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Overview

The 2019-2020 academic year was the seventh for the School of Business Investment Program. Nineteen elite students completed the Program and ran the funds associated therewith. Appendix A.1 shows a listing of the students, along with their position and post-graduation work or summer internship plans. The year was marked by advancement in many key areas of emphasis. The Program’s stated objectives are as follows:

1) Develop elite students with career-relevant skills who will hold a competitive advantage in the job market.
2) Increase the visibility and reputation of the School of Business as a distinguished resource for potential students, faculty, and employers.
3) Build relationships between the School of Business and members of the local, regional, and national investment communities.

We have a goal of continuous improvement. Primarily, we desire to translate academic materials into practical application and — most importantly — career-relevant skills. We continually increase our focus on communication and technical skills, forcing the 19 students in the Program into situations that cultivate, test, and refine these skills, which we feel are the most important to current success in the field. Students exiting the Program now have in-depth knowledge of valuation processes and comprehensive portfolio management techniques. Further, they have developed maturity and professionalism in settings abnormal to those experienced by average college students.

To the second and third objectives, we have made great strides in developing relationships within the financial industry and the local business community. This has occurred in a number of ways, including the following:

α We hosted several formal firm visits over the academic year. Raymond James returned for the sixth time on August 29, 2019. Goldman Sachs made their seventh consecutive annual visit on September 12, 2019, followed by the third visit from Lincoln Financial Group on September 18, 2019. Finally, JP Morgan made their second visit to the Investment Society and the South Carolina Retirement System Commission made their first formal visit. In addition, throughout the year, several individuals and representatives of other firms visited the classroom to interact with the student cohort. Going forward, we plan to extend these visits to include more firms and at a deeper level.

α At the beginning of March, we hosted for the sixth time our premier annual external event — the CofC Strategic Investment Symposium. This event focuses on strategic asset management and this year’s version was easily the best to date. The itinerary included over 30 distinguished panelists, including keynote speaker Katrina Sherrerd, CEO of Research Affiliates. Later in the day, three rounds of breakout sessions were held. This year, in addition to traditional investment management topics such as ETF investing, quantitative investing, and fixed income analysis, we added other topics outside the traditional asset classes and strategies. For example, this year, we added sessions on Women in Finance, Financial Certifications, and Investor Relations. As the Investment
Program’s hunger for education grows, the continuous expansion of subjects spoken about and offered through the Strategic Investment Symposium is of utmost importance. We were very fortunate in getting the 2020 Symposium completed, just in front of mass cancelations due to the coronavirus pandemic. This year’s Symposium was an important success and step towards connecting students and financial professionals in the greater southeast region and beyond. Appendix A.2 displays the program for the sixth annual Symposium. Please see Appendix A.3 for an article summarizing the experience. We are currently planning a significant change to the structure of the Symposium for 2021 – and look forward to continuing advancement.

These events and experiences are incredibly important for the growth of the Investment Program and the College of Charleston School of Business. The Program’s drive to expose its students to a wide array of topics is manifest in the quality of experiences students have through it. Each year, new initiatives emerge, and improvements are made to ensure each student has the best experience possible, with the end goal of securing the best possible placements. We are confident that, if continued, these aggressive outreach initiatives will pay dividends with more and higher-paying jobs, as well as recognition for the quality of students the College can produce.

Of the 19 students, 15 are graduating seniors, and 4 are juniors returning for a subsequent year in 2020-2021. Of the 15 graduates, many have secured high-level jobs in the industry and others are attending elite graduate degrees. We are pleased with the mixture of nationally recognized placements alongside placements in local firms that will both keep key young CofC talent in the area and help further develop the Charleston financial community. Examples of key placements include the following:

- The Vanguard Group: Philadelphia, PA
- John Hopkins University School of Advanced International Studies: Nanjing, China
- Allen Mooney & Barnes Investment: Charleston, SC
- BP America: Houston, TX
- London School of Business: London, England
- Raymond James: St. Petersburg, FL
- Axxess Home Care: Spartanburg, SC
- Lingnan University: Hong Kong

The Program is also focused on summer internship placement of its younger members to strengthen skill-sets and prepare for the full-time job search. Summer internship placements for 2019 include the following:

- Fidelity Investments: Merrimack, NH
- Morgan Stanley: New York, NY
- Wells Fargo: Shelton, CT
- Wells Fargo: Denver, CO

Finally, our student managers continued to manage the public asset fund over the course of a tumultuous market year, according to the policy statement and the procedures in place. Discussion of performance will occur in a later section; however, given extreme global events and market conditions over the last academic year, our returns suffered along with most other portfolios. As discussed below, several new strategies have been implemented in our flagship fund.
over the last academic year and we will continue to experiment with more moving forward. These strategies will continue to enhance the realistic nature of the Fund and its operations.

**New Initiatives**

The reality is that ours is a rapidly evolving discipline that is frequently a change leader in the business world. If we wish for our students to be considered for the best jobs available – we must continuously evolve as well. As such, over the past academic year, we have introduced relatively significant alterations both to the way we manage our portfolio and the method with which we interview prospective students for the Program.

During August 2020, we gained approval through the College of Charleston’s Foundation Investment Committee to launch a quantitative fund. We then spent the remainder of the academic year working on the process for asset selection and allocation management. In simple terms, the fund screens for select quality factors of stocks in each sector of the S&P 500. After passing the screen, the bottom performing stocks of each sector are purchased and sold monthly. In theory, each stock is undervalued with respect to its quality factors and should see price appreciation within the month.

The Fund is managed by a select number of members within the Program. These members have the task of ensuring that the computer program selecting the securities is running efficiently. To continue to provide alpha, the managers of the Fund will constantly update the strategy to adjust to the ever-changing financial market. The overarching goal is for the entire Program to be exposed to quantitative strategies being used by financial firms while also understanding the traditional methods of valuation. This process will create more well-rounded students that understand the sophistication of the current financial markets.

Unfortunately, due to the administrative delays in securing the brokerage account, and the extreme circumstances surrounding the COVID-19 that cut the spring semester short in many ways, we have not yet deployed the funds. We look forward to doing so as soon as possible upon the resumption of classes in Fall 2020.

In addition, extending from the prior year, we continue to experiment with derivative strategies on our holdings. The covered calls have provided the Fund with a constant stream of passive income. From time to time, some of our holdings are called away, but thankfully we have the option to purchase the same security again if we still believe it is priced. Another new strategy that we experimented with over the course of the year is the synthetic long option. We sell puts on a given security, collect the premium, then use the cash from the premium to buy call options. As always, the Program members vote on if they want to implement the strategy, especially since options inherently carry more risk.

From an organizational perspective, we followed the success of last year’s super day by implementing it once again. Each prospective member endured four different rounds that consisted of a technical, behavioral, macroeconomic, and board interview. This process ensures
that the most well-rounded candidates are selected, and mimics the process undergone in the real world for the most prestigious positions available. One of the most exciting adaptations of this year’s super day was the behavioral interview. The questions leaned much heavier on critical thinking questions. Some examples are, “Why is a tennis ball fuzzy?” and “How many gas stations are in the United States?” These questions expose a student’s ability to quickly think and come up with reasonable estimates. Students who wish to pursue banking jobs are likely to encounter some of the same types of questions in future interviews. The goal is to continue to update the super day year over year to screen for the best possible candidates.

Public & Private Investment Strategy & Process

Our Public Asset Fund is value-based and driven by fundamental analysis. Our investment managers (i.e., the students) are divided by the S&P 500 sector and careful attention is dedicated to ensuring adequate equity diversification. The portfolio manager(s), along with the help of the student managing director(s), ultimately decide the initial target allocations to each sector based on current and expected future market conditions, deciding to either match, overweight, or underweight each sector respective to the sector weightings of the S&P 500. This gives the Program a flexible way to adapt its strategic asset allocation to tactically take advantage of short-term market movements. For example, with the help of the Latin American Economist, the Fund has strategically positioned itself away from potential externalities stemming from conflicts in troublesome countries, such as Argentina and Venezuela.

