

Collaboration Capital

Catalyzing the Power of Personal Capital



The Unused Voice

Letter from the CEO

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I have written about and speak often of the role that forward-looking individuals and families play in the life and prosperity of cities across North America. Many of these individuals are remarkable in the modesty with which they live. They are influential and affluent far beyond their appearance and demeanor, a humility we must claw back as a social and cultural norm. While most would not self-describe as change agents, many have played a seminal role in the founding and leadership of non-profit organizations that have defined their hometown's response to everything from homelessness to education to dynamic public spaces that in many instances have transformed increasingly dense and complex urban areas and made them magnets for entrepreneurs, makers, home-grown businesses, and economic development unimaginable just a decade or so ago. These are America's city builders. We need lots more of them.

It's not as hard as it sounds. Well-informed citizens of almost any metropolitan area can tell you where to eat and drink and why they eat and drink there. They can also tell you about the food they buy and why it matters. Some can tell you more about that jacket they are wearing than you might want to know or the boots they bought and the story behind them. In most cases there's a local bent, a narrative, or an intensely personal connection that drives their own consumer behavior. Strangely, almost no one of this description can tell you a similar story about their investment portfolio. This leaves the biggest lever of their societal influence largely adrift and ineffective. Why?

Finance is too often opaque and untouchable, the numbers overwhelming. When asked about what they invest in and why, the common refrain from audiences that in every other aspect of their lives are societal change agents is that they have simply directed their advisor to do something "safe" with their money. When further pressed it becomes clear that in their minds the term "safe" is somehow not associated with investments that might be purposeful as well as profitable. Returns data from well-managed, purpose-driven (often called ESG) portfolios, properly diversified and risk-calibrated, present a different picture altogether. In fact, some of the top-performing equity and fixed income funds are themselves managed by teams for whom ESG (environmental, social, and governance) screens are a priority. For the Collaboration Capital team this makes great sense. We have always prioritized governance as primary criteria in our stock and fund selection processes. It follows that companies that care about governance care also about integrity of supply chain, treating their employees fairly, and giving back to the communities in which they operate.

Next time you put on that jacket and think about its reflection of your personal ethos and priorities pause a moment and think about the voice you may not be using when it comes to what you own and what you are supporting (or not supporting) by owning it. It may be the most powerful tool you have to make the world you really want to live in.

We invite you to join a growing number of forward-looking individuals and families who are effecting profitable and positive change by fully catalyzing the power of their personal capital.

Christopher L. Knapp
Chief Executive Officer