

Bowden Investment Group

April 2024 Update

Letter From the President

Hello all,

It comes to me with both sadness and joy to be writing my final president's letter. As I write this I reflect on my time at App and in the Bowden Investment Group. I feel that my sentiment is shared among the group and want to start out by thanking everyone who has joined us through Bowden. First, I want to extend my sincerest thank you to Dr. Hadley and Mr. Poole who have devoted countless hours to our success in Bowden and in our careers. I want to thank my classmates for their persistent friendship, hard work, and dedication to growth. Finally, I would like to acknowledge everyone who has made this program possible through monetary support and donations of time.

Within those donations of time, I want to thank Mr. Jason Tripplett, the Head of Commercial Banking at First Horizon Bank. Mr. Tripplett joined the class in April and taught us about commercial banking, career opportunities, and the power of networking. His teaching and insight opened our eyes to alternative pathways within finance and banking.

This month was full of events, including our inaugural stock pitch competition, our Charlotte firm visits, and the alumni dinner. We also finalized our portfolio after pitching nineteen stocks this semester. Although this was difficult and took time, I believe that the class came to a happy consensus on the portfolio that the new class will inherit.

I want to give one last thank you to everyone who has been a part of our class's journey. I can't wait to see our successful careers. To the new class, I wish you all the best of luck with your summer work and the portfolio next year.

As always, Go APP!!

Signing off,

Corbin Lammers

Wedge Capital With Brad Horstmann



Dinner at Prime 21



Faculty Advisors:

Dr. Brandy Hadley
Mr. Shawn Poole, CPA

BIG Members:

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[Reece Fisher](#)
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COLLEGE OF BUSINESS

Economic Analysis

The key economic focuses at the conclusion of the year included persistent inflation, potential interest rate cuts, implications for businesses of different sizes, and analyzing the international landscape.

Persistent Inflation

Central banks have struggled to tame inflation, which remains a persistent challenge. Sustained high inflation has pressured consumers and businesses, eroding purchasing power and squeezing profit margins. Small businesses, in particular, are disproportionately affected due to their limited resources and bargaining power, which hampers their ability to pass on increased costs to customers, further slowing economic growth.

Interest Rate Cuts on the Horizon

However, as inflation begins to approach target levels, there is growing anticipation that central banks, including the Federal Reserve, may begin to cut interest rates. This potential shift in monetary policy could significantly impact our investment portfolio. Lower interest rates may benefit both consumers and businesses, providing an economic boost.

International Considerations

The global economic landscape also significantly influences our investment decisions. As inflation and interest rate policies evolve, we must monitor international markets' performance and outlook, considering geopolitical tensions, trade dynamics, and opportunities abroad. Diversifying investments across regions and sectors allows us to better navigate the complex and shifting economic environment.

Looking Forward

To manage these risks and seize opportunities, we need to evaluate our portfolio's composition carefully, ensuring balanced exposure to both small and large businesses, domestically and internationally, to enhance diversification. For example, we recently added Baidu Inc. (BIDU), a leading Chinese technology company, to our portfolio. Baidu's strong position in China's digital advertising, cloud computing, and artificial intelligence sectors offers an attractive opportunity to tap into the growth potential of the recovering Chinese market. Despite some risks associated with Chinese stocks, Baidu's robust fundamentals and long-term growth prospects make it a valuable addition to our international holdings.

-Derek Mahato & Hudson Smith, Economists

April Returns

BIF	-3.90%
S&P 500	-4.08%
AAPL	-0.67%
AMD	-12.25%
AMZN	-2.99%
BLK	-5.73%
FHN	-3.12%
FLEX	0.14%
GD	2.13%
HON	-6.09%
IVV	-4.05%
IWM	-6.85%
KO	0.96%
LVMUY	-8.46%
MP	11.89%
MSFT	-7.46%
NXT	-23.96%
PENN	-9.17%
PYPL	3.22%
PM	3.62%
SHEL	6.89%
TSLA	-4.26%
ULTA	-22.57%
VVO	0.96%
VHT	-5.35%

Final Portfolio Discussion

During the month of April, the BIG added PayPal Holdings Inc. (PYPL), Vertiv Holdings Co. (VRT), Elevance Health Inc. (ELV), ServiceNow Inc. (NOW), and Baidu Inc. (BIDU), demonstrating our shift from a defensively tilted portfolio to more of a growth focus. This strategy maintains diversification and protects against downside risks but also capitalizes on emerging opportunities in high-potential sectors such as healthcare and technology. We also reviewed pitches for RARE, BAX, VEEV, CAR, CBOE, AIR, UBER, MTCH, LI, and UNH, with none of these gaining a majority vote.

Our final portfolio changes included selling our HON holding due to a lack of clear, strong drivers; FHN due to our reallocation to other financial companies such as PYPL; TSLA due to a loss of conviction in its long-term position in the global EV market and significant margin pressures; and LVMH as we lost faith in its original drivers of resilience in China. We also increased our position in the market through IVV, raising our weight to 15% of the portfolio as we prepare to leave the fund unattended over the summer.

