College of Charleston
Investment Program

Annual Report
2022-2023
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Overview</td>
<td>3</td>
</tr>
<tr>
<td>Investment Strategy</td>
<td>7</td>
</tr>
<tr>
<td>Portfolio Performance</td>
<td>11</td>
</tr>
<tr>
<td>Markets Review</td>
<td>17</td>
</tr>
<tr>
<td>Global Economies</td>
<td>34</td>
</tr>
<tr>
<td>Private Equity</td>
<td>50</td>
</tr>
<tr>
<td>Special Events</td>
<td>53</td>
</tr>
<tr>
<td>Meet the Society</td>
<td>55</td>
</tr>
<tr>
<td>Appendix</td>
<td>60</td>
</tr>
</tbody>
</table>
The 2022-2023 academic year has proved to be quite a time to be a student of the market. Students still learning the basics of valuation were forced to confront a volatile trading environment, raging inflation, and aggressive quantitative tightening as the Federal Reserve fought to beat out inflation. Despite the unique components of the year that only further steepened the learning curve, our students were able to land elite positions, lead a portfolio that has beaten our benchmark, and become young professionals ready to dive into the financial services industry.

This past year was the tenth for the School of Business Investment Program; nineteen elite students completed the Program and ran the funds associated therewith. The ‘Meet the Society’ section provides a listing of the students and their position and post-graduation work or summer internship plans.

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.

To expand on the first objective, we desire to translate academic materials into practical applications and — most importantly — career-relevant skills. We continually increase our focus on communication and technical skills, forcing the 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 several ways, including the following:

a) We hosted several formal firm visits over the academic year. Raymond James returned for the ninth time in August, followed by Vanguard in early September. JP Morgan made their fifth visit to the Investment Society in late September; followed by the tenth consecutive annual visit from Goldman Sachs in November. Outside of preparing the case study material presented to the firms during these events, students had the opportunity to engage with representatives from each firm.
In late February, we hosted our premier annual external event for the ninth time — the CofC Strategic Investment Symposium. The event brings together an audience of industry professionals and students aiming to explore strategic asset management within recent market trends. In previous years, the event was held in the School of Business; however, in 2021 the event was moved to the Francis Marion Hotel to accommodate the growing interest. We were able to take note of the logistical issues involved with expanding an event such as this and produce an even better iteration of the event this year. The itinerary included over 30 distinguished panelists, including keynote speakers David Kelly of JP Morgan Asset Management and Paul Donovan of UBS Global Wealth Management. After our various keynote speakers and a broad discussion of global markets and investment strategies, the audience was broken into breakout sessions that discussed topics such as thematic investing, alternatives, portfolio construction, and more. 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. This year’s Symposium was a significant success and a step towards connecting students and financial professionals in the greater southeast region and beyond. In the appendix is the agenda for the seventh annual Symposium. Please see the special events section for an article summarizing the experience.

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 manifested 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 and recognition for the quality of students The College can produce.

Of the nineteen students, twelve are graduating seniors, and seven students will remain in the Program for a subsequent year in 2023-2024. Of the twelve graduates, we have students employed at firms nationwide in high-paying positions. We are pleased with the mixture of nationally recognized placements alongside placements in local firms that will keep critical young CofC talent in the area and help further develop the Charleston financial community. Examples of significant placements include the following:

- Blackrock: New York, NY
- State Street: Boston, MA
- Wells Fargo: Charlotte, NC
- Ernest & Young: New York, NYC
- HDH Advisors: Atlanta, GA
- United Bank: Charleston, SC
- Brookwood Associates, Atlanta, GA
The Program also focused on summer internship placement of its younger members to strengthen their skillsets and prepare for the full-time job search. Summer internship placements for 2023 include the following:

- Raymond James: St. Petersburg, FL
- AON Insurance: New York, NY
- American Express: New York, NY
- Wells Fargo: Charlotte, NC

Finally, according to the policy statement and the procedures in place, our student managers continued to manage the public asset fund over a tumultuous market year. Discussion of performance will occur in a later section; however, we were able to beat our benchmarks across our two benchmarked funds (a value-tilted public equity fund and a quantitative fund). While we, as a Program, focus on student success and outcomes, a well-managed fund is one of the best student learning and application indicators.

We thank you all for your continued support and belief in our passionate, developing professionals.

Jody Bell
Managing Director

Anthony Spinella
Managing Director
Investment Strategy & New Initiatives
Our Public Asset Fund is value-based and driven by fundamental analysis. Our investment managers (i.e., the students) are divided by S&P 500 sector, and careful attention is paid to ensuring adequate equity diversification. The Portfolio Strategies Team, led by the Managing Directors and the Chief Investment Officer, ultimately decides the target allocations to each sector based on current and expected future market conditions, deciding to match, overweight, or underweight each sector respective to our benchmark, the S&P 500.

Each sector maintains a watch list and stands ready to pitch at least twice per semester. The ordering of pitches is partially determined by analyzing the entire portfolio by the Portfolio Strategies Team to identify areas of need. Sector analysts that feel most strongly about their space will pitch at first. Once the team selects an investment, they will complete a valuation with our proprietary valuation model, including DCF and multiples analysis. Their objective is to identify assets that are intrinsically undervalued. 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 emphasize 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 One Drive for review by the remainder of the cohort a minimum of 24 hours before the scheduled pitch. The sector analysts then pitch the asset during class time. Ultimately, the entire student cohort votes on the proposed action. If supermajority of the students supports the proposal, the Portfolio Strategies Team determines an ideal entry point and weighting. The trade is registered and will finally enter 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 investment thesis that would require an adjustment to the position. Our standard investment horizon is 1-2 years; however, 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 Portfolio Strategies Team can rebalance allocations to different assets or trim positions to generate free cash for new investments. The process for removing an asset from the portfolio follows the same design as that for purchase. 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 that for public investments. Predetermined teams of students, each led by a member of the private equity team, utilize diligence reports and notes supplied by CHAPs. The group further researches potential gaps in the diligence process conducted by CHAPs members and presents their findings to the entire cohort, with the same process and guidelines for voting as a public investment pitch. A supermajority is needed to invest.
The 2022-2023 cohort assumed full-time coverage responsibility of the portfolio in August of 2022 when courses began for the fall semester. While there are a small number of returning students from the prior cohort each year, the majority of the team was new. When we assumed coverage of the portfolio, the markets were a drastically different landscape than they are today. In August 2022, the portfolio held about 8% cash to finance new investments and benefit from the dollar’s strength. We were positioned as 3% overweight in Consumer Discretionary to capitalize on increased consumer spending from excess funds circulating the market and above-average savings in consumers’ pockets. Based on the increased prices of raw goods such as lumber and certain metals, including copper, we were positioned 8% overweight in the materials sector.

Fast forward to today, and our sector allocation has changed to adapt to current market conditions and future market expectations. We have shrunk our materials position to 4% from 8%, and decreased our consumer discretionary holdings from 4% overweight to 3% underweight the S&P 500 based on our view of a weak consumer. We are 4% overweight utilities based on their stable and defensive nature throughout market downturns and 2% overweight energy to capitalize on elevated energy prices that we predict will persist throughout 2023.

While our primary objective for the public asset fund is to identify companies that are intrinsically undervalued, we also take great care to ensure that the underlying factor exposure of our portfolio is positioned favorably. Factor exposure relative to our benchmark is measured in standard deviations from the mean. Currently, we are slightly larger than the S&P 500 as we feel companies that own a larger market share in their space may be better suited to weather a downturn. We are also more valued tilted, compared to our bench march and less exposed to volatility. Our fund is more exposed to dividend yield, which we prefer in a bear market, as it signals a company’s strength and provides additional cash flow beyond price appreciation. We are also less growth-oriented based on our prediction that sustained rapid growth in the market may be unlikely through 2023.
New Initiatives
Ben Gonzalez – Director of Quantitative Strategies

The reality of the finance industry is that of a changing world driven by the rise of technological advancements and quantitative methods. In this ever-changing world, we have adopted to keep up with the industry through our newly launched Quantitative Fund. The Quant Fund had already deployed capital into a diverse set of factor ETFs and equities screened using a simple multi-factor model. This academic year, the Investment Program took huge strides in innovating and improving the Quant Fund by improving the asset selection and allocation procedures. As of now, the Quant Fund is fully invested in a variety of smart beta ETFs and equities selected from the new asset selection method.

The Quant Fund strategy was built from the ground up utilizing multiple programming languages and analytical tools. The theory behind the selection strategy was inspired by several academic research papers that focus on the use of modern machine learning methods for factor modeling. In this way, we can assess factor importance, capture non-linearity and interaction effects, and provide interpretability on our results. One of the main research papers that inspired the strategy used in the Quant Fund is *Deep Fundamental Factor Models* by Matthew F. Dixon and Nicholas G. Polson.

The strategy is fundamentally broken down into two distinct sections – an asset selection strategy and an asset allocation strategy. Both were largely created using the programming language Python, and the selection strategy also included code from the statistical programming language R to better train and optimize machine learning models. The input data for the selection strategy is historical financial statements and price action data for every company in the Russell 1000. From there, we calculated a variety of individual factors and each company’s respective exposure to that factor. We then trained and optimized a tree-based gradient-boosted machine learning model known as XGBoost to predict which factors will outperform in each sector and then rank equities using a multi-factor model. For the asset allocation model, we took a risk parity approach by fitting a risk parity algorithm on the assets in the portfolio to spread risk equally across the equities and ETFs. The portfolio is consistently optimized and rebalanced using this strategy, making it more resistant to downturns than a traditional portfolio.

Since its inception, the Quantitative Fund has outperformed our benchmark, the Russell 3000 index. From August 1 to April 1, the Quant Fund has appreciated by 6.8%, compared to the Russell 3000, which has decreased in value by .91%, driven by some of our positions, such as our underweight status in the Financials and our favorable positioning in the Healthcare sector.

As the industry continues to change and evolve, the Quant Fund will continue to be improved and developed. We plan to build upon our current procedures in the Quant Fund by adding to the code over the coming years. Additionally, we plan to explore avenues of adding quantitative strategies to the public equity fund, including optimization strategies for equity weightings or using factor modeling to screen equities.
Throughout the 2022 – 2023 Cohort’s coverage period (August 1, 2022 – April 30, 2023), the cohort worked to best position the portfolio during economic uncertainty, rising rates and geopolitical tensions around worldwide. Over the coverage period, the cohort voted to buy 26 times while also increasing and trimming positions accordingly.

As detailed in the investment strategy section, the public equity portfolio is monitored by the cohort on a sector basis to best achieve portfolio goals and strategies. A sector-weighting breakdown of the CofC Fund can be seen here. All data is as of April 28, 2023.
Detailed in the table are the returns of the CofC Public Equity Fund alongside that of the S&P 500. As of April 19, our portfolio is in positive territory and outpacing the S&P 500 over the past month. Throughout the 2022-2023 cohort coverage period, the portfolio outpaced our benchmark for seven of the nine months. Over the cohort's coverage period – our portfolio outperformed the S&P 500 by 343 bps. The outperformance was attributed to the Materials and Financial sectors, for the most part. 214 bps of attribution came from the Materials sector, 159 bps came from selection and the rest came from allocation. The Financial sector attributed 123 bps, with 99 bps coming from selection and the rest from allocation. The Utilities sector worked against us the most, taking 50 bps throughout the coverage period. Our Utilities sector was on average 433 bps overweight the S&P, which took 31 bps over the period. Other sectors that outperformed in our portfolio were real estate, consumer discretionary, consumer staples and energy. The sectors that underperformed were healthcare, industrials, communication services, and information technology.

The CofC Fund’s performance relative to the S&P 500 can be seen below. The performance of the CofC Fund was back and forth with the benchmark during the first trimester of our coverage period. Towards the end of November, our fund started to pick up the pace against the S&P. This was primarily due to our selection in Materials and Consumer Discretionary. We continued to outpace the benchmark in January and February, with Healthcare and Financials leading.
# Vote Summaries

*Paisley Lewis – Chief Operating Officer*

*Smith Wheeler – Portfolio Performance Analyst*

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<th>Date</th>
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<th>Pass/Fail</th>
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<td>9/15</td>
<td>Buy COP</td>
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<td>9/25</td>
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<td>9/27</td>
<td>Buy JPM</td>
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<td>4/4</td>
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<tr>
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2022 U.S. Markets Recap: The U.S. Markets in 2022 faced a rough and what seemed to be an ever-increasingly difficult landscape to navigate. Investors were left to face many headwinds that took their toll on equity valuation and the performance of the markets as a whole. A continuing war in Ukraine, China’s closing off from international trade, the remnants of supply chain disruptions from the effects of an ever-lasting COVID-19 pandemic, and by far the most influential, the speed at which the Federal Reserve raised the federal funds rate. Investors were left stunned especially following a year of exponential growth in 2021; 2022 was quite the opposite with the S&P 500 starting at a level of 4,796 and finishing the year at 3,839. A roughly 20% decrease was realized during 2022, with the S&P 500 bottoming at a level around the mid-3,500 range. The same could be said for the Dow Jones Industrial Average, which is a rough representation of the state of the U.S. economy consisting of 30 large blue-chip stocks & the technology-focused NASDAQ, which began the year at levels of 36,231 and 14,935, respectively and ended the year down roughly 8.51% and 29.92%, respectively.