Each sector maintains a watch list and stands ready to pitch a minimum of two times per semester. The ordering of pitches is partially determined by an analysis of the entire portfolio by the portfolio managers to identify areas of need. However, we predominantly prescribe to the best asset available mentality, where student sector analysts that feel most strongly about their asset will pitch at the first opportunity. Once the asset is selected by the student sector group, it is reviewed by the portfolio managers, not for approval, but to act as a devil’s advocate. This step is designed to maximize the impact of pitches by identifying potential issues before an asset is proposed to the entire class. However, it is ultimately the sector analysts’ decision whether to proceed with the pitch.

They will then complete a valuation with our proprietary automated valuation model, including DCF and multiples analysis. The objective is to naturally seek to identify assets that are intrinsically undervalued. In addition, analysts must also examine the company based upon standard value-based metrics, such as degree of moat and payout ratios. We also incorporate technical analysis, not as the primary method of determination, but to help identify attractive
entry (and exit) points from a sentiment-based perspective. Students also place heavy emphasis on company strategy, business model, and competitive landscape to ensure their investment idea is as sound as possible.

All materials must be completed and placed on the Program’s Google Drive for review by the remainder of the cohort a minimum of 24 hours in advance of the scheduled pitch. The sector analysts then pitch the asset during class hours and ultimately, the entire student cohort votes on the proposed action. If the proposal is supported by the supermajority of the students, the trade is registered and enters the portfolio.

Once an asset enters the portfolio, it becomes the obligation of the sector analysts to continually monitor the asset for changes in the fundamental investment thesis that would require an adjustment to the position. Our standard investment horizon is 1-2 years, although there are certainly deviations based upon abnormal market conditions or changes in the outlook for the firm. In rare instances, we will enter an investment designed solely for short-term returns. Additionally, while in the portfolio, the Director of Quantitative Strategies (along with his/her team) rebalance the portfolio monthly based upon traditional mean-variance optimization.

The process for removing an asset from the portfolio follows the same design as that for purchase, as we feel this decision is just as important as the entry. When an exit is made, the proceeds are held in cash until replaced by another holding.

The process for private equity investment is very similar to the process for public investments. Predetermined teams of students, each led by a member of the private equity team, utilizes diligence reports and notes from CHAPs members and meetings. The group further researches potential gaps in the diligence process conducted by CHAPs members and presents their findings to the full cohort, with the same process and guidelines for voting as a public investment pitch. A supermajority is needed to invest.

Portfolio Activities & Performance

During May 2019-April 2020, the students in the Investment Program made 24 votes on potential trading activity. Of those, 18 passed the supermajority requirement for action. Of the 18, 10 were buy actions and 8 were sell actions (some of the latter were stop or trailing in nature and never transacted). Please see Appendix A.5 for a detailed listing of all the trading activities of the Fund.

As of the end of April 2020, our open positions are shown in Figure 1.

Figure 1: Portfolio as of April 30, 2020
Further, the sector breakdown of our portfolio is shown in Figure 2. Our portfolio represents 8 of the 10 sectors. The sectors not currently represented in our portfolio are staples and real estate.

Figure 2: Sector Breakdown of the Portfolio as of April 30, 2020

The portfolio’s performance is summarized in Table 1 below and details of each month’s transactions and results are included in the monthly summaries in the appendix. In Figure 3, we graph the portfolio’s returns in relation to the S&P 500 from May 2019-April 2020, which is the period over which the outgoing cohort controlled the portfolio.
As can be observed from the graph below, our holdings tracked very closely to the S&P 500 until October 2019. Typically, in the history of this portfolio, it may not outperform the S&P 500, but it sees less downside than the S&P 500. However, with the outbreak of the coronavirus in March, our portfolio saw a larger downturn than the S&P 500. Put bluntly, our portfolio did not perform as well as would be hoped during the year, and particularly during the challenges surrounding COVID-19.

Digging a bit deeper into the return patterns, we calculate our portfolio beta of .82 and annualized standard deviation of 28% (24%) based upon daily (monthly) returns. These compare favorably to the comparable market values of 32% (30%). On the other hand, our max drawdown was 35%, slightly higher than the 34% of the market. In sum, the incoming cohort will need to carefully monitor our risk exposure and determine why our portfolio performed so poorly during the COVID-19 disruption and consider adjustments to the allocation strategy in the event of future dramatic disruptions of this type.

<table>
<thead>
<tr>
<th></th>
<th>Portfolio</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2019 - April</td>
<td>-11.34</td>
<td>-1.13</td>
</tr>
<tr>
<td>2019 Calendar</td>
<td>18.45</td>
<td>28.88</td>
</tr>
<tr>
<td>2020 YTD</td>
<td>-15.91</td>
<td>-9.85</td>
</tr>
</tbody>
</table>

*Please see the monthly portfolio summaries in the appendix for a detailed discussion of returns.
Figure 3: Portfolio’s Performance Compared to the S&P 500
Financial Market performance in 2019 provided exceptional returns. Much of the stock market’s gains in 2019 can be attributed to a dramatic policy shift at the Federal Reserve with headwinds including mixed economic activity, and the U.S. trade war with China. The 28.5% market return of the S&P 500 was driven by exceptional returns from the Information Technology (IT), Financials, Industrials, Materials, Consumer Discretionary, and Consumer Staples sectors. Figure 4 presents the returns by sector of the SPY ETF and shows very strong results from IT, Industrials, and Financials.

Admittedly, one of the keys to the market’s 2019 success was starting from a low base. A steep sell-off in December of 2018 left the S&P 500 just 0.2% from hitting a defined bear market. To put this into perspective...if the year was measured from November 2018 through November 2019, the annual return would have been less than 14% or half that is now on record for 2019.

The first four months of 2019 brought a strong rebound, as central banks signaled that rather than raise interest rates, they would provide yet more stimulus in efforts to keep the economic expansion intact. Then, from the end of April through the end of September, global equities largely traded sideways with some bumps in the road, as investors digested the recurring positives and negatives in the trade negotiations between the U.S. and China, and the continued deterioration
in macroeconomic indicators. The trade war resulted in an increase in the cost of goods outside of the U.S. for manufacturing companies and consequently created a drag on the sector and overall economic output. In late August 2019, the 2-year to 10-year treasury spread inverted, which historically signals a recession. The curve inversion caused a minor market sell-off in reaction to this event.

During Quarter 4, 2019, manufacturing activity slightly increased in September, although remaining weak. In November of 2019, the U.S. economy added 200,000 new jobs and drove unemployment lower to 3.5% from 3.6% in October. Consumer confidence decreased in November to 125.5 from 126.1 the previous month and consumer spending continued to drive economic growth rising 0.4% in November. December’s economic signals all increased, and the positive data coupled with the U.S. and China partial phase one deal drove equities higher to a historical yearly return of 28.5% for the S&P 500. It seemed whatever negative turns the economic data took in 2019; it was always offset by strong consumer spending and a historically low unemployment rate.

