



COMMON INTERESTS  
With An Eye Toward Our Future

# Impact Report

2019-  
-2021



## About Common Interests

Founded by Bob Goellner in 1994, Common Interests is an independent, boutique family wealth management practice. At Common Interests, our mission is “to empower the financial wellness of our clients in a socially responsible manner by bringing to bear years of experience, knowledge, and integrity.” We believe that when we work together, our interests become common; and therefore, ensure that social responsibility lies at the core of our practice. While we start our investment process in the same place as the rest of the industry – with the traditional measurements of an investment strategy – we overlay our values system on the investments we choose and filter them through Environmental, Social and Governance (ESG) screens. These three central factors help us to measure the sustainability and ethical impact of our investments without compromise.

At Common Interests, we are proud to be active citizens of our community and the world. We are an award-winning certified B-Corporation and a signatory to the United Nations (UN) Principles of Responsible Investment.

Learn more at [www.commoninterests.com](http://www.commoninterests.com)

## Acknowledgements

We would like to gratefully acknowledge all those who have contributed to the production of this impact report, including the team at 17 Communications (Dmitriy Ioselevich and Şule Dedekargınoğlu). We also would like to thank Michael Chodroff, CEO of The Ripple Center, İyassu Essayas, and our other friends who graciously helped us review this document ahead of publication and our broker dealer Vanderbilt Financial Group, our impact reporting partner, YourStake, our other trusted partners and vendors, and most importantly our clients, for their continued trust and support.

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## The Team at Common Interests



**Bob Goellner**

*CFP®, ChFC, CLU*

*Founder,  
Managing Partner  
& Financial Advisor*

Bob founded Common Interests in 1994 to combine his professional career with his personal values of making the world a better place. He began his management career in financial services at New York Life Insurance Company in 1967, bringing decades of experience to each client interaction. Bob has been a Certified Financial Planner® since 1985, a Chartered Financial Consultant since 1983, a Chartered Life Underwriter since 1976, and holds securities registrations as a Registered Representative-General Securities, Registered Securities Principal.

Bob is highly involved in his community as a trustee of the Muhlenberg Hospital Foundation, Founder of the North Plainfield Education Foundation where he has been active for 24 years, and sits AdHoc on several committees of the Nuevas Fronteras Presbyterian Church. Bob's commitment to his work has led him to maintain active memberships in the Financial Planning Association, and the Social Investment Forum. His dedication to Social Entrepreneurship has led him to participate in the Wall Street Diversity Accelerator Program ([More on this later in this report](#)).



**Max Mintz**

*Partner & Financial  
Planner*

Max joined Common Interests in 2012 as a ParaPlanner shortly after graduating from Rutgers University with a degree in Philosophy. He became a Registered Financial Advisor in 2016 after passing his Series 7 and Series 66 exams. His specialties include Student Loans, Impact Investing, and the trading and re-balancing of client accounts. In 2019, he was named by InvestmentNews as a "40 Under 40" Financial Advisor, an award given to up-and-coming financial advisors across the country.

Max has a passion for helping clients align their investments with their values and relies on his ethics training to help clients work out which of their values they want to express in their portfolios and figure out solutions to make it happen. Max regularly participates in panels, webinars, and various speaking engagements to share his knowledge of Sustainable, Responsible, and Impact (SRI) Investing to encourage and help other financial advisors engage with this theme. Learn more about Max in this feature piece in [Morningstar magazine](#).



**Ruth Arriaza**

*Office & Client  
Service Manager*

Ruth joined Common Interests in 2014 as an Administrative Assistant to Bob and Max. She has a bachelor's degree in Medical Technology from Kean College, and her professional career started in the Pharmaceutical Industry. Her experience ranges from analytical chemistry all the way to the management of clinical pharmacology data. At Common Interests, Ruth quickly became the "glue" of the firm, making sure nothing falls through the cracks. After almost eight years with the firm, she recently obtained her securities license, and we anticipate her role growing even more essential in the coming years.



**Saachi Sharda**

*Marketing & Client  
Service Associate*

We're thrilled to welcome Saachi as the newest member of our team as of January 2022!

Saachi has a bachelor's in mass media from the University of Mumbai and a master's in International Management from the University of Strathclyde in Glasgow, Scotland.

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**Bob Goellner**  
**CFP®, ChFC, CLU**

Founder, Managing Partner  
 & Financial Advisor

**Empowering  
 Financial  
 Wellness.**

## Foreword

When I founded what would eventually become Common Interests in 1994, I did so with the belief that individual investors with limited assets (or “retail investors” in the industry parlance) deserved the same level of care and attention as high-net-worth investors. It shouldn’t matter if someone has \$1 million to invest or \$1,000 – everybody deserves an opportunity to protect and grow their financial assets while also aligning their investments with their values. Everyone deserves access to an affordable and experienced financial planner that can walk them through the ins and outs of opening an account and building a portfolio.

This set of beliefs was enshrined early on in both the company name and the mission statement – “Empowering Financial Wellness.” And it’s a big part of how we do business. From our holistic approach to financial planning to our commitment to working with individual clients of all shapes and sizes, we truly believe that “when we work together, our interests become common.”

It’s also a big part of why we pursued B Corp certification, becoming one of the first financial services firms to earn the designation in 2014. For six years straight, Common Interests has been honored in the “Best for Customers” list, which includes businesses that earned a Customer score in the top 10% (which was changed this year to the top 5%) of the more than 4,000 Certified B Corporations around the world. In other words, we back up our mission-driven rhetoric with industry-leading business practices that put Customers at the center of everything we do. (We share more details about the B Corp certification process and how Common Interests scored in each section of the B Impact Assessment later in this report).

### A Brief History of Common Interests

In the early days of Common Interests, I remember traveling all over New Jersey conducting Financial Aid classes for parents in night schools, many of whom had never been approached by a financial advisor let alone educated on the basics of personal finance and investment planning. I saw firsthand the need in the local community for financial advice that helped individuals feel “empowered” by their finances rather than encumbered.

Gradually, these educational sessions formed the foundation for the business. While not every “student” became a Common Interests client, I could see many of them begin to connect the dots between their current financial situation and ultimate financial goals. I’ve stayed in touch with many of these parents over the years and have even had the chance to do the ‘Finance 101’ chat with some of their children. Common Interests may have been a small shop in those early years, but we had a big and loving family that reached across New Jersey.

In 2012, I welcomed a new member to that family – Max Mintz, whose family had been clients for many years, and who had recently graduated from Rutgers University, with a degree in Philosophy of all things. It didn’t take long to see that Max and I shared many of the same beliefs and that he embodied everything it meant to have “common interests.” Max and I have worked closely together over the past decade to build Common Interests into what it is today.

Together, we started having conversations with many current and prospective clients about what we refer to as Sustainable, Responsible, and Impact (SRI) investing, or what others may refer to as Environmental, Social and Governance (ESG) investing. Early on, many retail investors didn’t even know there was an option to pick investments that, for example, excluded fossil fuel companies or prioritized diverse-led companies. But the events of the past few years—from the climate crisis to the COVID-19 pandemic to mass protests against systemic racism—have increased awareness of ESG issues and led to more demand for SRI and ESG investment options around the world.



The most recent estimates suggest that ESG assets are on track to reach \$53 trillion by 2025, which would represent a third of all assets under professional management. Even this total may be an underestimate given how Russia's brutal invasion of Ukraine is forcing investors and businesses to rethink how they operate and what they stand for, with divestment from the Russian economy likely just the first of many recalibrations to come in the years ahead.

For us, each new crisis or world-shifting event is yet another reminder of how individual investors require an experienced hand to guide them through the inevitable market turmoil and uncertainty.

### **A New Chapter for Common Interests**

As we embark on our 28th year as a firm, it's amazing to see how far we have come. As of the end of 2021, we had 264 individual clients and were responsible for managing \$88 million of our clients' investments. We have more than doubled our Assets Under Management (AUM) in just three years while growing our client base by about half, with more than 90% of our clients holding less than \$1 million in assets.

We have also grown the team and evolved our roles – Ruth Arriaza, who originally joined us as an Administrative Assistant, deserves a special shoutout for passing her Series 7 and Series 66, making her a fully licensed financial professional. We look forward to watching her career develop! And finally, a roaring Welcome Aboard to Saachi Sharda, our Marketing and Client Service Associate. She is already making a big difference in our ability to reach out and support our clients.

This recent growth serves as a positive affirmation of our work to date, while also highlighting the challenge inherent to our business model. By serving smaller clients, we are able to do more good one-on-one as we work to build individual financial plans and help our clients secure a successful retirement. However, these clients will have an extremely limited ability to invest the kind of 'patient capital' that is typically required for impact investing. As we look ahead to the next chapter for the firm, the single biggest challenge we will face is finding the right balance between the impact we create via the personal, one-on-one work and the broader work of impact investing, as both types of work are consistent with the core mission of the firm.

This reporting exercise has helped us spotlight where we want to prioritize our efforts in this next phase of the business. A few areas, in particular, stand out – moving to a "Total Financial Advisory" model, becoming thought leaders in SRI investing, and building our capacity to invest in more truly high-impact investments.



### Total Financial Advisory

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Many Investment Advisor Representatives (IARs) focus most of their time on choosing and monitoring investments to help clients in their desire to reach their goals. What differentiates Common Interests is that we will leave no stone unturned when it comes to helping our clients. We believe financial planning should be a holistic exercise, which is why we have formed a “Cadre of Allied Professionals” who are proficient in their own domain and with whom we have developed trusted relationships. This group represents Attorneys, Certified Public Accountants (CPAs), Elder Care Professionals, Mortgage Bankers, and Student Coaches for High School/College Bound young people. This network of trusted contacts means we are able to connect our clients to different specialists based on their specific needs and personalities. We believe it is important that our clients get the best services that are available, even if those services don’t come from Common Interests or the services we offer through Vanderbilt Financial Group. That’s what we mean by “Total Financial Advisory.”

### Leadership in SRI Investing

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Proponents of SRI investing are used to skepticism, especially when it comes to the common myth that values-aligned investing means sacrificing financial performance. While the industry has matured in recent years, we still often get questions about how an investment portfolio can be a vehicle for positive social and environmental change. We believe in taking these questions head-on. Max is often asked to speak at industry conferences, conduct workshops and speak with reporters about how we approach SRI investing. For my part, I am working with a number of organizations active in the SRI community, either serving on the Board of Directors or as an informal advisor. We view this thought leadership work as critical to the success of both Common Interests and the larger SRI community. We want to show other advisors that it is not only possible to run a mission-driven business, but that it can be profitable too. And we hope other firms follow our example.

We expand on both of these priority areas in this Impact Report, while also providing context on what we have achieved to date and where we still have room to grow. We want this report to be an introduction to the Common Interests family, letting readers see how we think about different issues and hear how we interact with our clients. Each case study and story are but a small part of the full Common Interests experience, but together we hope they paint a picture of what it means to work with us on “Empowering Financial Wellness.”

Sincerely,

**Bob Goellner**, CFP®, ChFC, CLU  
Founder, Managing Partner & Financial Advisor

# How We Measure Success

We have grown significantly as a firm over the last three years. We are especially proud that more than 90% of our clients have less than \$1 million in liquid assets, which we believe represents a historically underserved market with a strong passion for aligning their investments with their values. Smaller clients tend to have fewer opportunities to engage in the kind of financial planning and portfolio management that is available to larger clients. Part of our mission of “empowering financial wellness” is closing this opportunity gap between large and small investors.

