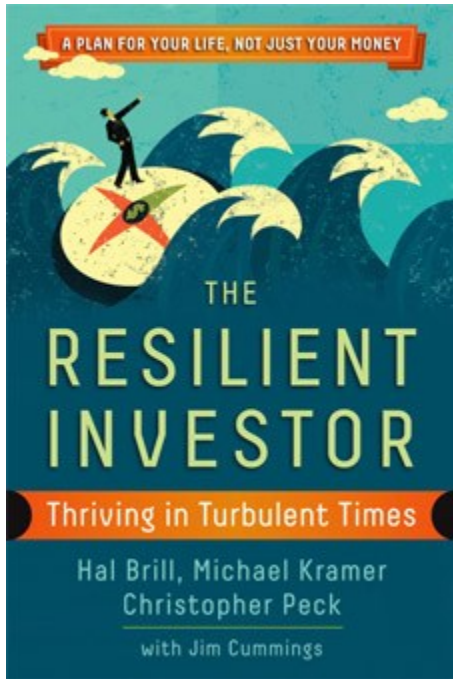


The Resilient Investor



Note to reader: Hal Brill, his father Jack, and GreenMoney publisher Cliff Feigenbaum were coauthors of the 1999 book, Investing with Your Values. So it is appropriate that the GreenMoney Journal is the first publication to offer an excerpt from this new work written by the partners of Natural Investments LLC.

Does the challenge of making informed decisions about your life seem far more complex today than it did even a short time ago? Does the future—yours, and that of the world—feel highly uncertain, perhaps even precarious?

We can sense you there, nodding in agreement. So we need to say right at the outset that you’ve just picked up a book that is *not* going to tell you what’s going to happen this year, or next. It would certainly be easier to market a book that reveals our

“three smart money secrets”—everyone’s a winner! But we can’t in good conscience make that pitch for one simple reason: the future has yet to be written. There are no simple formulas that can be relied upon in this complex and unpredictable world.

The good news is that this article and the book offers something that’s even more valuable: a dynamic framework that will help you navigate the stormy times we’re living in. The tools we’re offering are designed to keep you nimble, which you’ll need to be as the ground under our feet continues to shift. Because although we can’t tell you *how* things will change, we do know that they *will* change.

To guide your way forward, this book offers a pairing of two central ideas: *resiliency*, and embracing an *expanded view of what it means to “invest.”*

The first, *resiliency*, offers an invaluable set of principles that can guide our decisions in this fast-changing world, keeping us responsive in the decades to come. The second arises from our experience as investment advisors, through which we’ve come to appreciate the pivotal role that investing plays in shaping the wholeness of our lives, and our collective future.

By weaving these two essential themes together, we developed the evolutionary framework that you’re about to learn: *resilient investing*. It’s designed as a toolkit that helps you to build a life in accordance with your dreams, no matter what the future may bring. With it, you’ll learn how to take action, stand up to uncertainty, and stay flexible.

Resilience

There's a new word in town, and its name is "resilience." It came in out of the blue and unseated the reigning champion, "sustainability," which as many had noted, was getting kind of soft (Barbie now comes in "sustainable packaging"). Everywhere we look, resilience is poking its fresh new face: in economics, climate science, leadership, online security, community planning, and psychology (actually that's a place where it's been in common usage for some time). Amazingly in these partisan times, it has managed to cross the ideological spectrum. The Post-Carbon Institute recently re-branded their website as resilience.org, while the World Economic Forum in Davos jumped on the bandwagon by focusing its 2013 conference on "Resilient Dynamism." If resilience science speaks simultaneously to re-localization activists in their transition towns, as well as to the 1% gathered in their enclaves, we should clearly be paying attention!



For those with a strong focus on assuring that we maintain the viability of the biosphere, it's worth taking a moment to see why resilience is starting to displace sustainability as an organizing concept. Besides the greenwashing alluded to above, sustainability tries to come up with an "equilibrium point" in which a system stays in balance but this is counter to how many natural and human systems operate. As architect and systems thinker William McDonough wryly asks, "Who simply wants a sustainable marriage?" Resilience does rely on the principles of sustainability (unsustainable investments weaken the capacity of a system to maintain integrity), but it strives for a healthy

dynamism rather than stasis.

The lens of resilience makes us more cognizant that for better or worse, we have entered the age of the Anthropocene—a new term for a geological age in which humans have become the dominant factor shaping the world. Natural systems have been damaged to such a degree that we need to be prepared for random, extreme disruptions. At the same time, resilience points out that we should be designing our systems, and our lives, so that we do more than survive such disruptions. We'll want to "capture the upside," thriving and growing when exposed to volatility and disorder, while also seizing emerging new opportunities as they come into view.

Our goal as investors is to make things better, for us, and for the world. We are using "resiliency" in its most flexible and optimistic form, still loyal to the goals of sustainability (providing for the needs of the present without harming the future), and with eyes staying sharp for emerging prospects. Here's our working definition:

Resilience helps us thrive by

- anticipating and preparing for disturbance,
- improving the capacity to withstand shocks,
- rebuilding as necessary, and
- adapting and evolving when possible.