As 2020 began, markets continued the 11-year bull run, but economic activity continued to deteriorate as the novel coronavirus spread across the globe. January’s consumer confidence increased from 128 in December 2019 to 131.6, signaling a continued bullish outlook on the economy. Consumer spending also increased by 0.2% in January, which fueled economic activity while fears of the COVID-19 escalated on a global scale. By February 18, the S&P 500 returns were up 4.32%, yet due to the escalation caused by the coronavirus, investors braced for an economic recession by selling equities and cyclical commodities in favor of safer government bonds and gold. This drove the index crashing down by a third (-33%), where it eventually bottomed out on March 23rd at 2237.40. As demand for consumer products and services fell, WTI crude sold off to its lowest price in history as there was no demand and an increasing supply as Russia and Saudi Arabia began an oil standoff. This increase in supply and no demand pushed WTI crude oil from $53.75 on February 20th to $-37.63 a barrel on April 20th. Oil has since recovered but remains low as the economy struggles to gain traction during the reopening.

In March, the Federal Reserve cut rates to nearly zero (see Figure 5) and launched a massive $700 billion quantitative easing program. The Federal Reserve, said “the coronavirus outbreak has harmed communities and disrupted economic activity in many countries, including the United States.” Unemployment jumped from 3.5% in February to 4.4% in March, while economists expect April’s unemployment numbers to be close to 16% unemployment. From February 18th to April 18th, 28.9 Million people lost their jobs within five weeks. It took over ten years to add 30 million jobs to the U.S. economy and with supply chain disruptions and stay-at-home orders, it took a mere six weeks to kill them. The Fed took a “do anything” mentality to support markets and announced unlimited asset purchases, expanded USD swap lines, reduced rates at the discount window, dropped reserve requirements to zero and established several lending facilities. It also announced it will provide $2.3 trillion in loans to support the economy and alleviate liquidity pressures in the financial system and support the flow of credit. Given that the heart of the economic damage is with consumers and businesses, the U.S. government has put together a $2.3 trillion fiscal package to combat the impact of social distancing and target these areas specifically. This legislation will provide very significant but temporary help to individuals,
companies and state and local governments, but it will not be able to prevent the economy from falling into a sharp recession, in terms of lost output and higher unemployment. However, it should allow both households and companies to avoid the worst effects of recession until a vaccine has been developed and the economy can embark on a robust recovery.

With little to no economic activity and consumer spending, the U.S. economy has seen a large contraction in GDP growth in Q1 2020. GDP growth declined ~4.8%, which was lower than initially expected, while Q2 is estimated between -8% and -15% contraction. Figure 6 presents Real GDP change, which shows the dramatic aberration during Q1 of 2020. Fear has replaced the complacency of the past few years, and with that, all eyes are now focusing on a long-forgotten friend, the VIX. Now looking at the prices over the past month daily, we see $VIX futures contango settling between -13.05% and -4.34% which is called backwardation. This is due to recent market volatility being higher than average due to the uncertainty premium in place due to the coronavirus. On May 6th, it settled at -0.58% confirming the belief of mean reversion on $VIX. Volatility requires not just bad news but additional unexpected bad news to keep it above 50 and this can be seen over the past two months with volatility peaking above 80 in March on coronavirus news and remaining above 50 until early April. However, over the past few years, we have seen long periods of extremely low volatility; we should also point out that there have been some remarkable periods like this (1995, 2017).
Recently, we have seen markets stabilize. On May 7th, the VIX Index closed at 31.72, one of the lowest points it's been in over a month, which is still above the average of 20, but this is significant because it ends a period of backwardation in the market. With May 7th’s VIX futures settling at 1.54%, signaling that volatility has returned to a normal level for the time being.

**2020 Markets Outlook**

The economic fallout from the virus has yet to be realized through unemployment, sector outputs, and defaults. The unemployment rate will continue to rise in Q2 2020, economic activity will continue to fall, and inflationary pressure will grow in the midterm. Unemployment is expected to reach double digits and the pandemic will continue to weigh on economic activity even as businesses reopen and consumers begin to venture out after stay at home orders are lifted. Although the new stimulus package will provide businesses with loans and workers a government check, this may not be enough to cover their expenses in the short term as well as limited funding for the first and second rounds of loans.

2H 2020 GDP growth is dependent upon the length of the lockdown policies being implemented to control the spread of the virus. These policies are having instantaneous and dramatic effects on daily economic activity. Nationwide lockdowns look to be reducing daily activity by about 20% from normal levels. The impact on GDP will depend on how long the lockdowns last, but the scale of the dislocation in the economy means that even assuming the health crisis subsides, we do not envisage GDP returning to pre-virus levels until 2021.

Inflation has been subdued below the 2% Fed target for years, yet we could see a change in that dynamic over the course of the recession and following expansion. The collapse in oil prices is likely to pull headline inflation down in the months ahead, and broader disinflationary pressures are likely to pick up. However, given the massive fiscal and monetary stimulus provided by the U.S. government and Federal Reserve, inflation could pick up meaningfully in the medium term. In this low rate environment, investors will continue to hunt for yield. While the downturn has caused high yield spreads to widen, defaults are likely to rise. Additionally, high-quality fixed income will continue to play an important role in providing investors with protection if the recession should deepen.

During the immediate health crisis, higher public spending can play an important part in cushioning the fall in activity, but wider growth benefits from policy stimulus are unlikely to be seen until the health crisis subsides.
European markets ended 2019 in positive territory, with the broader STOXX 600 index returning 23.2%, and country-specific indices largely following in suit. While European Markets ended 2019 with reputable gains, their positive performance is not indicative of the turbulent economic environment that Europe dealt with throughout the latter half of 2019. Figure 7 illustrates the differing return patterns by country, indicating stark differences.

The European Union (EU) witnessed domestic turmoil over the past year in member-states Germany, France, and Italy, as well as international turmoil in dealing with Brexit and the fallout from the U.S.-China Trade War. Coinciding with all of the aforementioned calamity, the two most prominent establishments of the EU saw major shifts in power as Christine Lagarde began her role at the head of the European Central Bank in early November, and Ursula Von Der Leyen stepped in to become the President of the EU Commission no more than one month later.

With these numerous moving pieces and country-specific issues having created a heightened sense of ambiguity in early 2020, it brought to light the question of what should be expected from Europe in terms of economic output and overall market performance through the end of 2020? Would Boris Johnson be able to pull off Brexit by December 31st? Will France’s pension reforms continue to cause further civil unrest? Will Italy’s government coalition be able to survive a reappearance from its main opposition party? These questions remain incredibly important today, although the answer to them has been altered significantly, if not entirely, due to the outbreak of COVID-19.

In analyzing a continent with as many moving parts as Europe, it is best to follow thematic ideas/issues across countries to pinpoint how possible investments into the geographical area will be affected. Over the past few months and into the middle of 2020, the most prominent matters to follow consist of Italy’s unstable coalition-government, the looming succession of Angela Merkel in Germany, France’s Pension Reforms, and Brexit.

**Italy**
In Q4 of 2019, Italy’s Five-Star Movement and Centre-Left Democratic Party aligned to form a new government coalition following the previously collapsed coalition between the Far-Right League and Five-Star Movement. This change in government caused the yield spread between German Debt and Italian Debt (Bund-BTP Spread) to rise significantly, albeit not nearly as much as they did in 2018. Uncertainty amongst investors regarding the stability of Italy’s coalition government pushed cash into German Bunds and anywhere other than Italian BTP’s. Italy’s economy is estimated to contract by 10% by the end of 2020, however, yield spreads have largely evened out to around their historical level of around 250 bp, or 2.5%. The pandemic, combined with the threat of Matteo Salvini, current Italian opposition party leader, will cause increased volatility in BTP-Bund spreads throughout 2020.

Germany

In the Fall of next year, Angela Merkel will step down as the Chancellor of Germany, signifying the end of a historic 14-year term. Although Merkel’s end-date lies over a year into the future, Germany is currently at a critical point in its history. After having run a budget surplus for a little over a decade, the country faces an economic crisis arguably more detrimental than that of the Financial Crisis. Angela Merkel has led the EU powerhouse through both the Financial Crisis and European Sovereign Debt Crisis while helping the country operate on a balanced budget. In a pivotal change of government, the future leader will need to be poised in the handling of crises as Germany was already teetering on the brink of a recession prior to COVID-19. Even as factories continued to operate at 80% capacity throughout the pandemic, output reached historic lows over the months of April, and the rest of 2020 will prove to be a long path back to normalcy for the largest exporter in the EU.

