Peace
gardens

A MANIFESTO

Finance that is right for our times.

the ***evergreen~***
manifesto for
radically rethinking
enterprise, finance,
fiduciary prudence,
popular participation
in superfiduciary
stewardship
investment
decision-making,
prosperity
and
peace

evergreencore.org

2019

Tim MacDonald, Author

Cognitive Cartographs
by Tim MacDonald and
Cody Thornton

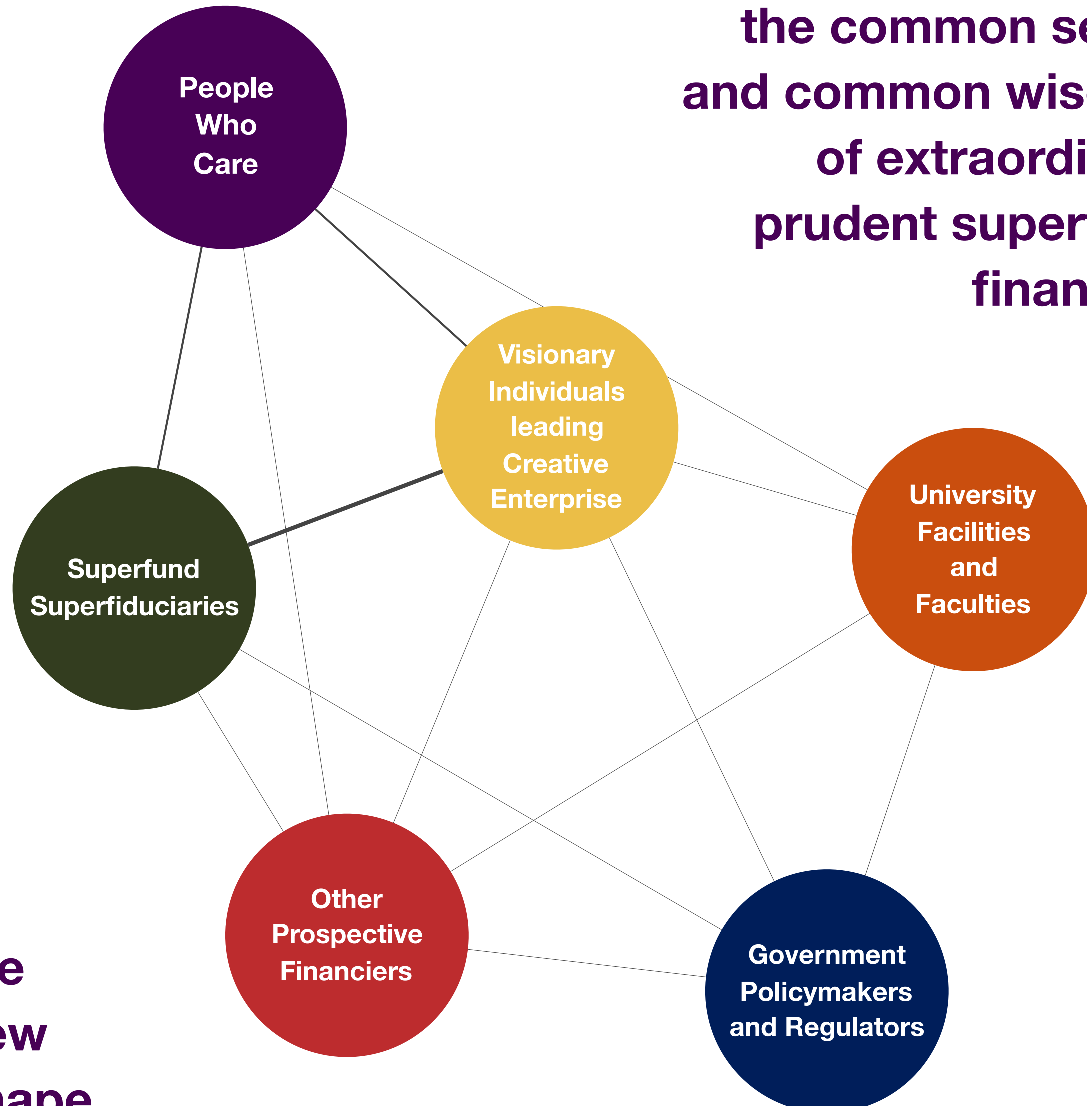
This Manifesto is designed to be printed in landscape format and looked through/read as a series of two-page spreads. It is constructed of short burst of text, to focus attention, images + text that form cognitive cartographs for visualizing social constructs that are physically invisible, and longish passages of pure text, because there comes a point where there is no better way to store knowledge for retrieval and sharing than in sentence and paragraph form.

We encourage you also to imagine it reformatted in poster size, with select cartographs converted to video animation and text passages presented as audio recordings, possibly with musical accompaniment, to create a life-size, walk-through looking and learning experience.

WE DEMAND

THAT THE SUPERFIDUCIARY STEWARDS OF SOCIETY'S SUPERFUNDS JOIN WITH UNIVERSITIES, GOVERNMENTS AND VISIONARY INDIVIDUALS LEADING CREATIVE ENTERPRISES TO ORGANIZE AND UTILIZE A NEW GLOBAL NETWORK OF FIDUCIARY SPACES THAT WILL BE SAFE PLACES FOR POPULAR PARTICIPATION BY PEOPLE WHO CARE IN CURATED CONVERSATIONS FOR ADAPTIVELY EVOLVING THE COMMON SENSE AND COMMON WISDOM OF EXTRAORDINARY PRUDENCE FOR EVERGREEN ENTERPRISE DESIGN THROUGH SUPERFIDUCIARY STEWARDSHIP INVESTMENT DECISION-MAKING.

popular participation in adaptively evolving the common sense and common wisdom of extraordinary prudent superfund financing



the new shape of global collaboration

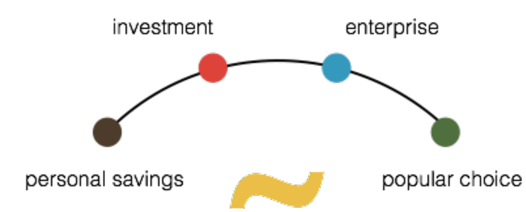
We are hurtling ourselves towards a future prosperity of Growth.

**We need to make a course correction,
to begin pursuing a new prosperity, of Peace.**

Here’s how.

RADICAL

new possibilities for
popular participation in
evergreen~
enterprise design
through extraordinary prudent
superfund stewardship
investment decision-making



evergreen

extraordinary prudent superfiduciary stewardship
investing in the flourish and fade of the social
contracts between enterprise and poplar choice
through custom crafted agreements on
prioritizing cash flows, fore peace

Popular participation in curated conversations for adaptively evolving the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of ordinary prudent for ordinary fiduciaries and of extraordinary prudence for superfiduciaries

empowering the

Popular

Voice

through
curated
conversations
on the
extraordinary
prudence of
superfiduciay
stewardship
investing in
peace

This Manifesto is not designed to
persuade people that its words are true.

It is designed to invite people to
imagine the possibilities if they are.

at the
intersection
of the technical
and the existential

Preview

This is a work in the philosophies

of finance,

of enterprise,

of prosperity,

of humanity,

and of peace.

This Manifesto takes the first tentative step into the creative edge of new learning about Finance, and all that Finance touches. Which is a lot.

It shares some insights into new learning about finance as a set of six vision-valuing patterns, pattern languages, places and professions through which a population chooses what its future history can, should and will be made to be through enterprise and exchange.

This Manifesto does not argue that these insights are correct. It leaves you to pass that judgement for yourself.

This Manifesto is a Call to Action. It points to Modern Finance as dysfunctional, and places dysfunctional finance at the core of many, of not all, of the greatest existential challenges we face today, in the changing times of the 21st Century.

It targets Asset Management as the core of that dysfunction, and calls on People Who Care to join in setting Asset Owners free from the tyranny of Asset Management so they can embrace their more authentic identities as Superfiduciary Stewards of Society's Superfunds - our Pensions and Endowments, mostly - charged with the fiduciary duty to generate sufficient superfund cash flows, forever, and entrusted with the powers of size, of purpose and of time, investing in the flourish and fade of the social contracts between enterprise and popular choice through custom crafted agreements for prioritizing cash flows, for peace, negotiated with visionary leaders of creative enterprises, directly, and not just speculating in commoditized shares of investment agreements negotiated by others, for non-fiduciary purposes.

It also calls on People Who Care to join in building a new global network of Peace Gardens as fiduciary spaces that will be safe places for popular participation in curated conversations with Superfiduciary Stewards of Society's Superfunds and visionary leaders of creative enterprises for adaptively evolving the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of ordinary prudence for ordinary fiduciaries, and of a higher standard of extraordinary prudence for superfiduciaries.

And it call on all people to participate in Peace Garden events regularly, to learn about Finance for personal and civic reasons, and to participate in evergreen enterprise design through stewardship investment decision-making as the new share of global collaboration in the pursuit of a new prosperity of peace in the new computer-connected, globally evolving, adaptive networks economy of the 21st Century, and beyond…

Please read this Manifesto, and answer its calls.

Tim

a new financing mechanism for Pensions & Endowments

evergreen and foursquare

extraordinary

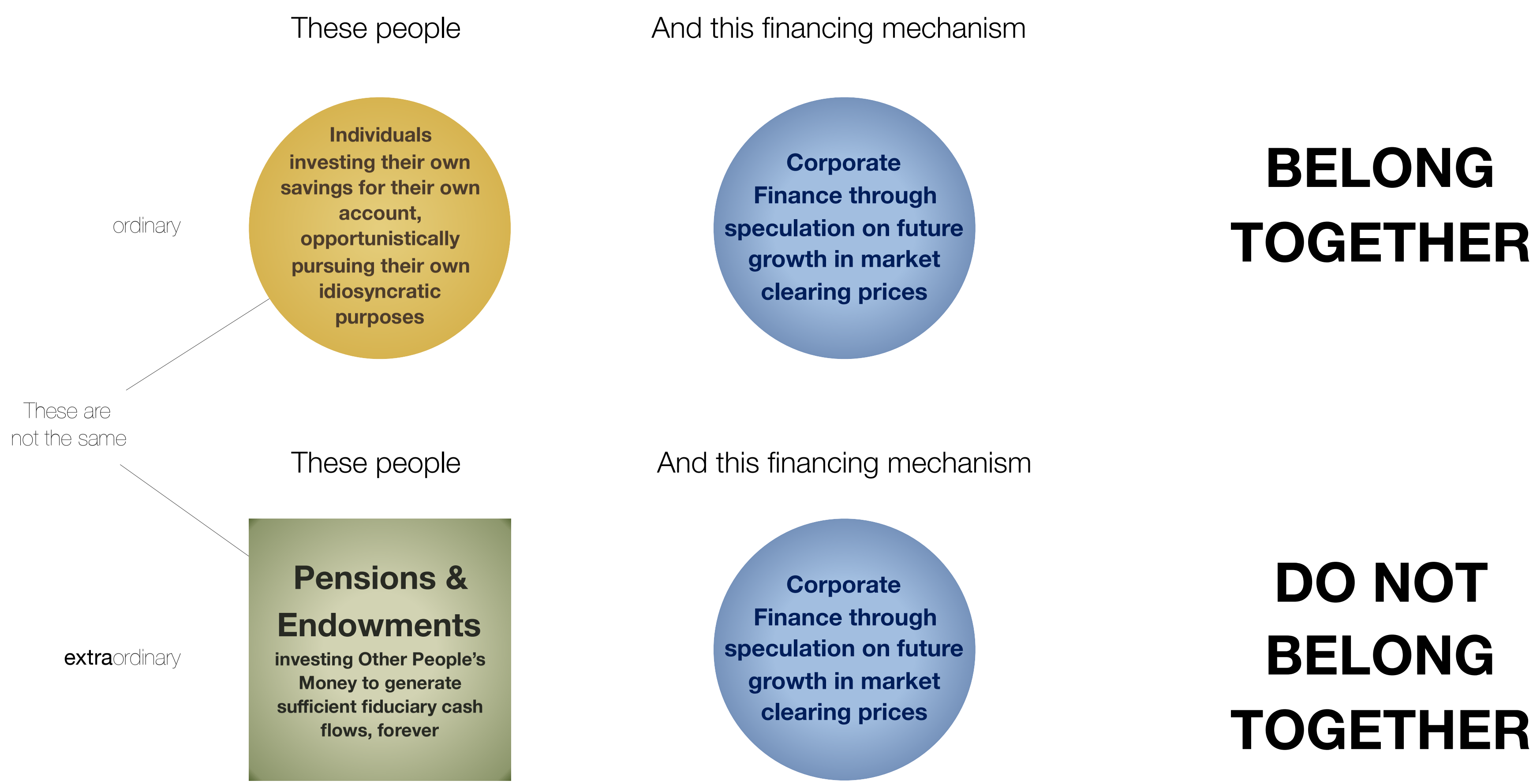
Pensions & Endowments

investing Other People's Money to generate sufficient fiduciary cash flows, forever

Investing in the flourish and fade of the social contract with popular choice through custom crafted agreements on prioritizing cash flows, for peace

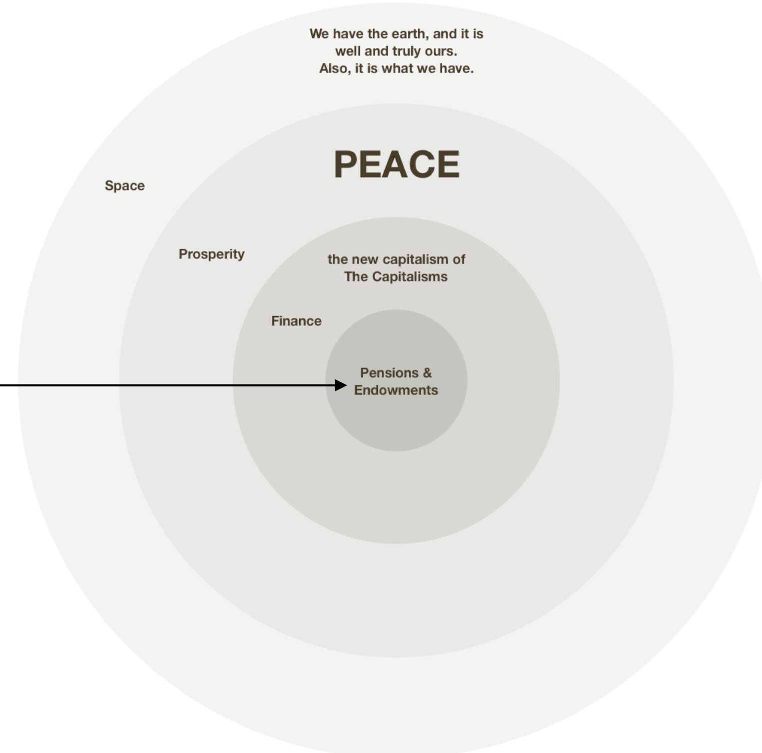
BELONG TOGETHER

I am a lawyer by education and profession, with special expertise in partnership tax and transactions, and business formation and finance more generally. I know from this expert technical professional experience that



A technical problem that requires a technical solution. A social problem that requires social solutions.

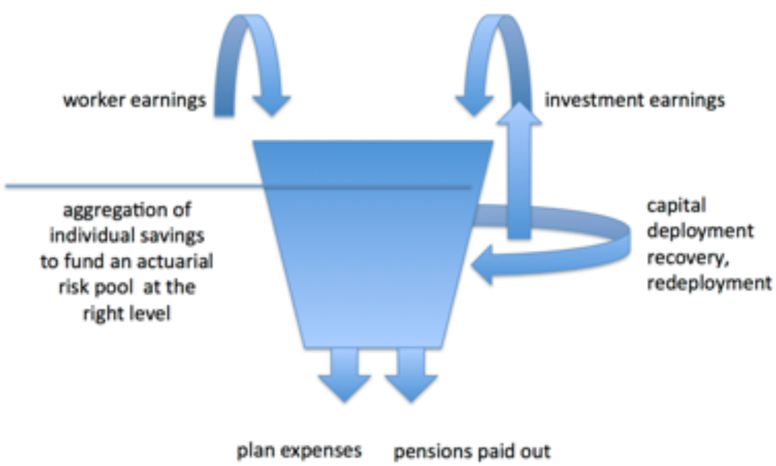
the *evergreen~* solution



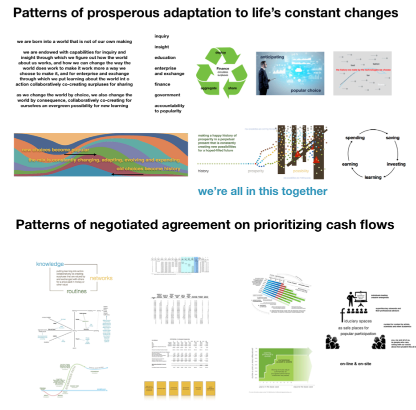
technical/financial ———-> existential/physical

a technical answer to this technical question that is core to good fiduciary stewardship by every superfiduciary steward of society's superfunds:

"How can I generate adequate cash flows, forever?"



Also this: "If my investment horizon is today and tomorrow, equally, across an evergreen series of new todays and tomorrows, mustn't I make my financial decisions mindful of how the enterprises I direct financial flows into are contributing to a properly shared prosperity for today and tomorrow? Mustn't I be investing in peace, within the current populations, and across the generations? How can we have peace with each other, if we are not also at peace with ourselves, and with our planet, and with our future?"



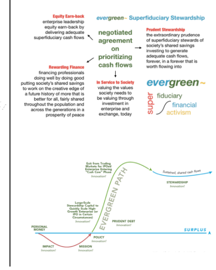
the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of ordinary prudence for ordinary fiduciaries, and of extraordinary prudence for superfiduciaries

existential/physical prudence

We have the earth and it is well and truly ours. Also, it is what we have.

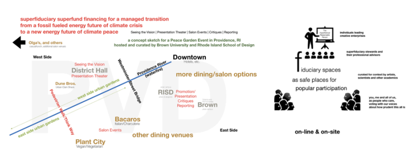
A new prosperity, of peace
Earth peace and people peace,
Peace with ourselves and with each other,
Peace with our planet and with our future,
The peace of sufficient surpluses circulating sufficiently throughout the populations and across the generations in patterns that are reasonably inclusive and fundamentally fair, changing over time as times change and humanity evolves prosperous adaptations to life's constant changes through inquiry, insight, education, enterprise and exchange, finance and government, driving the flourish and fade of the social contract between enterprise and popular choice as people make new choices more popular as better fit to changing times, letting previously popular choices fade into history, in pursuit of the peace of personal and shared prosperity through recurring cycles of learning, earning, spending, saving and investing in new learning, earning, spending saving and investing

technical/financial prudence



fiduciary places that are safe places for popular participation by People Who Care in the common sense and common wisdom of extraordinary prudence for superfiduciary superfund stewardship investment decision making

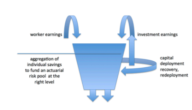
education | conversation | design | criticism



Superfiduciary Stewards of Society's Superfunds

Insurance | Pensions | Endowments | Soverign Wealth

Size + Purpose + Time + Fiduciary Duty to this generation, and the next, across an evergreen succession of present and future generations



Patterns of prosperous adaptation to life’s constant changes

we are born into a world that is not of our own making

we are endowed with capabilities for inquiry and insight through which we figure out how the world about us works, and how we can change the way the world does work to make it work more a way we choose to make it, and for enterprise and exchange through which we put learning about the world int o action collaboratively co-creating surpluses for sharing

as we change the world by choice, we also change the world by consequence, collaboratively co-creating for ourselves an evergreen possibility for new learning

inquiry
insight
education
enterprise and exchange
finance
government
accountability to popularity

we’re all in this together

Patterns of negotiated agreement on prioritizing cash flows

the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of ordinary prudence for ordinary fiduciaries, and of extraordinary prudence for superfiduciaries

existential/physical prudence

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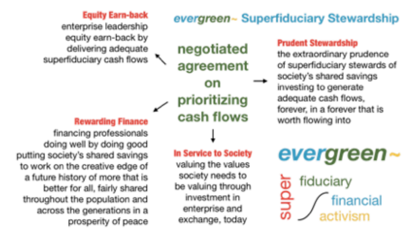
technical/financial prudence



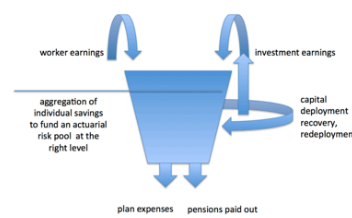

the new places
People Who Care
Enterprise
Finance
Government
Popular Choice
can
should
will
?


Peace
gardens
in the 21st century
and beyond...
The earth is our garden.
We must become good global gardeners.
earth peace | people peace
a new prosperity,
of peace
peace with ourselves
peace with each other
peace with our planet
peace with our future
evergreencore.org
fiduciary places that are safe places for popular participation
by People Who Care in the common sense and common
wisdom of extraordinary prudence for superfiduciary
superfund stewardship investment decision making
education | conversation | design | criticism
superfiduciary superfund financing for a managed transition
from a fossil fueled energy future of climate crisis
to a new energy future of climate peace
a concept sketch for a Peace Garden Event in Providence, RI
hosted and curated by Brown University and Rhode Island School of Design
Olga's, and others
West Side
Downtown
Seeing the Vision
District Hall
Presentation Theater
Westminster Street Bridge
Providence River (waterfire)
more dining/salon options
Dune Bros.
west side urban gardens
RISD
Promotion/
Presentation
Critiques
Reporting
Brown
Pedestrian Walk/Think Way
east side urban gardens
Bacaros
Salon Events
other dining venues
East Side
Plant City
Vegan/Vegetarian
PVD
fiduciary spaces
as safe places for
popular participation
on-line & on-site

Superfiduciary Stewards of Society's Superfunds

Insurance | Pensions | Endowments | Soverign Wealth

Size + Purpose + Time + Fiduciary Duty to this generation, and the next, across an evergreen succession of present and future generations



the
need
that creates
the opportunity


Do we have the right economy?
- Donald J. Farish, President,
Roger Williams University
2011-2018

provocations

What is "the economy”?

What is the “right” economy?

What kind of world do we want to live in?

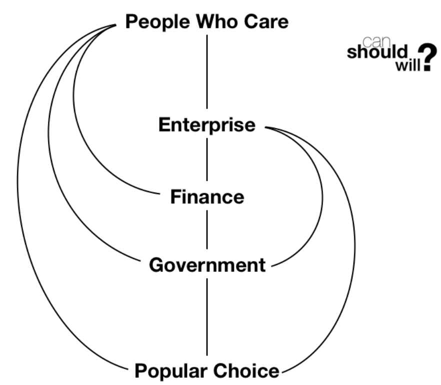
Who decides?

How do they decide?

**How do we hold them accountable
for the choices that they make?**

This Manifesto affirms that:

- The economy is the technological world humanity makes out of the natural world into which we are born.
- We make our economy through inquiry, insight, education, enterprise and exchange, finance, government and accountability to popularity in a uniquely human and essentially historical process of evolving prosperous adaptations to life's constant changes, where:
    - People Who Care see the need and pursue the inquiry to generate new insights
    - Visionary individuals see the possibilities for new enterprise
    - Finance decides which new enterprising visions can, should and will be made to be a part of the future history of humanity's pursuit of prosperity
    - Government regulates both enterprise and finance
    - Popular choice decides if enterprise, finance and government are getting it right in their times



- These are the social structures through which different populations collaboratively co-create their contributions to the history of humanity's pursuit of prosperity
- From time to time, the social structures of inquiry, insight, education, enterprise and exchange, finance, government and accountability to popular choice need to change, to fit the changing times.

Now is one of those times.

pursuing a new prosperity, of peace

a better considered past

a new history of humanity's pursuit of prosperity

a new view of the social structures of social decision-making in pursuit of prosperity

discovering the importance of Finance as the opposable thumb that forms a power grip for social action in making future history through enterprise and exchange

a dysfunctional present

corporate capture of finance, education, enterprise, government and popular choice in the degenerative myth of Growth as the pathway to prosperity

a better imagined future

setting Asset Owners free from the tyranny of Asset Management to embrace their authentic identities as Superfiduciary Stewards of Society's Superfunds

to upgrade the standards of fiduciary prudence, from ordinary to extraordinary

investing in the flourish and fade of the social contracts between enterprise and popular choice, that change over time, as times change, and humanity evolves prosperous adaptations to life's constant changes through inquiry and insight, education, enterprise and exchange, finance, government and accountability to popular choice

through custom-crafted agreements on prioritizing cash flows, for peace, negotiated with visionary leaders of creative enterprises, directly

returning control over the market to the Invisible Hand of individual decision making

setting governments free from corporate capture, so they can once again become accountable, correctly, to the will of the people

in Peace Gardens as fiduciary spaces that are safe places for popular participation in extraordinary prudent superfiduciary superfund investment decision-making

as the new shape of global collaboration in creating a new future history for humanity, of peace

beginning with climate peace

Donella Meadows

Leverage Points: Places to Intervene in a System

http://donellameadows.org/archives/leverage-points-places-to-intervene-in-a-system/

Folks who do systems analysis have a great belief in "leverage points." These are places within a complex system (a corporation, an economy, a living body, a city, an ecosystem) where a small shift in one thing can produce big changes in everything.

. . .

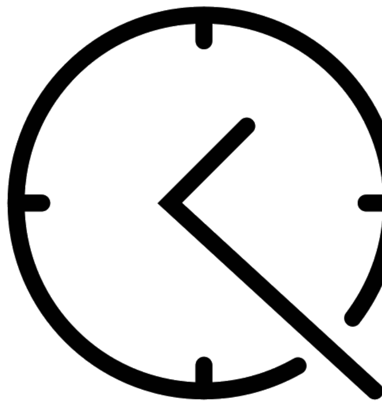
Those of us who were trained by the great Jay Forrester at MIT have all absorbed one of his favorite stories. "People know intuitively where leverage points are," he says. "Time after time I've done an analysis of a company, and I've figured out a leverage point — in inventory policy, maybe, or in the relationship between sales force and productive force, or in personnel policy. Then I've gone to the company and discovered that there's already a lot of attention to that point. Everyone is trying very hard to push it IN THE WRONG DIRECTION!"

Finance is the point of leverage for making the changes we need to be making.

Superfiduciary stewardship is the direction in which we need to be pushing.

FINANCE → STEWARDSHIP

FINANCE



time for a change

Why **FINANCE ?**

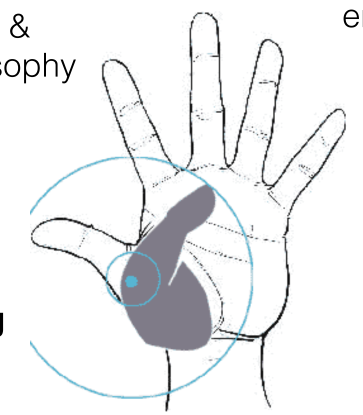
can
should
will ?

science &
design

art &
philosophy

engineering &
making

enterprise & exchange



Finance: Saving for Investment

common sense and common wisdom

the creative edge of new experience

A focus on Finance is radical, in the Latin sense of “going to the root”, for an engineering-style root cause analysis, and also in the sense if challenging received wisdom and conventional thinking. It is necessary because that is where many of the great existential challenges of our time will find their right solutions, because, at the root of things, that is where they find their causes.

Modern Finance as it is practiced today has been taken over by professional managers who want us to leave all the decision making to them. And they want to be free to make decisions by the rules of their own logic. So they want us to believe that Finance doesn’t matter, because they do not want us taking an interest in the decisions they make, and holding them accountable to popular choice, and not their own community.

This modern takeover of Modern Finance began in 1972, when a mistake was made in defining the proper standards of fiduciary prudence for pensions and endowments as super fiduciary stewards of society’s superfunds. They were held to a standard of ordinary prudence. But they are not ordinary. They are extraordinary. They need to be held to a standard of extraordinary that is fit to their extraordinary duties and capabilities as superfiduciaries.

Holding extraordinary superfiduciaries to standards of ordinary prudence gave professional speculators (who now call themselves Asset Managers) permission to takeover investing by society’s superfunds, disabling the Invisible Hand of popular choice and capturing government policymaking by making politicians more accountable to donors than to voters.

We have seen this happen before. At least twice.

The first time was The Gilded Age, when professional speculators took over investing by insurance companies, fueling a speculative asset pricing boom that went bust in the Panics of 1893 and 1907, almost bankrupting the US Treasury, requiring Teddy Roosevelt to ride in to bust up the trusts while state legislatures made it illegal for insurance companies to speculate with policyholder’s premimums.

The second times was The Roaring Twenties, when professional speculators took over investing of banking deposits, fueling another speculative asset pricing boom that went bust in the Crash of ’29 and The Great Depression, requiring FDR to regulate both commercial and investment banking, while creating worker pensions and social safety nets.

Today, it is happening again. This time with pensions.

History teaches where this will lead: corporate gigantism; market monopolization; unreasonable elitism; fundamental unfairness; excessive lending against inflated prices (so-called “asset values”); widespread loan defaults; bank failures; company failures; market failures; and general misery.

This is not our best.

Why **STEWARDSHIP ?**

The core of our story is about the transformation of Pensions & Endowments, from Asset Owners investing with ordinary prudence through speculation on corporate GROWTH into Superfiduciary Stewards of Society's Superfunds investing with extraordinary prudence through negotiated agreements on prioritizing cash flows, for peace, the peace of sufficient cash flows flowing through Society's Superfunds, providing certainty against certain of life's constant changes to this generation, and the next, across an evergreen succession of "this" and "next" generations.

Asset Owners
ordinary prudence
speculating on
GROWTH

→

Superfiduciary Stewards of Society's Superfunds
extraordinary prudence
prioritizing cash flows for
PEACE

The small change in the standards of fiduciary prudence for Pensions & Endowments drives big changes in many other things, giving us new patterns for popular participation in Finance and the stewardship of future history.

New patterns require new pattern languages: new words with new meanings for talking about these new patterns.

They also require new professionals expert in these new patterns and fluent in these new pattern languages.

And they require new places where these new professionals can apply these new patterns using these new pattern languages choosing for society what our future history can, should and will be made to be through investment in enterprise

peace
gardens

new places and processes for popular participation in Finance as how society chooses what our future history can, should and will be made to be through enterprise and exchange

curated conversations for adaptively evolving the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of ordinary prudence for ordinary fiduciaries, and of extraordinary prudence for super fiduciaries

We are talking in radical new ways to

The Hypothetical Reasonable Person

as the legal standard of ordinary prudence for ordinary fiduciaries, and also of extraordinary prudence for the superfiduciary stewards of society's superfunds.

We are talking to adaptively evolve the common sense and common wisdom shared by you, and me and all of us.

financing FUTURE We PEACE

Let’s talk.

We are talking to
People Who Care

We are talking to **You!**

Stewardship is the next evolution of Finance as the social structure of vision-valuing patterns pattern languages, places and professions through which a population chooses what it's future history can, should and will be made to be through enterprise and exchange.

It creates new possibilities for evergreen enterprise design through investment in the flourish and fade of the social contract between enterprise and popular choice.

And it creates new possibilities for popular participation by People Who Care in curated conversations with Superfiduciary Stewards of Society's Superfunds and visionary individuals leading creative enterprises for adaptively evolving the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of ordinary prudence for ordinary fiduciaries and of extraordinary prudence for super fiduciaries.

This will make stewardship investing a catalytic new point for civic engagement in the social structures of social decision-making that will become the new shape of global collaboration in the pursuit of a new prosperity of peace in the new computer connected, globally evolving adaptive networks economy of the 21st Century, and beyond.

Participation will be self-selecting, open to anyone who is willing to do the work of learning the new language of stewardship investing, and are willing to accept the facilitation of curators in the conversations.

Everyone who cares about the future history that we are making for ourselves through finance and enterprise should commit themselves to studying these new patterns, learning this new pattern language, and participating in these conversations, on site or on-line.

Language can be a barrier to thinking about Finance.

Which means it can also be a barrier to Rethinking Finance.

Finance is, after all, a very technical enterprise. It works with social contracts that can be difficult to see. And its work is to anticipate how those social contracts are going to change over time.

It needs its own words with which to talk about these changing contracts. Some of these words are technically precise. Others are contextually ambiguous. All can sound like dense and impenetrable jargon to one who is not already expert in their meaning and their use.

To learn Finance is to learn the language of finance: the words and their meaning; and the different ways in which a changing context can change the meaning of the words.

we see new possibilities

To learn Finance is also to learn context: to have the experiences to which the words of finance refer, and to experience the changing contexts in the same words can take on different meanings.

Sometimes, seeing can help this learning. Social relations can be represented in sketches and diagrams. Bursts of text can introduce new words abstracted from the complex matrix of their use, and presented for consideration as "dots on a board", until we become familiar enough with enough of these "dots" that we begin to see the patterns from which they derive their meaning, and within which they can be put to use, sharing insights, forging agreements and coordinating choice and action.

As we Rethink Finance, we will be constructing new patterns, and evolving new words for talking about these new patterns. And we will be suing images as much as possible, to help people see these new patterns, and learn these new words.

In the first few pages we take you on an initial expedition into a new narrative of Finance in words that you may encounter as dense and difficult to penetrate, filled with jargon that have meaning only inside new patterns with which you are not yet familiar.

After that, we take you through a long series of things to look at (what we call cognitive cartographs), creating visual context for our technical jargon that will hopefully help you to see the new patterns of Finance that we think will be right for out times.

through ART

art & design show us what can be before it even is

the art & design of cognitive cartography

sharing insights in images + text

for mapping what we think we know

evergreen is a word taken from the law and legal drafting, where it is used to refer to a contract or agreement that is open-ended and automatically self-renewing (and in that sense, evergreen) unless one or both of the parties chooses to go another way

fiduciary duty is the legal obligation imposed on a person who takes title to money or other property entrusted to their good judgement for an agreed purpose to benefit another; it requires loyalty to the purpose of the trust, prudence in the exercise of control over the entrusted property, and competence in the exercise of prudent control

ordinary prudence refers to the acts and practices that common sense and common wisdom consider reasonable for an ordinary person when exercising control over their own property in pursuit of their own purposes

extraordinary prudence refers to the standard of care appropriate to a superfiduciary steward of society's superfunds when investing Other People's Money entrusted to their good judgement to generate cash flows sufficient to their fiduciary obligations to this generation and the next, across an evergreen succession of "this" and "next" generations

superfiduciary is a person entrusted with the fiduciary ownership of Other People's Money entrusted to their good judgement to pursue a public purpose, such as running an actuarial risk pool/pension for providing income security in retirement for an evergreen population of current and future retirees; or managing an endowment for education or philanthropy; superfiduciaries differ from ordinary fiduciaries in the scale and scope of their fiduciary duty, which is public and evergreen, whereas ordinary fiduciaries act privately for the private purposes of private persons under time-limited trusts; also, superfiduciaries have the power of size, purpose and time that ordinary fiduciaries do not

new

PATTERNS

new

PATTERN LANGUAGES

a new vocabulary in words and pictures

superfunds are aggregations of surpluses saved by individuals to programmatically provide certainty against certain of life's uncertainties, specifically pensions for income security in retirement and endowments for education and philanthropy; superfunds have the size, the purpose and the time it takes to negotiate, they do not have to speculate; also the populations to whom they owe their fiduciary duties most directly are so representative of society at large, and the purpose of their fiduciary trust is so closely tied to the public welfare, across the generations, that they are effectively stewards of present and future prosperity for all

The Hypothetical Reasonable Person is a legal fiction use to refer to the common sense and common wisdom of the population generally that set the standard for particular fiduciary acts in their factual settings of ordinary prudence for ordinary fiduciaries and of extraordinary prudence for superfiduciaries

money, capital, capital markets, capitalism and The Capitalisms

money is well-defined by Michael Mainelli of Long Capital as "a technology communities use to trade debts"; the debts that are traded using money are created by indirect exchanges in which one party gives the other party a physical artifact of value and the receiving party gives a promise to provide equal value in return in some undefined way at an undefined time, essentially a promise that gets reduced to money as a kind of freely negotiable IOU; money is also legal tender for the payment of debts within modern legal systems for commercial jurisprudence

capital is money held for investment in enterprise for doing the work of putting learning into action collaboratively co-creating surpluses for sharing with others through gift or exchange; capital invested in physical or financial assets creates collateral that can be borrowed against to generate cash available for spending while still retaining ownership, possession, use and control of the assets pledged as collateral

capital markets are a channel of Finance that aggregates surpluses saved by individuals for opportunistically and idiosyncratically putting money to work making more money and deploys those aggregations as investment in enterprise through speculation on the movement of market clearing prices for shares of standard form investment contracts traded as commodities, on price, over one or more public exchanges, or in various private alternative trading places

capitalism is a term of art commonly used today to refer to the capital markets channel and mechanism for directing financial flows into enterprise through speculation on future movements in the market clearing prices for shares in investment contracts traded as commodities over public exchanges or through private funds.

The Capitalisms are the six different social structures of unique vision-valuing patterns, pattern languages, places and professionals for aggregating surpluses saved by individuals and deploying those aggregations as investment in enterprise; they consist of:

1. **Family & Friends** aggregating surpluses saved to care for our own and deploying those aggregations into enterprising visions of **IMPACT** through **patronage**;
2. **Church & Philanthropy** aggregating surpluses saved to care for others and deploying those aggregations into enterprising visions of **MISSION** through **grants**;
3. **Taxing & Spending** aggregating surpluses saved public health, public safety and public welfare and deploying those aggregations into enterprising visions of **POLICY** through **subsidies**;
4. **Banking & Lending** aggregating surpluses saved to manage money and deploying those aggregations into enterprising visions of **PROFITS** through **credit**;
5. **Exchanges & Funds** aggregating surpluses saved to idiosyncratically and opportunistically putting money to work making more money and deploying those aggregations into enterprising visions of **GROWTH** through **speculation**; and
6. **Pensions & Endowments** aggregating surpluses saved to care for our own and deploying those aggregations into enterprising visions of **PEACE** through negotiated agreement on **prioritizing cash flows**.

a new capitalism of The Capitalisms

channels and mechanisms for directing financial flows

Individual Savers

caring for own	Family & Friends valuing visions of **IMPACT** through patronage—->	Inspiration
caring for others	Church & Philanthropy valuing visions of **MISSION** through grants—->	Inclusion
public health, safety, welfare	Taxing & Spending valuing visions of **POLICY** through subsidies—->	Affordability
managing money	Banking & Lending valuing visions of **PROFITS** through credit—->	Acceptance
making money	Exchanges & Funds valuing visions of **PROGRESS** through speculation—->	Innovation
income security	Pensions & Endowments valuing visions of **PEACE** through cash flow prioritization—->	Practical Perfection

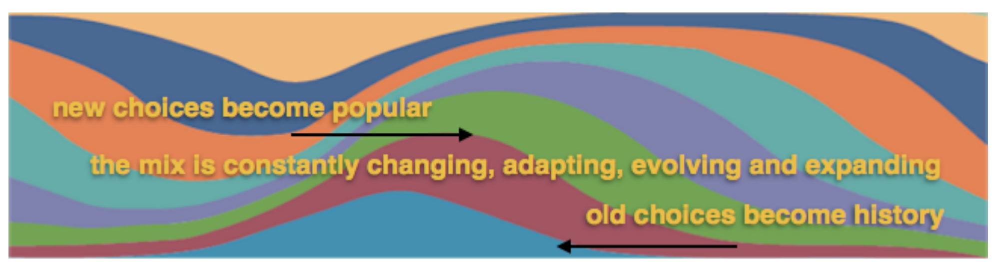
Visionary Individuals Leading Creative Enterprises

managing personal prosperity through saving and investing

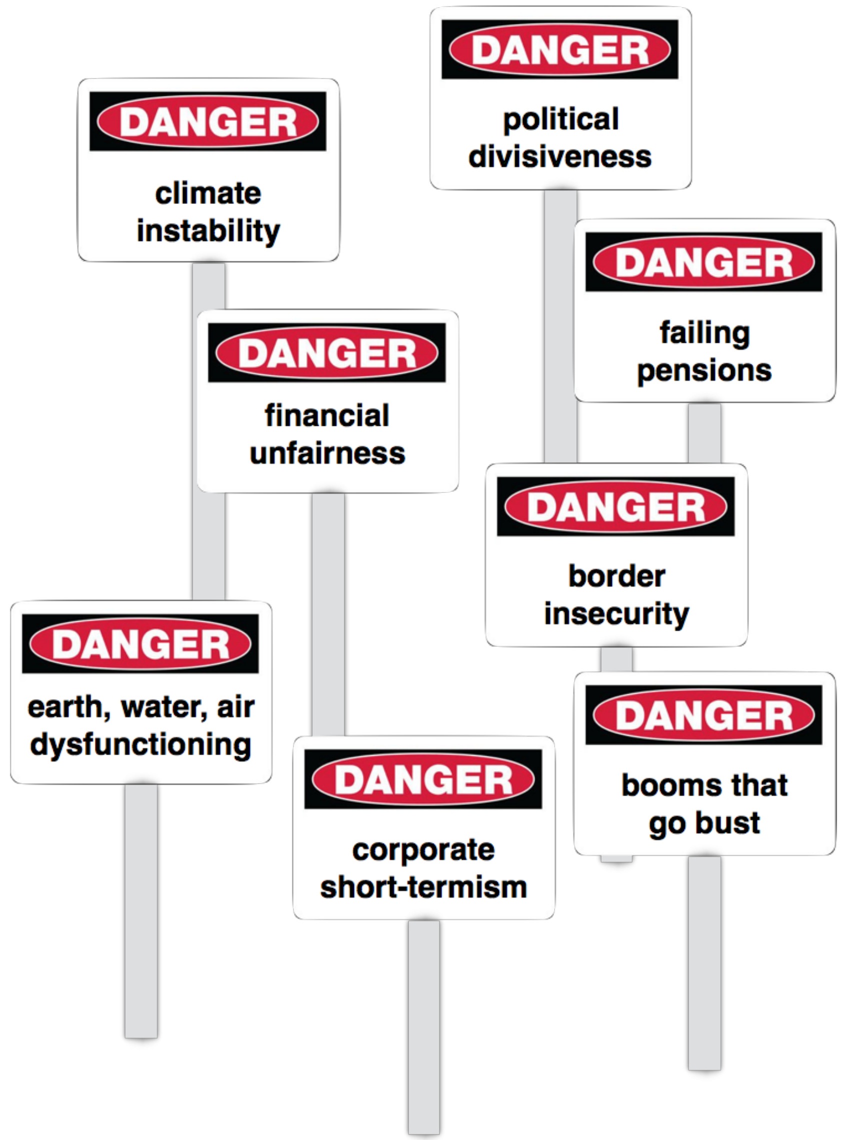
the human world we make out of the natural world into which we are born

the enterprising journey towards the happiness of self-sustaining cash flows

times change, and humanity evolves prosperous adaptations to life's constant changes



inquiry ~ insight ~ education ~ enterprise and exchange ~ finance ~ government ~ accountability


DANGER
climate instability
DANGER
political divisiveness
DANGER
failing pensions
DANGER
financial unfairness
DANGER
border insecurity
DANGER
earth, water, air dysfunctioning
DANGER
corporate short-termism
DANGER
booms that go bust

Prologue

The times are changing

,the systems we inherited from the 20th Century are not right for our changing times in the new, computer-connected, globally evolving, adaptive networks economy of the 21st Century, and beyond…

We need to make fundamental system changes that fundamentally change our fundamental systems


How will humanity prosper in the computer connected globally evolving adaptive networks economy of the 21st Century?
INVEST IN PEACE

The point of catalytic change is Finance, and within Finance, the Pensions & Endowments channels and mechanisms for directing surpluses saved by individuals to provide certainty against certain of life's uncertainties into investments designed to generate sufficient cash flows, forever.

