

Banking & Financial Services



Tim Guthrie is founder and chief investment officer of Bullseye Investment Management.

BULLSEYE INVESTMENT MANAGEMENT

How this local money manager generated big gains as market struggled



By Steve Watkins – Staff Reporter, Cincinnati Business Courier
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The stock market has had a roller-coaster ride this year as the coronavirus pandemic hammered it earlier this year. But a Cincinnati investment advisory firm has been able to generate outsized results for clients that have easily beaten the market.

Anderson Township-based Bullseye Investment Management averaged a whopping 16.8% gain for all client accounts through the first nine months of the year, CEO and chief investment officer Tim Guthrie told me. That's triple the 5.6% total return of the S&P 500 stock index over the same time frame.

But most of Bullseye's clients are in balanced accounts, with investments split between stocks and fixed income investments like bonds. So Guthrie figures a more apt comparison is to the Morningstar Moderate Target Risk index. That rose just 2.4% this year through September.

Bullseye isn't a one-trick pony, either. Its five-year annual average return for all accounts of 12% easily beats the Morningstar index's 8.1% gain.

Bullseye's aggressive accounts, which can go as high as 100% invested in stocks, beat the S&P 500 in all time frames. And its balanced growth accounts, which make up the biggest chunk of its clients, consistently beat the Morningstar index. In fact, its five-year balanced growth returns beat all but two of the 866 balanced mutual funds in the country over that span, according to Y Charts.

The key is how it does in the type of market that reared up this year as the pandemic set in.

"Our plan is to do better when the market drops," Guthrie said.

The S&P 500 fell 34% in little more than a month through late March while the pandemic began to spread in the U.S.

Bullseye navigated that by picking stocks and industry sectors that should weather the storm well.

"We don't own sectors that are less attractive," Guthrie said. "And I saw this election year as volatile coming into the year. We saw a lot of risk."

That meant Bullseye had some hedges in place that protected it against a drop in the market. That saved in 10% in returns as the market plummeted, Guthrie said.

Then it bought stocks in software and medical technology when the market was down. Amazon and PayPal were big investments, too. He didn't shy away from stocks during the market's darkest times.

"When the market gives us a storm, we look at what's attractive," Guthrie said.

He increases clients' returns on fixed income investments by putting money in investment-grade mortgages that pay two to three times as much as Treasury bonds do these days.

Guthrie founded Bullseye in 2007 after working in the investment business at Fifth Third Bank and U.S. Bank. He launched another firm in 2002 before starting Bullseye. It has grown to \$90 million in assets under management and about 400 client households.

Bullseye has seven employees, including four investment professionals. But it's growing fast, so Guthrie is negotiating to move to a larger space in Sharonville. That would nearly triple its space to more than 3,000 square feet.

"We expect to add staff, and the new space allows us to double our number of people," Guthrie said.