Therefore, it is important to acknowledge the tension between our goals. As a for-profit business, our mission to serve historically underrepresented communities represents our most significant challenge – the more work we do in these communities, the more help and advice we can give on a one-on-one basis, but the less bandwidth and capacity we have to work on the types of high impact investments that bring investment dollars and tangible benefits into the communities we aim to support. Balancing these goals while continuing to run a profitable business that enables us to grow sustainably, thereby bringing more jobs into our community and increasing the impact of our firm, is the core challenge we face in the next chapter of our firm. However, we are not discouraged by this challenge as metrics like AUM, or the number of clients are only a few metrics for success. We also choose to focus on client impact—both in our investments and in our engagement with clients under the holistic financial advisory model, which is the way we choose to measure our success. As you will see at the end of this report, one of our goals is to balance the impact we can make by working with larger clients and ensure that they are receiving value for the fees we charge with the time we spend on smaller clients who need our help.





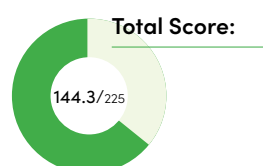
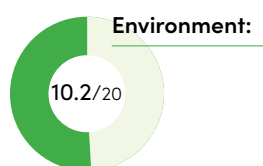
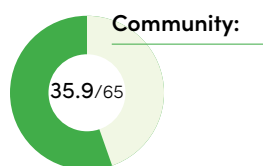
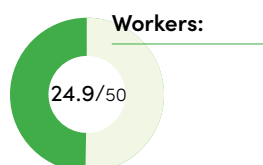
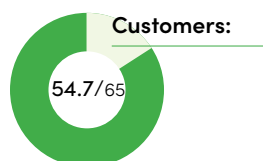
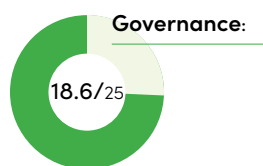
# B Corp Certification

Certified B Corporations are businesses that voluntarily meet the highest verified standards of purpose, accountability, and transparency. They go beyond the goal of profit and consider the impact of their decisions on their employees, communities in which they operate, and the environment, hence balancing profit and purpose. In 2022, there were more than 5,000 Certified B Corporations across 80 countries and 155 industries.<sup>1</sup>

In 2014, Common Interests became a Certified B Corporation, making it one of the first financial services firms to earn the designation. To become a Certified B Corporation, businesses must achieve a minimum verified score of 80 (out of 200) on the B Impact Assessment (BIA), which is a comprehensive impact management tool administered by the non-profit B Lab to assess a company's Governance and its impact on four key stakeholder groups: Workers, Community, Environment, and Customers. While certified B Corporations are not required to make their B Impact Report publicly available, we have chosen to do so and when we formed our LLC, we wrote our legal governing documents to require our current and future officers to balance profit and purpose, while taking the best interests of the company, our customers, community and environment into account when making decisions. B Corps must also update their impact assessment and verify their updated score every three years.

<sup>1</sup>How many certified B Corps are there around the world? B Corporation. (n.d.). Retrieved from <https://www.bcorporation.net/en-us/news/blog/celebrating-5000-b-corps-global-network>

## B Corporation, 2020 Scoring:



At Common Interests, becoming a Certified B Corporation was important to us because we believe that impact is about more than just investing, and we wanted to ensure that our investments are in line with our value systems and reflected in every part of our business. Since becoming a Certified B Corporation, we have been able to redefine our value structure and make changes to our business to enhance our sustainability practices - using our business as a force to generate a positive impact on society and on the environment. The progress we have made since 2014 was in large part due to this decision - by having the independent organization B Lab audit our business practices and benchmark us against our peers, we uncovered opportunities to be a better business.

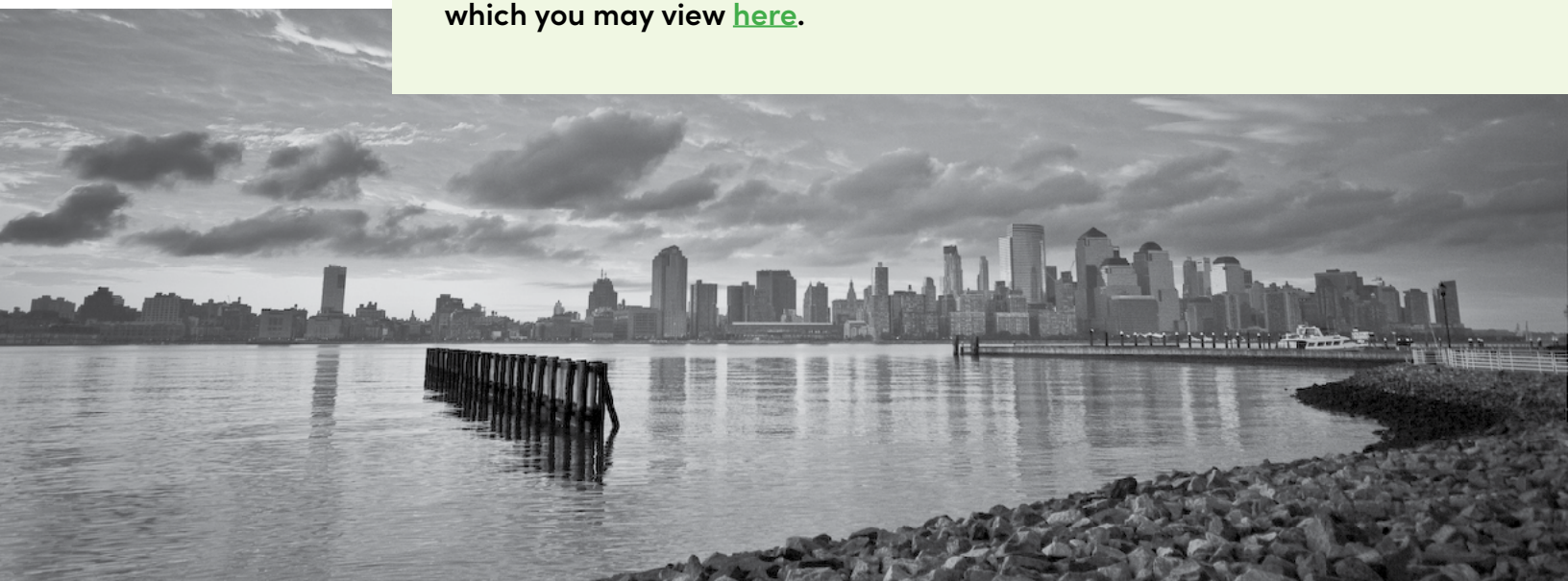
In 2020, Common Interests was recertified as a B Corporation with a significant increase in our scores, which went from 109.7 to 144.6, a 39.5% increase since our last assessment. We were also named by B Lab as *Best for the World in the 'Customers' category* for the sixth consecutive year in recognition of our work to provide value to our clients through our services. The 'Best for the World' designation is reserved for B Corps who earn scores in the top 5% of all B Corps worldwide in one or more of the five impact areas assessed during the certification process. Our commitment to customers is reflected in our many client-oriented initiatives, such as a sliding fee scale (which bases our hourly fees on our clients' ability to pay), lack of an investment minimum, and commitment to democratizing access to impact investing and financial planning.

We will go through another recertification in 2023, by which time we hope to have made even more improvements both across our business and in how we treat key stakeholders.

We believe the B Impact Assessment (BIA) is one of the most credible tools a business can use to measure and report on its impact because it offers an objective, third-party validation of a company's efforts to balance profit and purpose. Given the amount of time and energy that goes into each certification process, we thought the BIA represented an effective framing device for this impact report.

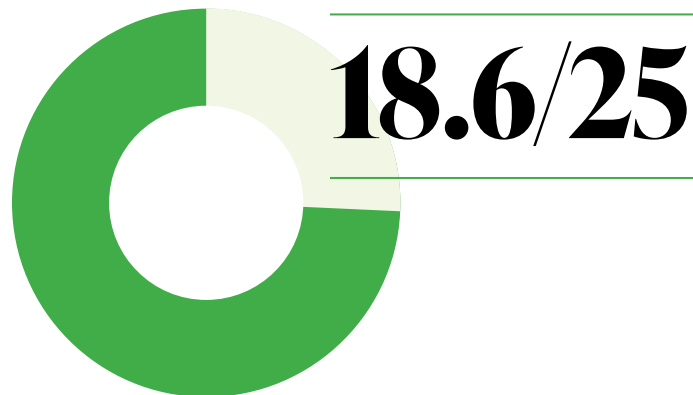
In the following pages, readers will find a detailed breakdown of each of the five distinct impact areas along with our scores and case studies to show how we approach making a positive impact for our clients and the world. These scores also provide a way for us to reflect on how we can still improve, which we have incorporated into our goals and targets for 2022/23 found on pages 46-47.

**As part of our commitment to transparency and accountability, we have decided to voluntarily disclose our latest BIA report, which you may view [here](#).**



# B Corp Certification

## Governance



“The Governance Impact Area evaluates a company’s overall mission, engagement around its social and environmental impact, ethics, and transparency. This section also evaluates the ability of a company to protect their mission and formally consider stakeholders in decision making through their corporate structure (e.g. benefit corporation) or corporate governing documents.”

## Sample questions from the B Impact Assessment completed by Common Interests

### LEVEL OF IMPACT FOCUS

#### Describe your company's approach to creating positive impact.

- We treat our social and environmental impact as a primary measure of success for our business and prioritize it even in cases where it may not drive profitability.
- We frequently consider our social and environmental impact, but it isn't a high priority in decision-making.
- Creating positive social or environmental impact is not a focus for our business.
- We consistently incorporate social and environmental impact into decision-making because we consider it important to the success and profitability of our business.
- We occasionally think about the social and environmental impact of some aspects of our business, but not frequently.

### COMPANY TRANSPARENCY

#### What information does the company make publicly available and transparent?

- Beneficial ownership of the company
- Membership of the Board of Directors
- Financial performance (must be transparent to employees at minimum)
- None of the above
- Social and environmental performance (e.g. impact reports)

At Common Interests, we believe that having the right vision and mission is crucial to meeting and exceeding the high standards expected of a B Corp. We have taken a few important steps to ensure that belief is reflected in our governance structure.



### Creating a Path to Equity Ownership

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**Common Interests was founded on a set of principles—to use the business to make the world a better place, both by working to empower our clients’ financial wellness at an individual level and also by working to understand and intentionally manage the impact of our investments.**

This goal extends through our entire business, and so when it came time to create a succession plan, we began with this starting point: How could we build an innovative structure to codify the vision that Bob founded the firm on and create something that would outlast not just him, but continue the mission from generation to generation and build a firm that can continue to work towards his vision in perpetuity?

The traditional model of succession planning in financial advisory firms is something called a “Buy/Sell Agreement,” where one advisor sells another their client relationships. When Bob and Max looked at this model, they realized that it was antithetical to the way Common Interests works. Bob and Max do not have their own clients; instead, they work together as an ensemble to serve their joint clients, so the model of one advisor selling his clients to another didn’t fit and represented a transaction that actually stands at odds with the collaborative vision of the firm and could skew the incentives of the advisors.

