

***A Conversation with CBIS Co-Chief Investment Officers
Thomas Digenan, CFA, CPA, and John W. Geissinger, CFA***



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Co-Chief Investment Officer



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It's early in the year, but so far non-U.S. stocks are performing relatively well. Is it possible investors are starting to rotate more toward opportunities beyond the U.S.?

Mr. Digenan: World markets in 2025 are indeed dramatically different than 2024, but not so much in size as in shape. Returns are starting to come from different places than the Magnificent Seven. Diversification is the new player at the party.

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Mr. Geissinger: We don't want to extrapolate the last two or three months, but it does look like we'll be seeing a more balanced source of return going forward. No more buying a few U.S. technology stocks and going home.

Isn't the CBIS investment approach built for this kind of environment?

Mr. Geissinger: Our actively managed strategies are rooted in sound fundamental analysis and valuation principles. I believe they are well positioned, both in terms of security selection and allocation.

Mr. Digenan: Our disciplined process maintains exposure to managers that demonstrate conviction in their articulated process, particularly during periods of short-term underperformance. We believe this approach will generate competitive returns over the long run.



What kind of effects are tariffs having on the markets?

Mr. Geissinger: The level of uncertainty around tariff policy has been a strong driver of volatility, particularly in the U.S. markets. It's difficult for companies to plan for the long term without consistent policy.

Mr. Digenan: Tariffs can turn into a long-term phenomenon if they impede CFOs in planning their capital expenditures. Right now, there's no real trust in the way policy is being communicated.

Do you think the resulting uncertainties around trade and global growth might be marking a turning point for investor capital away from the U.S.?

Mr. Geissinger: Given the vagaries of current economic policy, it's clear that risk premiums are increasing in the U.S. But I don't believe investors are abandoning the U.S. What they are doing is diversifying more into the world markets.

After 10 years of outperformance, portfolios are likely to be overweighted in U.S. stocks. Is now a time for investors to reassess their asset allocation strategies?

Mr. Geissinger: I hope investors are constantly reassessing their asset allocation mix. We do. It's not a calendar or a quarterly exercise. It's constant.

In all this talk about global investments, where do emerging markets fit?

Mr. Digenan: When we talk about a great diversifier and an area with high growth potential, emerging markets offer a nice addition to portfolios, both on the equity side and the debt side.

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Speaking of fixed income, what are your thoughts about bonds?

Mr. Digenan: While diversified investors should always have some fixed income exposure, I think there are two good reasons why it's as important as ever. One, you're getting a decent return from bonds, and two, there is heightened uncertainty in the equity markets.

Mr. Geissinger: I also think it's important to talk about the benefits of active management in the fixed income market in this environment. I'll suggest the opportunities to rotate through different sectors and issuers are going to be more ripe than active management on the equity side.

These must be busy times for the Catholic Responsible Investments Committee. How do you keep up with world events?

Mr. Digenan: Our committee is a well-resourced global investment committee with a global philosophy and perspective. I honestly believe we're positioned well to manage through the market's uncertainties in a way that's unavailable to most investors.

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