



Porter
& CO.

PORTER & CO. CONFERENCE 2023

How to Stop Throwing Darts and Start Building Wealth

Austin Root | CIO, *Stansberry Asset Management*

When I Die...

HERE LIES AUSTIN ROOT

**Loving & Beloved Husband,
Father, Son, & Friend**



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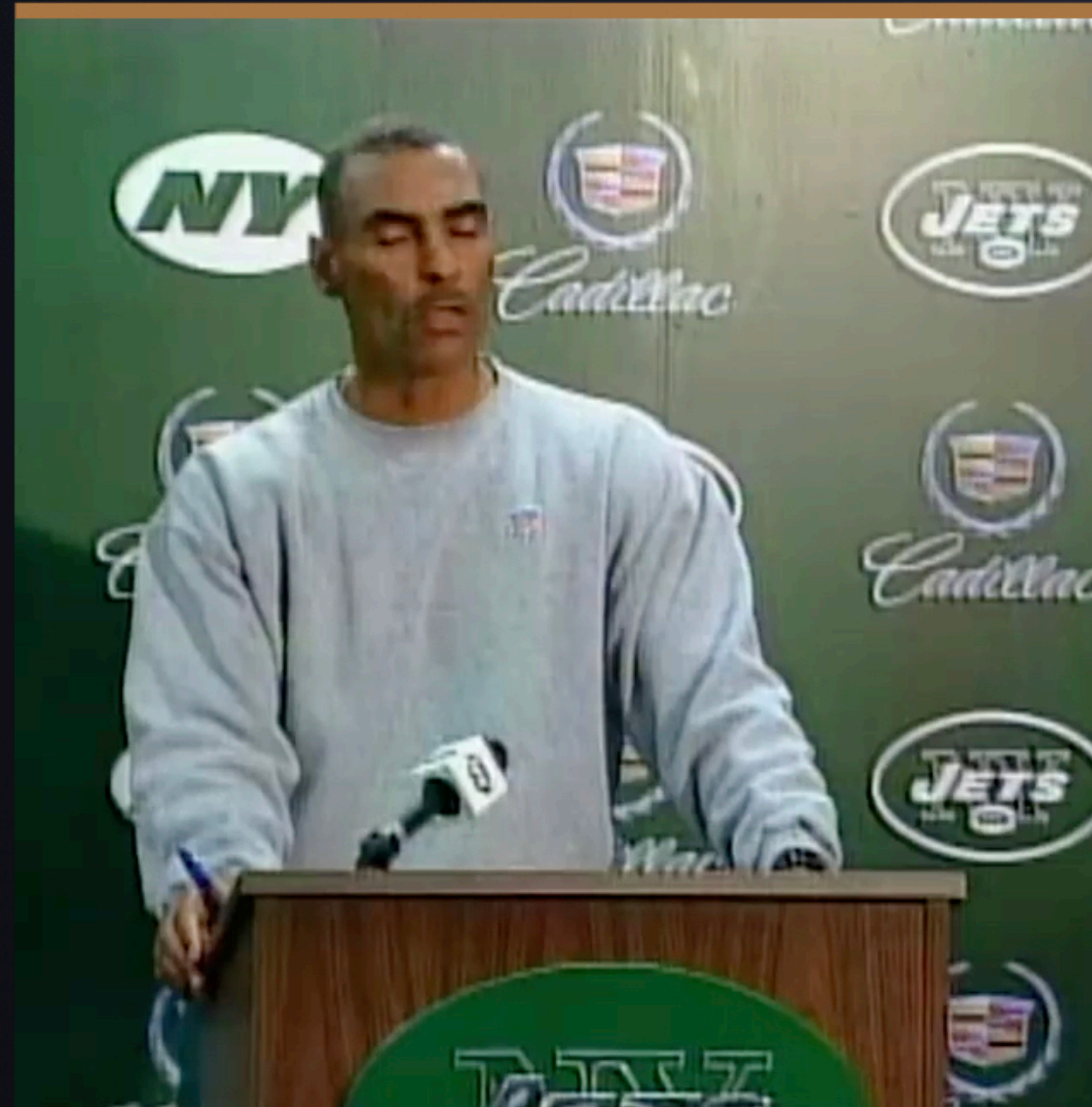
**He died working diligently for his clients, and
mumbling three wealth-building must-dos
that he would constantly say to them...**