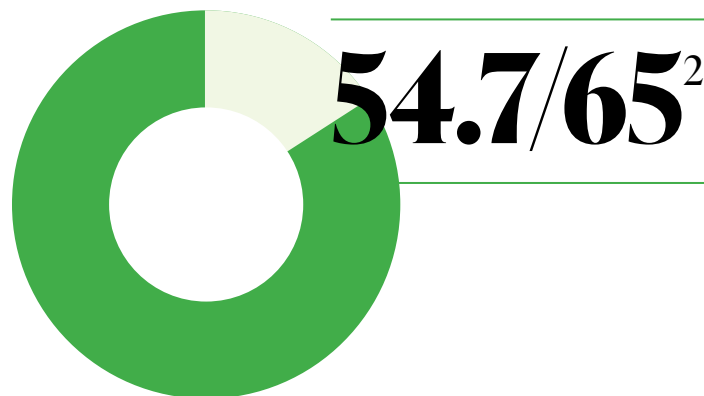
The goal was also to build a firm for the future, so any structure we created needed to be flexible and allow for growth. To that end, on February 14, 2020 (literally days before the world locked down because of COVID-19), Bob and Max created Common Interests, LLC, with the two of them as partners in the venture. This company is not an investment advisor but exists to codify the firm’s values and provide a mechanism for the partners to bring new advisors into the firm and give our staff a path to becoming owners. This mechanism has already been put to work since Bob and Max started out owning 60% and 40% of the company, respectively. Since then, Max has purchased additional equity in the firm, making them equal owners.

We believe in collective action, that together we are greater than the sum of our parts, and that hard work should be rewarded with a path to ownership. This is how we walk the walk, by putting the very company that we pour our life’s work into on the line, and offering our staff, without whom we would not be able to do what we do, a stake in our firm as recognition of the fact that our success rests on their shoulders.



# B Corp Certification

## Customers



“The Customers Impact Area evaluates a company’s stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. In addition, this section recognizes products or services that are designed to address a particular social problem for or through its customers, such as health or educational products, arts and media products, serving underserved customers or clients, and services that improve the social impact of other businesses or organizations.”

<sup>2</sup> Common Interests has been named by B Lab as Best for the World: Customers for six consecutive years.

## Sample questions from the B Impact Assessment completed by Common Interests

### BENEFICIAL PRODUCT TYPE

Which of the following most closely matches the outcome and/or problem solved for your customers as defined above?

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Improved education or skills development (e.g. schools, textbooks, tutoring services, career leadership training, education tools, games and software)</li> </ul>                                | <ul style="list-style-type: none"> <li><input type="checkbox"/> drinking water to rural poor communities, affordable housing projects, waste and sanitation systems or disposal)</li> </ul>   |
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Increased economic opportunity for underserved groups (e.g. financial or insurance services or benefits consulting for the underserved, new mechanisms to connect products to market)</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Improved or maintained health and Wellness (e.g. medical equipment, medical services and medicines, preventative health services or products, healthy living products, exercise and sporting products, prescription eyeglasses)</li> </ul>            |
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Increased operational success or capital for purpose drive or underserved enterprises (e.g. impact investing or fundraising platforms, nonprofit accounting services)</li> </ul>                 | <ul style="list-style-type: none"> <li><input type="checkbox"/> Increased access to arts, media, or culture (e.g. independent media, artisanal crafts, photography, information services)</li> </ul>  |
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Increased social and/or environmental impact for businesses or other organizations (e.g. sustainability consulting)</li> </ul>   | <ul style="list-style-type: none"> <li><input type="checkbox"/> Improves market access through physical or technological infrastructure (e.g. mobile telecommunications, business technologies or software, roads, bridges, railways, ports, building and construction materials not previously available)</li> </ul> |
| <ul style="list-style-type: none"> <li><input type="checkbox"/> Access to products or services that fulfill basic human needs for individuals without prior access (e.g. providers of electricity or clean</li> </ul>   | <ul style="list-style-type: none"> <li><input type="checkbox"/> None of the above</li> </ul>  |

### MANAGING CUSTOMER STEWARDSHIP

Does your company do any of the following to manage the impact and value created for your customers and consumers?

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We have third party quality certifications or accreditations</li> </ul>                                   | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We manage the privacy and security of client/customer data</li> </ul>   |
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We have feedback/customer service feedback or complaint mechanisms</li> </ul>                             | <ul style="list-style-type: none"> <li><input type="checkbox"/> We offer product/service guarantees, warranties, or protection policies</li> </ul> |
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We assess the outcomes produced for our customers through the use of our product or service</li> </ul>    | <ul style="list-style-type: none"> <li><input type="checkbox"/> We have formal quality control mechanisms</li> </ul>                               |
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We have written policies in place for ethical marketing, advertisement, or customer engagement</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> We monitor customer or consumer satisfaction</li> </ul>                            |
|  | <ul style="list-style-type: none"> <li><input type="checkbox"/> None of the above</li> </ul>   |

At Common Interests, we pride ourselves on being a holistic financial advisory firm, meaning that we are willing to fix anything that is “broken” in our clients’ financial house. In other words, our purpose as a firm is not just to manage their investment money but to try to help them manage all of the pieces of their financial life. This can involve helping them with debt, their insurance programs, retirement planning, children’s education planning, and more.

### Driving Meaningful Client Engagements

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Between 2019 and 2021, we tracked over 180 engagements with clients who had needs and goals that are as unique as they are. During these engagements, we strive to share our knowledge and help in their desire to achieve those goals. This includes working with our clients to further their career goals by helping them with their resumes, cover letters, and interview coaching. We have further created a “Cadre of Allied Professionals” composed of attorneys, CPAs, elder care professionals, mortgage brokers, and a student coach for SAT and college preparation, who work on their own time with our clients to help them solve the problem at hand. We have no monetary relationship with our “Cadre of Allied Professionals.”



#### Case Study

## House Calls: How we go above and beyond to serve our clients

One of our goals at Common Interests has always been to treat our clients as if they are part of our family. This, for us, means making more and more frequent “House Calls” – even during the pandemic!

### What are “House Calls?”

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House Calls is a service we offer to our clients to help solve the problem of mobility, which may prevent a client from having access to a financial planning service. A case in point is an older client whose health care issues have impaired his ability to manage the small quantities of stock he had been buying for “fun” for years, some of which were in certificate form at home and others at Computershare and other transfer agents.

When we visited him, our meeting started with a huge briefcase being passed across the table and the words, “we no longer have any idea what is going on with this!” After conducting some serious research, and many phone calls and visits, we found one stock certificate from a company no longer in business, and we opened a brokerage account for all the others. As a result of our work, our client now gets one consolidated monthly performance report and a single monthly dividend payment directly deposited into his bank account, instead of receiving a dozen small paper checks each month. We have also sold a few of the positions that were not performing and replaced them with some bonds in order to have a more diversified portfolio to align with his risk tolerance at this stage of his life. While working with him, we did not charge him for the time and the visits and kept all the costs affordable. We knew that this work needed to be done, and we wanted to help him accomplish it. We are pleased to know that he now has one less thing to worry about.





### Case Study

## Helping a client through the pandemic

The devastating impacts of the Covid-19 pandemic and the resulting economic recession had a significant impact on everyone around the world, creating tremendous anxiety in all aspects of people's lives, including their financial wellness. However, the combination of all that was going wrong hit some individuals especially hard and required changes in household budgets and financial plans.

One of our client families was particularly affected by this problem of financial uncertainty. They were both newly retired with small pensions and social security, which were insufficient for meeting their everyday needs. They were certain that they were going to be destitute within the next three years and therefore contacted us to help address their financial uncertainty.

After our initial getting acquainted meeting, we asked them to gather statements from all of their bank and investment accounts. They got them together and handed over a pile of paperwork, which was meticulously organized, but spread across far too many accounts and institutions, the result of a lifetime of saving, planning, and frugal living. The problem they were facing was that they knew where their money was but never added it all up. This was when we introduced them to our eMoney Financial Planning Program<sup>3</sup>, a tool we use to build a plan to help our client in their desire to reach their financial goals. We asked them to do a short exercise, where they answered questions about themselves and their future objectives in three steps:

### Step 1

Clients are asked to choose from one of two goals (to start), Retirement<sup>4</sup> or Savings<sup>5</sup>, to get a better understanding of their needs when creating an investment plan for them.

### Step 2

Clients are asked to identify a strategy to improve to see if they are on track and how simple adjustments can impact their ability to reach their goal(s).

### Step 3

We schedule a consultation with our clients to further discuss their goals and help them stay on top of their finances.

After having them go through this short exercise, we entered their information, including all of their accounts, and were able to show them their total net worth and how their assets were invested across their accounts for the first time. Upon showing our clients the number on the screen, a seven-digit figure, we couldn't help but notice the range of emotions they experienced from disbelief to jubilation in a span of a few short seconds. First, they looked at us looking for confirmation that the number on the screen was real and then looked at each other unable to stop smiling. To say that there was a sigh of relief would not do justice to any of the emotions they must have experienced. Having worked with them, we realized that the anxiety from the pandemic pushed them to move forward and start to sort out the things that are important in their lives and we are very happy to have been a part of that process.

At Common Interests, we often say that around 30% or more of our working time with our clients is more like social work than finance, and instances such as this are what make our work even more valuable to our clients and personally rewarding to our advisors and staff.

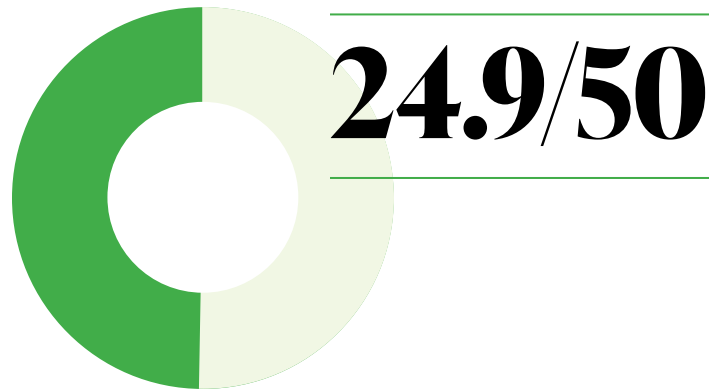
<sup>3</sup>You may review a demo of the eMoney Financial Planning Program [here](#), with a live look at how we approach goals-based financial planning.

<sup>4</sup>With this option you can find out how your current savings and what you contribute going forward will affect your retirement.

<sup>5</sup>With this option you can find out how your current savings and any additional monthly contributions will help you achieve your goal. Savings goals this option offers include: Wedding, Family Support, Alimony, Home Improvement, New Car, Elder Care, Retirement Home, Travel, Celebration, Other.

# B Corp Certification

## Workers



“The Workers Impact Area evaluates a company’s contributions to its employees’ financial security, health and safety, wellness, career development, as well as overall engagement and satisfaction. In addition, this section recognizes business models designed to benefit workers, such as companies that are at least 40% owned by non-executive employees and those that have workforce development programs to support individuals with barriers to employment.”



