

## Investment Concept Evovalues

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Dear Investor,

We are presenting this investment concept not out of any need to sell or convince you to invest in our idea, but rather to foster an essential ingredient that has been lost within the tremendous efficiency of our hyper-capitalistic world: real values. What are real values, how do we recognize them and how are they different from any other investment yielding a considerable return? The latest financial, environmental as well as social crises have shown that the market alone – without any leading idea other than blind profit generation – is not able to provide sustainable values to communities or to average individuals. Rather, it is creating an [increasing split](#) between the very few immensely rich and a rapidly growing number of not only poor, but often socially-marginalized people.

As value itself is ultimately only a social construct, influenced by the way we conceive and arrange it, we feel a general responsibility for its character. Particularly, we do not want to contribute to further increasing the above-mentioned “split” – and that means we have to actively do something about it. So we are presenting here an investment concept along the lines of [Socially Responsible Investing](#), which we believe not only has the potential to generate more [social or shared value](#) than traditional investments, but also to yield greater and safer profits for the investors in the long run – without being constantly endangered by financial crises and breakdowns due to a mindless run for short-term profits.

Our investment concept is based on the idea of sustainable values being provided by respecting the most intrinsic and innate human needs – needs that preexisted when we emerged as humans some 1.8 million years ago. In order to understand and consider those needs properly, we heavily draw on evolutionary thinking, especially evolutionary psychology. This being our first and at the same time main point, we will present our concept following within five points:

### **1: All humans have certain innate, biological needs!**

Evolutionary thinking teaches us not only specific differences between all people - women, children, and men - but also essential similarities. Although not every need may be conscious and not every satisfactory behavior may be adaptive, there is more that makes us as humans alike than there are differences. Examining how we satisfy these needs, we must realize that there are some products/companies that help us serve these needs in a sustainable and adaptive way – and some that offer only short-term satisfaction or no real solution at all. In addition, there are even some products that not only fail to help but rather harm our health, the environment or the community.

Based on this first assumption, at Evovalues we are looking to

- a. **invest in innovative, sustainable and ethical companies** that provide products and services that are adaptive in an evolutionarily-informed sense and respect our long-term interests - especially our health, our environment, our communities, individuals’ interests as well as everybody’s human rights (Portfolio A strategy).

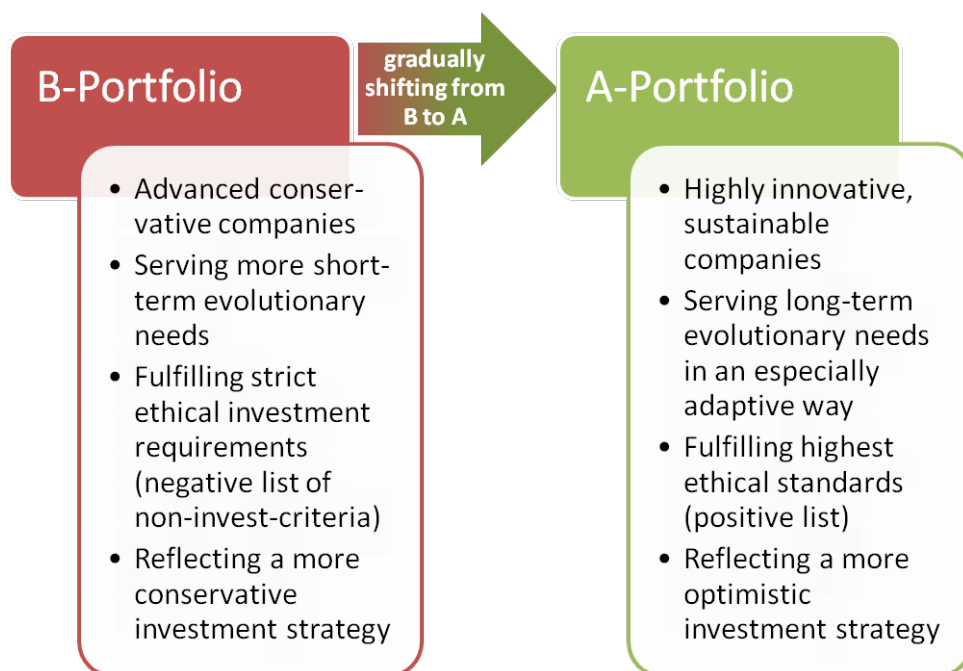
- b. **generate surpassing returns for our investors** from the success of such A-Portfolio-companies while backing their success with security investments in conservative companies, serving more short-term evolutionary needs but still fulfilling strict ethical requirements (B-Portfolio companies).
- c. **use our earnings responsibly** and also to disseminate the ideas of adaptive products and sustainable consumption to both help consumers satisfy their needs in a better way and to help companies to improve their products and services to make them more sustainable and competitive.

## 2: Gradually shifting from B to A – doing the right thing step by step!

With our two-portfolio strategy we are taking into account that not every sustainable-practice company is a business-leader with regard to process experience and efficiency. In order to tap the full potential of our evolutionary approach we therefore identify sustainable values in two complimentary ways: (1) We are looking for outperforming, evolutionarily-adaptive companies using a negative-list approach (checking every potential investment for fulfillment of our list of ethical mandatory requirements before putting them on our investment shortlist). (2) We are actively looking for best-of-benchmarking examples of companies serving customer needs better and more sustainably in every industry, on every continent, setting up a constantly-renewed positive list of exemplary companies fulfilling not only the highest standards of our positive list but also gradually setting these standards higher for all other companies yet to come.

Our overall goal with this approach is to balance both a more cautious as well as a very optimistic investment strategy while gradually shifting investments from the former to the latter – reflecting the overall market’s advancement toward a greater appreciation of sustainable values (see Figure 1).

