

FOR IMMEDIATE RELEASE
Publication Date: April 22, 2014
Margaret Kingsbury
margaret@cavehenricks.com
(512) 904-9255

THE NATURE OF INVESTING

RESILIENT INVESTMENT STRATEGIES THROUGH BIOMIMICRY

KATHERINE COLLINS

“Nature is our ultimate teacher and a powerful source of wisdom and resilience. *The Nature of Investing* can help everyone bring that bounty to our financial lives.”

– **Andrew Zolli**, author of *Resilience: Why Things Bounce Back*

“*The Nature of Investing* is refreshing, thoughtful, and compelling. You will become a more successful investor and a better citizen of the world if you heed Katherine Collins's call to ask questions, pay attention to your environment, and think.”

– **Michael J. Mauboussin**, Head of Global Financial Strategies, Credit Suisse

In recent years, technology has reinvented the industry of finance by creating new tools, products, and processes. These changes have allowed huge gains in efficiency, speed, and scale, with faster-than-ever trading cycles and an all access pass to data for every participant, every second of every day.

To most, it would seem like the ultimate positive for the industry: bigger, faster, cheaper. Yet one veteran, **Katherine Collins**, isn't so sure. Drawing on her twenty-plus years of leadership experience in top investment firms, she argues that while these advancements are certainly helpful in some ways, they have also created a serious disconnect between the investment world and the real world.

In her new book, **THE NATURE OF INVESTING: Resilient Investment Strategies Through Biomimicry** (bibliomotion books + media; April 22, 2014), Collins examines how the original intent of investing – a vital part of our social ecosystem, based on exchange and mutual benefit

– is now overshadowed by the ever-more mechanized iterations of finance. In our quest to conquer risk, we have ignored uncertainty, the “unknown unknowns,” relying less and less on human judgment and more and more on the digital tools and algorithms that now dominate the market.

Collins favors an approach that uses nature as its model instead of engineering. She calls for a reconnection of investing with the world it was meant to serve, reintroducing human judgment, creativity, and values into the equation. Combining real-world finance with the framework of biomimicry creates a more robust investing ecosystem, based on the interdependent, timeless principles that guide natural systems.

This approach creates an investing environment that is:

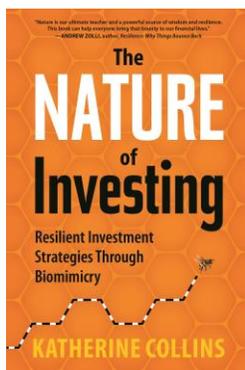
Resilient: Natural systems are our most proven blueprints for resilience. A system rooted in natural principles can adapt and respond appropriately to changing conditions, rather than becoming outdated and fragile over time.

Regenerative: Biomimicry helps us to move “beyond sustainability.” Nature is our best example of regenerative systems. Natural systems do not represent the latest theory; instead, they are our most proven and ancient wisdom.

Reconnected: No single component of a natural system exists in isolation. Biomimicry is a networked, systems-based, integrated methodology that naturally reconnects investing with the real world.

“Using nature as the ultimate investing framework isn’t romantic; it’s right,” writes Collins. “The narrowed, rigid approach to finance that we’ve taken served a purpose in its time, but it was a small purpose, and a small window of time. This falsely linear view is a lazy one, and uninteresting to boot...We have a responsibility to do better.”

THE NATURE OF INVESTING offers a fresh, hopeful perspective for reform from a respected industry professional.



THE NATURE OF INVESTING: Resilient Investment Strategies Through Biomimicry

By Katherine Collins

bibliomotion books + media

Publication Date: April 22, 2014

Hardcover/\$34.95/ISBN: 9781937134945/ 224 Pages

Ebook/\$19.99/ASIN: B00I2ZW48G

Author Hometown: Boston, MA

For more information, please go to: <http://www.honeybeecapital.com/book/>

ABOUT KATHERINE COLLINS



Katherine Collins is Founder and CEO of Honeybee Capital, a research firm dedicated to the pursuit of optimal investment decision-making. Katherine has previously served in numerous capacities at Fidelity Management and Research Company. As head of US Equity Research, she led one of the largest buy-side research operations in the world. As Portfolio Manager, she was solely responsible for investment decisions for the multi-billion dollar Fidelity America funds while based in London, and for the entire range of Fidelity Mid-Cap Funds while based in Boston.

After a career in traditional equity management, Katherine set out to re-integrate her investment philosophy with the broader world, traveling as a pilgrim and volunteer, earning her MTS degree at Harvard Divinity School, and studying the natural world as guide for investing in a valuable and integrated way, beneficial to our communities and world.

Katherine serves on the boards of the Biomimicry Group, the Santa Fe Institute, and Last Mile Health. She is an active volunteer for Habitat for Humanity, and has held numerous volunteer positions with Wellesley College and its Business Leadership Council. She is a member of the Harvard Divinity School Dean's Council and of the Sprout Lenders group, and an advisor to Criterion Institute and the PopTech Impact Fund.