## Sample questions from the B Impact Assessment completed by Common Interests

### COMPENSATION POLICIES AND PRACTICES

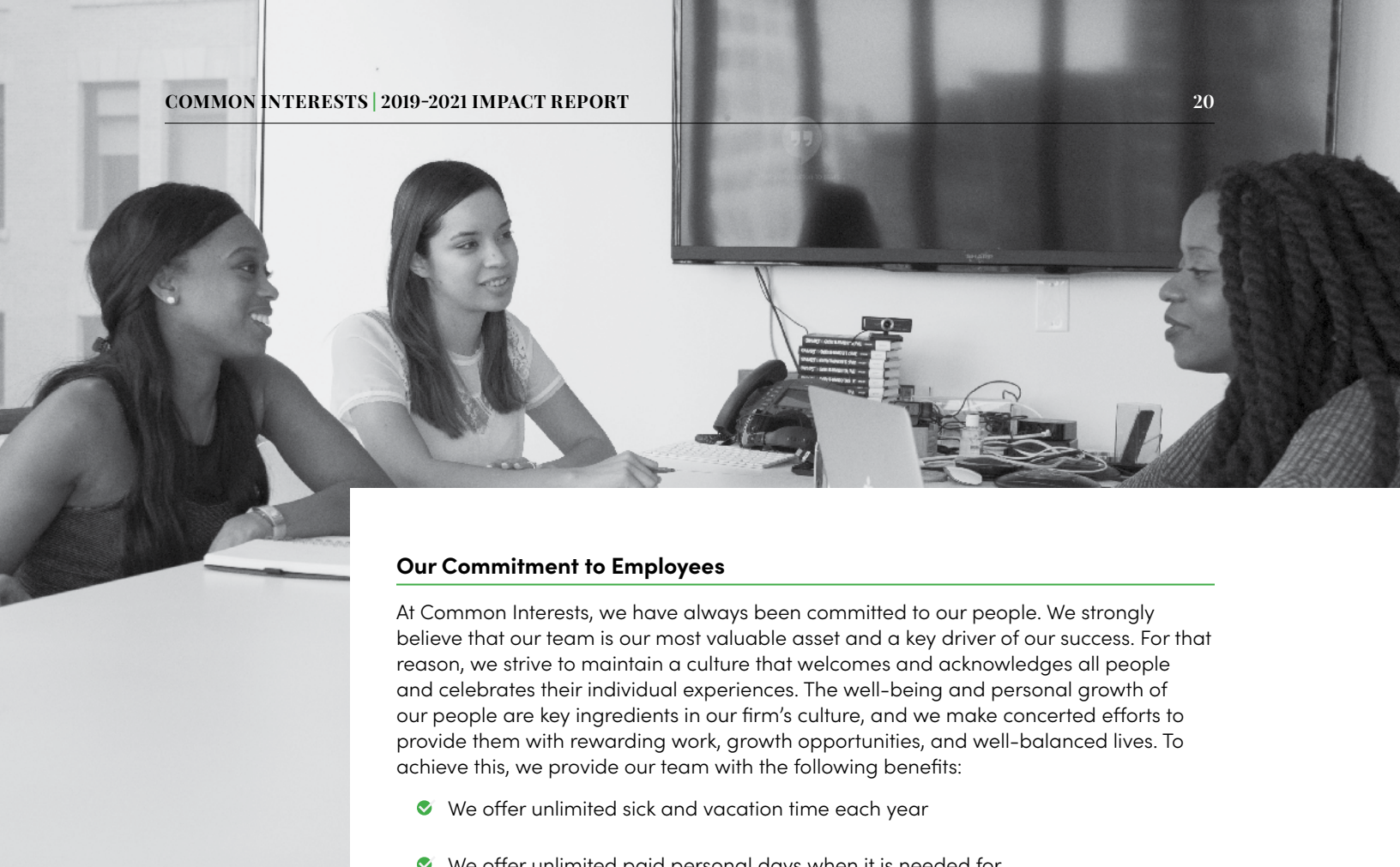
**What additional financial benefits does your company offer to non-executive employees?**

- Cost of living adjustments that match inflation rates of the country
- Bonuses or profit-sharing
- Employee ownership opportunities
- None of the above

### PROFESSIONAL DEVELOPMENT POLICIES AND PRACTICES

**How does your company provide training opportunities to employees for professional development?**

- We offered ongoing training on core job responsibilities to employees within the last year
- We provide cross-skills training for career advancements or transitions (e.g. management training for non-managers)
- We facilitate or have an allocated budget for external professional development opportunities (e.g. conference attendance, online trainings)
- We provide reimbursements or programs for intensive continuing education credentials (e.g. college degrees, professional licensures)
- We have a policy to encourage internal promotions and hiring for advanced positions (e.g. posting job openings internally first)
- We have a formal onboarding process for new employees
- We provide non-career specific life-skill training (e.g. financial literacy, English as a Second Language)
- None of the above



### Our Commitment to Employees

---

At Common Interests, we have always been committed to our people. We strongly believe that our team is our most valuable asset and a key driver of our success. For that reason, we strive to maintain a culture that welcomes and acknowledges all people and celebrates their individual experiences. The well-being and personal growth of our people are key ingredients in our firm's culture, and we make concerted efforts to provide them with rewarding work, growth opportunities, and well-balanced lives. To achieve this, we provide our team with the following benefits:

- ✔ We offer unlimited sick and vacation time each year
- ✔ We offer unlimited paid personal days when it is needed for health or family matters
- ✔ We offer an income-based health insurance subsidy
- ✔ We offer two performance reviews per year

In addition to these benefits, we have also implemented a COVID-19 policy to protect our staff and help mitigate and prevent the spread of COVID-19 in the workplace and our community. Our COVID-19 policy includes the following measures:

- ✔ All team members received both doses of the COVID shot and a booster shot
- ✔ Team members were provided with self-tests when exposed to the virus
- ✔ Team members were required to wear masks when in close proximity
- ✔ We purchased four Medify Air Purifiers with H13 True HEPA Filters (one for each room in the office)
- ✔ Hand sanitizers were placed around the office in strategic positions
- ✔ Office meetings (with masks) were restricted to only the most sensitive situations
- ✔ Team members followed all restrictions of movement and spatial distancing in public
- ✔ Team members volunteered at the Nuevas Fronteras PC (USA) vaccination clinic to administer COVID vaccinations

In the case study below, we show how one of our first employees (Ruth) was given opportunities to advance her career and become an important part of the Common Interests family.

### Case Study

## Ruth's path to achieving her Securities Licenses

I met Bob Goellner when I first came to the United States as an international student back in 1989. He was a good friend of the family I came to live with during my college years, and later, he became my family's Financial Adviser, guiding my husband and I through opening 529 plans for our children, managing our retirement accounts, and life insurance needs.

In 2014 I was between jobs when Bob called me out of the blue and asked if I could teach him Spanish. The answer was a resolute yes. Every Friday afternoon, Bob would come to my house, and over a cup of coffee, we engaged in the fascinating world of Spanish vocabulary and grammar. Later, I learned the classes were just a preamble to his vision of making Common Interests grow. One day after our lessons were done, Bob just said, "Ruth, I've been thinking about you," and invited me to meet Max and join the team.

My work at Common Interests initially consisted of administrative work so Bob and Max could fully immerse themselves in client meetings, networking in the industry, and managing the administrative needs of clients' accounts. I was thrilled with that arrangement after being unemployed for 18 months from the pharmaceutical industry. Little by little, more things were added to my plate, and as I grew into the role, we began having conversations that made it clear that if I wanted to obtain my securities licenses, I would be supported, mentored, and encouraged to do so.

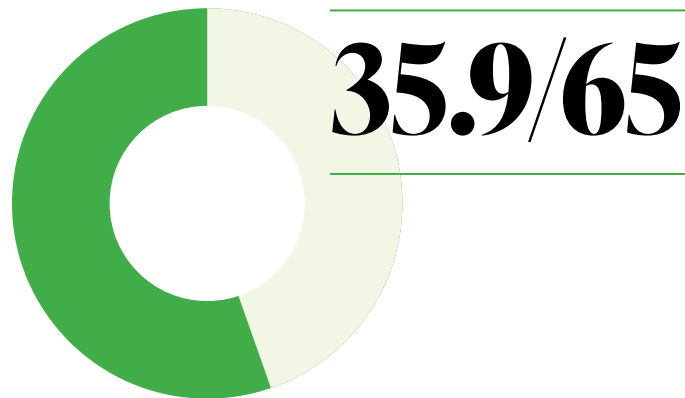
It took me several years to decide to pursue my securities licenses, but finally, in 2020, I started the process. The triggering moment happened a couple of years earlier, in 2018, when Common Interests presented and facilitated a program on empowering financial wellness to the "Young and Bold," an initiative of my congregation Nuevas Fronteras Presbyterian Church (USA) in Plainfield, NJ. While Bob and Max presented, I was able to do live Spanish translation for parents and recent immigrants. Two things struck me at this presentation: (1) the great need for financial advice in the Latinx community, and (2) that my background as a Latino woman, born and raised in the Dominican Republic, could bridge the gap of Language and Trust that so often limits immigrant communities in the US. With the full support of Bob and Max, I started studying for my Securities Industry exams in the Summer of 2020, passing the Securities Industries Essentials exam in the Fall of 2020, Series 7 in June of 2021, and Series 66 in May of 2022.

Now that I have earned my licenses, I'm excited to explore the next stage of my career, as my licenses enable me to begin placing trades in our clients' accounts (under supervision) while expanding my role in the office working with clients. I look forward to continuing on this path and designing what comes next.



# B Corp Certification

## Community



“The Community Impact Area evaluates a company’s engagement with and impact on the communities in which it operates, hires from, and sources from. Topics include diversity, equity, and inclusion; economic impact; civic engagement; charitable giving; and supply chain management. In addition, this section recognizes business models that are designed to address specific community-oriented problems, such as poverty alleviation through fair trade sourcing or distribution via microenterprises, producer cooperative models, locally focused economic development, and formal charitable giving commitments.”

## Sample questions from the B Impact Assessment completed by Common Interests

### ADVANCING SOCIAL AND ENVIRONMENTAL PERFORMANCE

**How has your company worked with its stakeholders (including competitors) to improve behavior or performance on social or environmental issues in the past two years?**

- |  |  |
|--|--|
| <p><input checked="" type="checkbox"/> We have worked with other industry players on a cooperative initiative on relevant social and environmental standards for our industry</p> <hr/> <p><input checked="" type="checkbox"/> We have provided data or contributed to academic research on social or environmental topics</p> <hr/> <p><input checked="" type="checkbox"/> We participate in panel presentations or other public forums on social or environmental topics</p> | <p><input checked="" type="checkbox"/> We provide public resources for other businesses or stakeholders on improving social or environmental performance</p> <hr/> <p><input type="checkbox"/> Other – please describe</p> <hr/> <p><input type="checkbox"/> None of the above</p> |
|--|--|

### ADDITIONAL LOCAL BUSINESS MODELS PRACTICES

**What other ways does your company support the local community?**

- |  |   |
|--|---|
| <p><input checked="" type="checkbox"/> We use a local and independent bank (including banks that have at least 50% of their loans/deposits coming from or to local sources within 3 states/provinces if in the U.S. or Canada and within 300km if in another country)</p> <hr/> <p><input checked="" type="checkbox"/> We have local community investment programs or sponsorships</p> <hr/> | <p><input type="checkbox"/> We contribute 5% of profits or more to local charities</p> <hr/> <p><input type="checkbox"/> We provide community space for local organizations</p> <hr/> <p><input type="checkbox"/> We have a written local hiring policy</p> <hr/> <p><input type="checkbox"/> None of the above</p> |
|--|---|

Since becoming a B Corp, we have become even more mindful of how we show up as a community partner. The many challenges of 2020 and 2021 have reminded us once again that we have a responsibility to support our communities. As a boutique family wealth management practice with a mission to improve the financial wellness of our clients, we believe that one of the greatest ways we can create an impact in our communities is through education. For that reason, we are committed to educating our communities about topics we specialize in.

