



PORTER & CO. CONFERENCE 2024

Liberty Through Investing Success & Prosperity

Austin Root | Chief Investment Officer,
Stansberry Asset Management

William “Jack” Dempsey, The Manassa Mauler



Jess Willard

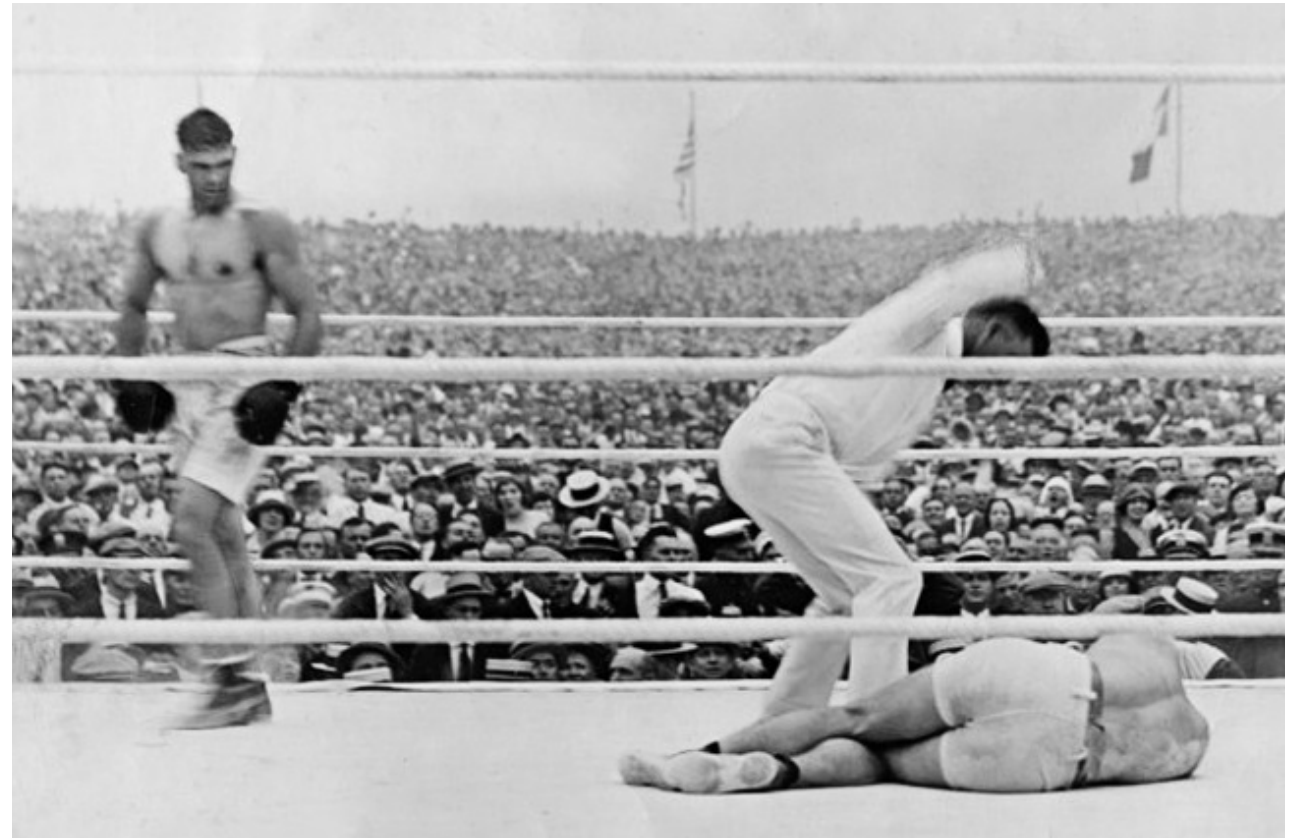
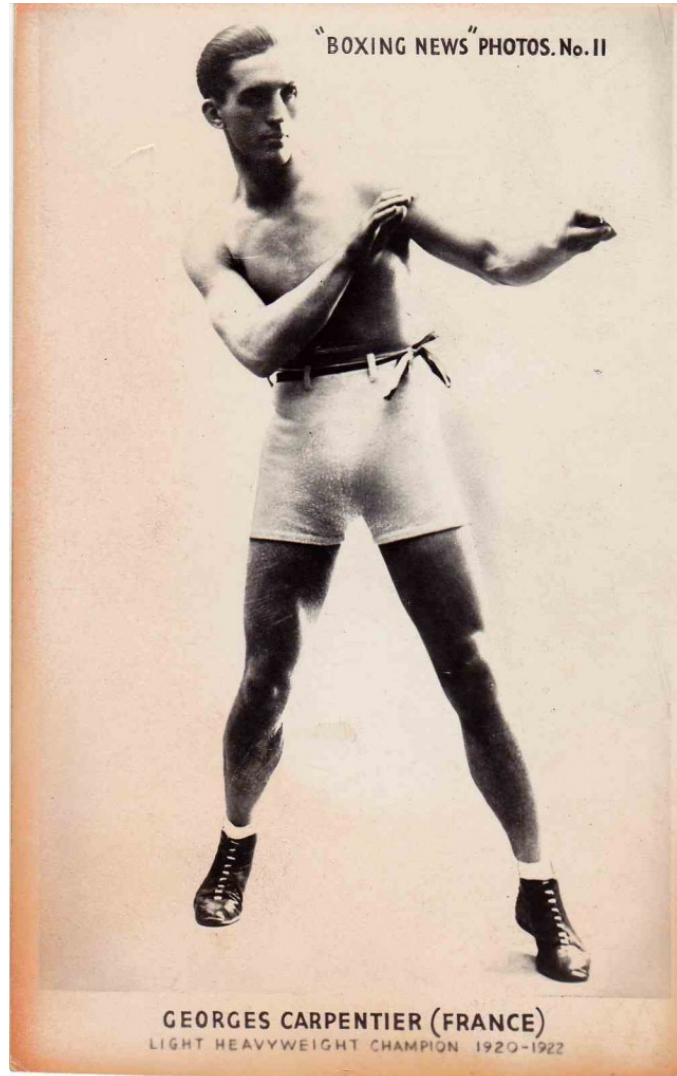


Dempsey vs. Willard

“Tall men come down to my height when I hit ‘em in the body.”

