October 2021 Update

BOWDEN INVESTMENT GROUP

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Dr. Brandy Hadley
Mr. Shawn Poole, CPA

BIG Members:

President
Caroline Alba

Vice President
Courtney Prevette

Accountants
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Devan Rigdon

Economists
Ryan Critcher
Hailey Shoesmith

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Brandy Crump

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WALKER COLLEGE OF BUSINESS

Letter From the President~

It has been a busy month for the Bowden Investment Group as we continue to dig deeper into our financial analysis and begin writing security analyst reports for our stocks. We have also hosted guest speakers, selected the CFA team, and continued to work on our team cohesion.

This month, Dennis Covington, CFP from Capital Directions, LLC, visited our class and discussed his career path leading up to his current position as CEO and Managing Director of Advisor Services. Mr. Covington emphasized the importance of patience and focus in his journey to becoming a financial advisor. App State and Bowden Alumni Danny Sullivan and Andrew Crumpler of DHG Financial Services also visited our class, accompanied by Greg Russ, Tim Smith, CFA, and Alan Hodgson, CFA. We learned about their roles within DHG in model validation and valuation, how both of these paths are changing in the financial services industry today, and how this relates to what we do in the Bowden Investment Group. We are grateful to host such informative and engaging guest speakers this month and look forward to more.

Additionally, our Executive-in-Residence, Mr. Shawn Poole, led us in a team building activity where each member shared where they grew up, where they fall in the order of their siblings, and a challenge they faced in their childhood. We all met outside at Booneshine Brewery and enjoyed good food, sunshine, and each others' stories. This was another crucial step in our team-building process as we continued to peel back the layers to understand what drives our core motivations.

As we wrap up the semester, we look forward to finishing our security analyst reports and presenting our final stock presentations. Many of us also look forward to meeting and interviewing with potential employers. Hopefully, there will be more good news to share next month! Thank you all for your interest and support in the Bowden Investment Group. We would not have any of these opportunities without you.

Sincerely,

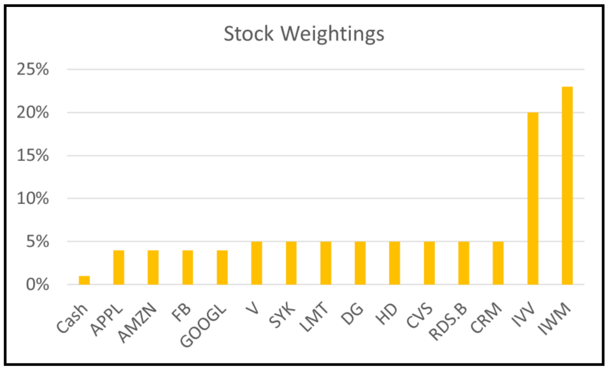
Caroline Alba

Community Engagement

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 BIG to many of the guests in attendance and spread awareness about our academic mission and investment philosophy. This was a valuable networking experience that helped to sharpen our presentation skills. Later in the month, we held a virtual investing seminar open to all students that were interested. This presentation included topics such as; how to open a brokerage account, diversify your investments, and examine the financials of a company.

The Broyhill Fellows: CFA Research Team ~

This month, the 2021-2022 Bowden Investment Group Broyhill Fellows CFA Institute Research Challenge Team was selected. Congratulations to Zack Marciniak (left), Hailey Shoesmith (left center), Brandy Crump (right center), and Zane Clark (right)! The team will be continuing the tradition of representing the Walker College of Business in the CFA Institute Research Challenge. This annual global competition provides university students with hands-on mentoring and intensive training in financial analysis. Our team of analysts has begun researching ChannelAdvisor Corporation (NYSE: ECOM), an e-commerce company based in Morrisville, North Carolina that provides cloud-based e-commerce software. The team will spend the remainder of the semester building a financial model and researching the company to reach an informative investment recommendation to buy, sell, or hold. We are incredibly proud of this group and wish them the best of luck as they compete in the spring semester.



Stay the course, a lesson in market timing ~

As a golden rule of investing for the long term, it is suggested that you do not try to time the market. While last year's BIG class had prior success with unintended market timing, as they reported in the February 2021 update, we have not been as lucky. Due to a university administrative requirement to change brokerage houses, we had to liquidate the portfolio on October 4th and were out of the market until November 3rd. The month of October saw a tremendous recovery in the markets from the losses experienced in September, however, we were not able to capture these returns. Unfortunately, we missed a return of 5.08% due to the liquidation. In response, our group made our first changes to the portfolio. The group decided that we had too much exposure to the tech segment of the market, so we trimmed our holdings of APPL, AMZN, FB, and GOOGL, and allocated these funds to the S&P 500 when buying back into the market. Going into the month of November, our class is considering the purchase of a financial services ETF (NYSE: XLF). We believe that increasing interest rates will create a more profitable environment for financial service providers. While we are now farther behind our benchmark than at any point this year, we are now more motivated than ever to beat it.

Membership Spotlight

Bennett Batten ~

Bennett is a Finance and Banking major who will be graduating in May 2022. During his time at App State, Bennett has been a member and student leader of Phi Beta Lambda, a business professional development organization for college students. He is currently the local chapter Vice President and has served on the state committee as Vice President for North Carolina. Recently, Bennett was also able to participate in a virtual foreign exchange program with business students from the Université d'Angers in France. Bennett is also one of the BIG Update Editors. While he says that the position was challenging at first, he has come to enjoy writing about the BIG. Upon graduation, Bennett is seeking a full-time position in a rotational program where he can leverage his skills and love for finance into a rewarding career.

Zack Marciniak ~

Zack is a Finance and Banking major and Accounting minor who will be graduating in May 2022. This past summer, Zack worked at MSC Industrial Direct as an intern in the internal audit department, where he led a project focused on automating a significant portion of the firm's substantive testing. During Zack's time at App State, he has served on the Executive Board for his professional fraternity, Pi Sigma Epsilon, as the Vice President of Finance. During his time in the BIG, Zack has worked as an Industry Analyst where he has presented analyses of the Industrials and Energy sectors. Zack has been most proud of his work on his financial model for Steel Dynamics, Inc. He is looking forward to competing in the CFA Institute Research Challenge with the Broyhill Fellows in the upcoming months.