



# Bowden **Investment** Group

**Faculty Advisors**

Dr. Delbert Goff  
Mr. David Thompson, CFA

**BIG Members**

**Jeff Bennett**—BIG Update Editor  
**Luke Deyton**—BIG Update Editor  
**Sean Grune**—Economic Analyst  
**Andrew Hanley**—CFA Team  
**Amalia Miles**—CFA Team  
**Christopher Miller**—CFA Team  
**John Miller**—CFA Team  
**Stephen Potter** — Capital Markets Analyst  
**Johnathan Smith**—President  
**Daniel Sullivan**—CFA Team  
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## **Letter from The President**

Hello, my name is Johnathan Smith. I was recently elected president of the Bowden Investment Group (BIG) for 2017-2018, and I'm excited to keep you updated on our activities throughout the academic year.

A few weeks ago, each member gave a buy presentation to the group on the stock they chose for research and analysis over the summer. We were tasked to take the 11 stocks pitched and narrow them down to five that we will keep for continued analysis throughout the semester. We are now in groups based on interest in the remaining stocks and will begin working together to prepare for another buy presentation at the end of the semester. The five companies that we selected are: CarMax (KMX), Nutrisystem (NTRI), Martin Marietta Materials (MLM), Aerovironment (AVAV) and Gentex (GNTX).



This month the Bowden Investment Group took a trip to New York City to learn about careers in finance and the industry. We were fortunate to have the opportunity to visit a few of the largest and most prestigious financial institutions in the world. Additionally, the trip to New York gave the group the opportunity to bond by spending time together outside of the classroom.

The BIG is proud to announce that The CFA Research Challenge Team for this year has been selected: members Amalia Miles, Andrew Hanley, John Miller, Chris Miller and Daniel Sullivan. The company that has been chosen for research is Primo Water & Dispensers. The CFA team will begin their analysis in the coming weeks with a visit to Primo's headquarters. The rest of the members have been elected to officer positions and look forward to making a positive impact on our group. You may see each member's new role in the column to the left.

Finally, the members of Bowden Investment Group would like to express our gratitude and indebtedness to you for your endless support. The experience we gain from this group provides us with an unparalleled learning opportunity that would be impossible without each of you behind us. We would like to issue a special thanks to the alumni of the BIG. Due to your arduous work and continued commitment to the success of the group, we currently have a fund worth more than \$144,000. We are fully committed to continuing this success and building on the legacy you have left.

Once again, we thank all of you for your continued support.

Sincerely,

*Johnathan Smith, President*



## Economic and Capital Markets Update

As September came to a close, President Trump announced his new proposed tax plan that will impact both individuals and businesses. His reform would drop the corporate tax rate from 35% to 20%, a compromise from his original proposed rate of 15%. A repatriation tax was also mentioned in the framework, and, although no specific rate has been announced, it's expected to be around 10%.

The tax structure for individuals would also see big changes. It would reduce the number of tax brackets from seven to three – 12%, 25% and 35%, and would eliminate the estate (death) tax.

Janet Yellen's term as Chair of the Board Governors for the Federal Reserve is up in February. Kevin Warsh and Jerome Powell are leading candidates. Both are hawkish in their belief that rates should be raised at a faster pace. Yellen is expected to raise rates in December. President Trump has said he plans to decide who will succeed Yellen as chair in the next few weeks.

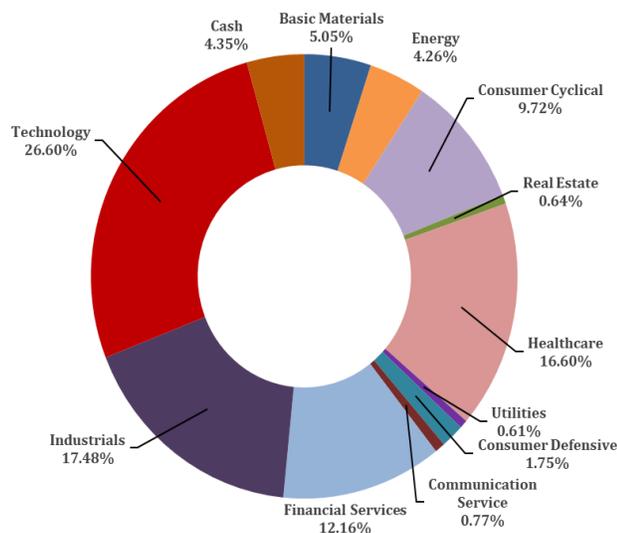
The Bowden Investment Group cannot deny the evidence of current overvaluation in the market.

Key measures such as the Shiller P/E and the Buffet Indicator are at all-time highs, providing further confirmation for the belief of overvaluation. Inevitably the market will correct, it's just a question of when. Additionally, we believe that if interest rates increase in December, it's possible that this will eventually increase the value of the dollar and slightly decrease P/E ratios through the reduction of earnings. The Bowden Investment Group will continue to keep an eye on economic policy and trends in the capital markets to make informed decisions on the composition of our portfolio.

-Sean Grune & Stephen Potter

Capital Markets and Economic Analysts

**Bowden Investment Fund Sector Weightings**



## September Returns

Ticker	Return
MU	22.41%
PPA	3.34
VISA	1.15%
FB	-0.89%
FIS	0.26%
GOOGL	1.70%
IVV	1.32%
CMP	-3.06%
NVS	1.90%
AMZN	-2.32%
CCJ	-4.16%
VFH	4.79%
SYK	0.34%
IAT	7.22%
NWL	-12.27%
JTBLU	-6.84%
TTEK	9.27%
VRX	6.23%

### Total BIF Value

**\$143,706.75**

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

## Meet the Members: Jeff Bennett

Jeff will graduate in May 2018 with a degree in Finance and Banking. He is from Charlotte, NC and is currently seeking a job in corporate finance. Last summer, Jeff interned with LendingTree in their Financial Planning & Analysis department. He learned valuable analytical and professional skills that will be useful as a member of the Bowden Investment Group and as he begins his professional career.

Jeff's favorite part of the Bowden Investment Group is having the opportunity to learn from both Dr. Goff and Mr. Thompson. "They each bring a different set of skills to the classroom, all of which will be applicable as we begin our professional careers. Having access to their real-world experiences provides members of the BIG an unparalleled learning opportunity." Although only two months into the year, Jeff has already learned an incredible amount while in Bowden and is excited to further his investment knowledge and professional development as the year progresses.

