

2021



Annual Report



Bowden Investment Group
Appalachian State
University



Appalachian State University

Walker College of Business
416 Howard Street, Peacock Hall
Boone, NC, 28607

Brandy Hadley, Ph.D.
Assistant Professor

Shawn Poole, CPA
Executive in Residence



WALKER COLLEGE OF BUSINESS
BOWDEN INVESTMENT GROUP
APPALACHIAN STATE UNIVERSITY

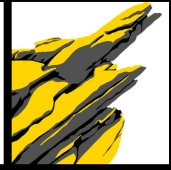
A BIG Thank You



As 2021 comes to a close, so does the Bowden Investment Fund's 22nd year of offering an unparalleled learning experience to its members. This year's group had to confront many uncertainties as we navigated the market to try to beat our benchmark. COVID-19 variants, rampant inflation, and rising interest rates looming on the horizon weighed on every investment decision we made over the semester. The lessons we learned from dealing with these real world problems are an excellent example of the type of experience that the Bowden Investment Group wants to give its members. This experience would not be possible without all of our benefactors and the seemingly tireless efforts of our professors and advisors. The lessons Dr. Brandy Hadley and Executive-in-Residence Mr. Shawn Poole have taught us will last a lifetime. We would be remiss if we did not also extend our gratitude to all those who came before us to build this organization that has given so much to us. We extend our thanks to Dr. Delbert Goff, Dr. Don Cox, Dr. Elbert Bowden, Mr. David Thompson and all the BIG alumni that have paved the way for us.

The Bowden Class of 2021-2022 proudly presents the 2021 Year End Annual Report!

What's the BIG idea?



Dr. Delbert Goff



Dr. Elbert V. Bowden



Mr. David Thompson

A Brief History

The Bowden Investment Group story began in the Fall of 1994 with the establishment of the Mountaineer Investment Club by two professors who were ahead of their time, Dr. Don Cox and Dr. Delbert Goff. Their goal was to create a medium through which interested students could gather hands-on real-world investment experience and they were met with great enthusiasm by students.

With little to no precedent for how a student-managed investment fund should be structured there were small problems that arose early on. Regular turnover of students, acquiring funding and a rapidly increasing number of partners as students elected to leave their initial investments with the fund began to challenge the initial framework of the club.

This led to the dissolution of the Mountaineer Investment Club and the establishment of the Elbert V. Bowden Student Managed Investment Fund which was made possible through contributions by the group's namesake, Dr. Elbert V. Bowden, as well as many other generous donors. Dr. Bowden passed away in 2004, but with the Bowden Investment Group celebrating the end of its 22nd year, his legacy as a devoted educator lives on through the program.

The fund's leadership has changed hands since its inception. Dr. Cox departed his role as faculty advisor in 2004 when he was appointed the Associate Dean of the Walker College of Business. Dr. Goff took responsibility for guiding the students managing the fund and it was under his tenure that the group received the unofficial title of the "Bowden Investment Group."

Cont.

What's the BIG idea?



A Brief History, Cont.

In the Fall of 2010, Mr. David Thompson began his term as Executive-in-Residence until departing in 2019. In 2018, the group welcomed its most recently added team members, Dr. Brandy Hadley and current Executive-in-Residence, Mr. Shawn Poole.

In 2020, both Dr. Goff and Mr. Thompson stepped into advisory roles and Dr. Hadley took over the responsibilities of teaching the Bowden Investment Group. Together, Dr. Hadley and Mr. Poole, provide a wealth of knowledge and experience regarding not only finance and investments, but also what it means to be a young professional.

From humble beginnings to one of Appalachian State's most prestigious student groups. The BIG class of 2021-2022 extends its thanks to everyone who paved the way for us to have this incredible experience.

Our Investing Philosophy

The Bowden Investment Fund is a bottom-up, long-only equity portfolio. With the help of our advisors we analyze the fundamentals of companies, decide on sector allocations, and attempt to identify macro-economic trends. The BIF traditionally holds a mixture of growth and value companies. However, the composition of the portfolio can change given the variety of each successive Bowden class' investment strategy, risk preference, and economic outlook.



From Our President



As soon as we accepted our offers into Bowden, I knew that building strong, foundational relationships in the team of trust and respect was the most important part of a high-functioning team. Last Spring, we started to see a bit of everyone's personality, then, we spent the summer working at our various jobs and internships, completing preparatory Bowden work, and occasionally getting together on Zoom for a catch-up. When the fall semester began, there was still much team building work to be done.

When I started my term as President, I began learning about each team member as much as I could. I had individual meetings with almost every member about their semester, year-long, and long-term goals. While I am a believer in goal-setting, these meetings were a great excuse for me to get to know everyone-- their values, motivations, and how their strengths fit into the team. I really tried to dig

deep with each member and encourage self-reflection. I am guided by my beliefs that I have developed through my past experiences. I believe that the root of all conflict is miscommunication or lack thereof. I believe that team building creates mutual respect and group cohesion and improves capacity to solve conflict, efficiency, and coordination. I believe that disagreement in teams challenges members to think differently and work harder.

All of the learning, working, and practicing that we did in the fall semester, finally clicked for me in the early spring semester. I started understanding what it means to research a company, create unique analyses, and tell the story of the company. This year, every member of Bowden was on a competition team meaning that we are all driven to compete, work extra hard, and represent Bowden. My deeper understanding of the Bowden material came from working with my competition team. Fueled by desires to win, each team looked for ways to dig deeper, stand out, and strive for near perfection. I hope to carry this same energy to future projects and presentations within Bowden and beyond.