Resilience is a powerful metaphor for our uncertain times. It provides a framework for learning how to live *with* the fundamental complexity of modern life, rather than trying to simplify our way out of it in order to make decisions. When the inevitable disruptions do hit the system, resilient investors will have the best possible shock absorbers to minimize being rattled, and be positioned to bounce back even better than before. Our favorite one-liner comes from Harvard business professor Rosabeth Moss Kanter, who said, “When surprises are the new normal, resilience is the new skill.”

An Expanded View of Investing

Many people have a rather narrow image in their minds about what “investing” really means. Do an image search on the word, and you’ll see lots of coins and dollar bills, graphs and charts, bullion bars and Wall Street suits. What generally comes to mind is that *investing is done by those who have extra money, in order to turn this into even more money, using the methods promoted by Wall Street*. While most of us are interested in becoming more prosperous, this concept of investing leaves many people out of the game, and even for those who do invest this way, it is a cold and abstract prescription that fails to touch on what gives deeper meaning to our lives.

We say that it’s time for a new approach. Rather than wrinkling up one’s nose and doing “investing” the way we’ve been taught, we’re asking people to take a step back and really think about what a powerful and creative role this activity can play in our lives. This begins with expanding our notion about what investing truly is. So try this on for size: *investing is something that we all do by directing our time, energy, attention, or money, in ways that move us towards our future dreams, using a diverse range of strategies*.

Let’s start with dismissing the popular notion that investing is an activity that is only available to those with discretionary capital to play with. The fact is, neither the investment, nor the return, must necessarily be in the form of money. Financial investments are just one side of the coin; on the flip side is time, which we choose to expend through the ways we focus our attention or channel our energy. These, too, are precious resources that we can and should bring to the investing table. Throughout this book, we’ll look at ways that the choices you make with your time, attention, and energy are as central to your long-term investments as the ways you work with your money.

Next, we rethink the purpose of investing. As the Beatles so joyously pointed out, money can't buy us love. Still, the single-minded pursuit of most investors is to increase our financial "net worth," though our real goals in life are much broader than this. Resilient Investing recognizes that we are actually interested in cultivating several types of assets: personal (relationships, community, learning, health, spiritual growth), tangible (home, efficient energy systems, local food supplies, a healthy ecosystem around you) and financial (stocks, bonds, savings). By including all of these valued objectives in our resilient investment plan, we have the opportunity to shape virtually all aspects of our lives.

Finally, it's important to rethink *how* we pursue those goals. Are the recommendations proffered by traditional investment books, magazines, and financial services firms the one and only valid methodology? Are there other strategies that you can use to diversify and seek out new opportunities that are largely ignored by Wall Street? And in this volatile, complex world, might it be wise to consider the possibility that strict adherence to traditional, buy-and-hold-on-to-your-hats dogma may leave us vulnerable to systemic risks that threaten to send our economy reeling?

We call the process of spreading our wings into more spacious skies "weaning off Wall Street." It opens our minds to exploring investment strategies beyond the common focus on just financial markets. Resilient Investing provides three novel approaches from which to mix and match: Close to Home, Sustainable Global Economy, and Evolutionary Investing.

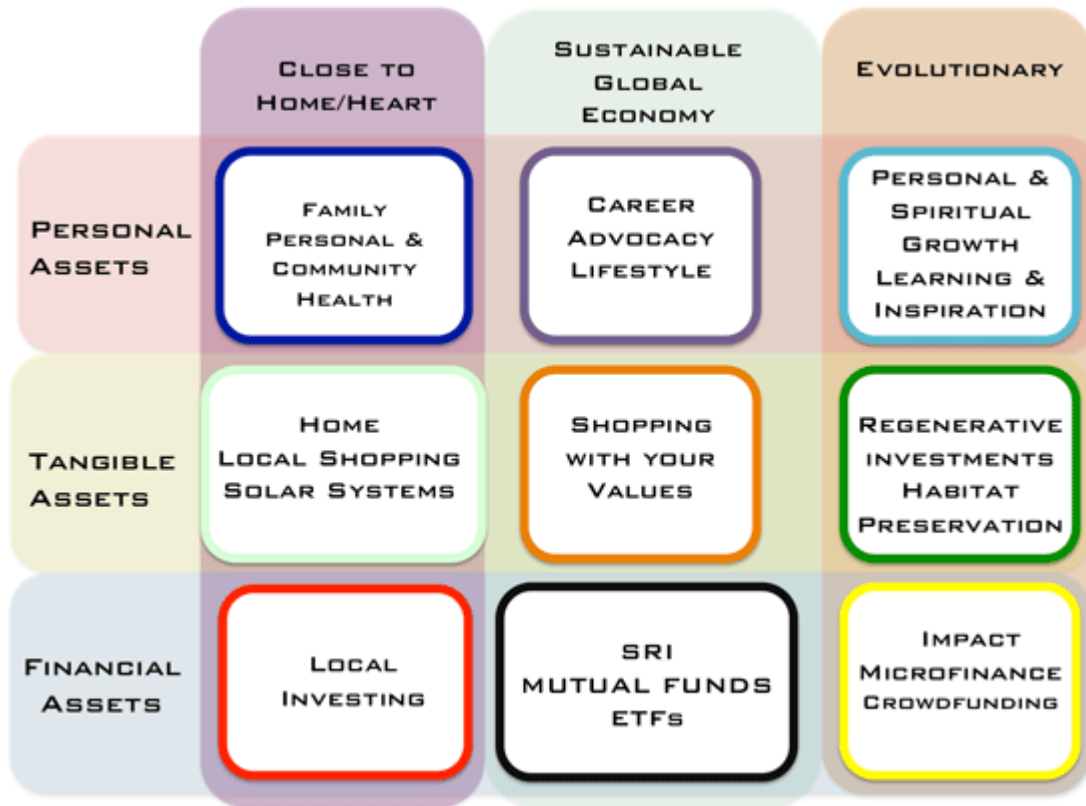
With our expanded resources (money *and* time) in hand, we created a new map, a three-by-three grid that covers much more terrain than that old familiar basket of market-based financial investments. Along the north-south axis, we aim to grow all three types of assets. Moving east to west, you'll be engaging in our three distinct investment strategies. This results in the nine zones of investment choices that comprise The Resilient Investing Map.

