



BOWDEN INVESTMENT GROUP

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BIG Members:

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[Steven Testa](#)

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[Jimmy Said](#)
[Ian White](#)

Industry Analysts

[Luis Lopez-Bautista](#)
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ESG Analysts

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Letter From the President ~

We ended the semester with another exciting month! During November, the Bowden Investment Group attended and hosted outstanding guest speaker events, held our first recruitment event of the year, and finished with our security analyst reports and presentations.

Beginning with the group's guest speakers, the BIG was fortunate to attend an event hosted by the Walker College of Business where the North Carolina State Treasurer, Dale Folwell discussed his responsibilities and some of his current concerns as Treasurer. Next, the group was visited by President and Chief Investment Officer, Chris Pavese, and Investment Analyst and Bowden alumna, Olivia Guillebeau, from Broyhill Asset Management. Mr. Pavese and Ms. Guillebeau discussed long-term and short-term market views the group can reflect on when selecting stocks for the spring semester. Mr. Pavese serves as the Industry Mentor for the CFA Institute Research Challenge team. Later in the month, the team had the opportunity to hear a pitch of his at the Invest for Charlotte Summit, attending as his guests. Furthermore, the group welcomed CEO, Gary Scott, and ESG Director, Kisa Baskin, from Werner Company who presented their views on evaluating ESG and how they've developed standards for their company. Finally, the group was honored to host one of the group's founders and former professor at Appalachian State University, Dr. Delbert Goff, who presented on the skill and importance of networking. The group wants to extend our gratitude to our guest speakers for taking the time to join our class this month.

The group also held the first recruitment event of the year where we welcomed 23 students within the Walker College of Business to learn more about the BIG. We were excited to meet all those interested in learning more and look forward to seeing their applications in the spring. Finally, our class finalized our security analyst reports and presented our valuations and recommendations in person on Reading Day. A BIG thank you to Dr. Goff, Ms. Guillebeau, and Mr. David Labiak for coming to judge our presentations and provide feedback. At this time, the group has decided not to add any of the pitched stocks to the portfolio. However, we will continue monitoring **DECK**, **ELF**, **HII**, and **SWBI** for further discussion in the spring.

With the fall semester coming to an end, it has been immensely rewarding to reflect on how much the members of the BIG have grown. The Bowden Investment Group would like to thank you all for you continued support and wish you a hAPPY holiday season!

Jonathan Fogle



Lunch with NC Treasurer Folwell ~ by David Price

Early this month, the Walker College of Business hosted NC State Treasurer Dale Folwell for a luncheon event that several BIG members were able to attend. The BIG is incredibly thankful to Treasurer Folwell for coming to teach us about his responsibilities as Treasurer and for regaling us with experiences from his life focused on the importance of humility, mutual respect, and integrity. During his presentation, Treasurer Folwell brought attention to the US Healthcare System, expressing his frustration for its exorbitant pricing models and calling for reform to protect US citizens from getting trampled by medical debt. Folwell also commented on the recent accusations against BlackRock for letting ESG drive its investing strategy. In response, the Treasurer stressed that his fiduciary duty was to manage the State's pension fund of over \$113 billion to the benefit of the pensioner and to continue to invest with the aim of safely achieving the best return.



Thoughts on the Current Economy ~

By Economic Analysts Jimmy Said and Ian White

The 2022 economic conditions have certainly been fascinating. For example, the drawdown in treasuries has been more than the drawdown for equities. The last time we saw this tandem movement anomaly was in 1931. Furthermore, indices like the S&P 500, Dow Jones, and Nasdaq exhibit movements typical of bear market rallies with short-lived moments of optimism followed by a continuation of declining prices. Indicators, like consumer confidence, have shown signs of bearish momentum driving market prices lower in the short term.

We believe inflation may have peaked as the CPI and PPI indices exhibited declining numbers in November. However, we are keeping an eye on several indicators like retail spending and commodity prices like crude oil, which can serve as an inflation driver for consumers. Retail spending is a valued indicator as consumers make up nearly 70% of all U.S. economic activity. In November, retail sales declined 0.6% month-over-month. This contraction represents the largest drop recorded this year, pointing to a slowdown in consumer spending amid high inflation and increasing interest rates.

While the housing market, a leading indicator, has also cooled faster than expected, there are plenty of reasons to remain optimistic. For example, Q3 Real GDP quickly rebounded to positive growth (at an annual rate of 2.9%) following two-quarters of negative real growth. While there is concern about the labor market being too hot, high employment rates are not unfavorable for the economy. When a country experiences high employment, resulting strengthened consumer spending often increases economic growth.

In Goldman Sachs' most recent [Global Macro Outlook](#) release titled, This Cycle is Different, analysts highlight the difference between robust employment and excessive job openings. Following the COVID reopening period, household employment only rose to pre-pandemic levels, supporting the thesis of an oversupply of job openings, not employment. However, this gap is closing, showing signs of normalization. Analysts estimate that the jobs-workers gap has declined from 6 million to 4 million, halfway to the 2 million level necessary for slowing wage growth to a rate compatible with inflation targets.

During these uncertain times, it is crucial to remember that while month-over-month data may be discouraging, long-term outlooks seem to point towards a return to normal rather than a deep recessionary period.

YTD Returns

BIF	(6.41%)
S&P 500	(13.10%)

November Returns

BIF	5.09%
S&P 500	5.59%

Individual Returns

Ticker	Return
AAPL	(3.46%)
AGCO	6.89%
AMZN	(5.76%)
BLK	10.85%
CVS	7.58%%
DG	0.25%
GOOGL	6.86%
KO	6.28%
MLM	9.08%
MSFT	9.91%
SHEL	5.11%
V	4.75%
IVV	5.55%
DFAT	5.72%

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

Membership Spotlights



Noah DeLucia ~

Noah DeLucia is a Finance & Banking major with a Business Analytics minor, graduating in May 2023. Post graduation, Noah aims to begin a career in the banking sector or in wealth management and is actively looking for potential positions. As an ESG Analyst, he has enjoyed educating the group on ESG topics pertaining to the portfolio and guiding group

discussions on relevant ESG measures. He looks forward to setting a standard for future Bowden Members that take on the new role. Since freshman year, Noah has been active in Theta Chi Fraternity chapter at Appalachian State He decided to join Bowden to further develop his financial modeling and public speaking skills.



Steven Testa ~

Steven Testa is a Finance & Banking, Accounting double major graduating in May 2023. During the summer, Steven completed an internship at Deloitte in the Business Tax Services department. While assisting in the preparation of federal tax returns, K-1s, K-3s, and other reports, Steven discovered his passion for networking and building

professional relationships. As a result, he ran for Vice President of the BIG and serves by managing our outreach & public relations and taking the lead on our recruitment efforts. Post graduation, Steven has decided to pursue a master's degree in Accounting and is in the process of applying. In his free time, Steven enjoys golf and weight lifting.