

# Bowden Investment Group

## September 2023 Update

### A letter from the Advisors

As we venture into this new academic year, we are thrilled to welcome twelve exceptional new members to the Bowden Investment Group. It's a great privilege to extend our warmest welcome to each of them as they embark on their journey with the group. We take much pride in witnessing how quickly our new members have coalesced into a cohesive and motivated team, actively driving the Bowden Investment Group forward. Their energy and enthusiasm have already set a promising tone for the semester.

Following an active summer filled with BIG assignments, internships, and invaluable experiences, our members eagerly plunged into the semester with their sights set on managing our portfolio. The group promptly identified potential opportunities within an array of companies, including DKS, DUOL, **FLEX, GOLF, LILA, MAS, MAT, MGPI, MP, PENN, PFGC,** and ROKU. These candidates have now been thoughtfully narrowed down to the select few highlighted in bold, and our members are dedicated to rigorously analyzing these stocks throughout the semester.

We have also upheld the tradition of BIG Day, albeit with a fresh twist. Our members first convened at Camp Broadstone for a day of team-building activities and problem-solving exercises, fostering stronger collaboration and trust. Subsequently, we convened at the Blowing Rock Country Club for a day of professional development, including lectures from Dr. Goff, interview preparation with alumnus Reed Davis, and an etiquette luncheon hosted by Amy Odom, the Director of WCOB Career Services.

This year also brings a new and exciting milestone for our group as we proudly participated in the Student Managed Investment Fund Consortium in Chicago. All twelve members actively engaged in a portfolio construction competition, crafted an informative poster showcasing our fund's achievements, and took part in enriching industry panel discussions and guest speaker sessions.

The pace at which this year's journey is unfolding is truly remarkable, making it hard to believe that we're just at the beginning of our fall semester. We eagerly anticipate the countless opportunities and achievements that lie ahead.

We extend our gratitude to everyone who plays a part in the group's success. Your contributions are invaluable and greatly appreciated.

Thank you!

Brandy Hadley, Ph.D.  
Shawn Poole, CPA



#### Faculty Advisors:

Dr. Brandy Hadley  
Mr. Shawn Poole, CPA

#### BIG Members:

Click the hyperlink to add us on LinkedIn

#### President

[Corbin Lammers](#)

#### Vice President

[David Chalmers](#)

#### Update Editors

[Aaron Atwell](#)  
[Maximus Pavone](#)

#### Accountants

[Ashley Meacham](#)  
[Victor Tovar](#)

#### Economists

[Derek Mahato](#)  
[Hudson Smith](#)

#### Industry Analysts

[Parker Sciolino](#)  
[Luciano Zito](#)

#### ESG Analysts

[Reece Fisher](#)  
[Brianna Gilmore](#)

Add us on social media:

[@Instagram](#)

[in LinkedIn](#)

[WEBSITE](#)

**WALKER**  
COLLEGE OF BUSINESS

# Economic Outlook

The US economy is currently facing a number of challenges, including elevated inflation, rising interest rates, and tighter credit conditions. However, there are also some positive signs, such as strong economic data and decreasing inflation.

The Federal Reserve has already raised the federal funds rate to 5.5%. Given strong economic data, the Fed may also implement additional rate hikes before the end of this year. After this, the Fed has announced plans to keep interest rates “higher for longer,” which would continue to stress the economy and corporate earnings. Tighter credit conditions are already having an impact on the economy. Banks are becoming more cautious about lending money, and interest rates on loans are rising. This is making it more difficult for businesses to invest and for consumers to buy homes and cars.

Despite the challenges, the US economy is still performing well. The unemployment rate remains low, and consumer spending is strong. This is due in part to the fact that the labor market is still tight, with more jobs available than workers to fill them. As a result, wages are rising, boosting consumer spending power. Another positive factor is that inflation is expected to continue to decline in the coming months. As interest rates rise, the cost of borrowing money increases, which can lead to lower demand for goods and services. This can help to bring inflation down.

In the current economic landscape, the US stands at a critical crossroads. While grappling with the complexities of high inflation, surging interest rates, and a constrictive credit climate, it is heartening to observe strong signals of resilience, like robust employment figures and the anticipated decline in inflation. The tight labor market, promoting wage growth, is especially pivotal in underpinning sustained consumer spending. However, with the Federal Reserve's inclination towards a hawkish stance, there is growing concern about a potential earnings recession. Higher interest rates could substantially squeeze corporate profit margins, making it imperative for businesses and investors to brace for possible headwinds. In this environment, prudence, adaptability, and foresight will be essential in navigating the juxtaposition of economic challenges and strengths.

-Derek Mahato and Hudson Smith

## BIG Day Times Two

The group was fortunate to have many opportunities to build our personal connections this summer outside of class. However, after a summer of independent work, we were excited to finally be back in the classroom and kick the semester off with BIG Day at Camp Broadstone. We participated in multiple team-building exercises, discussed our personality profiles, and opened up with each other about our personal struggles and journeys. This experience was instrumental in allowing us to discover and value each other's unique contributions and fortify our team.