- Jack
Dempsey

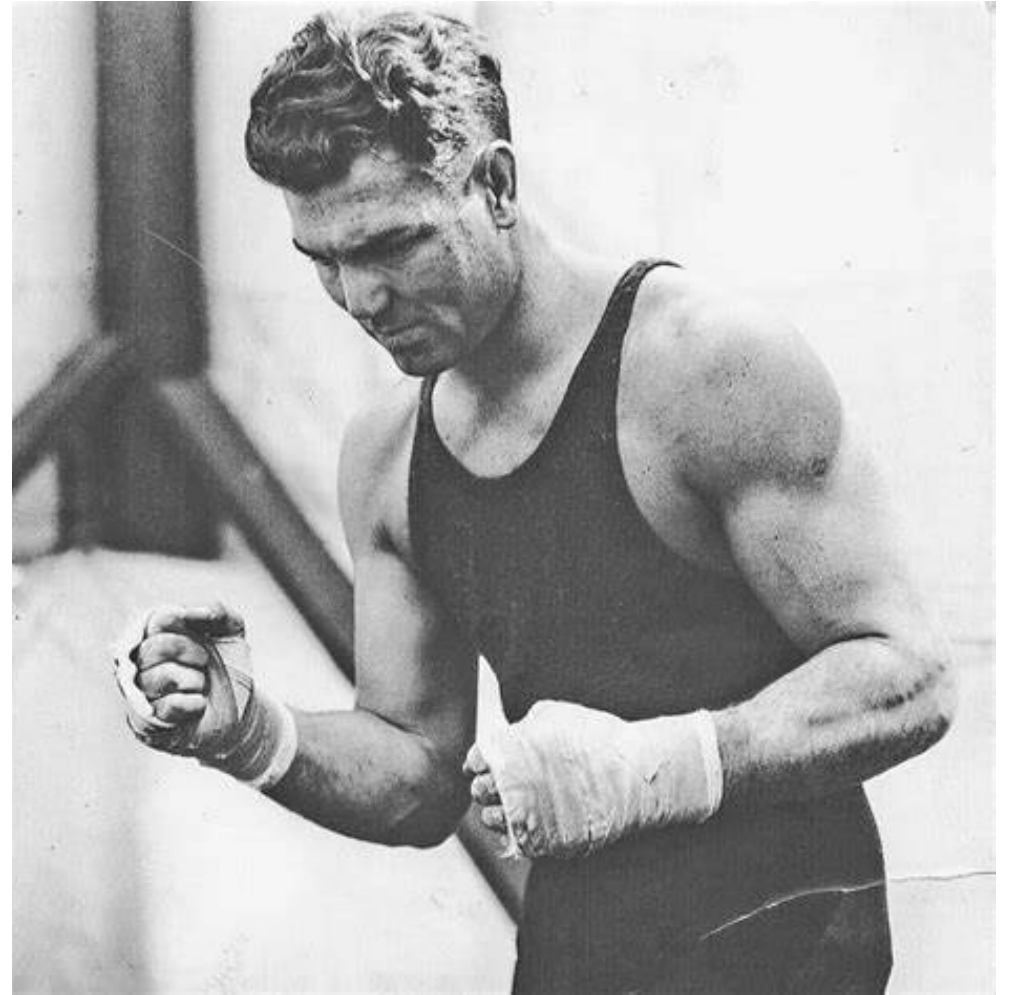
Jack Dempsey vs. Georges Carpentier



Jack Dempsey: Playing Offense

“The best defense is a good offense.”

- Jack Dempsey



How to Play Offense

Your Best Defense is a Good Offense

In other words... **Own Productive Assets**

Productive Assets are assets that...

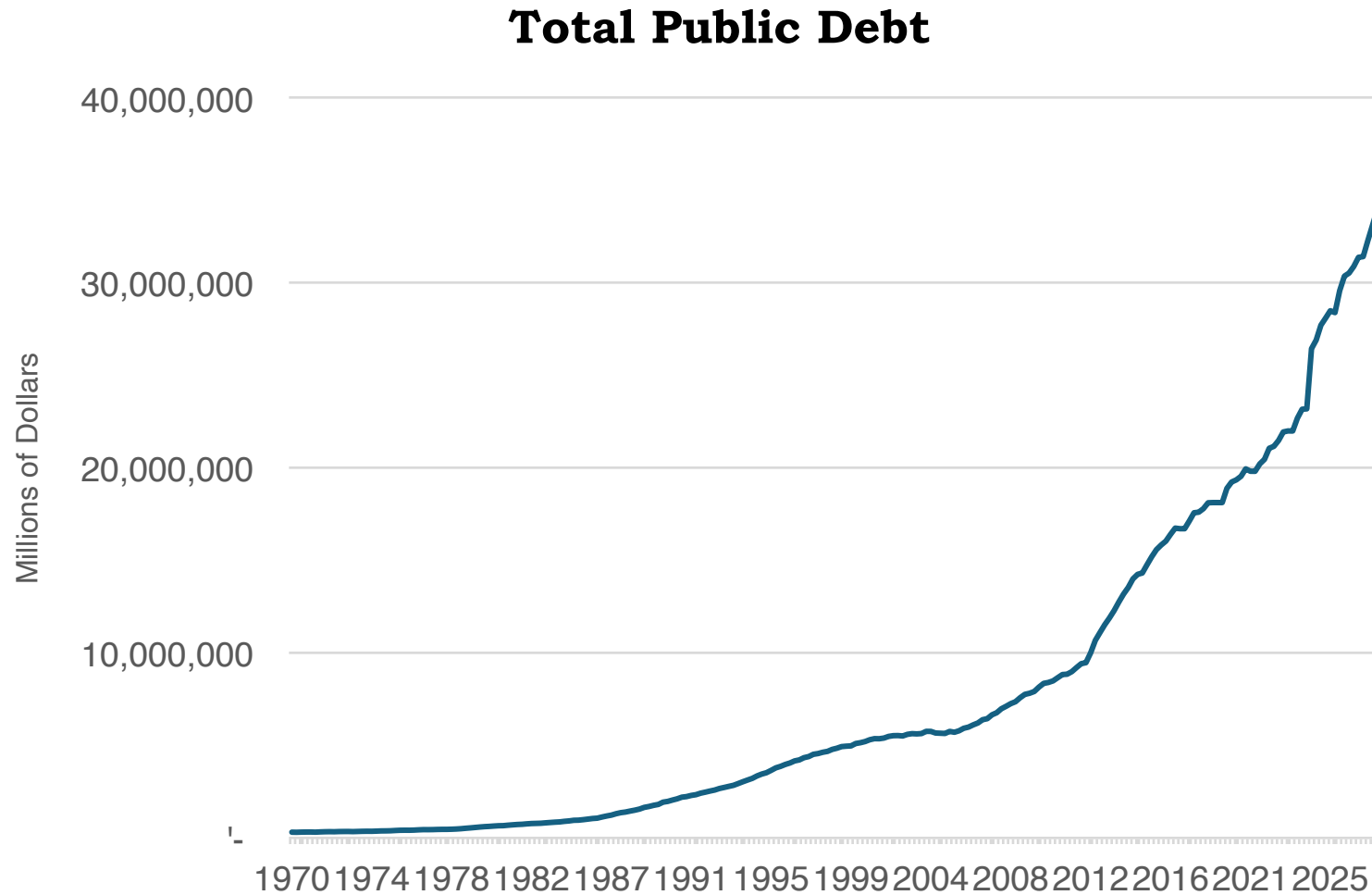
- Generate value and/or cash flow for owners
- Produce returns in excess of inflation and your cost of capital
- Provide attractive risk-adjusted returns

How Did We Get Here?