2022 U.S. Economy Recap: The U.S. Labor Market has maintained historical strength and resilience throughout the FED’s battle against inflation. Much to the dismay of many economists, U.S. unemployment rates reached a 53-year low in January and are currently below March 2022 levels, when the FED began to raise interest rates. This resilience has been highlighted by stronger-than-expected job growth throughout the vast majority of 2022, and increased labor demand persisting post-pandemic. Despite this resilience within the labor market, CPI has steadily decreased from its 9.1% high in June, largely due to the reduced costs of oil, gasoline, and other commodities following supply chain constraints being alleviated from the onset of the war in Ukraine. That being said, the FED remains distant from its 2% targeted PCE inflation rate, and as a result of this, combined with the labor market remaining uncomfortably strong, the FED has remained stringent in following its rate hike schedule.
The Fed’s Effect on U.S. Markets: Jerome Powell and the FED embarked on a battle against inflation levels not seen since the 1980s, with the FED’s preferred inflation gauge, the core PCE price index, topping charts at 5.42%. These anomalous events mentioned above called for an unconventional monetary policy allowing the Fed to rapidly raise interest rates from a near 0 basis points to around 425 basis points, the fastest increase since the early 2000s. For the first time in history, fixed-income and public markets both notched notable losses, leaving investors questioning the reality of where equity prices were headed going into 2023. As investors, we understand the inverse relationship between bond prices and yields, so as bond prices fell, yields rose. This is very important to note when analyzing why rising yields affect the valuation of equities. When we value equities, we value them by calculating the present value of their future cash flows. The discount rate that we utilize while taking the present value of future cash flows is typically a risk-free rate, such as the 10-year treasury. Therefore, the higher discount rate sent equity valuations swirling down with technology companies being hit the hardest, the information technologies SPDR Fund declining 25% due to the nature of the majority of their valuation being based on future earnings and growth. Luckily, for the markets, considering the technology sector constitutes roughly 26% of the S&P 500, that trend did not continue until 2023.

The Fed & the Economy: In 2023, the FED expects to reach its desired terminal rate of roughly 5.1% by mid-2023 and hold this terminal rate until 2024. However, this is dependent on several factors. The FED could cut rates sooner than anticipated, given unemployment rises more rapidly than expected. This will, in turn, create instability within the economy and encourage downward pressure on inflation. The FED would likely wish to promote growth and decrease rates sooner than expected to prevent a severe recession, given this scenario. Additionally, another scenario for the FED cutting rates before 2024 is if inflation returns to its 2% target sooner than expected without the labor market gaining instability. Other scenarios include the FED potentially holding its terminal rate for an extended period, including supply chain issues being exacerbated once again or continued supply shortages within the labor market posing a risk of prolonging inflation as upwards pressure on wages continues.
The Energy Sector Notches Gains: Before we get into 2023 and the state of the year thus far, it is critical to highlight there was at least one winner in 2022. The life vest that was cast out to save a crippling market was the energy sector and therewith oil prices. The XLE SPDR fund in 2022 gained roughly 43% as oil prices went soaring with WTI Crude Oil prices hitting a peak at $120 per barrel.

U.S. Markets in 2023: Looking back at the first quarter of 2023, it played out much differently. The sectors that outperformed: information technology, communication services, and consumer discretionary all posted gains of 21.07%, 15.02%, and 13.23% respectively. The factors usually associated with the above sectors, growth and volatility, played posting gains of 15.32%, and 8.74% respectively. The volatility in the markets continued as no investor foresaw the turmoil that Silicon Valley Bank would bring domestically and globally in early March. The CBOE volatility index, or the VIX, reached its YTD peak at 27.77 on Monday, March 20 after the collapse of SVB. The financial industry went to ruins shortly thereafter with the SPDR S&P Regional Banking ETF (KRE), dropping 22.96% and the Financial SPDR fund declining 12.19%. Lower terminal rates by the FED were almost immediately priced in and multiple banking programs were instilled to ensure no other banks would face such a downfall. Since then, the Fed funds terminal rate has been fluctuating, with markets finding resistance and investors awaiting a Q1 earnings season that could give light on the direction of the markets moving forward.
U.S. Economy Looking Ahead: A mild recession can be expected within 2023 due to GDP growth facing several headwinds, beginning with consumer spending. In comparison to the labor market, throughout 2022, the U.S. consumer was arguably even more resilient. Although it might be difficult to maintain previous levels of expenditures seen within the post-stimulus era, 2022 proved to be a year of strong personal consumption despite underlying economic concerns faced within a high-interest rate environment. Such concerns included outstanding consumer credit rising to all-time highs, and personal savings as a percentage of disposable income falling to all-time lows, throughout Q4 2022. Although these metrics of consumer health have slightly recovered from record levels, they have recovered nowhere near enough to anticipate strong spending within 2023. In addition, expected real wage declines coupled with low consumer confidence will result in the level of consumer spending seen in 2022 being unsustainable throughout 2023. Additionally, the potential for high energy prices and the current strength of the U.S. dollar pose headwinds for trade and future GDP growth.

![U.S. Personal Savings as a Percentage of Disposable Personal Income](image1)

![FED Reserve Consumer Credit Outstanding Amount Total SA](image2)
Fixed Income
Lukas Corso – Fixed Income Analyst

Federal Reserve Policy: The Federal Reserve has played a crucial role in combating inflation in the economy. Year-over-year CPI peaked at 9.1% in July, largely due to the pandemic causing demand-pull inflation from increased household spending. To alleviate the impact of the pandemic, more than 476 million payments totaling $814 billion in financial relief were distributed to affected households. As lockdowns were lifted and people resumed everyday life, consumer spending increased, and the stimulus checks encouraged further purchasing. However, the supply chain could not keep up with the surge in demand, resulting in shortages and increased prices that allowed inflation to skyrocket.

To address this issue, the Federal Reserve has implemented measures to restore price stability by raising the short-term federal funds rate. The Fed’s rate hikes reduced consumer borrowing and spending, thereby cooling demand for goods and services, and lowering prices to reduce inflation. While setting monetary policy, the Fed as well attempts to maximize employment and maintain moderate long-term interest rates. In March 2022, the Fed began the tightening process by raising interest rates 0.25%, and subsequently accelerated the pace of rate hikes. By the end of 2022, the Fed funds target rate stood at 4.25% to 4.50%. In March 2023, the Fed raised rates another 0.25% to bring the Fed funds target rate to 4.75% to 5.00%, the highest level since October 2007.

Rising bond prices have worked against existing bondholders due to the inverse relationship between bond yields and prices. As yields increase from higher interest rates, prices of current bond issues fall. This has been a function of supply and demand, as issuers of new bonds have offered higher yields to attract buyers, reducing the value of lower yield bonds already on the market. This environment has hit bondholders hard in 2022 and early 2023.
In addition to raising interest rates, the Fed has committed to reversing its policy of quantitative easing (QE), which involved purchasing treasury and mortgage-backed securities to increase liquidity and reduce borrowing costs to encourage economic activity through more lending and investment. The Fed began trimming its balance sheet of these assets from nearly $9 trillion, as part of a quantitative tightening approach, to slow economic growth and temper inflation.

The market experienced extreme volatility in March 2023 due to the collapse of two high-profile regional banks, Silicon Valley Bank and Signature Bank. This was largely due to liquidity issues in the bond market as the firms did not have well-diversified portfolios during a period of rising interest rates. The U.S. government and Federal Reserve quickly reassured Americans that their bank deposits were safe. However, equities lost ground as investors sought the relative safety of treasury bonds. With demand for bonds spiking, interest rates dropped rapidly in mid-March, shifting the environment yet again for fixed-income investors.

The Fed’s actions have been successful in bringing the U.S. inflation rate to 4.98%, compared to 6.04% the previous month, closer to the Fed’s target rate of 2%.
The interest rate environment across the broader bond market has undergone significant changes since early 2022, as the Fed began raising interest rates. This has caused the prices of existing bonds to fall while yields rose inversely with rates. In October 2022, yields on the benchmark 10-year U.S. Treasury note rose above 4%, the first time since 2010. Although yields on 10-Year treasuries moderated after that point, they topped 4% again in early March 2023. In an unusual occurrence, yields on short-term Treasury Securities are currently higher than the yield on 10-year and 30-year bonds. As of the end of February 2023, the yield on 3-Month Treasury bills stood at 4.88%, and yields on 2-year Treasury notes at 4.81%, compared to a yield of 3.92% on 10-Year Treasury notes. This is contrary to normal circumstances when investors demand higher yields for bonds with longer maturities.

However, after banking problems emerged in March 2023, the bond market underwent rapid changes. Yields on 2-year treasuries, which peaked above 5% on March 8th, dropped to 3.81% in less than two weeks. This was particularly noteworthy because it is unusual for short-term bonds to experience such dramatic price swings in such a brief period, especially when there was no Fed interest rate action during that period. The 10-year Treasury yields also dropped, though not as dramatically, from a high of 4.08% on March 2 to 3.39% on March 17. This rapid fall-off was the result of investors pouring money into bonds as a “flight to safety” after news of bank failures emerged. It represented a period of unusual bond market volatility and reduced what had been a trend of generally higher interest rates dating back to early 2022.
Despite the recent upheaval in the interest rate environment, one trend that remains is the unusual shape of the yield curve representing different bond maturities. This event occurs when coupon payments on shorter-term Treasury bonds exceed the interest paid on longer-term bonds. In March of 2022, the 2-year yield officially inverted for the first time since 2019. As of March 2023, the yield curve remains inverted. The spread between the 10-year and 2-year U.S. Treasury bond yields currently stands at a negative value of -64bp. The 10-year minus the 2-year Treasury bond spread is generally considered to be an advance warning of severe weakness in the stock market. Negative spreads have occurred prior to the recession of the early 1990s, the tech bubble crash in 2000-2001, and the financial crisis of 2007-2008.

**Looking Forward:** Due to increasing market risks, prioritizing safety and quality is paramount. Bonds are a particularly appealing option for defensive investors, offering attractive features compared to stocks. Investors should consider asset-backed securities, particularly agency-backed mortgage-backed securities, and emerging market debt as potential opportunities. The latter is particularly attractive for those comfortable with higher risk asset classes, particularly debt issued in local currencies, given the U.S. dollar’s recent weakening. As we move into 2023, we can anticipate certain fixed income assets benefiting from a more cautious Fed, a potential slowdown in the U.S. economy, and improvements in supply-side constraints.
Municipal Bonds:

Municipal bonds ended Q4 with a notable increase in interest rates, accompanied by a record number of redemptions from tax-exempt mutual funds. However, there was also a surge in demand for individual municipal bonds, indicating that investors were seeking to offset the impact of rising interest rates. The use of tax-loss swaps also rose, allowing investors to realize losses in mutual funds, ETFs, and bonds. The new issue market experienced a decline in activity, especially in taxable new issues and refunding deals, due to the less attractive terms for issuers resulting from the higher interest rates. After concluding Q1 2023, the municipal bond market saw improvement with declining yields despite the turbulence in the capital markets, related to the banking sector. The positive performance was supported by low new issue supply and favorable fund flows. Building on a strong fourth quarter, municipal bonds continued to gain momentum, making them an appealing investment option for investors at a convenient time.

During the first quarter, the Bloomberg municipal bond index and the Bloomberg high yield municipal bond index posted returns of 2.78% and 2.73%, respectively. These returns suggest that the performance of the municipal bond market was largely influenced by changes in U.S. treasury rates and municipal to treasury yield ratios. Notably, the 10-year and 30-year AAA municipal bond yields decreased by -53 bps and -40 bps, respectively, by the end of the quarter. Based on current ratios and expectations for federal policies, the longer-term end of the municipal yield curve appears to offer attractive opportunities for investors.

Defaults: The par value of first-time municipal bond defaults has increased by over 105% year-over-year, reaching a total of $724 million year-to-date. However, this amount accounts for only a small portion of the $4.2 trillion market and is consistent with distress levels seen in March 2022 for first-time defaults.

Credit Spreads: During the first quarter, credit spreads remained relatively steady, with an increase of 12 basis points from 246 to 258 basis points over the equivalent-maturity AAA bond.

Despite this, the Bloomberg High Yield Municipal Bond index performed well, returning 2.73% for the quarter due to favorable duration. In March, concerns about the banking sector resulted in a flight-to-quality trade, but municipal bonds did not follow suit as spreads for lower investment grade bonds also remained stable, with BBB spreads staying at 99 basis points.

Outlook: Looking ahead, there are several factors that could impact the performance of municipal bonds. As the Fed provides more clarity on the interest rate path, investors may become more active. Additionally, credit fundamentals are strong, with record tax collections and cash on hand for municipalities, and credit upgrades outpacing downgrades.
Lastly, the attractive long-term valuations of municipal bonds compared to U.S. Treasuries, and corporates could lead to potential additional total return, particularly in high yield municipal spreads.
**Real Estate Overview:** After a year of quantitative tightening in 2022 and an even tighter housing market, there is a clear narrative that can be applied to real estate markets; a rising rate environment negatively affects the valuation of real estate. Mortgage rates topped 7% for the first time since the Great Financial Crisis and new home sales plummeted. Refinancing on mortgages became increasingly difficult as interest rates continued to tick up and consumers were left with a supply-demand imbalance for available homes for sale. New home constructions slowed as lumber and building materials increased due to record-high inflation not seen since the 1980s. Cap rates, which are measures used to estimate and compare the rates of returns on real estate properties, reached levels that haven’t been seen since 2008 as well. When cap rates are unconventionally high it causes widespread panic in real estate markets because, at the bottom line, cap rates help assess an investor’s profitability. While the volatility was widespread throughout the real estate markets, the private real estate sector fared better in comparison to the public markets. The NCREIF Property Index for private real estate investment even realized a 5.53% gain in 2022. Whereas the below graph illustrates a different story in the public markets. On top, the FTSE Nareit All Equity REIT Index declined by 26.78% in 2022. On the bottom, it illustrates the dramatic increase in the average U.S. 30-year mortgage rate.
Real Estate Investment Trusts (REITS): The interest rate hikes took their toll on REITs, but despite higher rates and a softening economy tackled with soaring inflation, REIT earnings stayed intact. The underlying fundamentals of REITs (occupancy rates, rent measures, income measures) are still subject to a challenging macro environment and higher interest rates pose a threat to earnings even though most are priced into forecasts already. There also appears to be less downside risk in REIT earnings in comparison to the broader market with REITs being able to pass on higher costs onto tenants via rents and other services.

Office: Since the early days of the COVID-19 pandemic there has been a consistent increase in employees working from home rather than the office. This has allowed businesses to see that their employees could be as productive, if not more productive in some cases if they were working from home rather than the office. The effect this had on office real estate was massive. Office Real Estate dropped off steeply and it appears the trend is likely to continue. Office buildings now have historically high vacancy rates playing into their record low profitability. Investors are straying away from such an area to avoid the headwinds likely to come. The ability to convert office buildings into other uses such as apartments or industrials is much too expensive and leaves an ever-growing challenge for the office real estate space.