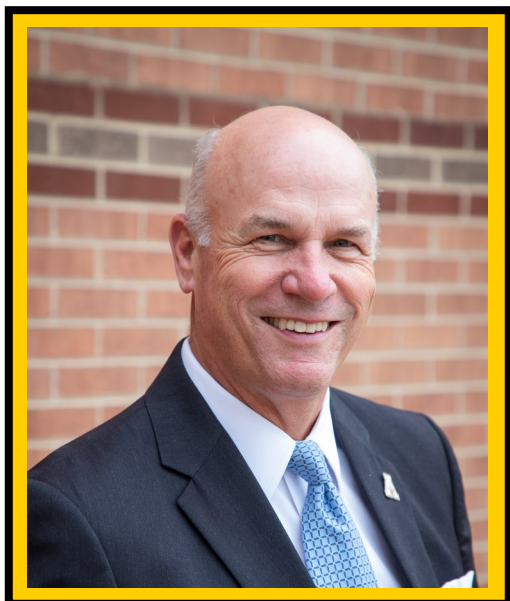
Looking back on the beginning of the year, I am astonished at how much each of us has grown individually and collectively as a team. I think back to our first team building exercise during our BIG team building day and how we were a group of mostly twelve strangers trying to find our place. Now, I look at our team thinking about everything that we have experienced together: working many late hours in the library, practicing presentations a million times, preparing for intense competitions, traveling to NYC, recruiting the next class, embracing each others' unique strengths, and so much more.

I cannot wait to see my eleven new friends succeed. I am so proud to know them.

Thank you, always, for your support and encouragement,

Caroline Alba

From Our Advisors



On behalf of the BIG Classes of 2021 and 2022, we are pleased to present the 2021 Annual Report. While this year has again brought unique learning opportunities including lessons in inflation, several unusual and unexpected events, along with limited opportunities due to heightened valuations, the groups and the fund have seen substantial gains. The students continue to inspire us with their courageous decisions, careful analysis, and commitment to innovation. Leading this year's outstanding group of students has been a great honor. We are very proud of their determination and resilience, along with their personal and professional growth!

This year was also marked by many firsts for the group. In 2021, the 2020-2021 group participated in the Quinnipiac University Global Asset Management Education Forum and Competition for the first time where they brought home 1st Place in the Small Fund Category. In addition, the 2020-2021 CFA team finished Top 5 in the World after being named Americas Champions, Southeastern U.S. Champions, and North Carolina Champions. Finally, the 2021-2022 group was invited to represent the Walker College of Business at the Chancellor's Luncheon for the UNC Board of Governors.

We are also pleased with the strong career placements of both the 2019-2020 and the 2020-2021 Bowden Investment Groups. As of November, all of the members graduating in May have secured jobs at excellent companies including Bank of America, Campbell's, Change Healthcare, DHG, Guy Carpenter, JPMorgan, Lowe's, MSC, and Wells Fargo.

Soon, we will be interviewing applicants for the Bowden Investment Group of 2022-2023 and the cycle of selection, potential, anticipation, struggle, growth, maturity, and graduation will continue.

Finally, we greatly appreciate all of our BIG supporters! Bowden would not have the impact it does without your support.

Thank you! As always, Go BIG!

Shawn W. Poole, CPA & Brandy Hadley, Ph.D.
Executive-in-Residence



The 2021-2022 Team



*Caroline Alba
President*

The Bowden Investment group has been one of the most challenging and most rewarding experiences of my college career. It has allowed me to consolidate everything that I have learned in my finance classes and apply them to building models, designing presentations, and managing an investment portfolio. I cannot believe how much I have learned in the past year. The knowledge that I have gained from Bowden has helped me be a better student and will help me excel in my professional career. I am so grateful for this experience.



*Courtney Prevette
Vice President*

When I look back on my time here at App State, being a member of the Bowden Investment Group was the most important and influential organization to impact my college experience. I am thankful for Dr. Hadley and Mr. Poole for their wisdom, advice, and mentorship throughout the past year. They not only coached me through all of the rigorous and difficult knowledge and situations that come with being a member of the BIG, but they also helped me develop goals and direction for my career. Without the amazing advisors, my fellow BIG members, and the alumni of the BIG, I would not have the opportunity to join Bank of America's FMAP Program after graduation.



*Devan Rigdon
Accountant*

Bowden has taught me a lifetime of incredible skills in just a few semesters. The real world experience that I have gained while being in this group is unlike anything else. The level of work and expectations have helped me grow immensely as a professional and person. I will forever be grateful to the faculty and Bowden network and hope to give my best to groups to come.

The 2021-2022 Team



Matt Ramundo
Accountant

It has been a great privilege to be a part of the Bowden Investment Group. Dr. Hadley and Mr. Poole have brought out the best in all of me these past two semesters and have done an excellent job preparing me for the next chapter of my life. It has been a pleasure sharing this experience with the other eleven members and I wish everyone the best of luck in the real world!



Ryan Critcher
Economist

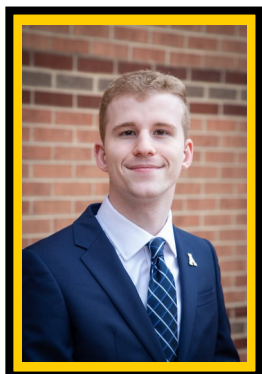
The Bowden Investment group has taught me skills that I will take with me into my career and beyond. I can truly say there has been no other experience in my college career that has given me the real-life experience that Bowden has. Bowden has opened me up to possibilities and friendships I otherwise would not have gained, and for that, I am so thankful. This year, with this group, has truly been the best year of my time here at Appalachian State.



Hailey Shoesmith
Economist

The Bowden Investment Group has enriched my professional skills and given me guidance on my future career aspirations. The knowledge that I have gained this past semester has been influential in establishing myself as a financial professional. I look forward to continuing to learn and develop my abilities as Bowden continues.