The direction we need to be pushing is towards good stewardship, for this generation and the next, across the generations, forever

We have a new

FUTURE

We need a new

FINANCE

The Finance we need already exists.

All we have to do is choose to activate it.

But choosing to activate this new finance means learning new ways of thinking about Finance, and all that Finance touches, which is a lot.

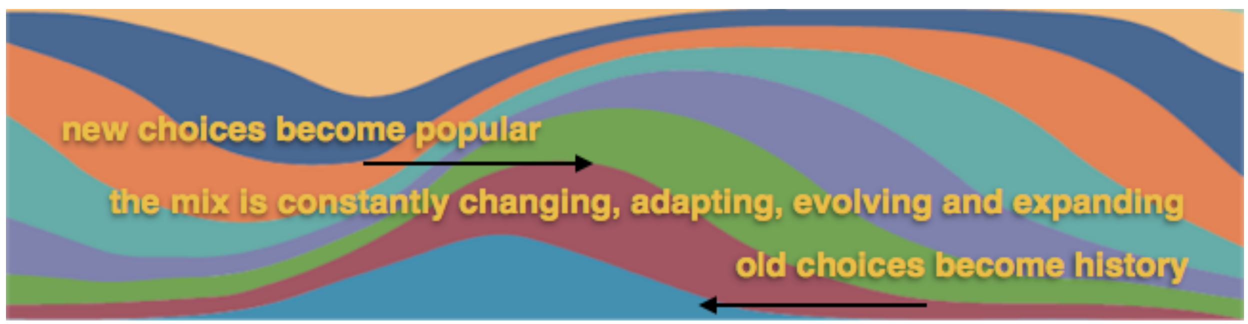
Who will have the courage to step out onto the creative edge of new learning about Finance, and all that Finance touches,

To talk about this new Finance, and make it part of the common sense and common wisdom of what our future history can, should and will be made to be

A future history of Peace as the right new measure of prosperity

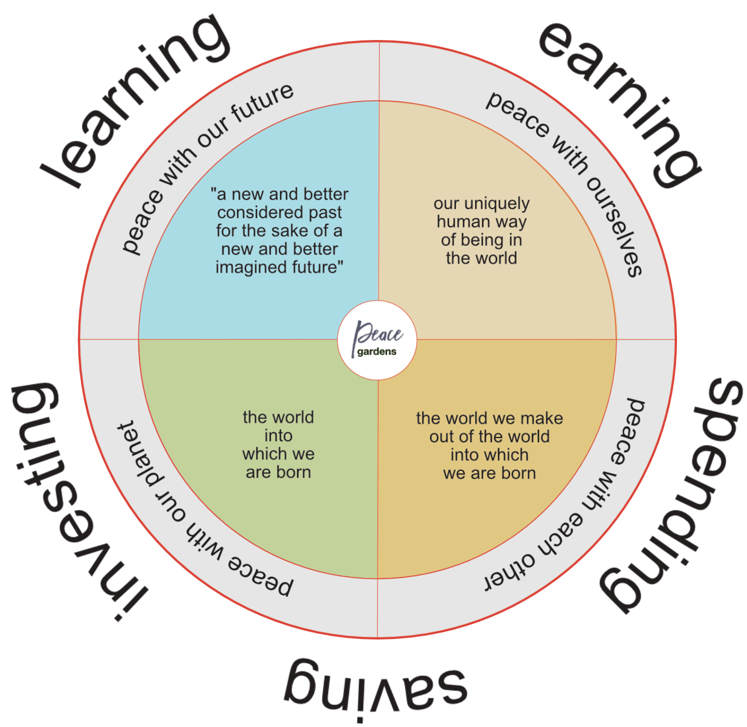
A new path for enterprise, on its journey towards the happiness of self-sustaining cash flows

A new vision of change, and prosperous adaption to life constant changes through inquiry and insight, education, enterprise and exchange, finance, government and accountability to popularity



A new experience of space

A new prosperity, of peace



~

the peace of sufficient surpluses circulating sufficiently throughout the populations and across the generations, in patterns that are reasonably inclusive and fundamentally fair, adaptively evolving through the flourish and fade of the social contracts that we form between enterprise and popular choice driven by recurring cycles of learning, earning, spending, saving and investing that change episodically, as times change and humanity evolves prosperous adaptations to life's constant changes through inquiry, insight, education, enterprise and exchange, finance, government and accountability, making new choices more popular as better fit to changing times, while letting previously popular choices fade into history as a good fit at an earlier time, constantly creating by design a future history of more that is better for more…

~

peace with ourselves and with each other,
peace with our planet and with our future

~

earth peace and people peace

RADICAL

In the Latin sense of “going to the root”

RETHINKING

Possibilities for prosperity

Social structures for pursuing prosperity

Social structures for social decision making about pursuing prosperity

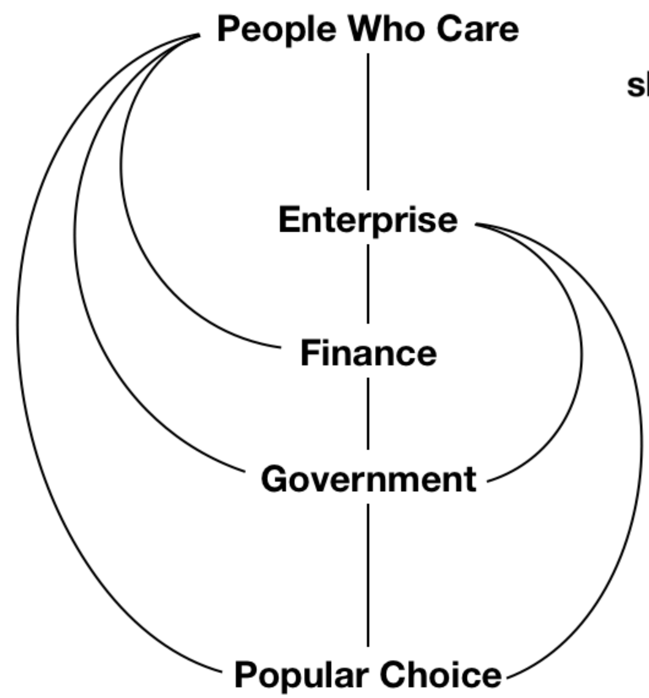
Physical places for social decision making about pursuing prosperity

Received wisdom and common practice focus on

Markets v. Government

What if we broaden the conversation to include more of the social structures of social decision-making?

radically
rethinking the
social
structures of
social
decision
making



can
should
will
?

Constantly evolving prosperous adaptations to life’s constant changes

Inquiry and insight Through Arts and philosophy Science and design Engineering and making	Education	Enterprise and exchange	Finance	Government	Accountability

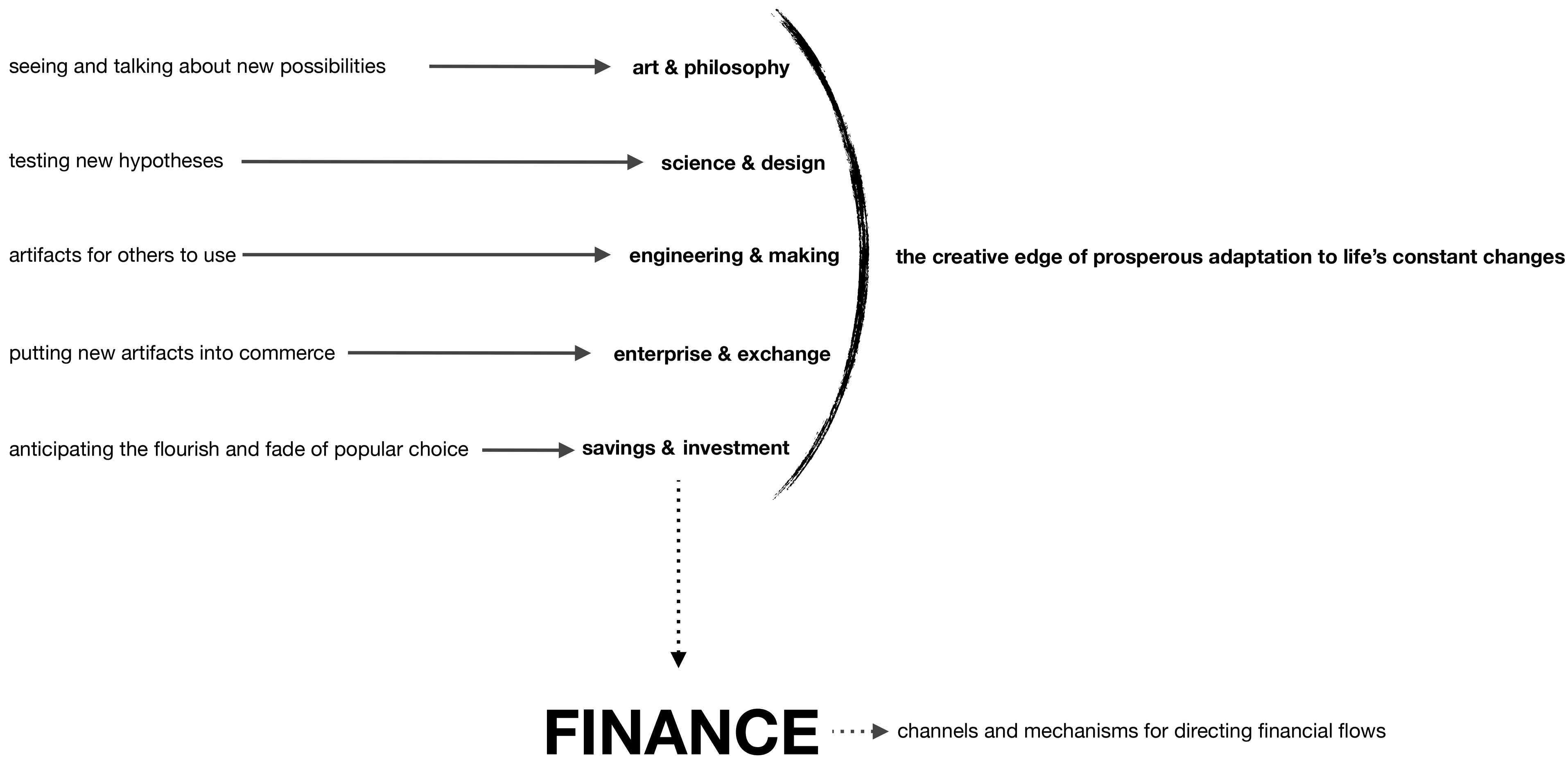
We are talking in radical new ways about

the social structures of

inquiry and insight

and new learning

about the channels and mechanisms of Finance
through which a population directs financial flows
into enterprises for evolving prosperous adaptations
to life's constant changes


seeing and talking about new possibilities
art & philosophy
testing new hypotheses
science & design
artifacts for others to use
engineering & making
putting new artifacts into commerce
enterprise & exchange
anticipating the flourish and fade of popular choice
savings & investment
the creative edge of prosperous adaptation to life's constant changes
FINANCE
channels and mechanisms for directing financial flows

People Who Care see the needs that creates the opporunities for inquiry, insight and education through

Art and philosophy

Science and design

Engineering and making

Enterprising individuals see the possibilities for evolving prosperous adaptations to life’s constant changes

When enterprise needs money, Finance provides it.

Finance is **not this thing:** people making choices about where they want to invest their own (or other people's) money based on their own personal values and morals. **Finance is** a social structure of social decision making comprised of six different channels and mechanisms for directing financial flows through which society chooses what its future history can, should and will be made to be through enterprise and exchange.

Individual Savers

	channels and mechanisms for directing financial flows	
caring for own	Family & Friends valuing visions of **IMPACT** through patronage—->	Inspiration
caring for others	Church & Philanthropy valuing visions of **MISSION** through grants—->	Inclusion
public health, safety, welfare	Taxing & Spending valuing visions of **POLICY** through subsidies—->	Affordability
managing money	Banking & Lending valuing visions of **PROFITS** through credit—->	Acceptance
making money	Exchanges & Funds valuing visions of **PROGRESS** through speculation—->	Innovation
income security	Pensions & Endowments valuing visions of **PEACE** through cash flow prioritization—->	Practical Perfection

Visionary Individuals Leading Creative Enterprises

can
should
will?

As individual savers, we each get to choose which channels we want to flow our own personal savings into and through, but once our savings enter a chosen channel, they flow into enterprise according to the values of that channel, it’s own unique logic and language.

But what happens when a channel we chose gets taken over by another channel, one that we purposely did not choose?

Diagnosing dysfunction in Modern Finance

Family & Friends valuing visions of **IMPACT** through patronage—->

Church & Philanthropy valuing visions of **MISSION** through grants—->

Taxing & Spending valuing visions of **POLICY** through subsidies—->

Banking & Lending valuing visions of **PROFITS** through credit—->

Exchanges & Funds valuing visions of **PROGRESS** through speculation—->

Pensions & Endowments valuing visions of **PEACE** through cash flow prioritization—->

Pensions & Endowments, as society's superfunds, should be investing as financiers in their own right, using their own unique fit to good superfiduciary stewardship channels and mechanisms to generate adequate fiduciary cash flows, forever.

Instead they are getting plugged in to the Exchange & Funds channel and mechanisms, speculating on price movements.

This is not good.

Growth in Net Asset Value ← Peer Benchmarking ← Asset Managers ← Asset Owners

Six choices for individuals, as savers

These are the options from which we each of us, as individuals, get to choose, as individuals choosing to invest our own individual savings, for our own proper purposes, in Finance as it is constituted today

Caring for our own	Family & Friends	**IMPACT**
Caring for others	Church & Philanthropy	**MISSION**
Public health, safety, welfare	Taxing & Spending	**POLICY**
Managing our cash flows	Banking & Lending	**PROFITS**
Opportunistically and idiosyncratically putting money to work making more money	Exchanges & Funds	**PROGRESS**
Programmatically providing certainty against certain of life's uncertainties	Pensions & Endowments	**PEACE**

Six choices for financiers, as professionals

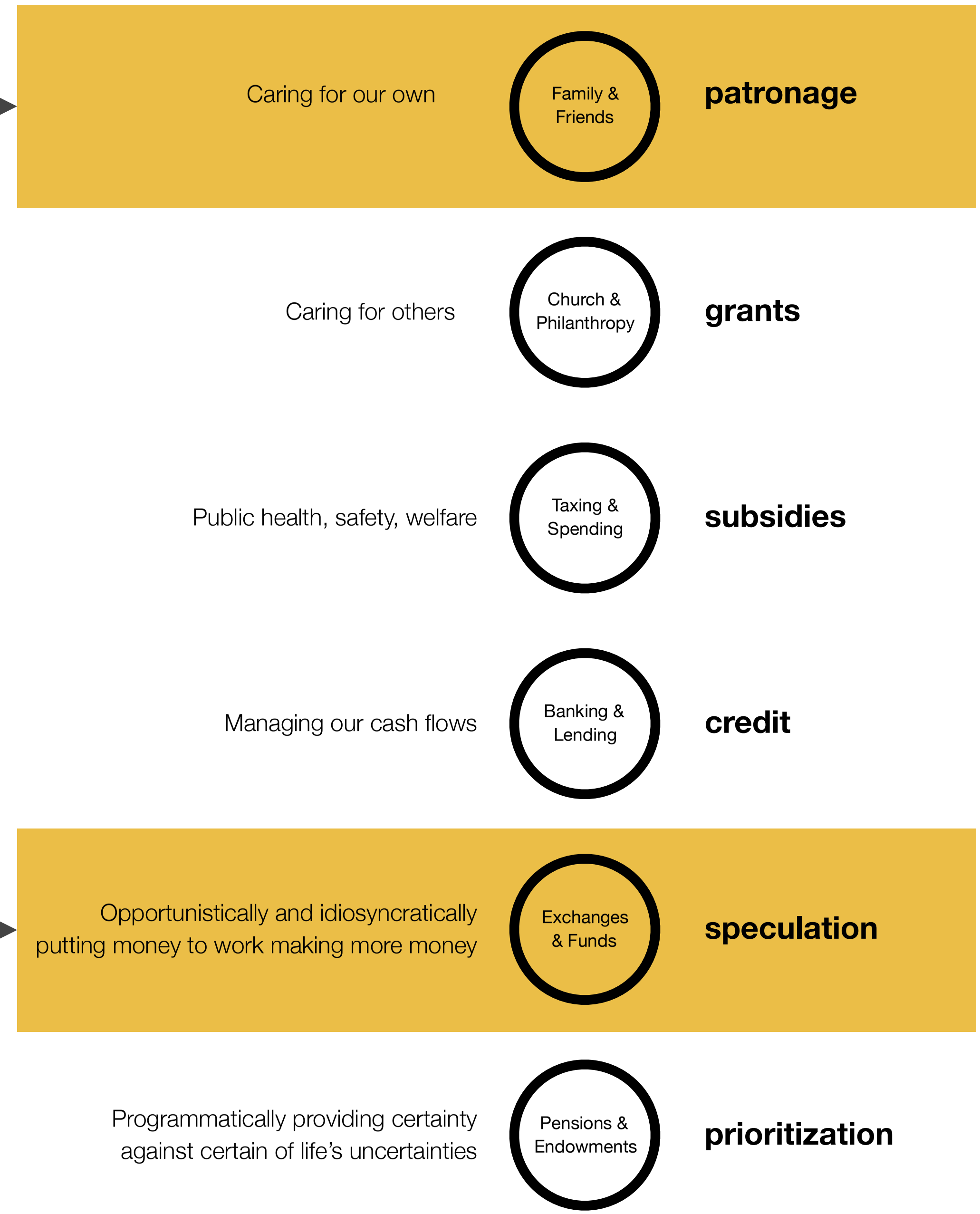
Once we make our choices, experts take over; financiers expert in the logic and language of a particular channel aggregate all the savings flowing into that channel and deploy those aggregations into enterprises that fit the language and logic of that channel

Caring for our own	Family & Friends	**patronage**
Caring for others	Church & Philanthropy	**grants**
Public health, safety, welfare	Taxing & Spending	**subsidies**
Managing our cash flows	Banking & Lending	**credit**
Opportunistically and idiosyncratically putting money to work making more money	Exchanges & Funds	**speculation**
Programmatically providing certainty against certain of life's uncertainties	Pensions & Endowments	**prioritization**

Except

The logic of patronage by Family & Friends is very loosely structured, and the rules of participation by individual members can be quite idiosyncratic. **This is people making investment choices based on values and morals.**

The logic of speculation through Exchanges & Funds creates different commoditized shares investment contracts for individual savers to choose from, but leave us each to choose for ourselves which shares we choose to speculate on, whether these are corporate shares or shares in mutual funds. **This is the Invisible Hand of popular choice**



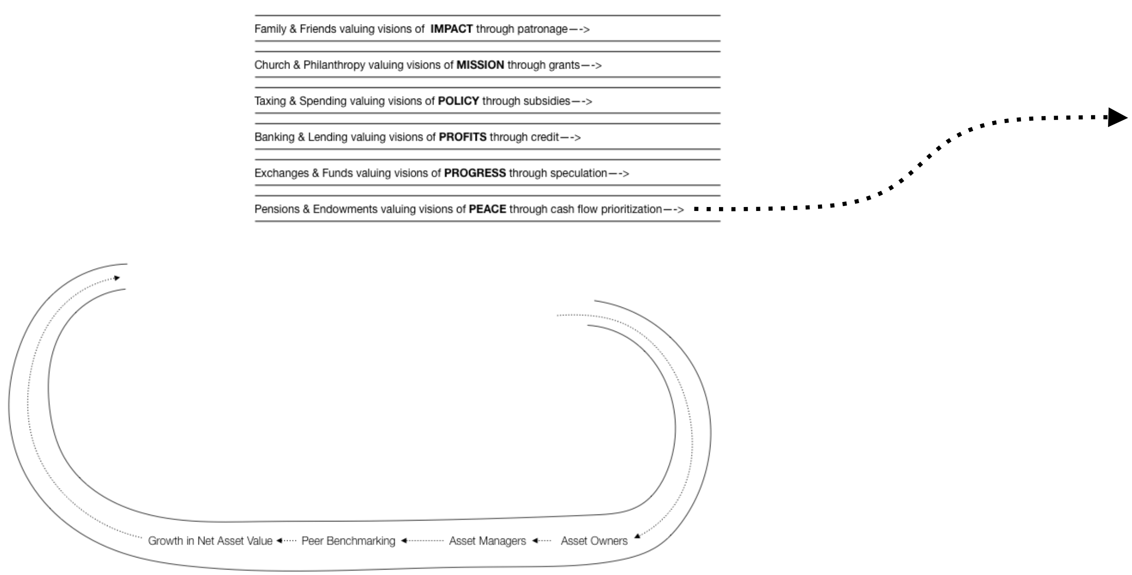
The logic of prioritization by Pensions & Endowments has been taken over by financiers (commonly called Asset Managers) expert in speculation over the Exchanges and through Funds, so that this channel no longer operates according its own authentic logic of prioritizing cash flows for peace to deliver certainty against certain of life's uncertainties, but instead have had the identity of Asset Owner foisted upon them, and they are made to hire Asset Managers to speculate for them with society's savings that have been entrusted to their good judgement in pursuit of certainty, prioritizing Growth in future selling price as the only value they are allowed to value, for either this generation, or the next.

This is not correct.

Caring for our own	Family & Friends	**patronage**
Caring for others	Church & Philanthropy	**grants**
Public health, safety, welfare	Taxing & Spending	**subsidies**
Managing our cash flows	Banking & Lending	**credit**
Opportunistically and idiosyncratically putting money to work making more money	Exchanges & Funds	**speculation**
Programmatically providing certainty against certain of life's uncertainties	Pensions & Endowments	**prioritization**

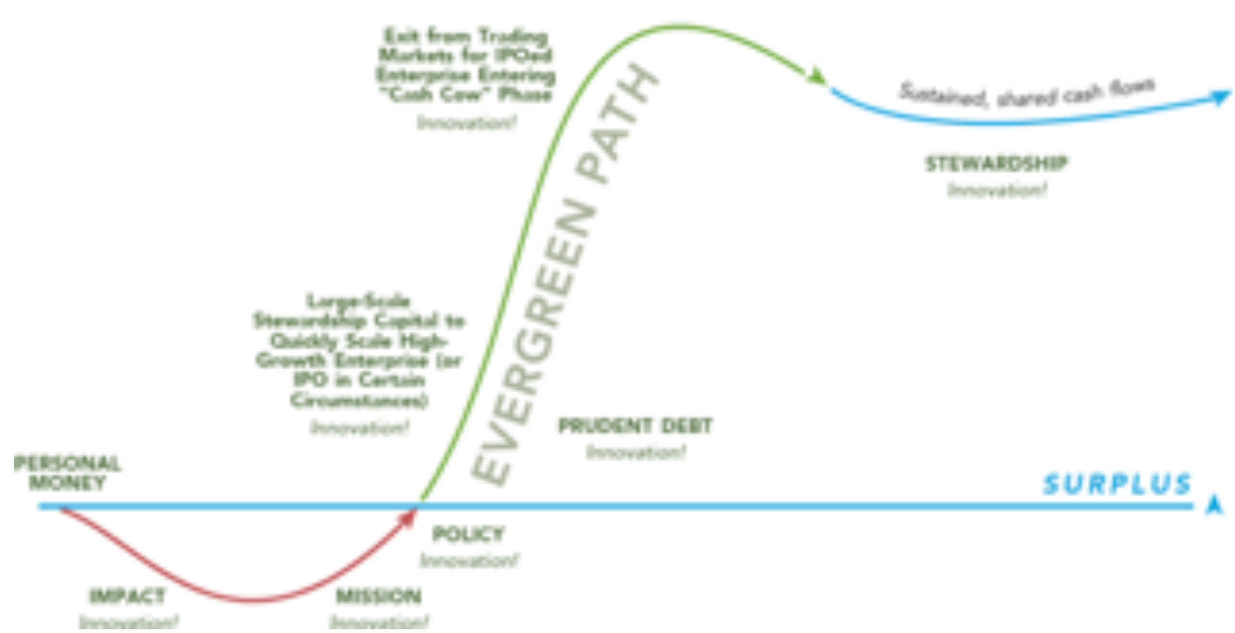
The fix that restores function

Plugging savings directed towards the certainty of Pensions & Endowments back into the Exchanges & Funds channel causes all of Finance, and all that Finance touches (which is almost everything) to fall into dysfunction. To restore function, we have to unplug Pensions & Endowments from the Exchanges & Funds channel, setting Asset Owners free from the tyranny of Asset Management and endless speculation on Growth in future selling prices, to embrace their authentic identities as Superfiduciary Stewards of Society's Superfunds, investing in the flourish and fade of the social contracts between enterprise and popular choice through custom-crafted agreements for prioritizing cash flows, for peace, negotiated directly with the visionary leaders of creative enterprises.



Superfiduciary Stewards of Society's Superfunds directing financial flows into enterprises that foster and promote PEACE, the peace of sufficiency circulating sufficiently, throughout the populations, and across the generations

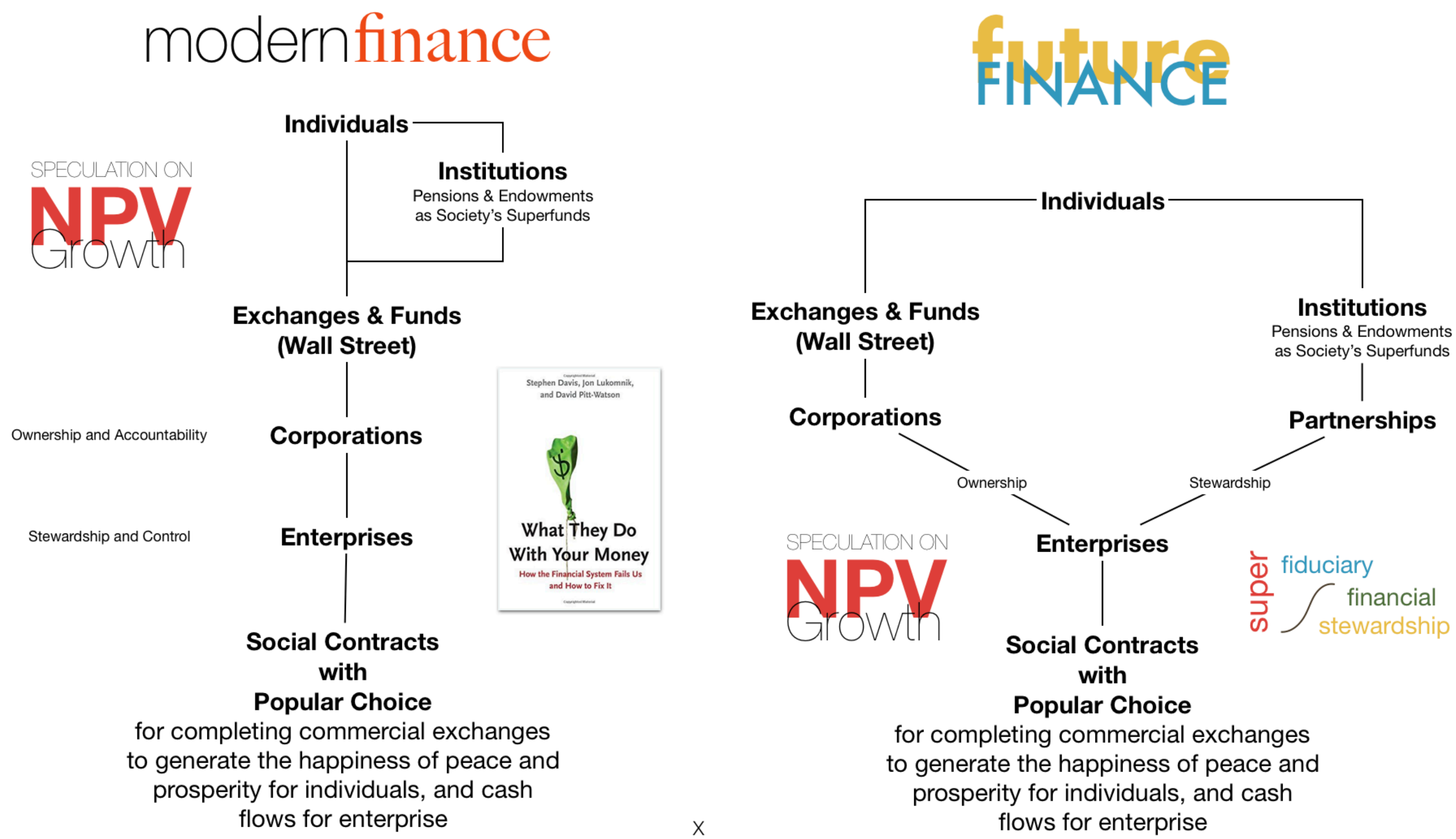
Creating a new path to the happiness of self-sustaining cash flows for enterprise



The current path leads to bankruptcy

Or Corporate Gigantism, Unreasonable Elitism, Fundamental Unfairness, Social Oppression and Earth Degeneration, which is a longer path to bankruptcy at a social scale

Setting Pensions & Endowments free from capture by Exchanges & Funds



modern**finance**

ends in Growth

IMPACT MISSION POLICY PROFITS GROWTH

Let's talk about this

speculation on price derived from cash flows, indirectly

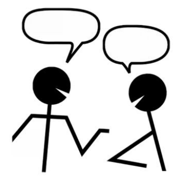
deceptively simple, really complex, exotic, esoteric, magical, mysterious and dangerously unstable: earth and people degenerative

booms that go bust, fueling corporate gigantism, and the nonpeace of unreasonable elitism and fundamental unfairness

future FINANCE

adds Peace

IMPACT MISSION POLICY PROFITS GROWTH PEACE



and this

evergreen~

super fiduciary financial activism

negotiated agreement on prioritizing cash flows, directly

deceptively complex, really common sense and common wisdom, logical, transparent and reasonably reliable: earth and people regenerative

anticipating the flourish and fade of the social contract between enterprise and popular choice that changes constantly over time, and from time to time, as times change and people evolve prosperous adaptations to life's constant changes, making new choices more popular as a better fit to changing times, and letting previously popular choices fade into history as a good choice in an earlier time

Reversing the polarities on stewardship and ownership

In the contemporary language of money as Modern Finance, endowment investors are owners. In modern parlance, Asset Owners.

In theory, endowment investor, as owners, should be able to demand that enterprise value the values that endowments value.

In practice, what endowments actually own are trading positions on Wall Street Exchanges. These are trading positions in shares in corporations that own and manage a more or less constantly changing portfolio of enterprises that actually engage in commercial transactions on Main Street. The trading positions in shares are owned by Asset Owners, like university endowments. The underlying shares are actually owned by the Wall Street exchange trading markets that are created by design to value enterprising visions of Growth in the scale of corporate bureaucracies, and the net present value (NPV) of the cash flows flowing through those bureaucracies from which the market clearing prices for corporate shares trading as commodities over the exchanges are ultimately and indirectly derived. It is from Growth in share price that endowments investing indirectly and derivatively in enterprise by trading in corporate share prices earn their returns on their investments.

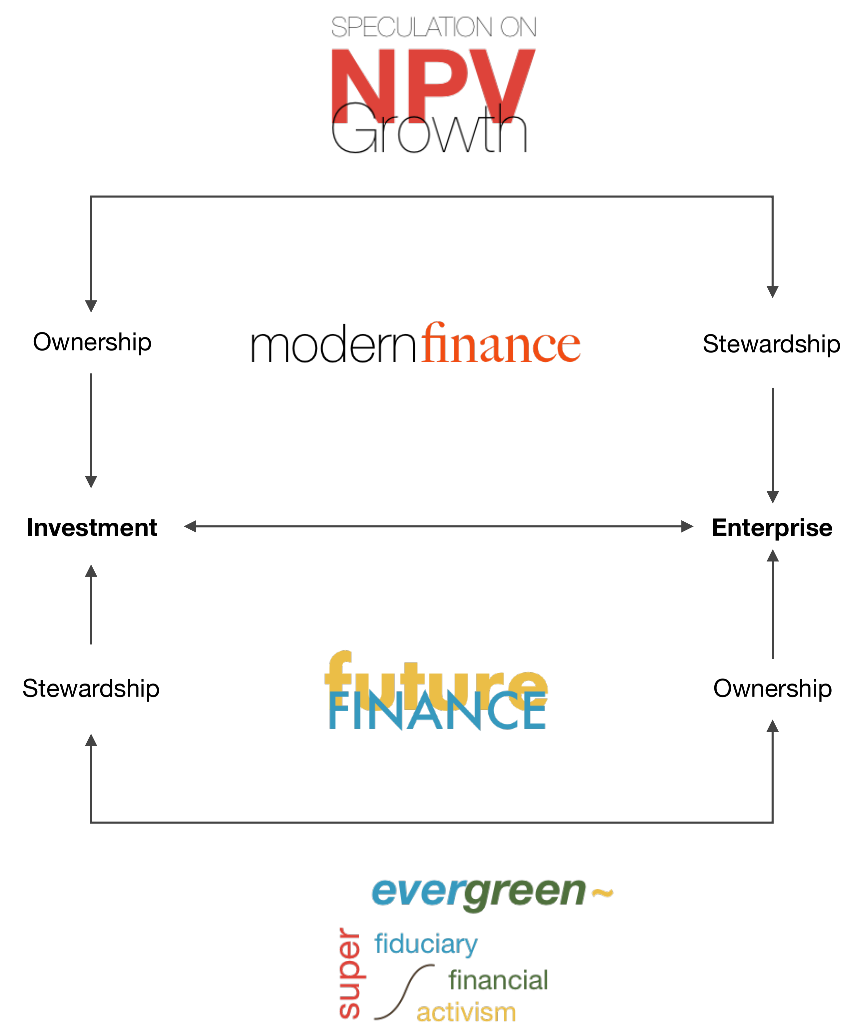
This system puts the endowments' financial fiduciary duties in conflict with their physical fiduciary duties.

A better theory might be that Endowments should invest as stewards in enterprises that are engaging in commerce on Main Street, directly, and not derivatively; enterprises that are owned by their visionary leaders, and the workers who work within them.

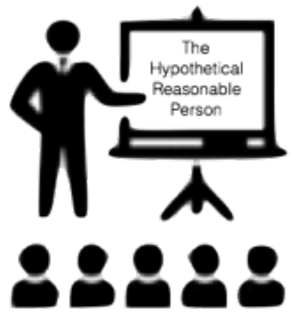
In such a practice, Endowments would recognize that they are superfiduciary stewards of society's superfunds, with the powers of size, of purpose and of time. They can negotiate. They do not have to speculate.

Since they can negotiate, they should.

But how? And who with?



creating
new
possibilities
for civic
engagement
in
Finance



individuals leading
creative enterprises

superfiduciary stewards and
their professional advisors

fiduciary spaces

as safe places for

popular participation

curated for context by artists,
scientists and other academics

you, me and all of us,
as people who care,
voting with our voices
about how prudent this all is

on-line & on-site

a *new* evergreen channel and mechanism for aligning superfund investments with their superfiduciary powers and purpose

evergreen~ Superfiduciary Stewardship

negotiated agreement on prioritizing cash flows

Equity Earn-back
enterprise leadership equity earn-back by delivering adequate superfiduciary cash flows

Prudent Stewardship
the extraordinary prudence of superfiduciary stewards of society's shared savings investing to generate adequate cash flows, forever, in a forever that is worth flowing into

Rewarding Finance
financing professionals doing well by doing good putting society's shared savings to work on the creative edge of a future history of more that is better for all, fairly shared throughout the population and across the generations in a prosperity of peace

In Service to Society
valuing the values society needs to be valuing through investment in enterprise and exchange, today

evergreen~

super
fiduciary
financial
activism

Civic engagement in

Evergreen enterprise design through

Super fiduciary stewardship investment decision making about

Custom crafted agreements on prioritizing cash flows, for peace

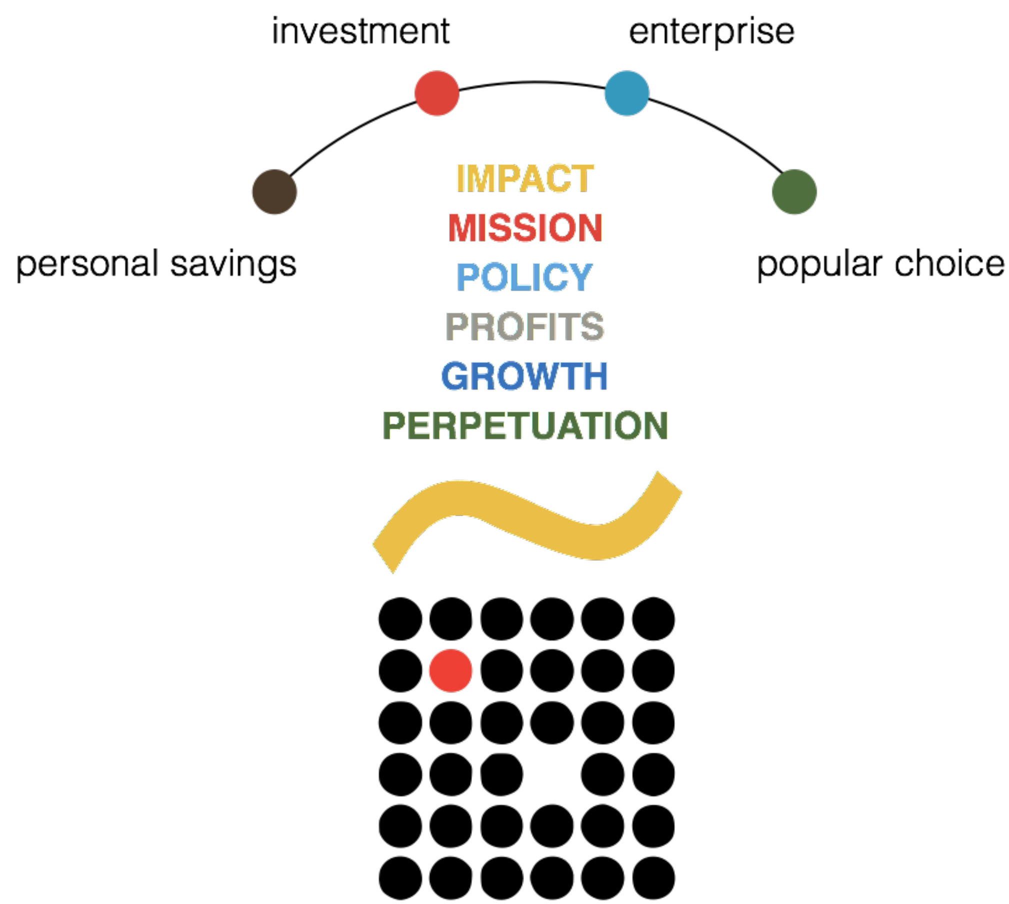
Accountable to the extraordinary prudence of The Hypothetical Reasonable Person through

Curated conversations in university-hosted Peace Gardens as

The new shape of global collaboration in the new

computer-connected,
adaptively evolving,
adaptive networks
economy of the
21st Century,
and beyond.