Industrial: The industrial real estate space has the most favorable outlook moving forward. Given the embedded growth coming from large market-to-markets and the development/redevelopment activities that could continue to gain speed in 2023, and beyond. E-commerce sales, a main attraction to industrial space, is expected to continue to keep growing. Logistics facilities are becoming more and more popular as companies are looking towards ways of improving their efficiency and effectiveness. Industrials REITs have the strongest core fundamentals and this has played to their advantage. Large industrial REITs like Prologis (NYSE:PLD), are better equipped, in comparison to other REITs, to face headwinds in the real estate space.
**Residential:** Mortgage rates are the most challenging aspect of residential real estate currently. Consumers are squeezed by high prices and are feeling their money not going as far as it did a few years ago. Mortgage rates are not appearing as they will drop lower soon either which is weighing on an already struggling sector. The higher rates also make it more challenging for refinancing leaving consumers with limited options regarding their housing. There also lie risks if payrolls begin to contract in a meaningful way really leaving home buyers stuck between a rock and a hard place. Expense growth may also stay elevated as property taxes and turnover costs increase. The residential and multifamily space does not look particularly in the favor of a home buyer as it stands.

**Hospitality:** Hospitality struggled throughout the pandemic. The private market value of hotels and hospitality properties declined by 25.6% in 2020, while the special servicing rate remains dramatically high at 24.6%, which means one in four hotels cannot meet their mortgage covenants currently. Since then, there has been a reversal, especially throughout 2021 where consumers had savings in their pockets coming out of COVID lockdowns. They were willing to spend extra on travel and leisure and hotels were willing and able to accommodate all travelers. It appears as though this boom was short-lived with growth in hospitality markets on the decline between new supplies and higher prices. A less uncertain view of the global economy has also promoted market participators to re-evaluate their business tactics moving forward. Regardless, the tour and travel industry has shown power and mobility remain high which benefits the hospitality space.

**Retail:** The retail sector experienced the most significant drop in vacancy rates to 4.2% at the end of 2022. Due to a lack of new supply, in part because of a challenging macroeconomic backdrop, net absorption and rent price gains were substantial in the retail sector. With inflation trending down and interest rates likely to stabilize later this year, consumer spending power should be back soon. Growth in brick-and-mortar stores will be driven mainly by smaller shops such as neighborhood centers. This is due to a clear trend, the remote-work policies allow for more neighborhood stores to arise. Consumers by nature like to shop locally so this will offer convenience and personal interaction that will lift retail real estate in the coming years.
**Real Estate Outlook:** It seems we are at the beginning of a new real estate cycle. We probably will not see the levels of distress and foreclosure activity we typically see at the end of the real estate cycle largely because of the unprecedented fiscal and monetary stimulus injected into the economy. Additionally, valuations look relatively attractive given the current macro environment.

In the diagram above shows that cap rates (NOI/Property value) relative to Baa yields and treasury yields are at the highest level since late 2009. This is key for investors considering the risk/reward of investing in real estate vs. corporate debt, but also for real estate funds whose cost of debt is indexed to the ten year. Meaning real estate investors have the opportunity to generate significantly more positive leverage.
Bitcoin, the world’s leading cryptocurrency, has been through a turbulent phase since early September 2022, marked by a series of negative sentiments and developments that have impacted its price and prospects. One of the primary factors that have led to Bitcoin’s recent volatility is the bankruptcy of FTX, one of the largest cryptocurrency exchanges, which has significantly affected investor confidence, and led to a substantial sell-off of Bitcoin and other cryptocurrencies. The collapse of FTX has raised concerns about the security and sustainability of cryptocurrency exchanges, which play a crucial role in the cryptocurrency market.

Another factor that has contributed to Bitcoin’s recent decline is the collapse of Signature Bank, one of the most prominent holders of cryptocurrencies, which resulted in a massive liquidation of Bitcoin holdings and sent shock waves through the markets. The collapse of Signature Bank has exposed the vulnerability of cryptocurrency holdings to financial risks and market shocks, which has been particularly troubling for investors.

Bitcoin’s failure to provide a reliable hedge against inflation has also been a significant factor in its recent decline. Many investors had hoped that Bitcoin would serve as a haven asset during inflationary periods, but it’s disappointing performance during the recent inflationary cycle has contributed to the sell-off and price decline in recent months.

Despite these challenges, Bitcoin has demonstrated remarkable resilience and bounced back from its recent lows, with a year-to-date increase of over 80%. This is an encouraging sign for the cryptocurrency market and suggests that Bitcoin still holds significant potential as a long-term investment. Those who were brave enough to buy Bitcoin during its lows of 17K have been handsomely rewarded, underscoring the importance of taking calculated risks and investing for the long-term.

Looking ahead, we believe that Bitcoin is on a solid footing and is unlikely to present any further buying opportunities in the 15K range. The major liquidity wipeout events have likely enabled major Bitcoin holders and other investors to average down their positions, strengthening the cryptocurrency’s overall market position. However, it is vital to bear in mind that the cryptocurrency market is known for its volatility, and price swings can be extreme and sudden. However, if macroeconomic conditions remain stable, and significant events that could impact global markets do not occur, we anticipate that Bitcoin’s price will reach around 40K by the end of 2023. This prediction is based on our analysis of Bitcoin’s historical price trends, market dynamics, and long-term potential. It is worth noting that this is only a forecast, and many factors could impact Bitcoin’s price and prospects in the years ahead. Nonetheless, we believe that Bitcoin remains a fascinating and promising asset class that is worth considering for long-term investors who are willing to assume risk and hold on for the ride.
Commodities Introduction
Over the past year, we have seen commodities go from exponential highs, signaling the potential for a commodity super-cycle back down to historical lows. As we review commodity performance over the past year, we originally saw what many believed would be the beginning of a commodity super-cycle as prices soared in the wake of the Russian & Ukraine war as supply chains were disrupted with few alternatives. From May to April, these large increases in prices from grain, lumber, oil, natural gas, and metals drove most of the inflation in the U.S. and would lay the ground for the beginning of the Fed hiking cycle to help curb this inflation. As demand began to come down, supply chain pressures resided and the global economic outlook became more bearish, commodity prices have largely retreated, as seen in the graph below.

Gold
Gold has had a very volatile journey over the last year, peaking in March 2022 at 2,045, falling in the wake of rising interest rates to a trough of 1,630 in November 2022, and then rallying through year end and into the beginning of 2023 to its current level of 2,000. Gold is widely considered to be an alternative universal currency, with a historically negative correlation to interest rates, as seen very clearly in the first half of 2022. Gold also has a historically negative correlation with the U.S. dollar, which at the beginning of the year was rallying as interest rates moved higher, and global economies posed higher risks relative to the U.S., which is largely viewed as a safe haven. As the Fed continued on its rate hiking cycle, it reached its last 75 bps hike in November; at this point, we saw a top form in the dollar and a bottom found in gold,

Since then, we have seen gold outperform, after making a double bottom in early November; it has since returned 22.05%. While most of the performance has been related to Fed activity and the overall economic backdrop which has continued to deteriorate, fundamentals for the precious metal also were a catalyst. In 2022, global gold demand increased 18%, to 4,741 tons. Global gold demand increased 18% in 2022 to 4,741 tons, according to the World Gold Coun.

Overall, we believe that gold remains an important asset class for investors to consider, given its historical performance as a safe-haven investment in times of economic uncertainty. Moving forward as we see the beginning of what may be a global economic slowdown, coupled with the prospect for falling interest rates within a few years, we think gold may continue to perform well.
Oil:
Oil has had a very bumpy ride over the past year, which saw the highest levels since 2008 at $122.11 a barrel, before retreating 36.94% to its current levels of $77/bbl. The biggest catalyst in April of 2022 for the commodity was the Russian invasion of Ukraine since the U.S. in 2021 imported 8% of their oil from Russia, which includes the 3% share of crude oil imports and the 20% share of petroleum product imports. When the initial invasion took place, we saw a massive rally in oil prices for both crude and brent. As the war continued to develop, many oil producers ramped up their production, incentivized by elevated prices, increasing supply to account for the deficit. As this happened, and the 2022 summer brought less demand than expected, prices began to fall. As you can see in the chart below, supply began to increase relative to where it was in April following the invasion, leading to fundamentally bearish price action.

We then experienced a much warmer winter, both domestically and internationally in Europe which helped keep demand lighter than planned for the cold months. Oil prices continued to trend down until March of this year, where they reached a low of $66.74. At this time, OPEC and its allies announced that they would be cutting oil exports by about 1.2 MBD to restore the elevated price of oil, and we saw the price immediately jump 24% to $83. Oil has since traded sideways after the announcement in March, which has led it to hold around the $80 level since.

**Oil conclusion:**
Moving forward, we expect increased travel during the summer months and lessening supply as OPEC cuts production to put upwards pressure on the commodity price to the upside. The price action has been bullish since the announcement of a supply reduction from OPEC and will likely continue as we likely see more travel and China’s ongoing reopening continues to bolster demand on a global scale.
Lumber:
Lumber, as with the other commodities, started the year at a historical high of $1,464 driven by strong demand stemming from renovations and housing starts in a time when supply chain disruptions that stemmed from COVID were still winding down entirely. If you look at the graph below you can see the price, after peaking in April, fell sharply, down 76%, as demand from DIY, housing renovations and overall housing starts fell on a weaker economic outlook as the interest rate cycle is leaving the outlook for global growth well below trend.

Commodity Conclusion
Over the past year, commodities at large have underperformed after reaching the highest levels in years in early April following Russia's invasion of Ukraine. After having major supply chains disrupted, demand eventually subsided as the consumer got squeezed, more domestic supply hit the market, and supply chains finally began to ease. At the same time, various political efforts helped to increase the flow of commodities from the E.U. despite the war.
Global Economies
Overview: Over the past year, economies throughout Europe have been hit by several challenges; however, one has been more impactful than the rest being the war between Russia and Ukraine. In one way or another, the war has not gone without affecting nearly every aspect of the European economy and its associated markets. In addition to the conflict, Europe has been struggling with political instability and recessionary headwinds. Despite the efforts made to mitigate these challenges, the European economy has and will continue to be tested moving forward.

GDP: Given the above circumstances, it comes as no surprise to see that annualized rates of GDP growth throughout Europe begin to contract. The growth associated with GDP in Europe has contracted for the past two years and is expected to continue. According to recent reports, some of the smaller European economies have already experienced technical recessions with at least two consecutive quarters of negative GDP growth beginning in 2022. Furthermore, many economists think that the Euro area will go into a mild recession by the end of 2023; upon the expectation that GDP will contract by 0.5%. Yet, it ought to be noted that the alternative prediction expects that such a recession will be narrowly avoided with expectations for GDP growth to be just under 1% across the area for the year. However, no matter which case is to be realized moving forward, both sides would agree that a variety of factors will continue to hinder economic growth.

As the war still lacks an end in sight, and as the issues it poses onto the European economy persist, growth throughout the region has and will continue to be hampered. And in addition to the war, contractionary monetary policy measures issued to combat inflation will have a continued and prolonged impact on investment and consumption for years to come.

![Annualized GDP Growth Rates of European Economies](image_url)
**Inflation:** Over the past year, inflation has increased substantially and impacted every economy in Europe. Initially spurred by the economic reopening that was coupled with expansionary policy measures and alternative forms of stimuli, inflation, as measured via CPI readings, has steadily increased since Europe pulled out of the COVID-19 pandemic. However, inflation in Europe is now being driven up by the war between Russia and Ukraine. This is evident as goods and services related to food and energy, the largest export categories coming out of the region directly affected by the war, have had the highest relative increase in comparison to other CPI inputs.

The drawdowns of inflation across the Eurozone are largely attributed to measures taken by their central banks. For nearly all economies across Europe, central banks have shifted towards implementing contractionary policy measures. However, in knowing that the inflationary pressures faced by Europe are external in nature, that capacity for monetary policies to curb inflation back towards a desirable level is in question.
**Markets:** As with inflation and GDP, markets across Europe, and their relative performances, also seem to be moving in concert with one another. Where Eurozone refers to those 20 member states that implement the Euro within their economies and financial markets. In the chart below, one will notice that the collection of those nations, wherein those largest are Germany and France respectively, have outcompeted the rest of the markets on a year-over-year percentage basis.

Where the CAC40 was considered for France, one will notice that it slightly underperformed the Eurozone’s top 20 companies by roughly 1.5%. Germany’s market, measured via the DAX40, although increasing at a lesser rate of 12.6%, still outperformed England’s market, measured according to the FTSE 100, by several percentage points. However, the positive performance held by all major European nations, aside from Switzerland, did not come without an unprecedented amount of volatility along the way. And in looking forward, the outlooks for the markets remain uncertain; geopolitical tensions, political instability, and recessionary pressures all continue to pose risks to the markets.
As 2022 was an unusual global environment, Latin American economies were able to hold up well. The region’s economy expanded by nearly 4% and employment recovered strongly which benefited the service sector. This overall helped recover damages caused by the pandemic. After the pandemic Latin America’s economy significantly rebounded to an estimated 6.8% driven by higher commodity prices and growth in trade. In 2022, this growth was slowed due to global inflation and lower average prices for key commodity exports.

A key change throughout 2022 in Latin America was new government officials. As we can be shown from the graph above, many countries in Latin America shifted to left leaning leaders. These new governments will have control over policy reforms in 2023. The presidential election in Brazil caught many headlines between extreme leftist Luiz Inácio Lula da Silva and extreme right leaning Jair Bolsonaro. After the highly divisive and violent election, Lula ended up winning by just 1.8 percentage points. Just two days after taking office, the Brazilian markets tanked as congress passed a giant Lula social spending package to support deforestation, poverty and hunger. Currently, Lula is clashing with Brazil’s Central Bank as they are trying to control inflation. Aside from the internal conflicts in Brazil, the new left leaning governments in Chile and Colombia will likely impose greater regulation and taxation on important commodity sectors. The new governments will likely, by nature, go along with more socialist/communist countries. With the already existing rivalry between the United States and China, it may become more enhanced as the two are battling for influence in Latin America.
China is Latin America’s top trading partner and a major source of foreign investment which made their re-opening long awaited. The re-opening will benefit Latin American countries as it will spark higher growth in the region due to the increase in demand for certain commodities. With the division of the world economy, Latin America can capitalize on the opportunity of nearshoring. Particularly, in Mexico, because of its vicinity to the United States, they have opportunity for significant gains. The United States is also specifically attracted to Mexico after they signed the free trade agreement between United States-Mexico-Canada Agreement (USMCA). As Telsa arrives in northern Mexico to build an EV plant, nearshoring trends are likely to accelerate and possibly even cause companies to choose them over Asia. Other countries that will offer the best nearshoring will be Brazil, Costa Rica, Colombia, Argentina, and Chile. Brazil is a popular destination for nearshoring in the technology, manufacturing, and service sectors because it is the largest economy in Latin America. It also provides a favorable business climate. The other countries offer skilled workforce, favorable business environments, and opportunities for innovation and technology. Ultimately, Latin America is becoming a popular region for nearshoring compared to Asia because it saves costs, has similar time zones, and cultural similarities.