Two words:

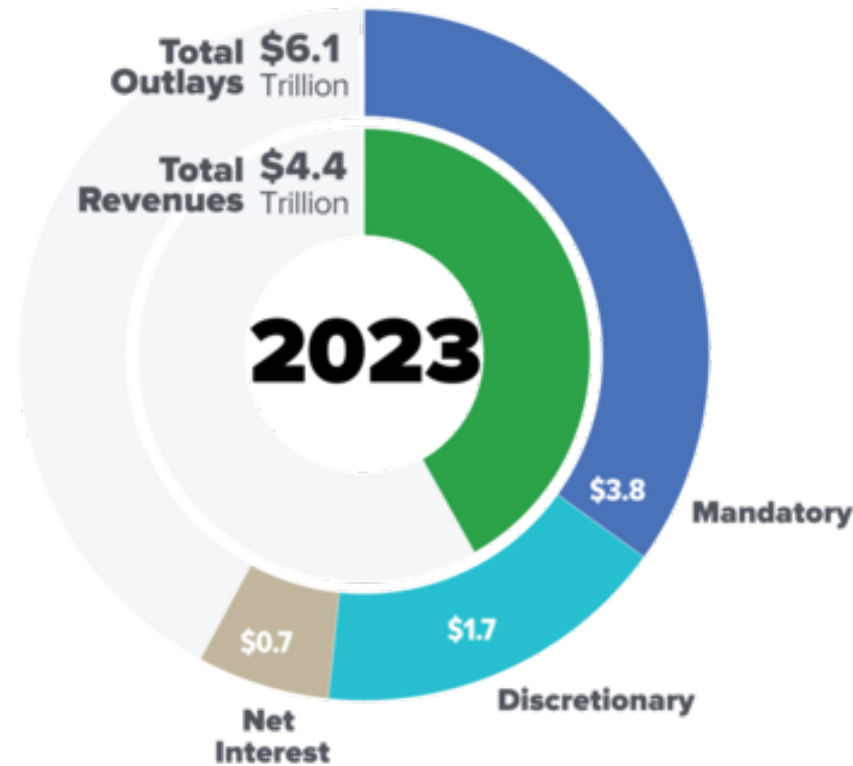
Government Ineptitude

Debt Goes Up



Recent Federal Deficit Reached \$1.7 Trillion

Federal Budget in 2023



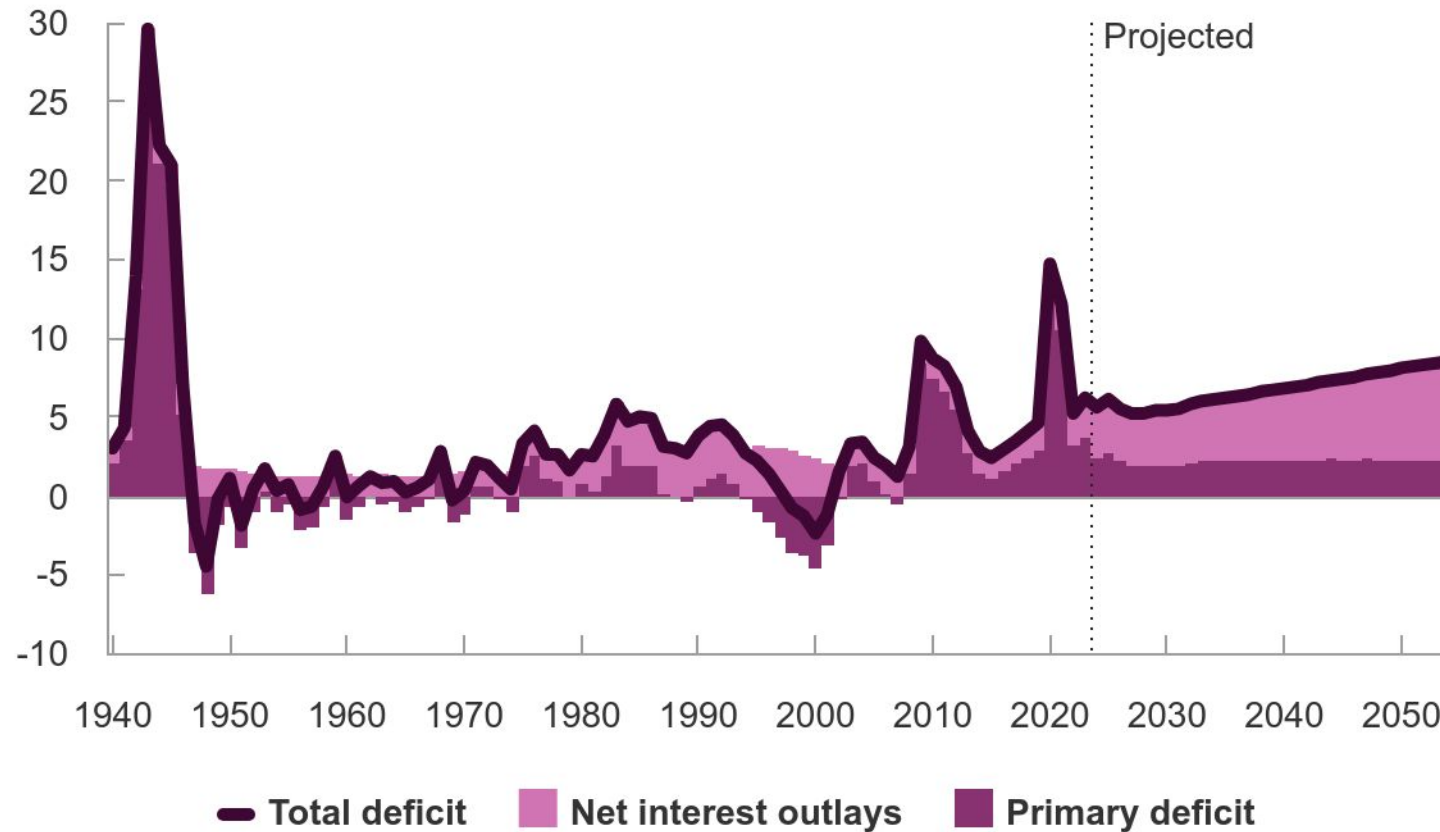
2024 projections are for a deficit of \$2 trillion, or 7% of GDP.

Source: Congressional Budget Office. Projections as of 6/18/24.

Total Deficit as % of GDP Projected to Steadily Climb

Total Deficits, Primary Deficits, and Net Interest Outlays

Percentage of GDP



It's *Not* Getting Better...

We cannot rely on our government to fix the problem...