France

With tensions between EU countries high due to the ongoing nature of Brexit and the COVID-19 pandemic, France has emerged as a leader for the bloc. Over the past year, however, French President Emmanuel Macron faced heavy civil unrest back home as France’s workforce rebuked the overhauling of the country’s pension system. At 13.09% of France’s annual GDP, the country’s
Pension system is currently made up of 42 different programs. Macron hopes to unify the different programs down to one point-based system. Workers disputed these reforms throughout 2019 and held the longest transport strike in France’s history, crippling the country and in-turn causing a .1% contraction in Q4 GDP. Whether or not Macron is able to implement the reforms for the current system will be key in France’s future, as it will greatly affect the French economy on a long-term scale, altering a significant area of France’s workforce: Pensions.

**Brexit**

June 23rd, 2020, will mark four years since the United Kingdom (UK) voted to leave the EU. It seemed that Brexit would never occur with the UK and EU remaining deadlocked in negotiations for years until Boris Johnson took power. Boris Johnson was able to make Brexit a reality, and on January 31st of this year the UK left the EU. January 31st, 2020 also marked the beginning of an 11-month transition period where the country and the trading bloc would sort out their future relationship and trade deals. Even prior to COVID-19, 11-months seemed insufficient for such a task, and following the outbreak of the virus, the agreement largely remains in limbo. Negotiations via remote communications are set to take place through May and dependent upon the outcome of these, both sides can ask for an extension until June. If neither side chooses to request an extension of the transition period, then the UK will crash out of the EU without having reached an agreement on future relationships with the bloc at the end of 2020.

**COVID-19**

The state of Europe today has become reminiscent of itself a little over a decade ago. Reeling from the effects of the Financial crisis in late-2009, the Eurozone spiraled into the European Sovereign Debt crisis, leaving Southern countries such as Greece and Italy unable to pay off their national debts. Fast-forward to the present day and not only is Italy in a worse position than it was in 2009, with a Debt-to-GDP level of 134.8% vs. 112.5% but it never fully recovered from the crisis and now sits at the epicenter of Europe for the worst pandemic in recent history. On top of Italy’s tumultuous current-state, Greece’s Debt-to-GDP ratio is expected to near 200% by the end of 2020.

With infection rates and death tolls fluctuating daily, the response to the virus has differentiated across the European continent. Countries across Western Europe began quarantine weeks prior to that of the UK and other European powerhouses, simply due to the fact smaller countries such as Romania and the Czech Republic knew their healthcare systems would not be able to keep up with an influx of patients. Differing responses continue across Europe as Sweden has handled the outbreak by not going into quarantine at all, while Spain has just recently begun to let children outside for only one hour a day. COVID-19 will pass, how long that will take is unknown, but in analyzing the future of Europe, the most important question to consider is that of what the Short-Term damage vs. Long-Term damage will be.
Latin American Markets
Ashley Clements – Latin American Economist

Since the beginning of 2019, the majority of Latin America (Latam) is still coping with headwinds from the U.S. – China Trade War. This, in return stagnated 2019 GDP growth in the region to just .6%. As a major commodities exporter to China, Latin American countries were struggling to cope with the decline in demand (although Brazil’s agricultural sector benefited from the trade war, as demand shifted to Brazil). As with the rest of the world, the monetary stimulus was exhausted to spur growth and the only country to outperform in the region was Brazil. As for 2020, an originally expected 2% GDP growth for Latam has flopped due to COVID-19. Now, the region is predicted to shrink by 5.3%.

Argentina

Since the start of 2019, Argentina has been struggling to manage inflation of over 50%, a recession since 2018, and the biggest loan in IMF history ($57 billion) – adding to a total debt load of $285 billion with a high default risk. In Q3 2019, Argentina’s major index, the Merval, dropped 48% in one day since Alberto Fernandez won the presidential primaries- a candidate who is part of an anti-neoliberal and traditionally anti-American political party. This capital flight was triggered mostly by the fear that the new administration would repeat Argentina’s 2001 default that left most creditors collecting 30% net present value of their original bond. Fernandez was inaugurated in December of 2019 and inherited a sluggish economy. Moving into Q1 and Q2 2020, Argentina’s economy has continued to contract, and Fernandez has been working with creditors to push back maturity dates to postpone its biggest default in history.

Brazil

In early Q1 2019, Brazil’s new President, Jair Bolsonaro, was inaugurated. An extremely pro-business and highly controversial president deemed the Trump of the South. Many institutional banks became overweight Brazil since part of the new administration’s goal was fiscal reform and privatization. In Q3 2019, volatility struck Brazilian financial markets and investors held their breath until Brazil passed much needed pension reform which will save the country billions over the next decade. Throughout 2019 Brazil’s major index, the iBovespa mirrored much of the S&P 500, resulting in a comparative 2019 return of +27% and +30%, respectively.

Chile

Chile has become the darling of capitalism in Latin America. However, what the markets do not show is Chile’s stark income inequality, that many Chileans associate with the 1980’s U.S. backed free-market reform. This sentiment has been festering for decades and sparked violent protests in Q3 2019 until Q1 2020. These protests disrupted business operations from avocado to copper exports. The Chilean government has since compromised with protestors to rewrite its
constitution to focus more on healthcare, education, and pensions. This major policy and budgetary change worried investors and as a result, the Chilean peso depreciated and the IPSA dropped roughly 8.5% in 2019 from the news.

**Mexico**

Mexico spent 2019 in a mild recession shrinking by .1%. Given a sluggish economy and political risk from the NAFTA negotiation, many investors were wary of Mexico. By Q3 of 2019, the Mexican equity market experienced one of its biggest rallies in decades after the country allowed foreign direct investment in the oil sector and pledged to revamp its state-owned oil company PEMEX. This rally was short-lived, and the only other major development occurred in Q1 2020 with the finalization of the USMCA deal, providing investors some political risk relief. Although, I disagree that this deal provides any tailwind as it upended the low wage advantage of Mexican manufacturing. Furthermore, Mexico’s projected GDP growth of 2.5% in 2020 was based on the revitalization of its oil sector. Back in Q3 2019, I was bearish on this prediction and now, given the status of the oil industry and global pandemic, Mexico’s fiscal balance is one to worry about.

**Outlook/COVID-19 Impact**

Strides made during Q1 2020 have been overshadowed by the COVID-19 crisis. Along with the U.S., Latin America has entered into a bear market. Furthermore, Latam currencies reached all-time lows and downgrades hit already risky credit. As a result of the crisis, the largest economies, Brazil and Mexico, are expected to shrink by 3.8% and 7% respectively in 2020. Even though there has been a significant decline in many Latam investment vehicles (with some indices resting at 2016 price points), this movement has been reactionary to developed markets. Distinctively, Brazil’s major index, the iBovespa is still at 2018 levels, a country with the heaviest weight in Latam indices, so the bottom might not have fallen out just yet. More importantly, I do not believe markets are pricing in certain long-term and sui generis factors.