![Map of Latin America showing total nearshoring opportunies by country and additional exports of goods](map.png)
The agriculture sector is also beginning to become a powerhouse amid the turmoil in Russia and Ukraine. Brazil is set to have a record high harvest in 2023; producing soybeans, wheat, and corn. Argentina and Brazil are the two largest commodity producers in the region.

As the graphs illustrate, Brazil is much more on track to expand their growth in the agricultural sector than Argentina, largely because their expansion of arable land dedicated to crop production. The Brazilian Institute of Geography and Statistics (IBGE) has updated its forecast for the 2023 harvest, and they are set to increase 12.6% from 2022. This could be a very big opportunity for Brazil as they may be able to fill some of the gaps in the supply for agricultural commodities than were once imported from Ukraine and Russia.

**To conclude**, Latin America is in a slow growth period and will remain so throughout 2023. There are many opportunities countries can capitalize on to mitigate the stagnant economic period. Brazil, Mexico, and Argentina stand as the top Latin American countries with the greatest influence on the rest of the world. It is important to keep watch on relations with Latin America mainly with the United States and China. Looking into 2024, we can expect disinflation to continue in most countries.
Overview: Over the course of this past year, the Asian Economy and its associated markets have followed a tumultuous path, and the nature of this path is likely to remain unchanged moving forward. As the globalized world that we once knew unravels and evolves into something new, and as the Russian and Ukraine war expedites the creation of new economic blocs. Also, as China, the heart of the region, reopens its economy amidst macroeconomic headwinds faced by no other country akin to the positioning it finds itself in now, the expectation for markets within Asia to remain as volatile as they have been over this past year is sound. In covering what has happened from a macroeconomic and market-oriented perspective on a year-to-date basis, and in following up on those aforementioned factors, the rationale for this reasoning will become less incontrovertible.

GDP: In covering those most notable macroeconomic indicators, we begin with annualized growth rates for GDP as they pertain to those largest Asian economies. Where all economies experienced a surge in GDP growth following the reopening of the global economy amidst post COVID economic shutdowns, said rates have begun to revert back to their means. However, these rates have also begun to contract over the long run; furthermore, most economists predict a slowdown in GDP growth for those largest Asian nations over the long run as their economies begin to mature. Be this as may, it should be noted that China acts as the exception to these trends largely due to its central government prolonging its nation’s reopening; however, as of early 2023, restrictions related to COVID protocols have been lifted and economists have issued upward revisions with average expectations for GDP growth reaching 5.25% for 2023, yet as with the other major economies in Asia, this figure will continue to contract over the next several decades as well.
Inflation: Rates of inflation within the largest Asian economies is the next macroeconomic indicator considered. As with Western nations, and measured according to individual CPI metrics, inflation within the region has also increased throughout the past year; however, amongst those nations considered, these readings have not only passed an inflection point, but have begun to roll over as well.

Falling rates of inflation is largely due to nearly all central banks within the region implementing contractionary policies alongside an economic slowdown around the globe. In an environment where Asian nations faced a decrease in exports, tourism and foreign investment, and paired with monetary policies that further cooled once overheated economies, it comes as no surprise that CPI readings have begun to decrease across those largest economies within the region. However, as with GDP, China acts as an exception yet again.

Contrary to those contractionary policies implemented by other Asian nations over the past year, China has been doing the opposite. Due to prolonging COVID oriented lockdown measures and delaying its economic reopening, the monetary policy deployed in China had remained expansionary. And now, as China has reopened with a momentum and a degree of resilience that has surpassed initial expectations, economists are predicting a trickledown effect to occur within the region; smaller economies within region stand to benefit from tourism coming out of China as well as an increase in trade and investments.

Be this as it may, China may realize economic conditions akin to those faced by the rest of the world in the year after Western nations reopened their economies, for consumers within China are also eager to return to pre-lockdown conditions and release what may otherwise be seen as pent-up demand. And although China has little consideration towards providing economic stimulus that would otherwise exacerbate this potential issue, the possibility that an increased rate of inflation in China will ripple across the globe is one that may be realized moving forward should China's economy perform in a fashion similar to that of the Western world upon its post-COVID opening.
Markets: Those indices considered for China, India, Japan, Indonesia and South Korea, listed in a respective order, are the SSE, SENSEX, NIKKIE, JCI and KOSPI. And as for Asian markets, yet unlike those previously considered factors, the data represents a less cohesive picture as performance based on a percentage gain or loss has varied from nation to nation over the past year. Where China has the largest gain coming in at 14.1%, South Korea has had the largest drawdown at (4.3%); the other markets considered fall somewhere between the two. Looking ahead, it is expected that markets within the region will continue to recover and move towards pre-pandemic highs; however, the path towards recovery is not expected to occur without a continuation of volatility. And although China’s markets have put down the largest gains, expectations for nations whose profiles are more closely related to emerging as opposed to developing economies stand to outperform over the long run. As with GDP growth, it is unlikely that China will be able to recover and grow at the rate it once did prior to the pandemic. Further, the financial environment within the region that investors once trusted has quickly deteriorated. Nations that were once seen as investible are no longer viewed with as much promise with respect to risk and return. Foreign investors are weary of being able to capitalize on returns realized in China in addition to having to respect an enhanced degree of market volatility and uncertainty. Moreover, China has continued to absorb many of the possibilities to do with foreign investment through its Belt and Road Initiative. And although the number of infrastructure projects dedicated towards bolstering trade included in the initiative continues to increase, so does the number of repossessions on China’s part as the receiving nations fail to make to payments on said projects. It is likely that investments within the region will continue to become more internalized moving forward.
Headwinds: Undoubtedly, the strongest headwind to be faced is associated with the continued evolution of the globalized world. This is largely due to the said evolution's capacity to increase geopolitical tensions and the risks associated with force creating a more polarized world; however, it ought to be noted and reiterated that the evolution to do with the globalized world is focused on an unraveling and progression towards a new state as opposed to a collapse. Nations within Asia, alongside all others about the globe, will have to deal with shrinking margins brought by inflation through solidifying stronger economic blocs that are more likely to be closer to home as opposed to the other side of the globe. As the vastly interconnected, globalized world that peaked in its expansivity prior to the pandemic continues to unwind, Asian nations will continue to renegotiate preexisting trade agreements and seek new partners for imports and exports alike. And as seen amongst the aftermath of the pandemic, the completely globalized world was more fragile than met the eye; although the issues to do with broken supply chains, such as material acquisition or shipping and manufacturing costs, have begun to stabilize, it has not occurred without determining who is who’s side.

And with respect to the formation of new economic blocs, the war between Russia and Ukraine has exacerbated this process. The war has elevated geopolitical tensions, sped up the deglobalization process as well as destroyed preexisting trade agreements and created new ones along the way. As a means of exemplification, consider the degree of reliance once held through oil and gas imports and exports between Europe and Russia. Due to sanctions brought by the war, Russia has begun sending its Petro exports elsewhere; and when considering how trade between Russia and China increased by nearly 25% in 2022, one ought to look no further when figuring where the exports have transitioned to, especially when commitments between the two nations have been made on deals pertaining to growing trade networks associated with oil, gas and rail.

However, no matter how strong the ties between Russian and China may become, the largest nation and economy in Asia will not move forward without facing unavoidable headwinds. Whether it be an aging population, an economy in transition, or pursuit of imperial ambitions in a time when geopolitical tensions are increasing, China, and therefore, the entire region, will be tested over these next few years in ways it may not be able to handle without realizing economic consequences.
Emerging Markets [EM] cover over 20 countries all over the world mainly in Latin America, Asia, and Eastern Europe. Risk in emerging markets can be categorized into political, economic, and currency risk which all contribute to heightened volatility in these markets. The uncertainty of EM can shy many investors away from investing into this space. Despite the recent global crises such as the pandemic, Russia’s invasion of Ukraine, and the Fed’s tightening of monetary policy, Emerging Markets equities were able to post strong returns as of the end of 2022. Nine of the ten top performing markets in 2022 were emerging countries as economic trends benefited them.

An obvious headwind emerging market economies faced throughout 2022 was the sharp rise in U.S. interest rates. As the Fed hiked interest rates up aggressively, emerging markets faced more challenges as this added to their negative performance in Q3 of 2022. Interestingly, as inflation in the United States and Europe were at all-time highs throughout mid 2022, inflation in developing countries was overall decelerating due to many counties’ improved fundamentals. The central banks in countries such as Brazil, Mexico, India, and Indonesia took early action to combat the inflation in their economies. This put emerging markets in an unusual spot of being more prepared for the global inflation shock that has taken hold in many developed economies.

This graph shows how historically, EM inflation has exceeded developed markets. However, the proactiveness of EM central banks allowed their economies to stay ahead of the curve and ultimately became a tailwind for their overall returns.
The value of the dollar is crucial to the performance of emerging markets because a strong dollar feeds into inflationary pressures abroad, especially in EM economies.

This graph illustrates the inverse relationship between the U.S. Dollar Index (DXY) and the MSCI Currency Index for emerging markets. As the U.S. dollar was very strong throughout Q3 2022, emerging markets took a loss off their previous gains from the beginning of the year. Concerns that the rising interest rates could push the U.S. economy into recession caused the dollar to decline and EM currencies were on the rise again along with equity gains. This provided a significant headwind going into 2023 as the dollar continued declining from its peak in September of 2022. Many financial institutions began to increase their expected gains for EM moving into the new year. Simultaneously, EM equities and ETFs were strengthening, and they tend to outperform developed market equities when the dollar is weakened. The dollar is expected to stay relatively neutral through 2023. However, drastic movements of the currency could either positively or negatively affect emerging markets.
It is also important to look at countries' imports and exports. Net importers are much more sensitive to the inflation in the U.S. and the dollar globally. Emerging markets typically import more as they have less stable access to reliable supply chains. Inflation in countries that EM import products from is a negative for them. However, the reverse is true if they are exporting products to higher inflation countries as they will benefit from the higher prices. When Russia invaded Ukraine, we saw a sharp increase in prices of food, energy, and other commodities as there was lower supply and increased demand as markets looked to increase inventory. Since then, the world has seen a shift from just-in-time supply chains to just-in-case supply chains, which hurts emerging markets as their access to supply chains become even more constrained.

On the bright side, this has promoted nearshoring and driven growth through developing economies closer to Western nations. There are opportunities opening for countries such as Mexico, Brazil, India, and other Southeast Asian nations to fill the void China created. As China stayed in lockdown much longer than the rest of the world, countries could no longer rely on them for certain goods.

The graph above shows how in particular, the United States has begun to move away from Chinese manufacturing. With China closed due to the pandemic, many countries had to look elsewhere to fill their supply gaps. Moreover, nearshoring is definitely still in its early phase, but it is increasingly becoming more relevant especially to companies. For example, production of batteries and promotion of green energy has already begun with Telsa building an EV plant in Mexico. We can expect emerging markets to capitalize on this opportunity in different ways depending on the country's region and what they specialize in.
The reopening of countries' borders after the pandemic helped emerging economies counteract with the losses they had faced from Covid-19 and other economic headwinds. The contribution of tourism to GDP naturally varies significantly across emerging markets, but overall added growth to the developing economies. Tourism recovery across emerging markets is on track and is expected to contribute to GDP growth in EM throughout 2023. This is especially important for Southeast Asian countries as the smaller island nations tend to rely heavily on the tourism sector. For example, in Thailand and Vietnam, tourism makes up around 10% of overall GDP.

With China easing Covid policies and allowing outbound travel, the speed of recovery is unknown at this time based on the historical timeframe of April to July, known as the tourist season in Asia. Furthermore, September to November is the typical tourist season for Latin American countries so data will not be released until likely the end of the year.

Moving into 2023, emerging markets started off strong with a rally and a bullish outlook from Wall Street. This was largely due to the factor of China reopening. As China shifted away from its zero covid policy and political developments in Latin America continued, many investors considered allocating EM investments into their portfolios. Representing one-third of the MSCI Emerging Markets Index, overall ground in EM is very dependent on China’s economic performance. China is also the single-largest trading partner of most emerging markets countries which will serve as a significant tailwind. The question of how impactful China’s reopening will begin to surface as many started to think it was not as important as it originally seemed. Unfortunately, in February, the trend of emerging markets started to reverse as positive growth data was released in developed markets. After the SVB fallout and the continued bank turmoil in the United States, emerging markets were able to stay fairly resilient. Banks in emerging markets look more flexible compared to banks in the United States and Europe, which adds positively to their markets. Looking forward, emerging market debt has also had one of the strongest rallies in years and remains attractive. Investors who are looking to differentiate their portfolios should consider looking into EM debt. Higher yields, similar default rates to corporate debt, and risk premiums are all offered by emerging market debt.

**In conclusion,** we can expect gains in emerging markets due to the improving growth trajectory, especially in Asia. With peak inflation likely behind us, and monetary tightening cycles reaching late stages, it is likely we will see GDP growth in many emerging countries throughout 2023 and really picking up in 2024. Without another black swan event like a Chinese invasion of Taiwan or global inflation picking up, emerging markets should gradually return to their potential growth rates in 2024.
Private Equity
In addition to the portfolio’s public securities, the College of Charleston Investment Program also invests in private companies. The program invests via Charleston Angel Partners (CHAP), the area’s longest-tenured and most established angel group. The group’s current Executive Administrator is Will Cruz. The monthly meetings attended by our private equity team begin with a portfolio and diligence update, followed by one to three pitches from new companies seeking investment. These companies typically reside in the Southeast and fall into (but are not limited to) the healthcare or technology industries. CHAP will frequently partner with other local angel groups & venture capital firms to complete full investment rounds.