YTD Returns

BIF	-2.15%
S&P 500	6.04%

For an up-to-date view of the BIF, [Click Here](#)



Dinner at Prime 21

After the Foundation Board presentation in March, our class received an extraordinary invitation from Trustee Mark Ricks, a 1989 alumnus and the chair of the Appalachian State University Board of Trustees. We were invited to dinner at Prime 21, a private steakhouse in Banner Elk, where Trustee Ricks is an esteemed member.

This dinner provided an exceptional opportunity for the class to indulge in fine dining, tour the expansive property that the entrepreneurs at Prime 21 have built, and learn various skills, including wine tasting. The event began with an introduction by our host, Elisa Mora, who guided us through the five restaurants on the property and shared the origin story of these establishments. Afterward, we ordered drinks in the speakeasy, where a mixologist educated us on drink configurations and how to order at a premium bar. We then proceeded to the dining room, where the staff joined us and helped navigate the ordering process for appetizers and the exquisite steaks. Many of us sampled new dishes, such as oysters, for the first time before receiving our entrees and sides.

Describing this dinner as amazing would be quite an understatement.

This dining experience was a tremendous learning opportunity and served as the perfect culmination for our class after more than a year of collaboration. We are immensely grateful to Trustee Ricks for his generous invitation and to his team and the team at Prime 21 for their exceptional hospitality and instruction.



Charlotte Trip

At the end of April, the current class and the incoming class traveled to Charlotte for the BIG Alumni Dinner and firm visits. This trip was a valuable learning experience for both groups, with the current class setting a strong example for the incoming group. On Thursday, we visited Wedge Capital Management, where we were hosted by Mr. Brad Horstmann, who graciously sponsored our trips to NYC and Charlotte. He shared insights about his journey and experiences at the firm, highlighting his growth at the company. We also interacted with fascinating professionals in Compliance/Risk, Algorithmic Trading, and Fundamental Analysis. These individuals were highly engaging, offering valuable lessons and insights. Our experience this year was a stark contrast to last year's, when we barely understood anything; this year, we asked strong questions and participated in the discussion.

We then visited Dimensional Fund Advisors, where BIG Alumni Jonathan Fogle, Jewell Ward, John Rucker, and Johnathan Smith hosted us. There, we learned about Dimensional's investment philosophy and spoke with a number of App alum and other team members, allowing us to ask questions about different strategies, the finance industry, and post-graduation advice. The visit concluded with a tour and ice cream social, providing an opportunity to interact more informally with our hosts.

The evening was spent at the Alumni Dinner, where we engaged with alumni, shared updates about our year, and enjoyed our time together. This dinner felt markedly different from last year's, as we realized that we would soon be joining the ranks of the alumni.

On Friday, we were hosted by alums Charlotte Rice, Matt Ramundo, and Edward Crowther at Wells Fargo, where the class discussed investment banking and capital markets. We also toured the trading floors to see the operations firsthand. Discussions extended to life post-graduation and credit scores, areas that Matt deals with daily through the securitization of auto loans. Later, we met with Mr. Sam Kaufman and the Wells Fargo Investment Portfolio team, who manage a half trillion dollar fund of the bank's assets. This conversation with the Investment Portfolio MD Alexander Papson, Portfolio Strategist Inga Burger, and HQLA Manager Ricki Fox, emphasized the importance of risk management and the strategies used to minimize "unknown unknowns" that could impact the bank. These discussions greatly enhanced our understanding of the strategic thinking required at senior levels.

We concluded our trip at Top Golf, where Mr. Poole showcased his golfing skills and offered tips on improving our swings. For many in the new class, it was the first time they had held a golf club. It was refreshing to spend time with both classes outside of professional settings, hitting golf balls and relaxing. This trip was a memorable experience for all of us, and although it was our last as a class, we look forward to joining the alumni community.

Leading up to the Alumni Dinner, Dr. Goff dedicated his time to making many gorgeous, handcrafted wooden trivets and bowls to auction for funds for member scholarships. We want to thank Dr. Goff for his steadfast commitment to the group. We also want to thank all of the alumni who supported the auction and contributed towards raising \$2,975 for scholarships for future students. This class would not be possible without contributions like these, and we are incredibly grateful to Dr. Goff and everyone who bid on the works of art!



Appalachian State Stock Pitch Competition

Reece Fisher and Brianna Gilmore, ESG (Environmental, Social, and Governance) Analysts for the Bowden Investment Group (BIG), spearheaded the inaugural BIG Stock Pitch Competition, marking a significant milestone as BIG's premier external event. This event allowed student-managed investment funds nationwide to showcase stocks they deemed promising, integrating fundamental analysis and ESG concerns.

