

Big Update: April 2018



Bowden Investment Group

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Mr. David Thompson, CFA

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Johnathan Smith

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Daniel Sullivan

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Letter from the President –

The month of April was a very busy time for the members of the Bowden Investment Group. I'm sad that our time together is coming to an end but find joy in the fact that we have all become so close and accomplished so much. We have started preparing the portfolio for the summer months by deciding which stocks to trim from the fund. In April, we added Starbucks (SBUX), Albemarle (ALB), NVIDIA (NVDA), Shopify (SHOP) and Waste Management (WM) to our holdings. We feel strongly that these companies have great potential and will perform well in their respective industries. We're also very confident in the ability of next year's BIG class to uphold the high standards of the group.

I believe I can speak for all the members when I say how grateful we are to Dr. Goff and Mr. Thompson for their wisdom and leadership. Year after year members of the BIG are so fortunate to have these incredible individuals as professors and mentors. We will forever remember the lessons we learned this year and the knowledge gained in the classroom because of their selfless dedication to the group. Dr. Goff and Mr. Thompson, thank you!

In this last update from the 2017-2018 Bowden Investment Group, we would like to extend our wholehearted appreciation to all the speakers who made the time this year to come speak with us. It is much appreciated that you all took valuable time away from work to come to our meetings. We would also like to thank all our alumni and supporters for your continued involvement with the Bowden Investment Group. We hope you will continue to stay involved with the Bowden Investment Group, just as we plan to do as we join the network of BIG alumni.

In my final letter, I would like to leave you with this quote from my favorite author:

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

- Maya Angelou

I believe this is appropriate given how many memorable experiences we had throughout the year. Although we will not remember each detail from our time together, I believe we will always remember how great it felt to be part of the BIG. Thank you all for your continued support.

Sincerely,

Johnathan Smith, *President*

BIG 2017-2018 Job Placement

Jeff Bennett – Financial Analyst - FP&A at Lending Tree

Sean Grune – Pursuing Opportunities

Andrew Hanley – Analyst, Corporate Bank at Credit Suisse

Amalia Miles – Finance Management Analyst Program at Bank of America

Christopher Miller – Graduate School

John Miller – Controller at Goldman Sachs

Stephen Potter – Finance Management Analyst Program at Bank of America

Johnathan Smith – Analyst, Client Services at Dimensional Fund Advisors

Daniel Sullivan – Valuation Consultant at Dixon Hughes Goodman

Phuong Vu – December Graduate with a summer internship in Vietnam



Economic and Capital Markets Update –

In the month of April, the United States continued to reflect a stable economic environment and to release strong economic metrics including unemployment rates and consumer confidence. Conversely, we saw the 10-year treasury yield break 3.0% in April which correlates to a lack of investor confidence.

For unemployment, we saw U.S. weekly jobless claims hit a low of 209,000, the lowest level since 1969. This was the first time in over 6 months that the jobless rate dropped. By the end of April, the unemployment rate was at 3.9% which is a seventeen-year low for the U.S. Still, the Fed projects that by the end of the year unemployment will continue to decline and reach nearly 3.8%. Additionally, hiring has increased 19.3% year over year according to LinkedIn. While the labor market is close to full employment, wage growth has been moderate resulting in eased concerns for wage-based inflation. Furthermore, CPI decreased 0.1% which was the first decline since May of 2017, and this was primarily attributed to gasoline prices tumbling in March. It is important to note that CPI has increased 2.4% in the trailing twelve months. In addition, PPI rose more than expectations of 0.3% representing wholesale price increases.

Based on how solid the economy appears, the Fed is expected to raise rates multiple times this year resulting in increased treasury yields. As previously noted, the 10-year treasury has been in the spot light this month as it briefly broke 3.0% threshold. Many investors are concerned about this because of how the rising rates will negatively affect the economy through increased borrowing costs. Overall, April has been yet another month of strong economic results.

As for capital markets, the overall market does still appear to be overvalued based on metrics such as the Buffett Indicator and Shiller PE. The Bowden Investment Group will keep this in mind while making final strategic investment decisions before the start of summer. It has been an honor to report on economic and capital markets throughout this year, thank you!

- Stephen Potter & Sean Grune

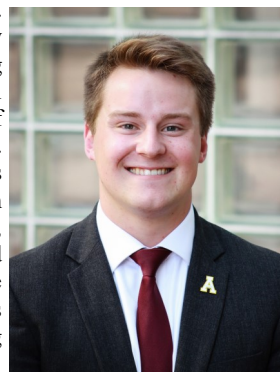


Meet the Members – Daniel Sullivan & Johnathan Smith

Danny Sullivan is from Cary, North Carolina and will be graduating in May with a degree in Finance and Banking. After he graduates, Danny will be working as a Valuation Consultant for Dixon Hughes Goodman. While a member of the Bowden Investment Group, Danny competed on the CFA Research Challenge team and believes that the analytical and valuation skills that he has learned while in the Bowden Investment Group will enable him to be successful in beginning his career in valuation. Danny is extremely grateful for the opportunities that being a member of the BIG has given him and believes that the lessons he has learned from Dr. Goff and Mr. Thompson will be with him for his entire professional career.



Johnathan Smith is from Winston-Salem, North Carolina and is double majoring in Finance & Banking and Risk Management & Insurance. After graduation, Johnathan will be working for Dimensional Fund Advisors in Charlotte as an associate in financial advisory services. During his time in the group, Johnathan has enjoyed the leadership experience he has gained and the skills he developed in preparing and delivering presentations. He has thoroughly enjoyed learning fundamental financial analysis from Dr. Goff and Mr. Thompson. While at ASU he has been involved with Gamma Iota Sigma, Walker Fellows and Club Council. In his free time, Johnathan enjoys golfing and socializing with friends.



April Returns

(*) return calculated on cast basis

Ticker	Return
PPA	-0.66%
V	7.17%
FB	10.69%
FIS	1.26%
GOOGL	0.59%
IVV	2.74%
KMX	4.31%
NVS	-3.94%
AMZN	14.15%
NWL	11.73%
VFH	1.82%
SYK	8.43%
IAT	2.94%
NTRI*	2.89%
TTEK	-0.31%
MLM	-3.28%
ALB*	3.91%
NVDA*	-0.14%
SBUX*	-2.14%
SHOP*	7.64%
WM*	-0.56%

Total BIF Value

\$150,474

YTD Returns

BIF	0.30%
S&P 500	-0.38%

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

