

The background of the slide is a light gray with a subtle, repeating pattern of faint, stylized bee illustrations. The bees are depicted in various orientations, some facing left and some right, creating a textured, honeycomb-like aesthetic.

The Nature of Investing

Katherine Collins
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01. HABITATS

Physical habitat

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Photos: K.Collins



Photo: K.Collins

Philosophical Habitat

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Photo: K.Collins

**Investing is
embodied belief.**



THINK

COMPLIMENTS OF IBM CORPORATION

© 1959

Professional Habitat - THEN

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Image: Wall Street movie c.1987, via wealthmanagement.com

Professional Habitat - NOW

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**We have become
the tools
of our tools.**

- Henry David Thoreau



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02. THE CHALLENGE

BIG GIANT INVESTMENT ISSUE:

RISK

VS.

UNCERTAINTY



THE EDGE OF THE MAP

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Image: Carta Marina, Olaus Magnus, 16thC

RISK

- “Known unknowns”
- Consistency is key
- Standardization
- Specialization
- Engineered models

UNCERTAINTY

- “Unknown unknowns”
- Adaptation is key
- Diversity
- Creativity
- Natural models

How to prepare for uncertainty?

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It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change.

- Charles Darwin



Honeybee Moment

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Photo Credit: H. Cohen

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03. FOSTERING ADAPTATION

WWND?

(What Would Nature Do?)



**Look deep into nature, and
then you will understand
everything better.**

- Albert Einstein



Investing IN nature
Investing WITH nature
Investing AS nature



PORTFOLIO CONSTRUCTION

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OCTOPUS

Image: Thomas Quine

RISK MANAGEMENT

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NUDIBRANCH

Image: Parent Gery, Wikimedia Commons

RESPONDING TO VOLATILITY

23



TOCO TOUCAN

Image: Wiki Commons

SUPPLY CHAIN MANAGEMENT

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LEAFCUTTER ANT

Photo: Getty Images

COLLABORATION

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DESERT WOODRAT

*Image by Kevin Kohl,
via Ed Yong/ Ntnl Geographic*

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04. CASE STUDY: SOIL

Dust Bowl



Photo: Arthur Rothstein via WikiCommons

Before

28



Photo: K.Collins

So, what happened?



- * **Volume increase**
- * **Technological change**
- * **Environmental shift**



US Financial Crisis

30



LEH stock price, 1994-2012

So, what happened?



- * **Volume increase**
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Root systems - grasslands

32

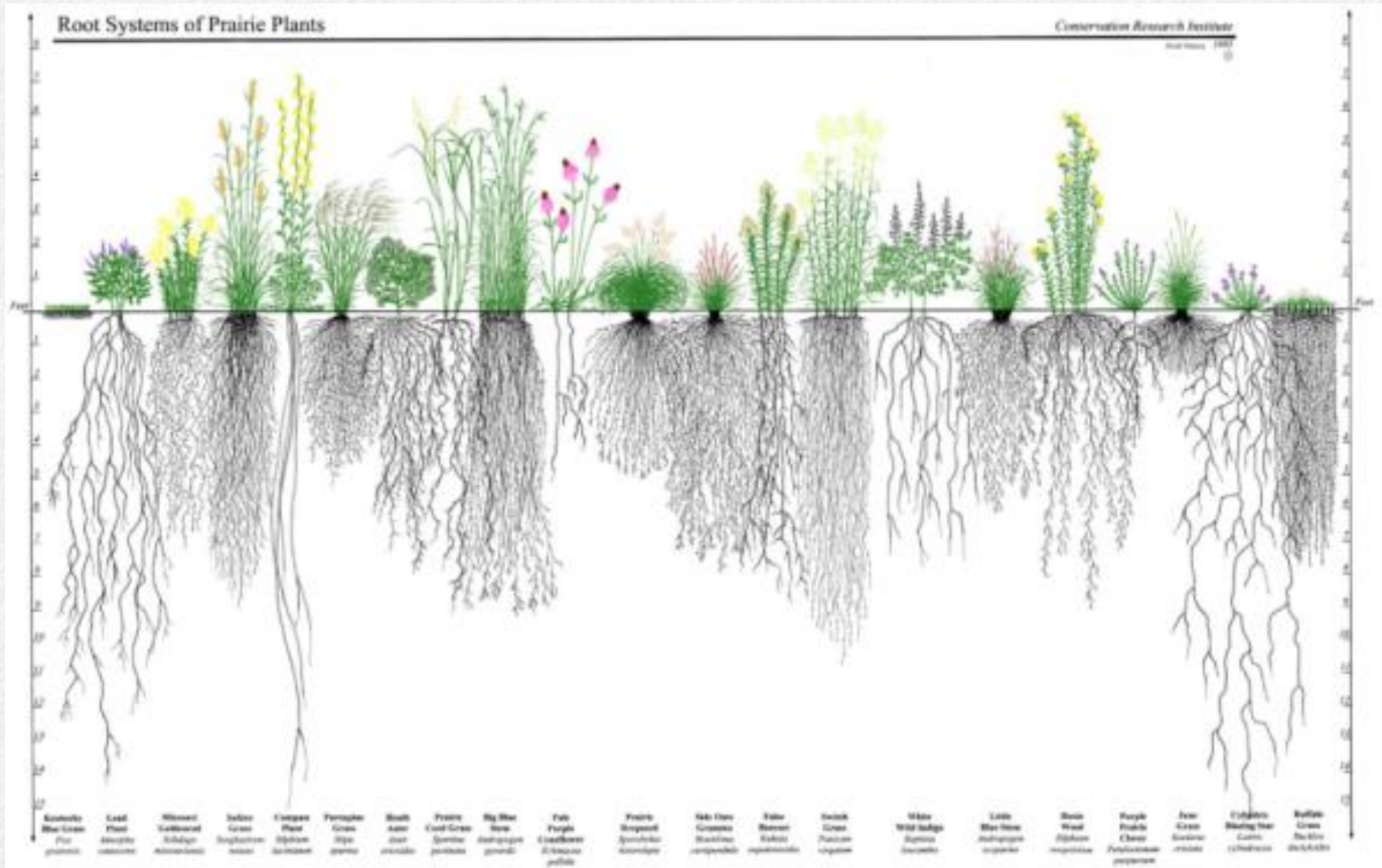


Photo: USDA, EPA

Mycorrhizal fungi

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Photo via WikiCommons



05. CROPS vs. ROOTS

GOOD YIELDS



- * Careful tending
- * Favorable weather
- * Healthy soil
- * Strong roots



STRONG ROOTS



- * **Clear function**
- * **Local connection**
- * **Mutual exchange**
- * **Diverse ecosystem**



**Feed the soil,
not the plant.**

- Eliot Coleman



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