Although the COVID-19 pandemic has made our usual involvement with our communities challenging, we felt a responsibility to continue supporting our communities by sharing our knowledge in the best way possible. This was particularly important for us given the many challenges the pandemic presented, including its impact on household financial stability.

For instance, when taking into consideration the pandemic's economic impacts, it was critical for us to continue our work in the local Latino community, which has been disproportionately impacted by the pandemic. In this time of crisis, we wanted to share our knowledge and help the community, so a few months after the first COVID-19 shutdown in 2020, Bob and Max spoke at a webinar hosted by the Presbyterian Church of Nuevas Fronteras (the same church from Ruth's story of her path to achieving her securities licenses) where they shared strategies in managing family funds during times of uncertainty. This work built on an existing relationship, as we had already conducted a series of financial literacy classes with this congregation.





## Serving Our Local Community

We also work in our broader community where financial wellness education is needed. One way we do this is through our engagement with the New Jersey Citizen Action (NJCA), a statewide coalition and grassroots organization that fights for social, economic, and racial justice for all. As a pro-bono financial adviser to NJCA, we provide financial coaching to help New Jerseyans with their financial goals by providing them with resources that best meet their needs. In addition to offering pro-bono financial counseling, we also offer our clients with an option to make impact investments to support New Jersey communities. One of those investment opportunities is the Ellavoz Shared Values Opportunity Fund. A unique partnership between New Jersey Community Capital, Community Asset Preservation Corporation, and Ellavoz Impact Capital, the Fund aims to bring together the public and private sectors together for Innovative Social Impact Investing, who have a common goal to provide equity capital for affordable housing projects and entrepreneurship throughout communities in New Jersey.



### Case Study

## Supporting students in underserved communities through the “Wall Street Diversity Accelerator Program”

At Common Interests, serving underserved populations is a key priority. One of the ways we do this is by helping the financial services industry connect with students in underserved communities through our founding membership in the Wall Street Diversity Accelerator Program (WSDA). We are proud to have helped build a network to connect rising sophomores and juniors at historically black colleges and universities with investment management firms to give them a leg up at establishing a career in financial services through industry exposure. By providing students from historically underrepresented communities with an introduction to career possibilities in financial services, the WSDA internship program does not only help them with their future career prospects but creates an opportunity for improving the diversity of the financial services industry, which has been disproportionately white and male, and improves access to financial advice for those who have historically been overlooked. This is part of our effort to help close the racial wealth gap.

Pictured: Ruqayah Ebrahim, Summer 2022 Intern, who joined us virtually from Baltimore, MD

# Common Interests Heifer International Support Program

For the past seven years, Common Interests has supported Heifer International with a passion that closely aligns with the Heifer International mission. In Heifer's own words, "We work to end hunger and poverty in partnership with the communities we serve. It begins with a seed investment of livestock or agriculture followed by mentorship to help the project participants build a business, and ultimately to gain access to supply chains and markets." Heifer International is now serving 21 countries around the world.

The families are then "able to earn a living income and continuously lift up their communities as they train the next generation of leaders."

At the beginning of each year, we carefully pick an agricultural or community program that we like and use it as that year's focal point. We have purchased chickens, cattle, pigs, goats, fresh clean water, and biogas stoves. And we are now focused in the last two years on the elimination of hunger by supporting this larger theme which involves millions of people around the world.

Our support generally comes in two ways. First, we make a generous cash donation at the end of every year, but we also have an ongoing program of sending our friends and clients Heifer honor cards on their birthdays. These cards stress that the donation associated with the purchase of the card is made in their honor. We also add additional text on the upper half of the card which further explains the Food Crisis underway. The 2021 message reads:

## Charitable Giving

**In honor of your birthday, our firm Common Interests, LLC, is making a donation to Heifer International, which will help tremendously with the Food Crisis caused by the COVID-19 PANDEMIC and climate change. We are proud to have our clients and friends participate!**

The current estimate of the results of this crisis, according to a recent UN report, is that "more than 2.3 billion people (or 30% of the global population) on this earth are chronically food insecure". These people are in the middle of a "Perfect Storm!" Essentially, it looks like this: crops are failing, people are dying, livestock is dying, transportation to suppliers and buyers is very limited, prices are soaring and incomes are rapidly dropping!

Heifer International is dealing with food security on a global basis, with multiple programs all running at the same time. Heifer International knows the importance of animal-sourced foods for ending hunger and poverty. In areas of high malnutrition, this is the fastest way of getting vital nutrients to people who need them most.

Hopefully, with all of us working together, we can help stem this tide!

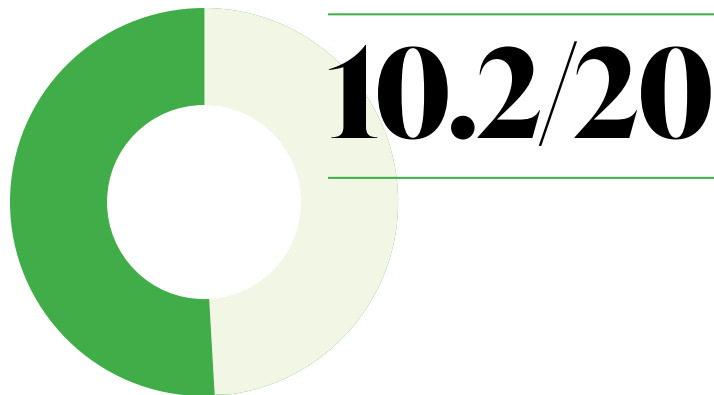


**We work to end hunger and poverty in partnership with the communities we serve.**

Heifer International

# B Corp Certification

## Environment



“The Environment Impact Area evaluates a company’s overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity. This includes the direct impact of a company’s operations and, when applicable, its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact. Some examples might include products and services that create renewable energy, reduce consumption or waste, conserve land or wildlife, provide less toxic alternatives to the market, or educate people about environmental problems.”

## Sample questions from the B Impact Assessment completed by Common Interests

### VIRTUAL OFFICE STEWARDSHIP

**How does your company encourage good environmental stewardship in how employees manage their virtual offices?**

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We have a written policy encouraging environmentally preferred products and practices in employee virtual offices (e.g. recycling)</li> </ul> <hr/> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Our company shares resources with employees regarding environmental stewardship in home offices (e.g. energy efficiency)</li> </ul> <hr/> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We have a policy in place for the safe disposal of e-waste and other hazardous materials purchased for employee home offices</li> </ul> <hr/> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Employees are provided with a list of environmentally-preferred vendors for office supplies</li> </ul> <hr/> <ul style="list-style-type: none"> <li><input type="checkbox"/> We recycle most of our paper waste and have reduced our use of paper tremendously</li> </ul> <hr/> <ul style="list-style-type: none"> <li><input type="checkbox"/> N/A</li> </ul> |
|---|--|

### FACILITY ENERGY EFFICIENCY

**For what systems has your company used energy conservation or efficiency measures for a majority of your corporate facilities (by square feet) in the past year?**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Equipment: Energy Star appliances, automatic sleep modes, after-hour timers, etc.</li> </ul> <hr/> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Lighting: natural light, CF bulbs, occupancy sensors, daylight dimmers, task lighting, etc.</li> </ul> <hr/> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> HVAC: programmable thermostat, timers, occupancy sensors, shade sun-exposed walls, double-paned windows, etc.</li> </ul> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Other – Our electricity is generated by Wind Energy through Arcadia Power</li> </ul> <hr/> <ul style="list-style-type: none"> <li><input type="checkbox"/> None of the above</li> </ul> <hr/> <ul style="list-style-type: none"> <li><input type="checkbox"/> N/A – We utilize virtual office</li> </ul> |
|---|---|

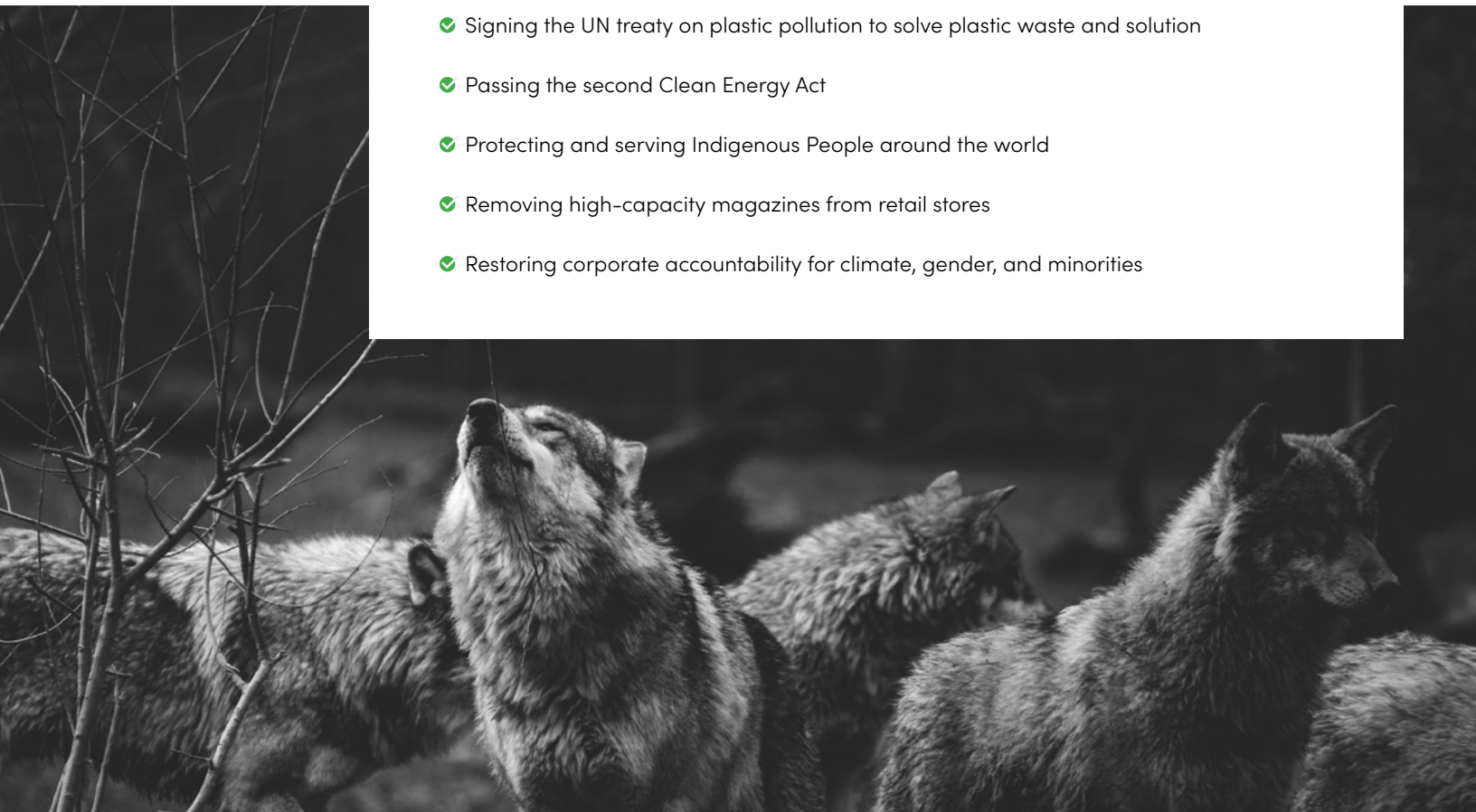
Protecting our planet and preserving it for future generations has always been on our minds at Common Interests. As a Certified B Corp, we are committed to better aligning our company policies with people and the planet. We believe that protecting our planet is not only an environmental issue – it is also an issue of equity and justice. For that reason, we consider all stakeholders when making business decisions and strive to make thoughtful choices in how we operate our day-to-day business. We are committed to reducing our environmental impact to achieve an equitable, fair, and greener future for all and strive to continuously improve on our efforts.