Contents



uneven, not unfair

the once and future capitalisms

evolving social structures for enterprise design through investment decision-making at the creative edge of prosperous adaptation to life's constant changes

Family & Friends investing in enterprises **conceiving Inspiration for Impact**

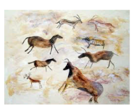
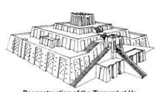
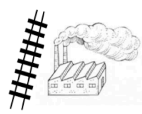
Church & Philanthropy investing in enterprises **constructing Inclusion for Mission**

Taxing & Spending investing in enterprises **releasing Affordance for Policy**

Banking & Lending investing in enterprises **replicating Acceptance for Profit**

Exchanges & Funds investing in enterprises **innovating Improvement for Growth**

Pensions & Endowments investing in enterprises **regenerating Perfection for Peace**

the consensus capitalism of aboriginal subsistence economies	the theocratic capitalism of large scale grain agriculture economies	the aristocratic capitalism of estate-based craft economies	the free market capitalism of mercantile economies	the standardized mass market capitalism of industrial economies	the stewardship capitalism of adaptive network economies
					
first peoples	first cities	kingdoms	empires	nation states	what will this become?
magic	ritual	ceremony	science	engineering	design
totems	tokens	titles	money	shares	interests

X

Economies are an essential part of our uniquely human way of being in the world.

For as long as there has been people, people have lived and prospered through enterprise for the concentration of effort to put learning into action collaboratively co-creating and sharing surpluses for taking the world about us as we find it, and changing it to be more a way we choose to make it.

Enterprise always needs capital to pay the costs of concentrating efforts that can only be recouped after surpluses have been collaboratively co-created and shared.

So people have always had social structures for aggregating surpluses to form capital for investment in enterprise.

History (and pre-history) shows that at different times people have evolved different social structures for enterprise design through investment decision-making as fit to ways people lived in those times.

All these different historically evolved social structures continue in our time, in forms adapted to our times, as from time to time, new structures are evolved fit the changing needs of changing times.

Now is one of those times, when a new social structure needs to be evolved.

Radically Rethinking the history of humanity's pursuit of prosperity

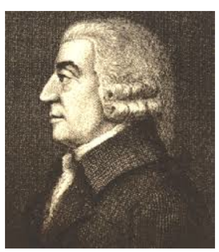
FACULTY QUOTE

The twentieth century is definitely behind us, and there is little doubt that we need a new and better considered past for the sake of a new and better imagined future.

Carol Gluck

Current Chair,
Committee on Global Thought
Columbia University

a short history of how we got to now

18th Century	19th Century	20th Century	21st Century
Enlightenment →	Progress →	Growth →	Adaptation
Invisible Hand	Economies of Scale	Professional Management	fit for their purpose right for the times
			
Adam Smith	J. P. Morgan	Henry Ford	the new superfiduciary

As we look back across the broad sweep of human history, and further back into the dimmer recesses of prehistory, we can see a story of adaptively evolving social structures for organizing work and sharing surpluses that:

- began with the earliest aboriginal economies of subsistence living organized by consensus decision-making within extended family groups, and then
- evolved into the temple economies of centralized redistribution with the invention of large scale grain agriculture, that
- evolved into the palace economies of localized craftsmanship and trade within the estates of the landed aristocracy, that
- evolved into the colonial trading empires of free market economies of port cities and sailing ships, that
- evolved into the industrial progress of railroads and factories, that
- has been evolving since the post-War years into the modern computer connected, globally evolving adaptive networks economy that we are living in today.

Each of these different forms of economy evolved its own unique pathway to prosperity, and its own unique set of values that it valued on its journey towards a future of more that is better for more.

Each also evolved its own unique social structures of Finance; of value-recognizing patterns, pattern languages, places and professionals through which the populations decided for themselves what their future could, should and would be made to be.

1. In the earliest aboriginal human economies of hunting, herding, fishing, gathering, and subsistence farming, surpluses were aggregated and deployed through the social power of tribal leaders for the benefit of the entire group, acting essentially as an extended family unit.

2. With the invention of grain agriculture, communal granaries evolved into temple complexes, where the bounty of the harvest was stored for safekeeping and distributed back out to the people by a priestly class. They were the ones who spoke to the heavens and knew the will of the season-giving gods to deliver sustenance.

3. As surpluses of grain supported surpluses of people, artists and artisans evolved into craftspeople and tradespeople, increasing the diversity of luxuries and necessities that could be enjoyed and used by people to take the world about us as we found it, and to change it to be more a way we want it to be. Growing diversity of work and wealth brought increased competition. Competition brings contention. An artisanal aristocracy evolved the form we know commonly as a king, with a treasury funded by taxes and other imposts (often plunder of adjacent kingdoms) and deployed for public works, which included the work of supporting the aristocracy in

sometimes appropriately and sometimes excessive, royal style.

4. Kings can rule their realms through fiat and the kings' currencies, but as kingdoms proliferate, the need and the opportunity for trade between kingdoms also increases. Bankers and banks evolved to move money among kingdoms and to equalize the currencies. Inventions of accounting and bookkeeping supporting lending on credit, and the system we know as modern banking, became the frontier of finance for indirect trading and exchange among the King's subjects and between sometimes warring or remote kingdoms. Fire power in weaponry gave way to fire power in industry.

5. Fast forward to coal unleashing steam to drive engines. Craftsmanship becomes industry. Scale becomes the new frontier. The corporation was invented to aggregate savings from individuals by selling shares in small increments. People traded them as commodities in public trading markets, which deployed the aggregations as equity in free enterprise organized and operated at ever-increasing scale. This expansion gave way to an increasingly global economy that expanded exponentially into a Western Frontier which the consequences of industry and society would blur. Racing across the horizon toward(s) scale was possible seemingly without consequence. We could always extract more from farther away. Growth, growth, more growth. Industry at scale created both the need and the opportunity for the retirement of individuals.

6. Enter the modern era.. with the invention of actuarial risk pooling, using the new science of statistics, the mathematics of probabilities and the law of large numbers, life insurance expanded in the 19th Century to socialize the costs of dying too soon. This system adaptively evolved into defined-benefit pensions in the 20th Century, which protected us from living too long.

As we look back over this telling of the history of humanity's pursuit of prosperity, we can see that Finance is a social structure of vision-valuing patterns, pattern languages, places and professionals through which a population chooses what it's future history can, should and will be made to be through investment in enterprise for collaboratively co-creating and sharing surpluses through exchange.

Finance works in three primary movements:

1. It aggregates surpluses saved, or held, by individuals, for a purpose;

2. It deploys those aggregations as investment in enterprise for collaboratively co-creating surpluses for sharing with others through exchange; and

3. It shares some of the surpluses generated by the enterprises invested in, as a return of and on the original aggregations.

Through this lens, we can see that different forms of Finance act as a channel or mechanism for directing investment into different kinds of investments that align, when Finance functions correctly, with the purpose for which aggregated surpluses are being saved, and falls into dysfunction when

Economies are an essential part of our uniquely human way of being in the world. For as long as there has been people, people have lived and prospered through enterprise for the concentration of effort to put learning into action collaboratively co-creating and sharing surpluses for taking the world about us as we find it, and changing it to be more a way we choose to make it.

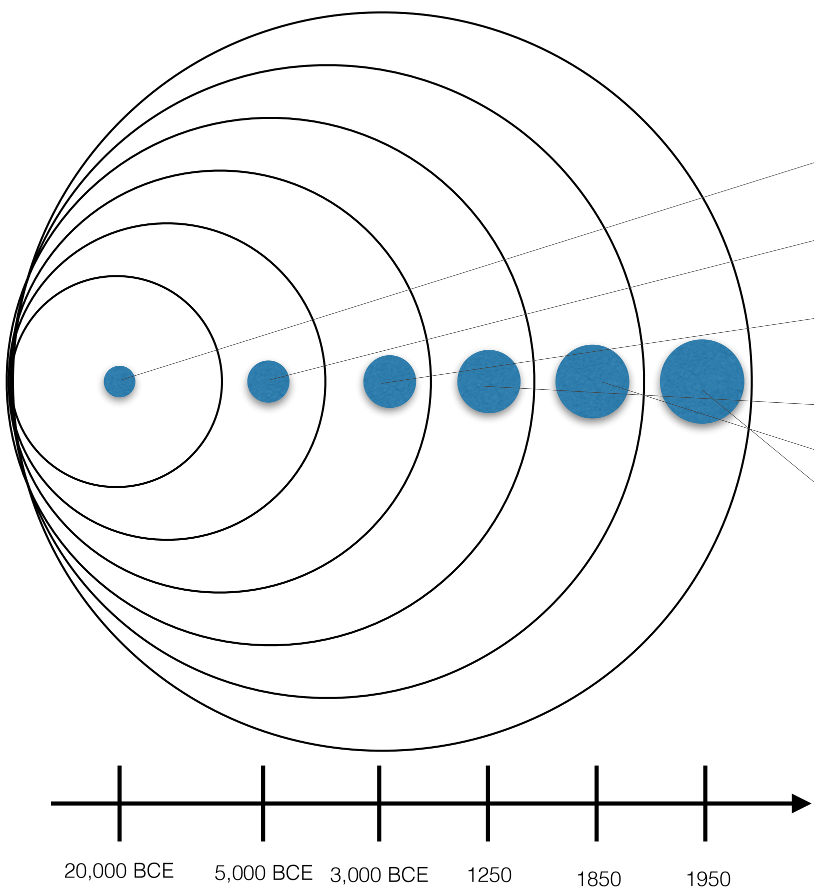
Enterprise always needs capital to pay the costs of concentrating efforts that can only be recouped after surpluses have been collaboratively co-created and shared. So people have always had social structures for aggregating surpluses to form capital for investment in enterprise.

History (and pre-history) shows that at different times people have evolved different social structures for enterprise design through investment decision-making as fit to ways people lived in those times.

All these different historically evolved social structures continue in our time, in forms adapted to our times, as from time to time, new structures are evolved to fit the changing needs of changing times.

Now is one of those times, when a new social structure needs to be evolved.

a longer history



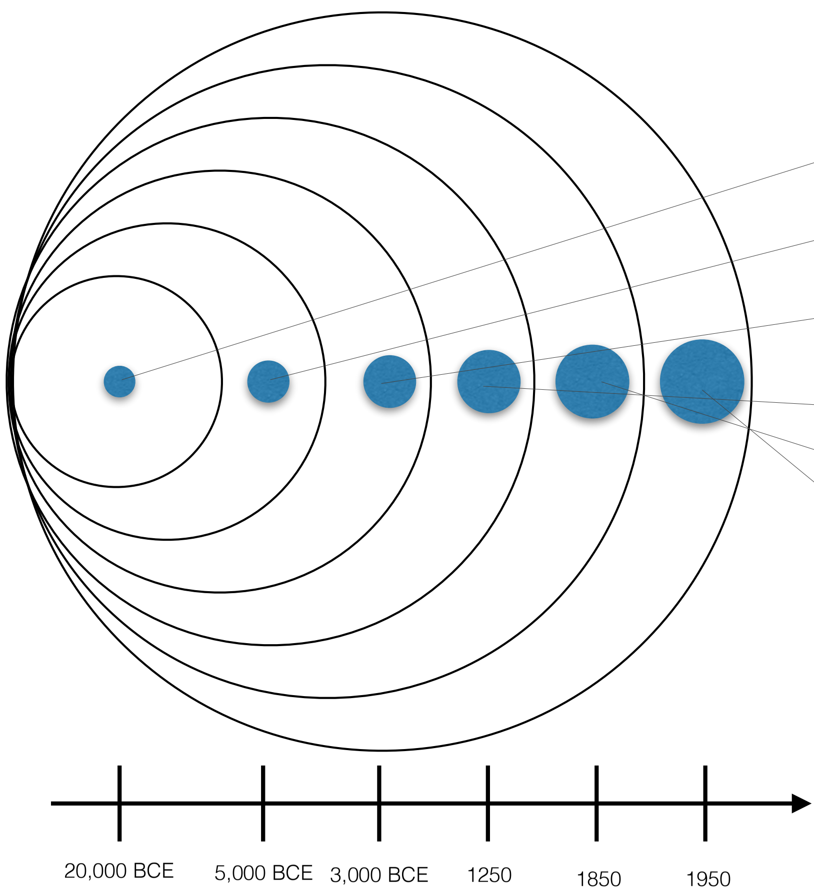
Six Major Paradigms for Prosperity

1. Aboriginal subsistence
2. Large scale grain agriculture
3. Diversity of craftsmanship
4. Exploration and trade
5. Industry and Progress/Growth
6. Adaptive networks

new learning
opens up
new possibilities

new enterprise
collaboratively
co-creates
new realities

adaptively evolving **new social structures of group decision-making** that are fit for the purposes of each new paradigm

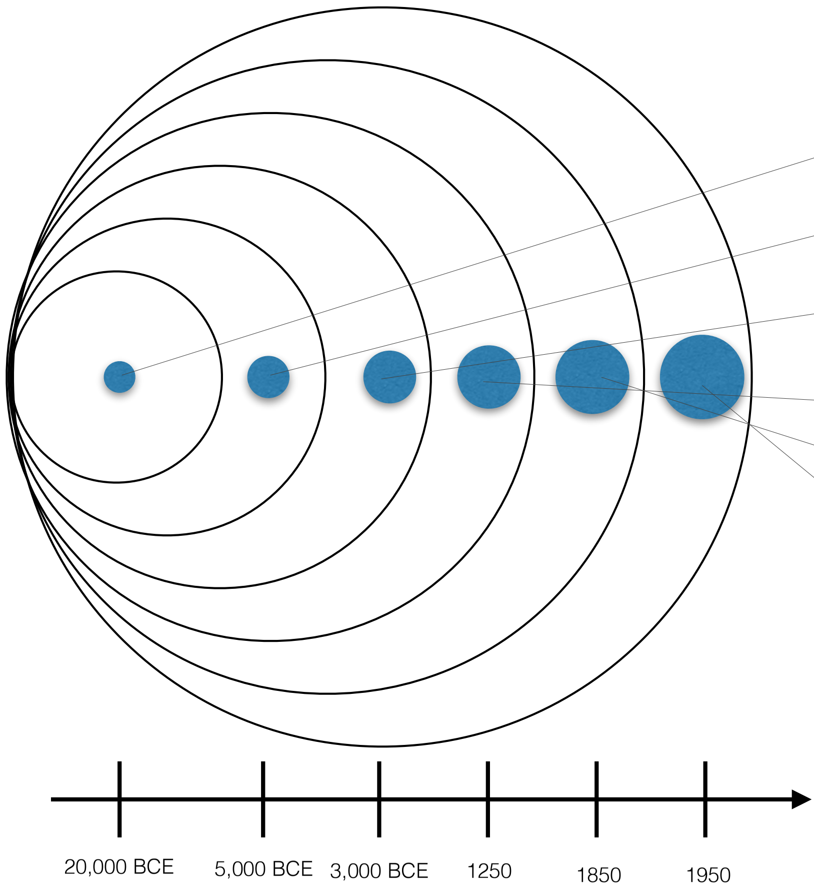


Six Major Structures for Group Decision-Making

1. totems and traditions
2. priestly divination
3. royal declaration
4. financial statement analysis
5. commoditization for speculation
6. negotiated agreement of cash flow prioritization

This is Finance.
The social structures of shared decision-making through which communities choose what their future history can, should and will be made to be through investment of that community's aggregated saved surpluses to support inquiry, insight, enterprise and exchange.

adaptively evolving **new channels and mechanisms for directing financial flows** that are fit for the purposes of each new paradigm

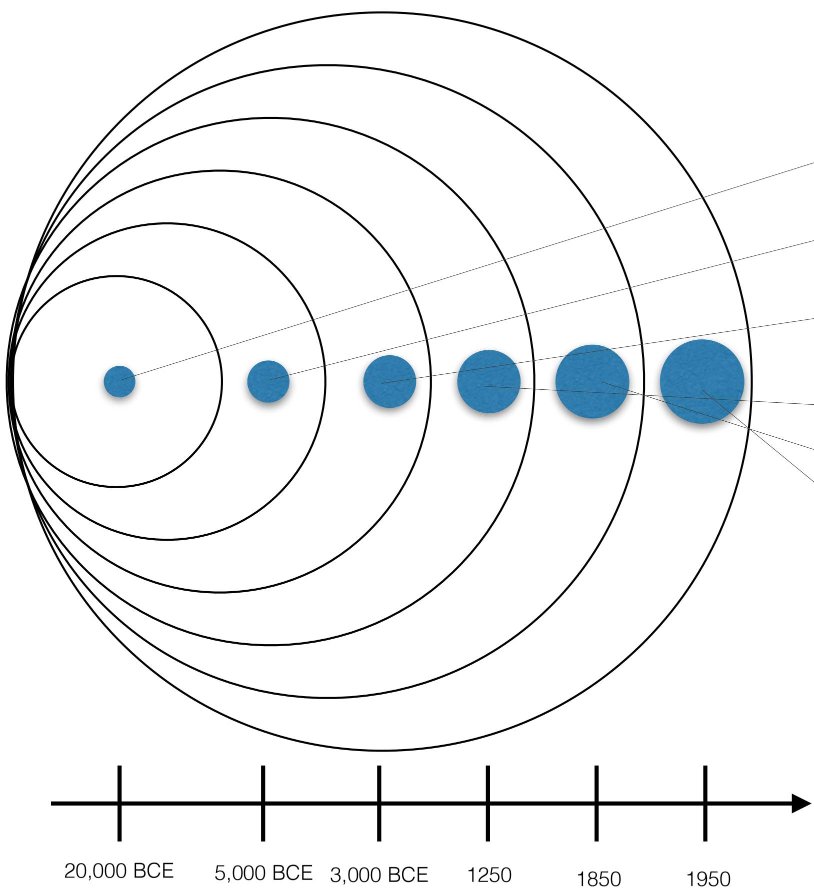


Six Major Channels and Mechanisms

1. Family & Friends
2. Church & Philanthropy
3. Taxing & Spending
4. Banking & Lending
5. Exchanges & Funds
6. Pensions & Endowments

These are The Capitalisms. The social structures of Finance through which communities choose what their future history can, should and will be made to be through investment of that community's aggregated shares surpluses to support inquiry, insight, enterprise and exchange.

adaptively evolving **new governance technologies** that are fit for the purposes of each new paradigm



Six Major Governing Technologies

1. Tribe, clan, etc.
2. City States
3. Feudal Estates
4. Colonial Empires
5. Nation States
6. Superfiduciary Stewards of Society Superfunds

an ever-expanding communal definition of "us" reaching to today, when there is no longer, truly, any "other"

Where are we now?

empowering the

Popular

Voice

through
curated
conversations
on the
extraordinary
prudence of
superfiduciay
stewardship
investing in
peace

a dysfunctional present

the problem is with pensions

from the complementary viewpoints of individuals as savers and enterprising visionaries

Each line represents a closed loop: out and back: a circuit with its own unique channels and mechanisms for outflow and return; its own unique purpose and function; it's own unique laws and logic; its unique own possibilities and impossibilities; it's own unique patterns, pattern languages, places and professionals for directing financial flows from individual savers to enterprising visions of future prosperity, and back again, with more.

New Learning from 20th Century experiences → **each of these circuits must align, or Finance will degenerate into dysfunction**

This is the core of our Manifesto. Individual savings for certainty against life's uncertainties through Pensions & Endowments MUST be investing in enterprising visions for PEACE: earth peace and people peace; peace with ourselves and with each other, peace with our planet and our future; the peace of sufficient surpluses circulating sufficiently throughout the populations and across the generations. Otherwise, Finance will fall into dysfunction. Since we currently have Pensions & Endowments investing in GROWTH through speculation over the Exchanges and through Funds, we have Finance in dysfunction. To end this dysfunction, we must end **Pension & Endowments** investment through Exchanges & Funds. They **must stop being Asset Owners, and start becoming Superfiduciary Stewards of Society's Superfunds!**

this is the problem with Pensions

and also Endowments, as society's

Family & Friends valuing visions of **IMPACT** through patronage—->

Church & Philanthropy valuing visions of **MISSION** through grants—->

Taxing & Spending valuing visions of **POLICY** through subsidies—->

Banking & Lending valuing visions of **PROFITS** through credit—->

Exchanges & Funds valuing visions of **PROGRESS** through speculation—->

Pensions & Endowments valuing visions of **PEACE** through cash flow prioritization—->

Pensions & Endowments, as society's superfunds, should be investing as financiers in their own right, using their own unique fit to good superfiduciary stewardship channels and mechanisms to generate adequate fiduciary cash flows, forever.

Instead they are getting plugged in to the Exchange & Funds channel and mechanisms, speculating on price movements.

This is not good.

Growth in Net Asset Value ← Peer Benchmarking ← Asset Managers ← Asset Owners

A

RADICAL,

in the Latin sense of “going to the root”,

question:

If Exchanges & Funds **are not fit** to the superfiduciary function of society's superfunds, to generate adequate cash flows, forever, **what is**?

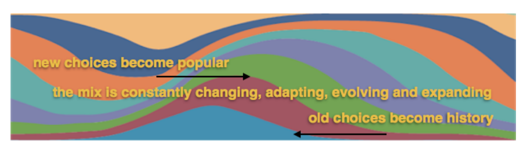
New financiers need new mechanisms of investment through which to channel financial flows into the enterprising visions they are created by design to value.

The core of these new mechanisms is a new form of investment contract for specifying how funds will be invested in the enterprise, how invested funds will be expended by the enterprise, how the enterprise will return the funds invested, and how the enterprise will be held accountable for the performance of its agreements regarding the investment.

This may be one of the more difficult aspects of our rethinking project because unless you have some very specialized training in some very specialized aspects of the law, you may not have an already-developed appreciation of the existing portfolio of investment contracts that are currently in use by the different channels and mechanisms that are already in place for directing financial flows in pursuit of different visions of prosperity, with each form of investment contract being uniquely fit to the purposes of a specific channel for directing financial flows into specific visions of prosperity.

The New Superfiduciaries:

Investing in the Flourish and Fade of the Social Contract between Enterprise and Popular Choice



Our current portfolio of investment contracts/mechanisms consists of the following:

1. Patronage of enterprising visions of IMPACT (which can take many different forms of legal/investment)

2.Grants for enterprising visions of MISSION;

3.Subsidies for enterprising visions of POLICY;

4.Credit for enterprising visions of PROFITS;

5.Shares for speculation on enterprising visions of PROGRESS/GROWTH; and

6.Partnerships for prioritizing cash flows through enterprising visions of PEACE.

Each of these forms of investment contract is uniquely fit to the expertise of different financiers using different channels to direct financial flows from savers into enterprise.

1.Family & Friends channel financial flows through patronage into enterprising visions IMPACT.

2.Church & Philanthropy channels financial flows through grants into enterprising visions of MISSION.

3. Taxing & Spending channels financial flows through subsidies to enterprising visions of POLICY.

4. Banking & Lending channels financial flows through credit to enterprising visions of PROFITS.

5. Exchanges & Funds channel financial flows through speculation on enterprising visions of PROGRESS/ GROWTH.

6. Pensions & Endowments channel financial flows through prioritization of cash flows agreed with enterprising visions of PEACE.

Except that we have this problem today.

The fifth form of Finance, as speculation, evolved in the 19th Century to finance PROGRESS through fossil-fueled economies of scale, and the manufacture of standardized machine-made parts and assemblies for commodity sale into mass consumer markets expanding into a seemingly infinitely receding horizon out of which it seemed we could always take more, and into which it also seemed that the consequences of our taking would seemingly disappear, seemingly without consequence.

"How could anyone ever cut down all those trees?"

By the 20th Century, we had reached the limit of that horizon. We learned, physically, practically, commercially and existentially, what we had know philosophically and scientifically for a long time: that the horizon was not actually infinitely receding; that the earth is a sphere that closes back in upon itself, so that there are limits on what we can take, and the consequences of our taking would not just disappear, without consequence.

At that point, two changes were made in response to this new existential experience of space as no longer infinitely receding; one adaptive; the other, maladaptive.

The adaptive change was the invention of the worker pension as a new channel of Finance for aggregating surpluses set aside by or for individuals to programmatically provide certainty of income in retirement against the new uncertainty of life in the new industrialized, merchandized, monetized and urbanized economy that was created by the end of the 19th Century, in which people needed money to live, and faced the new uncertainty of outliving their ability to earn money.

Pensions use the new learning, evolved in the 19th Century, of the science of statistics, the mathematics of probabilities and the laws of large numbers to aggregate large pools of savings, into which large numbers of statistically similar individuals contribute on an average cost basis and out of which each draws on the basis of actual experience.

Properly constructed and operated, a pension fund takes in, at the level of the fund, on an aggregate basis and pays on an overall aggregate basis, so that the aggregate current receptions always balance out against aggregate current payout, keeping the amount of money in the fund at an aggregate level that is sufficient to keep the program working, like a kind of financial perpetual motion machine.

Pensions are like life insurance in the obverse. Where life insurance provides certainty against the uncertainties of dying too soon, pensions provide certainty against the uncertainties of living too long.

This has proven to be a positive adaptation to the new realities of modern life.

The maladaptive change was the degeneration of PROGRESS as an enterprising pathway to prosperity into GROWTH as the new 20th Century paradigm for prosperity.

One problem with GROWTH as a paradigm for prosperity is that growth is not a thing; it is the attribute of a thing: something has to be growing.

And growth is not always a good thing. In nature, unchecked growth leads to gigantism, and premature death; or cancer, and also death.

And yet today we are taught to believe that unchecked GROWTH in the economy is an absolutely good thing; indeed, it is the only goo thing. Without GROWTH, we are told, we cannot have prosperity.

How can this be true?

How can a process that in Nature leads only to death, in Human Nature be the only pathway to prosperity?

The answer is, it can't.

The modern paradigm of GROWTH as the pathway to prosperity is not delivering that prosperity it promises. Instead, it is driving us through alternating cycles of boom and bust, in which the booms keep getting bigger, and the busts more catastrophic.

This cannot be our best.

What has gone wrong?

The paradigm of GROWTH has become a myth in the 20th Century. A myth is a story about a kernel of truth that is difficult to understand that gets wrapped up in a whole lot of nonsense that is more easily accessible.

The kernel of truth at the heart of the Myth of Growth is a technical truth about how the Exchanges & Funds channel of Finance operates through the mechanisms of speculation to direct financial flows from individual savings into enterprise and exchange.

The nonsense is that this one channel and mechanism can drive our economy towards unending and ever-increasing prosperity.

It cannot.

The reason it cannot has to do with what speculative finance is speculating on growing.

In the early days, speculative finance was speculating on PROGRESS as the expansion of industry into an infinitely receding horizon.

Then we discovered that the horizon was not really infinitely receding.

So speculative finance started speculating on something else. It started speculating on GROWTH in the scale of the corporations that it had created as a mechanism for dividing investment in enterprise into shares that could be traded like commodities, on price, over an exchange, in public auctions.

Growth is what drives financial flows to flow through the Exchanges & Funds channels. The primary purpose of an exchange is to deliver an always-available market clearing price for every financial asset traded as a commodity over that exchange. A certain sale, at an uncertain price. That is the primary benefit exchanges offer to investors.

In order to have a sale, there has to be a buyer. In order to buy, new money has to see the possibility that they will, in their turn, also be able to sell at a higher price that they paid to buy in. So they, in their turn, can use their money to make more money. For themselves.

It is a relay race. Without a Finish Line.

Every buyer becomes in their turn, a seller, looking for the next new buyer to buy. At a higher price than they paid.

This is the growth that is the kernel of truth in the modern mythology of GROWTH.

Common sense and common wisdom became infused with this mythology of growth as the pathway to prosperity through the middle of the 20th Century. In 1972, laws were past in the United States that made this new mythology of growth the new standard of fiduciary prudence. Vast sums of money that were aggregated into Pensions and Endowments, both new social structures invented in consequence of industrialization financed by corporations issuing shares for trading over the exchanges and in funds, starting pouring back into the Exchanges & Funds channels for directing financial flows.

Corporate capitalism began eating its children. And then it started eating everything else. The world was consumed by this new mythology of growth as the pathway to prosperity, and the social reality that speculation is the way we finance Growth.

This reasoning was circular. Having chosen growth to support speculation, we now starting using the pursuit of Growth as the reason we need to speculate. With our “safe” money.

Over the next 40 years, Finance fell deeper and deeper into dysfunction. Not technically. Funds and the exchanges actually got better at doing what they are created by design to to: providing an always-available market clearing price; a certain sale, at an uncertain price. More and more, they used computers to clear markets with lightning speed, and to effect settlements almost instantaneously. And they did direct more financial flows into enterprise.

The economy became computer-connected and globally evolving. One big adaptive network circling the earth, literally and metaphorically, as satellites launched into earth orbit made global communications in real time an ordinary fact of everyday life.

This global network brings more choices to more people. But underlying this growth as more choices there is also growth in the scale of corporate bureaucracies that is concentrating more and more control over more and more of the financial flows flowing around and through the global networks of enterprise and exchange in the hands of fewer and fewer, larger and larger corporate bureaucracies, and the small and smaller number of actual human beings who manipulate the channels and mechanisms of Exchanges & Funds (and also, because these channels have been co-opted by the Exchanges & Funds channels, Pensions & Endowments and Banking & Lending and Taxing & Spending, and all of Finance and much of Government, severing accountability to popular choice) to exercise control over these corporate bureaucracies.

Also, there is this. Corporate Gigantism fuels and is fueled by closed loop trading using Society’s Superfunds, exaggerating the flourish and fade of the social contract between enterprise and popular choice into alternating cycles of speculative asset pricing booms (as buy-to-hold becomes buy-low-to-sell-high becomes buy high to sell higher) that go bust with increasing frequency and increasingly catastrophic consequences for peace and prosperity.

We have seen this pattern before. At least twice.

The first time was The Gilded Age, when insurance companies started flowing policy holders premiums into the Exchanges & Funds channel, speculating on Growth, fueling an asset pricing boom that went bust in the Panics of 1893 and 1907, requiring Teddy Roosevelt to ride in to break up the trusts (trusts were used before general business corporations became popular), while state legislatures made it illegal for insurance companies to speculate with policyholders premiums.

The second time was The Roaring Twenties, when banks started flowing customer deposits into the Exchanges, fueling another speculative asset pricing boom that went bust in The Great Depression, requiring FDR to regulate both commercial and investment banks, while creating worker pensions and social safety nets.

Today, it is happening again. This time, with pensions.

gorging on
Other People's Money

1890s - Insurance

The Gilded Age, Trusts and Trust-Busting

Panics Of 1897 and 1907

Why is this…

…any different from this?

Or this?

1920s - Banks

The Roaring Twenties, Fat Cats and the New Deal

The Crash of '29

The Great Depression

bad actors acting badly
or
structural obsolesce

new laws
or
new social structures

NOW

Pensions & Endowments

1980s
Savings & Loan collapse

1990s
dot.com bubble

GFC 2008

When will the current superfund financed, taxpayer subsidized boom go bust?

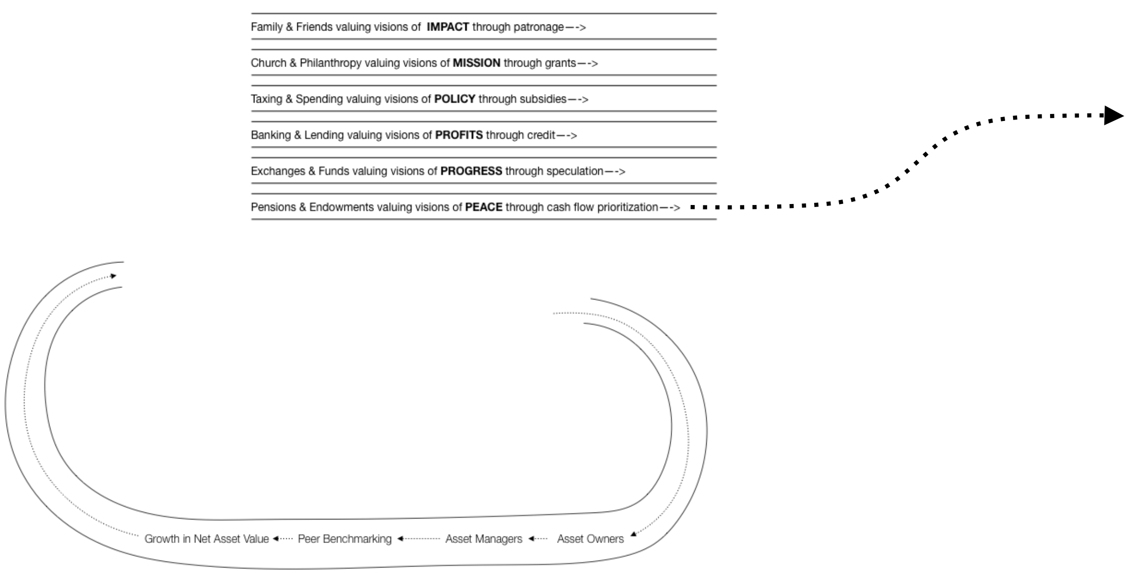
The problem can be hard to see.

Finance is so mysterious to so many people.

There is no blueprint for prosperity. The economy is much like the Internet: humanly self-organized; not Divinely constructed. There are rules that empower, and constrain, but these rules are not rules that have been declared, more or less arbitrarily, by some one, centralized authority working according to some master plan. Nor are they moral principles of good and bad acting. They are the natural laws of how we, as human being, interact with each other, and with the natural world into which we are born, and out of which we make the world in which we live together, pursuing prosperity, and peace. They work in certain ways. They do not work in other ways. We have to use them correctly if we want to actually build the world we expect to be living in.

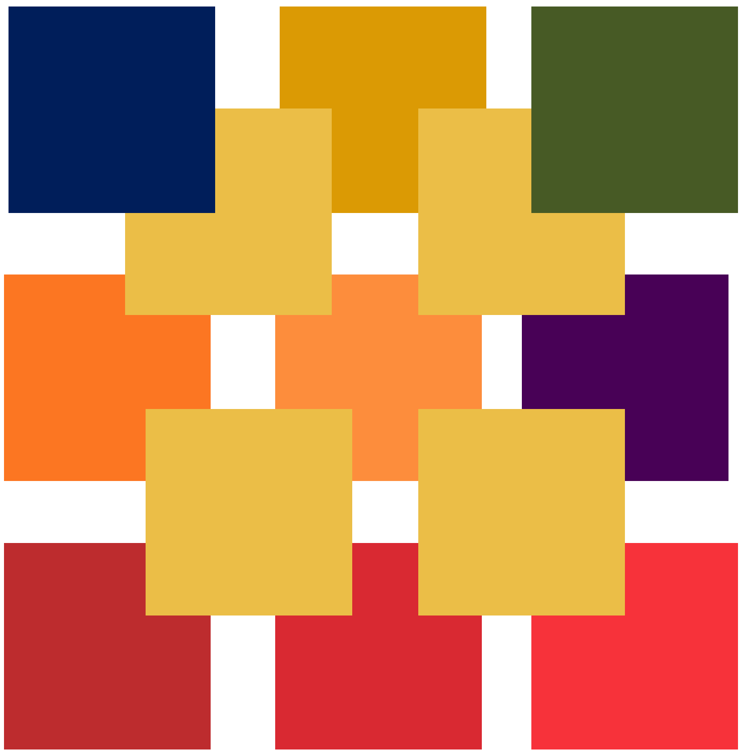
But once we do see the problem, the solution becomes obvious. We have to disconnected Pensions & Endowments from the Exchanges & Funds channel for directing financial flows through speculation on Growth, and allow them to function correctly, as their own unique channels for directing financial flows towards the peace of sufficiency shared sufficiently throughout the populations, and across the generations.

Then, the problem becomes technical. We have to design and engineer the right new mechanisms for the Superfiduciary Stewards of Society's Superfunds to use for directing financial flows towards Peace.



Superfiduciary Stewards of Society's Superfunds
directing financial flows into enterprises that foster and promote PEACE, the peace of sufficiency circulating sufficiently, throughout the populations, and across the generations

a better imagined future



setting Asset Owners free from the tyranny of Asset Management to embrace their authentic identities as Superfiduciary Stewards of Society's Superfunds

to upgrade the standards of fiduciary prudence, from ordinary to extraordinary

investing in the flourish and fade of the social contracts between enterprise and popular choice, that change over time, as times change, and humanity evolves prosperous adaptations to life's constant changes through inquiry and insight, education, enterprise and exchange, finance, government and accountability to popular choice

through custom-crafted agreements on prioritizing cash flows, for peace, negotiated with visionary leaders of creative enterprises, directly

returning control over the market to the Invisible Hand of individual decision making

setting governments free from corporate capture, so they can once again become accountable, correctly, to the will of the people

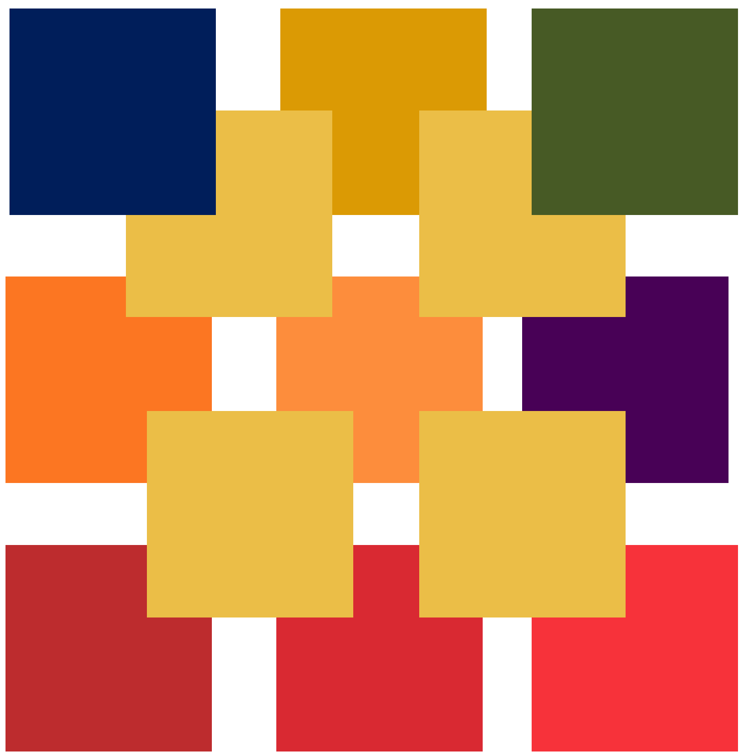
in Peace Gardens as fiduciary spaces that are safe places for popular participation in extraordinary prudent superfiduciary superfund investment decision-making

as the new shape of global collaboration in creating a new future history for humanity, of peace

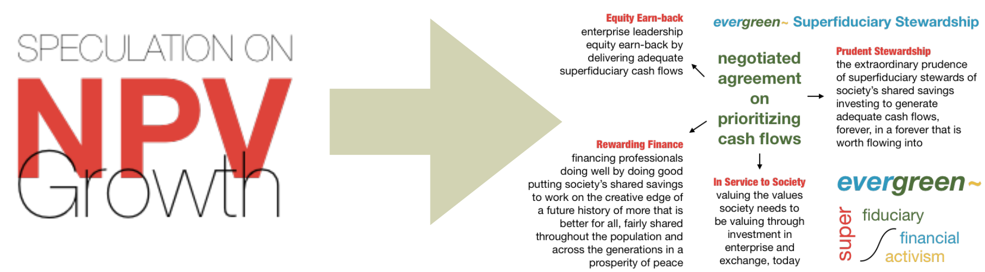
Beginning with climate peace

evergreen~

SUPERFUNDS



setting Asset Owners free from the tyranny of Asset Management to embrace their authentic identities as Superfiduciary Stewards of Society's Superfunds



A RADICAL PROPOSITION

the PURPOSE of Pensions & Endowments as Superfiduciary Stewards of Society's Superfunds is to INVEST IN PEACE

~

the peace of sufficient surpluses circulating sufficiently throughout the populations and across the generations, in patterns that are reasonably inclusive and fundamentally fair, adaptively evolving through the flourish and fade of the social contracts that we form between enterprise and popular choice driven by recurring cycles of learning, earning, spending, saving and investing that change episodically, as times change and humanity evolves prosperous adaptations to life's constant changes through inquiry, insight, education, enterprise and exchange, finance, government and accountability, making new choices more popular as better fit to changing times, while letting previously popular choices fade into history as a good fit at an earlier time, constantly creating by design a future history of more that is better for more…

~

peace with ourselves and with each other,
peace with our planet and with our future

~

earth peace and people peace

We are talking about

Letting go of Asset Ownership to embrace **superfiduciary stewardship**

from **Asset Owner**

SPECULATION ON
NPV
Growth

financing booms that always go bust,
with catastrophic consequences
for peace and prosperity

- Corporate Gigantism
- Unreasonable Elitism
- Superfund Instability
- Political Extremism
- Toxic Development
- Earth nonpeace
- People nonpeace

to **Superfiduciary**

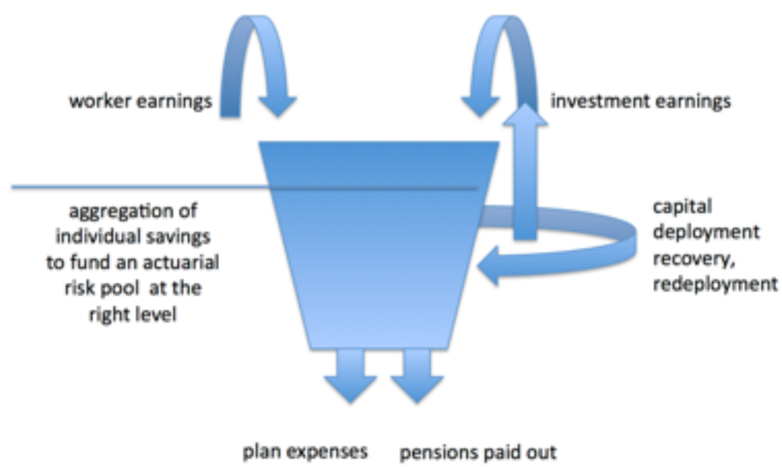
evergreen~
sufficiently circulating sufficient surpluses for Peace
superfiduciary stewardship of society's shared savings

financing the enterprise journey towards the happiness of self-sustaining cash flows, by investing in agreements on the prioritization of cash flows that flow through the social contract between enterprise and popular choice that flourishes for a time, then fades in the fulness of time, as times changes, and humanity evolves prosperous adaptations to life's constant changes, making new choices more popular as better fit to changing times, and letting previously popular choices fade into history, as a good fit at an earlier time

We start with Pensions.