Chile and Argentina took early quarantine measures to slow the spread of the virus while Mexico and Brazil were slow to enact such precautions. Regardless, they are all at an earlier point in the curve than the U.S. In terms of relief packages, all four key economies have provided billions to offset the economic burden. However, these packages just mean more debt and pressure on fiscal discipline, an area these countries were already struggling. Furthermore, the economic makeup of Latin American countries is less service based but geared more towards commodities exports. Therefore, the technology infrastructure is not present, so the idea of “work from home” is practically impossible to implement. Given that roughly 58% of Latam workers are employed in the informal economy, the impact of COVID-19 will be much more severe than we could imagine in the United States. To go even deeper, this crisis provides the perfect climate for protectionist, anti-free market, and anti-American political parties to gain popularity – known as the pink tide. Therefore, I expect to see another market correction in the latter half of 2020 or Q1 2021 and stagnation moving further into 2021 once investors realize the true and different ramifications of COVID-19 in Latin America.
Asia Pacific Markets
Nicholas Sutton – Asian Economist

The Asia-Pacific markets started to rally back during the Q1 of 2019 despite the significant deceleration in the last three quarters of 2018. Following a strong run in Q4 2019 - as trade tension between the United States and China showed signs of waning - the coronavirus pandemic has rocked Asia Pacific markets year to date. Beginning with the Chinese markets at the start of the year, and the concurrent beginning of the outbreak, this black-swan event has erased all the gains from the increasingly friendly nature of global trade negotiations. Across all the APAC region, Morgan Stanley predicts the growth shock from the COVID-19 pandemic will create two challenges for companies operating in the region: debt servicing and USD-denominated funding stress for companies dependent on external funding.

Many countries in the region have already taken fiscal measures to mitigate the issues created by the pandemic, such as reductions in employer contributions to social security and pensions, tax reductions, deferment of tax payments for impacted SMEs, cash subsidies for impacted sectors, and other kinds of state-led injections. Both Hong Kong and Mainland Chinese markets experienced the most significant pullback at the outset of the virus in January, reflected by the Hang Seng Index down -16.63% YTD and the Shanghai Composite Index down -7.02% YTD, respectively. Outside of China, both Japanese and Australian markets experienced significant losses with the Nikkei 225 Index down -13.65% YTD and the ASX 200 Index down -19.2% YTD, respectively.

Before the outbreak of COVID-19, Hong Kong and Mainland Chinese markets underwent a significant recovery from US-China ‘trade-war’ and Hong Kong protest lows – owing to favorable trends in services and manufacturing PMIs, optimistic trade news like the signing of the Phase One Deal, continued e-commerce expansion on the Singles’ Day shopping event and efforts to deleverage state-backed asset management companies. After more than two months in nationwide lockdown, the Chinese economy is beginning to reopen, which has caused a resurgence in Chinese markets. Since March 23rd, the Shanghai Composite Index is up +7.9% and the Hang Seng Index is up +9.6%. Over the past decade, the Chinese government has made serious efforts to deleverage its economy following post-2008 stimulus measures. In the MSCI China Index, net debt-to-equity declined from 26% in 2016 to 23% in 2019. These continued deleveraging efforts will prove valuable as many business interruptions in 1Q20 could have threatened the solvency of Chinese SMEs.

Both Australian and Japanese markets have suffered significantly since the outbreak of COVID-19, with the Nikkei 225 Index and the ASX 200 Index falling below the all-time high levels they reached in 4Q19. The current global economic environment, and correlated issues around international trade stemming from the COVID-19 outbreak, are set to continue to negatively affect both island economies whose markets are directed correlated to global trade sentiment. In the coming year, Japan will struggle to revamp its economy as Abenomics has already exhausted its ability to wield monetary policy in their favor. Additionally, the postponement of the Tokyo 2020
Summer Olympics will create further challenges for the Japanese economy that was banking on the economic benefits of hosting the event.
Emerging Markets (EM) faced a volatile year both economically and in market growth, with many of the gains made in late 2019 getting lost in Q1 2020 due to the impact of COVID-19. EM saw slight growth across Q3 and Q4 of 2019 with some minor falls during this time due to changing inflation rates and uncertainty around the U.S.-China trade war.

In Q3 2019, emerging market equities were down as U.S.-China trade tensions escalated and concerns over global growth continued. The MSCI Emerging Markets Index decreased in value and underperformed the MSCI World during Q3 2019 (MSCI EM -6.48% vs. MSCI World -0.88%). Increased escalation of US-China trade talks caused currency fluctuations with the USD and RMB, which caused emerging markets sensitive to a stronger US dollar to lose value, notably South Africa and Indonesia. By contrast, Turkey saw significant returns as the central bank cut interest rates by a total of 7.5% over the quarter, more than expected. Taiwan also outperformed the broader index, driven by strong performances from technology stocks.

In Q4 2019, emerging market equities posted strong gains, benefiting from an easing in geopolitical concerns. The MSCI Emerging Markets Index increased in value and outperformed the MSCI World during Q4 2019 (MSCI EM 9.71% vs. MSCI World 7.32%). The majority of the gains in this quarter were due to EM countries directly benefitting from the supply chain shift resulting from the U.S.-China trade war, specifically Taiwan and South Korea. In Taiwan, strong performance from technology sector stocks boosted returns in Q4, as earnings expectations were revised upwards following solid Q3 sales figures. Russia and Colombia generated strong returns, benefiting from crude oil price strength as oil-producing nations announced further production cuts for the first quarter of 2020. The strength of the U.S. dollar in Q4 caused EM markets sensitive to U.S. dollar strength to outperform, including South Africa. Turkey lagged due to military escalations into Northern Syria, which led to tensions with the U.S. Oil price strength was a headwind for lagging Indian equities, in addition to concerns over slowing growth.

As can be seen in Figure 9, EM equities fell heavily in Q1 2020, negatively impacted by the Covid-19 pandemic. Both the MSCI Emerging Markets Index and the MSCI World Index decreased in value during Q1 2020, with a -25.45% loss and a -15.09% loss, respectively. Brazil was the weakest emerging market in Q1, with currency weakness amplifying negative returns. The central bank cut its headline interest rate by a total of 75bps to 3.75%. Colombia underperformed as it was impacted by the fall in crude oil prices following the failure to limit oil production. Greece, South Africa, and Pakistan all underperformed in Q1 as well. By contrast, China recorded a negative return but outperformed the MSCI Emerging Markets Index as the number of Covid-19 cases declined, and economic activity began to resume. Emerging markets currency debt yields were around the 7% range as of Q1 2020 end, an attractive alternative to the near-zero rates in much of the rest of the world.
An oil price war between Russia and Saudi Arabia exacerbated the pressure on emerging markets assets during Q1 2020. With decreases in demand for oil during the pandemic, both Russia and Saudi Arabia continued to produce oil as their three-year agreement to manage oil production broke down. Brent oil prices then plummeted, with both sides refusing to cut output. This was positive for oil importers in emerging markets, but oil exporters in the Middle East, Latin America, and Malaysia saw adverse effects.

Russia and Saudi Arabia agreed to oil production cuts in early Q2 2020, which has caused oil prices to rebound slightly.
Fixed Income

Will McEwen – Fixed Income Manager

Loans are the highly sought-after lifelines of credit by cash-starved businesses that they seek to merely endure the systematic and coordinated shutdown of the U.S. economy. Loans are portrayed as the single redeeming hope of American businesses struggling to pay their employees, and as such, the supply of loanable funds seems insufficient to meet the demand. In fact, the perceived difference between the amount of funds needed and loans supplied by federal bailouts and the Paycheck Protection Program (PPP) is so large that there has been substantial public and political backlash against large corporations that have taken loans meant for small businesses. This pressure then caused said corporations to agree to return the funds, such as the $68 million taken by lodging companies associated with the Texas hotelier Monty Bennett, the $20 million taken by Ruth’s Hospitality Group, which owns Ruth’s Chris Steak House, the $77 million taken by AutoNation, and the $4.6 million taken by the Los Angeles Lakers.