In this regard, we try to actively engage in the issues that are near to our own hearts. Between 2020 and 2021, we signed a number of petitions by Environment America, Green America, and PRI, in addition to signing letters to Congress. The list below represents an ever-growing list of subjects for which we have taken a stand to date:

#### **Between 2020 and 2021 we've taken a stand on:**

---

- ✔ Protecting the wildlife, wildlife refuges and saving the Gray Wolf population of Wisconsin
- ✔ Eliminating harmful pesticides and using regenerative agriculture methods
- ✔ Stopping mining wastes, oil and gas drilling, and limiting the use of Methane
- ✔ Protecting US Public Lands
- ✔ Signing the UN treaty on plastic pollution to solve plastic waste and solution
- ✔ Passing the second Clean Energy Act
- ✔ Protecting and serving Indigenous People around the world
- ✔ Removing high-capacity magazines from retail stores
- ✔ Restoring corporate accountability for climate, gender, and minorities



### Small Actions with Significant Impacts

Our office electricity comes from wind energy via Arcadia Power, a tech company empowering energy innovators and consumers to fight the climate crisis. Since signing up for Arcadia in 2015, we have kept 7,494 lbs. of CO<sub>2</sub> (7.5 tons) from heating up the atmosphere.

In addition to using wind energy, we have taken several other actions to reduce our environmental impact and greenhouse gas (GHG) emissions:

- ✔ We use LED lighting in our offices and have also switched to using the Nest Thermostat in 2020 to make our business more energy-efficient and eco-friendly
- ✔ We limit our use of paper and recycle what we do use. In fact, between 2019 and 2021, we significantly reduced our use of paper by using DocuSign for e-signatures. In total, we avoided using 30,904 pages. In 2019 alone, as a result of the total number of pages (4,332) we did not use because of DocuSign, we avoided producing/using the following<sup>6</sup>:



**0.07**

U.S. short tons of wood, made from about 0.4 trees



**0.5m BTUs**

equivalent to 0.6 residential refrigerators operated/year



**336lbs of CO<sub>2</sub>**

equivalent to 0.03 cars/year



**420 gal**

of water, equivalent to 0.3 clothes washers operated/year



**23.2lbs**

of solid waste, equivalent to 5.3 people generating solid waste/day

- ✔ We make sustainable choices outside the office as well, including in our personal life at home. For instance, our founder Bob uses solar power at his house and switched to driving a Prius Plug-in Hybrid, meaning his commute to work requires no gasoline and is using only solar electricity for that commute. Max also buys his home power from a community solar project near where he lives.

### Supporting our planet

Recent research shows that less than 2% of all global philanthropic spending goes to environmental causes<sup>7</sup> – a significantly low number considering the devastating effects of climate change. As part of our commitment to combat climate change and to support the fight against it, we made donations to several environmental groups between 2019–2021. These donations were primarily split between the following organizations: [Ceres](#), [Environment America](#), [Heifer International](#), and [US SIF](#).

<sup>6</sup>Environmental impact estimates were calculated using the Environmental Paper Network Paper Calculator Version 4.0. For more information visit [www.papercalculator.org](http://www.papercalculator.org)

<sup>7</sup>Desanlis, H., Matsumae, E., Roeyer, H., Yazaki, A., Ahmad, M., & Menon, S. (2021, October). Funding Trends 2021: Climate Change Mitigation Philanthropy. Climate Works. Retrieved from [https://www.climateworks.org/wp-content/uploads/2021/10/CWF\\_Funding\\_Trends\\_2021.pdf](https://www.climateworks.org/wp-content/uploads/2021/10/CWF_Funding_Trends_2021.pdf)





# Investment Approach

## Value-Based Investing

All investing begins with a discussion of risk and the goals a client is trying to achieve. At Common Interests, we believe that future generations depend on the decisions we make today. Therefore, as fiduciaries, we look to our clients' future and that of their beneficiaries (i.e., children or other dependents) by thinking about both short- and long-term goals.

(See Figure A for our onboarding questionnaire).

**We believe in knowing what we own, and mindfully design the impact of our portfolios by:**

1. Examining our investments
2. Looking at how the companies we own are run
3. Directing our investments in an attempt to meet our financial goals while also creating a positive change in the world

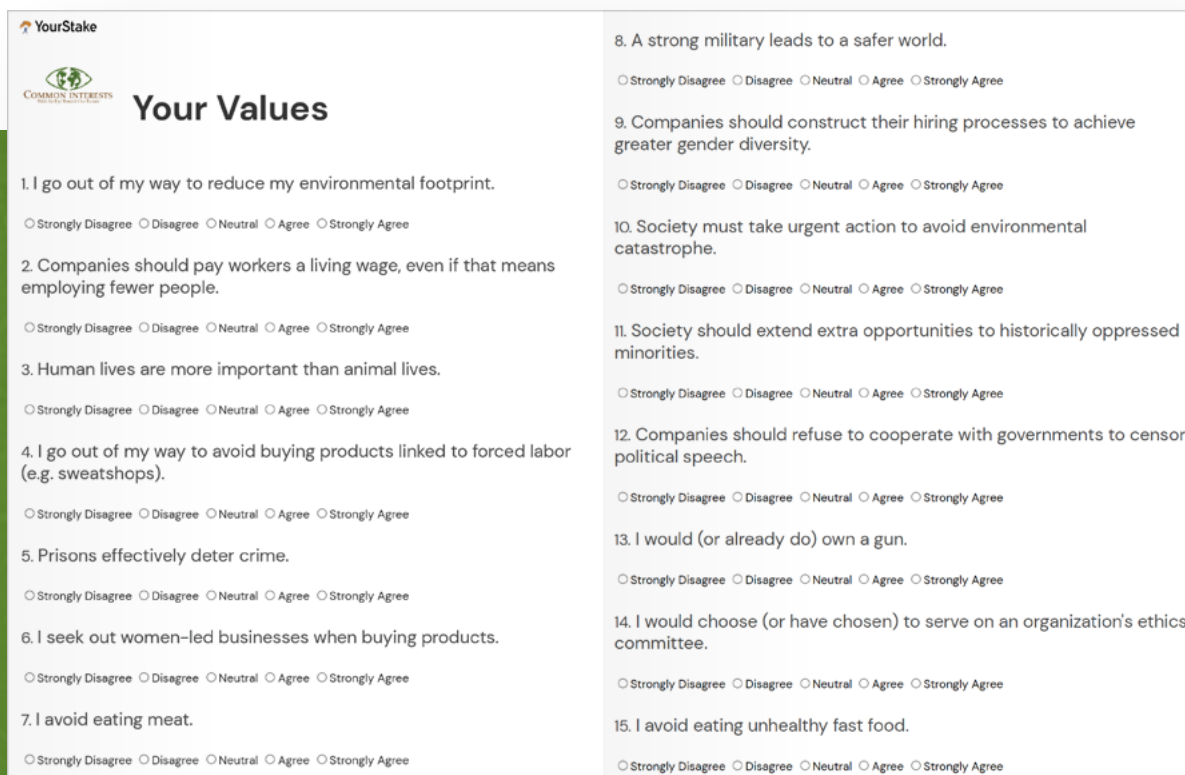
While how we do this is up to us, together, our investment strategy utilizes (1) the United Nations’ (UN) Sustainable Development Goals (SDGs) to guide our investment process when deciding which companies to include in our portfolios, (2) Modern Portfolio Theory to construct portfolios, and (3) ESG Data to uncover material risks.

**Figure A – Onboarding Questionnaire**

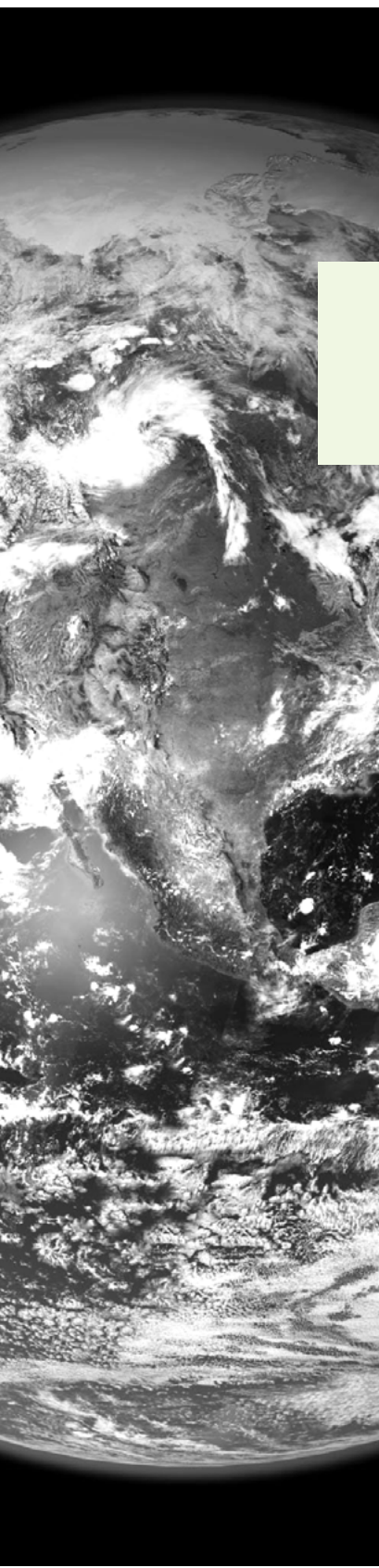
At Common Interests, we put great emphasis on understanding our clients’ values, and how they think about the impact of their investments on the world. Therefore, we ask them to fill out the onboarding questionnaire displayed below to help us understand their worldview. The survey uses a Likert Scale with 5 response options for all 16 questions ranging from ‘Strongly Disagree’ to ‘Strongly Agree.’

See the full questionnaire at [www.yourstake.org](http://www.yourstake.org)

The following sections will explain our investment strategy and processes in more detail.







# Investment Approach

## **SDG Alignment/Integration of SDGs**

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At Common Interests, we fully support the United Nations' 17 Sustainable Development Goals (SDGs), which call for action by all countries to promote prosperity while protecting the planet. We recognize that investors can play a significant role in advancing each of the SDGs. That's why we utilize these goals as a tool to help clients align their investments with their core values. We also offer various resources and tools to help our clients incorporate the SDGs into their philanthropic giving.

# What are the SDGs?

In September 2015, the UN Member States adopted a new global agenda, encompassing 17 SDGs. An ambitious and transformative set of promises made at the global level to leave no one behind, the SDGs consist of 169 quantitative targets across the social, economic, and environmental dimensions of sustainable development – all to be achieved by 2030.