The 2021-2022 Team



Zack Marciniak
Industry Analyst

Beyond any shadow of a doubt, Bowden has been the most defining experience of my time here at App State. With all the challenges we have faced individually and as a group, I have been rewarded with a fervor and determination I could have never hoped for without the help of this organization.



Zane Clark
Industry Analyst

Before joining Bowden, my understanding of what it meant to be a financial professional was still quite vague, however, this quickly changed in a matter of weeks. I've deeply enjoyed being part of such a rich and intellectually stimulating environment, a truly unique experience. Over this final semester, I look forward to finishing strong and carrying everything I've learned onwards to the next chapter.



Edward Crowther
Industry Analyst

Being a part of the Bowden Investment group has been a rich and valuable academic experience. While rigorous, it has been an incredibly rewarding opportunity. I look forward to taking the skills I've developed and applying them everyday throughout my career.

The 2021-2022 Team



Brandy Crump
BIG Update Editor

Bowden has taught me what it means to challenge myself and think critically. I am incredibly grateful for Dr. Hadley who has dedicated countless hours to share valuable career advice and build my confidence to help me grow and develop as a professional. I also deeply value the life-long relationships I have built with this exceptional group of high achievers and I would greatly encourage those interested to take advantage of this opportunity. I will always cherish my time in Bowden and would do it all again in a heartbeat.



Bennett Batten
BIG Update Editor

My time in the Bowden Investment Group has been the most challenging yet most rewarding experience I have had at App State. I have grown exceptionally more confident in my presentation and writing ability and will be able to take these skills with me as I move from college to career. I would not be in the same position I am today if it were not for the BIG and I will always remember Bowden whenever I think back to my time in college in the future.



Eric Rhyne
Annual Report Editor

Being a part of the Bowden Investment Group will be one of the most defining parts of my college career. No experience has taught me so much, pushed me so hard and continuously dragged me out of my comfort zone like Bowden has. I am incredibly proud that I received the opportunity to participate in the group. I am excited for what Dr. Hadley and Mr. Poole have in store for the upcoming semester!

Broyhill Fellows



Left to Right: Zack Marciniak, Hailey Shoesmith , Brandy Crump and Zane Clark

Every year, four to five member of the Bowden Investment Group are selected to compete in the CFA Institute Research Challenge. The CFA team competes in a global competition that tests their fundamental analysis and presentation skills in a real-world setting. The opportunity to receive feedback on their research and presentations from industry professionals is a stressful, yet incredibly rewarding endeavor. This year's team will be researching and issuing a recommendation on ChannelAdvisor Corporation (NYSE: ECOM), a company based in Morrisville, NC that provides cloud-based e-commerce software. Congratulations to Zack Marciniak, Hailey Shoesmith, Brandy Crump, and Zane Clark who are this year's Broyhill Fellows! We are very proud of this group and we wish them luck as the presentation stage of the competition kicks off in February!

BIG Shoes to Fill



Left to Right: Zach Stowell, Sean James, Obi Ludwig, Sam Crouse and Olivia Guillebeau

Last year's CFA Institute Research Challenge Team took home the North Carolina Local Champions title, defeating teams from Elon University, North Carolina State University, the University of North Carolina - Wilmington, and the University of North Carolina - Chapel Hill. They then went on to make university history. For the first time ever, last year's Broyhill Fellows were also crowned Southeastern U.S. Sub-regional Champions as well as Americas Regional Champions after defeating teams from both North and South America. They went on to finish in the Top 5 globally out of nearly 1,000 schools! We're incredibly proud of what they accomplished and all the hard work that was put in along the way.



**2021 CFA Institute
Research Challenge**

**Southeastern U.S.
Sub-regional Champions**

**Americas Regional
Champions**

Global Top 5 Finalists

The BIG Game



Left to Right: Donovan Arnold, Cooper Bumgarner, Katie Cole, Sam King and Bradley Lovelace

For the first time in the school's history, we also competed in the Quinnipiac Global Asset Management Education Forum and won First Place in the 2021 Small Fund category of the Student Managed Investment Fund Competition. The GAME Forum is a widely renowned event that gathers some of the most successful financial experts together to share their knowledge, expertise and outlook for the future with graduate, undergraduate students, and faculty from around the globe.

Upcoming Competitions

CFA Institute Research Challenge

- ♦ Team: Zack Marciniak, Hailey Shoesmith , Brandy Crump and Zane Clark
- ♦ Stock: ChannelAdvisor (NYSE: ECOM)
- ♦ Position: SELL

UGA Stock Pitch Competition & ENGAGE UIC

- ♦ Team: Ryan Critcher, Caroline Alba, Courtney Prevette and Devan Rigdon
- ♦ Stock: McDonald's Corp (NYSE: MCD)
- ♦ Position: BUY

ENGAGE Undergraduate Investment Conference

- ♦ Team: Edward Crowther, Bennett Batten, Matt Ramundo and Eric Rhyne
- ♦ Stock: NextEra Energy Inc. (NYSE: NEE)
- ♦ Position: BUY



**2021 Quinnipiac
Global Asset
Management
Education Forum**

**1st Place in the Small
Fund Category**

Fall Pitches



AAP Analysts:

Eric Rhyne and Edward Crowther

Original Thesis:

Advance's industry has a strong outlook due to a steadily increasing average vehicle age, an increasing number of licensed drivers, and rebounding vehicle miles driven post-pandemic. With used car inventories at an all time low, we believe that people will elect to repair their current vehicle rather than replace. Given Advance's low financial leverage, superior distribution network, and rapidly expanding online and professional market place presence, we believe that the company will be able to capitalize on these near term growth opportunities.