A pension plan is an actuarial risk pool that uses the science of statistics, the mathematics of probabilities and the laws of larger numbers to provide income security in retirement to a statistically significant population of statistically similar individuals.

Pensions are like life insurance in the obverse. Where insurance provides protection against the financial perils of dying too soon, pensions provide protection agianst the financial peril of living too long.



Each works by averaging out the costs within a statistically significant population of statistically similar individuals so that payouts are also overaged out, across the population of plan participants: each participant pays in based on average costs; each person takes out based on actual experience; but overall, at the level of the actuarial risk pool, the pool takes in averga cost and pays out average benefits. This keeps the risk pool correctly full and prosperously flowing cash flows to beneficiaries.

These risk pools have to be large, in order for the averages to average out correctly. The larger, the better.

They have a purpose. They have to keep the current contributions coming in equal to the current benefits being paid out, so that the risk pools remain large enough to make the averges in/averages out formula work.

They are evergreen, in that they just keep going, adding new future retirees as they lose current retirees to end-of-life events, providing certainty against the uncertainties of living too long to this generation, and the next across an evergreen succession of “this” and “next” generations, forever.

They are fiduciaries, entrusted with discretionary authority over Other People’s Money.

As fiduciaries, they have a duty under law to be true to their purpose, and prudent in the exercise of their discretionary authority over Other People’s Money. And they must be competent in the prudent exercise of discretionary authoriityin furtherance of their entrusted purpose.

Breach of fiduciary duty creates personal liability for losses sustained by the pension plan, its sponsor and its beneficiaries in consequence of that breach.

Pensions are also a public trust, in part because of their size, and in part because of the important benefits to public welfare they provide.

Pensions are designed to receive current cash flows on a recurring basis from two sources: new contributions bu or on behalf of future retirees; and earnings from the investment of entrusted assets.

This makes pensions financiers in their own right. They aggregate surpluses set aside by or for individuals to programmatically provide certainty against certain of life's uncertainties; and they deploy those aggregations as investment in enterprises to generate sufficient cash flows, when combined with current contributions by or for future retirees, to keep their actuarial risk pool correctly full and prosperously flowing benefits to this generation and the next, across the generations.

"How can I generate adequate cash flows, forever?"

- retired pension fiduciary

Endowments are also large, purposeful and evergreen fiduciaries of Other People's Money. Although they are not actuarial risk pools, but instead are almost always funded by large gifts from wealthy benefactors, they are large, they have as their purpose to generate cash flows by investing trust corpus (the gifts received from benefactors) to support trust purposes and they are evergreen, in that they just keep going.

Some endowments support educational institutions, such as universities or other private schools. Others support philanthropies for supporting a broad range of charitable purpose.

They all provide a public benefit which earns that, at least in the US, special tax-exempt status. Same with pensions.

Insurance companies run actuarial risk pools for a public benefit, but in the US they are separately regulated as to their investments by state laws and the Legal List. This restricts them to investing policyholders premiums to government bonds, high grade corporate bonds, real estate mortgages and real estate.

Since they are separately regulated, changes in standards of fiduciary prudence won't directly affect how insurance companies invest the Other People's Money that is entrusted to their good judgement. So, we do not include them in our radical rethinking about superfiduciaries.

More recently, some oil-rich countries have started forming what have come to be called sovereign wealth companies through which to invest oil profits in the broader economy.

Although these funds often are designed to align investments with public policy, they are not technically fiduciaries, since it is the sovereign's funds they invest. So, again, we keep them on the periphery in our radical rethinking about superfiduciaries.

This leaves us with the core group of Pensions & Endowments as evergreen fiduciaries with a shared fiduciary duty to a public purpose, a shared requirement to generate sufficient cash flows from investment to reliably realize on that fiduciary duty, and shared capabilities of size, purpose and time as investors through which to pursue their fiduciary purpose, as investors, to generate sufficient cash flows, forever.

Their powers, as investors, of size, purpose and time give these evergreen fiduciaries the power, as investors, to negotiate. They do not have to speculate.

This is a power that we, as individuals, do not have. Relative to the scale of enterprise all but a small number of wealthy families have the size it takes to negotiate investments with visionary leaders of creative enterprises, directly. Even wealthy families, however, lack the kind of programmatic purpose that drives evergreen fiduciaries. Even the wealthiest of us, as individuals, when we invest, do so opportunistically, seeking to do the best we can do, however we may each define "best" for ourselves. We do not have an amount that we can calculate as "sufficient" to our investment programs, the way evergreen fiduciaries do. And even the wealthiest of us invest idiosyncratically, putting our surplus money to work making more money when we have some available, and taking that money back when we need it to spend on something that we want to buy or otherwise enjoy.

The Exchanges & Funds channels and mechanisms for directing financial flows are purpose built to meet our needs as individual investors, to invest in varying amounts, for varying purposes, at varying times.

They use commoditization to meet that need, primarily today through incorporation (although in the early 19th Century, the business trust was a more common vehicle). Enterprise incorporates, and that corporation issues shares of capital stock. Each share is a commodity, exactly equal in legal rights, and unit price, to every other share. Those shares are listed for trading over an Exchange. Different people can buy different numbers of shares, in different quantities at different times, at different prices, determined through the market pricing mechanism.

Any person who has shares can offer them for sale at any time, at a specified or minimum price, or at market price. Buyers who want to buy can purchase shares in whatever quantities they may like, when the like the market price.

The market price is determined by matching bids and asks: offers to buy and offers to sell. The markets are designed to guarantee that there always is a market clearing price, so that a seller can always sell and a buyer can always buy. But no one can cotton the price.

A certain sale, at an uncertain price.

That is the fundamental promise of the Exchanges & Funds as financiers.

There is a lot of loose talk about what really happens over these Exchanges that can create confusion.

For example, it is common to hear people talk about the shares they "own". In a technical sense, that is true, but as a practical matter what all but only the very largest investors own is a trading position in specified shares. The shares themselves convey a very limited set of rights on their holders. They convey rights to vote on the election of directors and a limited number of special matters, mostly related to increasing the number of authorized shares of stock (mostly in connection with a merger or acquisition transaction). They convey rights to share in any dividends that are paid out, if and when the management of the corporation chooses to declare a dividend and in the proceeds of liquidation, should the corporation ever be liquidated (this mostly happens in bankruptcy, where the shareholder value is less than zero; as a practical matter, not really a very valuable right).

The one truly important right shares convey is free alienability. That is the unfettered right to sell shares at any time, to anybody, without needing permission from the corporation to make the sale.

Another way of saying this is to say that shares listed for trading over an Exchange are freely negotiable.

But "negotiable" and "negotiated" are not the same thing.

Negotiable shares can be freely sold (or given away).

But they are not negotiated. The corporation is a standard form investment agreement that gets set up between the market makers running the changes and a team of managers running the corporation. The terms of that agreement are largely set by the laws of the state in which the corporation is organized. Whatever modifications to the standard issue business corporation that get worked out are made at the time the corporation lists its shares for trading. After that, those terms are set in stone. They do not change. Except in extraordinary events, like mergers, acquisitions - and bankruptcy.

This works just fine for us, as individuals. We don't have the size, the purpose or the time it takes to negotiate with enterprise anyway. We're perfectly happy to buy and sell commodity shares at market prices, buying and selling as suits our cash flow needs and opportunities, taking the best we can get while we are in the markets.

For the evergreen fiduciaries of Pensions & Endowments, things are not the same.

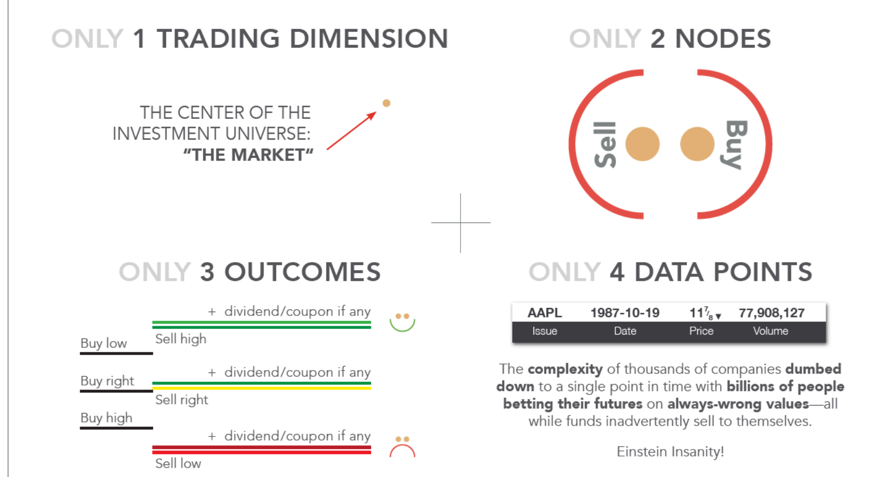
They cannot just take what the markets will give. They have a fiduciary duty to generate sufficient cash flows, forever.

They can't just buy when they have some money - new contributions - and sell when they need the money back - to pay out benefits and their own operating costs. For the most part, they always need to be invested, and always need to be generating sufficient cash flows. Without regard to what the markets are doing.

Market risk is not compatible with their fiduciary duty.

Also, the non-negotiable commodity nature of corporate shares, in particular, traded over the Exchanges and through Funds do not allow evergreen fiduciaries to discharge their fiduciary duties to the public, generally, and to future generations, in particular.

This is because of the way that the markets are designed to function.



Technology has done no more than **speed up the ticker tape.** It's a bumpy ride.

There is only one trading venue, where the market clearing prices are set by matching bids and asks.

There are only two nodes of participation in these trading markets. You can be a buyer. Or you can be a seller. There is not third option. You cannot negotiate for special terms.

There are only four data points on which trading decisions are made: the issue, the last trade time, the last trade price, and the total trading volume.

These are the data points needed to build a trend line.

They are not sufficient data points for prudent investment in enterprise by superfiduciary stewards of society's superfunds, investing to generate sufficient cash flows, forever, while also investing to build a forever that will be worth flowing into.

What we know today as the capital markets were created by design for individuals investing their own savings, for their own account, idiosyncratically and opportunistically pursuing their own proper purposes; buying shares when they have some money available with which to speculate, and selling those shares when they need that money back, to spend on something else. Capital markets dominated by individual investors move to the ebb and flow of personal money management needs and opportunities, and public perceptions of the possibilities for collaboratively co-creating a future history of more that is better for more.

When professionals take over these markets, the rhythm changes from ebb-and-flow to booms-and-bust, as accountability to public perception is- the mythical Invisible Hand - is pre-empted by professionals trading to "beat the Market".

buy-and-hold *becomes* **buy-low-to-sell-high** *becomes* **buy-high-to-sell-higher**

the Invisible Hand cannot function in a market that is dominated by paid professional speculators speculating professionally, for a fee, using Other People's Money

Wall Street takes over everything

Corporate Gigantism
Unreasonable Elitism
Social Oppression
Earth Degeneration
Booms that go Bust
Corporate Capture of Government
De-valued Values
Unreliable Superfunds

In their excellent book “What They Do With Your Money”, financial experts and social change advocates Stephen Davis, Jon Lukomnik and David Pitt-Watson map out for us a clear and cogent description of Modern Finance as it is currently constituted.

They go on to offer a critique of how Modern Finance is failing us, and offer their recommendations for setting things right. These recommendations all involve keeping the structures they describe in place, exactly as they describe them.

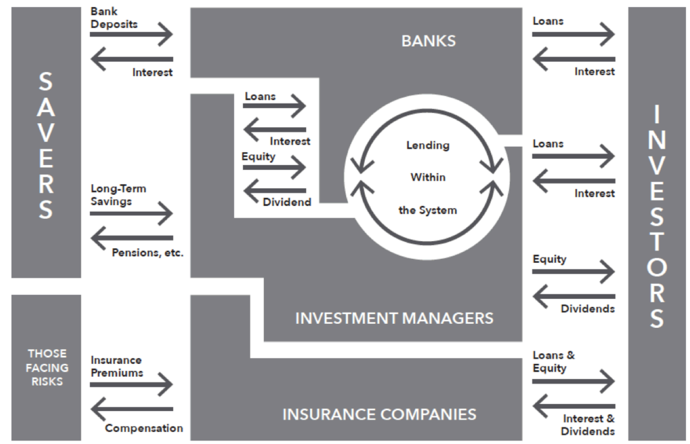
Will that really work?

If we need to effect fundamental system change, don’t we need to fundamentally change the system?

Consider
w i t h   u s

this model of how
modern experts
conceive the financial
system as it is today

The Financial System: An Overview of Key Actors and Flows of Money



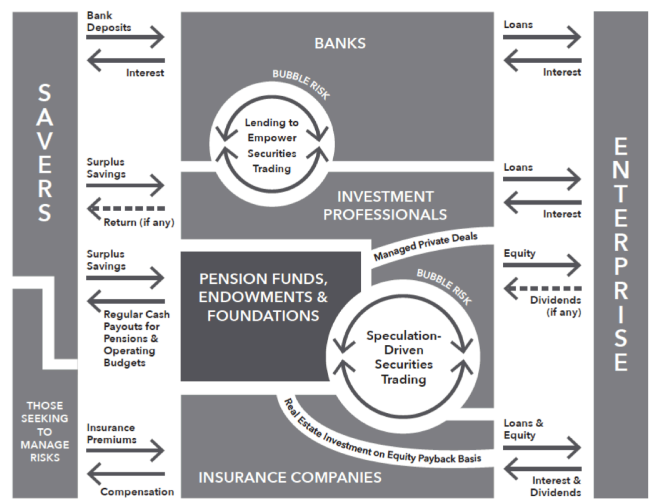
Source: Stephen Davis, Jon Lukomnik, and David Pitt-Watson, *What They Do With Your Money*, Yale University Press, p. 19 (2016).

Note the primacy of Managers, and the complete absence of superfiduciaries. Where are our pensions, endowments and foundations in this model?

Find Them

hidden inside the Investment sector, as just one form of investment professional, a manager of managers managing managers managing managers, all trapped inside the tyranny of the trading tape

The Financial System: An Evergreen Interpretation of Reality



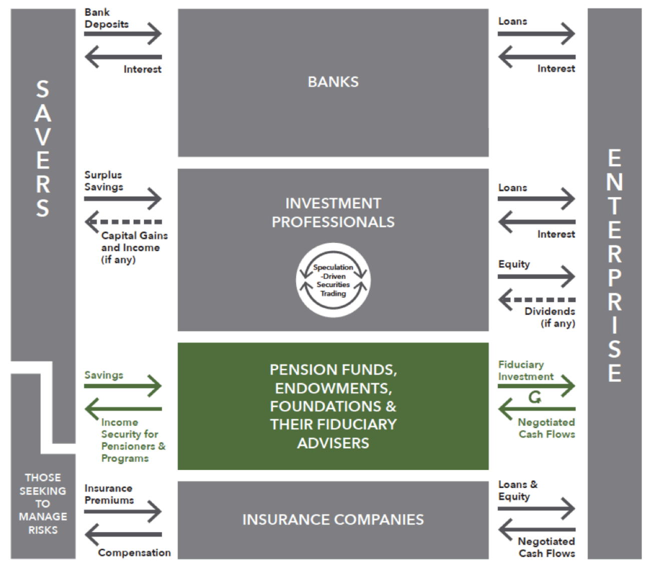
except when *they collaborate with Insurance Companies to invest in Real Estate using the proven reliable cash flow sharing method for equity payback and evergreen upside without speculation on future valuation*

what if

we set our pensions free
from the tyranny of the trading tape,
and the perpetual pursuit of a rising share price,
allowing them to stand on their own
as a form of financing in their own right

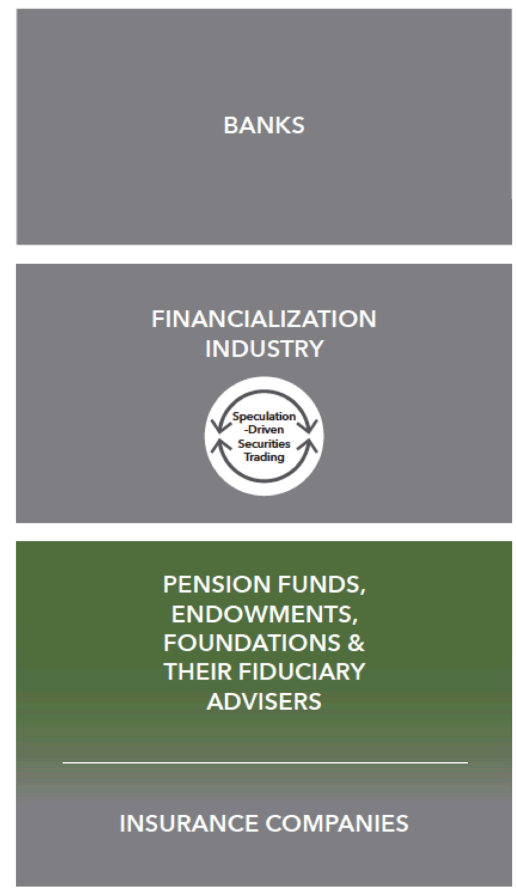
aggregating savings from individuals
seeking income security in their retirement
and
deploying those aggregations
into enterprise, directly
sharing in enterprise cash flows as generated
to generate adequate fiduciary cash flows
forever

The Financial System: Reformulation After Superfiduciary Self-Realization

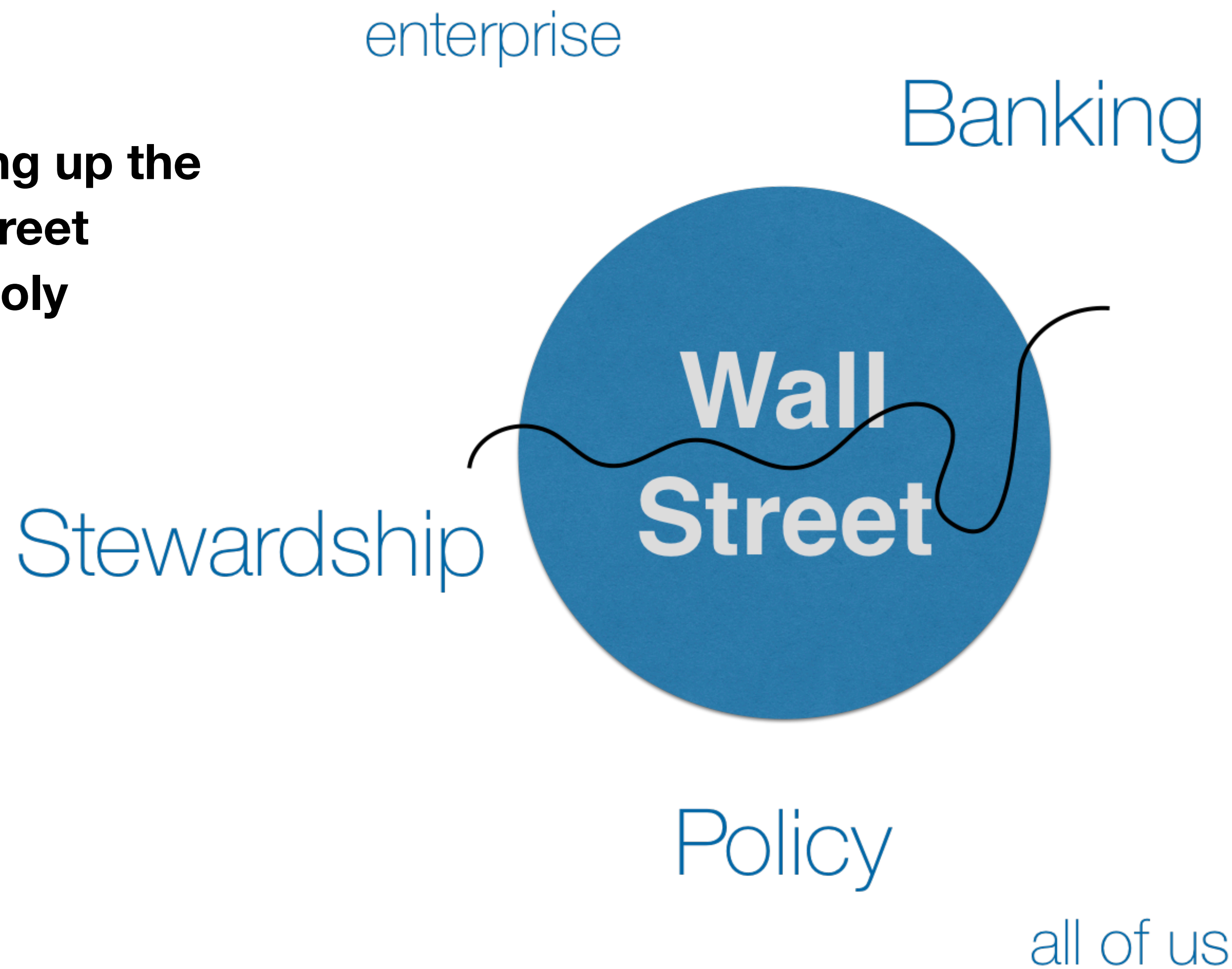


better, yet

what if we group pension funds - along with university endowments and endowed foundations - together with Insurance Companies to evolve a new form of financing technology as superfiduciary stewards of society's superfunds set aside for social benefit

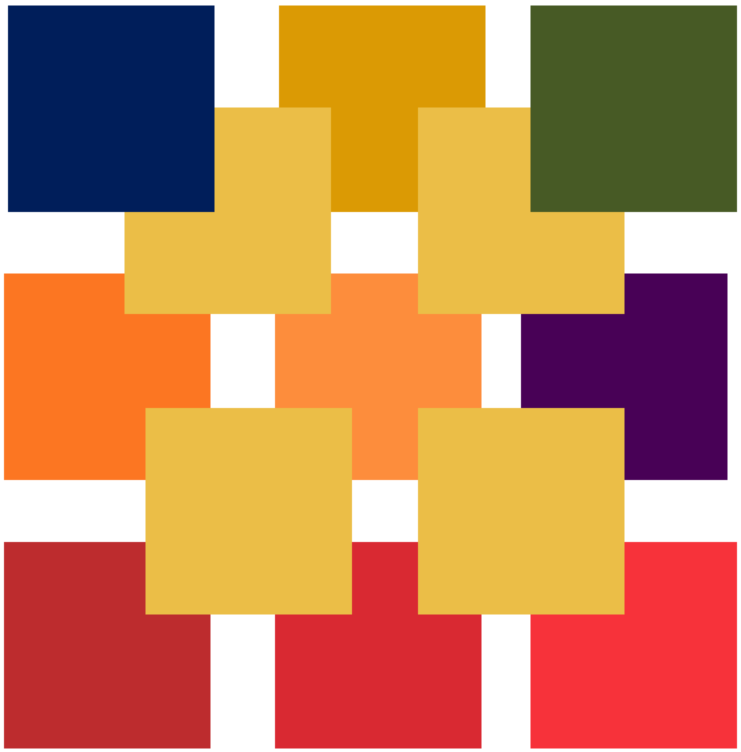


breaking up the Wall Street monopoly

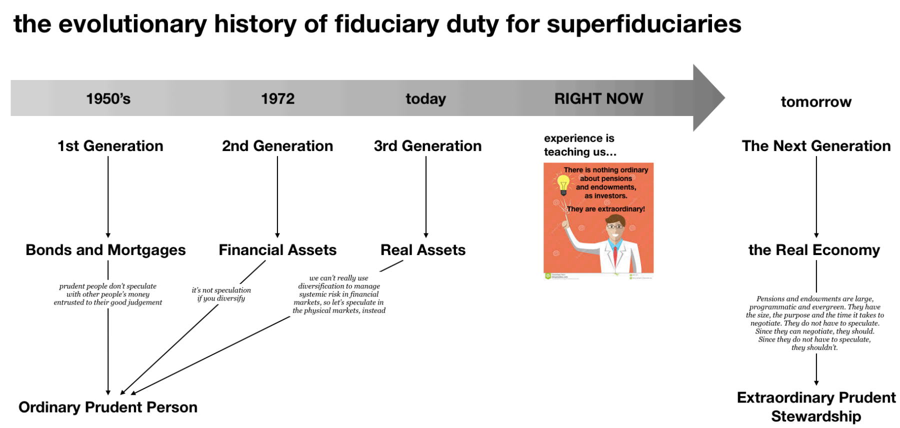


evergreen~

SUPERFUNDS

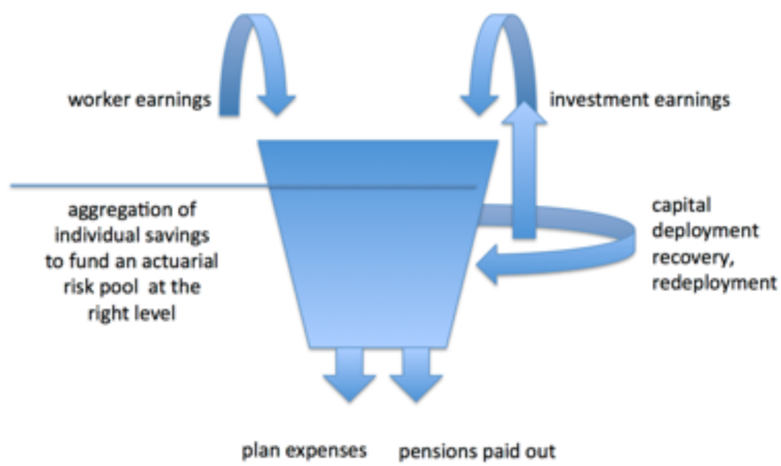


to upgrade the standards of fiduciary prudence, from ordinary to extraordinary



The next question is, How?

The answer lies in the structure of Pensions, and the powers, as financiers, that those structures create for them.



can should will?

de-constructing the construction of pensions to unpack their powers of size, purpose and time

they can negotiate, they do not have to speculate

Who can, should and will they negotiate with?

What can, should and will they negotiate for?

RADICAL re-thinking

in the Latin sense of “going to the root”

It's time to radically rethink
the purpose,
the powers
and the possibilities
for investment decision-making
by Pensions & Endowments
as Superfiduciary Stewards
of Society's Superfunds

Superfund Powers for investing in PEACE: size ~ purpose ~ time

Superfund Mechanisms for investing in PEACE: they can negotiate
they do not have to speculate

If Pensions & Endowments can negotiate,
why don't they?

Actually, they do. It’s just that they only negotiate with one kind of enterprise. They only negotiate with enterprises for executing specified strategies for speculating on the market clearing prices for specified kinds of securities traded over specified markets for maintaining market clearing prices for those kinds of securities. They only negotiate cash flow prioritization with Asset Managers generating cash flows by managing assets traded on price as commodities, over the Exchanges and through Funds. They only invest in visions of Growth.

Why?

Constructing A New Finance

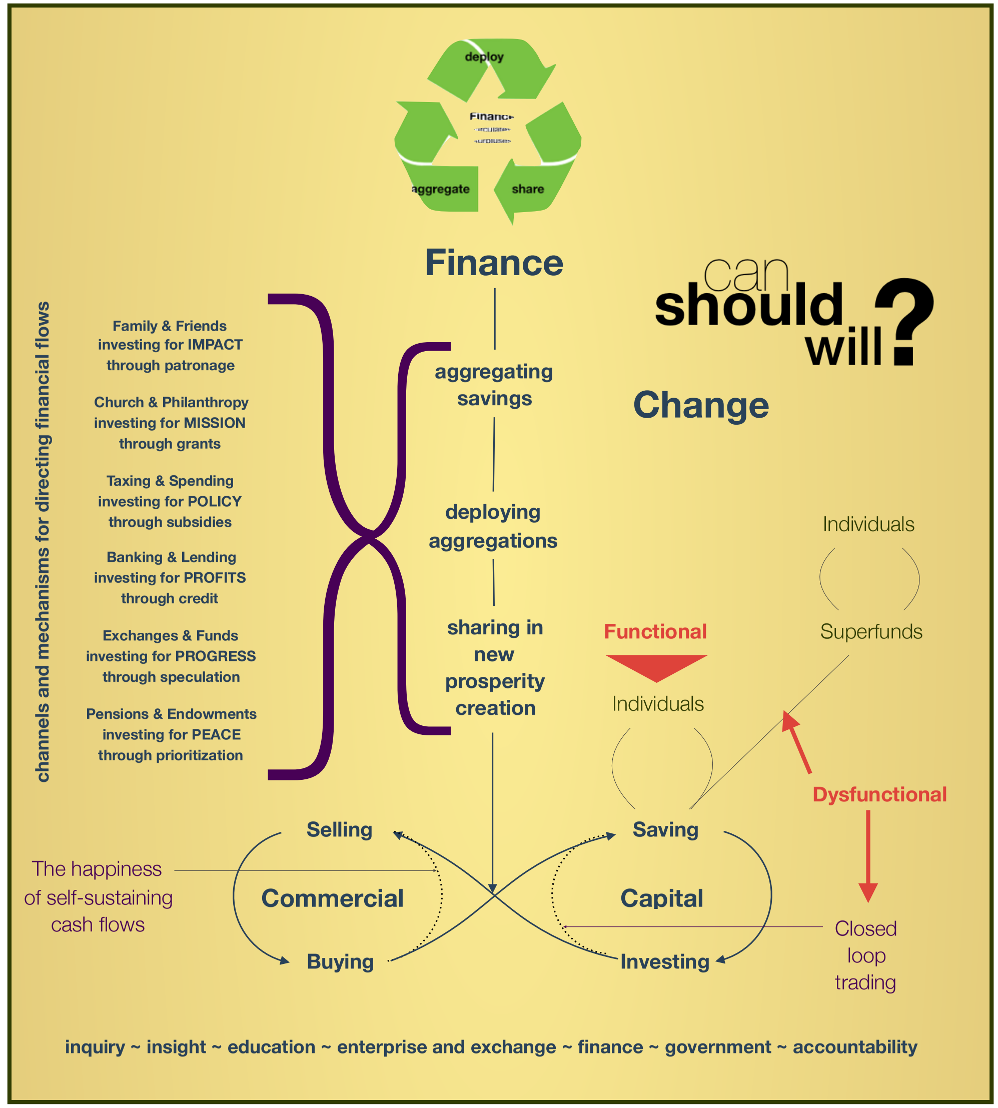
and a new narrative of superfiduciary stewardship

Push against the picture at right.

Interrogate the words. Ask about the lines connecting the words. What are they trying to tell you?

There's a lot going on there. Everything is in motion. This is what makes Finance so difficult for so many. It is about money in motion through a population that is always changing in a matrix of knowledge about the world and how it works that is always changing, so that the details of exactly where money is flowing within that population is always changing, because the choices people can, should and will be making within that population are always changing, and the matrix of knowing for that population changes, and the world people make for ourselves out of the world into which we are born constantly evolves prosperous adaptations to life's constant changes in evergreen pursuit of a future of more that is better, for more.

So the first insight we want to extract from our interrogation of this picture is that **Finance is about change**: it is about the changing social contracts between people within populations, and across the generations.



Many people say they do not like change, but the truth is, **being human is about change**.

These are some core truths about our uniquely human way of being in the world:

1. we are all born into a world that is not of our own making;

2. we are all endowed with capabilities of
    a. inquiry and insight through which we learn about how the world about us works, and how we can change the way the world works to make it work more a way we choose to make it; and
    b. enterprise and exchange, for collaboratively co-creating surpluses for sharing, putting learning into action collectively taking the world about us as we find it, and changing it to be more a way we choose to make it;

3. every change we make by choice causes other changes in the world about us that we did not choose, creating new possibilities for more learning about new ways in which we can take the world about us and change it to be more a way we choose, collaboratively co-creating a future of more that is better, for more (or sometimes, not), through inquiry, insight, enterprise and exchange.

Finance is one of several social structures that humanity has evolved, and continues to evolve, for managing this uniquely human way of being in the world through change, and prosperous adaptation to life's constant changes.

The entire portfolio of these social structures include:

1. Inquiry and insight, through:
    1. art & philosophy
    2. science & design
    3. Engineering & making

2. Education

3. Enterprise and exchange

4. Finance

5. Government

6. Accountability

The general pattern for how these social structures get used is as follows.

People make history. It's what we do.

People Who Care, self-selected from among the general population by interest and ability, see the need and the opportunity for inquiry and insight into the way the times are changing, as the times change, from time to time.

Education shares new insights within a larger population, within a larger context of accumulated knowledge and wisdom.

Enterprising individuals see the possibilities for putting new learning into action evolving prosperous adaptations to life's constant changes.

When enterprise needs money, Finance (through financiers) provide it.

Government regulates education, enterprise and finance.

Accountability to popularity makes sure education, enterprise, finance and government are all getting it right.

Inquiry and insight through art & philosophy, science and design, and engineering and making show us the possibilities for making a future history of more, that is better for more.

Enterprise and exchange are the primary social structures through which humanity pursues the possibilities for making our future history.

Finance is the social structure through which a population chooses what its future history can, should and will be made to be through enterprise and exchange.

Finance is done by financiers. Financiers operate in three primary movements.

1. They aggregate surpluses saved by individuals more roles scattered throughout the population.

2. They deploy those aggregations as investment in enterprises for collaboratively co-creating and sharing new surpluses.

3. They take a share in the new surpluses created by the enterprises they invests in, and share those shares with the individuals whose savings they aggregate to create the capital that they invest.

Different financiers are expert in different forms of Finance, different channels and mechanism for directing financial flows, from individuals into enterprise.

Each form of Finance aggregates surpluses saved for a specific purpose, and deploys those aggregations into enterprising visions of a future that fulfills that purpose, when Finance function correctly.

Sometimes, Finance does not function correctly, and the visions it values in enterprise do not fulfill the purposes of the savings it is aggregating.

Now is one of those times.

This is important to know as a fundamental principle of Finance, because it explains why Modern Finance appears so difficult to understand to so many people. Finance is not especially difficult to understand, when it is functioning correctly. When it degenerates into dysfunction, as it has today, however, those dysfunctions can be maddeningly difficult to diagnose. And when dysfunction is presented as function, the whole system can seem irrational.

Because it is.

Finance today has degenerated into dysfunction. Yet we are being told that Finance is functioning correctly. Better than ever before, in fact.

Those who do not see the lie in that assertion, who cannot see the fundamental dysfunction in Finance that is driving so many maladaptive choices for making our future history today, cannot make sense of Finance as it is functioning today. And they believe the problem lies with them: they just cannot understand the mysteries of how money makes our prosperity, and out future history.

To deconstruct this dysfunction we first need to deconstruct the monolith of Modern Finance, also popularly known as capitalism, into its constituent components, or The Capitalisms.

We've written earlier about the six channels and mechanisms in use today for directing financial flows from individual savers to enterprising visions of prosperous adaptation to life's constant changes. Each forms its own unique social structure of vision-valuing patterns, pattern languages, places and professionals. They are, as a reminder:

Family & Friends aggregating surpluses saved to care for our own and deploying those aggregations as investment of capital in enterprising visions of IMPACT through patronage;

Church & Philanthropy aggregating surpluses saved to care for our others and deploying those aggregations as investment of capital in enterprising visions of MISSION through grants;

Taxing & Spending aggregating surpluses saved for public health, public safety, public welfare and good government, more generally, and deploying those aggregations as investment of capital in enterprising visions of POLICY through subsidies;

Banking & Lending aggregating surpluses saved to manage our money and deploying those aggregations as investment of capital in enterprising visions of PROFITS through credit;

Exchanges & Funds aggregating surpluses saved to put money to work opportunistically and idiosyncratically making more money and deploying those aggregations as investment of capital in enterprising visions of PROGRESS through speculation; and

Pensions & Endowments aggregating surpluses saved to programmatically provide certainty against certain of life's uncertainties and deploying those aggregations as investment of capital in enterprising visions of PEACE, the peace of sufficiency circulating sufficiently throughout the populations and across the generations, through negotiated agreements on prioritizing cash flows through enterprise.

Except, as we have written previously, we have these two problems:

1. over the course of the 20th Century, the vision of PROGRESS that is valued through Exchanges & Funds has degenerated into a vision of GROWTH; and

2. Exchanges & Funds have taken over the Pensions & Endowments channel, and is increasingly monopolizing all the other channels of Finance in a monomaniacal pursuit of GROWTH as THE pathway to prosperity, and even at the expense of the peace of a reasonably inclusive and fairly shared prosperity.

The problem with GROWTH as a vision of prosperity is that growth is not a thing. It is a measurement; a measurement of the increase in the magnitude of a thing over time.

So the question of whether growth is good, or not good, is really a function of what the thing is that is increasing in magnitude, and whether more of that thing is good. Why is it good? Who is it good for.

Pursuing GOWTH as the one value that Finance values reduces all financial decision making to numbers, because growth is about increase, and we measure increase using numbers.

But Finance is not really about numbers. Finance is really about people, and the visions of future value that people value. Since we are all people, and we all know what visions of the future we value, Finance should be about all of us.

Each channel and mechanism of Finance - each of The Capitalisms - is inclusive of people in its own way.

The Family & Friends channel is, of course, inclusive only of those people who fall within the ambit of “our own” for each grouping of family and friends. Outsiders are not included. However, for those inside the circle, each has our own voice based on the status we each have within that group, personally.

The Church & Philanthropy channel is inclusive through public support for the various missions of the various churches or philanthropies, including at the very broadest level, public support for their legal existence as entities empowered to pursue their missions, which sometimes includes special status, such as exemption from taxation.

The Taxing & Spending channel is, of course, government, not in its regulatory and police capacities, but in its capacity as investor in public facilities and public faculties for public health, public safety and public welfare is inclusive in many modern forms of government through electoral politics, and in every form through public protest and public outcry.

The Banking & Lending channel is inclusive through the trust and confidence of its depositors: if customers lose trust in their bankers, or disapprove of their lending policies and practices, they pull their deposits out, and the banks will lose capital available to invest, and so, also, the ability to generate cash flows through the extension of credit to others; additionally, the general public, lead by People Who Care, will activate the police powers of government to impose regulations constraining their actions.

The Exchanges & Funds channel is inclusive through the Invisible Hand of popular consensus in setting the market clearing prices for shares in those investment contracts that are traded as commodities of the exchanges or through funds. At least this is true when the exchanges are used mostly by individuals investing their own savings, for their own account, in pursuit of their own proper personal visions of PROGRESS. If, however, the exchange channel comes to be dominated by professional traders trading professionally, for a fee, using Other People's Money, the Invisible Hand becomes disabled and the voices of individuals voting on PROGRESS are drowned out by the voices of Asset Managers speculating on GROWTH as buy-to-hold becomes buy-low-to-sell-high becomes buy-high-to-sell-higher

The Pensions & Endowments channel is inclusive through the laws of fiduciary duty and the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of fiduciary prudence.

This is where the matter stands today.

The GROWTH narrative of professional asset management has informed the common sense and common wisdom of The Hypothetical Reasonable Person, holding the superfiduciary stewards of society's superfunds - our pensions and endowments - to a standard of ordinary prudence that just happens to make speculation over the exchanges through portfolio diversification - which is the core expertise of professional asset managers - the ordinarily prudent way for pensions and endowments to invest.

Except that pensions and endowments are not ordinary fiduciaries. Ordinary fiduciaries are fiduciaries for named individuals or family groupings that must be "lives in being" at the time of the creation of the trust. While the trusts of some very wealthy families can be very large, few, in any, are truly supersized. None of them are truly evergreen, in the sense of being truly open-ended and intergenerational. So none have as their chartered purpose to benefit entire populations of current and future beneficiaries, across the generations.

Pensions and endowments, many individually and all taken together as a channel of Finance, are supersized. They are evergreen. They are intergenerational. For that reason, as fiduciaries, they are extraordinary.

When we hold extraordinary fiduciaries to a standard of ordinary prudence, we get extraordinarily bad outcomes, for society's superfunds, and for society, more generally.

When pensions, especially, invest in GROWTH through the Exchanges & Funds channels for directing financial flows into enterprise, the thing they are actually investing in, what it is that is growing, is the scale of corporate bureaucracies, and the net present value (NPV) of the cash flows that flow through those bureaucracies and from which the market clearing prices for shares in those corporations traded over the exchanges and through funds are ultimately and indirectly derived.

Growth in the scale of a corporate bureaucracy can be the consequence of growth in the popularity of the surpluses being collaboratively co-created by the enterprises that are owned and managed by that bureaucracy. In such as a case, GROWTH does come from PROGRESS. The two are, for all practical purposes, one and the same social experience; an experience that is more often than not well aligned with the creation of a future history of more that is better for more.

Growth in the scale of corporate bureaucracy can also be the consequence of the acquisition of additional enterprises by that bureaucracy that is not so much progress towards a future of more that is better for more, as it is the concentration of control over more and more of the cash flows flowing through the population in the hands of fewer and fewer larger and larger corporate bureaucracies, and the smaller and smaller number of actual human beings who manipulate the mechanisms of corporate finance to exercise control over those corporate bureaucracies.

