

BOWDEN INVESTMENT GROUP

BIG UPDATE

NOVEMBER 2018

LETTER FROM THE PRESIDENT:

November was full of guest speakers, research reports, presentations and our final stock valuations for 2018. In teams of two, we are analyzing Century Communities, Cognex, Dexcom, Paycom, Sprouts Farmers Market and Acuity Brands. And, as the end of the semester approaches, we've completed our research projects and stock reports with 2019 target prices.

We were fortunate during the month to welcome several guests to our class. Brian Steen, Aaron Martschenko and Daniel Sullivan, from DHG in Winston Salem, discussed valuation. Alex Jenkins, Dillon Hewitt-Castillo and Johnathan Smith, from Dimensional Fund Advisors in Charlotte, talked to us about their asset management strategy and career opportunities. We are very grateful for these connections and learned a lot from these speakers.

Our members are also working on spreading the word about the BIG and recruiting applicants for 2019. We visited the Finance Student Association to spark interest among juniors thinking about applying and we held a class open to prospective applicants. In addition, we had a holiday party at the end of November.

The BIG is endlessly grateful for our experiences this semester. We've had many opportunities to grow, network and expand our knowledge. None of this would be possible without you, so we would like to thank all of our alumni, donors and supporters for making the BIG an amazing organization.

Sincerely,
Alia Dahlan

Bowden Investment Group

NOVEMBER PERFORMANCE

Symbol	Return
AMZN	1.48%
ALB	-8.63%
FB	-7.34%
GOOGL	2.18%
NTRI	-3.98%
NVDA	-25.07%
RTN	-3.04%
SBUX	13.80%
SCI	7.89%
SO	5.41%
SHOP	5.76%
SYK	5.34%
TCEHY	7.80%
THO	-7.33%
V	0.62%
WM	6.43%
IAT	2.85%
VFH	2.12%

BIF	3.10%
S&P 500	2.00%

YTD Performance

Benchmark	Return
BIF	2.18%
S&P 500	5.12%
AUM (11/30/18):	\$153,304



MARKETS IN A MONTH: YOU CAN'T OUTRUN A BEAR

Advisors:

Dr. Goff

Mr. Thompson

Dr. Hadley

Mr. Poole

Investment Team:

Alia Dahlan, President

Paul Abney, Co-Vice President

Carson Walsh, Co-Vice President

Madeline Hamiter, Economist

Andrew Viditz-Ward, Economist

Cooper Haynes, Accountant

Jarrett Wood, Accountant

Josh Lee, Annual Report Editor

Alex Brea, Industry Analyst

Andrew Crumpler, Industry Analyst

Newsletter Editors:

Amanda Kurland

Neil Agnew

For more information visit the
[BIG Website](#)

Dr. Delbert Goff

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"I've found that when the market's going down and you buy funds wisely, at some point in the future you'll be happy. You won't get there by reading 'Now is the time to buy.'"—Peter Lynch

Investors thankful to put October's stock-market rout behind them aren't out of the woods yet. Despite robust U.S. economic data, all-time high consumer confidence and booming corporate earnings, there's one thing markets can't seem to catch this fall: a break.

Crude oil and technology titans like Apple, Alphabet Inc. and Amazon, leaders in the near decade-long bull run, dipped into bear market territory in November—a drop of at least 20% from their most recent peak. Concerns of decelerating global growth, an escalating U.S.-China trade dispute, peak corporate profits and tightening financial conditions led to weakened confidence in the outlook for markets.

The outcome of the U.S. midterm elections, Republicans maintaining control of the Senate and Democrats winning the House, relieved some anxiety and uncertainty in markets early in the month. Gridlock in Washington lowers the chance of one party enacting sweeping changes that may further inflate the deficit and threaten to push treasury yields higher.

Markets did find temporary relief in Fed Chairman Jerome Powell's dovish commentary that interest rates are nearing normal, assuaging fears that the central bank may accelerate their interest-rate increases. The Dow and S&P both notched slight gains while the NASDAQ ended the month in the red.