Your Wealth-Building Must-Do Strategies

THE 3 WEALTH-BUILDING MUST-DOs

1. Know your investment goals and act accordingly

1. Know Your Investment Goals



1. Know Your Investment Goals

Your Investment Plan **MUST** Have a Goal-Oriented Approach

- Capital Appreciation (“Get Wealthy”)
- Capital Preservation (“Stay Wealthy”)
- Current Income (“Get Paid”)

Goal-Oriented Investing: **SAM's Expertise**



Capital Preservation

All-Weather
Gold
Treasury



Current Income

Income



Capital Appreciation

Venture Growth
Forever



Balanced

Tactical Select
Total Alpha
Cornerstone

Your Wealth-Building Must-Do Strategies

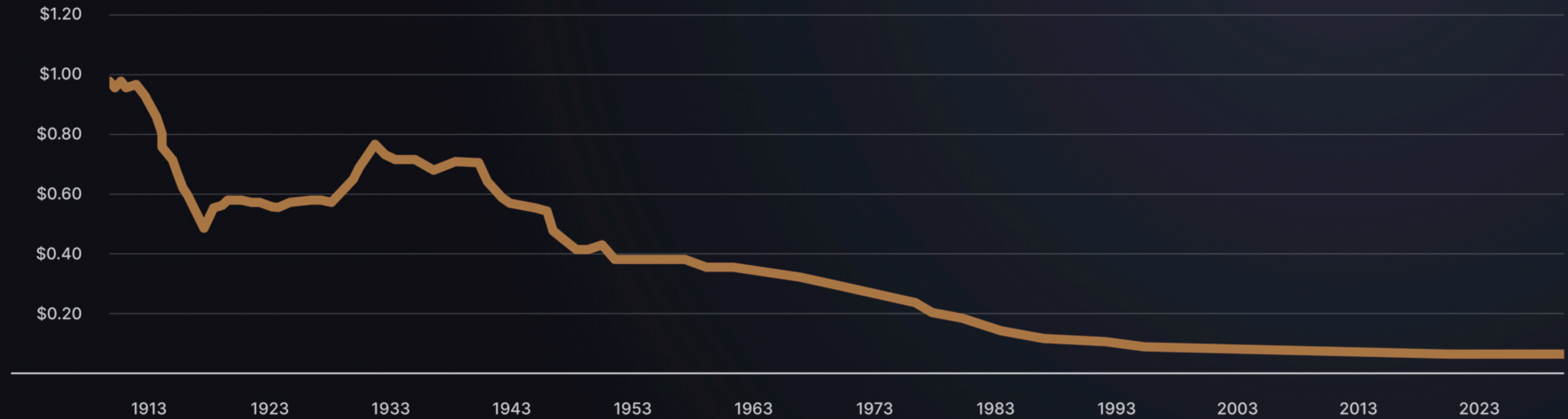
THE 3 WEALTH-BUILDING MUST-DOs

- 1. Know your investment goals and act accordingly**
- 2. The best defense is a good offense**

2. The Best Defense is a Good Offense... Explained

First, Do NOT Hide Out In All Cash

PURCHASING POWER OF \$1: 1913 - 2023



2. The Best Defense is a Good Offense... Explained

Gold Is a Better Store of Value Than Cash, But Do Not Own Only Gold



2. The Best Defense is a Good Offense... Explained

What You Should Do... Own Productive Assets

Productive Assets

- Assets that generate value and/or cash flow for owners
- SAM Key: Assets must produce returns in excess of inflation and your cost of capital
- SAM Key #2: Assets must provide attractive risk-adjusted returns

Your Wealth-Building Must-Do Strategies

THE 3 WEALTH-BUILDING MUST-DOs

- 1. Know your investment goals and act accordingly**
- 2. The best defense is a good offense**
- 3. When investing, you must be strategic and tactical**

3. Be Strategic And Tactical With Your Investments

Strategic Investing

Allocating capital across asset classes to achieve long-run investment objectives

Tactical Investing

Evaluating current market conditions to adjust and optimize asset mix

Consensus View

These investment approaches are at odds

WE DISAGREE

Successful Long-Term Investing Employs BOTH

3. Be Strategic And Tactical With Your Investments

Optimized Strategic Investing Is Tailored to YOU

- Unique financial situation
- Goals
- Risk tolerance
- Time horizon & more

With that said...