(Credit for photo: Miranda Loud/Orpheus Photography)

Collins can be found online at <http://www.honeybeecapital.com/book/>

Twitter: <https://twitter.com/honeybeecap>

Facebook: <https://www.facebook.com/honeybeecap?fref=ts>

PRAISE FOR THE NATURE OF INVESTING

"The Nature of Investing is a quiet revolution, shimmering with insight about bees, sea slugs, and the ultimate 'why' of finance. In generous and uncannily wise prose, Collins reminds us that we are all investors, and that our time, effort, and yes, our money, can be a nutrient, perpetuating that which makes life worth living. She reconnects us with the real world that knows no default or fiscal cliff, showing us how to invest in ways that mirror nature's elegance. As an experienced biomimic who is now eager to invest, I had an ah-ha on every page."

– **Janine Benyus**, Co-Founder of Biomimicry 3.9 and author of *Biomimicry: Innovation Inspired by Nature*

"Katherine Collins has done it! She turns modern portfolio theory on its head while explaining the nature of investments. A seasoned and highly successful portfolio manager, Katherine shares her insights with both a sense of humor and irrefutable logic, while knocking down many of Wall Street's sacred cows. By applying the laws of nature, particularly the wisdom of the honeybee, she opens the investor's mind to a whole new way of making money."

– **Amy Domini**, Founder of Domini Social Investments

"To an investing world obsessed with speed, abstruse metrics and hyperactive transactions, Collins offers a simpler path inspired by nature. Starting with a mindful look at the purpose of investing, this book provides a framework for making wise choices."

– **Joel Tillinghast**, Portfolio Manager, Fidelity Low-Priced Stock Fund

"From thistle-inspired Velcro to sharkskin-inspired airplane fuselages, there's a growing global buzz around biomimicry. But what lessons can the economy of money learn from that of honey? Like a scout bee returning to the hive, Katherine Collins signals the nature, direction and scale of the evolving opportunities. The smart swarm—and the smart money—will follow her lead."

– **John Elkington**, Co-Founder of Environmental Data Services (ENDS), SustainAbility and Volans and author of *The Zeronauts: Breaking the Sustainability Barrier*

An interview with Katherine Collins, author of *THE NATURE OF INVESTING*

Q: In your opinion, what is the biggest challenge that faces the financial industry today?

A: We face a huge dilemma when it comes to managing **risk** versus preparing for **uncertainty**. Risk is a situation where the outcomes are unclear, but analyzable; uncertainty is when we face “unknown unknowns.” The problem is, the qualities we turn to for risk management – tightly controlled processes, automation, and standardization – are exactly the opposite of what we need to handle uncertainty. With uncertainty, we need to cultivate adaptation, flexibility, and resilience – characteristics that are found in abundance in nature.

Q: Why do you believe that nature can play a role in solving this?

A: In its truest form, investing is more like an ecosystem than a factory: it’s connected to our society, our communities, and our planet. So instead of relying on a factory model, we can learn the most about investing by studying and modeling natural systems. They are our best blueprint for adaptability and resilience – exactly what we need to handle uncertainty.

Q: Can you tell us more about biomimicry?

A: Biomimicry starts with a simple question at its core: WWND? What Would Nature Do? How would nature perform the function that I’m trying to perform right here, in this context? Natural systems provide the most proven, sustainable model around: we have 3.8 billion years of wisdom to draw upon, yet we are usually more focused on extracting nature’s stuff than employing nature’s wisdom.

Q: What are some practical examples of how biomimicry can be used in investing?

A: Biomimicry is the Swiss Army Knife of investing: it has many potential uses. This approach can be used as a diagnostic tool, and also as a compass for future decision-making. When I first compared my own investment portfolio against life’s principles, for example, I realized that I was not “attuned to local conditions:” my investing ties to my local community were very weak. I’ve been working on strengthening them in recent years by investing in local agriculture and with local entrepreneurs. On the other end of the spectrum, I’ve been considering the entire process of institutional investment research, where effective feedback loops are a big challenge. How can we have more complete signals like a mycelium network in a forest, instead of endless micro-second price data?

Q: What can the average investor take away from this book?

A: The current financial system can seem unwelcoming and distant, even to individuals who are interested and experienced in investing. Too often we are taught to consider investing as a specialized niche, something separate from the rest of our lives. Natural systems provide a clear set of criteria for decision-making that goes beyond narrow financial calculations, a way to connect and align a person's investing with the rest of her life.

Q: And conversely, the CEO of a major corporation?

A: I believe that the Chief Executive Officer is really the Chief Investment Officer. For any organization, the most critical questions relate to resources: where are you going to allocate your time, your creative capacity, your financial capital, your technical expertise? Biomimicry provides a framework for assessing investment in the broadest sense of the word; its relevance goes way beyond the stock market.

Q: What is next for you?

A: I'm eager to bring these ideas more fully into practice, to help biomimicry's principles to be applied from individual to institutional levels of investing. One appeal of this approach is that instead of giving false, easy answers, it teaches you to ask better questions. I can't wait to see what important new questions emerge as this practice broadens and deepens.