Technology, an area of the market that has powered returns for much of the past decade, has lost its once-solid leadership. High PE multiples are becoming tougher to justify in the face of rising borrowing costs and a less-than-rosy outlook as trade tensions wax and the boost from the tax overhaul wanes. "We've seen large amounts of money move from tech to more defensive, high dividend-yielding industrial stocks as fears of the overall economy and the direction of interest rates remains uncertain," said Alex Brea, industry analyst.



In Asia, indexes are still hurting despite a temporary U.S.-China détente reached at the G20 Summit. Analyst Josh Lee commented, "We expect this [the trade truce] to have a positive impact on global markets and wait to see what, if any, beneficial arrangements can be made for both the U.S. and Chinese economies as we look to outperform in 2019." Hong Kong's Hang Seng Index inched 0.08% higher while China's Shanghai composite fell 3.30%. The Korean Kospi held flat at 0.04% while Japan's Nikkei gained 3.06% in November.

Thorny Brexit negotiations roiled markets in Europe this month, adding to investor uncertainty. While Prime Minister Theresa May successfully garnered cabinet approval, investors are looking to a December 11th vote in Parliament. It's anyone's guess what will come from the meeting, but there's overwhelming business concern that a no-deal Brexit would be the most detrimental outcome. The British pound slipped 2.17% against the U.S. dollar in November. Germany, Europe's largest economy, hit a speed bump as GDP retreated 0.2% in the third quarter on the heels of more stringent auto emission standards. The Stoxx Europe 600 lost 1.81% during the month.

Oil markets dominated headlines in November. Both Brent, the global benchmark for oil, and WTI Intermediate, the U.S. benchmark, lost nearly 20% and fell into bear market territory over signs of a supply glut and a muted demand outlook. Adding to oil's pain are a slew of waivers to top Iranian oil-importing countries and increased U.S. shale production this year. OPEC will meet on December 6th in Vienna to discuss production cuts in hopes of halting a continued slide in oil prices that has weighed on markets this fall.

As headwinds mount and global growth comes into focus, markets are finding it increasingly difficult to gain traction and power indexes higher. While a recession doesn't appear to be on the horizon anytime soon, bearish signals may be beginning to flash yellow. ~ Neil Agnew

Can you solve these riddles?

What's the easiest way to double your money?

Where do fish keep their money?

What's harder to catch the faster you run?

See the answers below:

A: Put it in front of a mirror

B: In a river bank

C: Your breath

Walker College of Business
APPALACHIAN STATE UNIVERSITY

Career Spotlight: From King Street to Wall Street and More

We are happy to announce that half of the members of the Bowden Investment Group have accepted offers for jobs or internships that will begin next summer.



**Cooper Haynes | Financial Management Analyst
Program Bank of America | Charlotte, NC**

The specific department will not be revealed for another few months.



Madeline Hamiter | Analyst | Goldman Sachs | NYC, NY

Madeline will be working closely with the Principal Funding and Investment trading desk in the FICC space as a product controller. Her role will be to analyze the risk from complex deals that the traders make, and to convey P&L reports to upper management.



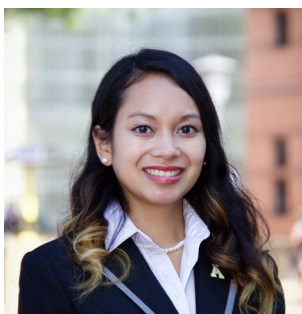
**Neil Agnew | Global Markets Intelligence Analyst
IHS Markit | NYC, NY**

Neil will be assigned a sector of the market to analyze. He will coordinate with investor relations representatives from firms in that space to respond to questions or concerns around intraday stock movements.



**Alex Brea | Advisory Consultant | Ernst and Young
Charlotte, NC**

Alex will be in the Associate Consulting Program working on strategic management consulting, transaction advising and restructuring within the financial services industry.



**Alia Dahlan | Finance Division Analyst | Barclays
NYC, NY**

Alia will be assigned to a team in the finance division (product control, financial control, BP&A, treasury, governance and reporting or CCAR). This past summer she worked on the Costs Planning and CCAR teams.



**Carson Walsh | Investment Analyst Intern
Biltmore Family Offices | Charlotte, NC**

Carson will be conducting due diligence on hedge funds, mutual funds, real estate trust and public equities. He will also be helping select equities for Biltmore's direct client offering portfolio and performing database maintenance.