



BOWDEN INVESTMENT GROUP

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BIG Members:

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Letter from the President

Greetings,

It has been an exciting October for the Bowden Investment Group as we have had the opportunity to meet virtually with Parker Johnson and Laura Jones from VanEck Securities, Brian Steen, Andrew Crumpler, Greg Russ, Alan Hodgson, and Daniel Sullivan from DHG Valuation, and Chris Pavese from Broyhill Asset Management. Mr. Johnson and Ms. Jones gave us beneficial life and career advice and answered industry specific questions from Bowden members. Mr. Steen, Mr. Crumpler, Mr. Russ, Mr. Hodgson, and Mr. Sullivan gave us a crash course in valuation and showed the group how to back-test an actual model. Finally, Mr. Pavese educated us on behavioral finance mistakes, distressed debt, and how to look at earnings through the lens of the investment thesis. These were wonderful opportunities for us to gain exposure to different career paths and receive valuable insight from alumni and supporters.

The BIG portfolio experienced some large individual gains this month, with significant upside moves in Nike and Align Technologies. These moves helped the Bowden Investment Fund outperform our S&P 500 benchmark for the month. A few changes have been made to the portfolio this month, including a trim of Shopify. We have had many constructive discussions of our current holdings and look forward to making additional changes as the semester comes to an end. BIG members are preparing to present their final stock recommendations at the end of the semester and are excited and hopeful to add their stocks to the Bowden Investment Fund.

Continued thanks to all of our contributors. These great opportunities have been provided by your gracious support. Thank you!

Sincerely,

Cooper Bumgarner

Recruitment is in Full Force

With the majority of classes online this year, Vice President Olivia Guillebeau has been working diligently on strategies to recruit top students for the Bowden Investment Group next year. Current Bowden members are teaming up and presenting to classes that are synchronous. For those that are asynchronous, Olivia made an outstanding video, found [here](#), that professors were asked to share with their students.

The interest meeting will look slightly different this year. Although there will be no pizza to share, Bowden members are preparing an engaging and informative Zoom presentation for students that would like to learn more about the group. A joint

decision was made to invite top students majoring in Finance, Accounting, and Economics to create a more academically diverse interest pool. We are excited to share our passion with these students. Go BIG!



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Member Spotlight: Sam Crouse

Sam Crouse, originally from Spruce Pine, North Carolina, serves as an accountant for the Bowden Investment Group. Sam is also a member of the CFA Research Challenge and is very excited to represent Appalachian State. Throughout the year, Sam has presented waterfall charts and value-at-risk models to the group.

Waterfall charts illustrate the dollar returns from each of our positions over a given period of time. Analyzing percentage returns is useful, but it is also important to consider the total dollar return to understand how our stock weight decisions interact with the percentage returns.

For value-at-risk, Sam built a spreadsheet that simulates 10,000 random 5-day returns based off of the past year's closing prices and the current composition of the portfolio. It automatically calculates relevant statistics, including value-at-risk, and builds histograms for our portfolio and the S&P 500. Sam's models help the group evaluate risk over time and gives us a framework for how much the portfolio could lose in any 5 random days.

This past summer, Sam was a Financial Management Summer Analyst with Bank of America and has accepted an offer to return full-time after graduating in May. He is excited to apply what he has learned and make an impact for Bank of America.



YTD Returns

BIF	16.69%
S&P 500	2.77%

October Returns

Ticker	Return
ALGN	30.16%
AMZN	-3.58%
FB	0.46%
GOOGL	9.97%
HD	-3.96%
LHX	-5.14%
LMT	-8.65%
NKE	4.35%
NVDA	-7.36%
SHOP	-9.53%
SYK	-3.05%
V	-9.13%
IVV	-2.51%
IWM	2.25%

Total BIF Value
\$238,865.50

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

The BIG Mentoring Program

This year, Dr. Hadley and Mr. Poole decided to create a mentoring program so current members could enhance their professional networks. BIG members are extremely grateful for the guidance of BIG alum through this partnership. Each member selected a mentor from the list of volunteers that they felt aligned with personal goals, interests, or similar career paths. In the two and a half short months of the semester so far, these mentorships have proven very meaningful to the members. The Bowden Investment Group is again very appreciative for the time, career search guidance, presentation advice, and life tips provided by each mentor.

Member testimonials:

Katie Cole: "Andrew Viditz-Ward has provided me with great guidance this semester. He helped me prepare for my first presentation, as well as provided helpful resources in calming my nerves when approaching the transition from college student to business professional."

Olivia Guillebeau: "The relationships I built with and through my mentor, Vu Nguyen, helped me build a network at my dream company. I had the opportunity to interview for a position and just received an official offer!"

Earnings (and Correcting) Season

Historically, the month of October has not been kind to investors during Presidential election years. Unfortunately, this year was no different. Rising Covid-19 cases, uncertainty surrounding the election, and disappointing earnings launched the stock market into correction territory.

While the Bowden Investment Fund is still outperforming the S&P 500 benchmark by nearly 14% YTD, we have certainly felt the impacts of the recent downturn. In October, the BIF fell 1.0% while the S&P 500 fell 2.8%. Lockheed Martin (-8.65%), Visa (-9.13%), and Shopify (-9.53%) all saw significant corrections during the month of October.

However, there was one monumental outlier. Align appreciated more than 30% in October after releasing its Q3 results. Align had strong net income and EPS beats because of strategic social media partnerships and an increase in dentists using its products. Also, the company had a 72.7% gross margin, its highest ever. Align's jump added more than \$4,000 to the BIF and helped offset losses caused by other stocks. Overall, the BIF is down \$15,000 from its all-time highs.

The Bowden Investment Group will continue to monitor macroeconomic developments and analyze changes in our specific stocks. To play on the words of legendary investor Jim Cramer, we believe that there is always a bull market somewhere, and we will try to find it. The table below highlights our current positions and YTD performance.

Position	Weight	YTD Return	Beta	P/E
ALGN	6.8%	52.7%	1.75	21.73
AMZN	6.4%	64.3%	1.29	96.97
FB	6.0%	28.2%	1.26	34.79
GOOGL	6.1%	20.7%	1.02	34.00
HD	5.0%	22.1%	1.11	26.03
IVV	19.7%	1.4%	1.00	15.58
IWM	17.0%	-7.6%	1.28	21.22
LHX	3.5%	-18.6%	0.70	29.73
LMT	3.5%	-10.1%	0.98	15.57
NVDA	5.4%	113.1%	1.59	106.80
NKE	5.4%	18.5%	0.82	76.89
SHOP	4.8%	132.8%	1.69	666.47
SYK	4.3%	-3.8%	0.83	46.22
V	4.4%	-3.3%	0.92	37.74
Cash	1.6%			