

Big Update: **September 2020**



BOWDEN INVESTMENT GROUP

Faculty Advisors:

Dr. Brandy Hadley

Mr. Shawn Poole, CPA

BIG Members:

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[Donovan Arnold](#)

[Cooper Bumgarner](#)

[Katie Cole](#)

[Sam Crouse](#)

[Olivia Guillebeau](#)

[Sean James](#)

[Sam King](#)

[Karlee Lakin](#)

[Bradley Lovelace](#)

[Obi Ludwig](#)

[Nkhosinathi Moyo](#)

[Zach Stowell](#)

Letter from the President—

Hello,

My name is Cooper Bumgarner and I am the newly elected President for the Bowden Investment Group. It is an honor to lead this talented group of young professionals and to further the great work of previous BIG classes. Going forward, I will keep you up-to-date on all things BIG. This includes our activities, progress, and accomplishments.

First, the Bowden Investment Group would like to thank all of our financial and academic supporters. If not for you, BIG would not be the prestigious program that it is today. We value your time and contributions to this program and will work diligently to grow our skills as professionals and continue the legacy of BIG.

Even through these unprecedented times, the class has already begun to grow our knowledge and professional skills through the research and qualitative presentations of our chosen companies. I am pleased to announce that all twelve members performed very well during our practice buy presentations and are excited to dive deeper into the analysis of the remaining six companies: The J.M. Smucker Company (SJM), Trex Company Inc. (TREX), CF Industries Holdings (CF), Enphase Energy (ENPH), Hyatt Hotels (H), and Ulta Beauty (ULTA).

Unfortunately, due to safety concerns and travel restrictions arising from COVID-19, we were unable to attend the Charlotte trip this September and had to cancel the New York trip scheduled for this upcoming October. However, we still had the opportunity to virtually meet with Bank of America professionals to learn about the industry and hear from alumni about their career paths. Supporters from Bank of America also conducted mock interviews to help us polish our interview skills. We will continue to virtually meet with other companies as the year continues.

Typically, elections for positions within BIG are held during the New York trip. As previously stated, we are unable to travel, so this year's elections took place in the High Country of Boone. In the section below, you will find the elected positions.

Lastly, I have the pleasure of introducing the CFA Research Challenge Broyhill Fellows. The chosen Fellows include Sam Crouse, Olivia Guillebeau, Sean James, Obi Ludwig, and Zach Stowell. We know this group will represent us well and live up to the standards set by previous Broyhill Fellows.

Thank you again for your continued support of the Bowden Investment Group. None of these accomplishments would be possible without our supporting community. GO APPS!

Sincerely,

Cooper Bumgarner, President

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BIG Positions 2020-2021

Cooper Bumgarner: President
Olivia Guillebeau: Vice President
Sam Crouse: Accountant
Sam King: Accountant
Donovan Arnold: Economic Analyst
Nkhosinathi Moyo: Economic Analyst
Sean James: BIG Update Editor
Katie Cole: BIG Update Editor
Bradley Lovelace: Annual Update Editor
Zachary Stowell: Industry Analyst
Obi Ludwig: Industry Analyst
Karlee Lakin: Industry Analyst



First Economic Update

On September 30th, the BIG Economic Analyst team delivered a presentation detailing the current state of the U.S. economy and how the country has responded to the COVID-19 pandemic. The Federal Reserve Bank released statements outlining its plans for future action, be it necessary, involving the continued tamp-down of interest rates. The Fed is also reportedly comfortable raising its target inflation rate above 2% in the short-term to facilitate current stability goals. On the bright side, the U.S. unemployment rate has declined to 8% from the April 2020 high of 14%. Though U.S. GDP is down over an annualized 30%, personal income based on transfer receipts is up 34.2% from January, largely due to the COVID stimulus efforts. The economic analysts also discussed the upcoming election, the candidates, and potential ramifications of their platforms. The economic analysts highlighted tax reform, foreign policy changes, and climate change policy as the three main points of differentiation between the candidates. They will continue to monitor and analyze events that impact the economy and update the group on any further developments.

Message from the Vice President

When I ran for Vice President, my objective was to simplify the answer to the question, “What is the Bowden Investment Group?” It can be difficult to explain to someone in a few words how valuable this experience is, but I believe it does not have to be. Over the past few weeks, I have worked diligently to update our logo. The new logo is purposeful and dynamic. I chose a vectorized drawing of Rough Ridge to symbolize the pride Appalachian State students have in their local landscape and the determination Bowden students have to overcome the challenges of becoming equity analysts. By designing three main variations of the logo, I believe we will find farther-reaching uses of our brand. Above is an example of one of the three logo variations. In the near term, I will be using our new brand to create a LinkedIn page. I invite you all to follow our page by going to [linkedin.com/company/the-bowden-investment-group/](https://www.linkedin.com/company/the-bowden-investment-group/). Thank you for your support, and we look forward to connecting with you.



YTD Returns

BIF	17.86%
S&P 500	5.58%

September Returns

Ticker	Return
ALGN	10.23%
AMZN	-8.76%
FB	-10.68%
GOOGL	-9.81
HD	-2.57%
LHX	-6.03%
LMT	-1.79
NKE	12.20%
NVDA	1.17%
SHOP	-4.07%
SYK	5.15%
V	-5.67%
IVV	7.60%
IWM	-3.67%

Total BIF Value
\$241,261.75

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

Changes to the Portfolio

Members in the Bowden Investment Group are proactively making modifications to the portfolio. Since our last update, the group trimmed Align and Nvidia, allocated 10% of the portfolio to the Russell 2000 ETF: IWM, and reduced our cash position.

Due to rebounding economic conditions, Align and Nvidia saw large run-ups off of pandemic lows. Together, these two stocks were the highest weighted in the portfolio, both weighing around 7%. The group decided to lock in profits while the stocks were riding high.

Sam Crouse and Sean James pitched IWM, the Russell 2000 ETF, because it diversifies the overall portfolio, provides increased exposure to underweight sectors, and capitalizes on post recession innovations. The Russell 2000 ETF also enhances our overall small cap holdings.

In the wise words of Sam Crouse, “If you want to beat the market, you have to be in the market.” His argument led to the joint decision that a 5% holding in cash was too large. Upon

weighing the options, the group determined that it was best to trim Align, Cash, and IVV to 5%, 1.5%, and 26%, respectively.

Sector Weight Comparison		
Sector	BIF	S&P 500
Energy	0.07%	2.10%
Utilities	1.10%	3.00%
Materials	1.10%	2.60%
Real Estate	1.40%	2.60%
Cash	1.70%	N/A
Staples	2.10%	7.00%
Financials	4.00%	9.70%
Industrials	11.10%	8.30%
Communication	13.90%	10.80%
Health Care	15.20%	14.20%
Cyclical	21.90%	11.60%
Technology	25.80%	28.20%