The U.S. government has shown its commitment to keeping credit markets functioning through collaboration between the U.S. Treasury and the Federal Reserve. The Small Business Administration’s Paycheck Protection Program received a lot of attention as it allocated $350 billion in early April to help smaller companies. Yet, those funds quickly ran out, and Congress injected another $320 billion into the program in late April. In addition to cutting the Federal Funds target rate to 0%, the Fed expanded its $600 billion Main Street Lending Facility to include companies that achieve up to $5 billion in annual revenue. The Fed also seeks to keep credit markets functioning through a Municipal Bond Liquidity Facility, Term Asset-Backed Securities Loan Facility, Primary and Secondary Market Corporate Credit Facilities, Currency Swap Lines, and a Primary Dealer Credit Facility.

In the middle of March, when it was clear that the shutdown of the U.S. economy would affect more than just corporate profitability but would, in fact, also threaten the financial stability of many companies, there was a sharp market sell-off in the corporate bond market. Over just two weeks, the ICE BofA Single-A U.S. Corporate Bond Index fell 13.5% and the effective yield on the ICE BofA Single-B High Yield Index rose from 6.63% to 12.39% to compensate investors for the higher degree of risk. However, the Fed’s commitment to buy corporate debt and the multiple lending facilities it implemented to keep credit markets functioning have greatly improved investor sentiment around fixed income securities. The Single-A U.S. Corporate Bond Index (Figure 10) has recovered 11.9% since market lows on Friday, March 20th. In addition, the effective yield on the Single-B U.S. Corporate Bond Index (Figure 11) has fallen back to 8.35%. Therefore, the improved outlook for fixed income investors at the beginning of May is the direct result of the Fed’s multiple actions to stabilize credit markets.
Figure 10: Single-A US Corporate Bond Index

Figure 11: Single-B US High Yield Index Effective Yield
Private Equity

Evan Sarro – Private Equity Manager

Alongside the portfolio’s public securities, the College of Charleston Investment Program also has the ability to invest in private companies. The Program invests alongside the Charleston Angel Partners (CHAPS), the area’s longest tenured and most established angel group. The group’s current Executive Administrator and Committee Chairman are John Osborne and Brian Walton, respectively. The monthly meetings, attended by our private equity team, begin with a portfolio and diligence update, which is then followed by one to three pitches from new companies seeking investments. The companies typically reside in the Southeast and focus on (but are not limited to) healthcare or technology.

During the 2015-2016 academic year, the Program made a $10,000 investment in a Series A round in ENGAGE, a Charleston-based human capital management company. ENGAGE has created proprietary software that helps companies identify and passively recruit higher-quality job candidates. ENGAGE pulls over 100 unique data points from across the internet to target both candidates and companies. Following, in January 2017, the Program reinvested $2,829 in a Series B round in order for ENGAGE to increase their market share. Last year, the 2018-2019 Cohort invested $3,751.55 in a Series C round in ENGAGE, following the company’s exponential growth in annual recurring revenue (ARR) and ability to enter a venture fund incubator ENGAGE VC. In October 2019, the Program’s first ever private equity exit occurred when ENGAGE was acquired by Workforce Logiq, a global provider of workforce management software and services. Workforce Loqiq is a portfolio company of The Carlyle Group and the Program’s returns will be distributed through a mixture of cash and rolled equity in Workforce Logiq.

At the end of the 2017-2018 school year, the Program made a $5,000 investment in a Series A round in QuadWrangle, an automated engagement platform designed for college alumni. Unfortunately, the investment did not perform as expected, and the lead investor Good Growth Capital called for additional funds to package the company for sale. Last year, the 2018-2019 cohort decided to participate in the convertible note investing $263.67, with an 8% interest rate and a 3X liquidity preference upon the sale of the company. In November 2019, QuadWrangle was acquired by RNL (Ruffalo Noel Levitz), a leading provider of higher education enrollment, student success, and fundraising solutions. RNL is a portfolio company of Summit Partners. Despite the underperformance of this investment, the acquisition allowed for the Program to recoup a portion of the initial committed capital.

Throughout the 2018-2019 academic year, the Program added two new private equity portfolio companies. The first investment was a $5,000 Series C investment into UVision 360, a medical device company that owns the Luminelle DTx Hysteroscopy System. The Luminelle DTx is an in-office device that can be utilized in various procedures at a fraction of its competitors’ costs. In March 2020, UVision 360 announced a strategic partnership with a global medical device company in order to expedite market awareness and drive revenues. Additionally, in 2018-2019, the Program also made a $5,000 Series C investment in FirstString Research, an innovative biopharmaceutical research company based out of Charleston. The company focuses on targeting
and developing solutions for inflammation and injury-based medical conditions. In total, the 2018-2019 cohort made four investment decisions totaling $14,015.22. Further, the two new portfolio companies tilted the portfolio towards a more risk-averse mindset by focusing on biomedical firms in later stages of funding.

During the 2019-2020 academic year, although the Program ran multiple diligence processes for several highly attractive investment opportunities, due to the disruption COVID-19 had on the Program’s investment theses and time horizon, the 2019-2020 cohort’s private equity endeavors were ultimately thwarted. Nevertheless, we are confident that all current portfolio companies have great potential to grow exponentially and exit in the next one to three years. However, we are also aware of the high-risk levels in the early stage private equity asset class.
A.1 2018 – 2019 Investment Society

**Ryan Snyder, Senior**
- Managing Director, Kenan Value Investing Scholar
- Finance Major, Data Science Focus
- Pursuing Business Intelligence career after graduation

**Maddie Goodman, Senior**
- Chief Operating Officer
- Mathematics Major, Actuarial Sciences concentration
- Attending London Business School for Business Analytics Master's degree

**Hunter Beaudoin, Senior**
- Special Events Coordinator
- Finance Major
- Attending Lingnan University in Hong Kong for Master's degree after graduation

**Mark Wold, Senior**
- Quantitative Strategies Head
- Finance Major, Data Science Minor
- Working for BP in the Trader Development Program after graduation

**Nick Sutton, Senior**
- Asian Economist
- Finance Major, Asian Studies Minor
- Attending John Hopkins University in China for Master's degree after graduation

**Evan Sarro, Senior**
- Private Equity Manager
- Finance Major, Economics and Real Estate Minor
- Working for AMB Investment Bank after graduation

**Will McEwen, Senior**
- Fixed Income Manager
- Finance & Economics double Major
- Pursuing Equity Research career after graduation
- CFA Level I Candidate

**McKenzie Shearon, Senior**
- Performance Analyst
- Finance & Mathematics Major
- Working for Axxess Home Care after graduation
James Fitzsimmons, Senior
- Markets Analyst
- Finance Major
- Pursuing Trading career after graduation

Ashley Clements, Senior
- Latin American Economist
- International Business & International Studies double Major with a concentration in Latin American & Caribbean Studies
- Pursuing Consulting career

Sam Beatty, Senior
- Private Equity Analyst
- Finance Major
- Pursuing Wealth Management career after graduation

Brian Jacobs, Senior
- Political Analyst
- Finance Major
- Pursuing Banking career after graduation

Michael Waggoner, Senior
- US Economist
- Finance Major
- Pursuing Trading career after graduation

Matthew Hanusik, Senior
- Real Asset Manager
- Finance & Marketing Major
- Pursuing Banking career after graduation

Luke Foster, Senior
- Private Equity Analyst
- Accounting Major, Finance Minor
- Working for Raymond James after graduation

Chloe Currie, Junior
- Portfolio Strategies Analyst
- Finance Major
- Interning for Morgan Stanley this summer
James Clayton, Junior
- Portfolio Strategies Analyst
- Finance Major, Data Science Minor
- Interning for Wells Fargo this summer