According to the UN Commission on Trade and Development (UNCTAD), meeting these targets will require an estimated US\$5-7 trillion in investment each year from 2015-2030. But the UN and member countries cannot deliver on the SDGs alone; only an estimated US\$1 trillion annually will come from public funds, leaving a gap of US\$6 trillion annually for private capital to fill, emphasizing the role the private sector can play in the achievement of the overarching 2030 Agenda.





## Our Sustainability Screening Process

Our philosophy towards ESG is based on knowing what we own, which means we spend a lot of time “looking under the hood” of each investment to design a portfolio that is consistent with the goals of each individual client. To do this, we build ‘model portfolios’ to fit clients with different tolerances for risk, and to express our ‘house view’ on sustainability. These portfolios then serve as a starting point for us to have conversations with clients - to refine an investment policy based on their personal values and fit an investment portfolio to them, while using our models as a template for the conversation about risk, and as a jumping-off point to talk about aligning each client’s investments with their values.

To develop our ‘house view’, we work with our asset manager partners to understand how they use sustainability data in their investment processes, and then validate their claims by running our own analysis on their funds. In other words, we’re checking the work of the mutual fund and ETF providers we’ve chosen to work with - our objective is to make sure they’re doing what they say they’re doing, and that we’re not just accepting the claims in their marketing materials at face value.

We look at a wide variety of data points across the spectrum of ESG factors. Managing our portfolios against the risks of the climate crisis, we look at exposure to the fossil fuel industry, greenhouse gas emissions, and deforestation producers. Looking at how the companies we invest in perform on social issues, we look at LGBTQIA+ discrimination policies, worker and CEO pay, and exposure to the private prison industry and migrant detention involvement. And for Governance, we look at their track records on conflict mineral accountability, wage and hour violations, ethical recruitment and labor relations violations and the use of forced labor in supply chains, among many other data points.

One of the techniques we use to build investment portfolios is ESG screening - choosing which companies to include (or exclude) in a portfolio based on certain ESG characteristics. We employ both negative screens (or exclusionary screens) and positive screens (or inclusionary screens) as part of a holistic approach to aligning a client’s investments with their values.<sup>9</sup>

### Examples of ESG issues that would cause us to screen out an investment include companies that:

- ✔ Are the subjects of serious labor-related actions or penalties by regulatory agencies or demonstrate a pattern of employing forced, compulsory or child labor
- ✔ Exhibit a pattern and practice of human rights violations or are indirectly complicit in human rights violations committed by governments or security forces, including those that are under U.S. or international sanction for grave human rights abuses, such as genocide and forced labor
- ✔ Exhibit a pattern and practice of violating the rights and protections of Indigenous Peoples
- ✔ Manufacture tobacco products
- ✔ Manufacture or sell firearms and/or ammunition

**On the other side of the coin, we look for companies that excel in one or more of the following areas:**

- ✔ Demonstrate “best practices” related to board independence and elections, auditor independence, executive compensation, voting rights, and other important governance issues
- ✔ Have strong records of compliance and do not have a pattern of regulatory violations for their products or services
- ✔ Promote equal opportunity and actively recruit, hire, and promote individuals in order to create a diverse workforce
- ✔ Offer competitive salaries and benefits, have family-friendly policies, and good relationships with unions
- ✔ Support their local and/or global communities, either through financial support or by encouraging employee volunteerism

We are constantly reevaluating our screening criteria, both in response to client demand and in reaction to market forces. For example, the growing awareness of racial injustice and systemic racism has led to an increased scrutiny of how companies are addressing these issues. For Common Interests, this means we look to avoid investing in companies with a lack of racial diversity in senior management or companies exposed to sectors associated with racist institutions, like private prisons. Likewise, we favor investing in companies that have strong racial diversity and that are active in supporting local communities – for instance, by sponsoring an entrepreneurship program that helps more Black students start their own businesses.

We recognize that ESG issues are fluid and that what may be top-of-mind for investors today may be an afterthought tomorrow. We are committed to working directly with each individual client to understand what causes and issues someone is passionate about, and then adjusting their portfolio accordingly.

### **Where we get our ESG data**

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At the beginning of this journey, we relied on third-party data providers like MSCI and Sustainalytics to help make sense of the market and narrow down the investment universe to only those companies and funds that meet our (and our client’s) ESG requirements. The problem with these services was that they boiled complex issues down to simple scores. Our clients have nuanced feelings about these issues, and through conversations with our clients, we uncovered investments with high ESG scores that were not, in fact, aligned with our clients’ values. Through this journey, we learned that the methodologies of the ratings rely on judgment calls that decide what matters based on a concept called ‘financial materiality’, which looks at the risks that Environmental, Social, and Governance issues pose to a company’s bottom line. In many ways, this approach is the opposite of what our clients expect since they are often looking at the impact that a company has on the Environment and Society, not the other way around.

<sup>9</sup> To learn more about different approaches to Sustainable Investing, please see <https://www.commoninterests.com/esg-investing-basics-what-are-we-trying-do-to/>

We believe that the role of asset managers is to make decisions based on risk and return and that the role of a financial advisor is to take these conversations to the next level and match strategies with investors based on the level of risk the client can tolerate and the values they want to see expressed. To this end, we no longer use ESG scores in our practice but have elected to use a 'NoScore ESG' screening tool that shows the actual business involvements and impacts of our portfolios without making judgments about what matters to our clients. Discovering what matters to each client and building a portfolio to match those values is the core of our relationships with our clients.

This methodology is radically different from the 'business as usual' approach taken by the major ESG ratings agencies. Rather than comparing companies to their competition and showing how the portfolios we build invest in slightly cleaner companies, we're now able to have conversations with our clients about the actual business involvements in their investment portfolios, and we can say with confidence that the data we report on comes from stakeholders - we're not making judgments about which data points matter to our clients, and the data is never filtered through some anonymous analyst with unknown and potentially unconscious biases influencing the results.

**\* NGO sources are treated as trusted sources if they:**

- ✔ Have a detailed and transparent methodology
- ✔ Are updated frequently
- ✔ Are already used by government regulators or the investor community to analyze, evaluate, or engage with companies

We have the capability to evaluate the ESG impacts of the stocks or bonds of individual companies and funds, including active funds and passive index funds. We can also show clients where potential ESG issues may be in their portfolios. For instance, if a client is considering investing in a specific company, we can share data about that company's ESG practices and identify key material risks to that company's business in addition to the financial analysis of the same information.

No dataset is ever perfect, which is why ESG data is just one input into the investment decision-making process. We scrutinize each investment to understand the strategy as well as current and future risks to that model. We also closely monitor market trends that may affect individual companies, specific sectors, or the entire economy. We proactively communicate these trends to our clients via regular market updates and always make ourselves available to answer questions.

<sup>10</sup> NoScore ESG. YourStake.org. (n.d.). Retrieved from <https://yourstake.org/info/for-institutions>



### Case Study

## Helping a client open their first investment account

Starting out on the path of financial wellness is not an easy task, especially for those individuals who don't have the assets to work with traditional advisory firms, which are often associated with high costs. For that reason, one area of work we highly value is helping an individual who is just starting their journey to financial wellness and ensuring that they get started in the right direction!

At Common Interests, we believe that every individual has a right to quality financial advice despite their income level. That is why we are a no-minimum firm with hourly fees based on what is affordable at different income levels. That is to say that if an individual wants to get started on their financial future, we will work with them no matter how much or little they have in assets. By doing so, we are able to cover our overhead when serving lower-income families, while building multi-generational and profitable relationships with high-earning individuals.

We further take pride in being very good teachers, as sharing our knowledge and resources with our clients is a key element in ensuring that they are equipped with the right tools to develop into well-informed investing adults. To facilitate this, we have contracted with an investment company that will invest small amounts of money and treat it in the same way as it would a wealthy person, which is very cost-efficient for the investor. We work with this company when helping a client open their first investment account and utilize the Dollar-Cost Averaging (DCA) method of investing which puts small amounts of money to work over a set period of time (i.e., monthly or quarterly). The DCA has proven to be a wise and very beneficial investment strategy for our clients because sometimes the money is put to work when the market is down, meaning that the money goes further than when the market is up.



# Investment Approach

## Shareholder Advocacy & Engagement with Managers

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Both active ownership and investment stewardship are central to SRI investing, making shareholder advocacy a critical element in magnifying the impact of our investment portfolios.

Today, shareholders are uniquely positioned to pressure companies to improve their policies, especially in critical times when there is significant public demand for companies to become better corporate citizens and speak out on issues of global importance. Our activism is guided by our clients, so we are committed to supporting their values and shareholder advocacy efforts. In the past two years, we have engaged with our partners at Vanderbilt to update our governing documents to allow us to directly propose and support shareholder resolutions. This effort was successful at the beginning of 2022, and we are currently working with our team to build out the necessary infrastructure to enable us to vote our clients' proxies. Additionally, we choose the asset managers we partner with partly on the basis of their activism.

Our partners at YourStake have also put together a proprietary database of shareholder engagement actions that we use to report back to our clients on the engagement work happening in their portfolios. This database draws from company reporting, including fund manager impact reports, websites, press releases, blog posts, and the general news media.

At Common Interests, incorporating ESG issues into our decisions is central to our investment approach. When offering investment opportunities to our clients, we make sure that we look beyond any single issue and take a holistic view, mindfully designing socially responsible portfolios for our clients. The foundation of our approach to investing has always involved deep, fundamental research and engagement with our investment partners, but most importantly, listening to the concerns raised by our clients. For that reason, we always make sure that we are diligent in our investment approach and actively engage with our fund managers to understand their portfolio holdings and ESG strategy. (See case study on Calvert engagement below)



### Case Study

## Engaging with Calvert on weapons exposure

In 2021, we engaged with Calvert Research & Management regarding their policy around weapon involvement exposure. While discussing the holdings in some of the funds with a client who cared deeply about the weapons production their investments were funding, we found that this fund owned companies that produce weapons of war. These included Safran SA, which produces tactical drone systems used against civilians in Afghanistan, and Walmart Mexico, a firearms retailer. Once we discovered these holdings, we immediately contacted Calvert sharing our concerns that these holdings are not consistent with the Responsible Investing screens in the funds and that the fund's position in Walmart Mexico specifically is causing the political accountability scores for the fund to lag severely, among others, negatively impacting all of the ESG statistics for the fund.

When we asked Calvert to share their views on these holdings, noting that we'd like to be able to explain them better to our clients, we received an immediate response from Calvert. We were assured that the issues our clients and we raise are deeply important to them, which they demonstrated by reviewing their process with us to set the context for their approach. It was clarified to us that Calvert applies the Principles of Responsible Investment (PRI) to determine eligibility for Calvert funds and that they evaluate, rank, and score companies on how they manage their most financially material environmental and social risk exposures, only allowing those companies with a "net positive" impact into their investment universe. We received detailed information on each holding and why it was included in the portfolio and learned a few things! Most importantly, we were able to have deeper conversations with our clients about the reasons these companies were in the portfolio and empowered our clients to make the intentional choice of whether to keep this investment or find a replacement with a different strategy. The answer was not the same for everyone.