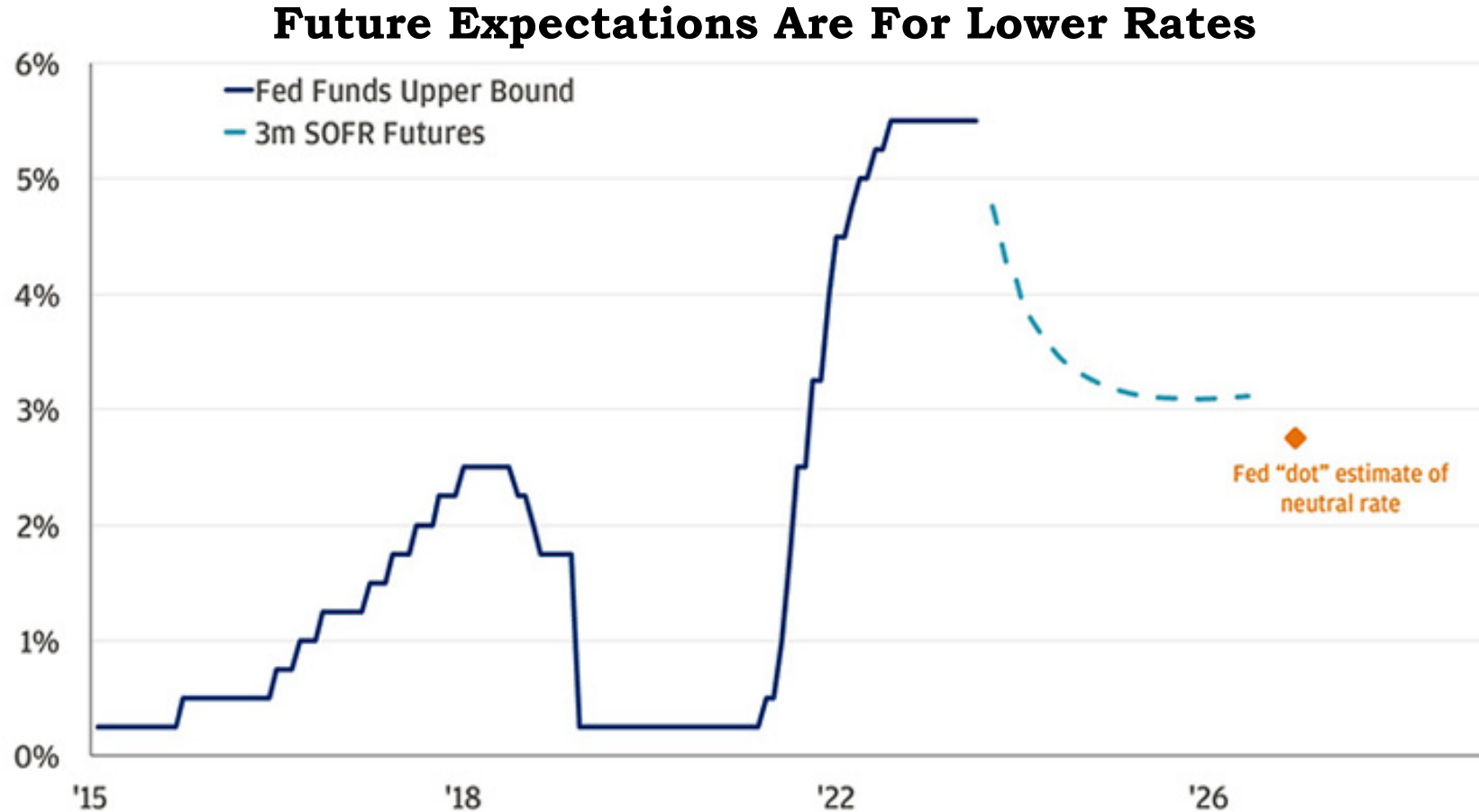
“Neither Trump nor Harris has a plan to fix the deficit. That should worry investors.”

- Barron's, September 2024

“Both Harris and Trump will increase the budget deficit to the tune of \$200 billion to \$500 billion per year.”

- Ned Davis Research, September 2024

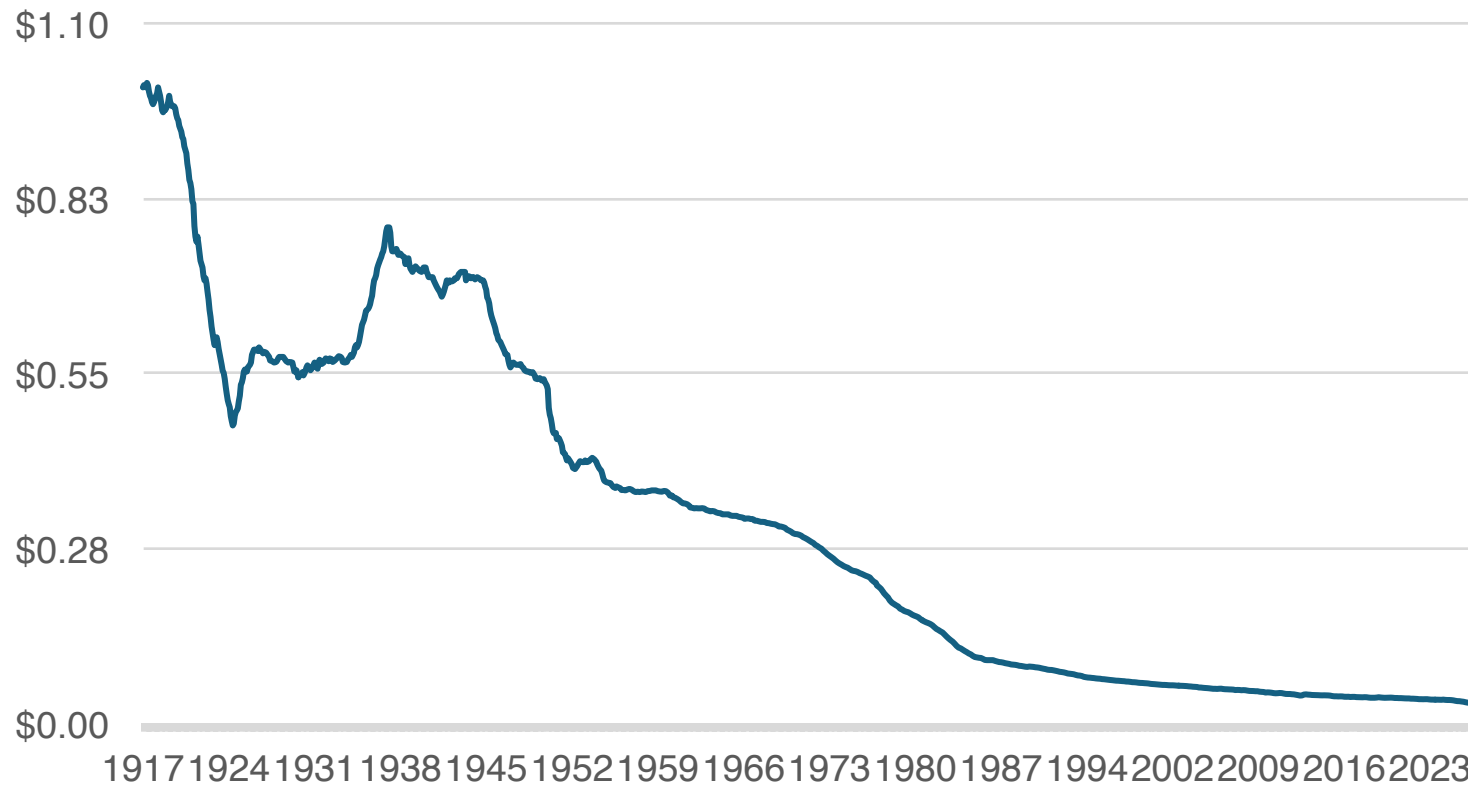
Returns on Cash Going Down



Source: J.P. Morgan Private Bank, Bloomberg Finance L.P., Haver Analytics. Data as of July 31, 2024. *Note: Market participants is an average of the longer run FF rate surveyed by primary dealers and buy-side shops. Model based is an avg of NY Fed and Richmond Fed model estimates of neutral. Market pricing is the 10-year ahead instantaneous pricing of