Nina Hayes, Junior
- Emerging Markets Economist
- Finance Major, Economics Minor
- Interning for Fidelity this summer

Andrew Mathes, Junior
- European Economist
- Finance Major, Economics Minor
- Interning for Wells Fargo this summer
A.2 6th Annual Strategic Investment Symposium Program
The Strategic Investment Symposium
6th Annual College of Charleston Edition

Friday, March 6th, 2020

**Schedule of Events**

8:00-9:00: Registration & Meet-and-Greet

9:00-10:30: Global Markets Outlook

10:45-12:00: Keynote Conversation

12:00-1:30: Lunch Break

1:30-2:30: Breakout Session 1
1A: Value Investing
1B: Quant Investing
1C: Women in Finance

2:45-3:45: Breakout Session 2
2A: Private Equity Investing
2B: ETF Investing
2C: Financial Certifications

4:00-5:00: Breakout Session 3
3A: Real Estate Investing
3B: Fixed Income Investing
3C: Investor / Client Relations

5:00-6:30: Reception

**Fed Cuts Rates by 50 Basis Points**

Central bank lowered the federal-funds rate range to 1% - 1.25% in its first between-meeting move since the financial crisis to ease possible economic disruptions caused by the spread of coronavirus.

**Coronavirus Spikes Currency Markets**

The fast-spreading virus has interrupted relatively calm foreign exchange markets, with the Cboe FX Euro Volatility Index surging 21% over the past week, extending this year’s advance to 44%. Volatility dollar-yen futures market has risen even further, jumping 72% year-to-date.

**Stocks Fall Despite Surprise Rate Cut**

U.S. stocks and government bond yields slid after the Federal Reserve’s interest-rate cut failed to assuage money managers fearful of the economic fallout from the coronavirus epidemic. “We do recognize the rate cut won’t reduce the rate of infection,” Fed Chair Jerome Powell said.

**10-Year Treasury Yield Dips Below 1%**

The yield on the benchmark 10-year U.S. Treasury note fell below 1% for the first time Tuesday. The decline extended an exceptional 2020 bond price rally that caught many traders off guard, fueling hedging activity and the exiting of positions.
Global Markets Outlook
9:00 - 10:30: Wells Fargo Auditorium

Keynote Conversation
10:45 - 12:00: Wells Fargo Auditorium

PETER COSTA
Managing Partner, Costa Family Office, New York, NY

WALTER TODD
President and CIO, Greenwood Capital, Greenville, SC

PHIL NEUHART
Manager, Institutional Portfolio Strategist Group, First Citizens, Raleigh, NC

JORDAN JACKSON
Associate, Market Analyst, J.P. Morgan Funds, New York, NY

KATRINA SHERRERD
CEO, Research Affiliates, Newport Beach, CA
Breakout Session 1
1:30 - 2:30

1A: Value Investing: Tate 207

DAVID MARCUS
CEO, Evermore Global Advisors,
Summit, NJ

MATTHEW HENSEL
Vice President and Portfolio
Manager, Bank of America,
New York, NY

1B: Quant Investing: Tate 202

CHRIS MCKEE
CEO and Owner, The PRS Group,
New York, NY

DEAN SMITH
Founder and Principal,
Stonehenge Financial Partners,
Charleston, SC

REEM ABBASSI
Project Manager, Weiss
Multi-Strategy Advisors,
LLC, New York, NY

1C: Women in Finance: Wells Fargo Auditorium

AMY SALZHAUER MCMARLIN
Managing Partner,
Good Growth Capital,
Charleston, SC

MITSY MANGUM
Managing Director,
Lakeview Capital,
Atlanta, GA

PAULAMI KAR
SVP, Head of Product Strategy,
Northern Trust Asset
Management, Chicago, IL
Breakout Session 2
2:45 - 3:45

2A: Private Equity Investing: Wells Fargo Auditorium

BETH HAMMOND
Director, Kohlberg Kravis Roberts & Company, New York, NY

PAUL GULBURG
Senior Equity Research Analyst, Bloomberg LP, New York, NY

JESSIE QIAN
Managing Partner, Hummingbird Search Partners, Charleston, SC

2B: ETF Investing: Tate 207

DAVE NADIG
Chief Investment Officer & Director of Research, ETF Database, Pittsfield, MA

JOANNE HILL
Chief Advisor for Research and Strategy, CboeVest, McLean, VA

2C: Financial Certifications: Tate 202

ELLIOT LEWIS
Senior Vice President and Portfolio Manager, BB&T, Charleston, SC

KEITH BEVERLY
Managing Director and CIO, Grid 202 Partners, Durham, NC

TRENT DERRICK
Chief Market Technician, Legacy Wealth Management, Charleston, SC
Breakout Session 3
4:00 - 5:00

3A: Real Estate Investing: Tate 207

OLIVIA COCO
Associate, Goldman Sachs, Dallas, TX

MICHAEL JOYCE
Senior Director, Investment Strategy & Research, Greystar, Charleston, SC

PATRICK AGNEW
VP, Private Wealth Solutions Group, The Blackstone Group, Charlotte, NC

3B: Fixed Income Investing: Tate 202

CANDICE HOLMES
Regional Director, Wells Fargo Asset Management, Charleston, SC

PAULAMI KAR
SVP, Head of Product Strategy, Northern Trust Asset Management, Chicago, IL

ALEX ROEVER
Managing Director and Head of Interest Rate Strategy, J.P. Morgan, New York, NY

3C: Investor / Client Relations: Wells Fargo Auditorium

STEVE HUFFORD
Director, Investor Relations, Blackbaud, Charleston, SC

ROBERT PHILLIPS
Managing Director, Global Corporate Client Group, Nasdaq, New York, NY

DUSTIN BARR
Partner and Co-Founder, Verum Partners, Charlotte, NC
Greystar Real Estate Partners, LLC. an integrated real estate company, provides management, development, and investment services for residential properties in the United States and internationally. It offers property management services that include national property management, due diligence services, financial services, construction management, master insurance programs, procurement, information technology, education and training, marketing and communications, and development and construction services for multifamily projects. Greystar Real Estate Partners LLC was founded in 1993 and is based in Charleston, South Carolina.

Asio Capital, an SEC registered investment advisor, specializes in building personal financial portfolios for high net worth individuals, families and institutions. A Latin name for owl, Asio was inspired by our drive to provide people with wise counsel, but also with a sensibility for real-life implications. As an employee–owned wealth management firm, we have a personal stake in our clients’ success. We help our clients identify and achieve their legacy goals by making the complicated simple. Our investment philosophy is valuation focused. We believe staying anchored to long term values, while markets rise and fall with the emotional tide, produces consistent long-term results. Asio Capital is headquartered in Lexington, KY with clients in 19 states across the U.S.

CFA Society of South Carolina promotes the highest ethical standards and professional excellence within the local investment community. CFA Society South Carolina is an association of local investment professionals, consisting of portfolio managers, security analysts, investment advisors, and other financial practitioners, that has served CFA charter holders and CFA program candidates locally for more than the last 15 years. CFA Society South Carolina has over 100 members and is a member society within CFA Institute. Our members are part of a global network of more than 130,000 finance and investment professionals in more than 150 countries and territories. Our goal is to make a difference in the future of the profession at the local level.

Bank of America Private Bank focuses on complex financial needs of wealthy individuals & families—as well as institutions—helping to manage & preserve wealth across generations. We bring you and your family the innovative strategies, scale and ethos of Bank of America, combined with the specialized capabilities and unique client experience of a boutique private bank. For more than 200 years, our global perspective, breadth of capabilities, unique team approach and fiduciary platform have enabled us to help manage and preserve wealth across generations.
Hartford Funds uses its human-centric investing approach to understand the rational and emotional ways investors think about their money, investments, and relationships with financial advisors. We partner with academics and experts to deliver insights into investor psychology, demographic trends and behavior. Hartford Funds also delivers investment insights for advisors and their clients. Our product line-up includes a variety of mutual funds and multifactor and active ETFs. Excluding affiliated funds of funds, as of September 30, 2019, Hartford Funds Management Company, LLC and its wholly owned subsidiary, Lattice Strategies LLC, had approximately $120.0 billion in discretionary and non-discretionary assets under management.

