**Letter from the President –**

February was an exciting and busy month for members of the Bowden Investment Group. I would like to thank the Broyhill Fellows for their hours of preparation and practice and congratulate them for placing 2nd (out of four) in the North Carolina CFA Research Challenge. We are all proud of the efforts and dedication of Amalia Miles, Andrew Hanley, John Miller, Jeff Bennett, and Daniel Sullivan.

The BIG also had a team compete in the UGA Terry Stock Pitch Competition hosted by the University of Georgia. After submitting a PowerPoint presentation based on extensive research, the team was selected to present their “BUY” recommendation on CarMax Incorporated. The experiences gained, and lessons learned by participating in both of these events will be valuable as we complete this semester and throughout our professional careers. At the end of the month, the BIG unanimously voted to purchase shares of CarMax for the Bowden Investment Fund.

In addition to the competitions, the BIG continued learning about portfolio performance, investment management and asset allocation, applying those lessons to the Bowden Investment Fund. Dr. Goff and Mr. Thompson continue to help us build a strong foundation of academic and real-world knowledge that will provide an advantage as we begin our professional careers. As the semester moves along, we are excited to present BUY recommendations and remain committed to our fiduciary duty while managing the BIF.

In March, we are looking forward to the BIG alumni dinner in Charlotte on Thursday, March 15th and touring WEDGE Capital on Friday, March 16th. We would also like to give special thanks to Brett Hoge and Alex Barrett with BB&T Scott & Stringfellow for taking the time to speak with our group. We thoroughly enjoyed your discussion with us and value the advice you provided. It was great to hear about your experiences and your firm's strategy as well as each of your perspectives on the industry.

Lastly, on February 20th, we met with future candidates for the BIG and discussed what it means to be part of the Group. We are proud to announce that the turnout was great, and it is encouraging to see so many students who are interested in the group. We are confident that the BIG will continue to maintain its status as the premier group within the Walker College of Business.

Thank you for your continued support of the Bowden Investment Group.

Best Regards,
Johnathan Smith, President

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**Meet the Members – Phuong Vu**

Phuong is an International Business major with a Japanese minor and began her career at Appalachian State three and a half years ago. Originally on course to obtain a degree in natural science, she did not know her curiosity and interest in analysis would drive her to the finance and banking industry. Being a member of the Bowden Investment Group has allowed her to build a strong foundation of skills that will be integral in her career and has provided exceptional resources that will enable her to form a professional network. The BIG has given her the opportunity to learn through valuable real-time market issues and made her collegiate experience unlike any other. Phuong spent last summer studying in Japan and is looking for an internship this summer before graduating in December 2018.
Economic and Capital Markets Update –

At the beginning of February, the Fed began discussions about further interest rate hikes. The consensus is two to three increases in 2018; however, some believe four increases are possible. Inflation data, specifically CPI, was released and measures were higher than expected – an increase of 0.5%. The 10-year treasury yields reached 2.5% in February, which we believe is a result of decreasing investor confidence. In turn, the market reacted and dropped early in February, with the S&P 500 falling as much as 9.0%. Since then, the market has rebounded and prices are now close to pre-correction levels.

Other notable economic factors include retail sales and housing starts. Retail sales for January experienced the greatest decline in 11 months. Overall, sales decreased 0.3% compared to an expected increase of 0.2%. While noteworthy, we believe this is temporary, as many Americans will have greater income this month due to tax reform. Housing starts exceeded expectations, with 1.32 million, compared to an expected 1.23 million. In addition, building permits are up 7.4%--the highest level since June 2007. Although this seems like strong growth, we believe there is a potential for this momentum to slow as interest rates and home prices continue to rise.

U.S. employers beat expectations by adding 313,000 jobs in February, the largest monthly gain since July 2016. The jobless rate remained low for the fifth straight month at 4.1%, the lowest since December 2000.

GDP for the 4th quarter was revised downward by 0.1% to an annualized rate of 2.5%. Compared with the 3rd quarter, an increase of imports caused an overall decrease in GDP in the 4th quarter of 2017. There was a 14.0% increase in imports for the 4th quarter compared to a 0.7% increase in the 3rd quarter. The increase in imports was partially offset by increases in personal consumption expenditures, exports, residential and nonresidential fixed investments as well as state, local, and federal government spending.

As for capital markets, they still appear overvalued when observing metrics such as the Shiller P/E and Buffet Indicator, even after the slight correction. The Bowden Investment Group is actively seeking strategic investment opportunities as more economic data is released each month.

Meet the Members – Christopher Miller

Christopher Miller is from Cary, North Carolina and is pursuing a double major in Finance & Banking and Accounting. After graduating in May 2018, Christopher will pursue a master’s degree in accounting. He is currently applying to and selecting the program he will attend. Christopher has enjoyed learning in-depth fundamental financial analysis and professionalism from Dr. Goff and Mr. Thompson. In addition to his involvement in the Bowden Investment Group, Christopher is an alumnus William R. Holland Fellow, a peer mentor through Walker Fellows, and a member of the Fly Fishing Club. In his free time, Christopher enjoys skiing, hiking, and traveling.