Final Recommendation:

We believe that Advance is on the tail end of a successful turnaround story. Given our research and the fundamental analyses we have performed we believe that we can strongly recommended Advance Auto Parts, Inc. as a buy.



CROX Analysts:

Devan Rigdon and Courtney Prevette

Original Thesis:

Crocs is a rapidly growing footwear and accessories company. It is a relatively young company that focuses on innovation, marketing, and collaborating with celebrities such as Post Malone, Justin Bieber, and Luke Combs. The majority of its revenues come from its clogs, but the company also sells other products such as "jibbitz," sandals, and boots. Crocs is able to appeal to health care workers, restaurant workers, and casual wearers with its rubber patented material, "Croslite." The company's digital sales strategy also allows it to minimize inventory and SG&A costs.

Final Recommendation:

Our fundamental analyses and financial model led us to believe that Crocs is currently overvalued. Despite our conviction on Crocs' growth potential we recommend it as a sell due to current valuation concerns.

Fall Pitches



AGCO Analysts:

Zane Clark and Hailey Shoesmith

Original Thesis:

AGCO is a manufacturer of industrial farming equipment that is one of the only firms within the agricultural equipment industry that exclusively manufactures, distributes, and markets farming equipment. AGCO is well positioned to take advantage of rising demand and favorable prices with its global brand recognition, vast infrastructure, and innovative products that fulfill a diverse range of consumer needs. We believe that AGCO is a good investment because of the expected rise in commodity prices and the unprecedented demand for food inventory and, in turn, farming machinery.

Final Recommendation:

We believe that AGCO's "pure play" strategy coupled with industry tailwinds will continue to drive long term growth. Based on our analysis, we recommend AGCO as a buy.



STLD Analysts:

Zack Marciniak and Matt Ramundo

Original Thesis:

The steel industry is invigorated with excess demand and low consumer inventories from Covid-related backlogs, and Steel Dynamics has the greatest power in the industry to take advantage of it. With unrivaled efficiency, expansion, and acquisition potential, STLD can provide our portfolio with much needed materials exposure and an ambitious hedge against the supply chain crisis. Additionally, with emissions already meeting the 2050 Paris Climate Accords and an exclusive focus on recycled steel, it offers us a tremendous sustainability play.

Final Recommendation:

We believe that STLD is at the forefront of a thriving industry. Based on our quantitative and qualitative research, we recommend Steel Dynamics, Inc. as a buy.

Fall Pitches



FANG Analysts:

Ryan Critcher and Caroline Alba

Original Thesis:

Diamondback Energy is positioned well as an onshore oil producer out of the West Permian Basin of Texas. The oil industry has a strong outlook with tightened supply heading into the new year and continued emergence out of the COVID-19 pandemic. With the price of oil rising to its 52-week high in October of 2021, Diamondback has strong potential to return well and beat out its competitors in the rapidly growing industry towards the tail end of 2021 and into 2022.

Final Recommendation:

Diamondback Energy was ultimately not brought to a vote due to a few reasons: The existing holding of RDS.B, high uncertainty about future growth beyond a 1-2 year time horizon, and uncertain financial conditions of the company.



HEAR Analysts:

Bennett Batten and Brandy Crump

Original Thesis:

The video game industry has seen substantial growth at an average of 14.3% for the last five years and we believe that continuous technological innovation will drive demand for Turtle Beach's products in the future. Unlike industry competitors, Turtle Beach holds zero debt allowing the company to pursue more aggressive business strategies. With Turtle Beach's strong brand recognition, absence of debt, and a CAGR of 17%, we believe that the company is in a strong position for future growth.

Final Recommendation:

We issue a buy recommendation for Turtle Beach Corporation in consideration of its favorable ESG score, exceptional balance sheet, increased brand awareness, as well as a near double digit growth rate for Turtle Beach AND the video game industry. We firmly believe that Turtle Beach has significant room for growth and will continue to uphold its corporate strategy by exceeding consumer expectations through product innovation and expansion into new markets.

Fall Stock Results



What Did We Pick?

At the end of the Fall semester we voted on the six stocks that we selected for a thorough analysis. After significant deliberation, we elected to add **Advance Auto Parts**, **AGCO**, **Steel Dynamics**, and **Turtle Beach** to the Bowden Investment Fund Portfolio. We elected to pass on **Diamondback Energy** and **Crocs** with the potential to revisit them in the future.

How Did We Do?

We selected these stocks and began developing our theses and drivers in September. However, BIF guidelines mandate that we cannot execute any buys until the end of the Fall semester. How did this affect our returns? The table on the left shows the returns of the stocks we elected to buy from the very first time we presented our theses to the group, September 14th, to the end of the year. The table on the right shows returns from the first day we were able to purchase the stocks, December 1st, to the end of the year. The tables below show the same with the stocks that were not selected to be purchased as well as an equally weighted return had all six been purchased.

Ticker	9/14/2021	12/31/2021	HPR
AAP	\$209.40	\$239.88	14.60%
AGCO	\$125.93	\$116.02	-7.90%
HEAR	\$31.16	\$22.26	-28.60%
STLD	\$59.45	\$62.07	4.40%
Equally Weighted Return Without			-4.37%
Ticker	9/14/2021	12/31/2021	HPR
CROX	\$119.98	\$128.22	6.90%
FANG	\$79.34	\$107.85	35.90%
Equally Weighted Return With			4.22%

Ticker	12/1/2021	12/31/2021	HPR
AAP	\$218.23	\$239.88	9.90%
AGCO	\$109.21	\$116.02	6.20%
HEAR	\$25.19	\$22.26	-11.60%
STLD	\$59.09	\$62.07	5.00%
Equally Weighted Return Without			2.39%
Ticker	12/1/2021	12/31/2021	HPR
CROX	\$162.74	\$128.22	-21.20%
FANG	\$103.00	\$107.85	4.70%
Equally Weighted Return With			-1.17%

The results are inconclusive. The best return would have been to buy all six stocks the very first day we presented our investment theses to the group. With Diamondback's (FANG) incredible run up of almost 36% to balance out Turtlebeach's (HEAR) draw down of almost 29%, an equal investment in all six would have returned 4.22% over the 108 day period. Conversely, the four we did add to the portfolio performed better over the period where we could actually execute a buy, December 1st onwards, than if we had purchased all six.