During the 2015-2016 academic year, the Program made a $10,000 investment in a Series A round in ENGAGE (formerly Job Market Maker), 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. In January 2017, the Program reinvested $2,829 in a Series B round for ENGAGE to increase their market share. In 2019, 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 in a 1/3 cash 2/3 stock deal. Workforce LogIQ is a portfolio company of The Carlyle Group. The Program’s returns have been distributed through a mixture of cash over the last eight quarters 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. The lead investor Good Growth Capital called for additional funds to package the company for sale. In 2019, 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 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 cohort’s private equity endeavors were ultimately thwarted.

Over the 2020-2021 academic year, as we began to see recovery from the COVID-19 pandemic, the Investment Program saw four new company pitches. Of the four, two received passing votes. One company, NIRvana Sciences, ended with an investment of $5,000 in their $1M Series B-1 Raise. NIRvana Sciences is a medical technology company that develops different dyes for life science applications, including Flow & Imaging Cytometry, and Microscopy. They intend to use the funds from this round to finance IP expenses/R&D, fund operations, and stay on their timeline for a 2023 exit. In addition to NIRvana Sciences, the cohort also voted to invest in a healthcare technology company that manufactures a patented neurorehabilitation robotic device designed to provide more effective and efficient locomotor therapy for those recovering from the ability to walk. However, due to issues with the deal term structure on CHAP's end, we will revisit the company later down the line with a future cohort. Though the 2020-2021 cohort finished the semester with only one investment, we will be considering an additional follow-on with the current portfolio company, FirstString Research, in their Series-D raise as they inch closer to FDA approvals. They now have two applications of their technology in Phase 3 trials, as well as an additional two in Phase 2 trials and two in preclinical. We believe these developments are making them very attractive to strategic acquirers. With the addition of NIRvana Sciences this year, the Investment Program’s private equity portfolio is continuing to shift focus into the Life Sciences industry.

Throughout the 2022-2023 academic year, CHAPS experienced a leadership shift from John Osbourne to Will Cruz, who expressed interest in the further development of the CofC Private Equity Team. The expectation is that the relationship will only strengthen moving into the coming years and offer students the opportunity to find more avenues to get involved with CHAPS. Aside from the structural changes at CHAPS, the Program conducted due diligence and pitched a total of four companies throughout this academic year. Of the four, one company received a passing vote from the cohort. NUTR found a niche when it created its flagship milk machine which creates a variety of milks from nuts and grains from the comfort of home, and the simplicity of just adding water. The cohort’s conviction was largely based in the fact that the company has a well-established concept, and a proven market strategy that has led it to the front of the competition within the space. With an investment of $5,000 in its convertible note this adds much needed diversification away from the over allocation to healthcare with a sense of added security.
Special Events
**Firm Days:** Throughout the course of the academic year, we were pleased to host several formal firm days. Raymond James returned for the ninth time on September 1, 2022. A week later, we held a virtual firm day with Vanguard on September 7. A month later, JP Morgan was welcomed on October 7, 2023. In addition, for the tenth consecutive year, Goldman Sachs was hosted on November 9, 2023. Beyond the firm days, the Program was able to host several individuals from the Charleston area during our allotted class times, where the cohort was able to engage with each speaker at a personal and professional levels.

**School of Business Investment Program Hosts 9th Annual Strategic Investment Symposium:** On February 24, 2023, the School of Business Investment Program hosted the 9th annual College of Charleston Strategic Investment Symposium. Though the entirety of the Symposium took place at the Francis Marion Hotel. The day began with the Global Markets Outlook panel discussion, led by Dr. David Kelly, Chief Global Strategist of JP Morgan and Paul Donovan, Chief Economist of UBS Global Wealth Management. Following this event, David Bailin, Chief Investment Officer and Global Head of Investments at Citi, Cameron Dawson, Chief Investment Officer of NewEdge Wealth, and S. Alan McKnight Jr., Executive Vice President and Chief Investment Officer of Regions Asset Management discussed investment strategies during levels of high inflation. Following lunch, the first round of breakout sessions began. The sessions within the first breakout session consisted of Portfolio Construction, Thematic Investing, and Wealth Management. The second breakdown session featured sessions in Passive versus Active Investing, Alternatives, and Fixed Income Investing.

There were many longtime friends of the Program returning to this year’s Symposium. Yet, we also welcomed new faces hoping that the Program’s network will continue to grow moving forward. You can find the complete list of speakers for the event on Symposium website. The day concluded with a reception. We feel extremely grateful to our sponsors, Tandem Investment Advisors, UBS, JP Morgan Private Bank, First Trust, the College of Charleston Foundation, Swan Global Investments, Changebridge Capital, Greenwood Capital, CFA Society of South Carolina, Greystar, Charleston Angel Partners, KKR, Capasso Planning Partners, Verum Partners, Pawleys Investment Advisors, Richmond Real Estate Investments, Evening Post Industries, Bank of America Private Bank, Detterbeck Wealth Management, Cambria, Tidal, and Equity Armor Investments. We are so pleased with the results of the 9th Annual Symposium and cannot wait to make our next Symposium even better. We hope that you will join us again for the 10th Annual Symposium next spring!
Meet the Society
Jody Bell
Managing Director
- **Major:** Finance
- **Post-Graduation:** Sustainable Investing Analyst at BlackRock

Anthony Spinella
Managing Director
- **Major:** Finance
- **Post-Graduation:** Senior Associate at State Street Global

Lucas Ruszkowski
Chief Investment Officer
- **Major:** Finance & Commercial Real Estate Finance
- **Post-Graduation:** Corporate Banking Analyst – Renewable Energy Team at Wells Fargo

Paisley Lewis
Chief Operating Officer/Special Events/Private Equity Analyst
- **Major:** Finance
- **Post-Graduation:** Investment Management Associate at Tandem Investment Advisors, Inc.

Ben Gonzalez
Director of Quantitative Strategies
- **Major:** Data Science with Concentration in Business Analytics
- **Internship:** Strategy and Analytics Summer Analyst - Credit and Fraud Risk Team at American Express

Tyler Kairis
Private Equity Manager
- **Major:** Finance
- **Post-Graduation:** Valuation Analyst at HDH Advisors
2022-2023 Cohort
Meet the Program

Will Digiacomo
U.S. Economist
• **Major:** Finance

Ethan Epstein
Asian Markets Analyst
• **Majors:** Finance and Biology

Oliver Steinberg
European Economist
• **Major:** Finance & Commercial Real Estate Finance
• **Post-Graduation:** Analyst in Commercial Real Estate Development Division for The Retail Connection

Teagan Shaughnessy
Emerging Markets and Latin American Economist
• **Majors:** Finance and Economics
• **Internship:** Wealth and Investment Management at Wells Fargo

Lukas Corso
Fixed Income Analyst
• **Major:** Finance
• **Post-Graduation:** Junior Credit Analyst at United Bank

Adrien Green
Real Assets and Digital Finance Manager
• **Major:** Finance
• **Internship:** Analyst in Raymond James Alternative Solutions Division
# 2022-2023 Cohort

## Meet the Program

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Major(s)</th>
<th>Internship/Post-Graduation</th>
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</thead>
<tbody>
<tr>
<td>Zach Skuraton</td>
<td>U.S. Markets Analyst</td>
<td>Finance</td>
<td>Middle Market Banking on Investor Real Estate Team at Wells Fargo</td>
</tr>
<tr>
<td>Chase Friedfertig</td>
<td>Private Equity Analyst</td>
<td>Data Science</td>
<td>Consultant at Capgemini</td>
</tr>
<tr>
<td>Caroline (Caty) Greer</td>
<td>Private Equity and ESG Analyst</td>
<td>Economics and Data Science</td>
<td>Mergers and Acquisition Consultant at Ernest &amp; Young</td>
</tr>
<tr>
<td>Smith Wheeler</td>
<td>Portfolio Performance Analyst</td>
<td>Finance</td>
<td>Investment Banking Analyst at Brookwood Associates</td>
</tr>
<tr>
<td>Tate Foster</td>
<td>Portfolio Strategies Analyst</td>
<td>Finance and Economics</td>
<td>M&amp;A Analyst at AON Insurance</td>
</tr>
<tr>
<td>Aidan Riordan</td>
<td>Quantitative Analyst</td>
<td>Data Science and Statistics</td>
<td>Operations Research Grant from College of Charleston</td>
</tr>
</tbody>
</table>
Johnny Wilkes  
*Quantitative Analyst*  
- **Majors:** Finance and Computer Science  
- **Internship:** Study Abroad Program in London – Concentration in Finance
AGENDA

8:00 a.m. - 9:00 a.m.  Registration with Meet & Greet
Continental Breakfast Provided

9:15 a.m. - 9:30 a.m.  Welcome
Carolina Ballroom
Dr. Mark Pyles, Professor of Finance,
Director of School of Business Investment Program
Dr. Andrew Hsu, President, College of Charleston

9:30 a.m. - 10:45 a.m.  Global Markets Outlook
Carolina Ballroom
Sponsored by UBS

11:00 a.m. - 12:15 p.m.  Investment Strategies
Carolina Ballroom
Sponsored by Tandem Investment Advisors

12:15 p.m. - 1:15 p.m.  Lunch
Carolina Ballroom
Investment Program Student Presentation:
Jody Bell and Anthony Spinella, Managing Directors of
the School of Business Investment Program

1:30 p.m. - 2:30 p.m.  Breakout Sessions One: Choose Your Session
Carolina Ballroom A
Carolina Ballroom B
Poinsette Room
Portfolio Construction in an Increasingly Complicated Matrix
Watch out for the Waves: Thematic Investing
This Isn’t Your Parents’ Wealth Management Industry

2:45 p.m. - 3:45 p.m.  Breakout Sessions Two: Choose Your Session
Carolina Ballroom A
Carolina Ballroom B
Poinsette Room
Alternatives to the Norm
The Maze of Fixed Income Investing
Products vs. the Ingredients

4:00 p.m. - 5:00 p.m.  Cocktail Reception
Sponsored by Changebridge Capital
GLOBAL MARKETS OUTLOOK
9:30 a.m. - 10:45 a.m.

SPONSORED BY UBS
Featured Speakers & Moderator:
• Paul Donovan: Chief Economist, UBS Global Wealth Management
• David Kelly: Chief Global Strategist, J.P. Morgan Asset Management
• Moderator - Mark Pyles: Professor of Finance, Director of School of Business Investment Program

We open our day with the broadest of all topics – and try to obtain insight into what is driving current economic and financial market activities. While details will always matter, this session is designed to set the broad stage for all others to come throughout the day. We will focus our attention on economic data and movements around the globe in an attempt to explain financial market movements sometimes are logical … but also often offer considerably mixed signals. Inflation, growth, jobs, housing … lions, tigers, and Jay Powell … oh my! It’s all fair game. There are often more questions than answers when discussing global economies, particularly given recent events. However, this session is designed to help frame the questions we should all be asking, and together we will ultimately attempt to find reasonable answers.

INVESTMENT STRATEGIES
11:00 a.m. - 12:15 p.m.

SPONSORED BY TANDEM INVESTMENT ADVISORS
Featured Speakers & Moderator:
• David Bailin: Chief Investment Officer & Global Head of Investments, Citi
• Cameron Dawson: Chief Investment Officer, NewEdge Wealth
• S. Alan McKnight: Executive Vice President, Chief Investment Officer, Regions Asset Management
• Moderator - Mark Pyles: Professor of Finance, Director of School of Business Investment Program

Now that we’ve had a discussion regarding economic drivers of financial market conditions, we are left with the simplest – yet most important – question of them all … what do we do with that information? Our panel of highly experienced and knowledgeable Chief Investment Officers will help us try to navigate the muddy waters of portfolio positioning in these very interesting times. We will likely touch upon the very unusual (to put it mildly and as gently as possible) year in financial markets that we have recently left behind and delve into what that indicates in terms of the current year’s outlook. How do we parse out the important content from that which is more noise in a world of constant informational deluge? What should we focus on and what should we ignore? Again, you may leave with more questions than you entered with; but hopefully the same can be said of knowledge and gameplans.
BREAKOUT SESSIONS ONE:
1:30 p.m. - 2:30 p.m.

**PORTFOLIO CONSTRUCTION IN AN INCREASINGLY COMPLICATED MATRIX**

**Sponsored by Swan Global Investments**

Speakers & Moderator:
- **Chris Caswell:** Regional Director - Southeast, Swan Global Investments
- **Walter Todd:** President & Chief Investment Officer, Greenwood Capital
- **Iris Wang:** Director of Asset Allocation, Asset Management Services, Raymond James
- **Moderator - Jim Carroll:** Senior Vice President & Portfolio Manager, Toroso Advisors

This is where we dig in...with pointed conversation around practical application. How should you consider portfolio positioning in the U.S. versus internationally? How about small caps versus large caps? Value versus growth? Or even broadly, equity versus debt? Is the 60/40 portfolio dead? Or does it now finally look promising going forward? And how should we consider alternatives? This session is for those looking for more specific discussion from highly experienced professionals on how they are considering both selection and allocation in today’s increasingly complicated matrix of investment opportunities.

**WATCH OUT FOR THE WAVES: THEMATIC INVESTING**

**Sponsored by Greystar**

Speakers & Moderator:
- **Scott Hellstein:** Head of Thematic Solutions, Global X
- **Christopher Versace:** Chief Investment Officer and Thematic Strategist, Tematica Research
- **Moderator - Kevin Day:** Partner & Head of Capital Development, SOSV

Passionate about ESG or impact investing? Or perhaps artificial intelligence or factor investing? In a constantly evolving world, the investment products and strategies offered must match this continuous evolution. In this session, we gaze upon the horizon in an effort to see which waves will wash over the financial shores in the coming months and years. Our expert panel will guide an open and honest conversation about the current status of themes that have risen to prominence and, in some cases, subsequently struggled to maintain momentum. Waves never fully stop, but they often change in shape and intensity – and the secret is knowing where and how to stand as they approach.
BREAKOUT SESSIONS ONE:
1:30 p.m. - 2:30 p.m.

