterly, in arrears. No management fees are collected in advance. Because fees are collected for services previously rendered, they are not refundable. In the event of contract termination, client remains obligated for the payment of services performed for the account(s) prior to the effective date of termination.

These quarterly billings occur on a schedule that is determined by date of the initiation of management, and take place circa the 15th day of the billing month. Unless provided with an ADV Part II or other Disclosure document 48 hours prior to signing this Agreement, a Client shall have 5 business days following signing during which an Agreement may be terminated without penalty.

(5-C) Other fees or expenses

(5-C.1) For individuals, Newground may collect a non-refundable account setup fee of \$250 for each new account established or taken under management. For business, organization, trust, estate, inherited IRA, or other type accounts, the non-refundable account setup fee may be \$400 for each account.

(5-C.2) Newground currently retains either (Charles) Schwab Institutional or Folio Institutional as custodian for client accounts. Custody and clearing fees vary based upon what type of investment program the client chooses and where the client's assets are held.

Custody fees – when applicable – are separate from and charged in addition to the investment management and setup fees disclosed above. Neither Newground nor any sub-manager receives any share of any fee charged by a custodian, nor any share of any fee that may be received by them from any mutual fund company or other product provider.

FOLIO clients are charged the following monthly Asset Based Pricing (ABP) fee based upon the value of assets in the account:

\$0.00	to	\$200,000	0.25% per year
\$200,000	to	\$500,000	0.17% per year
\$500,000	to	\$5,000,000	0.12% per year
\$5,000,000	to	\$12,820,000	0% per year
above		\$12,820,000	0.05% per year

Folio charges a minimum annual ABP fee of \$150. Through the FOLIO platform, there are generally no transaction costs for individual security purchases or sales.

FOLIO does not household for the purpose of aggregating ABP fees for breakpoints. Custodians may change, add, or eliminate transaction or administration fees at any time.

Schwab platform:

- Most mutual funds are traded on a no-load or waived-load basis, making them transaction-cost-free for Newground clients. However, institutional class shares typically have a transaction fee (though greatly reduced internal operating expenses).
- Stocks are generally not traded on the Schwab platform; however, (as-of this writing) equity trades that are placed are charged either \$8.95 or \$19.95 per trade depending on the size of the account.

Newground attempts to negotiate reduced or waived trading fees on behalf of its clients.

(5-C.3) Hourly work. From time-to-time, in response to client request and conditioned upon acceptance, Newground may provide services on an hourly basis. As-of this writing the billable rate is \$295 per hour. Hourly fees are negotiable and are typically collected after service has been provided. Services may cover such areas as:

- Cost-basis research (including logistical assistance in settling an estate).
- Present-Value, Future-Value, and related scenario calculations.
- The filing and negotiation of shareholder proposals.
- Preparation of historical, summary, or other services and documentation related to a legal proceeding (such as divorce, etc.).

(5-D) Payment in advance

No management fees are collected in advance.

(5-E) Commission based compensation

Newground receives no compensation based on commission, or on the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-By-Side Management

Newground does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Newground may provide portfolio management services to individuals, businesses, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, trust programs, and other U.S. institutions. A minimum threshold for individual clients is typically \$750,000 while for institutions it is \$1,000,000 (subject to adjustment, and negotiable).

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Newground works to lower that risk as it seeks to fulfil clients' longer-term financial goals.

Newground offers a unique brand of conservative portfolio construction that results in a thoroughly diversified portfolio.

The foundation of our approach is the deployment of an array of the nation's most established, capable, and progressive SRI/ESG money managers, ETFs, and mutual funds. Newground uses multiple managers as "sub-managers" (or "sub-advisors") in service to the various segments of a client's portfolio allocation.

The use of a variety of different managers (each with its own investment "style" or "philosophy") is a technique practiced by many of the world's largest and most sophisticated pension and sovereign wealth funds – because it can create greater stability, lower volatility, and a higher assurance of long-term financial success.

In addition, Newground specializes in "sustainability investing", also known as "responsive investment", or "Socially Responsible Investment" (SRI). Newground engages sub-advisors to handle the majority of day-to-day analysis and investment selection functions. These sub-advisors engage in substantive financial analysis, as well as social and environmental research into ESG (environment, social, and governance) factors.

Newground Chief Executive Bruce Herbert is an ACCREDITED INVESTMENT FIDUCIARY (AIF). This provides access to *Fiduciary Analytics*, a suite of specialized tools that are a leading global resource for investment fiduciaries (persons who have the legal responsibility for managing money on behalf of others).