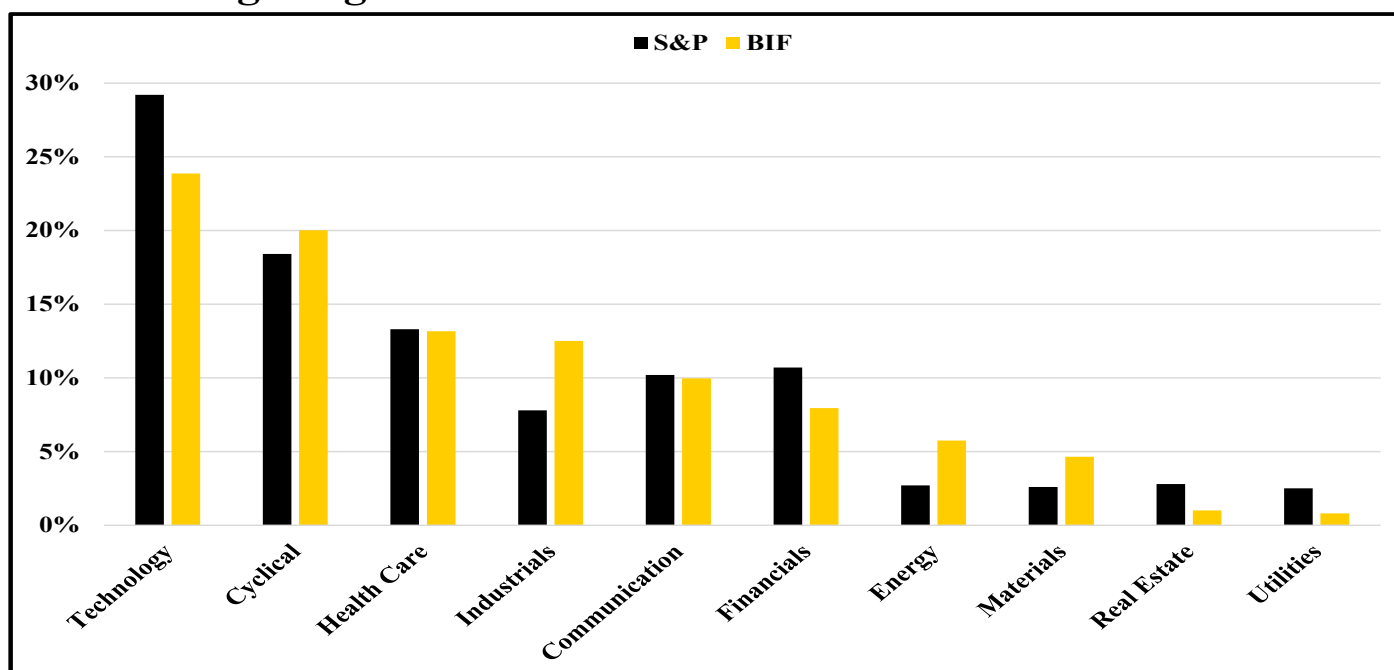
2021 Year End Holdings



Company	Ticker	Price	Shares	Value	Weight
iShares Core S&P 500 ETF	IVV	\$476.99	69	\$32,912	10.31%
iShares Russell 2000 ETF	IWM	\$222.45	145	\$32,255	10.10%
Home Depot	HD	\$415.01	43	\$17,845	5.59%
Lockheed Martin	LMT	\$355.41	48	\$17,060	5.34%
Dollar General	DG	\$235.83	72	\$16,980	5.32%
CVS Pharmacy	CVS	\$103.16	164	\$16,918	5.30%
Visa	V	\$216.71	76	\$16,470	5.16%
Financial Select Sector SPDR Fund	XLF	\$39.05	410	\$16,011	5.01%
Stryker	SYK	\$267.42	58	\$15,510	4.86%
Shell	SHEL	\$43.35	356	\$15,433	4.83%
AGCO Corporation	AGCO	\$116.02	132	\$15,315	4.80%
Apple	AAPL	\$177.57	84	\$14,916	4.67%
Alphabet	GOOGL	\$2,897.04	5	\$14,485	4.54%
Salesforce	CRM	\$254.13	53	\$13,469	4.22%
Amazon	AMZN	\$3,334.34	4	\$13,337	4.18%
Meta Platforms	FB	\$336.35	39	\$13,118	4.11%
Advance Auto Parts	AAP	\$239.88	53	\$12,714	3.98%
Steel Dynamics	STLD	\$62.07	204	\$12,662	3.97%
Turtlebeach	HEAR	\$22.26	460	\$10,240	3.21%