3. Be Strategic And Tactical With Your Investments

At the core of every investor's portfolio, you must own world-class businesses whose stocks are capable of compounding at a high rate for a very long time.

Own **World-Class Businesses**

Company	Industry	Return Since 1993
Monster Beverage	Beverages	201,081%
NVIDIA	Semiconductors	192,871%
Amazon	Retail & Cloud	148,191%
Apple	Tech Hardware	91,947%
Netflix	Entertainment	40,005%
O'Reilly Automotive	Specialty Retail	30,838%
Microsoft	Software & Services	22,992%
Intuit	Software & Services	22,714%
Gilead Sciences	Pharma & Biotech	22,346%
KLA Corp	Semiconductors	19,317%

1. Identify companies that embrace secular trends in

- Consumer Demand
- Technology or
- Both

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2. Own companies with strong business models

- Attractive profit margins
- High returns on capital
- Pricing power

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3. Focus on businesses run by talented leaders with

- Skin in the game
- The ability to adapt and innovate

And When You Can... **Invest Early**

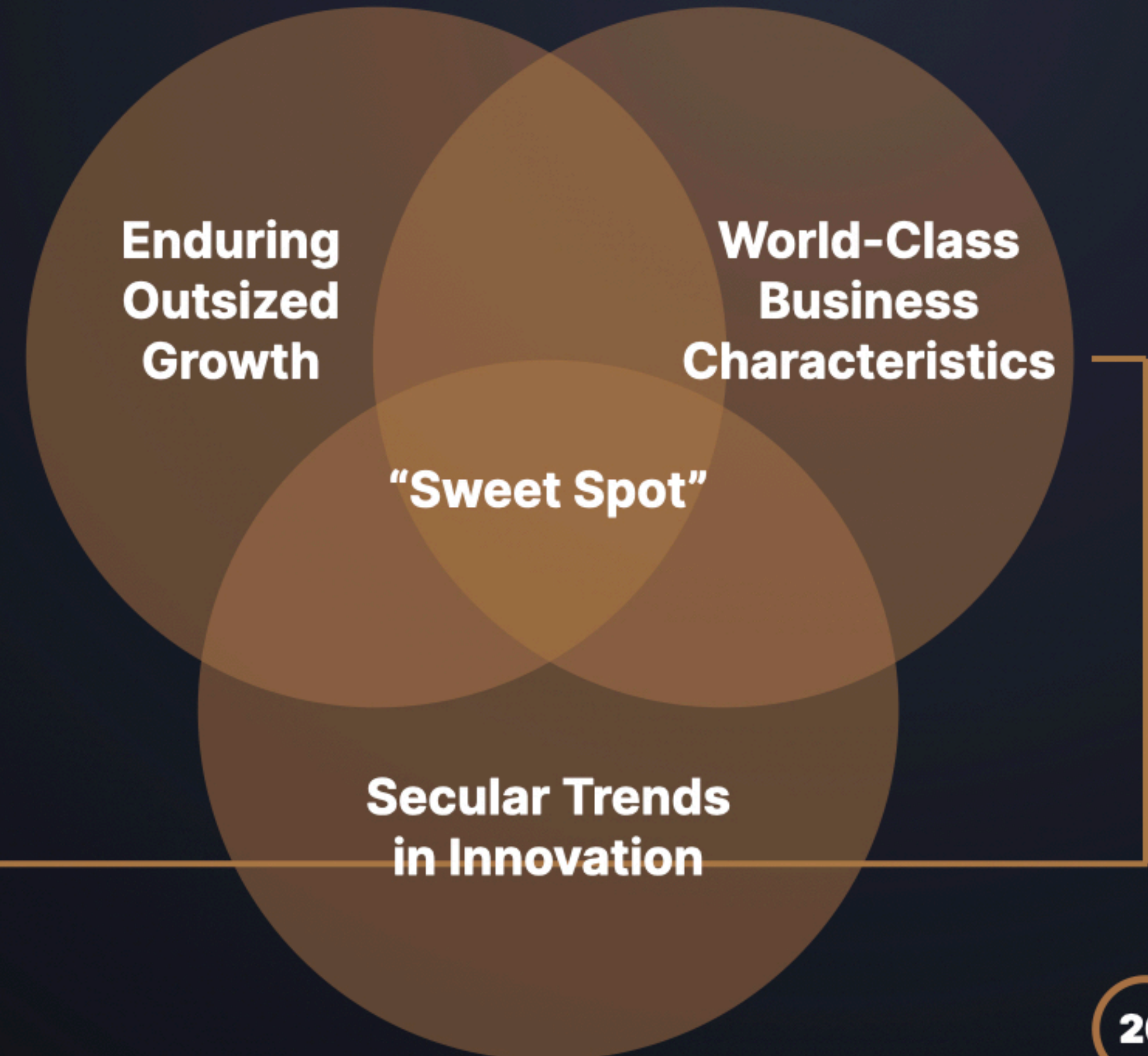
Company	Industry	Return Since 1993	Market Cap in 1993
Monster Beverage	Beverages	201,081%	\$0.02 Billion
NVIDIA	Semiconductors	192,871%	\$0.35 Billion
Amazon	Retail & Cloud	148,191%	\$0.43 Billion
Apple	Tech Hardware	91,947%	\$3.29 Billion
Netflix	Entertainment	40,005%	\$0.30 Billion
O'Reilly Automotive	Specialty Retail	30,838%	\$0.20 Billion
Microsoft	Software & Services	22,992%	\$20.52 Billion
Intuit	Software & Services	22,714%	\$0.33 Billion
Gilead Sciences	Pharma & Biotech	22,346%	\$0.27 Billion
KLA Corp	Semiconductors	19,317%	\$0.37 Billion