Cash Declines

Purchasing Power of a Dollar



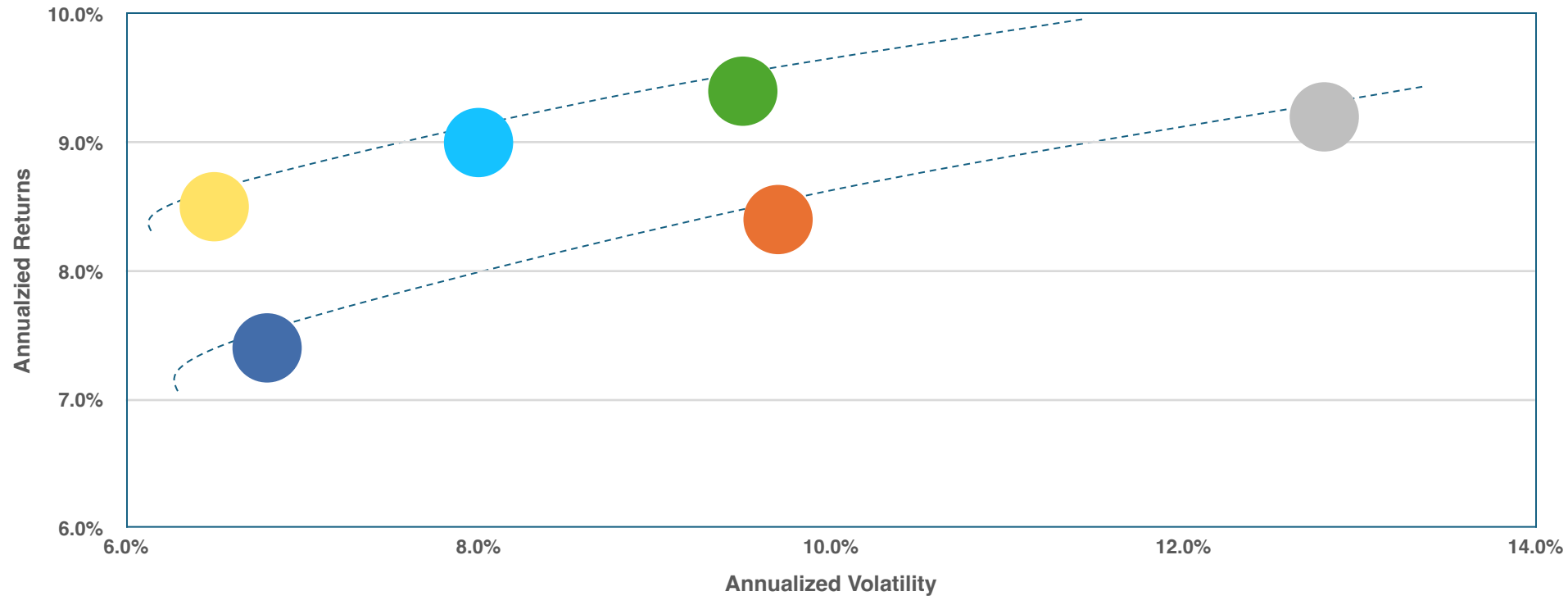
Thus... You *Must* Own Productive Assets

To protect your family in today's world, you must preserve the purchasing power of your assets over the long run.

The core of *every* investor's portfolio should be focused on **owning productive assets.**

Alternatives – In Search of Better Risk-Adjusted Returns

Portfolio Diversification with Alternative Investments



Source: Bloomberg, Burgiss, FactSet, HRFI, NCREIF, Standard & Poor's, J.P. Morgan Asset Management. Alts include hedge funds, real estate and private equity, with each receiving an equal weight. Portfolios are rebalanced at the start of the year. This slide comes from our [Guide to Alternatives](#)
Guide to the Markets – U.S. Data are as of June 30, 2023.

Private Credit: Equity-Like Returns with Less Risk

“If you can earn 12 percent, maybe 13 percent... in senior secured debt, what else do you want to do in life?”

“If you are living in a no-growth economy and somebody can give you 12, 13 percent with almost no prospect of loss that’s about the best thing to do.”



- Steve Schwarzman, CEO of Blackstone Inc.

SAM Alternative Investments (Alts)

Who *Can* Invest in Alts?

Accreditation	Requirements
Accredited Investor	Annual Income of \$200k+ (individual)/ \$300k+ (couple) OR \$1mm+ investable assets
Qualified Client (“QC”)	At least \$2.2mm investable assets
Qualified Purchaser (“QP”)	Net worth of at least \$5mm excluding primary residence
3c1 Structure	Provides access to diversified institutional-grade investment vehicles

Productive Assets Open to *All* Investors

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

- **Capital-efficient** businesses;
- **Durable**, growing franchises;
- **Attractive profit margins** & returns on investment
- **Talented, effective leaders** with skin in the game
- **Reasonable valuations**

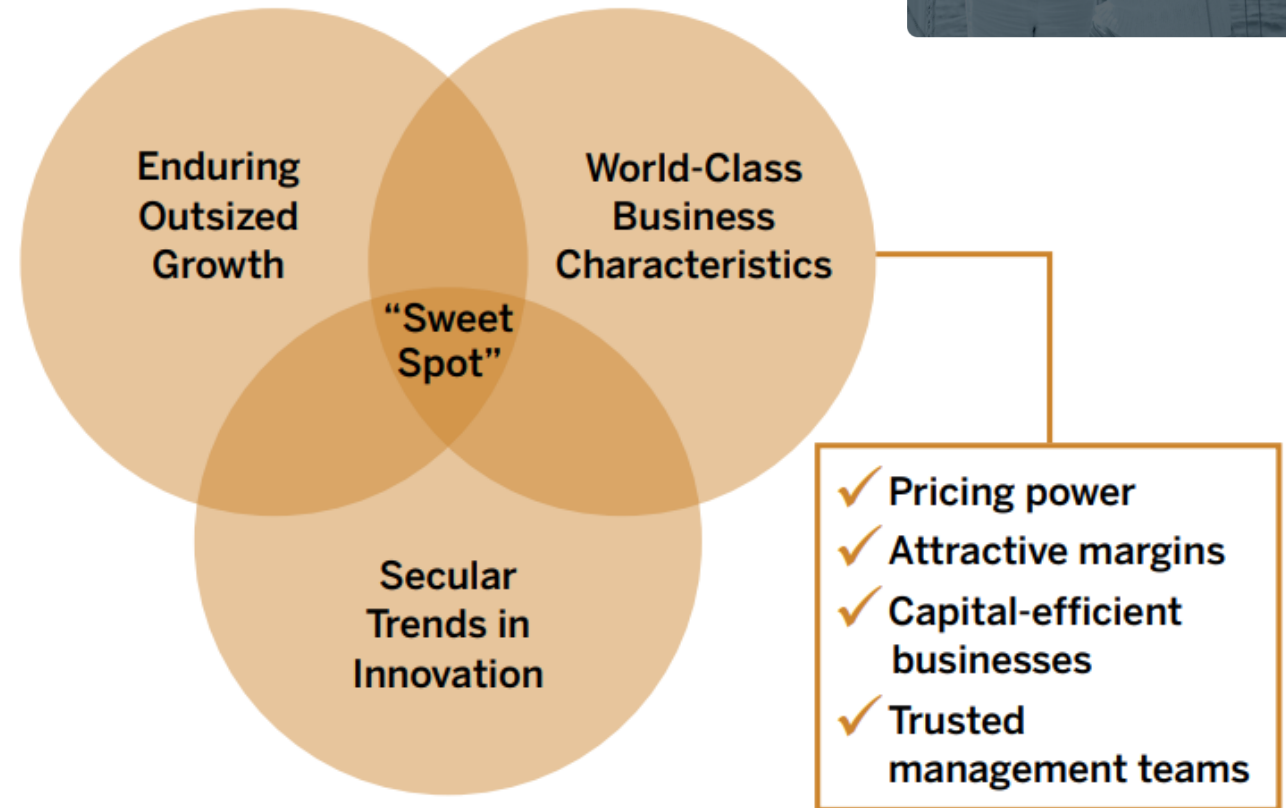
SAM Venture Growth

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:



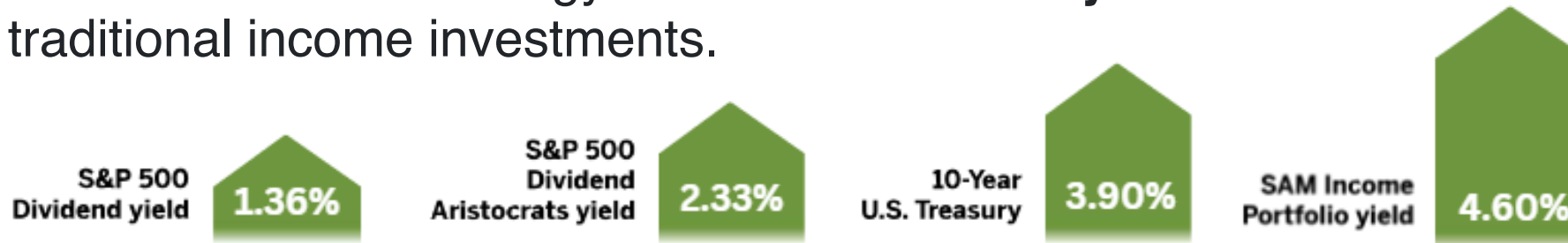
SAM Income Strategy

The **Income** strategy prioritizes **generating reliable income** while also providing **growth** in up markets and **protection** in the event of a significant market downturn.



We take a '**shareholder yield**' approach to selecting investments for the Income portfolio. We also look beyond current yield to include **growing companies** that we believe will increase their dividends in the future.

The SAM Income strategy offers an **attractive yield** compared to traditional income investments.



CRH Has Proven to Be a Productive Asset

CRH is the 3rd largest building materials company in the world.

They make and sell construction aggregates, hardscape and construction materials, and build roads.

- **9.1% shareholder yield... 205% 5-year stock total return.**
- **Still trades at a material discount to peers despite what we view as a superior business.**
- **U.S. listing & indexation... Infrastructure bill... capital allocation.**



SAM Tactical Select

We Start with Our Favorite Investment Ideas

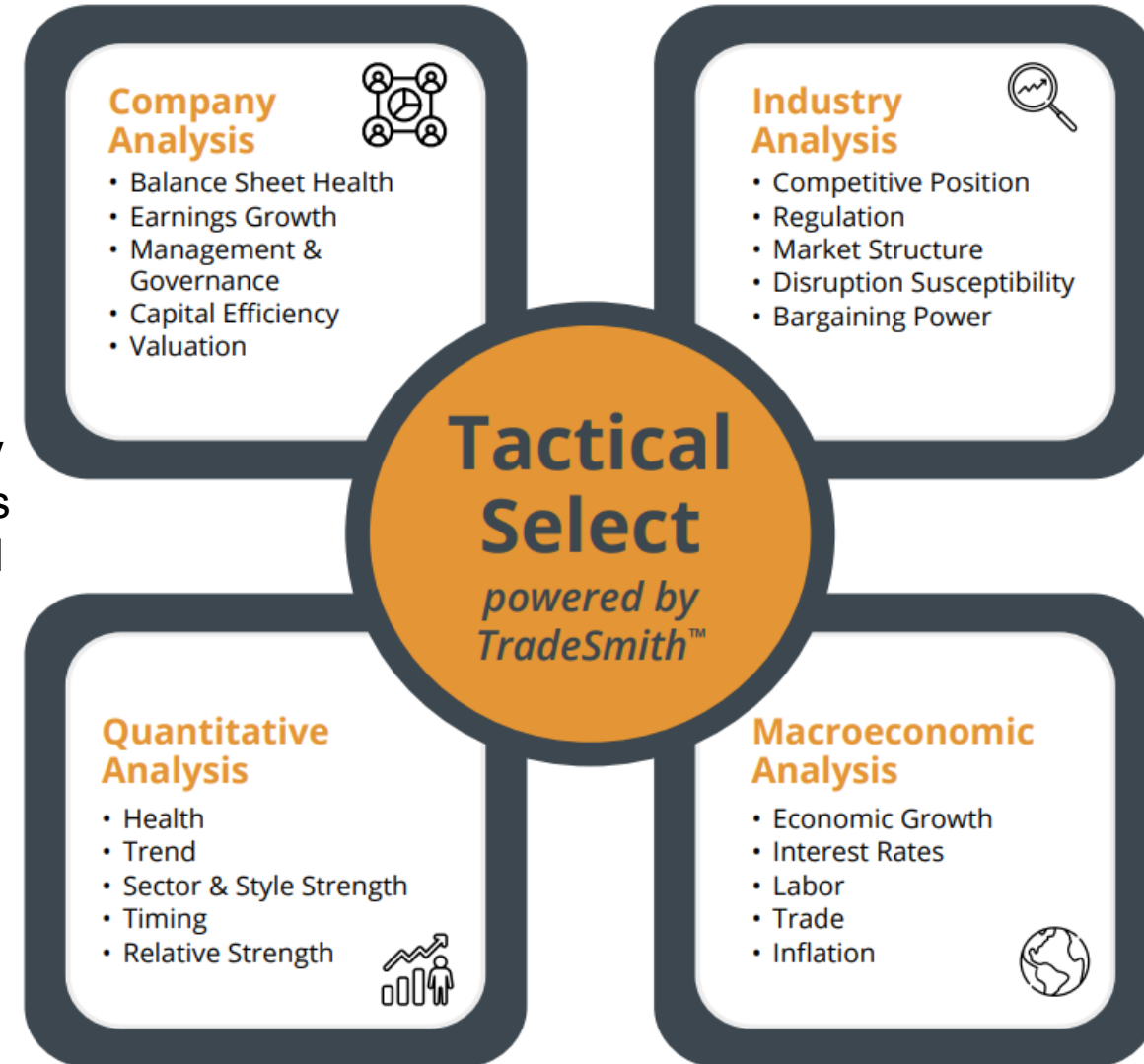
- This strategy draws on ideas from across all SAM portfolios. Then SAM actively manages the portfolio to ensure appropriate diversification is met through asset allocation and position sizing.

We Overlay Quantitative Analytics

- An additional layer of risk management is implemented by using multiple quantitative systems including TradeSmith's Stock Rating, TradeStops, the Volatility Quotient (VQ) and other portfolio management tools proprietary to SAM.

The End Result: The Best of Both Worlds

- Tactical Select is an optimized blend of SAM's rigorous fundamental, qualitative approach and multiple quantitative systems.