The Invisible Hand of individual investors investing individually can see the difference between authentic GROWTH that is also PROGRESS and meglomonaical GROWTH that is really just monopolization.

The exchange mechanism does not come with filters for discriminating between growth that is also progress and apparent growth that is really just monopolization. The exchanges need growth in share price in order to effectively and efficiently do what they are created by design to do: which is deliver a certain sale, albeit at an uncertain price, through an always available market clearing price.

Over the exchanges, sellers need buyers. Buyers need growth. Increases in the magnitude of the market clearing prices over time is what attracts new buyers. New buyers is what gives current holders the opportunity to become sellers at higher prices than they paid when they bought in. Sellers selling at a profit attracts new buyers in expectation that they will, in their turn, become sellers at a profit to the next new buyer.

Growth is what drives all this. Growth in the scale of corporate bureaucracy and in the net present value (NPV) of the cash flows flowing through those bureaucracies from which market clearing prices are ultimately and indirectly derived.

Growth is the only value the exchange channels are design to value; visions of growth are the only enterprises visions Exchanges & Funds are designed to finance.

The Asset Managers who have taken over investment by Pensions & Endowments since 1972 are professionals expert in the working of Exchanges & Funds. They are experts in Growth as growth in the scale of corporate bureaucracies and the NPV of their cash flows.

Many voices can be heard today saying we must demand that Asset Managers develop filters for distinguishing growth from progress, which is good, and growth from monopolization, which is bad.

We see it as the more peaceful path to tell the superfiduciary stewards of society's superfunds not to invest the savings of society entrusted to their good judgement in Growth through speculation over the Exchanges and through funds.

Instead, we should be telling them, they should be investing in enterprise cash flows directly, through custom-crafted agreements for prioritizing cash flows for peace and prosperity as the most fit-for-purpose method of generating sufficient superfund cash flows for this generation and the next, across an evergreen succession of this and next generations.

We should be holding these superfiduciaries to this higher standard of extraordinary prudence, as prudently fit to their extraordinary capabilities of size, of purpose and of time: they can negotiate; they do not have to speculate.

Who should they be negotiating with? What should they be negotiating for?

The What? defines the Who?

What they should be negotiating for is a fiduciary sufficient share in enterprise cash flows priorities for peace.

Who they should be negotiating with are the visionary leaders of creative enterprises, directly, and not derivatively, through Asset Managers and Corporate Executives.

These are the new standard of extraordinary prudence that we should be holding our super fiduciaries to.

And when I say “we” I mean you, and me, and all of us, who together create the common sense and common wisdom of The Hypothetical Reasonable Person who is the legal standard of fiduciary prudence.

Fiduciaries are persons who own property for the benefit of others. People who accept a fiduciary trust also accept the burdens of fiduciary duty under the common law of trusts. This requires fiduciaries to act with loyalty to the purposes of their accepted trusted, with prudence in the exercise of discretionary authority vested in them by that trust, and with competence in the exercise of fiduciary prudence.

This law of fiduciary duty in Western legal tradition dates back centuries, to the time of the first Crusades, in Medieval

France, when title to land was vested in the person of landed aristocrats. When these landed aristocrats were preparing to go to the Crusade, they sometimes transferred their titles to friends they could trust, entrusting them to care for their estates in their absence, and to return those titles to them upon their return, or to their heirs, should they not return.

These transfers in trust came to be enforced under the laws of fiduciary duty.

These fiduciary transfers in trust also found use during the time of the aristocrats for making land grants to the Churches and Monasteries. Such grants might be made in perpetuity, for as long as the estates were used for ecclesiastical or eleemosynary purposes, and would revert to the grantor or his heirs if not.

These practices continue to this day, in the form of university endowments and foundations endowed for philanthropy.

In the Industrial Age, this legal construct of the fiduciary trust found new uses among the non-titled rich. In those days, women and minor children could not own property or enter into legal contracts in their own name. So the patriarchs of wealthy families would create fiduciary trusts conveying money and property to paid professional fiduciaries - often drawn from the banking professions - to hold property and invest money to provide their widows, for any unmarried women in their charge or for their minor mail heirs, until they reached their majority, and could hold property for themselves.

Early attempts to make these personal and private trusts perpetual were deemed to be against public policy, giving rise to something that has come to be known as The Rule Against Perpetuities, limiting the duration of private testamentary trusts to “lives in being, plus 21 years”; that is, trusts can be created while the grantor is alive, and upon their death, for the benefit of people then alive, to the limit of their lives, and for the unborn children of then-pregnant women, through the duration of their minority. After that, the trust must be dissolved, and the entrusted property must pass to someone outright, free of the constraints of any trust.

These trusts are ordinary trusts. The fiduciaries of these trusts are ordinary fiduciaries. They have the same powers of investment as any ordinary person. And their purposes are entirely private, and in no way public.

In the 20th Century, a new use was found for this legal construct of the fiduciary trust: worker pensions.

A proper pension - what is commonly called today a defined benefit, or DB, plan - is a form of life insurance in the obverse. Where life insurance provides certainty against the financial uncertainties of dying too soon, pensions provide certainty against the financial uncertainties of living too long, and outliving our earnings and our savings, both, an uncertainty that creates its own feelings of existential anxiety in our increasingly commercialized, industrialized, mobilized, monetized and urbanized way of being in the world.

Insurance and pensions both use the science of statistics, the mathematics of probabilities and the Laws of Large Numbers to average out the costs of providing average benefits within statistically significant populations of statistically similar individuals through actuarial risk pools into which each person pays according to average costs, and each person takes out according to actual experience; at the level of the risk pool overall, the actual experience of individuals are average out to an average cost to the pool, overall.

For insurance, these risk pools were commonly organized into corporation or mutual stock companies that were operated for a profit. For pensions, these risk pools were universally organized into fiduciary trusts, and operated on a not-for-profit basis.

These pension trusts are not ordinary. They are extraordinary. They are entrusted with discretionary authority over vast pools of society's shared savings aggregated for private purposes that have an overriding social purpose. Worker pensions from an important part of the social safety net that ensures all persons can live well in retirement, with dignity. They have special status under the law, including special tax-exempt status under the tax laws. Which means as a matter of public policy they are subsidized by the tax base.

These pensions trusts are extraordinary for the sheer size of society's savings over which they are invested with discretionary authority to invest.

They are extraordinary for the programmatic purposes they have a fiduciary duty to pursue through their discretionary investment of society's shared savings entrusted to their good judgement.

They are extrarordinary for the time they have to pursue their programmatic purposes, which pretty much is forever.

And yet the laws of fiduciary duty still hold them to the ordinary standards of ordinary prudence to which we hold ordinary fiduciaries of ordinary trusts for private, and not public purposes.

It's time for an upgrade.

The last upgrade took place in 1972, and it has not worked out that well.

Actually, the story of that upgrade begins in 1969. And to begins not with pensions, but with foundations.

In 1969, the US Congress decided to re-evaluate the rules for letting so-called public charities qualify for tax-exempt status, which allows them to accept tax-deductible charitable donations. The concern was that these charities - that we also call philanthropies or philanthropic foundations or endowed foundations (all different names for the same legal constructs) - were aggregating vast sums of money that they were not paying out for charitable purposes, and also were not investing in a post-post-War economy that was showing signs of slowing Growth.

The post-War economy was, of course, a bubble.

During the War, the economies of Europe and Japan had been decimated. China was struggling with its own internal challenges, and had not yet stepped upon the world stage. Russia was, well, Russia. The Middle East was roiling in the wake of shifting fortunes in Europe. India, Indonesia and Africa were all struggling to shrug off the yoke of European Colonialism. South America kept pretty much to itself.

On the world stage, the USA was The Last Economy Standing. For awhile.

Marshall Plans were helping Europe and Japan rebuild, and by the end of the 1960s, these plans were working, These economies were becoming once again self-sufficient, and re-entering global competition.

Communism was in its death throes, in both Russia and China. China, especially, was perfecting its skills in contract manufacturing, and preparing to emerge from communism as manufacturers to the world. South Korea was following Japan and China into heavy industry and manufacturing on a global scale.

The world was becoming a very different place. And the US was trying to figure out how to adapt. The need was perceived for new investment. Not just as debt. Foundations, along with endowment foundations and pension trusts were all active lenders to government borrowers and real estate mostly. These were the investments that the common sense and common wisdom of The Hypothetical Reasonable Person deemed to be prudent at the time.

What was needed to manufacture Growth in the emerging no-Growth economy of post-post-War America was risk capital to fund new global adventures. American business needed to scale up, in order to compete on a global scale against the increasingly competitive economies of Europe and Asia, while also re-defining post-Colonialism in India, Indonesia, Africa and to a lesser extent, South America.

Funds held in foundation endowments were not sources of risk capital by the standards of fiduciary prudence of the day. So those funds had to be disgorged.

New laws were passed requiring these so-called public charities to pay out at least 5% of their endowments in furtherance of their public missions, in order to keep their tax-exempt status, and continue accepting tax-deductible gifts and donations.

This caused Ford Foundation, perhaps the largest endowment in the US at the time, considerable distress. Prevailing rates of interest were about 3% at the time, and interest bearing investments were the only investments they were permitted to make under the rules of fiduciary prudence prevailing at the time.

If they had to pay out 5%, but could only take in 3%, that meant they had to pay out 2% of their endowment every year, slowing liquidating their endowment, and eventually putting themselves out of business.

There had to be a better way.

So Ford Foundation commissioned two attorneys, Messers. Carey and Bright, to review the law of fiduciary prudence, and advise the Foundation whether there was any way they could change their investment choices to invest in ways that delivered higher returns that government bonds and real estate mortgage loans. Maybe participating in the public stock markets, which had been consistently delivering double-digit returns throughout the post-War years.

Messers. Carey and Bright reported back, correctly, that the law of fiduciary duty has been unchanged for centuries in its requirement that fiduciaries exercise prudence when investing funds entrusted to their good judgement. They also, pointed out, correctly, that the law of fiduciary duty does not specify the standards of what is considered prudent; prudence, under the law of fiduciary duty, is a question of fact, to be determined by reference to the common sense and common wisdom of ordinary prudent persons, making their own choices for investing their own money in pursuit of their own proper purposes. This is what the law sometimes refers to as The Hypothetical Reasonable Person.

Messers. Carey and Bright further reported, also correctly, that ordinary people of reasonable prudence do commonly invest their own money in the stock markets, using portfolio diversification strategies to even out pricing fluctuations on individual stock prices.

From there, Messers. Carey and Bright went on to reason that if the law requires ordinary prudence of fiduciaries, and ordinary prudent people speculate on Wall Street using portfolio diversification strategies to manage volatility and risk, then Ford Foundation could arguably also speculate on stock prices through properly diversified portfolios of trading position in different stocks.

Ford Foundation did not act on that advice. At least not right away.

What did happen was that in 1972, at is Annual Meeting in Phoenix, in August of that year, the National Commission on Uniform State Laws, a volunteer lawyers group that works to smooth our idiosyncratic differences between different state laws on various matters, mostly of interest to business, that fall outside the federal pre-emption authority of the US Government, but nonetheless make doing business in different states unnecessarily cumbersome, promulgated something it called the Uniform Management of institutions Funds Act, or the Uniform Act.

This Uniform Act effectively codified the conclusions of Messrs. Carey and Bright in their report to Ford Foundation.

Within a year, it was enacted into law in 43 of the 50 states, and is now the law in all 50 states.

At this point, the baton passed to the university community. The Harvard University endowment learned of the new law and once it was passed, hired a recent Harvard Law School Graduate named Jim Bailey to build and manage a portfolio of corporate stocks on its behalf. Jim Bailey formed a company, Cambridge Associates, and building on its early successes for the Harvard endowment, began signing other university endowments up as clients for their portfolio management services.

University endowments were the first movers. Foundations followed next. Pensions were the slowest, taking a good ten years to embrace this new permission to speculate with society's savings that had been entrusted to their good judgement. By the 1980s, vast sums of society's shared savings entrusted to university endowments, endowed foundations and pension trusts poured into the Exchanges & Funds channels and the Corporate Finance mechanism for directing financial flows into enterprise through speculation on Growth in the scale of corporate bureaucracies, the net present value (NPV) of the cash flows flowing through those bureaucracies from which market clearing prices are derived.

The results are predictable. A self-fulfilling prophecy, really. Massive influxes of new money did not fuel equally massive increases in new enterprises. Instead, it fueled eye-popping increases in the market clearing prices for corporate shares, which fueled huge increases in executive compensation, massive bonuses for Wall Street investment bankers, and created one new industry: professional portfolio management, that now calls itself Asset Management.

As institutional funds replaced individuals as the primary particpants in the trading markets the slow rhythm of buy-to-hold became the professional portfolio managers promise to buy-low-and-sell-high became the professional speculators game of buy-high-to-sell-higher.

It's been a wild ride. We've lived through Merger Mania in the 1980s, and the collapse of the Savings and Loan industry; the dot.com bubble in the 1990s, and the Global Financial Crisis of 2008.

Today we are facing failing pensions, corporate gigantism, unreasonable elitism, fundamental unfairness, corporate capture of government policymaking, teetering democracies, ascendant autocracies, social oppression, mass migration, earth degradation. And climate change. Or, more importantly, inaction on climate action.

The market has become a casino, a boom waiting to go bust, a game of musical chairs waiting for the music to stop.

This is not good. We can do better.

We can remember what Messers. Carey and Bright forgot. Foundation fiduciaries - and their peers at universities and pension trusts - are not ordinary. They are extraordinary. They have extraordinary powers. They should be held to extraordinary standards in the exercise of those powers.

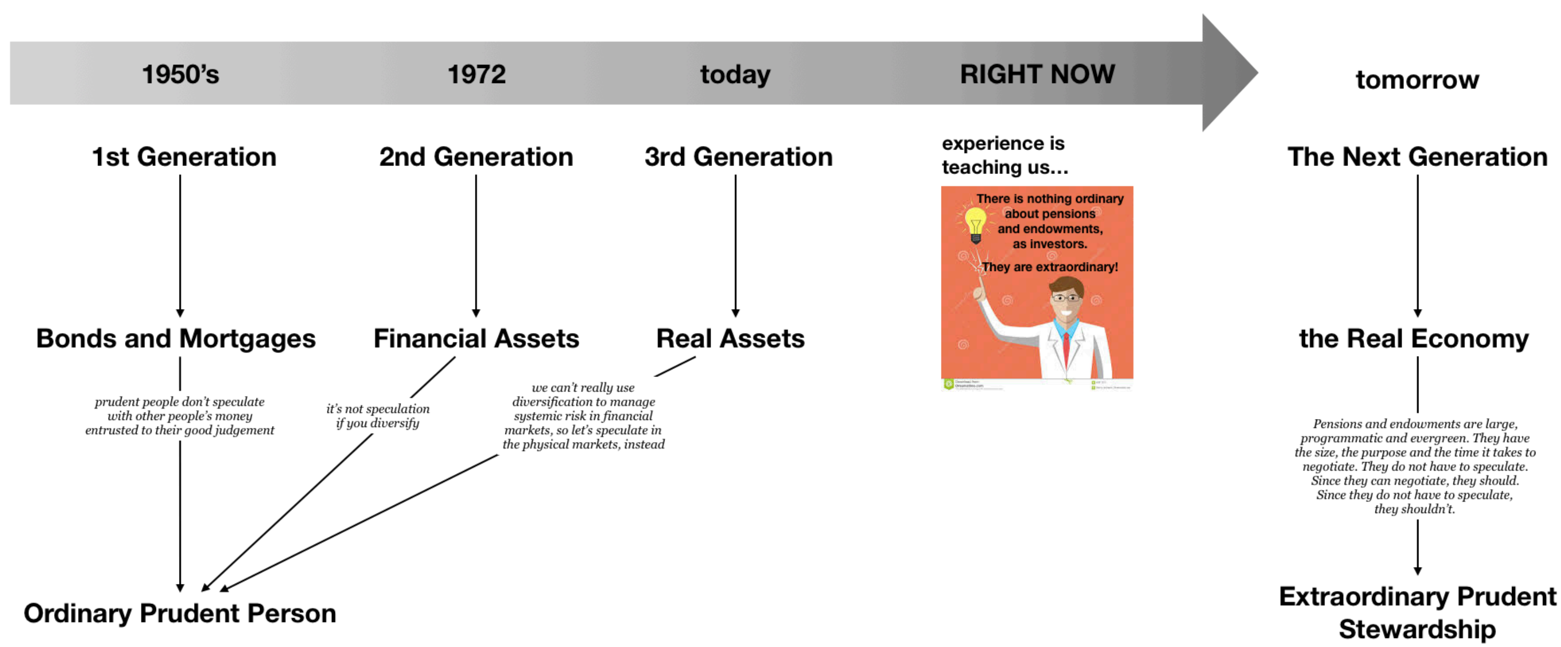
They are superfiduciaries. They should be held to a higher standard than just ordinary prudence.

They should be held to a standard of extraordinary prudence.

Many superfiduciaires know, instinctively, that something has gone wrong. They are looking to find new ways to invest, that are not so problematic as investing in financial assets. They are looking increasingly to invest in Real Assets.

We need them to begin investing in the Real Economy.

the evolutionary history of fiduciary duty for superfiduciaries



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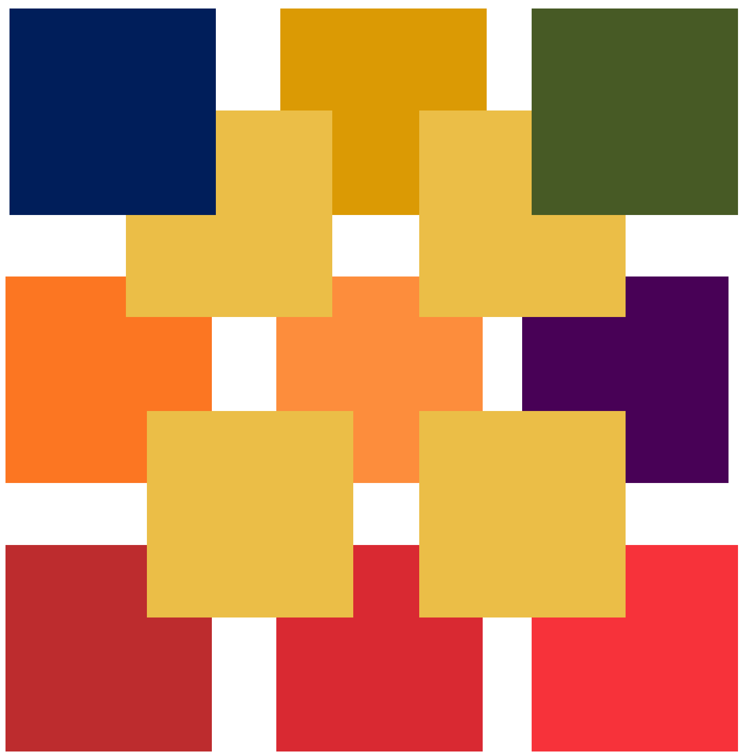
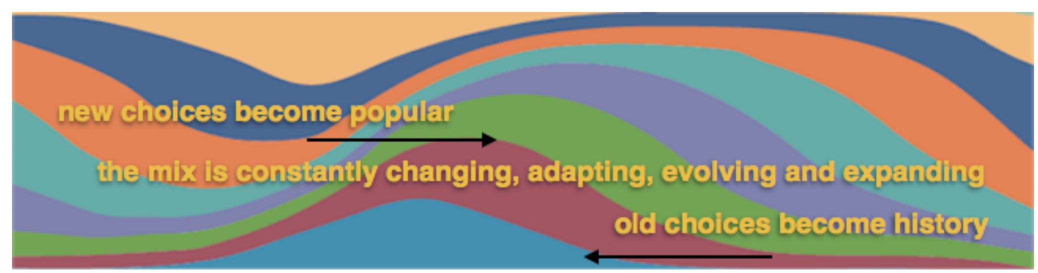
SUPERFUNDS



investing in the flourish and fade of the social contracts between enterprise and popular choice, that change over time, as times change, and humanity evolves prosperous adaptations to life’s constant changes through inquiry and insight, education, enterprise and exchange, finance, government and accountability to popular choice

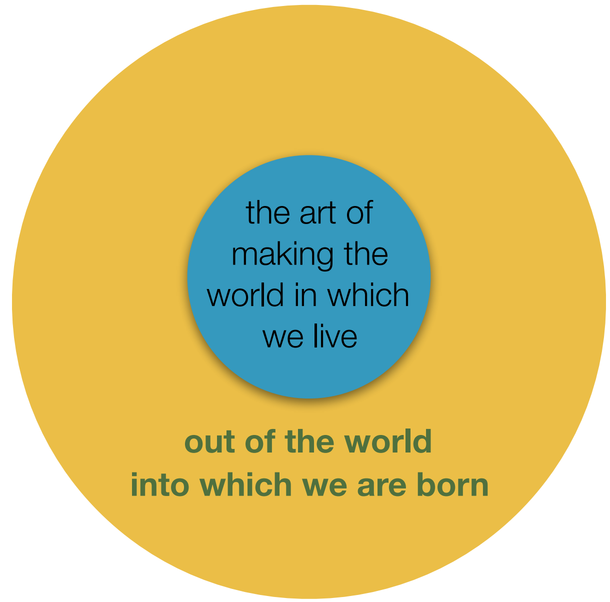


MILTON GLASER

Art is Work

door into the studio of Milton Glaser, iconic “I ❤️ NY” graphic designer

work is art



learning

earning

spending

saving

investing

We start with these three truths about our uniquely human way of being in the world:

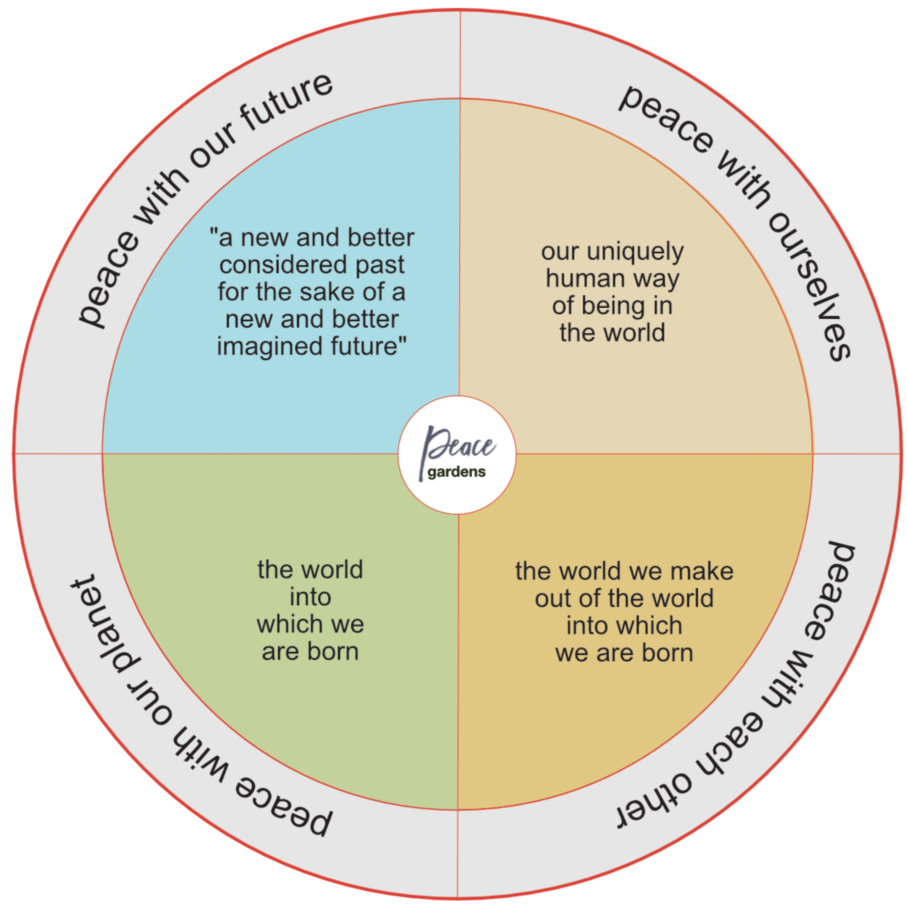
1. we are born into a world that is not of our own making;
2. we are empowered with uniquely human capabilities: for inquiry and insight, through which we figure out how the world about us works, and how we can change the way the world works, to make it work more a way we choose to make it; and for enterprise and exchange, through which we put our knowledge of how the world word to work, taking the world about us as we find it, and changing it to be more a way we choose to make;
3. every time we can the way the world about us works, to make it work more a way we choose to make, we also make other changes, that we did not choose, so that the world in which we live is constantly changing, and we are constantly evolving prosperous adaptation to the world’s constant changes, through inquiry, insight, education, enterprise and exchange, finance, government and accountability to popular choice.

the art of peace

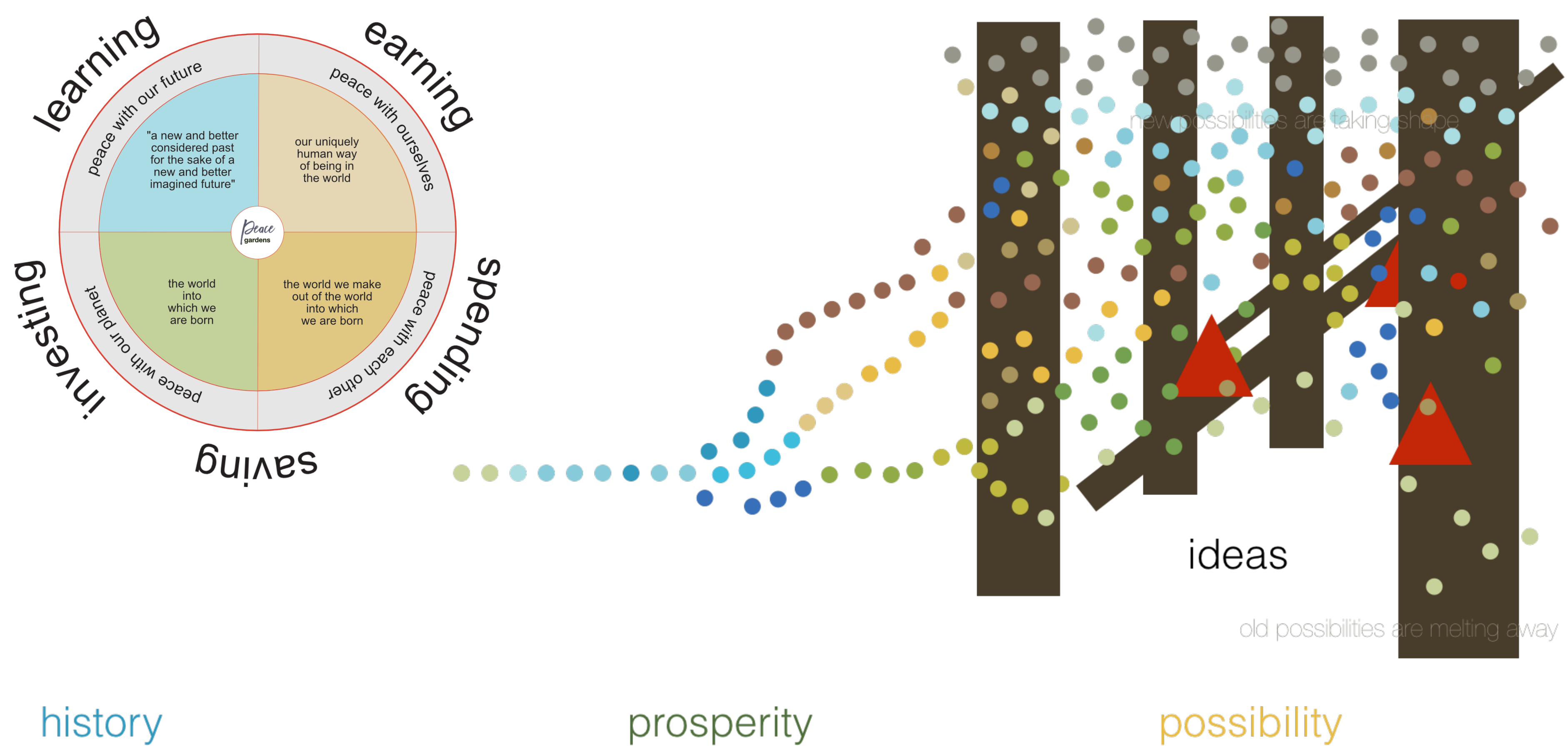
Earth peace and people peace

Peace with ourselves, and with each other;
Peace with our planet and with our future

The peace of sufficient surpluses circulating sufficiently throughout the populations and across the generations in patterns that are reasonably inclusive and fundamentally fair, changing from time to time as times change and humanity evolves prosperous adaptations to life's constant changes through inquiry, insight, education, enterprise and exchange, finance, government and accountability to popularity, making new choices more popular as better fit to changing times, and letting previously popular choices fade into history, as a good fit to an earlier time, driving the flourish and fade of the social contracts between enterprise and popular choice through the recurring cycle of learning, earning, spending, saving and investing in more new learning.



and the history of humanity's pursuit of prosperous adaptation to life's constant changes



Radically Rethinking

What does it teach us to learn that People Who Care, Enterprise, Finance, Government and Civil Society are the four primary structures of society's pursuit of peace through a fairly shared prosperity?

First, it teaches us that each of these different structures must fit together, in order to work together, properly.

Second, it tells that they must change together, to stay together, when times change, and people evolve prosperous adaptations to life's constant changes.

The pace of change is set by enterprise, because that is where change happens most frequently.

We can begin with these two truths about our uniquely human way of being in the world.

1. We are born into a world not of our own making.

2. We are endowed with the ability, through inquiry and insight, to figure out how the world about us works, and through collaborative co-creation, to put that learning into action taking the world about us as we find it, and changing it to be more a way we choose to make it.

It takes a concentration of time, effort and expertise to put learning into action. Doing so produces surplus artifacts of that learning put into action that can be shared with those who help create those surpluses, and also with others, who concentrate their own time, effort and expertise putting other learning into action collaboratively co-creating surpluses. When people collaboratively co-creating surpluses of one kind of learning-put-into-action share the surpluses they have collaboratively co-created with others, in exchange for a share of the surpluses those others have collaboratively co-created through the concentration of their time, effort and expertise putting other learning into action, many can live better together, through enterprise and exchange, than any one of us can live, going it alone. This is the essence of economy as our uniquely human way of being in the world.

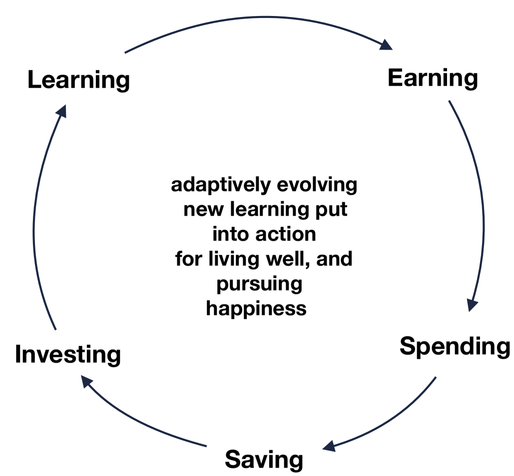
the social structures of peace and prosperity

Putting learning into action creates changes in the relationship between people and the world about us as we find it. Sometimes, these changes create a need that is also an opportunity for inquiry that leads to new learning that can be put into action evolving prosperous adaptions to these changes. This is the true engine of our prosperity, and the real story of human history. Ours is a story of change, and evolutionary adaptation to change, through inquiry, insight, enterprise and exchange.

Inquiry and enterprise require investments of time and effort before they can produce the surpluses that reward that investment through exchanges with others. When enterprise needs investment, Finance provides it.

Finance is a social structure structure of value-recognizing patterns, pattern languages, places and professionals through which a society chooses what new learning about the world about it can, should and will be put into action through enterprise for collaboratively co-creating surpluses for sharing with others.

The possibilities are identified by enterprising individuals. The choice whether or not to pursue those possibilities is made by society, through Finance.



1 **PEOPLE WHO CARE**

Sensing changes that create the need and the opportunity for new learning
Evolving prosperous adaptations to life's constant changes through inquiry and Insight: art & philosophy;

2 **ENTERPRISE**

anticipating popular choice for our future as it can, should and will be made to be
enterprise for collaboratively co-creating surpluses of learning put into action, for sharing with others in exchange for a price paid in money or other value

3 **FINANCE**

anticipating enterprise anticipating popular choice
the social structures of value-recognizing patterns, pattern languages, places and people through which a society decides what its future can, should and will be made to be through enterprise and exchange

4 **GOVERNMENT**

regulating enterprise and exchange, including finance
exercising popularly accepted authority to apply force to compel conformity with public laws or ad hoc decrees

5 **SAVINGS/CIVIL SOCIETY**

current earnings saved by individuals for spending later or on other things that get aggregated by Finance and deployed as investment into enterprise for adaptively evolving prosperous adaptations to life's constant changes

How do we write a new narrative of future prosperity filled with possibilities, not so much for Progress in a 19th Century industrial expansion as for evolving prosperous adaptations to life's constant changes in pursuit of a prosperity of peace in a future fulled with more that is better for more?

Let's begin with the work of famed entomologist Edward O. Wilson. Entomologists are scientists who study insects, and E. O. Wilson, as he is commonly cited, made a special study of ants.

In 1975, E. O. Wilson published a boom he call On Human Nature. In this book he shared his observations about how similar ant societies are to human societies. This made quite a stir. At the time most anthropologists were busy studying chimpanzees, as our closest genetic relative.

E. O. Wilson pointed out that chimpanzee societies are not really that similar to our societies. Chimpanzees don't collaborate the way we people do. In this way, people are more like ants, according to Dr. Wilson.

Dr. Wilson got the collaboration right, but he missed this other part. He missed the part about creativity.

Ants are not really like people, because ants are not creative. Ants do not have a history. The history of ants is that there were some ants, then there were some different ants. But they all just did the same ant things.

Ants do not have culture. They do not have civilization. People do.

People make history. That's what we do. Our lives today are very different than the lives that our parents lived, and those lives are different from the lives of their parents, and so and on back into the darkest recesses of Time, when Man first picked up a stick, and lit a fire.

Ever since then, we have been making things, and the thing we make the most is change. We do that collaboratively, as Dr. Wilson pointed out. We also do it creatively.

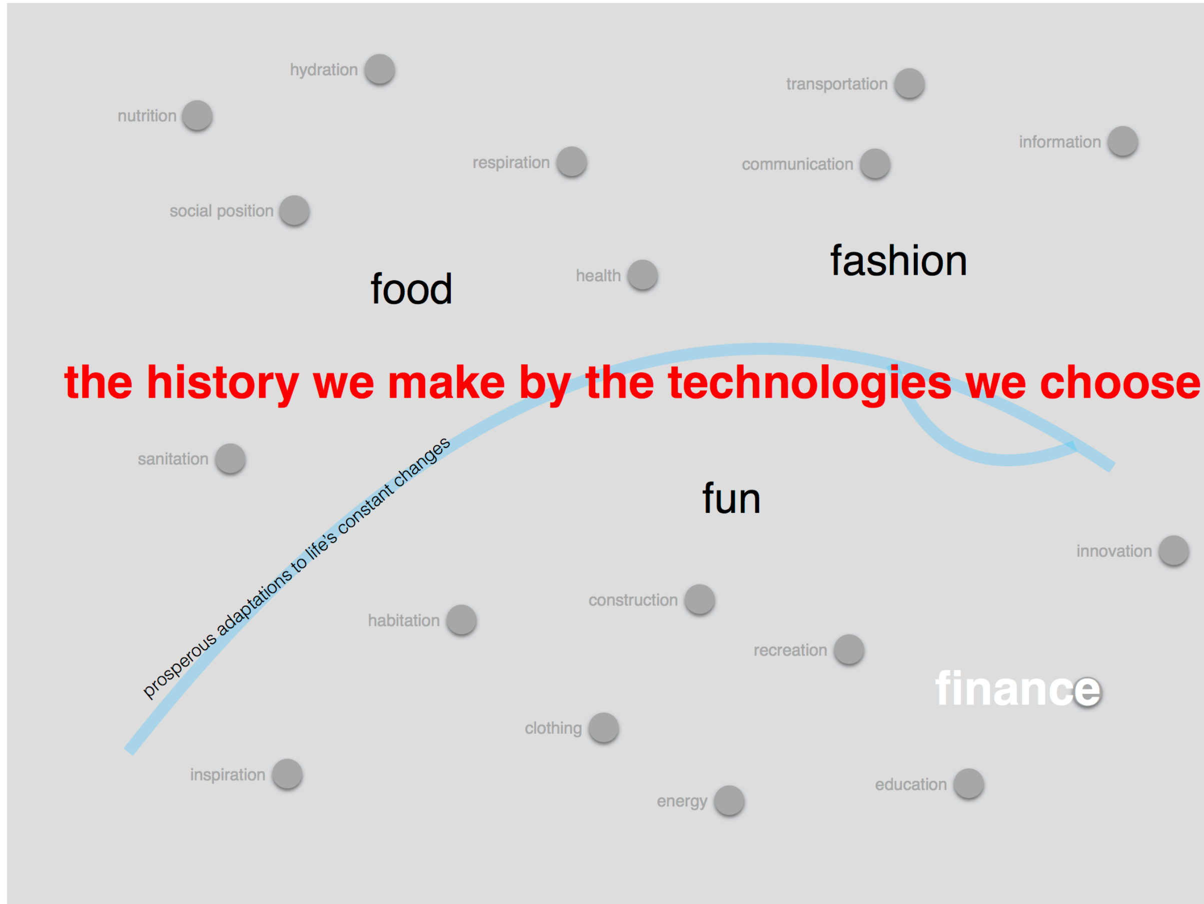
Human history is the history of our creative collaborations in taking the world about us as we find it, and changing it to be more a way we like it to be. This history is creative. It is collaborative. It is also adaptive. And evolutionary. Dr. Wilson missed that also. Ants don't evolve. Generation after generation, ants are just ants.

People do evolve. Not so much individually, as collectively. And one of the most important ways in which we evolve collectively is in the ways that we collaborate.

What we collaborate on is as important as how we collaborate, because the What? Is in some ways more changeable and in some ways less changeable than the How?

In fact, the What?, at its most fundamental level, never changes.

We collaborate on learning about how the world about us works, and how we can change the way the world does work, to make it work more a way we choose to make it. There are only so many places where the world in which we live intersects with the world into which we are born. These are the places where new possibilities are constantly being created for change, and evolutionary adaptation to change.

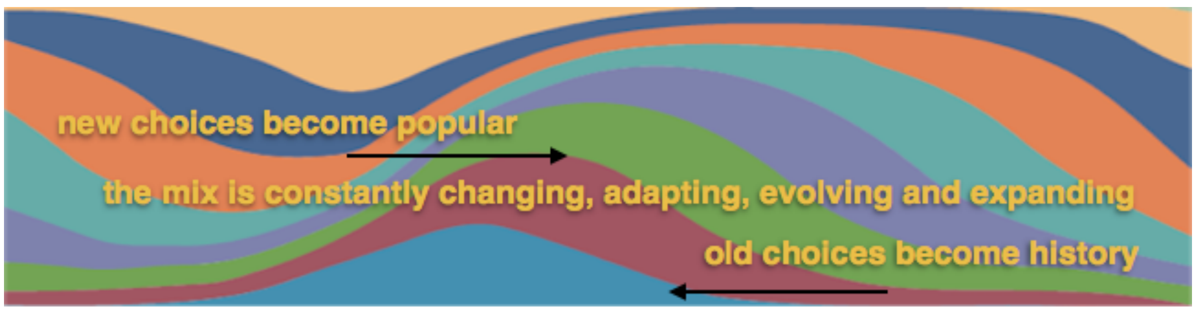


All enterprise operates at one or more of these points of intersection, these domains of learning, choice and action. We maybe have not yet correctly mapped out those domains, but they do not change. What changes is our knowledge of the possibilities within those domains, and the choices we choose, and the actions we take, and the impacts we have. These all evolve, and expand. And that evolution and expansion is our history.

The domains themselves are our constancy

The inherited wisdom from the Twentieth Century reduces change to a trend line that always trends up.

The new wisdom of the Twenty-First Century embraces change more authentically, as the flourish and fade of the social contracts that get made between enterprise and popular choice that change over time, as times change, and humanity evolves prosperous adaptations to life's constant changes, making new choices more popular as better fit to changing times, and letting previously popular choices fade into history, as a good fit at an earlier time.



This expectation of change, and prosperous adaptation to life's constant changes is a large part of what makes stewardship investing possible..

In a world view that sees change as a trend that everyone knows is going to fail sooner or later - because lived experience teaches us that times do change, and nothing just keeps going, and growing, forever - investing is really just speculating on the trend: How fast will it grow? How long will it hold? When will it fail?

Enterprise that is financed on trend-based expectations is structurally - not morally - compelled to manage to these trends. When the growth trend starts to flatten as the enterprise approaches practical perfection in its social contract with popular choice, and the happiness of self-sustaining cash flows, the enterprise must transform itself into a mutual fund, acquiring other enterprises to keep its growth trend going.

This is how Corporate Finance through speculation on market clearing prices in the Exchanges & Funds exaggerates the flourish and fade of the social contract between enterprise and popular choice into the boom and bust of Growth and Recession/Depression leading through Recovery to the norm of Growth.