SAM Venture Growth

The Venture Growth strategy is focused on generating long-term capital appreciation. This strategy invests in companies that embrace secular trends in innovation and consumer demand.

Venture Growth often targets smaller companies that are earlier in their lifecycle and which we believe have long runways for growth ahead of them.

Investment Attributes



- Pricing Power**
- Attractive Margins**
- Capital-Efficient Businesses**
- Trusted Management Teams**

Be Tactical With Your Investments

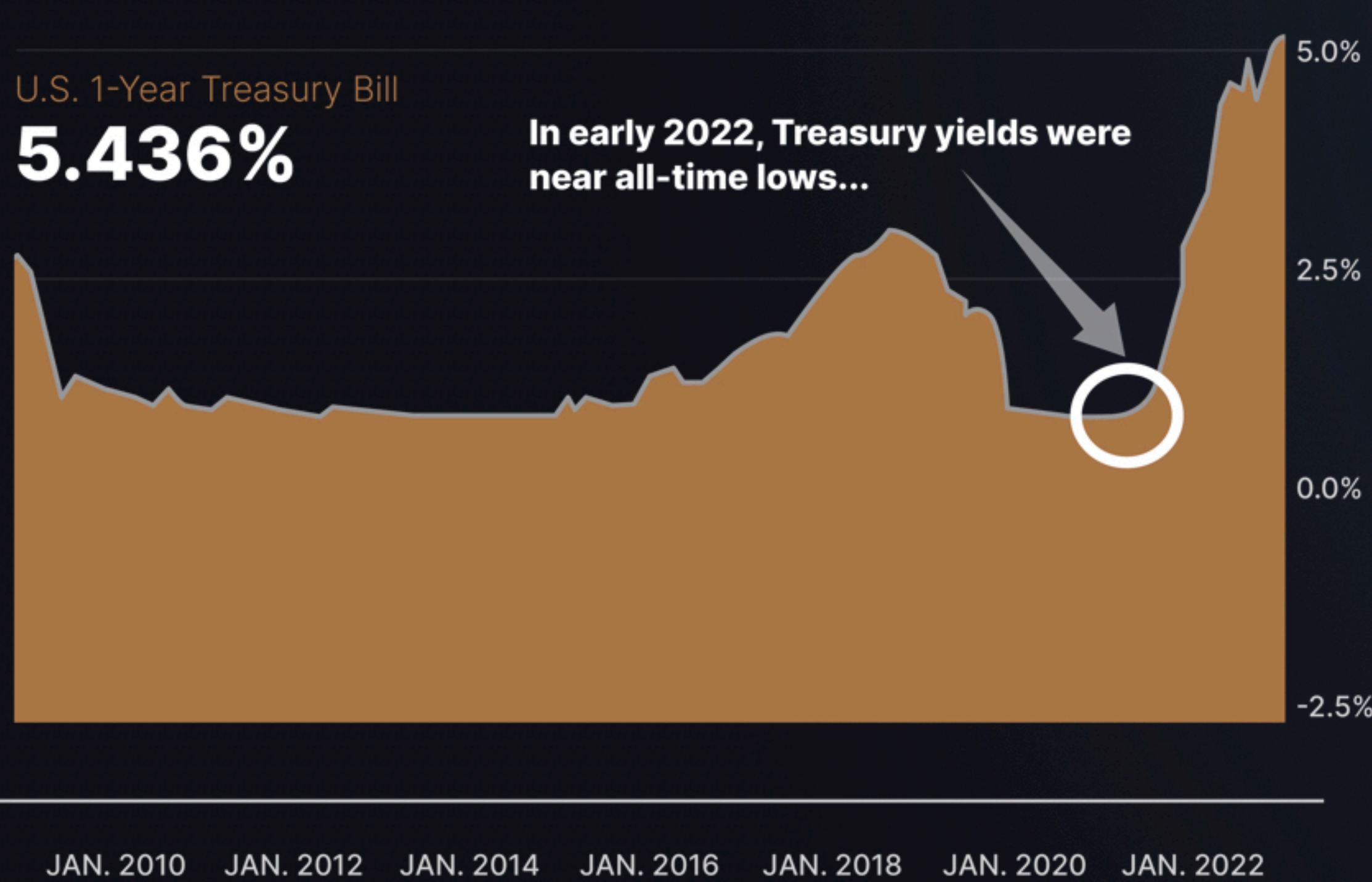
Tactical Investment Approach – Two Mission-Critical Guidelines