These analytical tools are based on the *Practice Standards of Care* researched and developed by the Foundation for Fiduciary Studies (fi360).

Client accounts are managed through sub-advisors, typically involving First Affirmative Financial Network, LLC (IARD/CRD Number: 109036). First Affirmative and other sub-advisors conduct their own research and analysis.

Item 9 – Disciplinary Information

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of an Advisor.

Neither Newground nor its employees have been the subject of any disciplinary action or complaint.

Item 10 – Other Financial Industry Activities and Affiliations

Newground is an associate member of the Interfaith Center on Corporate Responsibility (ICCR), and its Chief Executive served for many years on the ICCR national governing board.

Newground is a member of The Forum for Sustainable and Responsible Investment (US SIF), which is the trade association for the larger social investment industry. Newground's Chief Executive has served as a regional board member of US SIF.

Newground is a member of SIRAN, the Sustainable Investment Research Analysts Network, which is sponsored by US SIF.

Newground engages First Affirmative Financial Network, LLC as a "sub-advisor" (or "sub-manager") for its clients' portfolios. Clients pay Newground a single management fee, out of which all sub-advisors and managers are paid.

First Affirmative is a leading social investment firm. First Affirmative is headed by George Gay, CEO and Steve Schueth, President, who collectively have served more than 27 years on the board of US SIF (many of those years in officer positions), and each has received the industry's prestigious *SRI Service Award*. First Affirmative has produced and hosted *The SRI Conference* annually since 1990 – the social investment industry's oldest and most established conference.

There is no conflict-of-interest represented by Newground's engagement of First Affirmative as a sub-advisor.

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Item 11 – Code of Ethics

Newground has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Newground must acknowledge the terms of the Code of Ethics annually, or as amended.

A copy of Newground's Code of Ethics is available to clients and prospective clients upon request.

(11-A) Code of Ethics

The Investment Advisers Act of 1940 ('Advisers Act') imposes a fiduciary duty on investment advisers. As a fiduciary, Newground has a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their funds, which in turn calls for a high standard of conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying our Code of Ethics and Personal Trading Policy, and represents a touchstone for all dealings with clients.

Standards of Conduct

Ethical conduct is the hallmark of any profession, but is especially true in the financial services industry. Investment Advisors function in an arena that is subject to extensive regulation. However, these laws, rules and regulations only provide the basis or foundation for proper conduct. Professional conduct is defined not only by reference to regulatory dictates, but by moral and ethical standards.

Each employee of the Advisor must understand and act with the conviction that his or her self-interest is best served by placing the customer's interests first and foremost. This is in the highest and best tradition of fiduciary conduct, and is a tradition that Newground expects its employees to uphold.

Finally, Newground is committed to the principles expressed by the North American Securities Administrators Association (NASAA) in its missive on the 'Unethical Business Practices of Investment Advisors' (Adopted April 5, 1995)

Newground's Code of Ethics consists of the following core principles:

- (1) The interests of clients will be placed ahead of the firm's or any employee's own investment interests.
- (2) Employees are expected to conduct their personal securities transactions in accordance with the Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest with the client. Employees with questions regarding the appearance of a conflict of interest with a client should consult with the Chief Compliance Officer (CCO) before taking action that may result in an actual conflict.

- (3) Employees will not take inappropriate advantage of their position with the firm.
- (4) Employees are expected to act in the best interest of each of our clients.
- (5) Employees are expected to comply with federal securities laws. Strict adherence to this policy manual will assist the employee in complying with this important requirement.

(11-B) Personal Trading Policy

Newground hires independent, third-party sub-advisors to place all trades for managed client accounts, and all employee accounts are managed by third-party sub-advisors (who manage without giving specific prior notice to Newground); therefore, considerations regarding improper or inappropriate trading are prevented from arising.

Item 12 – Brokerage Practices

- Newground is neither a broker-dealer nor affiliated with a broker-dealer in any way, and we do not receive or participate in “soft-dollar” arrangements. Newground is not aware of any form of conflict-of-interest in relation to its custodial arrangements.

Trading and custodial arrangements are determined in conjunction with Newground’s sub-advisor, First Affirmative Financial Network, who evaluates the full cost and overall value of various custodial relationships. First Affirmative evaluates many factors, including: cost, speed and accuracy of trade execution, broad availability of socially and environmentally responsible investment options, administrative services, and technological interfaces.