If Growth is actually the norm, why do we episodically have Recessions?

The answer is, Growth is not the norm. The flourish and fade of new learning and changing choices is. Times change. Humanity evolves prosperous adaptations to life's constant changes. People make new choices more popular as better fit to changing times, letting previously popular choices fade into history, as a good fit at an earlier time.

If we invest in this flourish and fade, directly, we won't manufacture booms, and so there won't be busts.

There will be a new prosperity, of peace.

All if which brings us to this truism: all if Finance is about anticipating popular choice. That is, that is how Finance functions when it function correctly. If it slips into dysfunction, Finance begins trying to control popular choice, in order to perpetuate the current social order and to protect the privileges of an entrenched elite.

Each of the different forms of Finance, each of the different channels and mechanisms for directing financial flows, is built to use its own unique kit of tools for anticipating which enterprising choices will be popular in the future.

That is why when we have a new future, we need a new Finance. The toolkits of the old finance are just not fit to the function of anticipating popular choice in that new Future.

As we develop the right new toolkits, we evolve the right new Finance.

The tools of Modern Finance are actually the tools developed to anticipate popular choice in a 19th Century future of Progress through industrial expansion into an infinitely

receding horizon, out of which we can always take more, and into which the consequences of our taking will disappear, without consequence.

It is a future of mechanization, of standardization and of mass market merchandizing.

It is a future of “How could anyone possibly ever cut down all those trees?”

It is a future that became no longer possible by the dawn of the 20th Century, when we reached into the horizon far enough that we encountered a truth we had known for a long time, but choose to ignore: that the earth is actually a sphere that closes back in upon itself, out of which we can take a lot, but not all, and into which the consequences of our taking do not just disappear. What goes around, comes around.

new tools for financing a new future

It is a future that degenerated during the 20th Century, from Progress to Growth, to “bigger, better, faster, cheaper”, to Corporate Gigantism, Market Monopolization, Unreasonable Elitism, Fundamental Unfairness, Social Oppression and Earth Degradation.

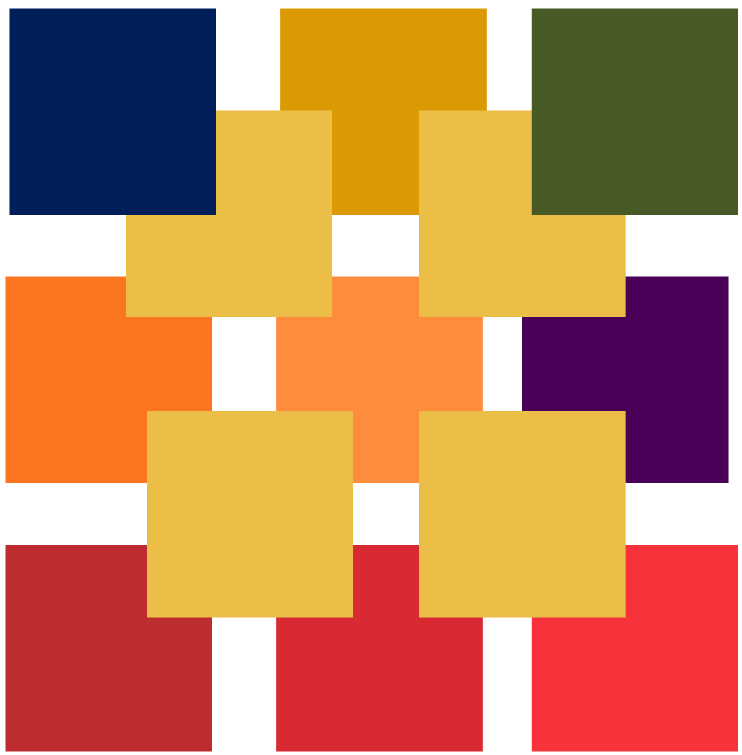
It is a future we cannot continue to pursue in the 21st Century. The times have changed. We must adapt.

In order to adapt to this New Future we need a New Finance, new tools for aggregating surpluses saved by individuals for new purposes and new tools for deploying those aggregations in the right new ways into the right new enterprises for putting the right new learning into action pursuing the right new prosperity, of peace, in this new future of the computer connected, globally evolving, adaptive networks economy of the 21st Century, and beyond.

Fortunately, we already have those new tools, in the form of pensions and endowments as super fiduciary stewards of society’s superfunds investing with extraordinary prudence in the flourish and fade of the social contracts between enterprise and popular choice through custom-crafted agreements for prioritizing cash flows negotiated with visionary leaders of creative enterpises, directly, in order to generate sufficient superfund cash flows, forever, in a forever of sufficient surpluses circulating sufficiently throughout the populations and across the generations in patterns that are reasonably inclusive and fundamentally fair, changing over time as times change, and humanity evolves prosperous adaptation to life’s constant changes.

evergreen~

SUPERFUNDS



through custom-crafted agreements on prioritizing cash flows, for peace, negotiated with visionary leaders of creative enterprises, directly

How can I generate adequate cash flows, forever?

- retired superfiduciary

What is “adequate”?

What is “forever"?

adequate

“Adequate” is not a word that exists in the vocabulary of speculation over Exchanges or through Funds. Speculators can only get what “the Market” gives. Experts who speculate professionally in the Markets cannot be held to a standard of "adequate cash flows”. They can only be held to a standard of Peer Benchmarking: to earn market rates of return, as the rates change over time, and from time to time.

Pensions & Endowments, however, promise the savers from whom they aggregate surpluses certainty against certain of life's uncertainties: certainty against the uncertainties of living too long, and outliving our learning, our earning and our savings; certainties against the uncertainties of cash flows from other sources for education and philanthropy.

Exchanges & Funds cannot deliver the certainty that Pensions & Endowments are created by design to deliver. This is not a moral failing, bad actors acting badly. It is structural. The Exchanges & Funds channels and mechanisms for directing financial flows are **structurally not fit** to the functions that Pensions & Endowments are created by design to perform.

Fitness to function is the deciding criteria here. Pensions & Endowments must choose **channels and mechanisms of finance that are fit to their function** as superfiduciary stewards of society's superfunds charged with providing certainty against certain of life's financial uncertainties. Exchanges & Funds are not fit to that function. They cannot be used by Pensions & Endowments consistent with their fiduciary duties of **loyalty** to their purpose, **prudence** in pursuing their purpose and **competence** in meeting their purpose.

forever

"Forever" is also not a word that exists in the vocabulary of speculation over Exchanges or through Funds. Speculators can only do the best they can in each moment, from moment to moment. What the markets give today, they may take away tomorrow.

Stewardship must do right by today, but not at the expense of tomorrow.

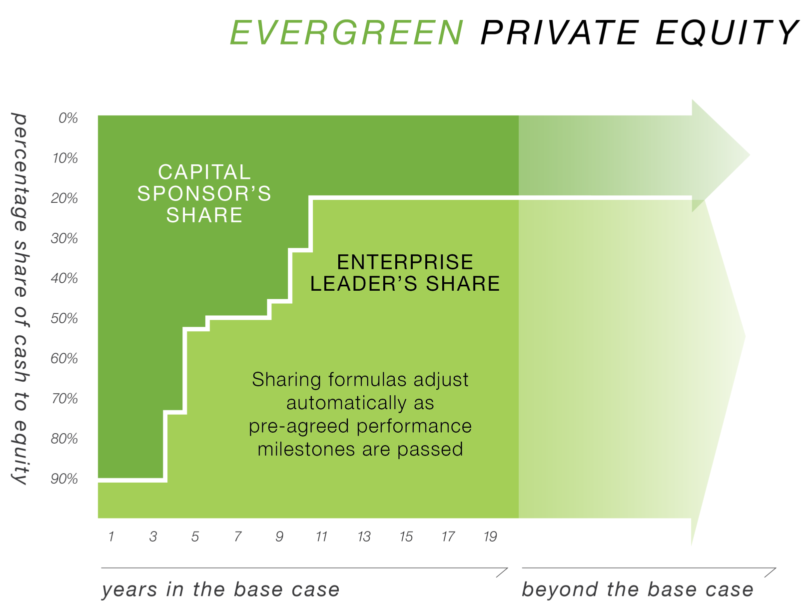
Ordinary prudence may say "there is nothing we can do about tomorrow, so let's just do the best we can today."

Extraordinary prudence has to say "we must find a way to do well today, and tomorrow."

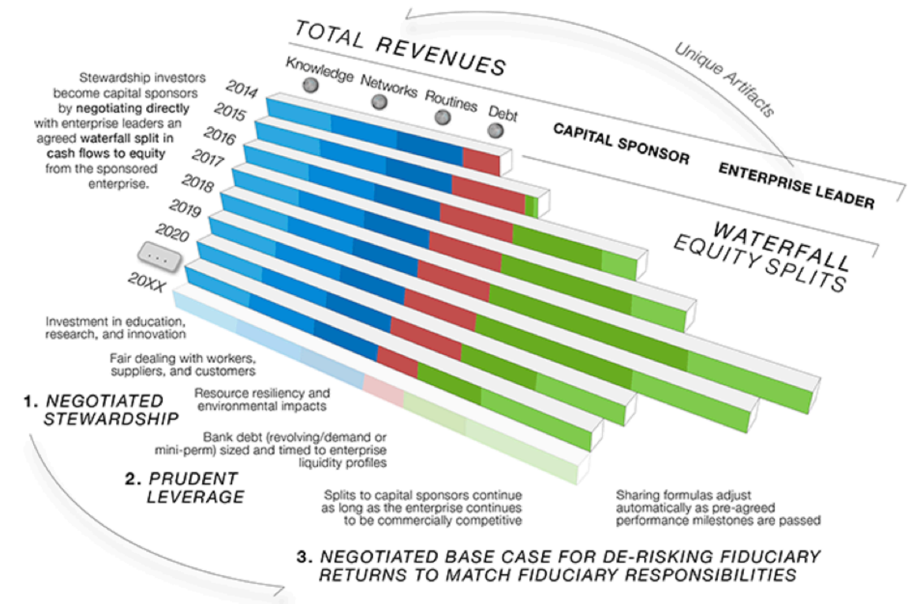
That way can be found.

The way to find it is in the cash flows that flow through every enterprise, and the social contract with popular choice through which those cash flows, flow; social contracts that flourish for a time, and fade in the fullness of time, as times change and humanity evolves prosperous adaptations to life's constant changes, making new choices more popular as better fit to changing times, while letting previously popular choices fade into history as a good fit at an earlier time.

Investing in this flourish and fade of these social contracts, through custom crafted agreements on prioritizing cash flows, for peace, negotiated with the visionary leader of creative enterprises is the way for super fiduciaries to generate sufficient cash flows for this generation, and the next, forever.



For more information, please contact Tim MacDonald at tim@stonebridgepartnerships.com.



The mechanisms our superfunds need to invest in prioritized cash flows directly already exist in the partnership agreements that already negotiate with Asset Managers.

These limited partnership investment structures offer all the features that evergreen superfiduciaries need to invest in enterprise cash flows, directly, except one: they are not truly evergreen; they don't just keep going. Modern investment agreements between Asset Owners and Asset Managers are all time-limited. And those time limits are somewhat artificial. They are driven more by the need for Asset Managers to exit their trading positions in order to realize their profits (or losses) than they are by any need that Asset Owners have to get their assets back (sticking for now with the conventional language of ordinary prudent superfiduciay investing).

Properly commercial enterprises don't have these kinds of artificial time limits. Their social contracts with popular choice are truly evergreen: they just keep going, until times change, and people change the choices they choose.

So, as we set Asset Owners free from the tyranny of Asset Management, to invest in commercial enterprise cash flows, directly, we have to make the common forms of limited partnership investment agreement properly evergreen.

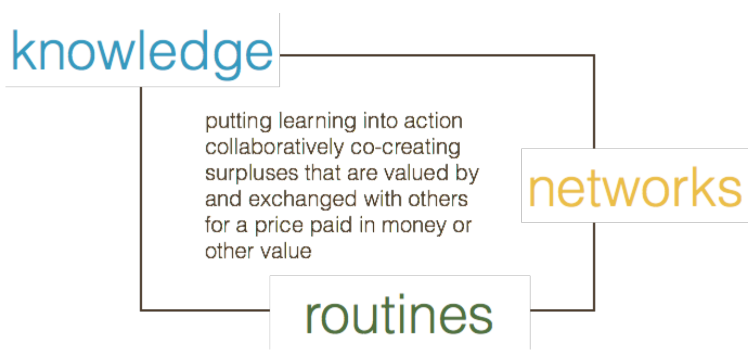
And this in two ways. One, we make them endlessly ongoing, riding the flourish and fade of the social contract between that enterprise and popular choice. Two, we prioritize cash flows for peace, so that they contribute to sufficientl superfund cash flow generation for this generation, and the next, across an evergreen succession of “this” and “next” generations.

Unlike Asset Management enterprises, each of which is just a variation on the one, same theme of speculation on Growth in future selling prices derived from the net present value (NPV) of cash flows flowing through a corporate bureaucracy (or other similar investment agreement [commonly known as a “security”]) traded on expectations for future price movements over one or more pubic exchanges, or in private alternative NPV trading markets, each commercial enterprise will have its own unique surplus it creates on which its social contract with popular choice will be based.

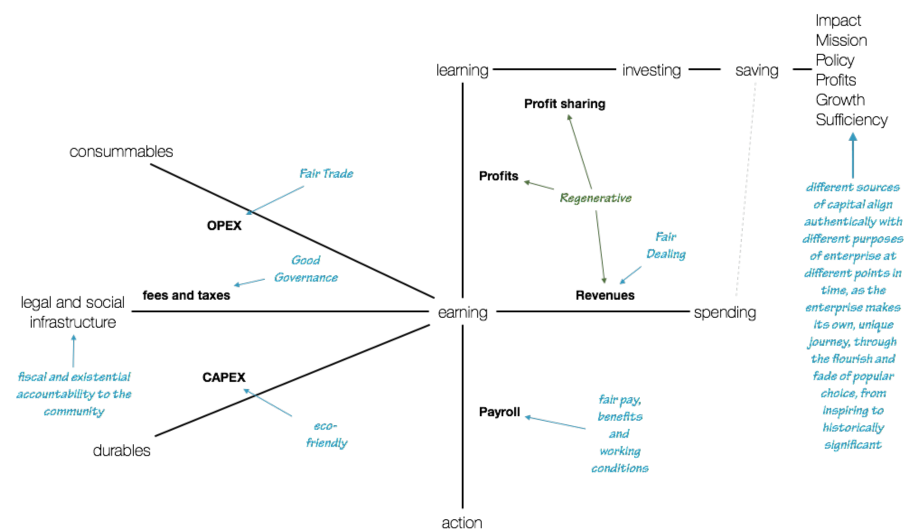
This surplus will be the expression of that enterprises core learning about the world about us, and how we can take the world about us as it is and change it to be more a way we choose to make it. The integrity of every enterprise will be a function of the completeness and cohesiveness of it core **knowledge**, the **networks** of connections it forms along its

designing an evergreen enterprise

a vision of change, and prosperous adaption
to life's constant changes

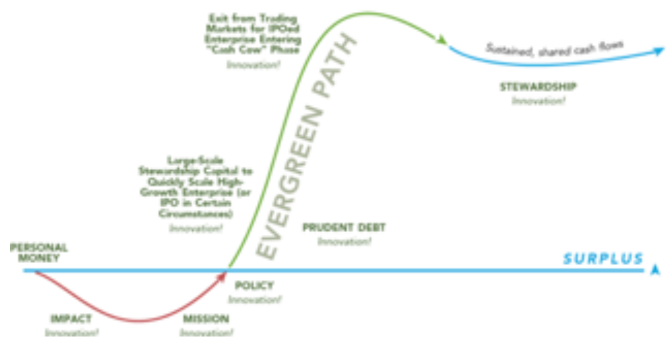


prioritizing cash flows for
reasonable inclusiveness and
fundamental fairness to this
generation, and the next

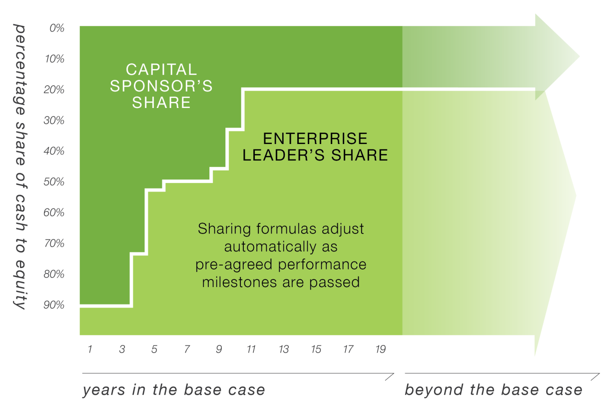


designing an extraordinary prudent investment in an evergreen enterprise

modeling the enterprise journey towards the happiness of self-sustaining cash flows



equity pay back/enterprise earn back



For more information, please contact Tim MacDonald at tim@stonebridgepartnerships.com.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Base Case Year	Calendar Year	Base Case CAPEX	Base Case Revenues	Base Case OPEX	Base Case Cash Flows	Interest in Debt	Principal Amortization	Cash to Equity	Priority Payback	1st Preferred Return	2nd Preferred Return	Post-Preference Residual	Annual Benefit to Equity	Annual Percentage Share of Cash	Cumulative Net Benefits	IRR	MOI
									90%	70%	50%	20%					
							61%			8%	20%		36%				
-2	2013												(27,414,697)		(27,414,697)	#NUM!	
0	2015	203,677,632					(124,250,571)						(45,012,364)		(72,427,061)	#NUM!	
1	2016		98,963,640	55,555,923	43,407,717	9,318,793	8,782,767	25,306,158	22,775,542	-	-	-	22,775,542	90%	(49,651,519)	#NUM!	0.31
2	2017		98,963,640	55,693,538	43,270,102	8,660,085	9,441,474	25,168,542	22,651,688	-	-	-	22,651,688	90%	(26,999,831)	-22%	0.63
3	2018		99,770,940	56,107,653	43,663,287	7,951,975	10,149,585	25,561,728	23,005,555	-	-	-	23,005,555	90%	(3,994,276)	-2%	0.94
4	2019		102,624,597	57,921,987	44,702,610	7,190,756	10,910,804	26,601,050	3,994,276	15,514,076	-	-	19,508,352	73%	15,514,076	7%	1.21
5	2020		105,811,914	59,898,020	45,913,894	6,372,446	11,729,114	27,812,334	-	2,218,433	12,321,572	-	14,540,005	52%	30,054,081	12%	1.41
6	2021		109,364,303	62,052,656	47,311,647	5,492,762	12,608,798	29,210,087	-	-	14,605,043	-	14,605,043	50%	44,659,124	15%	1.62
7	2022		109,555,591	62,513,117	47,042,474	4,547,102	13,554,457	28,940,914	-	-	14,470,457	-	14,470,457	50%	59,129,581	17%	1.82
8	2023		109,792,556	62,978,501	46,814,055	3,530,518	14,571,042	28,712,495	-	-	14,356,248	-	14,356,248	50%	73,485,829	19%	2.01
9	2024		110,073,465	63,448,879	46,624,586	2,437,690	15,663,870	28,523,027	-	-	12,212,869	819,458	13,032,327	46%	86,518,156	20%	2.19
10	2025		110,396,680	63,924,326	46,472,354	1,262,900	16,838,660	28,370,795	-	-	-	9,474,159	9,474,159	33%	95,992,315	21%	2.33
11	2026		110,760,649	64,404,917	46,355,732	-	-	46,355,732	-	-	-	9,271,146	9,271,146	20%	105,263,461	21%	2.45
12	2027		111,163,903	64,890,729	46,273,174	-	-	46,273,174	-	-	-	9,254,635	9,254,635	20%	114,518,096	21%	2.58
13	2028		111,605,053	65,381,840	46,223,213	-	-	46,223,213	-	-	-	9,244,643	9,244,643	20%	123,762,738	22%	2.71
14	2029		112,082,784	65,878,330	46,204,455	-	-	46,204,455	-	-	-	9,240,891	9,240,891	20%	133,003,629	22%	2.84
15	2030		112,595,855	66,380,278	46,215,576	-	-	46,215,576	-	-	-	9,243,115	9,243,115	20%	142,246,745	22%	2.96
16	2031		113,143,090	66,887,769	46,255,320	-	-	46,255,320	-	-	-	9,251,064	9,251,064	20%	151,497,809	22%	3.09
17	2032		113,723,379	67,400,885	46,322,493	-	-	46,322,493	-	-	-	9,264,499	9,264,499	20%	160,762,307	22%	3.22
18	2033		114,335,673	67,919,713	46,415,961	-	-	46,415,961	-	-	-	9,283,192	9,283,192	20%	170,045,499	22%	3.35
19	2034		114,978,983	68,444,338	46,534,646	-	-	46,534,646	-	-	-	9,306,929	9,306,929	20%	179,352,429	23%	3.48
20	2035		115,652,375	68,974,849	46,677,525	-	-	46,677,525	-	-	-	9,335,505	9,335,505	20%	188,687,934	23%	3.61
		203,677,632	2,185,359,070	1,266,658,248	918,700,822	56,765,026	0	737,685,225	72,427,061	17,732,509	67,966,189	102,989,236	261,114,995	35%			

NOTES: Build-out is scheduled for 24 months, through 2012 and 2014. 2014 equity advances are combined at Time 0 (start of the base case cash flow waterfall) which begins January 2015
Distributions to Equity in Year 10 include release of Debt Service Reserve at final pay-off of the Term Debt

calculating the sufficiency of cash flows

Coupon	Applied to Current Actuarial Cash Need	Surplus to Corpus or Upside	Sinking Fund Balance SOP	Uncovered Corpus SOP	Add to Sinking Fund	Sinking Fund Balance EOP	Uncovered Corpus EOP	evergreen ~ Upside	Years to Maturity
8%									
4,430	76	0	0	55,376	0	0	55,376	0	1
4,430	596	0	0	55,376	0	0	55,376	0	2
4,430	2,153	0	0	55,376	0	0	55,376	0	3
4,430	3,556	0	0	55,376	0	0	55,376	0	4
4,430	4,430	341	0	55,376	341	341	55,035	0	5
4,430	4,430	1,070	341	55,035	1,070	1,410	53,965	0	6
4,430	4,430	1,872	1,410	53,965	1,872	3,282	52,094	0	7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9
4,430	4,430	[illegible]	9,760	45,616	4,792	14,552	40,824	0	10
4,430	4,430	5,684	14,552	40,824	5,684	20,236	35,140	0	11
4,430	4,430	5,959	20,236	35,140	5,959	26,195	29,181	0	12
4,430	4,430	7,222	26,195	29,181	7,222	33,417	21,959	0	13
4,430	4,430	8,611	33,417	21,959	8,611	42,028	13,348	0	14
4,430	4,430	10,139	42,028	13,348	10,139	52,167	3,209	0	15
4,430	4,430	12,715	52,167	3,209	3,209	55,376	0	9,506	16
0	0	12,193	55,376	0	0	55,376	0	12,193	0
0	0	10,930	55,376	0	0	55,376	0	10,930	0
0	0	11,149	55,376	0	0	55,376	0	11,149	0
0	0	11,372	55,376	0	0	55,376	0	11,372	0

HYPOTHETICAL - For Discussion Purposes Only

(in $ Billions)		**1**	**2**	**3**	**4**	**5**	**>>>**	**10**	**>>>**	**15**	**>>>**	**20**
PG	(133.39)	12.49	13.11	13.75	14.42	15.11		19.02		22.52		28.00
SLB	(68.49)	8.00	8.18	8.36	8.55	8.74		9.75		10.30		11.46
MSFT	(151.55)	21.79	22.27	22.76	23.26	23.77		24.43		24.79		27.56
Total	(353.42)	42.28	43.56	44.87	46.22	47.62		53.20		57.61		67.03
HYPOTHETICAL Negotiated Base Case IRR		#NUM!	#NUM!	#NUM!	-23%	-13%		6%		11%		13%
Fiduciary Funds Being Prudently Invested		353.42	353.42	353.42	353.42	353.42		353.42		353.42		353.42
Earnings Required to Meet Fiduciary Obligations												
Make-Up for Inflation	2%	7.07	7.07	7.07	7.07	7.07		7.07		7.07		7.07
Pay Out Fiduciary Benefits	5%	17.67	17.67	17.67	17.67	17.67		17.67		17.67		17.67
Pay Costs of Fiduciary Administration	1%	3.53	3.53	3.53	3.53	3.53		3.53		3.53		3.53
Total Fiduciary Cash Needed	8%	28.27	28.27	28.27	28.27	28.27		28.27		28.27		28.27
Total Earnings from Investments		42.28	43.56	44.87	46.22	47.62		53.20		57.61		67.03
Applied to Capital Recovery		14.01	15.28	16.60	17.95	19.34		24.92		16.67		-
Available to Meet Fiduciary Obligations		28.27	28.27	28.27	28.27	28.27		28.27		40.94		67.03
Net Surplus (Shortfall) in Current Cash		-	-	-	-	-		-		**12.67**		**38.75**
Cumulative Fiduciary Funds Recovered		14.01	29.29	45.89	63.84	83.18		196.96		311.91		353.42

legal form of ownership and control for investment

property rights

commercial commitments

government permissions

third party consents

expert certifications and opinions

supply and distribution channels, and the **routines** it exercises for putting its knowledge into action collaboratively co-creating surpluses and exchanging those surpluses with others for a price paid in money or other value.

The routines are the more or less regularly repeated physical actions taken within an enterprise that generate financial cash flows. For every enterprise, these cash flows flow along the same seven financial vector.

The primary vector combines consumables and durables to create the physical or experiential artifacts that are sold or otherwise transferred to customers for a price paid in money or other value that generates the revenues out of which all the expenses of the enterprise must ultimately be paid/repaid, if the enterprise is to be a happy coming-together of people.

Workers are also key contributors to those core cash flows, because it is the workers who do the work of collaboratively co-creating the surpluses that get shared with others to generate the revenues that feed the cash flows that are happiness for enterprise.

Ancillary to these main vectors of consumables + durables + worker = customers is the communities within which each enterprise operates, and especially the legal frameworks within which each enterprise can and must operate.

Leadership is needed to inspire the enterprise with purpose, and keep it focused.

Leadership is also needed to supply capital to the enterprise to pay expenses that must be incurred in anticipation of revenues to be generated through future customer exchanges.

These cash flow vectors are also values vectors.

The values that an enterprise values are given their most tangible expression in the way cash is budgeted and spent. This is where priorities can be agreed between enterprise leaders and superfudiciaries to align the values of enterprise with the values of good stewardship.

Fair Trade practices can be agreed through enterprise supply chains.

Good Governance practices can be agreed in enterprise ethics, community engagement and legal compliance.

Social and Environmental Responsibility practices can be agreed in the procurement and use of technology and equipment.

Fair Compensation practices can be agreed with workers.

Fair Dealing practices can be agreed with customers and competitors.

Reasonable Profits and Profit-Sharing can be agreed with enterprise leadership and their investors as capital providers.

A properly evergreen enterprise will negotiate different forms of investment agreement with different kinds of financiers at different points in its enterprising journey towards the ultimate happiness of self-sustaining cash flows (that make the need for outside capital, except, perhaps, for some prudent debt to even out uneven cash flows, unnecessary).

It feels like superifiduciary funds will be most appropriate for an enterprise that has reached, or is approaching the crest of its "S" curve, and the phase of its social contract with popular choice when its surplus are accepted as a practically perfect solution to the needs of tis customers. This is a maturity phase, during which growth levels off, but cash flows can continue very strong for very, very long periods of time, depending upon the enterprise and the domain of human choice and action in which it competes.

At this point, continuing to drive NPV Growth to meet the demands of the Exchanges & Funds form of finance no longer authentically aligns with the future of that enterprise. A more authentic financing will allocate priority shares in current cash flows to a super fiduciary superfund investor, until a pre-agreed superfiduciary minimum return of an on invested cash is realized, with residual sharing in ongoing cash flows declining to a lower, fixed percentage that continues indefinitely, unless and until either or both parties agree to a lump sum close out.

We call this "an evergreen tail", and it represents upside to the superfiduciary, above the agreed minimums, in recognition of the true equity nature of this investment.

It can also be seen as an equity earn-back by the enterprise, because as the enterprise pays back to its superfund investors their agreed minimum return, the enterprise share in free cash flows goes up, and enterprise accountability to its superfiduciary investors goes down.

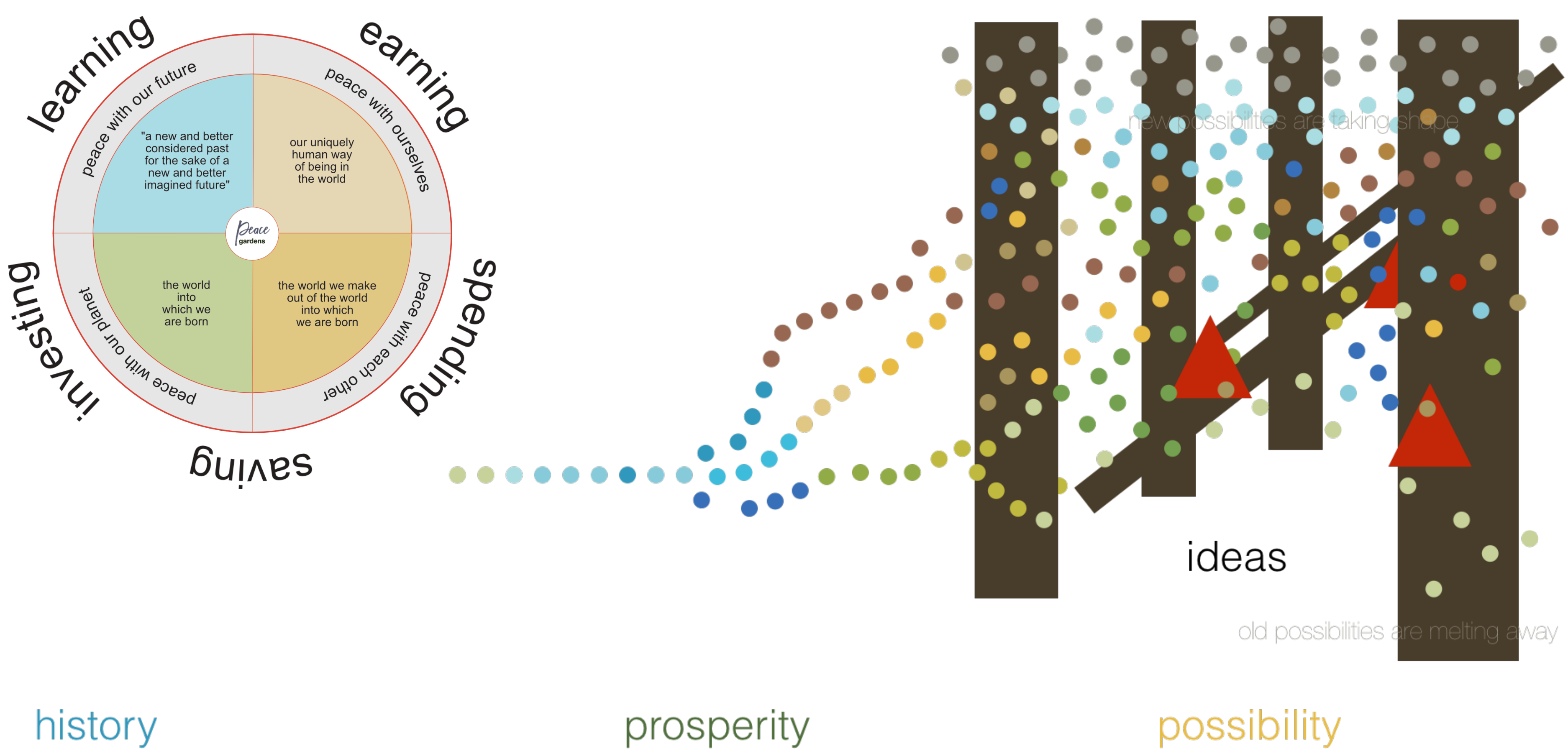
Sculpting these equity splits in the free cash flows is the real art of the evergreen deal. Good stewardship demands extraordinary prudence in both selecting the right enterprises to invest in, in prioritizing cash flows responsibly and in designing the equity splits so that minimum fiduciary returns are realized as quickly as necessary to minimize the risk of loss (i.e. of not ever realizing at least the minimum), but no more quickly than necessary so as to minimize the risk and burden of re-investment (that is, finding another, new enterprise to invest the recovered funds in, in order to keep the cash flows correctly glowing through the superfund).

Cash flow models can be built using spreadsheet math to design the right sharing formulas and to monitor actual performance against these models, in order to facilitate "course correcting" adjustments that may be prudent during the life of the investment.

The sizing of the evergreen tail should be set to reflect the risks associated with the base case modeling of the fiduciary minimum return expectations.

Investment agreements can then be negotiated to give legal meaning and consequence to modeled expectations.

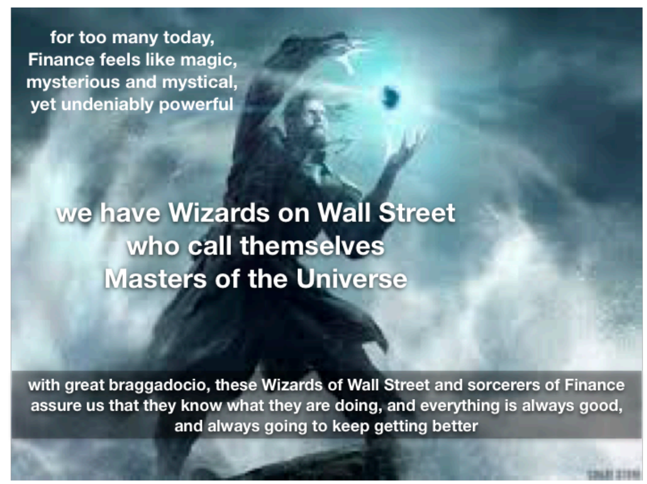
Collaboratively co-creating by design a new future history of humanity’s pursuit of prosperous adaptation to life's constant changes



evergreen~

SUPERFUNDS

returning control over the market to the Invisible Hand of individual decision making



Selfishness | Stewardship

Which is the better way for society to shape our future?

Modern Finance steps forward to say that selfishness is better, because of the Invisible Hand.

But the Invisible Hand is popular choice. Modern Finance is Professional Asset Management. Professional Asset Management is not popular choice. It is professional choice. Professional Asset Management disables the working of the Invisible Hand that is the very thing it relies upon to justify its hegemony.

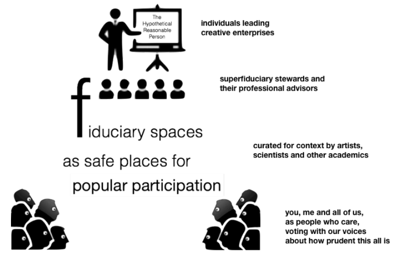
Adam Smith is famous for pointing out that the Invisible Hand of the market is better at deciding who should be engaging in what enterprise than the very visible hands of an inherited, entitled, landed aristocracy. What is “the market”? Popular choice. How is popular choice exercised? Through commercial transactions. When professionals take over decision making over the Exchanges and through Funds, they replace popular choice with professional choice. They create a new aristocracy that claims to know better than the people what is best for the people.

And what this new aristocracy knows is Growth. It believes in Growth, and it chooses Growth. Even when Growth does not actually give the people what they need and want to have.

The Invisible Hand
of popular choice:
your vote counts!

The Visible Hand of
Professional Asset
Management:
your vote doesn’t count.

The Accountable Hand of
Suoerfiduciary
Stewardship
of Society’s
Superfunds:
your vote counts again!



Accountable to the common sense
and common wisdom of
The Hypothetical Reasonable Person
as the legal standard of extraordinary
prudence for superfiduciaries

Sometimes Growth is good.
Sometimes, Growth is not good.

Professional Asset
Management cannot
ever see the difference.

Good stewardship
always does.

Professional Asset Managers need assets to manage professionally. Since 1972, they have gotten those assets from our Pensions & Endowments, who aggregate individual savings for the purpose of programmatically providing certainty against certain of life’s uncertainties, and then turn those savings over to professional speculators to speculate professionally with, because that is what ordinary prudence tells the they should do. And suddenly, your vote doesn’t count anymore.

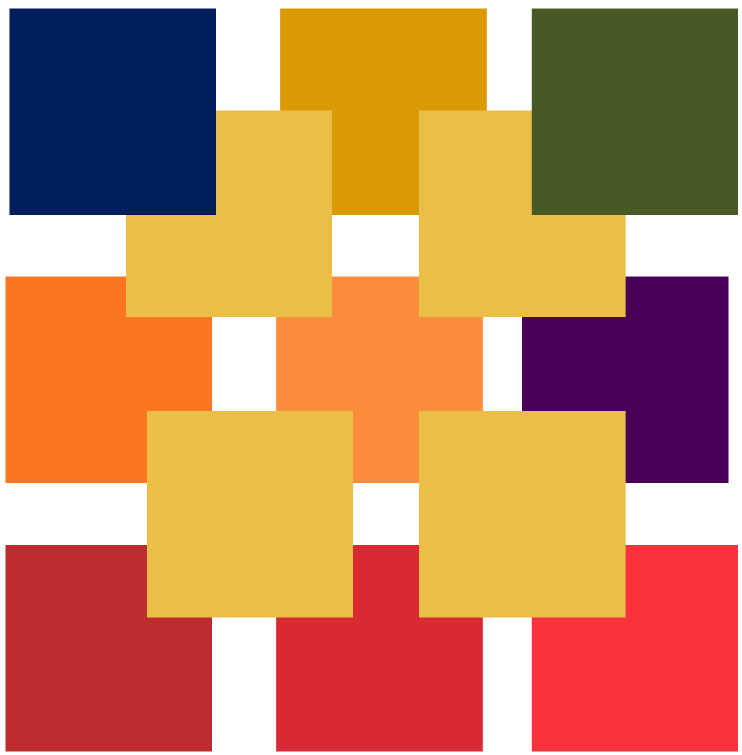
But ordinary prudence is for ordinary fiduciaries. Pensions & Endowments are extraordinary fiduciaries. We need to hold them to a higher standard of extraordinary prudence. This is the prudence of good stewardship of sufficient cash flows for this generation, and the next, across the generations. When we upgrade from ordinary to extraordinary prudence, we make our votes count again. Not so much as individual investors, but as individuals who contribute to the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of extraordinary prudence.

We get stewards making choices for us who are accountable to us for the choices they make.

We also set the Invisible Hand free from the tyranny of Professional Asset Management, so that, as individual investors, our votes count once again over the Exchanges and through Funds.

evergreen~

SUPERFUNDS



setting governments free from corporate capture, so they can once again become accountable, correctly, to the will of the people

Super PACs LOBBYING

money in politics

No funding for
Growth for
Growth's sake

No Corporate Gigantism
No Market Monopolization
No Unreasonable Elitism
No Fundamental Unfairness
No Social Oppression
No Earth Degradation

One of the cascading consequences of Corporate Gigantism is corporate capture of government policy making.

When the Exchanges & Funds channels of Corporate Finance through speculation on NPV-based share price Growth is utilized primarily by individuals investing our own savings for our own account, opportunistically pursuing our own idiosyncratic purposes, the Invisible Hand of popular choice works effectively to keep business largely out of politics.

As Exchanges & Funds come to be monopolized by professional Asset Managers speculating professionally with Other People's Money, and the Invisible Hand of popular choice gets replaced by the very visible had of professional Asset Management, these Asset Managers too often support Corporate Executives in using corporate funds to take over government regulation and investment.

Instead of regulating business (and finance) in the public interest, government is increasingly used to regulate the public in the interests of Business and Finance.

This is accomplished through corporate campaign donations, often delivered through professional lobbying firms that constantly pressure lawmakers and other government officials to make and enforce laws and regulations, not in the interest

Funding for
the enterprise
journey
towards the
happiness of
self-sustaining
cash flows

Enterprise scaled to popular choice
Sufficient circulation of sufficient surpluses
Reasonable inclusiveness
Fundamental fairness
Earth peace
People peace

of public health, public safety and public welfare, but in the interests of Growth in the scale of corporate bureaucracies and the net present value (NPV) of the cash flows that flow through those bureaucracies from which the market clearing prices for publicly traded shares of those bureaucracies trading in the pubic markets or over private alternative trading markets, are derived.

Setting Asset Owners free from the tyranny of Asset Management, so they can embrace their authentic identities as Superfiduciary Stewards of Society's Superfunds, will also loosen the grip of Asset Managers on the Invisible Hand of popular choice, removing support for Corporate Executives to misuse shareholder funds to capture government policymaking, making elected politicians and appointed government officials once again more accountable to their voters that to their donors.

setting Pensions & Endowments free from the tyranny of Asset Management won't fix our problems with everything, but if we don’t fix this dysfunction, it will continue to cause many problems in many things

Pensions & Endowments as Asset Owners

De-activating the Invisible Hand and accountability to common sense and common wisdom

De-valuing values to the single value of NPV Growth

Boom-and-Bust prosperity

Corporate Gigantism

Unreasonable Elitism

Fundamental Unfairness

Uncertain Superfunds

Corporate Capture of Government Policy Making and Police Powers

Extractive Development

Social Oppression

Global Conflict

This is not out best.