Later in September, we met at Blowing Rock Country Club for lessons in professionalism, growing in our strengths, interview preparation, and dining etiquette. In addition to discussions led by Dr. Hadley and Mr. Poole, we were honored to participate in sessions led by Dr. Goff, alumnus Reed Davis, and WCOB Career Services Director Amy Odom. We greatly appreciated the opportunity to learn from Dr. Goff, practice our interview skills by participating in live mock interviews with Mr. Davis, and develop proper dining etiquette with Ms. Odom.

## YTD Returns

<b>BIF</b>	<b>1.90%</b>
<b>S&amp;P500</b>	<b>13.06%</b>
AAPL	38.92%
AMD	24.92%
AMZN	50.85%
BLK	-9.69%
CVS	-24.99%
DE	-0.21%
DEO	-21.39%
DFAT	3.13%
FHN	-42.76%
GD	-0.70%
HON	-5.50%
IVV	12.22%
KO	-11.87%
LVMUY	-21.32%
MSFT	34.32%
PM	-8.11%
SHEL	13.18%
TSLA	36.00%
ULTA	-26.39%
VWO	-0.84%

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



# Member Spotlight



Victor Tovar

Hello everyone! My name is Victor Tovar. I'm double majoring in Finance & Banking and Risk Management & Insurance with a minor in Military Sciences. I spent July in Ft. Knox, completing Cadet Summer Training. I later spent ten days in Managua, Nicaragua with my family. At the end of this summer, I attended the International Society of Certified Employee Benefit Specialists Symposium in Seattle, where I had the opportunity to talk to experienced industry leaders from all over the United States and Canada. The career paths that interest me are commercial credit and private equity because of their focus on smaller businesses which I am passionate about. I am beyond excited to start this new chapter of my life with Bowden and I cannot wait for all the different events and competitions that are in line for us!



Maximus Pavone

Hi everyone! My name is Maximus Pavone and I am a Finance & Banking major with a minor in German. This past summer I had the opportunity to intern at Loan Pronto, a mortgage broker, as a finance development intern. I also completed multiple accounting courses through Wall Street Prep and learned how to construct a three-statement model and a DCF model. I have been pleasantly surprised by the independent and group learning opportunities outside of the classroom and with amazing guest speakers. In the future, I am interested in corporate finance, consulting, and commercial banking. I look forward to utilizing my analytical and problem solving skills within these careers as well as within the group this year.



Aaron Atwell

Hello everyone! My name is Aaron Atwell I am from Asheboro, NC. I am double majoring in Economics and Finance & Banking. I spent the summer managing my landscaping company as well as taking multiple summer courses through App State. Since joining the Bowden Investment Group, I have been surprised by the amount of alumni support available. It has been incredible to make these amazing connections through Bowden and be able to speak with previous members about their own career paths. After graduation, I am interested in pursuing a career in wealth management and personal finance to utilize what I have learned in the classroom to help others achieve financial security. I am looking forward to the rest of the year with the group and continuing to advance my financial skill set.

## SMIFC Preparation

For the first time, the group participated in the Student Managed Investment Fund Consortium, held in Chicago. Four groups of three prepared papers and presentations representing unique and diverse portfolios before competing in class to decide on the two teams that would advance to the external stage of the SMIFC competition. Derek, Parker, and Hudson worked together to create a portfolio targeting opportunities from the deregulation and regulation of specific industries. Aaron, Max, and Corbin picked securities that would benefit from rising geopolitical tensions in the Pacific. David, Luciano, and Victor centered their portfolio around American industrials and capitalized on domestic growth opportunities. Finally, Brianna, Ashley, and Reece collectively directed their focus toward constructing a highly diversified investment portfolio that strategically hedged securities to fortify their financial strategy.

As only two teams could move forward, the class carefully discussed the portfolios and then voted to select those that would represent the group. The *Regulation and Deregulation* portfolio was chosen while the geopolitical tensions and American infrastructure teams combined to create the *Prioritizing Domestic Production During a Volatile Global Landscape* portfolio. These teams presented in front of the class and submitted finalized versions of their papers to the competition. The remaining group and Luciano worked together to develop a poster showcasing our investment fund, performance, and process over the past year. We all learned quite a bit during this process while also refining our presentation skills through multiple in-class presentations with feedback from our peers, as well as Dr. Hadley and Mr. Poole. We will continue to hone these presentation skills in preparation for external presentations and our spring stock pitches.

**FOR INFORMATION ABOUT BOWDEN INVESTMENT GROUP, PLEASE CONTACT:**

Dr. Brandy Hadley: [Hadleybe@appstate.edu](mailto:Hadleybe@appstate.edu), (828)-262-6938

Mr. Shawn Poole: [Pooles@appstate.edu](mailto:Pooles@appstate.edu)

For more information on this update, please contact:

Maximus Pavone: [Pavonemv@appstate.edu](mailto:Pavonemv@appstate.edu)

Aaron Atwell: [Atwellar2@appstate.edu](mailto:Atwellar2@appstate.edu)