You could think of each of the nine investment zones as baskets in which you can distribute the eggs (time and money) that you have to invest. By doing this, you'll achieve far more diversification than could be imagined from the limited perspective that most people are accustomed to using.

We invite you to embark on this journey of exploration in service of a most concrete purpose: preparing your life for whatever may come. We'll help you cultivate a deeper clarity about how to work toward your hopes and dreams for the future while also accounting for the uncertainties inherent in looking beyond our visible horizons. The way forward is likely to be dangerous, exhilarating, and challenging; it can also be rewarding, nourishing, and joyful. We may not know which future awaits us up around the bend—but the way there is clear: we'll just need to bend!

This article was based on excerpts from the forthcoming book, The Resilient Investor: A Plan for your Life, not just your Money by Hal Brill, Michael Kramer and Christopher Peck, the Managing Partners of Natural Investments. Jim Cummings worked as editor of the book.

The authors may be contacted through their website at www.naturalinvestments.com. Natural Investments is an investment advisor registered with the SEC.



Editorial Reviews

“Brings to investment what the periodic table brought to chemistry—clarity, order, and understanding. Thousands of books have been written about how to live well, shop smart, or save wisely, but this is the first to show, step by step, how to optimize for all three and how to harmonize our choices with our dreams.

—Michael H. Shuman, author of *Local Dollars, Local Sense*

“To survive and thrive in an uncertain future means being resilient—in every sense of the word. That's easy to say, hard to do. *The Resilient Investor* [shows] not just what resiliency means to a financial investor but also how it relates to the investments we make every day in our families, our communities, and ourselves.”

—Joel Makower, Executive Editor, GreenBiz.com, and author of *Strategies for the Green Economy*

“I celebrate this book, which lays out a new map showing how each of us can create an ecosystem of investments that helps us thrive no matter what the future brings.”

—Vicki Robin, author of *Blessing the Hands That Feed Us* and coauthor of *Your Money or Your Life*

“A timely and refreshing rethink of what it means to invest. The Resilient Investor takes the big view, while helping readers create a holistic investment plan that will serve their goals—no matter what the future holds.”

—Amy Cortese, author of *Locavesting*

“Today more than ever, investors must cultivate the virtue of resilience. The Resilient Investor shows us exactly how to do so with expansive vision, solid money advice, and practical wisdom, establishing beyond a doubt that resilient investors are, in the long run, the most successful investors.”

—Patricia Aburdene, author of *Conscious Money* and *Megatrends 2010*

“This unique original treatment of investing is holistic in the best sense of the word: it connects investing to the rest of your life, brings it down to earth, normalizes it, and offers valuable insights into how you can truly think anew about your money while deploying it mindfully in the service of personal and societal goals.”

—Joe Keefe, President and CEO, Pax World Management LLC

“The Resilient Investor shows how thoughtful investment, in all senses of the word, can both protect and buffer us from an unpredictable and worrisome future. But, this book does something even more important: it also shows us how the right investments can influence that future and ensure it is the one we want.”

—Auden Schendler, Vice President, Sustainability, Aspen Skiing Company and author of *Getting Green Done*

“The global community is headed for increasingly turbulent times with greater risk and volatility. The Resilient Investor teaches us how to prepare by considering every aspect of our lives in mapping our future scenarios.”

—Carsten Henningsen, Chairman, Portfolio 21

“What could be more important, in the world of ultra-fast trading, rogue computer algorithms and climate change, than weaning ourselves off Wall Street? We need to reinvent investing in the 21st century. The thinking that informs this book is a vital part of that urgent process.”

—Woody Tasch, Founder and Chairman, Slow Money

“This book is brilliant! By redefining and broadening what it means to invest, it helps chart a course toward making the most productive use of both your money and your time and live a more fulfilling life in alignment with your values.”

—Jenny Kassin, CEO, Cutting Edge Capital, and CEO, Cutting Edge Capital