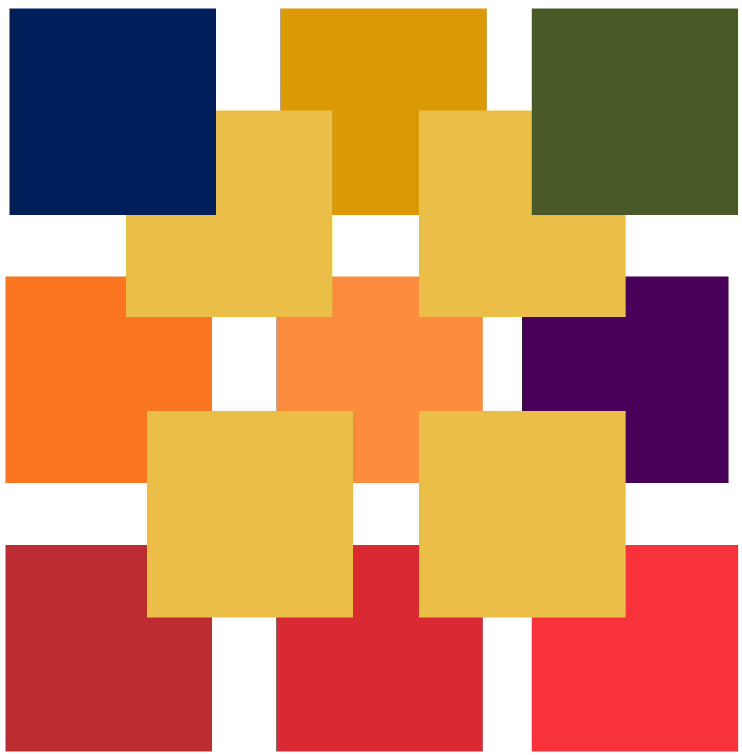
We can do better.

We can learn the lessons of the 20th Century.

**We can create by design a
new form of finance
that is a better fit
to our changing times.**

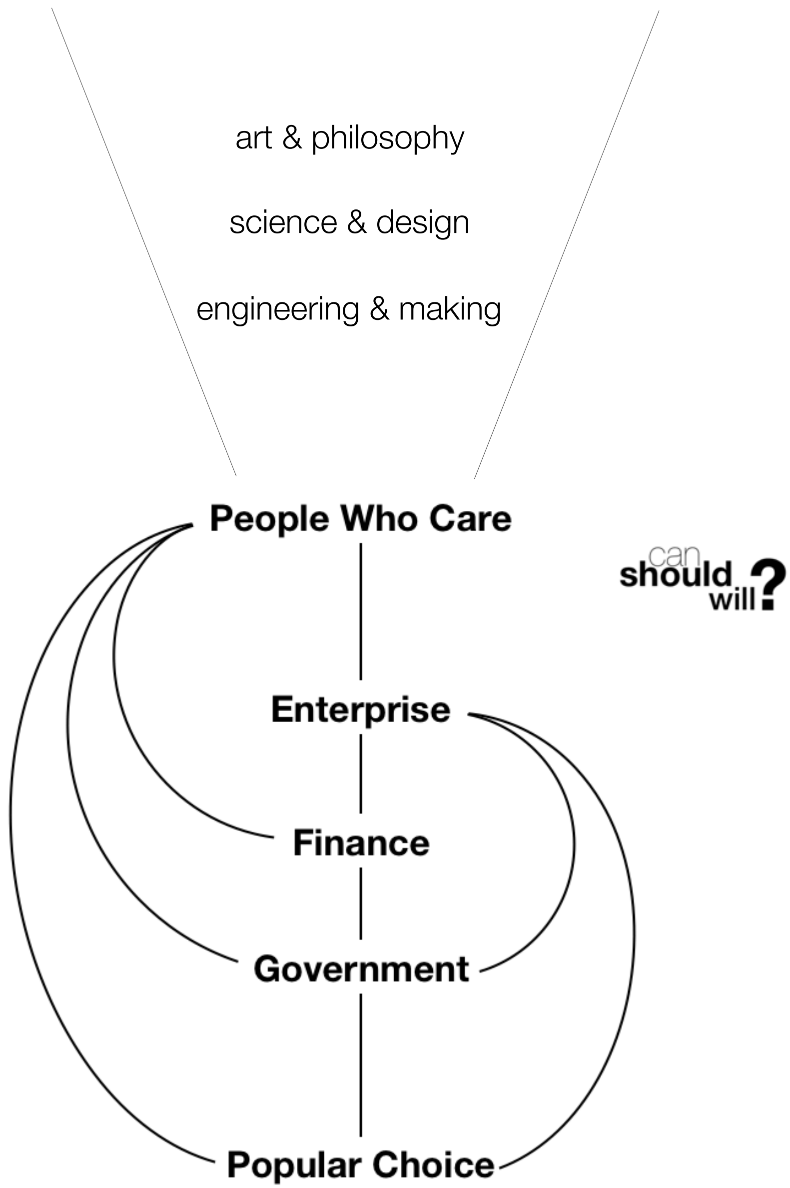
evergreen~

SUPERFUNDS



in Peace Gardens as fiduciary spaces that are safe places for popular participation in extraordinary prudent superfiduciary superfund investment decision-making

inquiry and insight • education • enterprise and exchange • finance • government • accountability



People Who Care include the inquiring minds among us; our artists and philosophers, scientists and designers, engineers and makers, the educators who love to teach in order to learn; the autodidacts and the formally educated.

Universities can be good places to bring these people together. They have the physical facilities to host their conversations, and the expert faculty to curate those conversations.

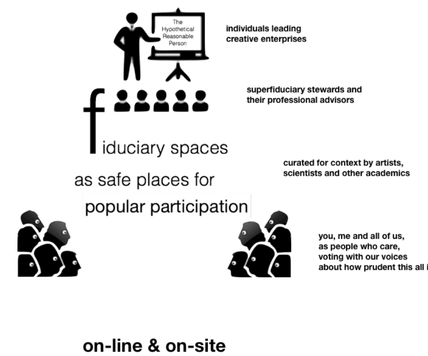
We think of Peace Gardens as fiduciary spaces that will be safe places for popular participation in Finance as how a population chooses what it's future history can, should and will be made to be through enterprise and exchange.

In modern Finance, these choices are made on the floors of the exchanges, where popular choice does not really have much of a voice. The only words that can be heard are “buy” and “sell”, and the price and volume of shares in

standard form investment contracts being traded as commodities “in the pits” (or more often today, through computer terminals that are increasingly taking the place of the physical exchanges).

The only visions that can be valued in these places are visions of growth in the future selling price of listed securities. The only future that can be chosen in these places is a future of growth in the scale of corporate bureaucracies, and the net present value (NPV) of the cash flows flowing through those bureaucracies from which the selling prices of shares being traded over the exchanges are ultimately, and indirectly, derived.

As we rethink Finance, we think that there is a need that is also an opportunity to collaboratively co-create by design a new place for making choices about our future history in which People Who Care self-selected from the general population can have a voice, not just on the one value of Growth, but on the entire portfolio of values that we weave together, and prioritize,



when we pursue a new future history, of peace as the right new measure of prosperity.

In these new spaces People Who Care can choose to participate in curated conversations with visionary individuals leading creative enterprises for evolving prosperous adaptations to life's constant changes, with the superfiduciary stewards of society's superfunds and with other financiers to adaptively evolve the common sense and common wisdom of extraordinary prudent investing in the flourish and fade of the social contract between enterprise and popular choice.

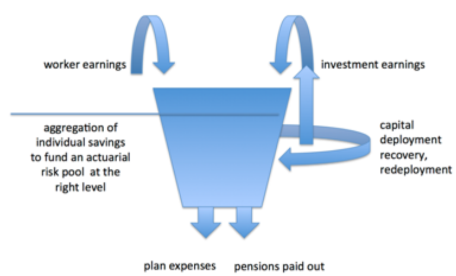
New channels and mechanisms for directing financial flows into enterprising visions that value the values we need and want to be valuing today, and tomorrow, and that also invite popular participation in vision-valuing investment decision-making by People Who Care self-selected from the general population, require new professionals who are expert in those new channels and mechanisms.

The core of this new profession are the new financiers who do the work of aggregating surpluses saved by individuals for purposes that align with the values being valued and who deploy those aggregations through these new channels and mechanisms into the new enterprising visions that value the values we need and want to be valuing today.

The New Accountability:

Pensions & Endowments as Superfiduciary Stewards of Society's Superfunds

Ordinary prudence → **Extraordinary prudence**



These new financiers are the superfiduciary stewards of society's superfunds: our Pensions & Endowments that aggregate surpluses saved by individuals to programmatically provide certainty against certain of life's uncertainties and deploy those aggregations as investment in enterprise to generate sufficient cash flows to keep their superfunds correctly full and prosperously flowing benefits, forever, in order to programmatically provide the certainty that their savers - and all of society - are seeking to achieve through these savings.

These are not all the savings that society saves, but they are a large part of our shared savings. The superfunds that we entrust those savings to are large. The amounts of money they control, some individually, and all, taken together, are truly staggering. By some measures, as much as half of all the savings held for investment in the Capital Markets today.

They are also purposeful. The stewards of these superfunds have a fiduciary duty under the law to invest those superfunds prudently, for the purpose of programmatically providing the certainty they are created by design to provide.

And they are evergreen. They just keep going, aggregating new savings from current contributions to provide future benefits to future generations.

Which means they have the size, the purpose and the time it tales to negotiate. They do not have to speculate.

They can custom-craft priorities for flowing the cash that flows through enterprise in ways that align with the values of good stewardship of certainty against life's uncertainties today, and tomorrow, for this generation, and the next, across an evergreen succession of next generations.

empowering the

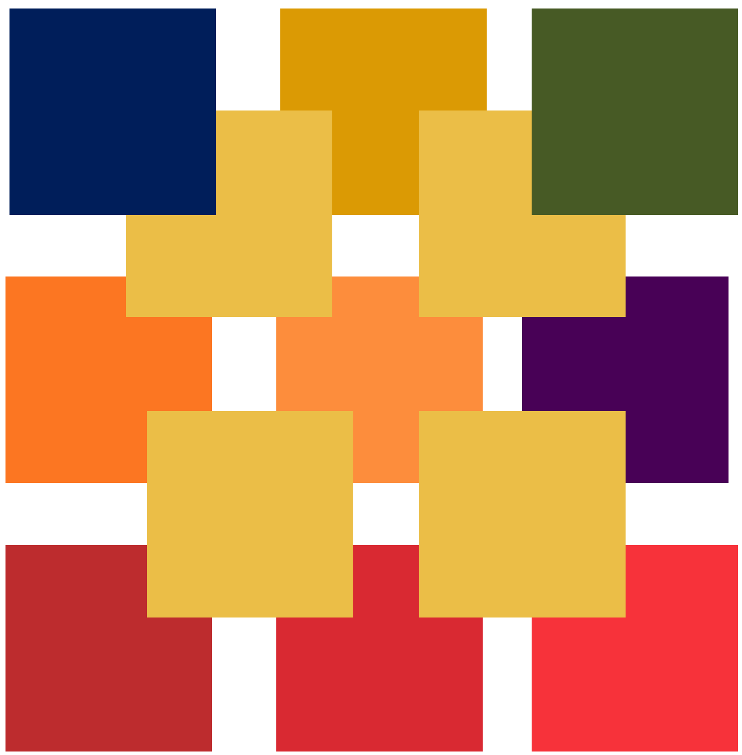
Popular

Voice

through
curated
conversations
on the
extraordinary
prudence of
superfiduciay
stewardship
investing in
peace

evergreen~

SUPERFUNDS



as the new shape of global collaboration in creating a new future history for humanity, of peace

Received wisdom and common practice teach that government is the primary - maybe even the only - social structure of social decision making that is concerned about the public good, and truly accountable to the will of the people.

So most social change campaigns make regulation a keystone of their theory of social change. There will be campaigns of public education also, but these are designed to win support for public protest and political engagement.

More recently, sustainability campaigners, especially, have begun targeting corporations as points of leverage for social change; and also institutional investors, including both Asset Owners and Asset Managers, as leverage points for affecting corporate choice.

But corporations are accountable only to the public markets that own them, and only for the growth in share price that they have effectively contracted with those markets to deliver. Choices that benefit the public good at the expense of share price growth simply cannot be made. This is not a question of business ethics and morality. It is the way the Exchanges & Funds channels and mechanisms for directing financial flows are designed to work.

Expecting investors in the Exchanges & Funds channels to compromise their growth-based returns in the public interest is also not realistic.

And in these days of massive corporate lobbying, too many politicians feel more accountability ti their donors than their voters.

This all changes when we set Asset Owners free from the tyranny of Asset Management, to embrace their authentic identities as Superfiduciary Stewards of Society's Superfunds, investing with extraordinary prudence in the flourish and fade of the social contracts between enterprise and popular choice through custom-crafted agreements on prioritizing cash flows, for peace, negotiated with visionary leaders of creative enterprises, directly.

Accountability to extraordinary prudence means accountability to the common sense and common wisdom of The Hypothetical Reasonable Person, which is the shared sense and wisdom of you, me and all of us coming together in consensus agreement on what we agree is the right balance between current profits and future impacts.

Superfiduciary investing in prioritized cash flows negotiate priorities with enterprise leaders that along with the extraordinary prudence of common sense and common wisdom.

Stewardship financed enterprises have the contractual freedom and obligation to incorporate good stewardship values into their cash flow generating and sharing activities.

Governments set free from corporate capture become once again authentically accountable to public choice through electoral politics.

As civic engagement in Finance becomes possible through public participation in curated conversations for adaptively evolving the common sense and common wisdom of extraordinary prudence, it also becomes powerfully empowering.

Stewardship finance becomes a new point of leverage for effecting positive social change, alongside political action.

a new **Activism** for PEACE

as the right-for-our-times measure of prosperity in the 21st Century

REVOLUTIONIZING SOCIAL CONSCIOUSNESS AND PUBLIC ACCOUNTABILITY

collectively forming society's views on how society's shared savings should be invested in service to society

pressuring Finance to invest in enterprises that foster and promote peace

the leverage point is pensions and endowments investing to generate adequate cash flows forever in a forever that is worth flowing into

breaking the Wall Street Monopoly and setting pensions and endowments free from the tyranny of NPV

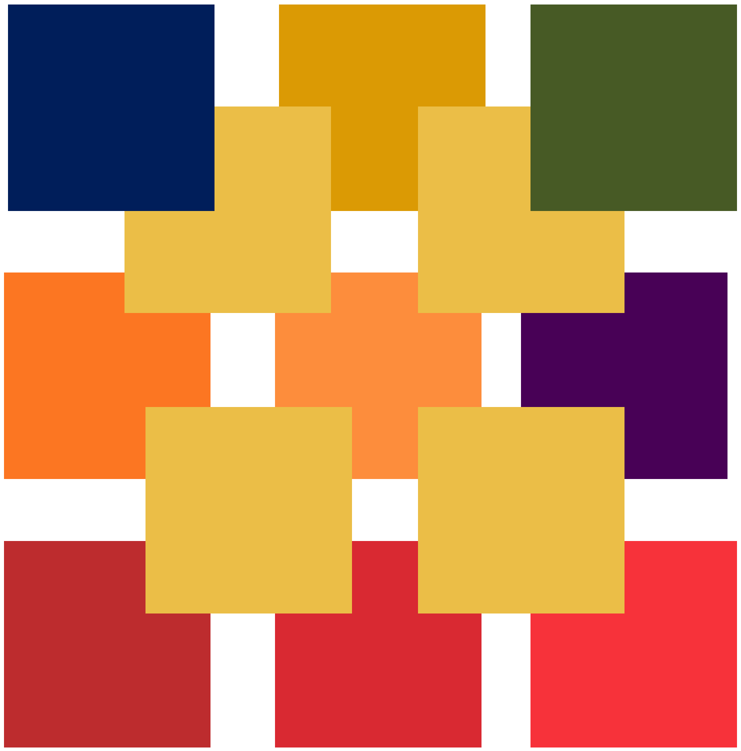
What surpluses do you think we should be creating?

How do you think those surpluses should be circulated?

radically rethinking what is right for the times, as times change and people evolve prosperous adaptations to life's constant changes

evergreen~

SUPERFUNDS



beginning with climate peace

The earth is our garden.

**We must become good global gardeners,
living well together, in a new prosperity, of peace.**

earth peace | people peace

In the 19th Century, humanity lived on the creative edge of what felt like an infinitely receding horizon, out of which we could always take more, and into which the consequences of our taking would disappear, without consequence.

"How could anyone ever cut down all those trees?"

By the 20th Century humanity had reached the limit of that horizon, discovering that the earth truly is a sphere that closes back in upon itself: there are limits to what we can take from the earth, because the consequences of our taking do not just disappear; they re-appear in catastrophically surprising ways.

So, humanity decided we would leave the earth, and venture into space.

First stop, the moon.

When we got there, all we found was rocks.

On July 20, 1969, United States Astronaut Neil Armstrong, Commander of the Apollo 11 Moon Mission, took his historic:

"One small step for a man.
One giant leap for
Mankind."

But the step Neil took was not the leap we were expecting.

Earth rise over the moon. NASA photograph.

Humanity expected to be leaping into a New Frontier, a new horizon for truly infinite expansion, out of which we truly could always take more, and into which the consequences of our taking truly would disappear, without consequence.

Instead, we leaped into this New Reality.

We have the earth, and it is well and truly ours.

Also, it is what we have.

Is it enough?

Will we learn to live well together in peace and prosperity, within the limits of the earth?

Or not?

The earth is our garden.

**We must become good global gardeners,
living well together, in a new prosperity, of peace.**

earth peace | people peace

How are we going to finance this new prosperity, of peace?

let's start by taking action on climate inaction

the **climate** problem is an **energy** problem

the **energy** problem is an **enterprise** problem

the **enterprise** problem is a **finance** problem

the **finance** problem is a **fiduciary** problem

upgrading fiduciary prudence from ordinary to extraordinary

energy transition enterprise design through
stewardship investment decision-making

People's Petition to the Stewards of Society's Superfunds.

Reject Ordinary Prudence. Embrace Extraordinary Prudence.

Throw off the cloak of Asset Ownership.
Put on the mantle of Superfiduciary Stewardship.

Stop speculating. Start negotiating!

This is the path we are on: **corporate financed —> fossil fueled —> climate war**

carbon density in our sky chemistry
rising ocean temperatures
changing ocean currents
changing air currents
changing temperature and precipitation patterns
changing plant and animal habitats
deforestation
industrial farming
soil degeneration
desertification

crop failures
food shortages
job losses
bankruptcy
homelessness
starvation
population migrations
conflict and violence
disease
death

This is the path we can, should and will to be on: **stewardship financed —> new energy powered —> climate peace**

on-line & on-site

YOU have the power to choose the new path, towards climate peace.
WE demand that you use it!

Convene Peace Gardens in which to design through finance new enterprises for making a managed transition to a new energy future of climate peace.

Peace
gardens

Statement of the problem

Let's begin with this set of propositions:

1. Over many millions of years, photosynthesis took carbon out of earth's atmosphere and fossilization stored it in earth's subsurface as deposits of coal, oil and methane gas.

2. That slowly reduced the carbon density in earth's sky chemistry.

3. That altered the thermodynamic balance between the earth and Space.

4. That set average ocean temperatures to the approximate levels they are today.

5. That settled ocean currents into patterns that are more or less what they are today.

6. That settled wind currents into patterns that are more or less what they are today.

7. That drives long term, large scale weather patterns of average temperatures, winds, precipitation, etc. that we know as climate to be more or less what they are today.

8. Current climate conditions are the earth conditions that make human living as we now know it possible.

9. Over the last 200 or so years, industrialization has combusted huge quantities of fossil fuels for energy,

10. This has released and continues to release vast quantities of fossilized carbon back into our atmosphere.

11. This is increasing the carbon density in our sky chemistry.

12. That is altering the thermodynamic balance between the earth and Space.

13. That is causing average ocean temperatures to increase.

14. That is changing ocean currents.

15. That is changing wind currents.

16. That is changing long term, large scale weather patterns that we know as climate.

17. That is changing the fundamental earth conditions within which humanity must pursue our prosperity.

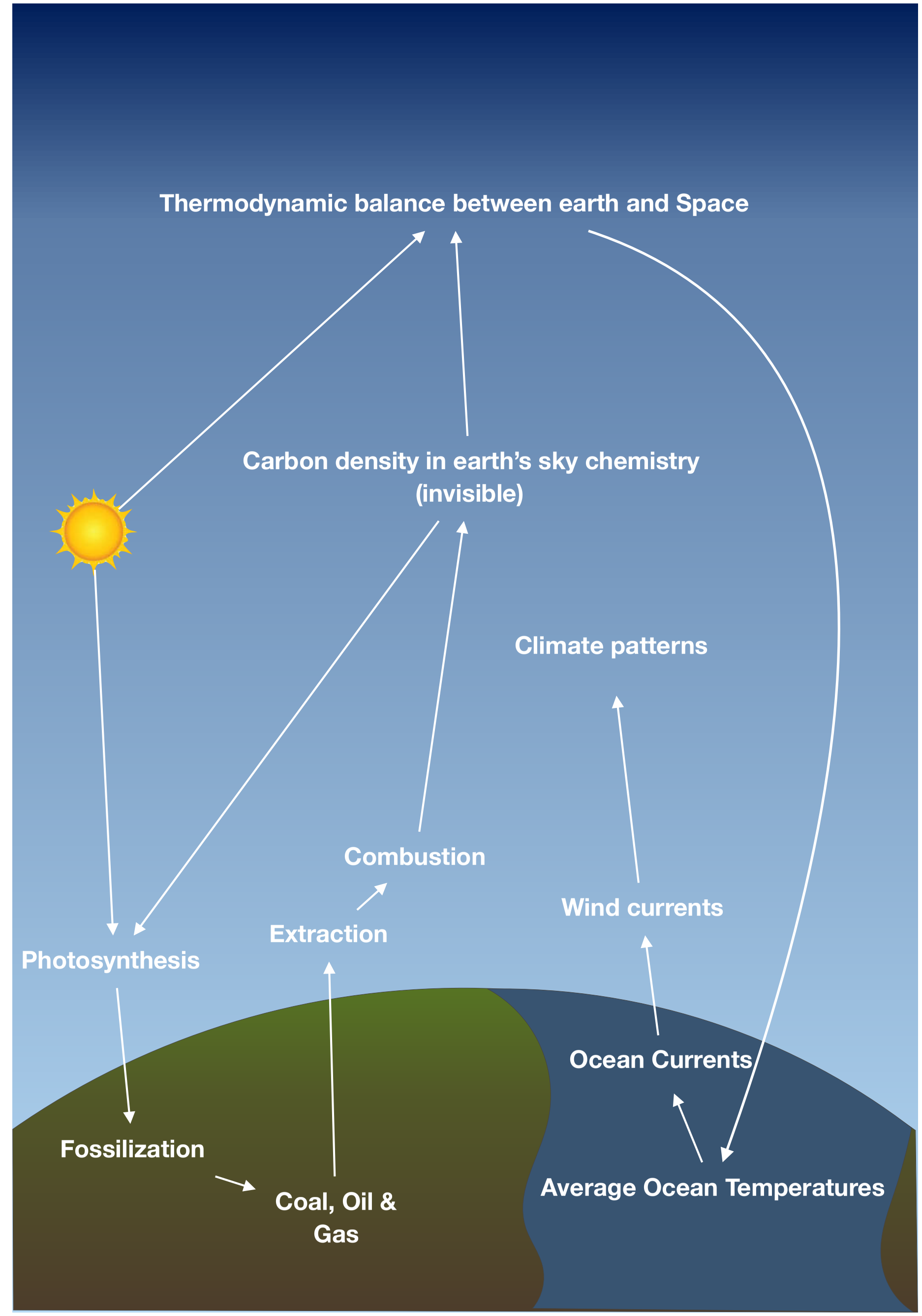
We cannot say for certain impact these changes will have on the future possibilities for humanity's future prosperity, because humanity has never actually lived through anything quite like this before. Many voices warn that these changes will be catastrophically adverse. They are demanding with increasing urgency that we must immediately stop burning fossil fuels and begin finding ways to draw carbon back out of our atmosphere in order to reduce the carbon density in our sky chemistry, and restore climate patterns to more or less what they used to be.

We need to hear these voices, listen to their warnings, and decide what, if anything, we, as a global humanity, are going to do about them.

More to the point, the US has to decide, as a nation, what we are going to do, because the problem, if there is a problem, begins with us. If we do not take the lead in reducing the carbon density in our sky chemistry, there is precious little that others elsewhere in the world can do to escape the catastrophic consequences of climate change, if those consequences will, in fact, be catastrophic.

Where are we going to debate this question?

And how are we going to decide?



Received wisdom and common practice teach us to look to politics as the place to debate the climate question, and to expect decision to be made, and acted on, through government.

This is not working. Especially in the US, the doors of government are closed to climate conversations.

Disingenuous campaigns of climate change denial designed to confuse the body politic are effectively confusing the body politic. Political action is just perpetuating inaction.

so much energy is
being expended here

People Who Care

Finance

when the
blockage is
actually here

Visionary Individuals Leading Creative Enterprises

Government

Popular Choice

The doors of government are closed to climate conversations, especially in the US, because Corporate Finance has captured government policy-making. Corporate Finance finances Growth. Action on climate is not Growth, because it requires winding down energy and cash flow generation from fossil fuel sources while we ramp up energy and cash flow generation from new energy choices, keeping energy and cash flow generation constant at the surface, while we swap out technologies underneath.

“Swapping out” is expensive, but it does not generate Growth.

Corporate Finance, as a social structure for social decision-making cannot make sense of that. In the logic of Corporate Finance, “swapping out” does not make sense.

Let's step back, and consider the possibilities. There are five different push points for effecting social change.

1. All change must start with popular demand for something new. This can come from People Who Care self-selected from the larger population. It does not always have to be a large percentage of the population or a mass movement. In fact, it usually is not.

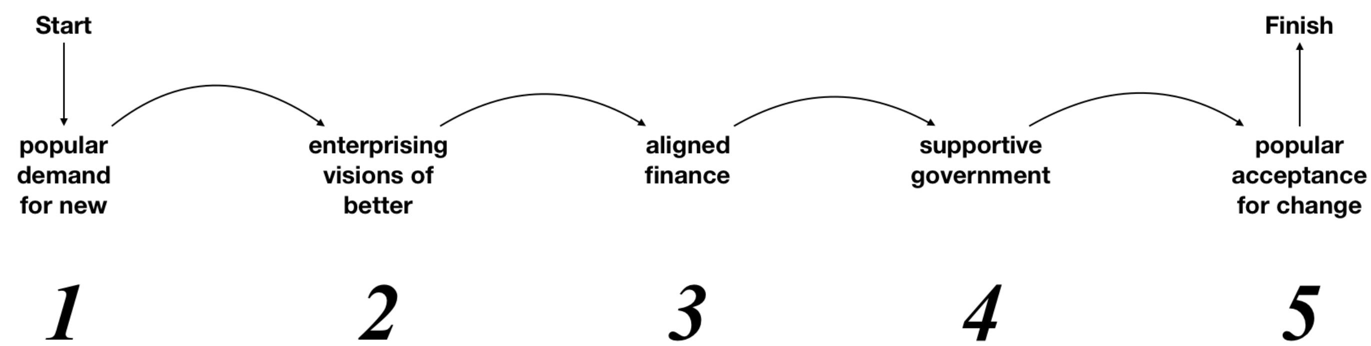
2. Then visionary leaders of creative enterprises must come up with enterprising ways to meet that popular demand.

3. When those enterprising visonaries need money, Financiers must provide it.

4. Government must provide laws and regulations that support the new enterprises, possibly including subsidies to help them in their earliest efforts to establish commercial acceptance.

5. Eventually the general population must accept the change as right and good, and support it with their votes at the ballot box, and their pocketbooks in the marketplace.

5 push points for effecting positive social systems change



We can work on all five simultaneously, or in whatever sequence we choose.
Also, if any one does not fall into place on time, the whole campaign will stall.
Today, action on climate is stalling, because Finance is not aligning.

On climate today, we do have many, many People Who Care stepping forward to raise the hue and cry. We have visionary leaders proposing creative enterprises for bringing new energy choices into being.

But we do not yet have visionaries proposing enterprises for winding down energy production from fossil fuels.

There are some voices calling on corporations to de-carbonize, and even expectations that fossil fuel companies will transform themselves into new energy companies, abandoning investments in fossil fuels, and developing new expertise in new energy technologies to replace their current expertise if fossil fuels extraction.

These expectations are not being met, because Modern Finance has been monopolized by Corporate Finance, and Corporate Finance is created by design to only finance Growth.

Winding down is not growth.

People Who Care

and it's not a failure of investor ethics, or social responsibility

Finance

it is a fundamental unfitness to purpose of Corporate Finance as a channel and mechanism for directing investment into a managed transition to a new energy future of climate peace

Visionary Individuals Leading Creative Enterprises

Government

Popular Choice

What do we do when Finance won't align, because it can't?

False
Start

popular
demand
for new

enterprising
visions of
better

modernfinance

is a 20th Century adaptation of a 19th Century social structure for enterprise design through investment decision-making created by design to finance enterprising visions of fossil-fueled Growth into an apparently infinitely receding horizon for endless industrial expansion, out of which we could always, it seemed, take more, and into which the consequences of our taking would disappear, seemingly without consequence: "How could anyone ever cut down all those trees?"

unaligned
finance

supportive
government

CAPTURED
to support
resistance by
FINANCE

Finish

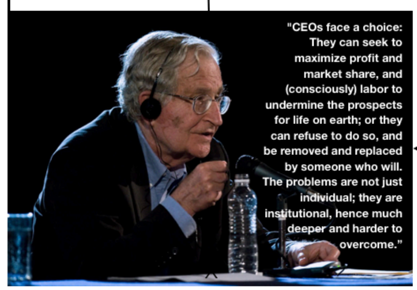
popular
acceptance
for change

CONFUSED
by competing messages for
social change and status quo

A confused buyer
says "No".

Noam Chomsky
"Worship of Markets"
Is Threatening
Human Civilization

truthout.org



Institutional
problems
require
structural
solutions

Noam Chomsky explains the situation in this way:

"CEOs face a choice: They can seek to maximize profit and market share, and (consciously) labor to undermine the prospects for life on earth; or they can refuse to do so, and be removed and replaced by someone who will. The problems are not just individual; they are institutional, hence much deeper and harder to overcome."

As long as Modern Finance continues to be monopolized by Corporate Finance of Corporate Enterprise through speculation on Growth in the scale of those enterprises, Government will be disabled from taking action, and the larger population will continue to be confused by conflicting claims from climate action activists and climate change deniers.

This movement for action on climate action will remain stalled. Words will be spoken giving false hope that things will change.

But nothing will really change.

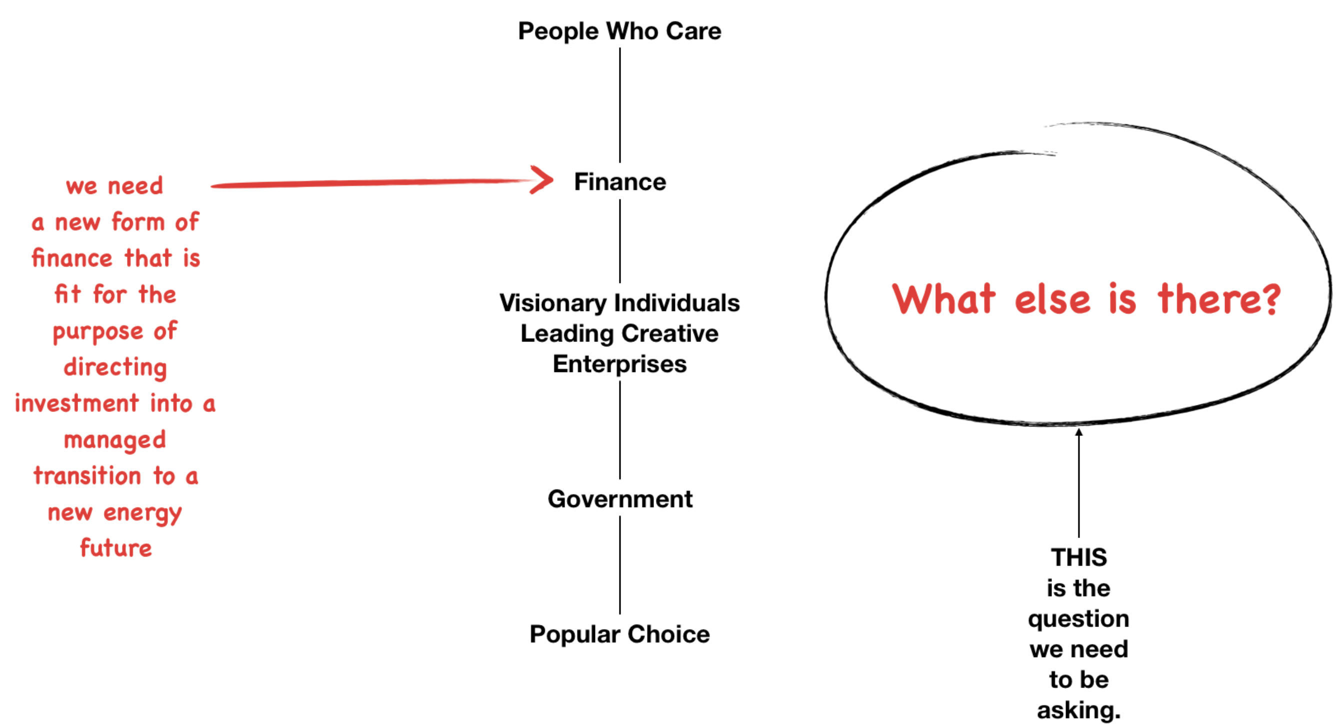
Before we can take action on climate inaction, we need to set Modern Finance free from the tyranny of Corporate Finance.

We need new channels and mechanisms for directly financial flows into enterprising visions for managing the transition, from our present future history of corporate financed, fossil fueled climate conflict, to a new future history of new finance financed, new energy powered climate peace.

Which brings us to this question: If Corporate Finance cannot be used to finance a new energy transition, what kind of finance can be used?

Our proposal is this:

Set Pensions & Endowments who are currently trapped by Asset Managers in a false identity as Asset Owners free from this false identity, so they can embrace their authentic identities as Superfiduciary Stewards of Society's Superfunds, investing with the extraordinary prudence of common sense and common wisdom in the flourish and fade

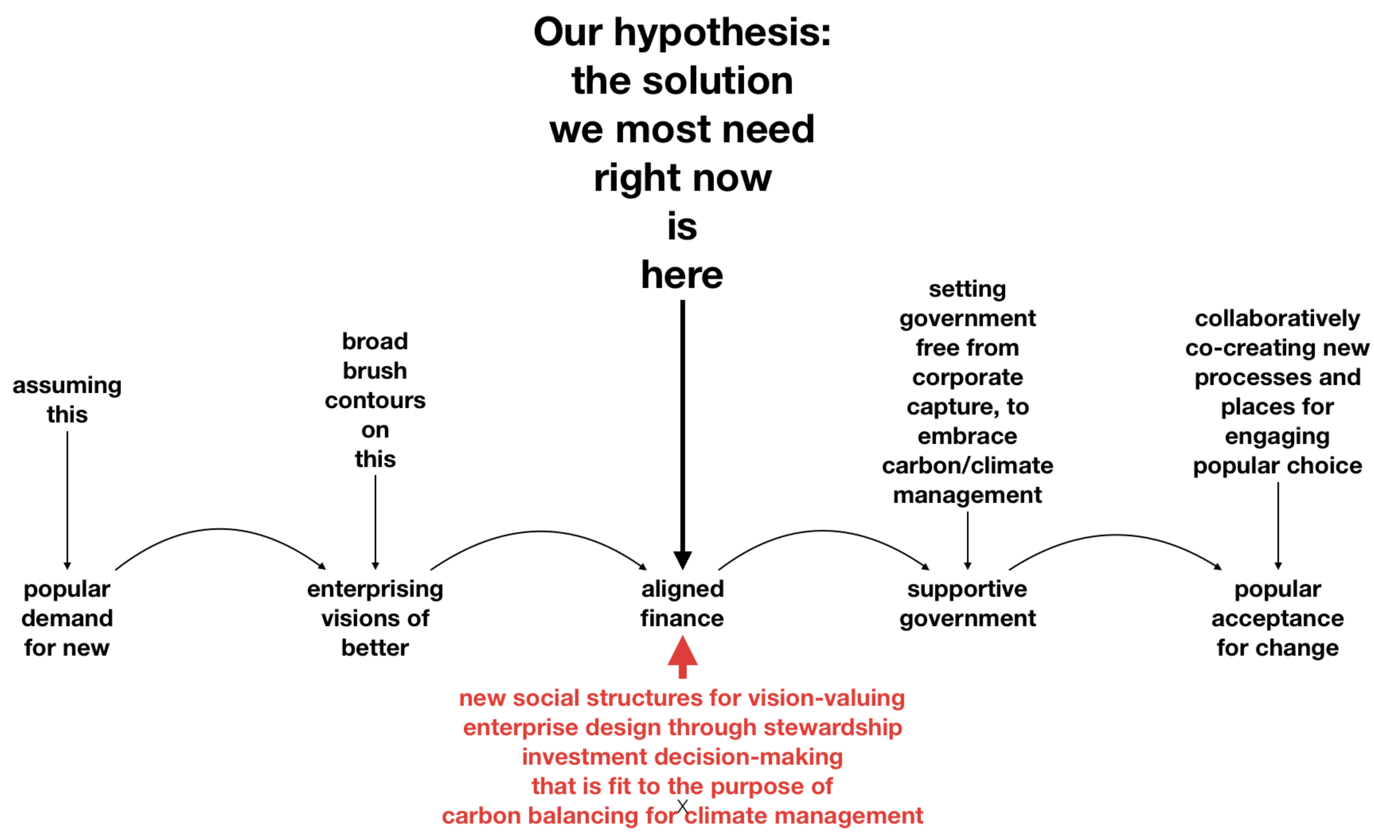


of the social contracts between enterprise and popular choice through custom-crafted agreements for prioritizing cash flows, for peace, negotiated with visionary leaders of creative enterprises, directly.

Such a change will not be easy. It will drive fundamental changes to the social structures not only of Pension & Endowment stewardship, but also to the profession of Asset Management, Corporate Finance and Corporate Enterprise. These very wealthy and therefor powerful social forces will not go gently into that good night. There will be much resistance. Not all of it, playing by the rules.

It will need either a long time to slowly and quietly erode that opposition, or a catalyst of truly existential magnitude to dramatically sweep it away.

Climate change might give us the drama we need to sweep away the opposition, and set our Superfiduciaries free.



These are the primary participants in global finance today

Asset Owners
Asset Managers
Corporations
Exchanges & Funds
(market makers and investment bankers)

Each is fit to the function of financing
Growth in the scale of corporate bureaucracy

None is fit to the function of financing
a managed transition to a new energy
future of climate peace

Except,

One of these is not authentically what they are being made to be

Asset Owners
Asset Managers
Corporations
Exchanges & Funds
(market makers and investment bankers)

“Asset Owner” is an identity being imposed by Asset Managers on Pensions & Endowments to keep them captive as suppliers of assets for Asst Managers to manage, I.e. as suppliers of Other People’s Money for professional speculators to speculate with, professionally, for a fee and a share of the profits (but not the losses).

Whatif

We set our Pensions & Endowments free from their **false** identity as Asset Owners, so they can embrace their **authentic** identities as **Superfiduciary Stewards of Society's Superfunds**, investing with extraordinary prudence equal to their extraordinary powers of size, purpose and time as stewards of large aggregations of society's shared savings entrusted to their good judgement to programmatically provide certainty against certain of life's uncertainties, and their extraordinary purpose as superfiduciaries for this generation and the next to generate sufficient fiduciary cash flows, forever, in the flourish and fade of the social contracts between enterprise and popular choice through custom crafted agreements for prioritizing cash flows, for peace, negotiated with visionary leaders of creative enterprises, directly, and not derivatively?

starting with climate action as the new paradigm for social change through civic engagement in finance

Superfiduciary Stewards of Society's Superfunds: the New Financiers of Peace

seeing and talking about the possibilities → **art & philosophy**

testing the hypotheses → **science & design**

artifacts for others to use → **engineering & making**

putting new artifacts into commerce → **enterprise & exchange**

anticipating the flourish and fade of popular choice → **savings & investment**

On the Creative Edge of Climate Peace

4 problems with **Finance**
at the core of the **climate crisis**

1. visions of PROGRESS become visions of GROWTH
2. Superfunds become speculators
3. Superfund Speculation finances Corporate Gigantism
4. Corporate Gigantism finances Climate Inaction

to end climate inaction, we have to reverse Corporate Gigantism
to reverse Corporate Gigantism, we have to stop Superfund Speculation
to stop Superfund Speculation, we have to stop seeing GROWTH as PROGRESS
and start seeing Prosperity As PEACE:
earth peace and people peace;
peace with ourselves and with each other,
peace with our planet and with our future

FINANCE

channels and mechanisms of
vision-valuing patterns, pattern languages, places and professionals
through which a population aggregates its surpluses, and deploys
those aggregations as investment in enterprise for making
prosperous adaptations to life's constant changes

six different patterns of Finance for valuing six different visions of prosperity

Family & Friends valuing visions of **IMPACT** through patronage
Church & Philanthropy valuing visions of **MISSION** through grants
Taxing & Spending valuing visions of **POLICY** through subsidies
Banking & Lending valuing visions of **PROFITS** through credit
Exchanges & Funds valuing visions of **PROGRESS** through speculation
Society's Superfunds valuing visions of **PEACE** through cash flow prioritization

The idea of making a managed transition to a new energy future of climate peace is itself difficult to conceive if one approaches the idea from within the currently dominant paradigm of corporate Growth as the pathway to prosperity.

