

Big Update: **September 2015**



Bowden **Investment** Group

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Letter from the President:

Hello, my name is Darrow Goff. I was recently elected president of the Bowden Investment Group for the 2015-2016 school year. Part of my job is to keep all of you informed of the group's activities every month as we progress through the school year.

September has been a busy month for the group. We each gave our first presentation to the group, began researching our prospective stock selections in earnest, and went on the annual New York trip. While in New York we had the opportunity to learn more about finance as well as each other. We also held our elections during the trip, and each member now has an important position within the group. You can see each member's new role in the column to the left.

Finally, the CFA Research Challenge team has been selected for this year. The team consists of Darrow Goff, Dillion Hewitt-Castillo, Andrew Johnson, Aaron Martschenko, and Macgregor Shepard. We are hitting the ground running, and are looking forward to trying to win the entire competition.

-Darrow Goff, President



Members of the 2015-2016 Bowden Investment Group on their recent trip to New York City.

BIG Goes to NYC!

This September the Bowden Investment Group traveled to New York City and had the opportunity of a lifetime. We arrived in New York early Wednesday morning and had our first meeting, with Tiger Management, later that day.

The meeting was one that we will all never forget. We talked with Alex Robertson about how geographical and generational differences can prove to be advantageous within the investing realm. The founder of Tiger Management, Julian Robertson, also came into our meeting and answered many of the Bowden member's questions regarding his success. After the meeting, many of us expressed uncertainty about the next time that they would be in the same room as a billionaire! That evening, Bowden alumni joined us for dinner at the loft. It was a great experience for all of us to network, as well as just to unwind and have fun.

On Thursday morning, Bowden members were able to sleep in and have a nice breakfast before starting a very busy day. Our first meeting for the day was with BlackRock. We discussed the importance of ETFs with Kate Bernhardt and gained appreciation of her mastery in the subject. Later that day, we traveled to Midtown Manhattan and had a great tour of Bloomberg. The building itself is incredible. During our tour, we learned the history of Bloomberg and also had a private course on the Bloomberg Terminal.

Friday morning started nice and early with Evercore ISI. We sat in on their morning meeting and were amazed by their tempo and efficiency. Afterwards, we discussed the economy as well as current trends with Evercore ISI's economist, Stan Shipley. Later that afternoon, Appalachian State alumnus, Bart Bartholomew talked with the Bowden members about the opportunities at Credit Suisse. Bart also explained what his transition from small-town North Carolina to New York City was like. Friday concluded with a trip to the New York Stock Exchange to witness to the closing bell. We were able to talk to a market maker on the floor about how the NYSE has changed over the years. Officer elections were also held after the stock exchange visit.

On the trip, all of the members really bonded with one another. During our free time we went to the Empire State Building, 9/11 Memorial, and a Yankees game together. We cannot express how thankful all of us are for this tremendous opportunity. Thank you to Dr. Goff, Mr. Thompson, and all of you for the continued support of the Bowden Investment Group and the Walker College of Business.

-Hunter Jordan & Nick Todora, Update Editors



Economic Outlook:

The biggest news from the US is the Fed's decision to delay interest rate hikes. In our opinion, they will make this move at the end of Q4. GDP growth was 2.8%; unemployment was 5.1% for August and expected to be 5% by December. Inflation was 0.2% and has averaged 0% since January. With unemployment close to the natural rate of 5%, normal theory of Fed policy would indicate a raise in interest rates to control the subsequent inflation. However, inflation is nonexistent due to poor performance in global and emerging markets. We anticipate that an improving US economy, or a strong increase in Chinese consumption and economic growth would increase inflation and justify an interest rate raise by the Fed.

The Chinese economy continued to lag in September with lower expected GDP growth at 6.4% compared to government estimates at 7%. As China shifts from a production-based economy to a consumer driven economy, we expect to see contracting indicators in the manufacturing sector, such as a PMI lower than 50, and continued volatility in markets as the transition eases.

One of Europe's biggest current issues, along with the ongoing Greek debt catastrophe is their migrant crisis. With asylum seekers fleeing from conflicts in Syria and Northern Africa, European leaders face the challenge of efficiently managing the inflow of migrants. However, we believe there is great opportunity in the crisis as Europe faces the issue of a graying population. If leaders can manage to establish efficient work and education programs for migrants, the Euro area's working-age population could grow to offset future fiscal policy concerns and contribute to economic growth.

The commodity market has been hit hard since August with oil and industrial metals continuing decline. This is due to slower growth/demand in emerging markets like China and Brazil, lower inflation expectations, and a strong US dollar. We believe that commodities will stay low, particularly oil, as we see continued lag in emerging markets and OPEC's likely extension of the global supply glut. OPEC is not likely to cut production any time soon as they try to drive fracking oil companies out of the market and maintain market share.

- Dillon Hewitt-Castillo and MacGregor Shepard, Economic Analysts

Alumni Spotlight: Peter Allen "PA" Rowe



Peter Allen "PA" Rowe
BIG Class: 2010 - 2011

After graduating from Appalachian, PA entered the Leadership Development Program at BB&T with a Capital Markets concentration. After graduation from the program, PA began work as an underwriter within BB&T's Capital Market Corporate Banking Group with a focus on the Logistics and Transportation sector. Beginning in 2013, PA transitioned into a portfolio management role within the group, and now works primarily with the Corporate Banking Food and Agribusiness industry team.

In May of this year PA got engaged to fellow Appalachian Alumni, Julianne Olson, and they currently reside in Winston-Salem with their dog Patch.

September Returns

Ticker	Return
AAPL	2.4%
CSX	.64%
CVS	-3.78%
CVX	.88%
DHR	.66%
ESRX	-1.18%
FL	2.23%
GOOG	1.78%
GOOGL	1.4%
HAL	-6.85%
HBI	-1.5%
IJT	-.55%
IVV	.38%
KKD	-13.43%
MU	-5.31%
NVS	-2.92%
SYK	-1.07%
TSN	4.11%
UFPI	-1.90%
VEA	-.81%
VFH	.89%
WMT	1.6%
Total	-3.35%
S&P	-2.47%

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

	Bowden Investment Fund	S&P 500 Index
YTD Return	-7.27%	-5.275