Cash	\$1,684.40
Equities and ETFs	\$317,649.23
Total	\$319,333.63

Sector Weightings



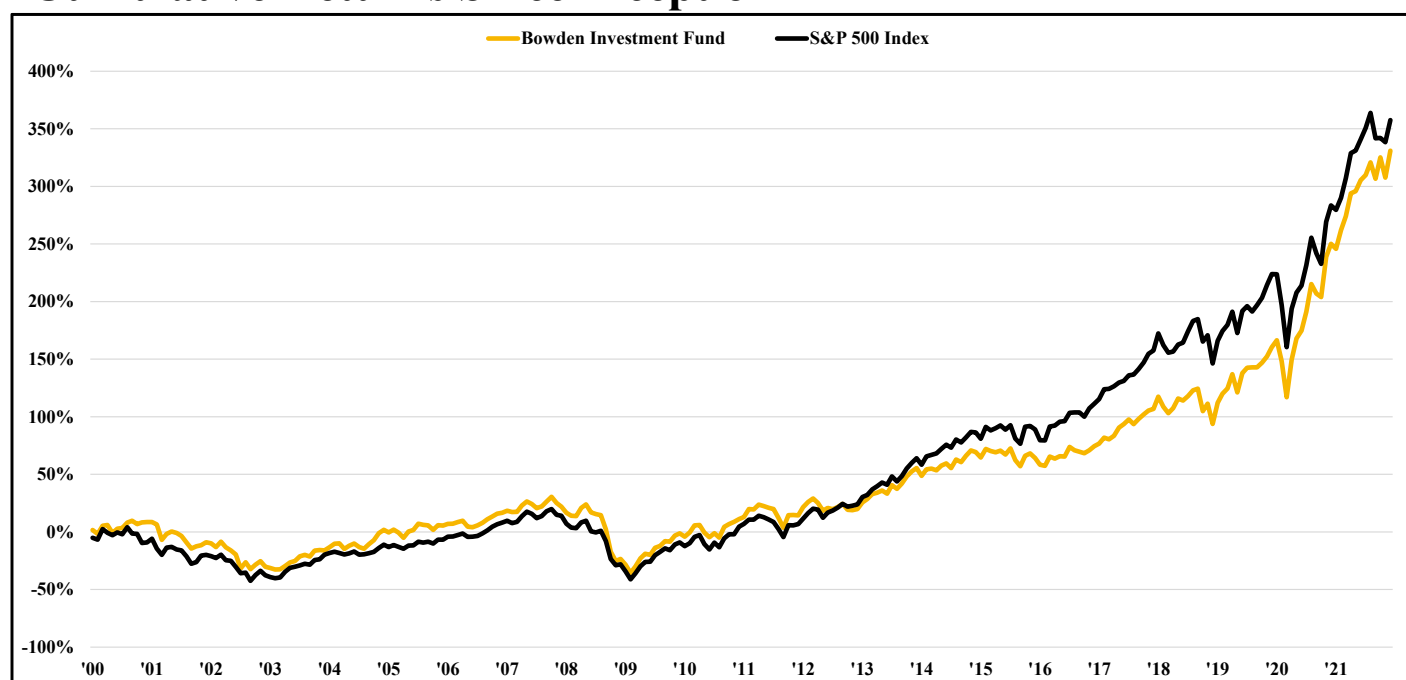
2021 Transactions



Sold			
Ticker	Price	Shares	Date
SHOP	\$1,300.02	12	2/23/2021
NDVA	\$140.77	96	2/24/2021
IVV	\$413.64	36	4/14/2021
IVV	\$418.17	37	4/19/2021
IWM	\$228.39	137	4/26/2021
SJM	\$130.45	116	4/28/2021
NKE	\$133.02	109	4/30/2021
GOOGL	\$2,355.97	2	4/30/2021
LHX	\$208.77	50	4/30/2021
AMRC	\$52.35	296	4/30/2021
ALGN	\$596.39	37	4/30/2021
IVV	\$468.15	34	11/29/2021
IVV	\$462.17	34	12/8/2021
IWM	\$220.13	163	12/8/2021

Purchased			
Ticker	Price	Shares	Date
CVS	\$74.15	199	3/15/2021
SHEL	\$39.35	390	3/22/2021
AMRC	\$51.46	296	4/14/2021
AAPL	\$134.98	115	4/19/2021
DG	\$211.54	73	4/26/2021
CRM	\$235.23	66	4/26/2021
LMT	\$378.07	16	4/30/2021
IWM	\$226.06	201	4/30/2021
IVV	\$419.06	74	4/30/2021
XLF	\$39.10	410	11/29/2021
AAP	\$231.39	53	12/8/2021
AGCO	\$117.22	132	12/8/2021
HEAR	\$23.96	460	12/8/2021
STLD	\$60.80	204	12/8/2021