So let's break it down.

The problem we are trying to solve is an increase in carbon density in our sky chemistry that is being driven by the release of fossilized carbon back into the atmosphere through the combustion of fossil fuels to provide energy to power our modern prosperity.

One solution is to develop ways of taking carbon back out of the atmosphere. So far, nobody has found a way of actually doing that.

Another solution is to stop releasing fossilized carbon into our atmosphere by stopping the combustion of fossil fuels to power our prosperity.

But if we do that, what will happen to our prosperity? Is this cure really any better than the disease?

We won't get popular support for action to reduce fossil fuel combustion, unless we can replace fossil energy with new forms of energy generation that do not increase the carbon density, but can power our prosperity.

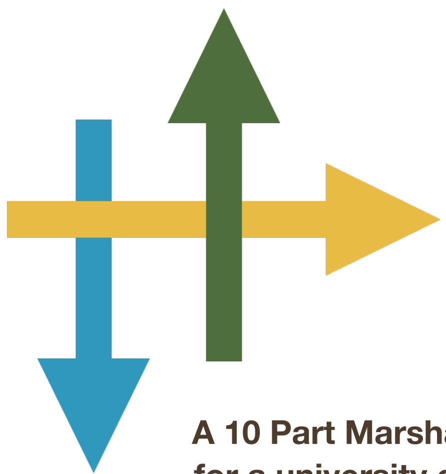
That won't be easy because fossil fuels are so intricately woven into so many aspects of our modern global prosperity, because the fossil fuel business is a large and profitable global industry - perhaps they largest and most profitable - and is therefor very powerful, politically and socially, and because we do not really know what our new energy future will end up looking like.

So, we need a plan of action that is capable of dealing with the wide-ranging global importance of fossil fuels to our modern prosperity, that works with, and not against, the existing fossil fuels industry and that can experiment with, evolve and adapt new energy choices that can effectively replace fossil fuels with a minimum of disruption to the daily lives of the billions of people whose support we need to make this transaction happen.

That requires forward-looking stewardship that values today and tomorrow, equally, that can continue fossil fuel use while we figure out what to do instead, and that can manage the de-commissioning of fossil fuel businesses over time, in a controlled and non-destructive way, as we make the transition to a new energy future.

That requires stewardship financing from stewardship sources that are large enough to operate on truly global scales, purposeful enough to be align with the values of a managed transition to a new energy future, and patient enough to operate within time horizons of uncertain duration, possibly stretching out many decades.

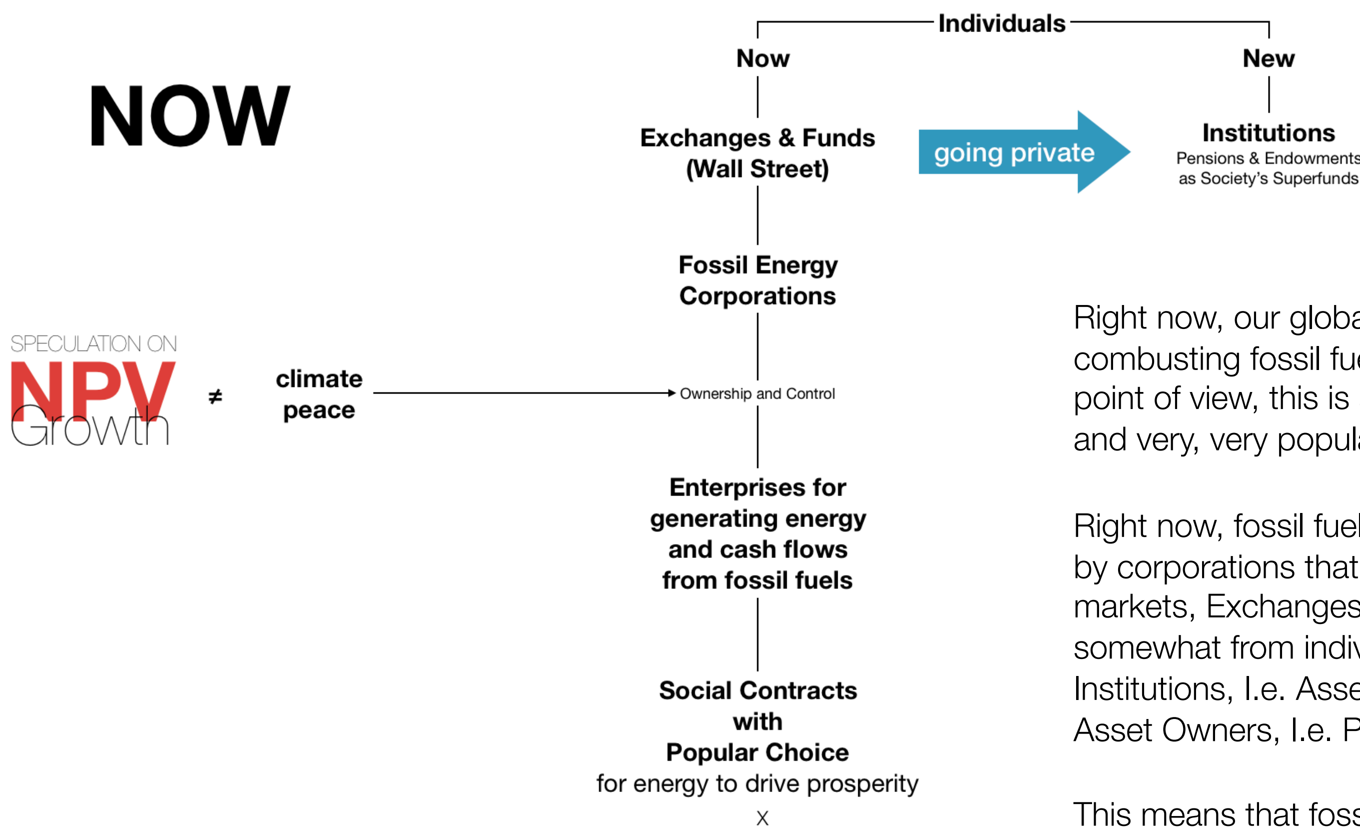
Fortunately, we have Superfunds that are large and evergreen and equal to this taks. And superfuidciares whose purposes are aligned with this work. We just have to figure out how to engage them.



A 10 Part Marshall Plan for a university curated superfiduciary financed enterprise organized government subsidized popular transition to a new energy future of climate peace

1. **Solicit Requests for Proposals** from Visionary Individuals Leading Creative Enterprises for managing a global transition from a present future history of fossil fueled future climate and social nonpeace to a new energy future of climate peace and social peace
2. **Organize a consortium** of University Endowments, Endowed Foundations, Pension Funds and other Superfiduciary Stewards of Society's Superfunds to finance qualifying proposals
3. Qualifying proposals will included plans for taking one or more fossil energy companies **out of public ownership**, where they are required by the structure of the public markets to prioritize cash flows for Growth, and
4. Placing them **into stewardship** through investment agreements for prioritizing cash flows for Peace: Earth Peace and People Peace
5. **Stopping** stewardship financed fossil energy companies from funding campaigns of **climate denial** and lobbying for fossil fuels
6. **Starting** stewardship financed fossil energy companies funding campaigns of **climate awareness** and lobbying for new energy research and laws supporting commercialization of new energy choices
7. **Investing** in new projects/enterprises for generating energy and cash flows from new energy sources, **to replace** energy and cash flow generation from fossil fuels
8. **Winding down** fossil energy and cash flow generation as we **ramp up** energy and cash flows from new energy sources.
9. Placing idled fossil fuel resources into **perpetual conservation trusts** for land restoration and regeneration (earth healing) and open space use (people healing)
10. **Working with government** and private organizations to steward the movement of displaced fossil energy workers into new trades or professions, or entrepreneurship

NOW



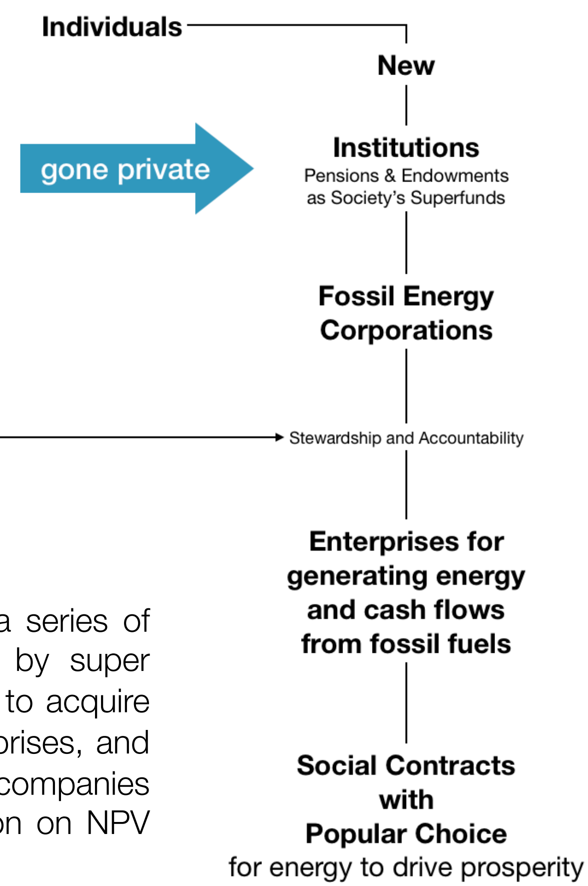
Right now, our global prosperity is largely powered b combusting fossil fuels. From a commercial/tecnical point of view, this is a convenient, effective, affordable and very, very popular solution.

Right now, fossil fuels enterprises are owned mostly by corporations that are owned mostly by the public markets, Exchanges & Funds, that aggregate funds somewhat from individuals, but mostly from Institutions, I.e. Asset Managers managing assets for Asset Owners, I.e. Pensions & Endowments.

This means that fossil fuels enterprises are locked into the logic of speculation on NPV Growth, which is not a logic that leads to climate peace.

NEW

SPECULATION ON **NPV** Growth ≠ **climate peace** = super fiduciary financial stewardship

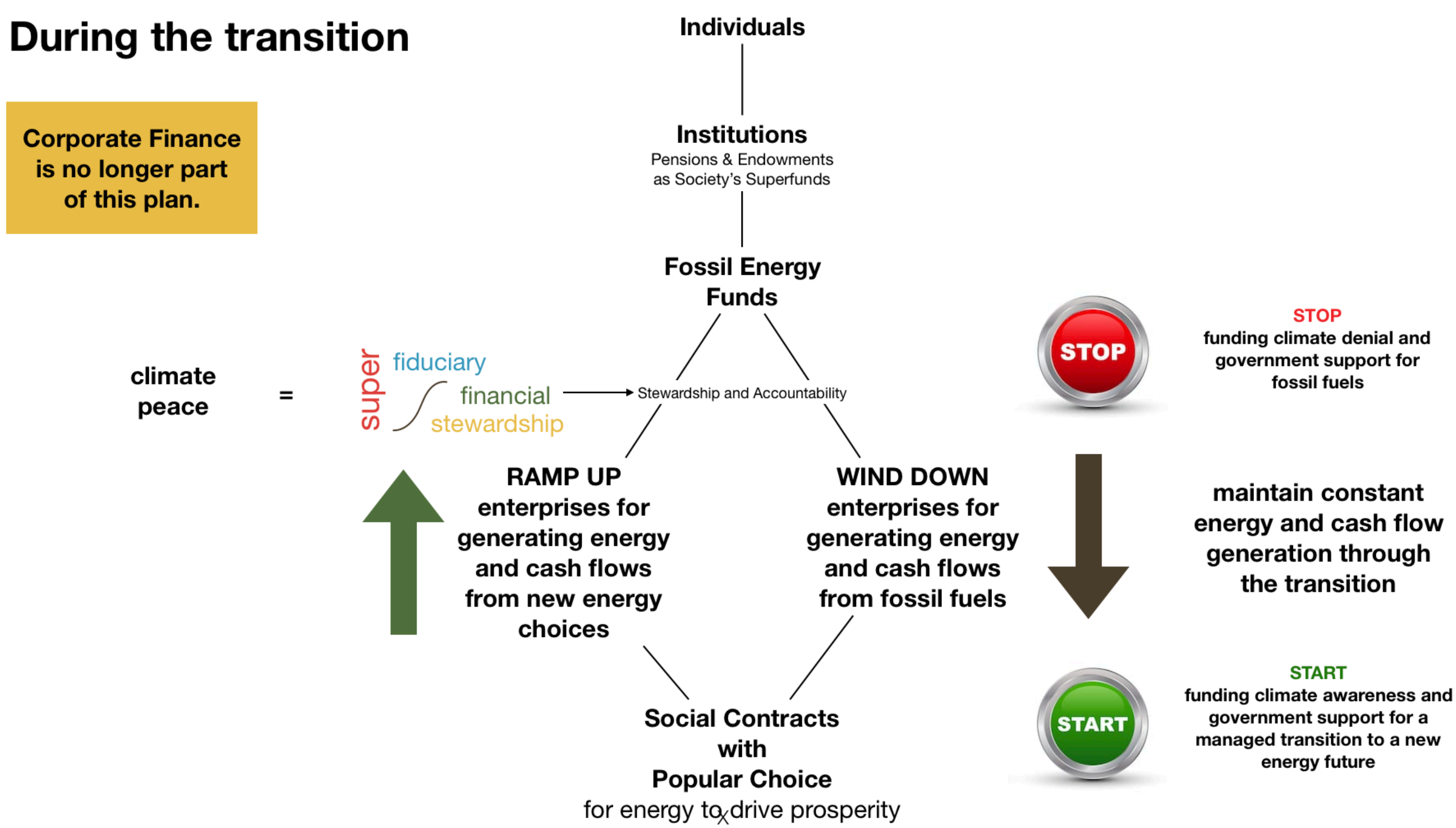


The first step in the plan for a managed transition is to organize a series of evergreen going-private transactions that use financing supplied by super fiduciaries from society's superfunds (our Pensions & Endowments) to acquire controlling interests in public corporations that own fossil fuel enterprises, and merge them into non-public companies, effectively taking fossil fuel companies out of pubic markets ownership, and out of the logic of speculation on NPV Growth.

This will allow fossil fuel enterprises to participate in planning their own de-commissioning as new energy choices are brought online to replace the generation that will be lost as we stop combusting fossil fuels, and other innovations are made to fill the other needs we currently fill with petroleum derivatives, such as plastics, fertilizers, various industrial chemicals, cosmetics, etc.

It will also allow these evergreen stewardship financed fossil fuel enterprises to stop funding campaigns of climate denial and lobbying governments to oppose climate action, and to instead start funding campaigns of client change awareness, and lobbying government to enact policies that will support a managed transition to a new energy future of climate peace.

During the transition



After the transition

climate peace = super fiduciary financial stewardship → Stewardship and Accountability

Individuals

Institutions
Pensions & Endowments as Society's Superfunds

Fossil Energy Funds

Stewardship and Accountability

enterprises for generating energy and cash flows from new energy choices

Social Contracts with Popular Choice
for energy to drive prosperity

After the transition is completed, we will not only have created a new energy supply strategy that will not drive into catastrophic climate change.

We will also have created a howl new way for enterprise to be financed in commerce, and for Pensions & Endowments to embrace their authentic identities as Superfiduciary Stewards of Society's Superfunds, generating sufficient super fiduciary cash flows, forever, by investing in enterprise cash flows, directly.

a new energy future of climate peace

There will be thousands of details that need to be worked out in the design and execution of such a managed transition enterprise. Some will be technical, others commercial, social, political and financial. Superfiduciary stewardship provide a solution only to the financial aspects. Even that will need many, many details to be worked out and agreed among multiple players.

Where will these details be worked out? Who will organize and curate those conversations? They cannot be worked out on Wall Street, under the guidance of Wall Street professionals, because Wall Street is being moved out of this scenario through this strategy.

There has to be a new place, a fiduciary space that will be a safe place for multiple constituencies to come together in curated conversations that will be large, complex, wide-ranging and far-reaching. Global, actually. There will likely need to be many different conversations going forward in different places, involving different people, focused on different aspect of the challenge, at different times.

So, what we need is a global network of fiduciary spaces that are interconnected but asynchronous, so that different design conversation can proceed, each at their own pace, but all episodically or periodically brought together to agree a single, cohesive plan.

This is not free market stuff. Neither is it government directed central planning stuff. It is something wholly new. A brand new shape for global collaboration on brand new kinds of global challenges.

It is just the stuff to be hosted within university facilities, and curated by university faculties.

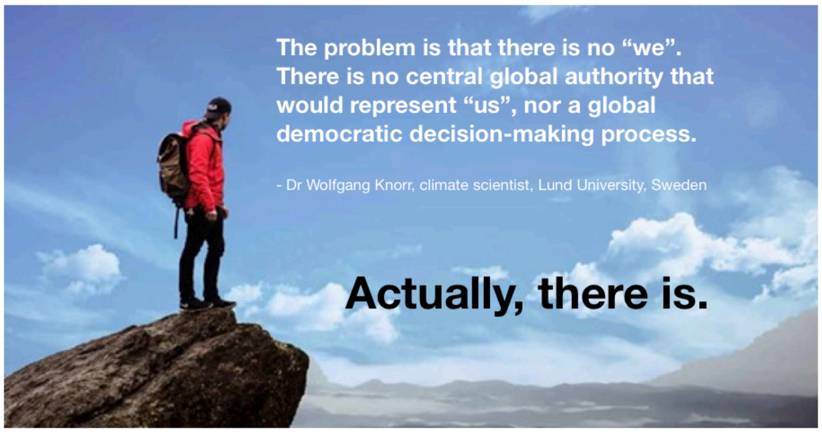
Universities already form a global network that is interconnected, but asynchronous, and also convergent towards a learning about what is true in the modern global prosperity. They are already storehouses of received wisdom, as well as places for exploring and validating new learning. They are perfect places for practicing and perfecting the new art and science of evergreen enterprise design through extraordinary prudent superfund stewardship investment decision-making.

And it should be easy to expand the current functioning of universities, to make them also places for popular participation by People Who Care in thee curations of superfund stewardship decision-making, to keep these stewards properly accountable to the adaptively evolving common sense and common wisdom as to what is properly prudent for superfiduciaries.

Further, many universities have endowments, and so are also themselves super fiduciaries. They are well-positioned to be the first movers, leading endowed foundations and pension trusts into this brave new world of super fiduciary stewardship investing in prioritized cash flows, for peace: earth peace and people peace.

Climate scientist speaks about letting down humanity and what to do about it
Posted by **jembendell** on July 31, 2019

https://jembendell.com/2019/07/31/climate-scientist-speaks-about-letting-down-humanity-and-what-to-do-about-it/



It is us.

X

A Bold, Innovative and Practical New Vision for Higher Education Climate Leadership

authentically aligning endowment investment with effective climate solutions

“Us” is the global community of superfiduciary stewards of society's superfunds: our actuarial risk pools for insurance and retirement/pensions; our endowments for education and philanthropy; and our sovereign wealth funds that control vast sums of society's shared savings: Other People's Money entrusted to their good judgement for a social purpose that includes putting that money to work making more money through investment, with a fiduciary duty to invest for this generation and the next, across a never ending succession of future generations.

These global stewards are accountable to popular choice through their legal duty of fiduciary prudence. Right now, the global community of People Who Care are democratically holding these superfiduciaries to a standard of ordinary care, which means we make them invest just the way we invest, as individuals. They are not individuals. They are large, purposeful, evergreen institutions with the powers of size, of purpose and of time.

As individuals, we have to speculate, because we do not have the size, the purpose or the time it takes to negotiate. Superfiduciary Superfunds do have the size, the purpose and the time it takes. But “we” are not letting them negotiate. Instead, “we” are making them speculate.

Humanity cannot speculate our way to climate peace.

We need to negotiate our way through a managed transition away from fossil fuels and towards a new energy future. And we need to finance that transition through negotiated agreements between funding sources and transition enterprises for sharing in cash flows generated during that transition, and after we have made it successfully to a new future of climate peace.

Superfiduciary Superfunds can be those funding sources. Some alone, and all taken together, as a stewardship community, have the size. They have the purpose. They have the time.

Someone has to start, and curate the negotiations, and monitor the movements, and report to the public, so we can make needed adjustments as we go along, and learn more as we go.

Universities, with their faculties, and their facilities, and their Endowments, can do that.

Which means you.

BIG bold solutions challenges

a bold, innovative and practical proposal for
Higher Education Climate Leadership
aligning endowment investment with climate solutions: new roles in a new process in new places for having new conversations

Higher Education → **University Endowments** → **Foundations & Pensions** → **a choosing and a letting go** → Peace **gardens** →

and all scholars and teachers, and readers and thinkers, and others who self-identify as People Who Care

"How can I generate adequate cash flows, forever?"

commonly shared fiduciary duties, to this generation, and the next, across an evergreen succession of next generations

choosing the extraordinary prudence of partnership negotiation as Superfiduciary Stewards of Society's Superfunds

letting go of the ordinary prudence of corporate speculation as Asset Owners

fiduciary spaces that are safe places for university hosted and curated conversations with People Who Care about the design through finance of enterprises for making a managed transition

from
our present future history of corporate financed, fossil-fueled, climate degeneration in a continuing prosperity of nonpeace

to
a new future history of stewardship financed, new energy powered, climate regeneration in a new prosperity, of peace

A 10 Part Marshall Plan for a university curated superfiduciary financed enterprise organized government subsidized popular transition to a new energy future of climate peace

1. **Solicit Requests for Proposals** from Visionary Individuals Leading Creative Enterprises for managing a global transition from a present future history of fossil fueled future climate and social nonpeace to a new energy future of climate peace and social peace
2. **Organize a consortium** of University Endowments, Endowed Foundations, Pension Funds and other Superfiduciary Stewards of Society's Superfunds to finance qualifying proposals
3. Qualifying proposals will included plans for taking one or more fossil energy companies **out of public ownership**, where they are required by the structure of the public markets to prioritize cash flows for Growth, and
4. Placing them **into stewardship** through investment agreements for prioritizing cash flows for Peace: Earth Peace and People Peace
5. **Stopping** stewardship financed fossil energy companies from funding campaigns of **climate denial** and lobbying for fossil fuels
6. **Starting** stewardship financed fossil energy companies funding campaigns of **climate awareness** and lobbying for new energy research and laws supporting commercialization of new energy choices
7. **Investing** in new projects/enterprises for generating energy and cash flows from new energy sources, **to replace** energy and cash flow generation from fossil fuels
8. **Winding down** fossil energy and cash flow generation as we **ramp up** energy and cash flows from new energy sources.
9. Placing idled fossil fuel resources into **perpetual conservation trusts** for land restoration and regeneration (earth healing) and open space use (people healing)
10. **Working with government** and private organizations to steward the movement of displaced fossil energy workers into new trades or professions, or entrepreneurship

Within this new global network of university Peace Gardens expeditions of exploratory engineering into the possibilities for collaboratively co-creating by design a new future history of more that is better for more, beginning with new energy choices for a new future history of climate peace.

There is much work still to be done developing the protocols and processes for tase expeditions of exploratory engineering.

Maybe we can begin with these elements.

Exhibitions, using Art & design, to showcase the perceived changes that are creating the need that is also the opportunity for new learning and new enterprise.

Thinking Theaters, for testing enterprising visions against received wisdom of proven protocols for validating new learning.

Salons, for less structured conversations among the participants.

Charettes for critiquing constructively distinct aspects of the proposed plan.

Reports, for sharing the work with the general public.

Exhibitions

Thinking Theaters

Salons

Charettes

Reporting

This Manifesto can be viewed as a template for an Exhibition. It begins with a Preview of our enterprising visit for university hosted and curated Peace Gardens as fiduciary places for popular participation in extraordinary prudent stewardship investing, presents as a Provocation our view of the need that is creating this opportunity and summarizes our complete vision in a Prologue before providing a detailed narrative in text and images as cognitive cartographs, then closes with a real-world example of how it can be put into action.

Imagine these pages reformatted to poster size, or turned into short video animations, or even three dimensional models to create a life-sized, walk-through looking and learning experience.

Concept Sketch for a Peace Garden Event on Designing a Managed Transition to Climate Peace held in Providence, Rhode Island, USA, co-hosted and co-curated by Brown University and Rhode Island School of Design

Imagine, for instance, a Higher Education Climate Summit on Designing A Managed Transition to a New Energy Future of Climate Peace organized by evergreencore.org, in our home town of Providence, Rhode Island, USA.

Providence offers a good urban setting for such a Peace Garden convening. There is a recently opened District Hall, constructed as a space for entrepreneurial visioning and networking as part of a larger global network that offers good spaces for **Exhibiting** cognitive cartographs of the problem and its proposed solutions.

Providence is also home to Brown University, an internationally known university that can provide both physical facilities and expert faculties for curating expert assessments of various aspects of the problem and its proposed solutions in **Thinking Theaters**.

Providence is well known for its dining choices, offering numerous venues suitable for **Salon** gatherings to encourage more unstructured conversations and build personal connections.

And Providence is home to the Rhode Island School of Design, which along with both District Hall and Brown, can provide dynamics spaces for break-out **Charettes** to explore different aspects of the enterprising visions in smaller Charities.

And access to design expertise through RISD can provide expertise in designing and publishing **reports** on the convening, to make the conversation more affordably available - in the design sense of “giving people the ability to see directly, and correctly, what they can do” with the proceedings and their outcomes - to a wider audience of People Who Care.

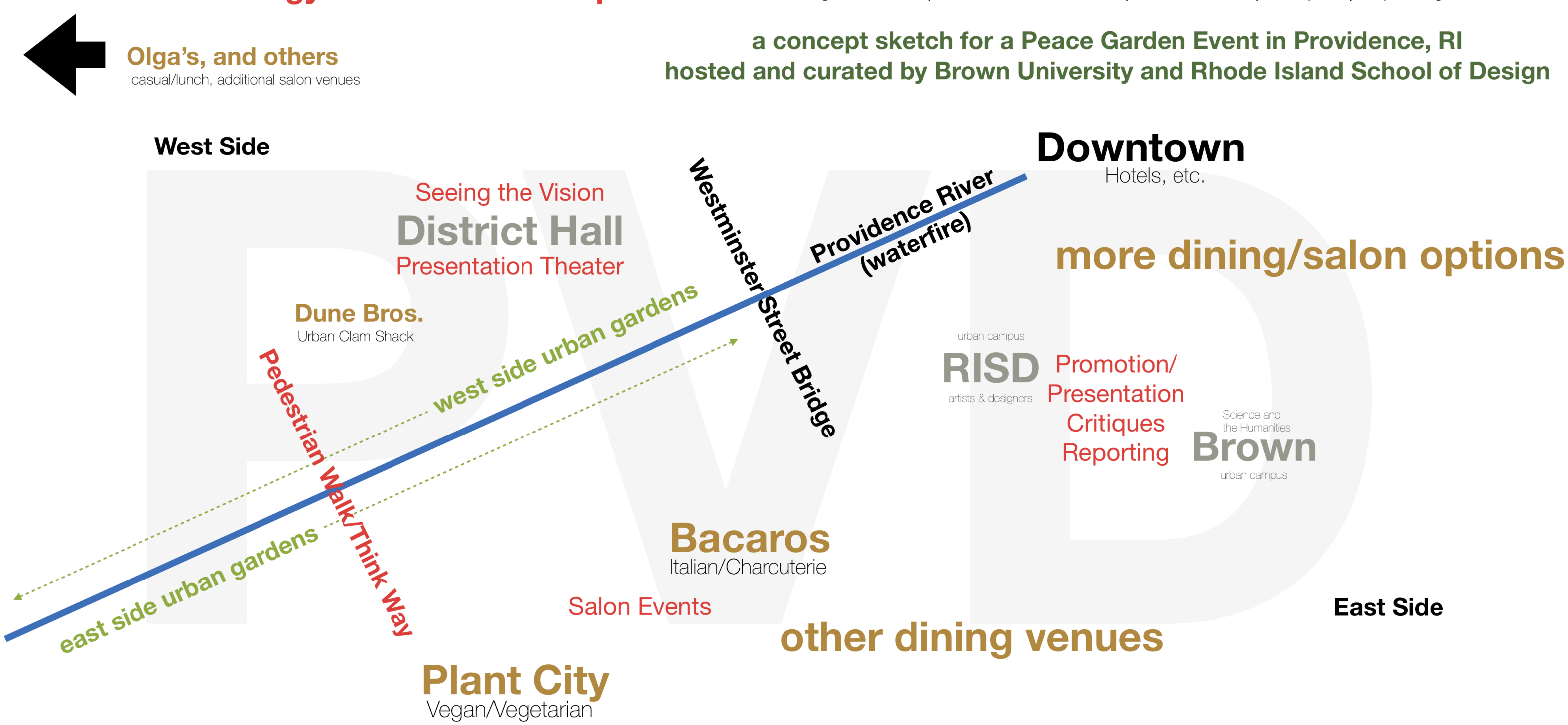
All of this is available in a compact area that can be navigated easily by walking, which will encourage further **reflection and engagement by and between convening participants**.

Once we agree a prototype design using a particular place - like Providence - we can easily replicate that design in **other urban/university venues**, making modifications and adjustments as appropriate to new places, and to incorporate new learning about what works well, and not so well.

superfiduciary superfund financing for a managed transition
from a fossil fueled energy future of climate crisis
to a new energy future of climate peace

Seeing the Vision | Presentation Theater | Salon Events | Critiques | Reporting

a concept sketch for a Peace Garden Event in Providence, RI
hosted and curated by Brown University and Rhode Island School of Design



The New Skills of Good Stewardship Thinking for Enterprising Visionaries, Superfiduciairies, People Who Care and Popular Choice

Cognitive cartography - literally, map-making, and also, map reading, and thinking spatially, using maps - will be a core skill for good stewardship thinking by enterprising visionaries, superfiduciary stewards of society's superfunds and People Who Care.

Describing the computer connected, globally evolving, adaptive networks economy of the 21st Century in text will be tedious to write and drudgery to read. Much better to sketch out the relationships graphically. Especially for purposes of curating conversations, where a simple pointing to "here" can convey so much meaning, so compactly and so engagingly.

This kind of thinking is not widely taught today, outside of Architecture, and maybe Engineering. So it will be for many a new skill that needs to be learned.

The thing about cartography is that it is not really linear. There is no beginning and no end. A good cognitive cartographer maps out all the important feature of the relevant cognitive landscape without giving more or less importance to the various features, leaving it to the graph reader to make their own judgments about what relationships are most important to the inquiry at hand, and need to be focused on, examined, de-constructed, analyzed, discussed, expanded upon, modified, or even redrawn, or eliminated.

These are the core conversations we need to be having for adaptively evolving the common sense and common wisdom of extraordinary prudence for stewardship investing by superfiduciaries.

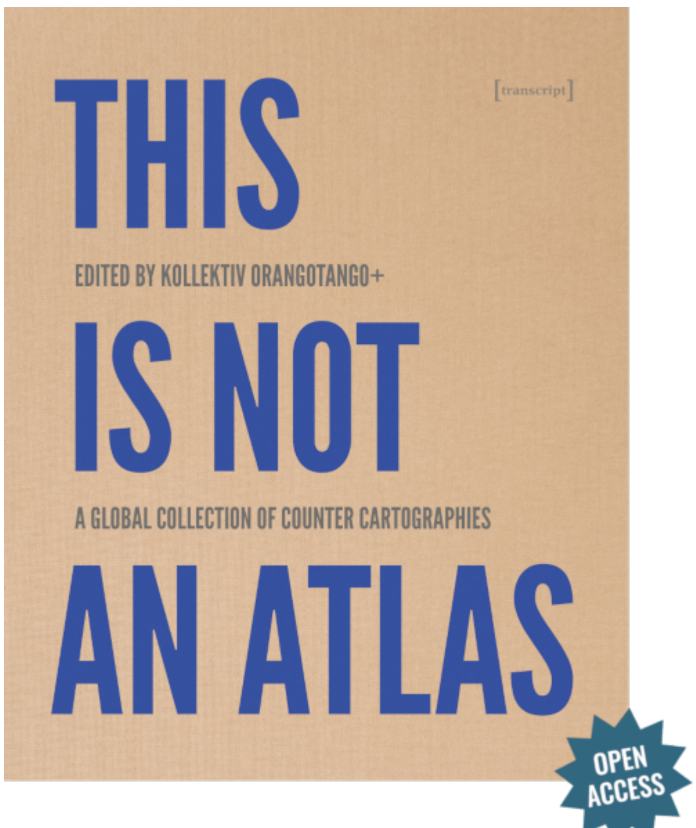
We need to develop the skills required to have these conversations.

This is especially so when considering the impacts enterprising visions will have on local communities, earth ecologies and global prosperities that are the core concerns for good stewardship investing by superfiduciary stewards of society's superfunds, and the primary points of engagement

Consider, for example, the This Is Not An Atlas project by

ORANGOTANGO

https://notanatlas.org/book/



How do we step-and-repeat to bring other domains of choice and action within the ambit of superfiduciary stewardship?


Invest in Peace
a
safe house
for humanity
the new human project
regenerating soils, savings and social
cohesion through investment in enterprises
that foster and promote peace

What other enterprises can we set free from:

Corporate Gigantism
Unreasonable Elitism
Fundamental Unfairness
Social Oppression
Earth Degradation

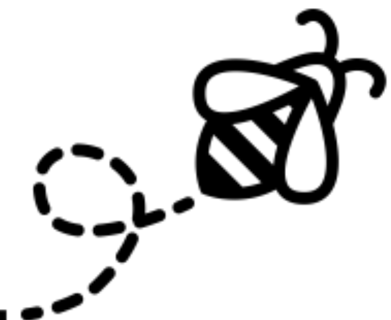
Because the evidence keeps accumulating, that our monomaniacal pursuit of manufactured Growth is killing us.

Join
the conversation

empowering the
Popular
Voice
through
curated
conversations
on the
extraordinary
prudence of
superfiduciay
stewardship
investing in
peace

we need
to generate
a lot of

buzz

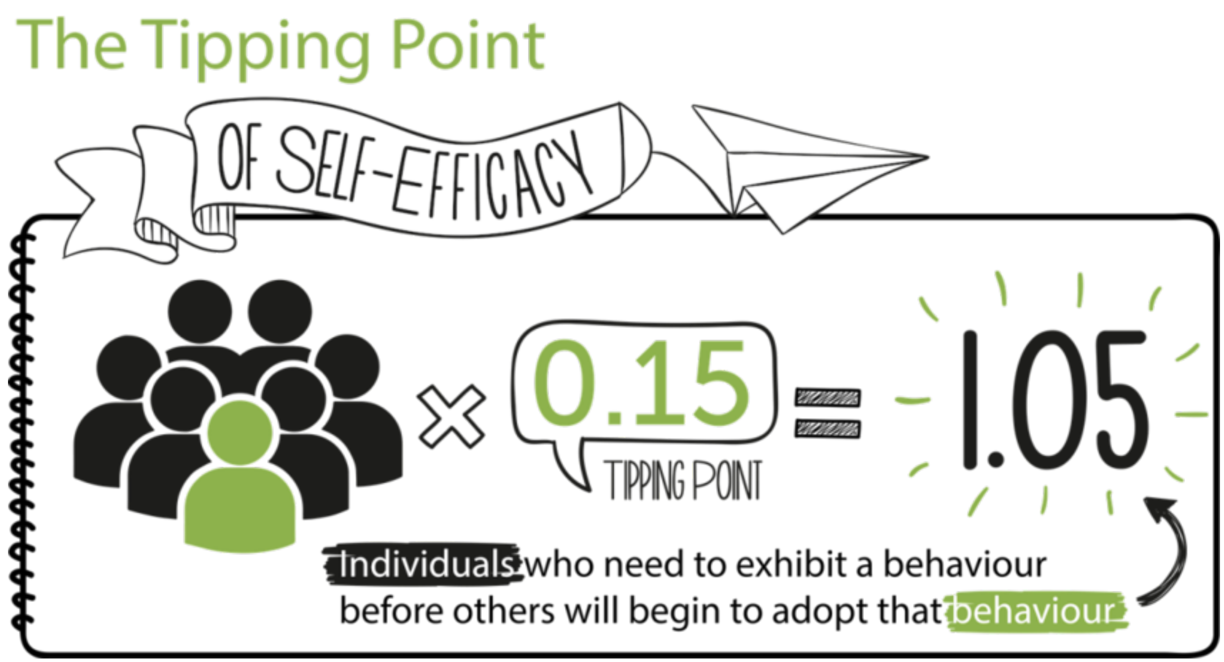


In a blogpost by the World Economic Forum entitled *A way to reduce poverty that's so simple, it just might work,* 27 Mar 2017, https://www.weforum.org/agenda/2017/03/a-way-to-reduce-poverty-that-s-so-simple-it-just-might-work/, various data studies are cited offering evidence as to the percentage of the population that must be moved to change before the entire population will follow their lead, and make that change.

The smallest percentage cited is just 1.05%. Other studies indicate higher percentages of 10-30%.

The important point for us is that there is a relatively small percentage, maybe only +/- 10%, of any population who must me inspired to new, before a tipping point is reached, and the creative edge begins to become mainstream.

This means that participation in Peace Gardens does not need to be universal, or even majority, to be authentically representative of the larger population, and truly accountable to popular choice.



https://www.weforum.org/agenda/2017/03/a-way-to-reduce-poverty-that-s-so-simple-it-just-might-work/

It also means that an similarly small percentage of this smaller population of People Who Care is all that we need to change the thinking within the wider community about how our Pensions & Endowments can and should be investing.

And once we change by popular choice the common sense and common wisdom of how Pensions & Endowments can and should be investing, then we can begin changing the way these super fiduciaries actually do invest the savings of society that we entrust to their good judgement.

To be sure, the numbers are still large. There has to be a lot of conversation.

But the data seems to say, we can start small, and build from there. Exponentially.

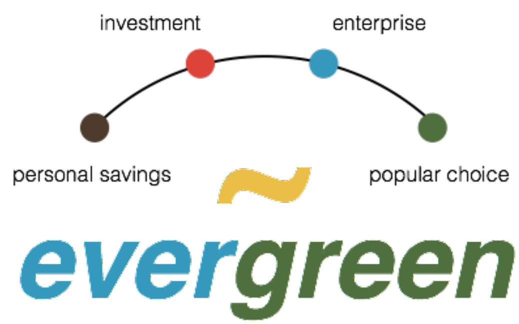
With your help.

the new shape of global collaboration

peace gardens

BIG bold solutions challenges new conversations

urban/university
Peace Gardens



extraordinary prudent superfiduciary stewardship
investing in the flourish and fade of the social
contracts between enterprise and poplar choice
through custom crafted agreements on
prioritizing cash flows, fore peace

Popular participation in curated conversations for adaptively evolving the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of ordinary prudent for ordinary fiduciaries and of extraordinary prudence for superfiduciaries

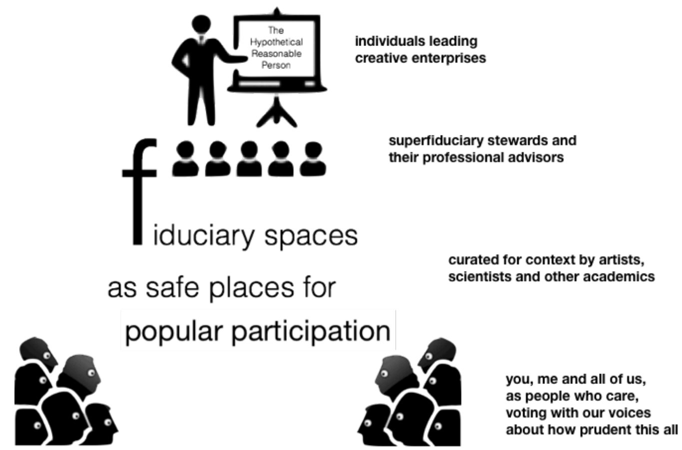
a *new* evergreen channel and mechanism for aligning superfund investments with their superfiduciary powers and purpose

Peace

gardens

new fiduciary spaces that are safe places for popular participation by People Who Care self-selected from the general population in curated conversations with superfiduciary stewards of society's superfunds, other prospective investors, government regulators and policymakers, and visionary individuals leading creative enterprises about the common sense and common wisdom of The Hypothetical Reasonable Person as the legal standard of ordinary prudence for ordinary fiduciaries, and of extraordinary prudence for superfiduciaries

generating sufficient superfiduciary cash flows, forever, in a forever that will be worth flowing into



evergreen~ Superfiduciary Stewardship

negotiated agreement on prioritizing cash flows

Equity Earn-back
enterprise leadership equity earn-back by delivering adequate superfiduciary cash flows

Prudent Stewardship
the extraordinary prudence of superfiduciary stewards of society's shared savings investing to generate adequate cash flows, forever, in a forever that is worth flowing into

Rewarding Finance
financing professionals doing well by doing good putting society's shared savings to work on the creative edge of a future history of more that is better for all, fairly shared throughout the population and across the generations in a prosperity of peace

In Service to Society
valuing the values society needs to be valuing through investment in enterprise and exchange, today

evergreen~

super fiduciary financial activism

epilogue

What public reporting
should superfiduciaries
be making about their
stewardship investing of
society’s superfunds
entrusted to the
extraordinary prudence
of their good judgement