Family Legacy, Inc. is a fee based RIA firm that grew out of a CPA firm which began in 1977. Since 1995, we've been helping families and businesses with financial planning, asset management, retirement planning, estate planning, business consulting and more. We operate as a multi-family office providing holistic real world solutions for a wide range of clients.

For over 40 years, The PRS Group (www.prsgroup.com) has been the world’s leading quant-driven geopolitical and country risk forecasting and rating arm, with a clientele that includes the largest institutional investors and hedge funds, transnational companies, central banks and sovereign wealth funds, and leading research scientists. Independently back-tested since the 1990s, cited as a “leading organization in investment risk analysis” by famed hedge fund investor, Jim Rogers, and distinguished as ‘the most authoritative in the field’ by leading academics in major trade and scholarly journals, PRS’ risk-driven investment portfolios have produced returns of over 20% with less risk and less volatility. The firm has been profiled in Barron’s, the WSJ, the Financial Times, Bloomberg, and CNBC. PRS’ data series are the longest and most comprehensive that can be found anywhere, and two proprietary methodologies for assessing risk are available: the International Country Risk Guide (ICRG), and Political Risk Services (PRS). The combined data of these two products can be found in CountryData Online (CDO). A number of products based on the two risk rating systems are offered. PRS has recently entered into a partnership with Toggle, an AI trading platform backed by a number of preeminent hedge fund managers, led by the Duquesne Family Office, and its senior team, consisting of veteran hedge fund managers and technologists from firms such as Duquesne, Brevan Howard, and Fortress.

In addition to providing risk data and forecasts, PRS also works with select governments globally with an aim to improving their overall business and investment climates, and with private rms involved in commercial litigation.
Since its beginnings in the 19th century in Switzerland, our firm has established an important place in the evolution of modern global banking. Building on its history of over 150 years, UBS is committed to bringing its global resources to bear on the portfolios of high net worth individuals to help them pursue their wealth management goals. Today, as a world-leading global wealth manager with $2.6 trillion in invested assets across the entire wealth spectrum, we are strongly positioned to help our clients address the realities of the global economy and their sophisticated needs. Customized solutions are delivered by dedicated Financial Advisors who are aligned to help give clients confidence in reaching their goals no matter what the

In 1975 the North Carolina Security Traders Association was incorporated as a non-profit organization dedicated to bringing together investment professionals throughout North Carolina to network and enhance the growth of the investment community within the state. In 2005 our organization expanded to include our fellow investment professionals in the state of South Carolina and we changed the name of our Association to the Carolina Security Traders Association – CSTA. Today our organization is comprised of nearly 100 members, representing over 20 firms throughout the Carolinas and is an affiliate of the Security Traders Association (STA), our national organization. Our mission is to promote and protect the interests of our members; to provide a forum for networking and professional growth; to educate and inform our members of the latest industry trends and issues; to promote the highest business and ethical standards; and to support the efforts and initiatives of the Security Traders Association (STA).

Emini Futures Day Trader uses a specially designed futures trading system that focuses on making consistent returns under most market conditions. Our S&P Emini Futures trading system “EminiES” generates trade signals for Trade Station to be executed automatically with a goal of reducing human emotion from trading and time delay in execution. The system is long only futures contracts. No complex futures strategies are utilized. Overdoing things doesn’t make a system better; on the contrary, it can take away from a good system. There are hundreds of combinations of indicators and ideas a trader can use. This proprietary trading system’s rules work in most markets and market environments with only a few variables, however, the current strategy “EminiES” is limited to trading only the Emini S&P 500 (ES) futures contract. In addition, the system contains a strict money management plan. If you do not know how to manage capital, there is little chance that you can make money as a trader. Knowing how to manage risk is more important to a trader’s bottom line than are finding and exiting trades. We believe that money management is even more important than trade selection and employ a strict money management program composed of knowing how much to risk at any time, what total exposure should be, where to have a cutoff point, and position size. Money management is a part of the exit strategy as stops and position size will be determined by risk levels based on equity.

Verum Partners is a wealth management ensemble where clients’ best interests are our highest priority. As an employee-owned, independent Registered Investment Adviser, we are dedicated to improving lives through true partnership. We offer no proprietary products, just service and solutions.
Greenwood Capital is a $1.4 billion firm (as of 1/31/2020) providing asset management services to institutional/corporate clients, and investment advisory services to individuals and families in the Southeast and beyond. Our Global Perspective means we view the world in a top-down manner, assessing broad trends that can be applied across our investment strategies. Our investment team evaluates a variety of metrics, and the relative value and opportunity across markets, that can be implemented in an effort to ride economic tailwinds in up markets and protect clients’ assets in down markets. Our Personal Approach provides us the understanding of each individual client’s goals and objectives. With this insight, we are able to focus on the details of their financial lives, helping to maintain proper perspective in an otherwise complex financial world.

First-Citizens Bank & Trust Company is a North Carolina state-chartered commercial bank headquartered in Raleigh, North Carolina. For more than 120 years, First Citizens Bank has been helping families and businesses do more with the money they earn, save and invest. In that time, we’ve built a solid track record of service, stability and reliability. We remain committed to smart, steady growth ... for our company and our customers alike. First Citizens has grown to more than $39 billion in assets. Through the years, we’ve grown our company on the kind of fundamental values that never go out of style: Working hard, working with integrity, listening to what our customers have to say and taking the long term view. We don’t chase short-term fads and gimmicks; instead, we believe in making sound decisions that create real security and growth for years — and generations – yet to come.

The 2019 - 2020 Investment Society
A.3 6th Annual Strategic Investment Symposium Write-Up
School of Business Investment Program
Hosts 6th Annual Strategic Investment Symposium

The 6th annual College of Charleston Strategic Investment Symposium took place on March 6th of 2020. Fortunately, the program was able to hold this communal event before COVID-19 shut down functions such as this. Dr. Mark Pyles, Dr. Kenneth Soyeh and the Investment Society welcomed 30 speakers and over 150 guests from around the country to engage in conversation about the world of investing.

The day began with the Global Markets Outlook panel discussion, led by Peter Costa of the Costa Family Office, Walter Todd of Greenwood Capital, Phil Neuhart of First Citizens and Jordan Jackson of J.P. Morgan. Following this event, Katrina Sherrerd, CEO of Research Affiliates, delivered an engaging keynote address.

Following lunch, we began our breakout sessions for the day. This year we once again held a total of 9 different panels. Those panels consisted of: Value Investing, Quant Investing, Women in Finance, Private Equity Investing, ETF Investing, Financial Certifications, Real Estate Investing, Fixed Income Investing and Investor / Client Relations. We were thrilled to see attendees filling the rooms of our panels and engaging with the speakers to foster an incredible discussion on the relative topics. We were very happy to be hosting our long-time friends of the Symposium and also welcome new faces that we look forward to continuing relationships with moving forward. You can see the full list of speakers on the program for the event on our website.
The day concluded with a reception allowing connections and friendships to be made between speakers, guests, students and faculty and staff. We also welcomed the next cohort who will be taking the reins as this year’s seniors graduate, giving them a sneak peek at the exciting and thought-provoking conversation that they will be participating in when the 2020-2021 academic year begins.


We are so excited for next year’s symposium and the cohort for 2020-2021 are already working to improve the program next year.