THIS ISN’T YOUR PARENTS’ WEALTH MANAGEMENT INDUSTRY
SPONSORED BY THE CFA SOCIETY SOUTH CAROLINA

Speakers & Moderator:
• Adrian Chastain: Chief Operating Officer, Gratus Capital
• George Leftwich: Founder, Leftwich Leadership Consulting
• Moderator - Dustin Barr: Founding Partner, Verum Partners

Calling all visionaries and thinkers! Are you the founder of your own shop? Maybe just thinking about it? Dreaming of it? Maybe none of the above, but you have a passion for the business and the service it provides within our economy? If so, this session is for you. Topics such as culture and diversity will be top of mind, but the rise of social media and digital marketing is also changing the industry in significant ways. What do current (and what will future) generations look for in a place to work? Perhaps even more importantly, what do they demand from those who will manage their wealth? This isn’t the wealth management industry for any of our parents, no matter your age. The only certainty is change, and our panel of experts will lead thoughtful discussion on how to deal with, and ideally embrace, such change.
BREAKOUT SESSIONS TWO:
2:45 p.m. - 3:45 p.m.

PRODUCTS VS. THE INGREDIENTS
SPONSORED BY FIRST TRUST
Speakers & Moderator:
• Gary Brode: Founder & Managing Partner, Deep Knowledge Investing
• Jeff Chang: President, Cboe Vest
• Vince Lorusso: Founder & Portfolio Manager, Changebridge Capital, LLC
• Moderator - Kyle Ginty: Senior Investment Analyst, Vanguard

This is our spin on the ever-present discussion of active versus passive, but from a “there’s a place for everything” perspective. Our expert panelists from both sides of the active/passive aisle will discuss developments in both areas over recent years and how each might play a role in an investor’s portfolio. When does active management have the best chance of creating alpha? What might drive passive to be the better choice, particularly if it comes with lower fees? Which parts of your portfolio would stand a better chance of outperforming if given active attention? And where does the line blur to the point that you aren’t sure... are you actively passive or passively active? Ultimately, we all love to eat the cake that is fully made for you, but there’s also no denying the benefit that can be derived from licking the frosting spoon - so, this panel is for those who want to discuss the joys (and costs) of both.

ALTERNATIVES TO THE NORM
SPONSORED BY J.P. MORGAN PRIVATE BANK
Speakers & Moderator:
• Racim Allouani: Managing Director, Global Macro, Balance Sheet & Risk, KKR
• Ashmi Mehrotra: Managing Director, Private Equity Group, J.P. Morgan Asset Management
• Robert Picard: Managing Director, Head of Alternative Investments, Hightower Advisors
• Moderator - Scott Conners: Managing Director & President, FlowStone Partners

We all know about debt and equity, but we also know that both have their challenges when it comes to distinguishing a portfolio from the masses. Increasingly, investors are turning to the third category of alternatives to generate that distinguishing alpha. Whether this takes the form of real estate, private equity, digital currencies, or anything else that falls outside the traditional asset classes, each comes with distinctly different risks and potential rewards. And each has certainly had their time in the limelight over the past decade – in both positive and negative ways. This panel brings together professionals of diverse backgrounds to lead a discussion on not only their specific niches within the alternatives universe, but also how an investor should consider the basket categorization of “alternatives” in separating their portfolios from the pack.
BREAKOUT SESSIONS TWO:
2:45 p.m. - 3:45 p.m.

THE MAZE OF FIXED INCOME INVESTING
SPONSORED BY GREENWOOD CAPITAL
Speakers & Moderator:
• Nancy Davis: Founder & Managing Partner, Quadratic Capital, PM for the IVOL and BNDD ETFs
• Karen Mair: Managing Director & Head of Fixed Income, Attucks Asset Management
• Tom Tzitzouris: Managing Director, Head of Fixed Income Research, Strategas Research Partners
• Moderator - Alex Roever: Managing Partner, Eastlake Macro LLC

These are unique times. At few points in history has so much in financial markets been driven by government interactions therewith. This is certainly true in the fixed income space, where we have seemingly exited a decades-long bull market run driven by lower inflation, slow and steady growth, and declining rates. As central banks around the globe have largely, and nearly uniformly, embarked on a mission to slow inflation through monetary tightening, portfolios have certainly been dealt the repercussions of higher rates. Valuations and the level of liquidity in fixed income markets have been influenced in ways not seen in a generation. In this session, we will have a pointed conversation about the Fed’s (and other central banks’) influence on fixed income markets and discuss how investors and financial professionals should consider the future of this space through that prism.
### DIRECTORS

Dr. Mark Pyles, *Director*

Dr. Kenneth Soyeh, *Associate Director*

### 2023 INVESTMENT SOCIETY STUDENTS

<table>
<thead>
<tr>
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<tr>
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<td>Paisley Lewis</td>
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<td>Ben Gonzalez</td>
<td>Director of Quantitative Strategies</td>
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<td>Teagan Shaughnessy</td>
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### INVESTMENT PROGRAM ADVISORY BOARD

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<tbody>
<tr>
<td>Christopher Bass</td>
<td>Blackstone – New York</td>
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<tr>
<td>Tom Bates</td>
<td>Truist – Greensboro, North Carolina</td>
</tr>
<tr>
<td>Ben Carew</td>
<td>Vice Chair, Tandem Investment Advisors – Charleston</td>
</tr>
<tr>
<td>Will Dubé</td>
<td>East Rock Capital – New York</td>
</tr>
<tr>
<td>Walter Green</td>
<td>Chair of Advisory Board, J.P. Morgan (Retired) – Charleston &amp; Chicago</td>
</tr>
<tr>
<td>Elizabeth Hammond</td>
<td>KKR – New York</td>
</tr>
<tr>
<td>Andrew Hendricks</td>
<td>Committee Chair, Capasso Planning Partners – Charleston</td>
</tr>
<tr>
<td>Joanne Hill</td>
<td>ChoeVest – Charleston</td>
</tr>
<tr>
<td>Stephen Kerrigan</td>
<td>Chair Emeritus of Advisory Board, Private Investor &amp; Consultant – Charleston</td>
</tr>
<tr>
<td>Mitsy Mangum</td>
<td>Bison Wealth, LLC – Atlanta</td>
</tr>
<tr>
<td>Keith Sauls</td>
<td>Farther, LLC – Charleston</td>
</tr>
<tr>
<td>Katrina F. Sherred</td>
<td>Research Affiliates – Newport Beach, California</td>
</tr>
<tr>
<td>Jay Tucker</td>
<td>Enable Investment Management – New York</td>
</tr>
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</table>
UBS Financial Services Inc. is a wholly owned subsidiary of the Swiss-based UBS Group AG and represents the US broker-dealer business of UBS's Wealth Management Americas segment. The broker-dealer offers an array of investment products and services to affluent clients. Its offerings include banking services, stocks, bonds, mutual funds, insurance, estate planning, philanthropic advice, and access to alternative investments such as hedge funds. The company also offers investment services for art collectors and administers employee stock option plans for corporations. UBS Financial Services and the broader Wealth Management Americas segment has a network of offices in over 50 countries on five continents, and UBS has extensive experience managing the wealth of high net worth and ultra-high net worth individuals.
Tandem Investment Advisors, Inc. (Tandem). When it comes to portfolio management, Tandem is willing to be different. They believe their approach to managing money is understandable, relatable and makes sense to their clients. Tandem is an independent, employee-owned investment management firm located in Charleston, SC. Since its inception in 1990, Tandem has provided long-only U.S. equity strategies that are designed to outperform over a complete market cycle while delivering significantly less volatility of returns than the market.
First Trust Portfolios L.P. and First Trust Advisors L.P. ("First Trust") were founded in 1991 with a mission to offer investors a better way to invest.

They are single-minded about providing trusted investment products and advisory services. They’re inspired every day by how financial advisors and their customers use their products and services to define goals, solve problems and develop long-term strategies. Everyone in their company is encouraged to work diligently and respectfully to deliver superior products, services and results that will contribute to the prosperity of their clients. Their approach is simple, and their company was built with these core principles in mind:

- Know What you Own
- Invest for the Long-term
- Employ Discipline
- Re-balance
- Control Taxes

They are committed to providing original ideas, inventive products, and the highest level of service.

J.P. Morgan Private Bank is raising the standard in private banking—it’s been recognized as the World’s Best Private Bank for four years in a row.* The firm has been working with individuals and their families for more than 200 years to help them achieve their unique ambitions and experience all the possibilities their wealth can create. Whether you’re focused on building, preserving or transferring wealth, the Private Bank brings you a team of specialists in planning, investing, lending and banking, carefully curated to match your goals.

Swan Global Investments is an asset manager with $2.7B under management (as of 1/31/22), headquartered in Durango, Colorado, with offices in Puerto Rico. They are a leader in hedged equity and options-based strategies, providing goals-based investment solutions built on a time-tested “Always Invested, Always Hedged” philosophy that seeks capital appreciation while mitigating market risk.

Their simple, yet innovative Defined Risk Strategy is a time-tested, hedged equity approach that seeks consistent long-term returns by combining the benefits of passive investing with active risk management to mitigate risks to irreplaceable capital.

Over time, they have added to their investment product offerings, to include both passive and active hedged equity strategies, that are available across a range of asset classes and investment structures, including ETFs, mutual funds, separately managed accounts, multi-asset models, and custom portfolio overlays.
The Mission of the College of Charleston Foundation is to promote programs of education, research, student development, and faculty development for the exclusive benefit of the College of Charleston. Taken from the Certificate of Incorporation signed in 1970: “The Purpose of the College of Charleston Foundation is to establish an education foundation for the benefit and support of the College of Charleston, to receive, acquire, raise, invest and reinvest money and property and to use the net proceeds there from for the exclusive benefit of the said College, no part of the corporation’s net proceeds to inure to the benefit of its members or a private individual. In the event of the voluntary or involuntary dissolution of the corporation, the Board of Directors shall, after paying or making provision for payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation to the State of South Carolina, or a political subdivision or agency thereof, or in such manner, or to such organization or organizations organized and operated exclusively for educational purposes as shall at the time qualify as an exempt organization or organizations under section 501 (C) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Code), as the Board of Directors shall determine.”
SILVER SPONSORS

CFA Society 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 advisers, and other financial practitioners, that has served CFA® charter holders and CFA® Program candidates locally for the last 15 years.

CFA Society South Carolina has over 100 members and is a member society with CFA Institute. Our members are part of a global network of more than 150,000 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 local level.

For individual and institutional investors, Greenwood Capital strives to maintain a proper perspective in today's complex economic landscape. Their clients find a true financial partnership with the Greenwood Capital team. They take a macro-level approach of the economic world and market trends to assure a holistic understanding of their clients' needs and objectives.

Greenwood Capital is one of the largest independent investment advisory firms in the Southeast with more than 30 years of experience. With lessons learned from the past and a watchful eye towards the future, they remain disciplined in their methods.

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR’s insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR’s investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR’s website at www.kkr.com and on Twitter @KKR_Co.
Founded in 1993, Greystar provides world-class service in the residential rental housing industry. Their innovative vertically integrated business model integrates the management, development, and investment disciplines of the rental housing industry on international, regional, and local levels. This unique approach and their commitment to hiring the best professionals have resulted in record growth, making them one of the most respected and trusted global real estate companies.

Because of their vertically integrated business model includes both investment and service-oriented businesses, they’ve been able to maintain a constant presence in local markets and create value in all phases of the real estate cycle. Their international platform provides economies of scale, financial sophistication, institutional quality reporting, and tremendous capital relationships, while their city offices provide local market expertise and execution.

Established in 2001, Charleston Angel Partners is the area’s longest tenured and most established angel investment group. The top priorities of Charleston Angel Partners are to make investing simple and profitable for their members and to assist their portfolio companies in reaching their goals. We believe that meaningful economic impact happens when great people support great ideas.

Charleston Angel Partners is a member of the Angel Capital Association. The ACA is a collective of accredited angel investors, North America's most prolific early-stage investment class. The association is the largest angel professional development organization in the world. The ACA provides an insider perspective that can help you
Since its inception in 1986, The Richman Group has thrived and is now consistently ranked as one of the Top 10 largest residential apartment portfolios in the United States.

The Firm, through its 12 offices located nationally, conducts a wide range of development, equity investment, mortgage financing, asset management and property management activities. The Richman Group has a major presence in both the luxury rental apartment and affordable housing sectors.
Pawleys Investment Advisors, LLC are a Registered Investment Advisory Company dedicated to providing the highest level of investment management services to individuals, families, foundations, and businesses. Founded around the concept of “invest right, live right,” Pawleys Investment Advisors focuses on helping clients make healthy financial decisions in order to enhance their lifestyles.

Verum Partners was born out of the recognition that the financial industry could be better. Rather than focusing on how to help their clients, many financial service business models pit the advisor against their client. Large Wall Street firms incentivize their advisors to sell clients products they don’t need, that cost too much money and often lead to sub-par results. Wall Street sells products by telling people stories that have no basis in the truth. Verum means true. We start with the truth.

Often clients don’t realize they are paying high fees to an advisor who is still making many of the most common industry mistakes such as: costly implementation of investment ideas, no rebalancing or tax loss harvesting process, poor asset location, home country bias, risk mismatch, failure to take a comprehensive view of clients’ entire portfolio, etc. Those clients are often overexposed to risk and tend to sell those risky assets after they fall.
Evening Post Industries origin can be traced back to 1894 when Charlestonian Arthur Manigault formed Evening Post which, in the centuries that followed, grew to become a thriving real estate, multimedia and healthcare company. Courier Square and its subsidiary Evening Post Industries, Inc. proudly carry on this legacy focusing on real estate investing and continuing our thriving marina operating business. Our success is driven by having established a well-disciplined approach to investing and developing focusing on value creation, long-term returns, and capital preservation. We partner with others to develop our existing properties and invest in real estate projects and high-quality assets to create opportunities, improve financial performance, and maximize return on capital. Our many years of experience enables us to thoughtfully enhance the value of each and every transaction. We believe that to be successful, one must build long-term value and appreciation. This belief is at the heart of every partnership we pursue.