After a thorough selection process, where every member of the Bowden Investment Group reviewed and scored team submissions, three standout teams surfaced, each presenting compelling investment cases. These presentations seamlessly integrated ESG considerations with traditional fundamental analysis. As a result of their exceptional performance, these teams earned the opportunity to showcase their pitches before the Bowden Investment Group and a distinguished panel of judges. Their presentations not only demonstrated their financial understanding but also highlighted their detailed understanding of the connections between ESG factors and investment decision-making.

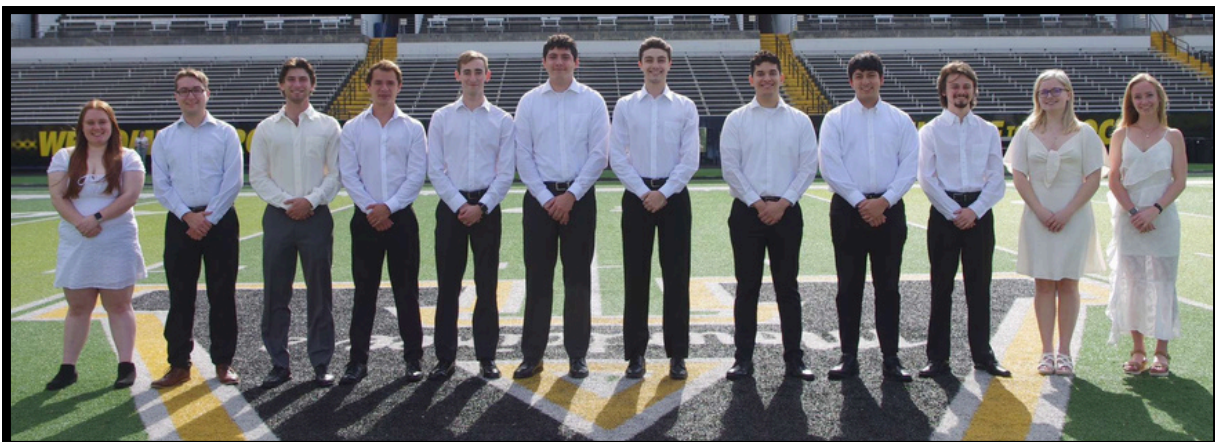
The final round was held via Zoom, with participants delivering presentations that demonstrated their depth of research and understanding of their respective companies. A distinguished panel of judges, to whom we extend our heartfelt gratitude, generously contributed their expertise and time to the competition. Dr. Goff, renowned for his development of the Bowden Investment Group and academic background at Appalachian State, along with Joshua Jarrett, the Director of Research for Counterpoint Global, and Dr. McNeil, the Alfred T. Adams Professor of Banking at Appalachian State University, provided invaluable insights throughout the evaluation process. They evaluated submissions based on a multitude of criteria encompassing the effectiveness of each team's presentation, valuation, ESG analysis, analysis of the industry and its competitors, and more.

Despite the challenges posed by the remote format, competitors exhibited resilience and adaptability, further proving the significance of their commitment to the competition. Of the three teams that presented, Whitworth University earned first place and a cash prize of \$750, Loras College was awarded second place and a cash prize of \$500, and East Tennessee State University received third place and a cash prize of \$250. The competition, along with many of our other activities, was graciously sponsored by Dennis Covington, a Managing Director of Savant Wealth Management. The group is very grateful for his generosity and support.

AJ Patton, the CEO of 548 Enterprise, was the competition's keynote speaker. Mr. Patton discussed his experience in the finance industry, the challenges he faced along the way to reach his goals and valuable career advice. The audience learned a lot from his experiences and was very grateful for his time.

This event offered invaluable learning opportunities for the Bowden Investment Group members. It provided first-hand exposure to the many different approaches adopted by other institutions in preparing and delivering stock pitch presentations, as well as how to evaluate them. Beyond stock pitch evaluation, the competition also served as a practical lesson for the ESG Analysts overseeing the event, sharpening their skills in managing logistical aspects related to both internal coordination and external engagements. Coordinating arrangements within the group and with participating teams proved to be a challenging yet rewarding task. Moreover, the event allowed BIG students to expand their comprehension of various investment strategies, contrasting them with their own approaches, thereby promoting a richer understanding of the investment landscape. This is also one of the very few competitions to highlight ESG as one of the main components of stock analysis. The graduating students from the Bowden Investment Group are excited to see how the coming classes continue and grow the competition as a whole.

BIG Class of 2024



Final Destinations



Corbin Lammers
LPL Financial
Analyst Rotational Program



David Chalmers
Bank of America
FMAP



Maximus Pavone
Trane Technologies
Analyst Rotational Program



Hudson Smith
Bank of America
FMAP



Ashley Meacham
PYA / App / Grant Thornton
Audit Intern / Student / Tax Intern



Aaron Atwell
Western & Southern
Advisory Program



Parker Sciolino
Bank of America
FMAP



Reece Fisher
USAA
CFO Rotational Program



Brianna Gilmore
TBD
Exploring Opportunities



Victor Tovar
Vanguard
Client Services Associate



Luciano Zito
AON / App
Intern / Student



Derek Mahato
Bank of America
FMAP

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