

Bowling Sees Everything Lining Up for Institutional Strike

The market downturn of 2008 had widespread ramifications on the financial industry, not the least of which was stunting the growth prospects of emerging managers looking to push through in an institutional space that saw traditional long-only mandates slow to a crawl.

One such firm affected was domestic large-cap core value equity manager Bowling Portfolio Management, which now believes its timing couldn't be better.

"One of the things that has been really positive for us as we head into 2011 has been the timing of a lot of key events, both internal and external to our organization," said Kathy Wayner, ceo, president and majority owner of the Cincinnati, Ohio-based firm.

Those events include the firm's move to becoming majority woman-owned in 2010 (previously 50% woman-owned), gaining certification by the Women's Business Enterprise National Council as a Women's Business Enterprise, its continuation of a strong and consistent track record through a difficult market environment, and seeing a renewed interest from institutional investors in traditional long-only managers.

The firm, which was founded in 1982, initially began its move into the institutional marketplace in the second half of 2007, however the market turmoil of 2008 led to a general holding pattern in the institutional space, and the need for Bowling to maintain an internal focus on its two key priorities: maintaining and growing their investment management team to ensure strong and consistent performance; and maintaining a focus on client service for their legacy client base, a combination of institutional platform and high net worth investors.

The firm currently has about \$450 million in assets under man-



Kathy Wayner

agement, approximately 40% of which is institutional, and the sole focus for growth as the firm moves ahead.

Sandra Powers, ceo of ARK Global, the firm's third-party marketer, said she expects those percentages to continue to shift dramatically toward institutional investors moving forward.

"I think what has happened in the last year is there has finally been movement. We believe the focus is back on solid traditional long-only management and on finding firms that have demonstrated their ability to maintain excellent performance, and to not only sustain but to grow their organizations, through these difficult market environments. That is certainly what Bowling has demonstrated and the market is responding accordingly," Powers said.

Wayner confirmed that Bowling has been approved by emerging manager-of-manager programs Progress Investment Management Company and FIS Group, which has been a great avenue for the firm to access the institutional world. The firm is also currently participating in a series of institutional public fund searches.

"We have had tremendous positive feedback from the consultant community and most readily from the Emerging Manager programs, which has really been helpful," Wayner said.

The firm's fundamentally-based, quantitatively applied process, which has been in place for more than a decade, looks for dynamic rates of change in securities over both the short-term (0-6 months) and the long-term (6-18 months). The portfolio typically holds 50-60 such securities, equally weighted and sector neutral to the Standard & Poor's 500 Index. The process adds alpha through industry and security selection.

Wayner said she has worked to position the firm ahead of the growth curve with an institutional infrastructure and systems profile; she feels Bowling is prepared to handle in excess of \$1 billion with its current staff and infrastructure.

"It is about consistency; consistency in your team, consistency in your process and consistency in your marketing efforts," she said. "We are fully committed to this consistency and have operated in this way for more than a decade. We are excited about the market's recognition of these values and look forward to the opportunity to add value that lies ahead of us."