### Case Study

## Collaborative Engagement with Social Media Companies

At Common Interests, we are determined to contribute to a more responsible and conscious society and, therefore, always look for opportunities to engage in a number of different initiatives and collaborations through the PRI as its signatory.

One of these engagements was the *Collaborative Engagement with the Social Media Companies* organized by the NZ Super Fund, which was launched after the March 15, 2019 terror attacks at Christchurch mosque that killed 51 people and injured 50 more with the perpetrator of the act broadcasting his crimes live on social media. In response to this horrific act, New Zealand's government-owned investors, supported by 105 investors globally representing approximately NZD\$13.5 trillion, initiated a collaborative effort to engage the world's three largest social media companies – Facebook (now Meta), Alphabet (Google), and Twitter – to ensure that they strengthened their defenses against the live streaming and dissemination of objectionable content. Throughout the Collaborative Engagement, several actions were taken, including (1) creating and distributing an investor resource for shareholders not part of the Collaboration, (2) sending engagement letters to the Chairs of the Boards of each of the three companies on behalf of the Collaboration, (3) exercising voting rights at the Annual General Meetings (AGMs), and (4) holding meetings with key executives and seeking meetings with Board Directors.

As a result of the Collaboration's efforts, in late 2020, Facebook strengthened the Audit and Risk Oversight Committee charter to explicitly include a focus on the sharing of content that violates its policies. Facebook further committed not just to monitoring and mitigating such abuse, but also to preventing it.

The collaborative engagement concluded on October 13, 2021, with the release of an independent external research report examining whether the changes made by the platforms in response to the attacks are sufficient to prevent or mitigate the risk of a similar incident being widely shared across social media platforms in the future. The external research, which was undertaken by a New Zealand-based independent consultancy and think tank called Brainbox Institute, also looked into the different types of emerging regulations on this issue. The report found that there is a high likelihood that the measures put in place by the platforms will be effective in mitigating the scale in which objectionable content can be disseminated online, while noting that it is unlikely the platforms will be able to entirely prevent a similar type of incident in the future.



# Investment Approach

## Impact Investing

Impact investing is an area of increasing interest among our clients. Since impact investment opportunities are generally concentrated in the private markets—and therefore subject to relatively high minimums—they are not traditionally available to average investors. The illiquid and potentially risky nature of many impact investments also makes them a tricky fit for most investor portfolios.

Fortunately, the impact investing market has evolved considerably in the last few years with opportunities beginning to open up for retail investors. We are still in the early stages of building out our impact offerings, with just two investment opportunities offered to clients to date. We expect to expand our impact capabilities in the future to meet the growing demand for investments with measurable impact.

We approach these impact investments in much the same way we approach other investment opportunities, taking care to evaluate each company and its management before presenting the option to clients. We also negotiate directly with a company's investor relations team to bring the minimum investment amount down to a level that would be attainable for most of our clients.

See table B for more information on two impact investments.

**Table A: Impact Investments in TerraCycle and World Tree**

## TerraCycle

### New Jersey

TerraCycle® is a social enterprise Eliminating the Idea of Waste®. In 21 countries, they tackle the issue from many angles and have found that nearly everything we touch can be recycled and collect typically non-recyclable items through national, first-of-their-kind recycling platforms.

**Minimum Investment:** \$700

**Terms of Deal:** Convertible Preferred Stock

**Expected Impact:** Enable TerraCycle to hire more staff, acquire other innovative recyclers to broaden capabilities, and expand and improve their Trenton NJ headquarters.

**Amount of Client Assets Invested:** \$203,000



## World Tree

### California

World Tree<sup>12</sup> is a group of investors, farmers, scientists and activists who are committed to a new kind of forestry. Its programs are based on one of the fastest-growing trees in the world: The Empress Splendor (*botanical name Paulownia*).

"When you invest in World Tree, you are investing in eco-timber farms across North and Latin America. You are supporting farmers and protecting our forests. And you get to share in any profits from the sale of the lumber."

**Round:** Series A 2020 Eco Tree Units

**Minimum Investment:** \$3,000

**Terms of Deal:** Private Equity

#### **Expected Impact:**

Sequester approx. 660,005 tons of CO<sup>2</sup>

Return approx. 6,203,126 kg of nitrogen to the soil

Produce approx. 114,478 kg of honey

Increase approx. 36% of coffee yields due to increased pollination

Common Interests clients represent approx. 4.28% of the total raise

**Amount of Client Assets Invested:** \$371,000

<sup>12</sup>Our impact. World Tree. (2022, March 25). Retrieved from <https://www.worldtree.eco/impact/>



### Case Study

## Making an impact with our investments

At Common Interests, we believe in putting our money where our mouth is. So naturally when it comes to impact investing, we wanted to show clients that we would never offer an investment opportunity that we wouldn't consider investing in ourselves.

Enter World Tree and the [2020 Series A Eco-Tree Program](#), an exciting initiative to plant hundreds of acres of Paulownia trees, also known as the Empress Splendor for its reputation as one of the fastest-growing trees in the world, maturing in only 10 years, and regenerating up to 7 times after harvest. It is also non-invasive and produces some of the lightest hardwood lumber. The entire Common Interests team decided to invest in World Tree as part of a firm-wide effort to offset our personal carbon footprints. In fact, since the publication of our last Impact Report, our most important environmental partnership was with World Tree. We also approached several clients with the same impact opportunity.

In 2020, with the combined investment of our team, clients, and others around the world, World Tree was able to plant 242,026 Empress trees with 98 farmers in four countries. Over the next 10 years, these trees are expected to:

- ✔ Sequester approximately 660,005 tons of CO<sub>2</sub>
- ✔ Return approximately 6,203,126 kg of nitrogen to the soil
- ✔ Produce approximately 114,478 kg of honey
- ✔ Increase approximately 36% of coffee yields due to pollination



# Investment Approach

## Monitoring & Reporting

The final aspect of our investment approach is reporting to clients on both financial performance and ESG performance. We firmly believe in the importance of transparency and accountability with clients, and these performance reports provide an opportunity for us to reflect on how we're doing and also for clients to better understand how their capital is being put to work. For many clients, we schedule regular check-ins to review these performance reports and answer any questions.

While reporting financial performance is relatively straightforward, we wanted to find a way to also show clients how their capital is contributing to various sustainability goals. There is still no universal set of ESG metrics that can put into context how one company—or an entire portfolio—is performing over a specific period of time. This makes it difficult to articulate the impact of any particular investment.

This is where our partnership with [YourStake.org](https://YourStake.org) really shines. As a software company that works directly with investment advisors, they help us communicate with our clients to understand their social and environmental impact. Using YourStake's technology, we are able to input any individual client's portfolio holdings and generate an impact report that shows how that portfolio is performing relative to a benchmark. For example, a client passionate about climate change would be able to see that their investment portfolio generates a third of the carbon emissions of the average portfolio. Likewise, a client who wants to support gender equality would receive an impact report with data on company board diversity compared to a benchmark. We can even use this tool to show the differences between a prospective client's current investments and the portfolios we manage.

We find that these impact reports have generated more interest and conversation among clients than the financial reports. Our clients genuinely want to know how their capital is contributing to a positive impact in the world, rather than just prioritizing financial returns over everything else. We are continuously heartened and inspired by client questions about their impact. As sustainability disclosures become more standardized and as impact data improves, we hope to have even more in-depth conversations about impact.

See Figure D for a mock impact report using YourStake.org's technology.

### Figure D: Mock Impact Report





## Goals for 2022-2023

Welcome to the most difficult section of the report - where we take a hard look at ourselves and highlight the areas where we can do better and improve on in our next report, due out in 2024. This section is especially difficult for us as a firm since we do not measure ourselves by the typical financial advisor growth metrics. In drafting this report, we began this section by talking about the ways that other advisors measure success, metrics like “Assets Under Management,” Number of Clients, and Gross Dealer Concession. We did a lot of work to put these numbers together, but when we saw the results, both Bob and Max had an extremely strong, and extremely negative reaction to the direction this report was heading.

This is because we DO NOT measure our success by the number of dollars we manage, but by the change we make in our clients' lives, and the good we do for them. While we're very proud that we've doubled our assets under management in 3 years, when Bob and Max see that statistic, we also see it as a threat, since our goal is to provide an extremely high level of service, not to grow as fast as possible at any cost.

This goal-setting exercise is extremely valuable to us as a firm, as it also highlights areas where we can do a LOT better. After our first impact report, we set a goal to do engagement work and ended up signing on to 24 different actions through Environment America, Green America, Sandy Hook Promise, and letters to congress. While earlier drafts of this report contained a "Common Interests by the Numbers" section, we did not feel that we answered the question that we pose to any investment fund that claims to create "Impact": What happened (measurably), because we took action, which would not have happened without our action? In holding ourselves to this standard, we did not believe that there were enough measurable changes that resulted from these activities to report on. Likewise, while we had 184 individual engagements with fund managers, students (from high school through MBA programs), consulting firms, nonprofits, governmental agencies, and fintech platforms, we simply put all those activities out into the world and never actually tracked the results. If someone came to us asking us to use their investment product with that track record, we wouldn't hire them. We want to hold ourselves to the same standards we hold our investment partners to, so our goals for this impact report are as follows. We hope to achieve all these goals by year-end 2023, and we plan to report on our progress against these goals in 2024.

**Continue to grow at a sustainable rate by building our capacity internally.  
This goal has multiple metrics:**

- ✔ Promote Ruth to the next stage of her career now that she has earned her securities license(s) and design a plan that has her working from her strengths while also acknowledging how critical she is to our future and building an equitable pay structure that celebrates her achievements and allows her to participate in the firm's successes.
- ✔ Hire one more staff member to support the growing team without sacrificing our level of service.
- ✔ Continue to manage our time to balance Portfolio Management, Financial Planning for all clients regardless of size, and continue to find high-quality impact investments for higher net worth clients with a desire to create real impact with their investments.

**Use our firm as a pathway to create opportunities in the financial services industry by hosting one intern each summer from a historically disadvantaged community.**

**Perform 2-3 high-quality, long-term engagements per year.**

- ✔ We've thought about our capacity to engage, and this topic ties into our first goal as well. As we continue to grow, our hiring plans will be directed in part by this goal, and we will seek to hire a candidate who will bring the skills to be an effective advocate for our clients' values.

**Create a robust data tracking method to report back on our activities in a more granular way.**

**Join the '1% For The Planet' movement and donate 1% of our profits to effective charities. Learn more about Effective Altruism at [www.effectivealtruism.org](http://www.effectivealtruism.org)**





We have learned a great deal about how to serve our clients and other stakeholders since founding Common Interests in 1994. We have witnessed first-hand the many shifts and evolutions of the sustainable investing landscape, an evolution that we foresaw would eventually reach the retail investor market.

We are a small but mature firm. In these last several years, we have worked hard to establish our firm's working style, and we are now ready to put what we have learned to work. Our operations have our clients and their needs at the forefront of our efforts. Our goal is to make all of our clients feel welcomed and supported in the use of our tools, so they are empowered to manage their current and future wealth. We strive to build confidence that our clients' goals and values are aligned so that, as their Holistic Financial Advisors, we can help them overcome the issues, problems, and demands of living and working in today's world. One of our sayings is, "we listen good!" We're here for our clients in whatever way we can help. Whether helping clients deal with money trauma, or helping to revise and update resumes, we're excited to invest in our clients so that they have more money to invest with us – building wealth and financial wellness along the way.

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