Newground currently uses either (Charles) Schwab Institutional or Folio Institutional as custodian for client accounts. Custody and related fees (if any) will vary based on what type of investments the client chooses and where the client’s assets are custodied. These fees (if any) are separate from and are charged in addition to the asset management and service fees disclosed in Item 5 of this Form ADV. Most equity trades are executed through Folio Institutional. Trades at Folio Institutional are generally placed in one of two “trading windows”. In the window, trades are first crossed to Folio inventory, and then are crossed to other trades from other clients – which is more advantageous to clients than traditional “aggregation”; any remaining trades are aggregated by Folio and allocated pursuant to Folio policies.

Newground does not receive a share of any fees charged by a custodian, nor any share of any fees received by a custodian from any product sponsor.

Item 13 – Review of Accounts

Client correspondence, reporting and communication is carried out with the goal of being prompt, accurate, and descriptive of all matters material to a client's interest.

Clients receive from an independent custodian immediate confirmation of trades, monthly custodial statements, and year-end tax reporting statements. Quarterly performance reports are prepared by our sub-advisor. Clients may also view gain/loss and other types of reports at any time via the web.

Clients also receive an Investment Policy Statement that establishes asset allocation parameters and benchmarks for monitoring / tracking purposes.

Client accounts are reviewed and supervised in a variety of ways:

- Day-to-day and periodic reviews are conducted by Newground's sub-advisor(s).
- Reviews by First Affirmative (a primary sub-advisor) are conducted by their Investment Committee, which provides both periodic reviews and various systematic samplings of accounts to provide supervision and compliance with investment policy.

First Affirmative's Investment Committee is comprised of the following personnel: George Gay, CFP, AIF; Mel Miller, CFA; Kevin O'Keefe, CIMA, AIF; and Steven Schueth.

- Newground's Chief Executive and/or its Chief Compliance Officer review a sampling of account statements and sub-advisory quarterly reports on a monthly basis.

Item 14 – Client Referrals and Other Compensation

Newground neither pays other parties for making referrals, nor is paid nor receives benefits from another party in relation to referrals.

Item 15 – Custody

As described above, clients receive from an independent custodian immediate confirmation of trades, monthly custodial statements, year-end tax reporting statements, and gain/loss reports. Quarterly performance reports are prepared by one or more of Newground's sub-advisors.

Clients receive monthly statements from the custodian that holds and maintains the client's investment assets. Newground urges clients to carefully review such statements and compare such official custodial records to other account reports that may be provided. Our reports may vary from custodial statements due to differences in accounting procedures, reporting dates, or valuation methodologies for certain securities.

Item 16 – Investment Discretion

Newground and its sub-advisors receive discretionary authority from the client at the outset of an advisory relationship to select the identity, amount, and timing of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Newground's sub-advisors observe any investment policies, limitations, or restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Newground in writing, and discretionary authority is granted through the execution of a Limited Power of Attorney (LPOA).

Item 17 – Voting Client Securities

Client proxies are typically voted on their behalf, in a way that is consistent with a broad array of progressive, sustainability-minded objectives.

Newground is not aware of a circumstance in which proxy voting can lead to a conflict of interest with an individual client, or with clients generally.

Clients may obtain a copy of our proxy voting policies and procedures upon request.

Item 18 – Financial Information

Newground does not require any form of pre-payment of management fees.

Newground has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

(19-A) Principal executive officers & management persons

Bruce Herbert has decades of experience in providing investment advice, having served as the Chief Executive of Newground Social Investment, SPC³ and its predecessors since its founding in 1994.

For additional information on Mr. Herbert's volunteer and community service, please see: www.newground.net/bruce.asp

Mr. Herbert's formal education after High School:

- undergrad College of William & Mary. Williamsburg, VA
- undergrad University of Virginia. Charlottesville, VA (summer)
- undergrad George Mason University. Fairfax, VA (summer)
- undergrad University of South Carolina. Columbia, SC (B.S. in Biology, with Deans List Honors)
- post-grad University of Dublin, Trinity College. Dublin, Ireland (post-grad studies in Philosophy, Law)

Please see the First Affirmative Financial Network, LLC ADV for details concerning their investment committee members.

(19-B) Outside business interests

Mr. Herbert has no outside business interest or activities that materially impinge on the performance of his duties.

(19-C) Performance-based fees

Mr. Herbert receives no form of performance-based fee.

(19-D) Disciplinary actions

Neither Mr. Herbert nor Newground have been the subject of any complaint, civil claim, arbitration, or disciplinary action.

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for additional information about
Newground Social Investment
please visit our website at:

www.newground.net

³ Formed as *Thomson Herbert Company*, the firm then became *Newground Investment Services*, before being renamed *Newground Social Investment* in August 2007.