Cumulative Returns Since Inception

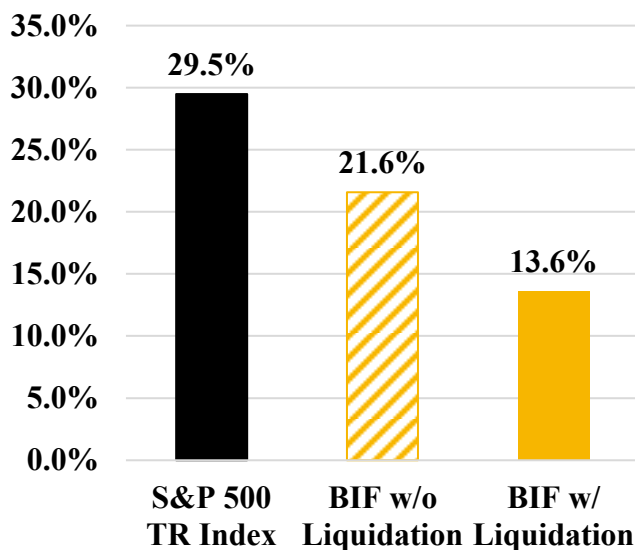


Liquidation Effects

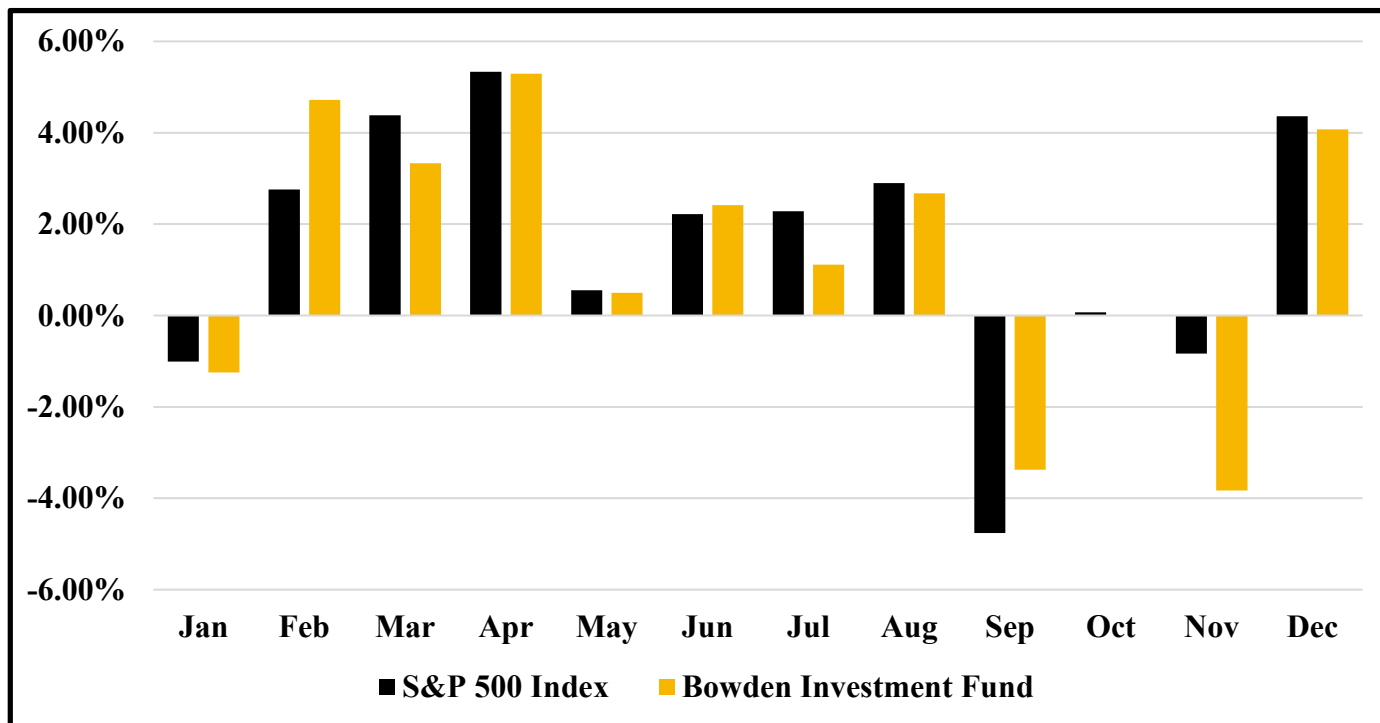


Due to a change in brokerage firms we were required to liquidate our portfolio at the end of September, maintain a cash position through October, and finally buy back at the beginning of November. This event that was out of anyone's control resulted in market timing that almost could not have been worse. This necessitated selling at the bottom of the September dip and rebuying into the October top. We have simulated the BIF's cumulative annual return if the liquidation could have been avoided with the graph to the right.

Hypothetical Returns



2021 Monthly Returns



From Our Economists



Economic Outlook

Despite the ongoing uncertainty surrounding COVID-19 and its newly emerging variants, we managed to observe several positive economic trends that developed during 2021. Aggressive government stimulus efforts resulted in a much faster economic rebound than we anticipated. With unemployment beginning the year roughly 2.5% higher than its year ending rate of 3.9%, any lost output due to the pandemic appears to have been quickly regained. Exiting the pandemic, we returned to previous GDP levels roughly 8 quarters faster than following the Great Recession. This boom in economic output has added a record 6.4 million jobs over the course of the year. We believe that with many people electing to retire early or postpone their return to work indefinitely we are approaching full employment and are observing the resulting tightening of the labor market. As competition for talent heats up the temporary upward pressure on wages will continue to drive inflation.

Following an unprecedented collapse of demand during the pandemic, the oil markets are experiencing a volatile period of rebalancing. Crude oil prices rose through 2021 as both loosening COVID-19 restrictions and a kickstarted economy led to elevated oil demand globally that producers were unable to meet due to supply chain bottlenecks. Simultaneously, the decline in investment among domestic oil producers led to a net decrease in U.S. crude oil production. The transition to clean energy is well underway and producers may be reluctant to ramp up production to meet demand in the short term. We believe that inflation will compound as the trickle-down effects of crude oil prices are factored into the cost of everyday goods.

The oil industry is not the only industry being impacted by supply chain disruptions. Retailers experienced record low inventories coming into 2021 as the manufacturing and shipping industries experienced their own bottlenecks. This was reflected in the Inventories to Sales ratio reaching an all-time low as the energized consumer demanded more goods than were deliverable. As supply chain pressures eased, the Manufacturer's PMI cooled from its elevated levels and will continue to normalize as pent-up demand for services replaces the demand for goods.

Cont.