Superior Risk-Adjusted Performance

Tactical Select net return since inception (02/1/2023) and year-to-date (through 08/31/2024)

Since Inception

Tactical Select Net Return	S&P 500 Equal Weight	Outperformance
35.12%	19.28%	15.84%

Year-To-Date 2024

Tactical Select Net Return	S&P 500 Equal Weight	Outperformance
20.67%	12.53%	8.14%

The Five Steps

**Five steps to achieving financial and investment success,
no matter where you are in life or what the markets throw at
us.**

Step 1 – Spend Less, Invest More

The only true, guaranteed way to grow your wealth long-term is to **spend less than you make each year**... so tell everyone you care about to start saving *now*.

LENA - Low Earner, No Assets

HENRY - High Earner, Not Rich Yet

ARNIE - Assets Robust, Not Income Enough (to cover costs)

HELA - High Earnings, Lots of Assets

The Power of Compounding

Roger Rabbit

Invests nothing for 20 years.

Then \$1,500 a month for the next

*20 years.
That's a total of \$360,000
invested.*

Steady Eddie

*Invests \$500 a month for first 30
years.*

Then nothing for the next 10.

*That's a total of \$180,000
invested.*

Value in 40 Years

\$1.1 million

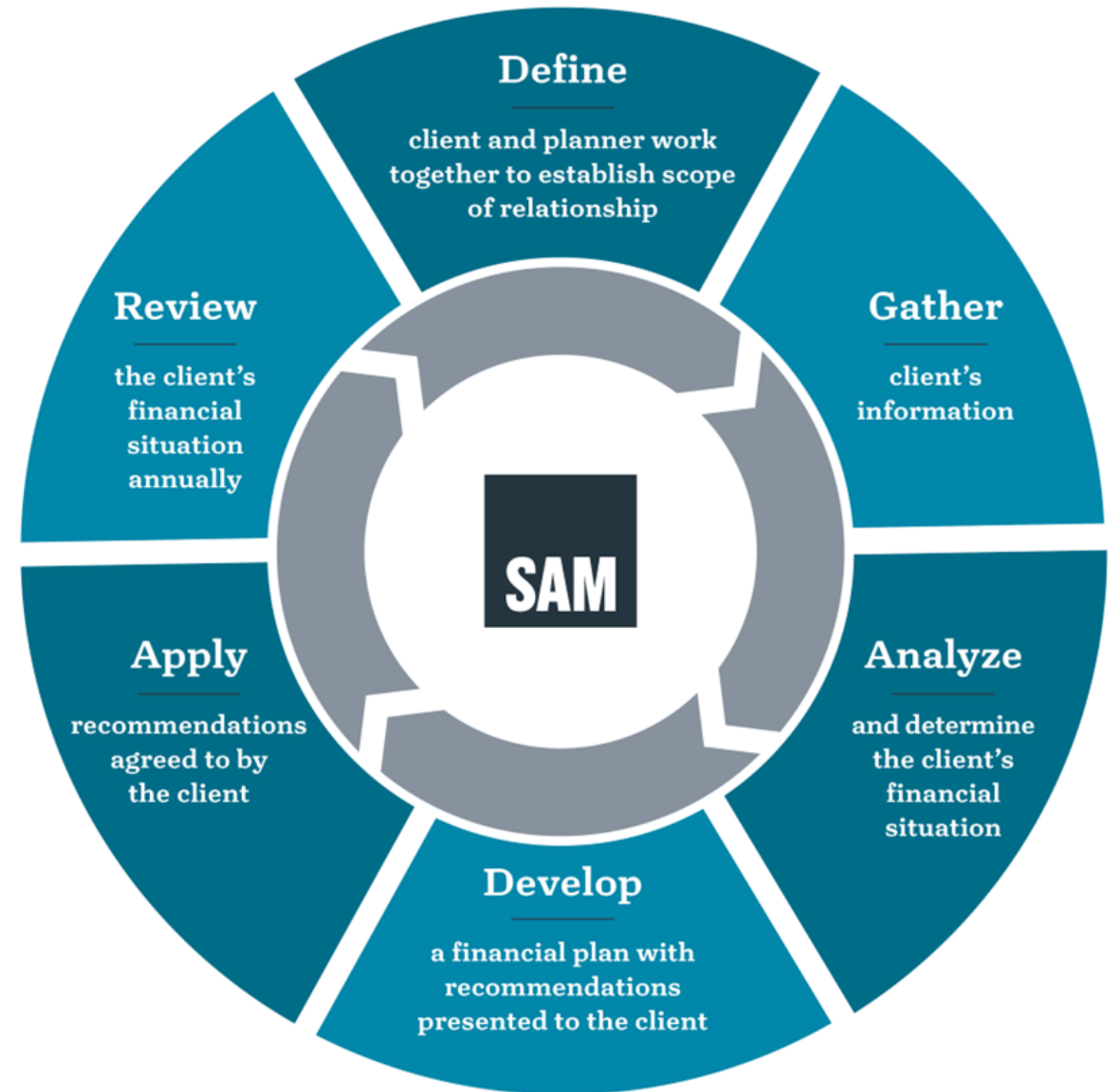
*They both earn a 10%
annualized return.*

\$3.1 million

Step 2 – Understand Where You Are Now

Before investing a single dollar,
take an assessment of your
current financial situation.

Said differently... To get to where
you want to go, we must first
determine where you are now.



Step 2 – Understand Where You Are Now

Take advantage of our expertise – schedule a complimentary review with a SAM Wealth Manager.



Step 3 – Establish an Investment Plan Tailored to *You*

Establish a clear investment plan that is tailored for *your* financial situation and ***your* investment goals.**



Financial Goals



Risk Tolerance



Time Horizon

Step 3 – Establish an Investment Plan Tailored to *You*



**MAINTAIN
WEALTH**



**GENERATE
INCOME**



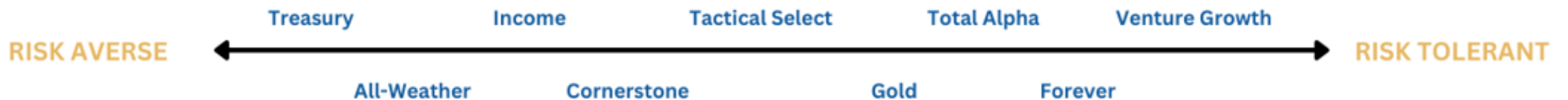
**GROW
WEALTH**



BALANCED

Treasury	Income	Venture Growth	Tactical Select
All-Weather	SAM Alts Fund I	Forever	Cornerstone
Gold		Total Alpha	

VOLATILITY



Step 4 – Own Productive Assets

The core of *every* investor's portfolio should be focused on **owning productive assets.**

With caveats...