Over the last several years we have completed 20+ transactions, with over $1 billion in value. We have a history of finding niches and building strong platform investments starting in media and continuing in healthcare and real estate. We are willing to look at a wide range of real estate transactions, with equity in the $2-5 million range. I think we could be a good fit for someone looking for capital, and a sophisticated partner to help position an opportunity for the long-term.

Some of our investment strategy considerations are listed below:

- Evaluate opportunities to invest in real estate projects throughout the Southeast
- Existing cash flow preferred with multiple ancillary income streams
- Ability to improve operations with access to capital and operating scale
- Growth opportunities including improving facilities or adding tenants
- Willing to consider special situations, debt, and land banking with aligned partners
- Ability to evaluate complex real estate with long-term potential
- Acquisitions generally financed with internal cash, conservative capital structures
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February 24, 2023
GLOBAL MARKETS OUTLOOK

Paul Donovan: Chief Economist, UBS Global Wealth Management

Paul is the Chief Economist of UBS Global Wealth Management. He is a member of the Global Investment Committee, and (despite being told to stop studying art at the age of twelve) sits on the UBS Art Board. He is a UBS Opinion Leader, and a member of UBS Pride. He participates in the UBS Nobel Perspectives program and is a supporter of the UBS Women in Economics program.

Paul is responsible for developing and presenting the UBS economic outlook, marketing the UBS view on economics, policy and politics around the world. He regularly appears in the print and broadcast media, and is a reluctant Tweeter on economic issues. Paul started at UBS Investment Bank as an intern in 1992, and was Global Economist before moving to Global Wealth Management in August 2016.

Paul has an MA in Philosophy, Politics and Economics from Oxford University. He is an Honorary Fellow of St Anne’s College, Oxford, sitting on its investment committee and development board, and is a member of the Vice-Chancellor’s Circle of Oxford. He holds an MSc in Financial Economics from the University of London. Paul sits on the Research Advisory Board of Open for Business, and is part of the World Economic Forum’s Chief Economists’ Community. Paul is also a co-founder of the Peter Culverhouse Memorial Trust (a cancer research and patient care charity). He is an amateur heavyweight boxer, plays at being a farmer (with sheep, apples, and pears), and is a keen skier.


David Kelly: Chief Global Strategist, J.P. Morgan Asset Management

Dr. David Kelly is the Chief Global Strategist and Head of the Global Market Insights Strategy Team for J.P. Morgan Asset Management. With over 20 years of experience, David provides valuable insight and perspective on the economy and markets to the institutional investor and financial advisor global communities. He is a keynote speaker at many national investment conferences and a frequent guest on CNBC, Bloomberg, and other financial media outlets. Prior to joining J.P. Morgan Asset Management, David served as Economic Advisor to Putnam Investments. He has also served as a senior strategist/economist at SPP Investment Management, Primark Decision Economics, Lehman Brothers and DRI/McGraw-Hill. David is a CFA® charterholder. He also has a Ph.D and M.A. in Economics from Michigan State University and a B.A. in Economics from University College Dublin in the Republic of Ireland.
**INVESTMENT STRATEGIES**

**David Bailin: CIO & Global Head of Investments, Citi**

David Bailin is the Chief Investment Officer and Global Head of Investments for Citi Global Wealth. David joined Citi as a Managing Director in 2009 and was promoted to Global Head of Investments in October 2017 and Chief Investment Officer in January 2019. David has overall responsibility for Citi Global Wealth Investments which has unified the Investments and Capital Markets capabilities of the Private Bank and the Consumer Bank worldwide. As its Chief Investment Officer, David ensures the consistent delivery of Citi’s asset allocation, manager research and portfolio management capabilities to all clients, while offering his perspectives on global markets, economics, family office management and investor trends.

Since joining Citi, David has built and retained a highly talented, diverse senior executive and investment management team. David designed the architecture of the global investments platform, focusing on providing the industry’s most comprehensive client advisory services, specialized investment capabilities via its Citi Investment Management unit and leading private equity, real estate, hedge fund and traditional fund capabilities. Additionally, David established the firm’s unique investment philosophy, emphasis on intensive operational due diligence and product innovation focus.

David is also a leader of Citi Global Wealth’s Diversity and Employee Development programs. He is the Global Sponsor of the Private Bank Analyst program, a senior sponsor of the Vice President Development Program and has been a Sponsor and Teacher for Citi’s Diversity Leadership Program. Finally, David also offers career development and management talks to a range of outside groups, including Young Jewish Professionals and several Harvard Alumni organizations.

David regularly provides commentary on TV and in print for CNBC, Bloomberg TV and Fox Business News, as well as in Barron’s, The Wall Street Journal, Financial Times and New York Times, among others. Prior to joining Citi, David was Managing Director and Head of Alternative Investment Asset Management for Bank of America Global Wealth and Investment Management, where he was responsible for client alternative investments across private equity, real estate, venture capital and hedge funds. He began his investments career in 1992 as Managing Director of Global Asset Management, now a division of Bank Julius Baer, in New York.

David holds a BA with honors from Amherst College and an MBA with honors from Harvard Business School. He is married with three daughters and lives in Connecticut. He holds FINRA Series 7, 24, 63 and 65 licenses.
Investment Strategies

Cameron Dawson: Chief Investment Officer, NewEdge Wealth

As Chief Investment Officer, Cameron helps lead the development of NewEdge Wealth’s investment themes, strategies, and market views, while also working closely with the firm’s advisors and clients.

Prior to joining NewEdge Wealth, Cameron was the Chief Market Strategist at Fieldpoint Private Securities and a Senior Equity Analyst at Bank of America. Throughout her career, she has developed extensive experience in macroeconomics and implementing forward-thinking investment themes and asset allocation strategies. She is widely known for her differentiated and thoughtful financial commentary and frequently appears on Bloomberg, CNBC, and Fox Business, among many others. Additionally, Cameron is a Chartered Financial Analyst® (CFA®) and a former board member of the CFA Society® of Orlando.

S. Alan McKnight, Jr: Executive Vice President, CIO, Regions Asset Management

Alan McKnight is an Executive Vice President and serves as the Chief Investment Officer for Regions Asset Management. In this role, he is responsible for overall investment strategy, portfolio and risk management, portfolio construction, and oversight for approximately $65BN in assets under management. In addition, he is responsible for the development and execution of investment policies, strategy, and tactics, and is chairman of the Investment Working Group. He also serves as the chief spokesperson on portfolio strategy, asset allocation and overall markets for the Bank with groups such as CNBC, Bloomberg, The New York Times, The Wall Street Journal, CNN Money, The Financial Times, Fox Business, and Thomson Reuters.

Prior to joining Regions in 2015, McKnight was a managing director and Head of Institutional Investments for SunTrust. He also served as the Chief Investment Officer for SunTrust Institutional Investment Advisors, as well as a portfolio manager with Equitable Asset Management and Morgan Stanley.

McKnight has a bachelor’s degree in economics from Washington and Lee University and a master’s degree in business administration from the University of Texas at Austin. He holds the Chartered Financial Analyst designation and is a member of the CFA Institute. He serves on the board of directors of the Central Outreach and Advocacy Center and formerly served on the Investment Committee for the Woodruff Arts Center.
BREAKOUT SESSION ONE:
PORTFOLIO CONSTRUCTION IN AN INCREASINGLY COMPLICATED MATRIX

Jim Carroll: Senior Vice President & Portfolio Manager, Toroso Advisors

Jim Carroll is a Senior Vice President & Portfolio Manager at the Toroso Advisors division of Tidal Financial Group, a multi-billion dollar RIA offering asset management, wealth advisory and ETF consulting services. In this role, he advises high net worth clients on wealth management and specializes in systematic ETF strategies designed to achieve specific objectives. Prior to joining Toroso in 2019, Jim founded wealth advisor LongRun Capital Management in 2003. His previous experience includes four years as Chief Financial Officer of a NASDAQ-listed company and sixteen years as an investment banker with Smith Barney, Kidder Peabody and Bear Stearns. He also served four years of active duty as an officer in the U.S. Army. Mr. Carroll earned a BA in Psychology from Claremont McKenna College and an MBA from Harvard Business School.

Chris Caswell: Regional Director - Southeast, Swan Global Investments

Chris is responsible for Swan’s business development and client service efforts covering all channels in the Southeast with firms that align with the Defined Risk Strategy’s philosophy. He provides financial advisors with the resources necessary to convert prospects into clients and to better retain and service existing client relationships.

Prior to joining Swan in 2012, Chris worked at Well Fargo in the Private Banking division working side-by-side with Financial Advisors and their affluent clients helping them create a financial plan.

Chris earned his M.S. in Business Administration from the University of South Florida, and a B.S. in Business Management from the University of Florida. Additionally, he is a Chartered Alternative Investments Analyst (CAIA) Charterholder.
Walter B. Todd, III: President & Chief Investment Officer, Greenwood Capital

Walter B. Todd, III is President and Chief Investment Officer of Greenwood Capital, one of the largest independent registered investment advisory firms headquartered in South Carolina, with more than $1 billion in assets under management. Mr. Todd oversees Greenwood Capital’s disciplined top-down macro-economic investment philosophy and its highly-experienced Investment Team, delivering a diverse offering of investment objective based ETF Asset Allocation Strategies, as well as traditional Equity and Fixed Income Investment Strategies.

Mr. Todd has 28 years of experience in the financial industry and joined Greenwood Capital in 2002. Prior to joining Greenwood Capital, he served as an Investment Banking Associate at Lehman Brothers Global Real Estate Group in New York. He has also worked as an analyst for First Union Capital Markets Group in Charlotte, NC. Mr. Todd received his undergraduate degree in Business Administration from Washington & Lee University, where, upon graduation, he was awarded a Fulbright Scholarship. Mr. Todd earned his M.B.A. in Finance from The Wharton School – University of Pennsylvania where he graduated as a Palmer Scholar in May 1999.

Mr. Todd is regularly featured on Bloomberg, Bloomberg Radio, CNBC, and BBC, as well as quoted through Reuters, the Associated Press, Bloomberg and other national and international print, radio and television outlets.

Iris Wang, Director of Asset Allocation for Asset Management Services (AMS) at Raymond James Financial, is a senior member of the investment team responsible for setting the asset allocation policy and making investment decisions for AMS discretionary (Freedom) and the Raymond James Strategic Recommended models as well as the UMA platform. She contributes to the multi-sector allocation efforts for Freedom portfolios with a background focused on fixed income securities. She joined the industry in 2010 and joined Raymond James in 2022 as Director of asset allocation.

Iris has a B.S. in Economics and International Business from China University of Political Science and Law (Beijing, China). She also has a master’s degree in finance, Case Western Reserve University. She earned her Chartered Financial Analyst charter in 2014 and is a member of the CFA Institute, and CFA society of Tampa Bay. Iris spent most of her career in investment research and portfolio management for institutional assets, spanning from private banking, RIAs, insurance accounts and debt private placements for alternative asset classes. She managed investment assets for Publix Inc, Publix Charities Inc. and advised on Publix 401K & profit-sharing plans prior to joining Raymond James.
BREAKOUT SESSION ONE:
WATCH OUT FOR THE WAVES: THEMATIC INVESTING

Kevin Day: Partner & Head of Capital Development, SOSV

Kevin is a Partner at SOSV and Head of Capital Development. Prior to SOSV, Kevin was the Head of Business Development at Exos Asset Management, which is the asset management arm of Exos Financial, a digital investment bank founded in 2018 by former Credit Suisse executives. In June of 2022 Exos acquired Pluribus Labs, which was a global equity firm based in San Francisco. At Pluribus, Kevin was the Head of Business Development and served on the executive committee.

Kevin has over a decade of capital development experience working with investors across the globe. Prior to Exos Kevin worked at Systematica Investments, a European based hedge fund, and at BlackRock in both London and New York covering institutional clients across the US, Europe, Asia, Africa, and the Middle East.

Kevin holds an MBA in finance & strategy from London Business School, an MBA in finance from Columbia Business School, and a bachelor’s degree in political science from the College of Charleston.

Scott Helfstein: Head of Thematic Solutions, Global X

Scott joined Global X in 2022. He is responsible for delivering actionable insights and innovative investment strategies to clients, researching trends at the intersection of accelerating technological, demographic, and environmental change.

Previously, Scott was responsible for building out the ProShares line-up of thematic ETFs. Prior to that, he served as Head of Thematic Portfolios and Co-Head of Market Research and Strategy at Morgan Stanley, launching the firm’s thematic research and portfolios, while managing a team that developed global multi-asset investment advice. Scott also held prior roles at BNY Mellon, Credit Suisse First Boston, and the Federal Reserve Board of Governors. His work has appeared in numerous media outlets including Barron’s, Bloomberg, and Foreign Affairs.

Scott is the co-chair of the Business and Security Roundtable at Fordham University’s Center for National Security and is a Fellow at the Center for Cyber and Homeland Security at Auburn University. He served as an Assistant Professor of Social Science at the U.S. Military Academy and the Director of Research at West Point’s Combating Terrorism Center, working across 60 government offices. He is also a member of the Economic Club of New York and was a Term/Corporate Member in the Council on Foreign Relations.