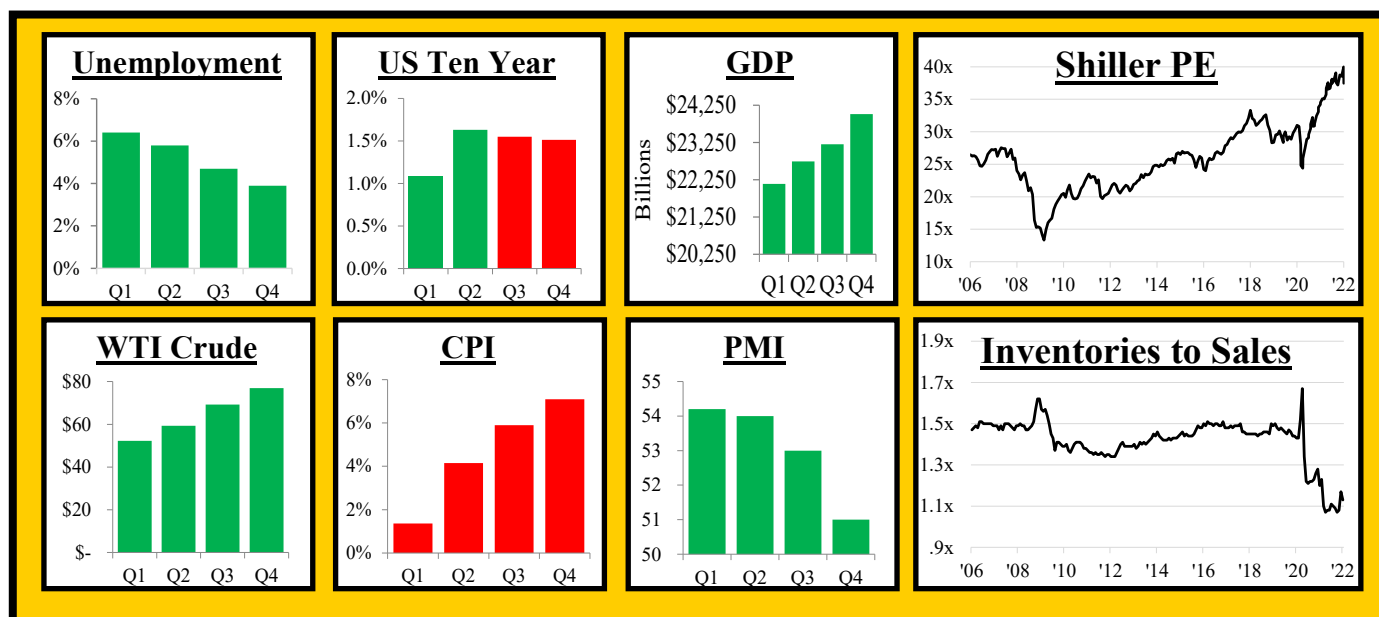
From Our Economists



Recommendation

It appears the domestic economy's recovery is well underway. The Shiller P/E could potentially indicate an overvalued market as the indicator continues to climb; however, valuations are evolving and indicate that norms for the market could be too. We maintain a certain level of apprehension that the effects of stimulus efforts, ongoing supply chain issues and a tightening labor market may push inflation higher than anticipated. Coupled with valuation concerns and rising interest rates on the horizon, we remain cautiously optimistic about the continuing economic recovery while we evaluate pivoting our portfolio composition to a more defensive position by limiting our tech exposure, utilizing our allocation to XLF to hedge against interest rate hikes, and capitalizing on our commodity exposure in an inflationary environment.

2021 Economic Dashboard



Careers



CHANGE
HEALTHCARE

DHCG
DIXON HUGHES GOODMAN LLP

LOWE'S

JPMorganChase

GuyCarpenter

MSC
Bank of America



Campbell's

**WELLS
FARGO**

One of the most valuable parts of the BIG experience is the opportunity to connect with Bowden's expansive alumni network and form relationships with the guest speakers that take the time to visit our class. When paired with the extensive professional development coaching given to us by our advisors, graduating members of Bowden are competitive applicants to any role. We are pleased to announce that every member graduating in May of this year has accepted a full-time position with most having the option to choose from multiple offers.

Chancellor's Lunch



The Bowden Investment Group has been actively involved with community engagement this semester. We have represented the group across multiple events that both showcased our accomplishments and taught others about investing. During the month of October, the Bowden Investment Group was invited to represent the College of Business during a private lunch hosted by Chancellor Sheri Everts for the UNC Board of Governors. We had the opportunity to showcase the Bowden Investment Fund to many of the guests in attendance and spread awareness about our academic mission and investment philosophy.



Pictured: Zane Clark, Courtney Prevette, Dr. Sheri Everts, Bennett Batten, Zack Marciniak, Dr. Brandy Hadley

Guest Speakers



The BIG experience would not be complete without the variety of guests that take time out of their busy schedules to come speak with our class. Having the opportunity to hear from all sides of the industry is invaluable to our members as we prepare to step out on our own. We hope that all of our supporters who met with us this past year will return to inspire future members!

February:

Thomas Temple from FIDUS Partners

Sam Kaufman from Wells Fargo

March:

Jason Triplett from First Horizon

Blake Spivey from BlackRock

Alan Hutchison from Dimensional Fund Advisors

April:

Jewell Ward, Dillon Hewitt-Castillo and Travis Meldau from Dimensional Fund Advisors

September:

Melissa Miller and Ashley Harvey from Bank of America

October:

Dennis Covington from Capital Directions

Daniel Sullivan, Andrew Crumpler, Tim Smith, Alan Hodgson, and Greg Russ from Dixon Hughes Goodman

November:

Chris Pavese from Broyhill Asset Management

Brian Steen from Steen Valuation Group

Contact Information

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WALKER COLLEGE OF BUSINESS
BOWDEN INVESTMENT GROUP
APPALACHIAN STATE UNIVERSITY