- Much of your portfolio will be tailored to *you*
- Now is a very good time to hold extra dry powder
- Key: strategic for the core, tactical for the perimeter

Step 5 – Put it All Together the Right Way

**To maximize risk-adjusted returns long term,
you must utilize comprehensive portfolio management.**

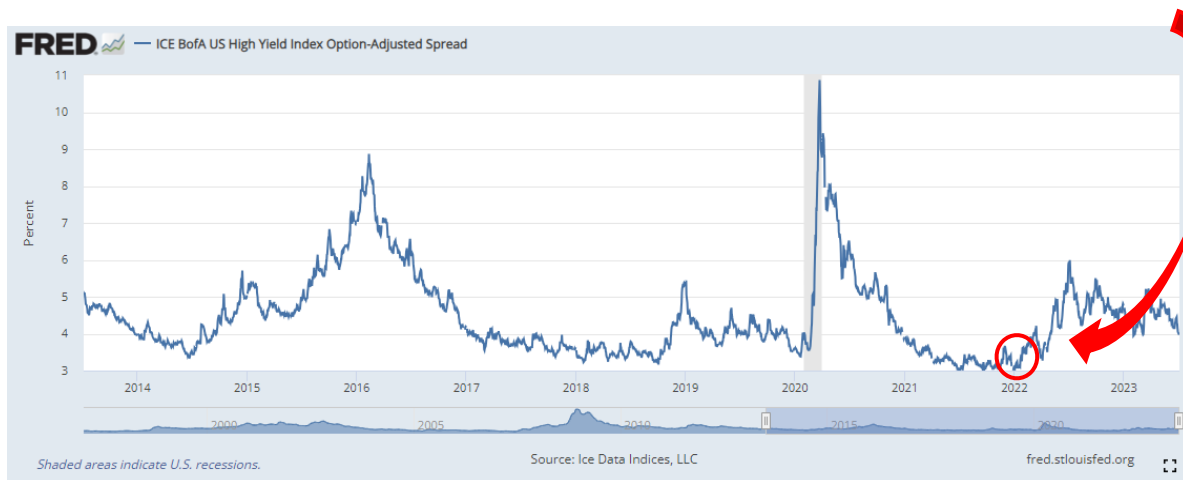
- **Position Sizing**
- **Risk Management**
- **Lower Correlation**

Risk Management Example: Zero Credit Exposure

At the start of 2022, Treasury yields were near all-time lows...



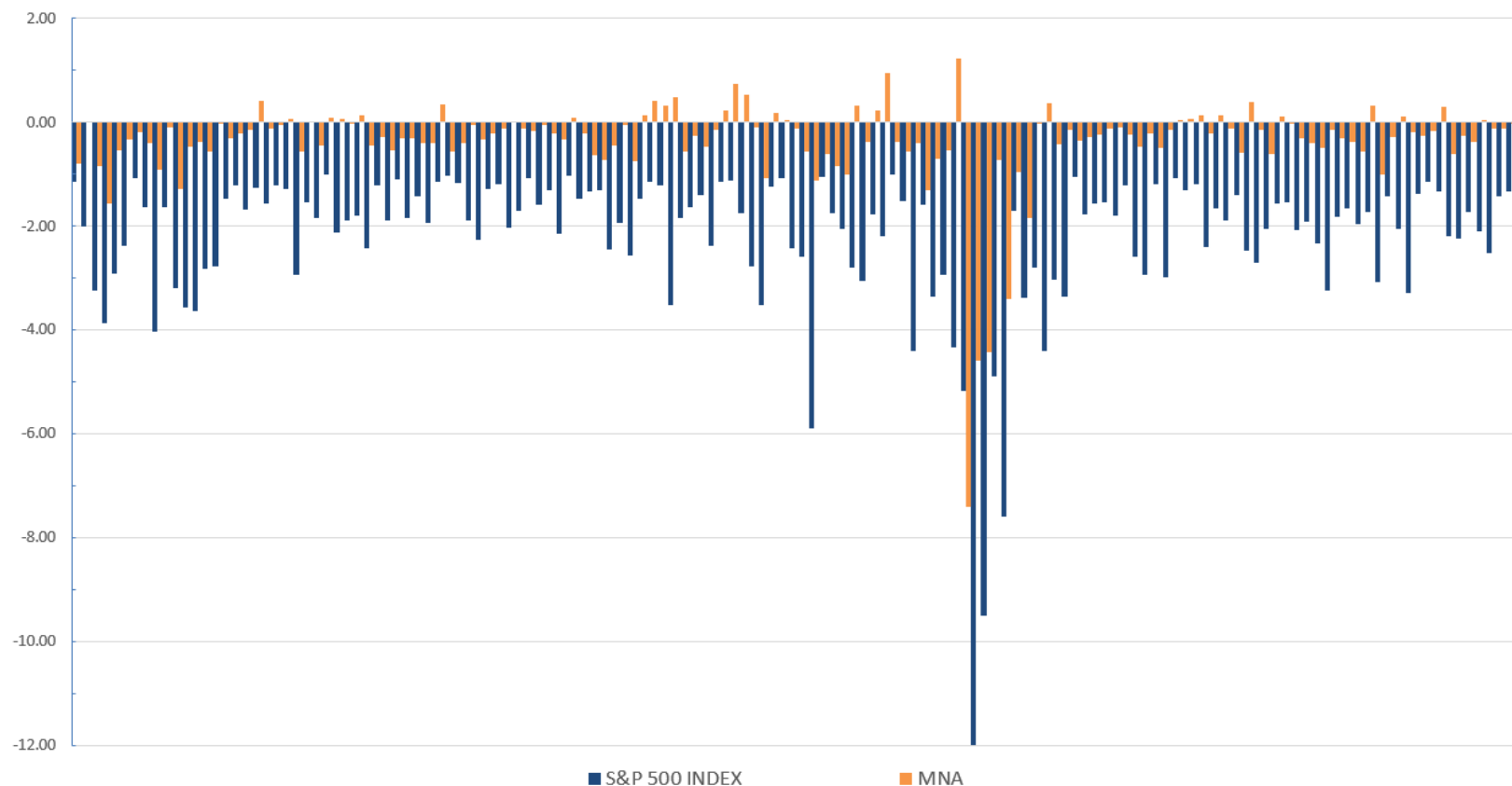
...while credit spreads were as tight as they've ever been!



In 2022, SAM allocated 0% to credit across our main strategies, resulting in material relative outperformance

Low Correlation Example: Merger Arbitrage

Days When the S&P 500 Index Dropped at Least 1% Over Last 5 Years...



...Merger Arb endured only a fraction of the drawdown, and in some cases generated positive performance!

The Five Steps to Financial Success & Independence

- 1. Spend less, invest more.**
- 2. Understand where you are now.**
- 3. Establish an investment plan tailored to *you*.**
- 4. Own Productive Assets.**
- 5. Utilize comprehensive portfolio management.**

Why SAM?

Why We're Different and Our Commitment to You

SAM's guiding principle: Be the investment and wealth management firm that we'd want to help secure our own future if our roles were reversed.

- We provide informed, active, sophisticated investment management.
- We provide holistic financial planning.
- As a client, you have access to the investment team, *and* you have a dedicated wealth management team.

We are independent thinkers.

We are a fiduciary, and we value your input as you achieve investment and financial success.

We eat our own cooking.

Thank You! Questions?



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Limitations Using Case Studies

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

The information presented in the case studies contained herein is for illustrative purposes and should not be considered a recommendation to purchase or sell any particular security, and it should not be assumed that the investments identified in these case studies have been made, or if made that they have been or will be profitable, or that recommendations made in the future will be profitable or will equal the investment performance of the securities discussed herein. All statements and expressions are the sole opinion of SAM and are subject to change without notice. Any projections, market outlooks and estimates included or stated in connection with these case studies, including outlooks and estimates regarding prices or valuation, are forward looking statements and are based upon certain assumptions. Other events which were not taken into account may occur and may significantly affect these projections and should not be construed to be indicative of the actual events which will occur. Although SAM believes that the expectations expressed in these case studies are accurate and reasonable, actual results could differ materially from those projected or assumed, and such projections are subject to change, and are subject to inherent risks and uncertainties.



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