Scott holds a Joint Doctorate in Public Policy and Political Science from the University of Michigan, an MA in War Studies from King’s College (London), and a BBA in Finance from The George Washington University.
Christopher Versace: Chief Investment Officer and Thematic Strategist, Tematica Research

Christopher (Chris) Versace is the Chief Investment Officer and thematic strategist at Tematica Research and serves as the portfolio manager for TheStreet’s Action Alerts Plus portfolio. The proprietary thematic investing framework that he’s developed over the last decade leverages changing economic, demographic, psychographic and technology landscapes to identify pronounced, multi-year structural changes. This framework sits at the heart of Tematica’s investment themes, indices and other strategies, and builds on his more than 25 years analyzing industries, companies, and their business models as well as financial statements. Versace is the co-author of “Cocktail Investing: Distilling Everyday Noise into Clear Investing Signals”, hosts the AAP Podcast, and is a frequent media guest. Versace was an Assistant Professor at the NJCU School of Business, where he taught undergraduate and graduate Finance classes, advised the Student Investment Management Group, and developed the NJCU New Jersey 50 Index.
Dustin Barr: Founding Partner, Verum Partners

Dustin is a Founding Partner and Adviser at Verum Partners, a fee-only Registered Investment Adviser and Wealth Management Firm. Dustin enjoys working with highly technical professionals and families with complex financial needs. His goal is to be a true partner to all Verum clients. When advising clients, he focuses on the intersection of “what matters” and “what can be controlled”. He works with clients to better understand their full picture and enjoys building a road map with them. The focus is always on adding value for the client by finding the most efficient mix of asset classes to achieve a client’s goals, a focus on optimal implementation to lower fees and tax bills, and an eye towards being the patient capital provider rather than a focus on the hot investment of the day. Dustin’s leadership responsibilities at Verum Partners include serving as Chair of the Investment Committee and Managing Partner of the firm.

Adrian Chastain: Chief Operating Officer, Gratus Capital

Adrian brings more than 20 years of experience in investment management. Adrian is responsible for advancing Gratus’ commitment to providing an exceptional client experience through strong leadership, technology oversight, process optimization, workflow simplification, and the cultivation of industry relationships.

Education, Designations, Licensures:
- University of Tennessee, Knoxville – Bachelor of Arts in Economics
- Certified Fraud Examiner designation
George Leftwich: Founder, Leftwich Leadership Consulting

George is a seasoned executive coach and leadership consultant with deep expertise in the financial services industry, providing a range of executive coaching, leadership training and consulting services for the last 10 years. He works with organizations, teams and leaders to define and achieve strategic goals and create exceptional workplace and team cultures. Results include improved productivity, performance and engagement.

George has an extensive background in business with over 13 years of experience in the financial services industry including senior leadership positions at top asset management and private equity firms. He has combined this practical corporate experience with formal training in psychology, somatic therapy and conscious leadership. This diversity of experience and expertise results in a unique set of practical processes and tools to facilitate transformation for clients.

George most recently held the position of Vice President of Strategy and Communications for Research Affiliates, a hedge fund and global leader in smart beta and asset allocation. Prior to this, he served as Vice President of Institutional Sales and Marketing for Ariel Investments, an investment firm specializing in small in mid-capitalized stocks. George began his career in investment banking at Chase Securities, and later became Associate Director of the AIG African Infrastructure Fund, the largest private equity fund devoted to Africa at the time.

Leftwich holds an economics degree from Princeton University where he was captain of the varsity men’s basketball team and an MBA from the Darden Graduate School of Business at the University of Virginia. In addition, he holds a Masters in Spiritual Psychology from the University of Santa Monica and a certification in Integrative Body Psychotherapy.
BREAKOUT SESSION TWO:
PRODUCTS VS. THE INGREDIENTS

Gary Brode: Founder & Managing Partner, Deep Knowledge Investing

Gary Brode is the Founder and Managing Partner of Deep Knowledge Investing. The firm helps hedge fund managers, portfolio managers, family offices, and high net worth individuals earn higher returns in the equity portion of their portfolios. We provide subscribers with high-alpha, well-researched stock ideas, and timely market commentary.

Mr. Brode has spent over 30 years in the securities industry. Most recently, he was Managing Partner and Senior Portfolio manager for Silver Arrow Investment Management, a concentrated long-only hedge fund with options-based hedging where our long return on invested capital beat the S&P 500 by nearly 100% over 8 years. The high alpha-generating intensive research process that produced outstanding returns at Silver Arrow is the foundation of Deep Knowledge Investing. He started the firm with Raji Khabbaz in January, 2012.

Mr. Brode started his career in the M&A department of Morgan Stanley. Thereafter, he worked for Doug Hirsch for 4 years, first at Smith New Court, and was asked by Doug to join him in starting Seneca Capital. He spent 3 years doing long/short equity investing at Brahman Capital, and then moved to John Levin & Co. where he had investment discretion and made the firm money in all 15 investments made.

Jeff Chang: President, Cboe Vest

Jeff Chang has over 20 years of experience in financial services and asset management, and is responsible for driving product strategy, research and positioning of the firm’s product offerings across all distribution and marketing channels.

Prior to co-founding Cboe Vest in 2012, Mr. Chang worked at ProShares, where he was responsible for investment research and product management.

Previously, Mr. Chang worked at FBR & Co., a middle market investment bank. Mr. Chang’s primary focus was FBR’s trading platform, which included equity, high yield, convertible securities, listed options and mortgage trading. He has also worked at Freddie Mac and the World Bank.

Mr. Chang is a CFA charterholder, an instructor for the CFA review for Kaplan Schweser, and a CPA review instructor for Becker Professional Education. He has also held CPA and CFE certifications. Mr. Chang attended the United States Naval Academy and the McDonough School of Business at Georgetown University.
Vince Lorusso: Founder & Portfolio Manager, Changebridge Capital, LLC

Vince is a Founder and Portfolio Manager at Changebridge Capital, LLC. He has 25 years of industry experience, previously serving as a Partner and Portfolio Manager at Clough Capital Partners, LP where he worked for 16 years. Prior to that, Vince was a Senior Investment Consultant with Natixis Asset Management.

With a global perspective, Vince has analyzed and invested in a broad range of securities over the course of his career.

Vince holds an M.S. in Finance and a B.S. in Finance & English, both from Boston College. He also serves on the Investment Committee of Louisa May Alcott’s Orchard House, as well as the Nashoba Brooks School, two non-profit organizations.

Kyle Ginty: Senior Investment Analyst, Vanguard

Kyle Ginty is a two-time graduate of the College of Charleston, 2008 - B.S. Economics & 2011 - M.B.A. concentration in finance. Kyle is currently employed by the investment management firm Vanguard as a Senior Investment Analyst for their US Retail Advice Methodology division specializing in portfolio construction. Kyle has been with Vanguard for the last 10 plus years beginning his career there in late 2011. During his tenure at Vanguard Kyle has held several positions across the retail, finance, and fixed income investment management divisions. Highlights of his time at Vanguard include roles as a trader on Vanguard’s Global Bond Indexing desk and an international assignment in London managing the implementation and research functions for Vanguard’s Global Fund Accounting division.
**Racim Allouani**: Managing Director, Global Macro, Balance Sheet & Risk, KKR

Racim Allouani (New York) joined KKR in 2015 and oversees Portfolio Construction, Risk Management and Quantitative Analysis across KKR Private and Public Markets. Prior to joining KKR, he spent five years at the hedge fund of Lombard Odier as a senior quantitative portfolio analyst and risk manager, covering equities and credit long/short strategies. Prior to that, he was at fund of hedge funds Arden Asset Management in the portfolio optimization group. Mr. Allouani held previous positions at Deutsche Bank in equity research and Bank West LB in fixed income research. Mr. Allouani earned a M.A. in International Economics from Sciences Po Paris, an M.Sc. in Financial Engineering from Cornell University, as well as an M.Sc and Bachelor’s degree in Applied Mathematics and Computer Science from Ecole Nationale des Ponts Et Chaussees.

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**Scott Conners**: Managing Director & President, FlowStone Partners

Scott Conners is a Managing Director, President and Investment Committee Member with FlowStone Partners. Scott is responsible for product development, fundraising, transaction origination, due diligence, structuring, and closing. Since 1993, he has sourced or been directly involved with the investment of nearly $7 billion. Prior to joining FlowStone Partners, Scott spent 22 years at Landmark Partners, one of the oldest and one of the leading private equity and real estate secondary purchasers. He joined Landmark in 1993 in the very early days of the private equity secondary market’s development. Scott participated in the market’s growth from less than $500 million per year in transaction volume to over $40 billion a year. He specialized in developing unique transaction structures and was an early-mover in asset lift-outs and fund restructurings. Scott retired in 2015 as a Partner with responsibility for co-managing Landmark’s private equity secondary activities, with over $11 billion in committed capital. Scott is the recently retired Board Chair of Hartford Youth Scholars, a non-profit focused on educational enhancement and access for the under served youth of Hartford, CT. He also serves on the Board of Visitors of the University of Maine at Farmington.

Scott received his B.A. in Business Economics from the University of Maine at Farmington and his M.B.A. from The Pennsylvania State University. He has been a Chartered Financial Analyst since 1996 and is a member of the Hartford Society of Financial Analysts. He holds the FINRA Series 7 and Series 63 licenses.
BREAKOUT SESSION TWO:
ALTERNATIVES TO THE NORM

Ashmi Mehrotra: Managing Director, Private Equity Group, J.P. Morgan Asset Management

Ashmi Mehrotra is Global Co-Head of the Private Equity Group, overseeing the management of $32 billion in private equity investments on behalf of institutional and private investors. The business comprises a global team (New York, London, Hong Kong) which invests in partnerships, direct equity, and secondary investments across industry and stage. The team currently manages a range of commingled funds and separate accounts primarily focused on venture capital, growth equity and buyout investments. She also serves on the Investment Committee for the Funds managed by Beijing Equity Investment Development Management Co. Ltd. Prior to joining the Private Equity Group in 2003, Ms. Mehrotra was an investment analyst for the J.P. Morgan Private Bank, where she focused on investment portfolios for high net worth clients. An employee of the firm since 1999, Ms. Mehrotra also worked in J.P. Morgan’s Internal Consulting Group, where she was responsible for Six Sigma projects and process improvement initiatives. Ms. Mehrotra earned her BA in Economics, International Relations and Spanish from Tufts University.

Robert Picard: Managing Director, Head of Alternative Investments, Hightower Advisors

Robert Picard joined Hightower in June 2022 as a Managing Director, Head of Alternative Investments.

Mr. Picard has 32 years' experience on both the buy and sell side, having built multi-billion-dollar alternative investment programs at First Republic Private Wealth Management, The Carlyle Group/Rock Creek, Optima Fund Management, RBC Capital Markets and InfraHedge/State Street.

In his most recent role as First Republic’s managing director and head of alternative investments, he consolidated two alternative investment businesses into one platform and generated meaningful growth in both wealth management team participation and fund offerings across all asset classes.

Prior to that, he spent more than a decade as founder and CEO of The Rumson Ridge Group, a consultancy focused on building alternative investment platforms. He is a graduate of the College de Geneve and attended the University of Geneva Law School. Mr. Picard has spent much of his career performing due diligence on manager strategies, visiting over 1,000 firms globally in the last 25 years.
Nancy Davis: Founder & Managing Partner, Quadratic Capital, PM for the IVOL and BNDD ETFs

Nancy Davis founded Quadratic Capital in 2013. She is the portfolio manager for The Quadratic Interest Rate Volatility and Inflation Hedge ETF (NYSE Ticker: IVOL) and The Quadratic Deflation ETF (NYSE Ticker: BNDD). Both funds are long fixed income volatility.

Nancy has been the recipient of numerous industry recognitions. Barron’s named her to their inaugural list of the “100 Most Influential Women in U.S. Finance.” Institutional Investor called her a “Rising Star of Hedge Funds.” The Hedge Fund Journal tapped her as one of “Tomorrow’s Titans.”

Nancy began her career at Goldman Sachs where she spent nearly a decade, the last seven with the proprietary trading group where she rose to become the Head of Credit, Derivatives and OTC Trading. Prior to founding Quadratic Capital Management, she served as a portfolio manager at Highbridge Capital Management.

Karen Mair: Managing Director & Head of Fixed Income, Attucks Asset Management

Karen A. Mair is a Managing Director and Head of Fixed Income at Attucks Asset Management, a manager of emerging managers in public securities markets that manages $3.6 billion for institutional clients. She oversees $1.6 billion in fixed income assets under management and is responsible for constructing and managing client investment programs. Karen also leads Emerging Manager research and due diligence across global fixed income sectors. She has 25 years of experience in the financial services industry, including prior roles at Merrill Lynch & Co. (in both Capital Markets and the Private Banking & Investments Group) and the Federal Reserve Bank of NY (where she was a Specialist in Interest Rate Markets & Derivatives in the Capital Markets Research Group). She earned a B.A. in English literature from Trinity College (Phi Beta Kappa) and an Master’s in Public Policy in Finance & Economics from Harvard University.
Alex Roever: Managing Partner, Eastlake Macro LLC

Eastlake Macro consults with financial institutions, businesses and public sector entities on emerging trends in the US economy, interest rates, funding, credit and financial market structure.

Prior to founding Eastlake Macro, Alex Roever was Managing Director and the Head of US Interest Rate Strategy for J.P. Morgan Securities. He was also the research lead for the US Fixed Income Markets Weekly, the firm’s bond research flagship. Earlier in his career, he served as lead strategist for money markets, municipal markets and securitized products. While at J.P. Morgan, he was elected by investors, multiple times, to top positions on Institutional Investor Magazine’s All-America Fixed Income Research Team for his work in the US Rates Strategy, US Fixed Income Strategy, and Short Duration categories.

Alex is a frequent speaker at industry events. His views have been highlighted in the financial press and he has been featured on CNBC and Bloomberg. He earned an MBA from Emory University, a MA in economics from Georgia State University and a BA in economics from Vanderbilt University. Alex is a CFA charterholder.

Tom Tzitzouris: Managing Director, Head of Fixed Income Research, Strategas Research Partners

Tom Tzitzouris is a Managing Director at Strategas, directing the Firm's fixed income research efforts. His work touches on all aspects of broad market fixed income strategy, as well as clients’ asset/liability management needs. His focus includes interest rate and credit term structure strategies, callable bond analysis, sector relative value research, and valuation analysis for Treasury, Agency, and high grade corporates.

Prior to joining Strategas, Mr. Tzitzouris worked as a senior analyst at Fannie Mae, leading Fannie's independent debt valuation team, and had previously spent time as a debt and derivatives analyst at Freddie Mac.

Mr. Tzitzouris began his career as a quantitative research analyst with JPMorgan Asset Management’s fixed income group. Mr. Tzitzouris holds an MS in Mathematics from Fairfield University, an MA in Economics from George Mason University, and a BS in Finance from Bryant University
The 9th Annual Strategic Investment Symposium
February 24, 2023