Figure 1: Our Two-Portfolio-Strategy



### 3: Setting up the highest criteria to meet the highest goals!

According to our two-portfolio strategy, we have set up a list of both negative (drop-out) as well as positive (take into consideration) criteria for potential companies to invest in, either in Portfolio B (chosen with negative list) or in Portfolio A (chosen with positive list). Our lists of criteria are as follows, stated in Table 1:

**Table 1: List of Negative and Positive Criteria for the Selection of Potential Investments in Portfolio B and Portfolio A**

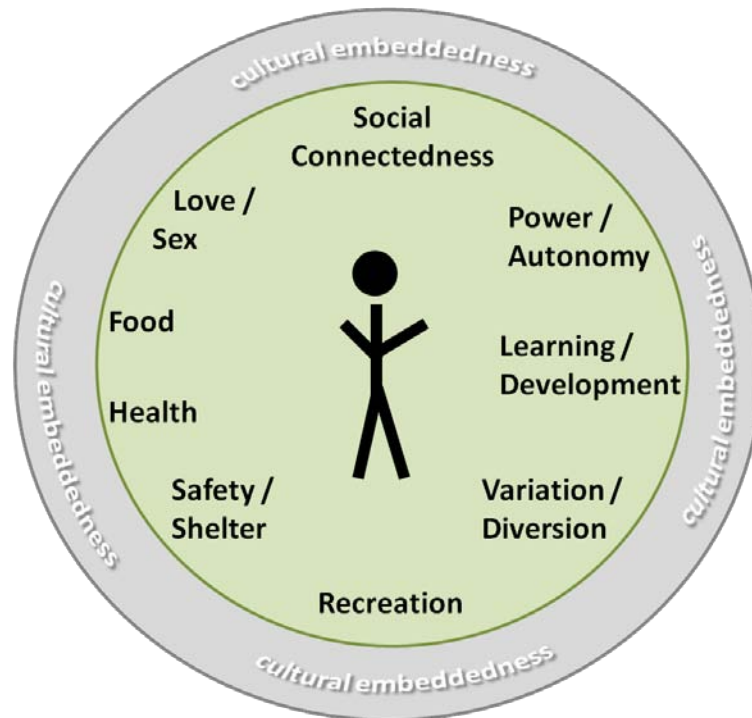
<b>Portfolio B (negative criteria)</b>	<b>Aspect</b>	<b>Portfolio A (positive criteria)</b>
Does the product or its production do any physical or psychological harm to the customer or have any unwanted/negative side effects in the long run?	<b>Customers</b>	Does the product or the company serve the customer's evolutionary needs in a better / more sustainable way than comparable products or companies, providing excellent solutions without any unwanted side effects in the long run?
Does the company systematically exploit its employees or use cheap labor to provide its products or services?	<b>Employees</b>	Does the company responsibly foster and support its employees and have high-standard working conditions meeting the evolutionary needs of its employees?
Does the product or its production impact the environment negatively, especially more than other comparable products?	<b>Environment</b>	Does the product or the company have no or a significantly smaller negative environmental impact than comparable products / companies?
Does the product or its production have any negative impact upon society or single communities, especially greater than other comparable products?	<b>Society</b>	Does the product or the company provide a according to evolutionary principles socially better-balanced environment, help surrounding communities and show applied corporate social responsibility?
Does the product or the company discriminate against certain individuals with its products or its overall behavior?	<b>Equality</b>	Is the product able to satisfy all customers' needs and does the company respect the customer as an individual with specific interests significantly more than other companies?
Does the product or its production violate any human rights or basic democratic principles?	<b>Human Rights</b>	Does the company respect the natural human rights of all its stakeholders significantly more than other companies?

In general, both portfolios should reflect an overall professional and consistent investment strategy with a well-balanced and clearly socially-responsible approach. Both portfolios should complement each other in a way that the overall value can be increased whether times are optimistic or pessimistic at the stock markets.

### 4: What are the needs we are looking for? Definitely evolutionary!

The most essential and—with regard to investment success—crucial aspect of our concept involves a clear and reasonable model of human needs as evolved in our [environment of evolutionary adaptedness](#). Furthermore, our model has to take into account that every culture has its own, unique form of expressing and fulfilling certain needs. As such, we cannot simply state that everybody has exactly the same needs with the exact same degree and characteristics. Taking this all into consideration, we want the following sketch (Figure 2) to act merely as a first and very rough approximation of some evolutionary needs of humans – without making any absolute or detailed claims.

Figure 2: Approximation of Evolutionary Human Needs



Although human behavior may vary drastically between cultures and between individuals regarding issues like mating, love, friendship, status, safety, etc. – we find behind all these concepts basic evolutionary strategies and desires in place. And only when taking this evolutionary perspective can we validate our search for real values, because, as the often cited [Dobzhansky phrased it](#), “nothing in biology makes sense except in the light of evolution”.

##### 5: How do we implement it? By working with the best people in the field!

As of now, this concept is nothing but an idea and still needs a lot of refinement and deeper consideration, but also real hands-on realization. For the latter, we need to find experts in all of the following fields:

- the **best evolutionary psychologists** to set up a detailed list of evolutionary needs and the right techniques of identifying how to best serve them in today’s varied cultures
- the **best investment bankers** to help us technically set up an actual financial instrument with the capability to allow everyone to invest in it worldwide
- the **best lawyers** to create a legal set-up for this fund to sustainably flourish over subsequent years
- the **best financial marketers** to help us offer and communicate this investment opportunity to both professional and private investors

If you are interested in this idea and/or feel addressed by our search for experts, please feel free to contact us any time at the email-address:

info [at] evovalues.com