

VESTED INTEREST

NEWSLETTER OF THE WEALTH STRATEGIES GROUP

Making an Impact with Your Investments

Since the early 1990s, there has been an evolution taking place within the vast and complex world of investments. Once regarded as a strategy with a lot of heart and little gain, Socially Responsible Investing (SRI) has become more sophisticated and accessible. SRI investment assets grew to \$6.57 trillion by 2014.* In addition, the ways that one can access SRI and express a particular point of view have increased exponentially, since the early days of this investment philosophy. An investor can screen out, for example, a lot more factors much more easily than was feasible in the past.

In order to understand the nuances of SRI, it is critical to realize just how many styles of investing fall under this category. SRI, by definition, is any investment strategy that seeks to consider BOTH financial return and social good. Investors are looking to promote concepts and ideals they feel strongly about. The three main ways to do this are:

- 1. Investing in companies that align with the investor's values.** This could include the environment (also known as Green investing), religious beliefs and human rights, among others. These areas are also known as Environmental, Social and Governance and referred to as ESG Investing.
- 2. Shareholder Advocacy:** Investors proactively seeking to influence corporate decisions to be more beneficial to society at large by educating the public on issues and attracting media attention to issues at corporations.
- 3. Community Investing,** which is the fastest-growing segment within SRI. This method involves directing investors' capital to communities in the U.S. and abroad that are underserved by more traditional financial lending institutions.

In the past, the most popular strategy for investors looking to augment their portfolio with SRI investments was to restrict a particular company or sector from their portfolio, such as tobacco or weapons. This is known as a Negative Screen methodology and actually got its beginnings in the 1700s as the Quakers sought to avoid having members that took part in anything related to slavery. In the modern age, there is more transparency for investors and it is relatively easy to implement this strategy than it was in the past.

*Source: Forum for Sustainable and Responsible Investment, 2014

Today, there is a new generation of SRI, and it is called Positive or Impact Investing. Versus the Negative

Screen approach, Positive Investing involves making investments in companies believed to have a positive social impact. It includes the aforementioned "ESG"-Environment, Social and Governance-but introduces the concept of "Sustainability" into the SRI equation. This refers to choosing companies that are successful financially, have strong long-term performance, and are leaders in areas such as social justice and environmental issues. In other words, there are companies who are thinking beyond profitability and instead thinking about their long-term impact on the world. Recent studies have shown that these investments in these companies have been very lucrative for investors versus those investments in companies with lesser focus on these issues.

For investors interested in the concept of SRI, the easiest way to see if this strategy is right for some or all of your investment assets is to review the many choices available today with your advisor. Although the options are much greater than they were many years ago, there are still many factors to consider to select a strategy that is right for you.

How CNB Can Help

Our team is always available to answer your questions and we are always looking for new ways to help our clients meet their goals. Let us know if we can help you better understand the options available to you.

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“Aging seems to be the only available way to live a long life.”

Daniel-Francois-Esprit Auber, French composer 1782-1871

Here in Rochester, Lifespan and St. John Fisher College offer a non-credit certificate program in gerontology with the goal of producing professionals who truly understand and respect older adults. As a student in the program, it is my mission to dispel the myths of getting old.

Let's start with physiological aspects of aging. I'd like to eradicate our notion that getting "old" is something to be dreaded. First we need to differentiate between "Disease" and "Aging" because they are NOT synonymous.

Aging equals *change*, not frailty. It is a process that begins at conception and continues throughout our lives with a series of small changes that end at death. We should not view old age as a "big" change, it really isn't. You've been steadily working toward this goal since before you were born. *Embrace* it! "Successful aging" means to grow old with no disease. Most of us are not aware that between the ages of 25 and 75, healthy humans only lose 5-10% of their strength and mental capacity. Think of people you know in their 80's who are still going strong and show no interest in slowing down. How so?

That's where disease comes in. Arthritis, hypertension, cataracts, and diabetes are

common diseases that, left untreated, can accelerate aging. Practicing wellness in your 50's is crucial. It is possible to postpone disease, pushing off the clinical stage for years. So, rather than living 40 years with critical disease, you can shrink the clinical phase to 10 years starting at the age of 80 or so. It is our ability to bounce back that makes it possible. Being resilient is a trait most of us have as a child and carry with us into adulthood. We are unlikely to *develop* resilience in old age.

Another important element is stress. We *need* stress. It helps us get things done. We feel challenged under pressure and it leads to accomplishment. On the other hand, too much stress is deadly if it goes unaddressed and can make you blind to real issues happening. Be sensitive to that. Proactively dealing with stress will help you age well. Loss of memory is a common source of stress. It's been proven 80% of memory issues are due to NOT paying attention. Paying attention is within your control and something you can practice to improve memory.

Keep in mind too, isolation is stressful and may cause permanent mental illness. Social media is no substitute for human contact.

Let's turn to Mental Aerobics for a moment. Did you know the human brain is 78% water? Besides drinking lots of water, there are easy (fun) things we can do to boost our brain power.

- Read a book upside down
- Brush your teeth with the opposite hand
- Take a different route home
- Use your mouse with your opposite hand
- Learn a new skill, like painting or woodworking, and master it

Healthy aging is a goal that is achievable. Mental games are great, but physical activity like walking every day has more influence in slowing dementia. Eat right, avoid white flour, sugar, and salt to reduce inflammation. Your body will thank you. Don't forget to engage all your senses: sight, smell, taste and touch. They all have a direct connection to the brain. Finally, treat yourself to *one* piece of dark chocolate, savor it slowly and tune in to how it makes you feel. It will make you smile!

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Introducing our new Advisory Board!

We have formed a new Wealth Strategies Group Advisory Board. The members of our board come from diverse backgrounds and areas of expertise, are actively involved in our community, and will help us find new ways to enhance the client experience.

Amanda Agins - Attorney at Harris Beach PLLC

Patricia Ward Baker, Ph.D - Author, workshop leader, and retired financial advisor

Kenneth McCurdy - Chairman and CEO of McCurdy and Co.

Mark Siewert - Former owner of Siewert Equipment Company and local philanthropist

We are very excited to have them all on board!



Do you know someone who experienced a sudden cash windfall? Wherever it comes from—stock sale or buyout, inheritance, settlement, or employer bonus—a sudden availability of funds requires your attention. A financial windfall can present opportunities and challenges alike. Now's the time to review your financial plan to understand the additional impacts of this windfall.

Our experienced team of trusted, CERTIFIED FINANCIAL PLANNER™ professionals can help you decide how to invest, protect, or redirect these funds to meet your long- and short-term needs and goals. **Call us today at (585) 419-0670.**

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