

Capital, intentionality and participation

Newsletter

- Capital is often presented as a neutral instrument, measurable and technically manageable. In practice, it is never entirely so.
- Every investment decision produces effects that extend beyond the perimeter of expected returns. Effects that unfold over time and act on economic systems, on institutions, on relationships between different actors, and on society.
- Recognizing this dimension does not mean moralizing capital, nor questioning its function. It means acknowledging that allocation is not merely a technical act, but a choice that implies a variable degree of awareness and participation.

The difference does not lie in what one avoids, nor in what one chooses, but in whether one decides to participate.

- This newsletter arises from the need to observe capital not for what it promises in the short term, but for what it helps to make possible over the long term. Its goal is to support the reader in building a more rigorous perspective to support informed long-term decisions.
- Each issue will develop a central reflection, complemented by concrete examples that help translate its operational implications.
- It is conceived as an ongoing editorial project, dedicated to those who operate in the field of investments and in values-aligned capital stewardship; a space for ongoing reflection on capital and on the responsibility of investments.
- It serves a curious reader, accustomed to weighing choices, evaluating consequences, and distinguishing between declared principles and actual practices. It does not offer commentary on financial current affairs, nor operational recommendations and does not take ideological positions.
- Each issue will develop a reflection accompanied by practical insights, maintaining a consistent reference to *Mensuram Bonam* as a guiding criterion.

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The bench in the park.

I walk through a park with a friend until we stop in front of a bench.

It is an anonymous, shared space. It belongs to no one in particular. Like many things that we walk past every day, it can be used, neglected, or cared for.

In front of that bench, **three distinct attitudes emerge.**

- We use the bench and then we leave, leaving it exactly as it was. We leave no traces. We do not create a problem.
- This attitude consists in doing no harm. It is correct, **but limited to the minimum**: ensuring that the situation does not worsen.
- Abstention preserves the status quo, but does not improve it.
- Moving to another bench, we find it dirty because of the people who passed by before. We could ignore it without any consequence.
- **We choose to intervene.** We remove what has been left behind. We restore order to the space. **We make a conscious, oriented, deliberate choice.**
- Making a responsible choice shows intentionality.
- While we are seated, we see someone get up from a bench nearby, leaving behind a piece of litter. We could say nothing.
- Instead, we choose to intervene, stopping the gesture before it is repeated.
- At this point **we step fully into the shared space, accepting the risk of exposure**, in order to prevent improper behaviour from becoming normal.
- This is participation.

ABSTENTION

INTENTIONALITY

PARTICIPATION

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The neutrality of capital is often invoked as a technical principle. In practice, it is frequently a decision-making shortcut, reference to a benchmark is the most recurrent example. In many portfolio decisions, alignment with an index becomes the primary line of defence: the composition reflects the market, the risk profile is consistent, and the deviation is contained.

The choice is technically correct and precisely for this reason, it is rarely questioned. The same occurs when exclusion lists are used. Sectors or issuers are removed from the investable universe, often in a formally impeccable manner; however, once that boundary has been drawn the process tends to stop. The resulting portfolio is “clean” by construction, but it is rarely reread in light of the dynamics it continues to sustain: business models, governance structures, long-term incentives. In both cases, neutrality is only apparent. Capital continues to act, to exert influence, to produce effects in the real economy. It simply does so within a framework that makes the decision difficult to contest, but also difficult to hold accountable.

It is in this space that the distinction between abstention, intentionality, and participation ceases to be theoretical. Not as a moral judgement, but as a practical criterion for reading choices: what we avoid, what we choose, and to what extent we are willing to enter into the relationship, as in the example of the bench.

Mensuram Bonam is a reflection document promoted within the Vatican with the aim of questioning the relationship between economic and financial activities, decision-making responsibility, and the common good.

It is addressed to investors and to subjects who have an active role in capital allocation, in a manner consistent with the values framework it represents. It is not an operational manual, nor an ethical code to be applied mechanically to investment processes. Rather, it is a reference framework that invites consideration of the systemic consequences of economic choices, beyond their formal correctness.

The document does not propose operational models nor criteria for automatic exclusion. Instead, it invites consideration of the systemic consequences of economic decisions, moving beyond an exclusively technical or formal reading of investment. In this sense, *Mensuram Bonam* positions itself as a tool for reflection that is also useful for those who, while not operating in a religious context, are interested in a more responsible and intentional conception of capital.

In this newsletter, *Mensuram Bonam* is not treated as a normative reference, rather as a lens through which the role of capital is considered with greater intellectual rigor, while remaining fully grounded in the complexity of markets.

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Mensuram Bonam does not introduce a list of correct actions to be mechanically applied to investment processes. It does not provide a new checklist to be added to existing policies, nor does it set out a financial benchmark to be adhered to. Its contribution is more subtle, and for this reason more demanding. It invites a shift in attention from declared intentions to the consequences produced.

In practice, this means asking questions that rarely find space within standardised processes. Not only whether an investment is consistent with a mandate or with a benchmark, but what kind of dynamics it contributes to reinforcing over time. *Mensuram Bonam* does not suggest automatically avoiding these situations. It suggests not considering them irrelevant. For example, when an investment decision is defensible under every formal profile, but is never truly questioned with respect to the dynamics it helps to reinforce over time, nor to the consequences it produces outside the immediate perimeter of the decision.

In this sense, it does not oppose market finance. It opposes the idea that formal compliance can exhaust decision-making responsibility. It is a call for intellectual vigilance: recognising that every allocation, even the most defensible from a technical standpoint, produces effects that deserve to be observed, questioned, and assumed.

***Mensuram Bonam* addresses the theme of financial discernment as it unfolds through attitudes of Abstention, Intentionality, or Participation.**

This newsletter does not intend to offer simple solutions to complex problems. It does not propose moral shortcuts, nor pre-packaged answers.

It will seek, issue after issue, to build a rigorous space for reflection, in which capital is observed not only for what it produces, but for what it makes possible.

Because, ultimately, the difference is not what we avoid or what we choose.

Many stop at abstention. Some reach intentionality. Few truly choose participation.

Author's notes and Disclaimer



Andrea Favalo is an executive manager with over thirty years of international experience in financial services and strategic advisory. Over the course of his career, he has held leadership roles in leading global financial institutions, operating in European and international contexts. His professional path combines a deep knowledge of financial markets with solid experience in governance and strategic development. In recent years, he led the European transformation and strategic repositioning of CBIS Global, contributing to the strengthening of its positioning in the field of ethical and Catholic investing.

Today he is primarily engaged in Non-Executive Director and Strategic Advisor roles, supporting investors, companies, and institutions in complex contexts, with a focus on long-term growth strategies, governance, sustainability, and ethical and values-based coherence in economic and financial decision-making.

Agave Advice is the strategic advisory firm founded by Andrea Favalo, with an international positioning and an approach oriented towards the integration of strategy, governance, and responsibility in economic and financial choices. The firm operates as an independent space for advisory and thought leadership, within which a commitment to education and high-quality dissemination also finds expression through this newsletter.

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