1. Investing is Seasonal...

- You do NOT need to be fully invested, all the time
- You do NOT need to own all asset classes or a static amount of each

Tactical Active Management: Zero Credit Exposure

IN 2022, SAM ALLOCATED 0% TO CORPORATE CREDIT ACROSS OUR MAIN STRATEGIES, RESULTING IN MATERIAL RELATIVE OUTPERFORMANCE



● ICE Bofa U.S. High-Yield Option-Adjusted Spread

Be Tactical With Your Investments

Tactical Investment Approach – Two Mission-Critical Guidelines

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2. Lower Your Correlation

- Reduce your portfolio volatility \Rightarrow Reduce your stress!
- In most cases, lower correlation improves returns

Be Tactical With Your Investments

Lower Your Correlation

Investor A

Good Years: 100%
Bad Years: -50%

Investor B

Good Years: 50%
Bad Years: -25%

Investor C

Good Years: 6.25%
Bad Years: 6.25%

Simple Average Return:

Investor A: 25%

Investor B: 12.5%

Investor C: 6.25%

Invest \$100, Assuming Alternating Good and Bad Years

Investor A

After 2 Years: \$100
After 4 Years: \$100
After 6 Years: \$100

Investor B

After 2 Years: \$112.50
After 4 Years: \$126.56
After 6 Years: \$142.38

Investor C

After 2 Years: \$112.89
After 4 Years: \$127.44
After 6 Years: \$143.87

Compound Annual Growth Rate (CAGR)

Investor A: 0.0%

Investor B: 6.1%

Investor C: 6.25%

Merger Arbitrage: **Low Correlation To Equities**

DAYS WHEN THE S&P 500 INDEX DROPPED AT LEAST 1% OVER LAST 5 YEARS...



● S&P 500

● MNA

Source: CFTC.

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Who Is SAM?

Why We're Different and Our Commitment to You

1. We are an SEC Registered Investment Advisor (and not a broker-dealer).
2. We follow the "golden rule" and we "eat our own cooking."
 - Skilled investment management, holistic financial planning, exceptional client service, and complete transparency.
3. We provide informed, active management.
4. We are reliable.
5. We utilize and optimize Porter & Co. and Stansberry Research.
6. We value your input as you achieve financial and investment success.

Important Disclosures

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Important Disclosures

SAM selects case studies to share for several reasons, for example:

- To illustrate the types of investments we like to hold in the different model portfolios
- To share illustrative examples of how SAM thinks about and evaluates different investment opportunities
- To give prospective clients an idea of how we think about investing in the current market environment

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