

Big Update: February 2020



Bowden Investment Group

Faculty Advisors:

Dr. Delbert Goff
Mr. Shawn Poole, CPA

BIG Members:

President

James Cornett

Vice President

Nathan Hughes

Accountants

Jack Lewis
Jacob Wiley

Economic Analysts

Nick Bailey
Allie Hammond

Update Editors

Maddie Beardsley
Tanner McCandless

Annual Update Editor

James Hopkins

Industry Analysts

Christian Britt
David Franco
Ana Melone

For information about the Bowden Investment Group, please contact:

Dr. Delbert Goff
Goffdc@appstate.edu
(828) 262-6188

For more information on this update, please contact:

Maddie Beardsley
beardsleymj@appstate.edu

Tanner McCandless
mccandlessn@appstate.edu



Letter From the President—

February was a month filled with highs and lows for the Bowden Investment Group as the Broyhill Fellows advanced to America's Regionals, and the Bowden Investment Fund faced recent volatility due to coronavirus. Despite this recent volatility, the BIF has managed to outperform our benchmark. The BIG will continue to work hard to maintain a stable portfolio amid the current chaos in the market.

Over the past year, BIG has been fortunate enough to experience a strong bull market, as reflected in our strong returns. However, the recent introduction of the coronavirus outbreak has sparked uncertainty in the market, and if we've learned anything, it's that the market hates uncertainty. Although the market has been down toward the end of the month, it has presented the group with a great opportunity to experience and learn from the effects volatility can have on our portfolio.

During February, the Broyhill Fellows presented a buy recommendation on Advance Auto Parts at the North Carolina CFA society Research Challenge finals competition in Greensboro, NC. For the second year in a row, our team won the North Carolina competition. The Broyhill Fellows will now advance to America's Regionals in New York City. We are eager to continue cheering them on as they take on the challenge at the next level of competition.

While the Broyhill Fellows were hard at work, two other groups finished up models and reports for Lockheed Martin (LMT) and Gilead Sciences (GILD). These groups pitched their companies to the class. These reports and models were a great reinforcement to the fundamental financial analysis topics, techniques, and methods we learned in the fall.

Thank you for your continued support of the Bowden Investment Group.

Sincerely,

James

A BIG Congratulations—

Congratulations to the 2019-2020 Broyhill Fellows, Ana Melone, David Franco, Nathan Hughes, and Jacob Wiley, for taking first place in this year's North Carolina CFA Society Research Challenge. Appalachian teams have won nine out of the past twelve years that the competition has been held in North Carolina, and this year's team did not disappoint! They worked tirelessly to prepare for this competition, and the BIG is incredibly proud of them. They beat out teams from Elon, NC State, UNCW, and the SKEMA Business School. In April, they will head to New York to compete in Americas Regionals. Way to go CFA team— you are all great representatives of Appalachian State, the Walker College of Business, and the Bowden Investment Group!



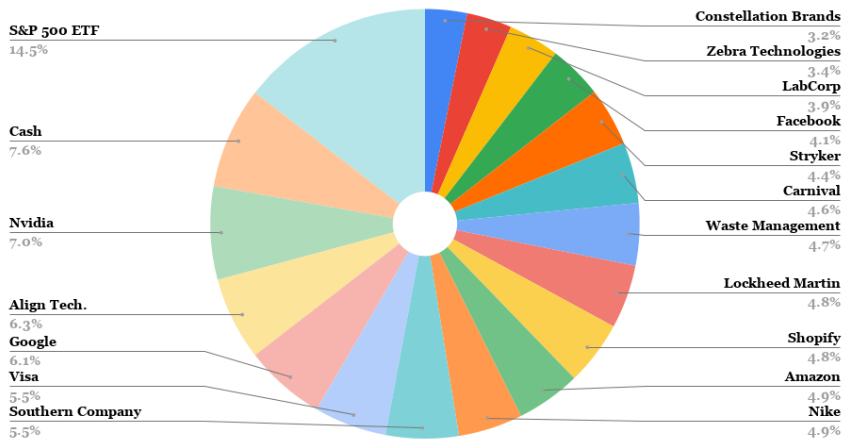
Portfolio Update & Market Recap

February was a volatile month as the coronavirus outbreak infected the global markets. The BIF wasn't immune as we saw an overall decline of 6.2% relative to the S&P 500's decline of 8.2%. While coronavirus cases continue to increase worldwide, it seems to have slowed down in China, due to the aggressive actions taken by Chinese officials. U.S markets took a big hit as the coronavirus outbreak incited fear among investors sparking a historic selloff on par with the Great Recession. We believe the short term impact may effect our holdings, but as long-term investors, we remain confident that the markets will revive.

During February, the Bowden Investment Fund was very active as we opened up new positions and raised our stake in certain holdings. After hitting a record high portfolio value in January, we saw a big pushback in returns this month due to the systematic impacts of the coronavirus. The group is making strategic investment decisions to potentially mitigate some of the downfall, while also seeking out potential investment opportunities to capitalize on the market correction. Early in the month, the group opened a position in Nike (NKE). We also purchased shares of Lockheed Martin (LMT), due to favorable trends in defense spending, and their attractive forward outlook. In addition to this position, we took advantage of the deep discount price of Carnival Corporation & PLC (CCL).

February returns lagged significantly, with Align Technologies and Southern Company performing the worst. On the other hand, LabCorp (LH) and Nvidia (NVDA) performed the best, bringing some positivity, but not enough to combat the losses. Due to all of the recent changes, we've added a figure depicting our recent portfolio weightings.

Portfolio Weighting
Portfolio Value: \$195,047.62



Meet the Members



Christian Britt

Christian is a Finance & Banking major from Asheboro, NC. He will be graduating in May 2020. Last summer, Christian spent a lot of time traveling the East Coast on his motorcycle, and when he wasn't riding, he worked at his hometown golf course. Ever since Christian transferred to Appalachian State he has enjoyed the campus, going on the Blue Ridge

Parkway, and snowboarding. In Bowden, Christian has enjoyed creating bonds with everyone and seeing the growth in the group overall. He has also enjoyed learning how all the factors of a company combine to create a story, which can be used to find an investment opportunity.



Maddie Beardsley

Maddie is a Finance & Banking major from Greensboro, NC. She will be graduating in May 2020. Last summer, Maddie lived in Fort Worth, TX where she completed an FP&A internship at a small distribution company. At Appalachian, she has most enjoyed meeting new people and the overall atmosphere of Boone. She is also actively involved in the Finance Student

Association, where she currently serves as the Vice President. Maddie has most enjoyed Bowden because of the relationships that have been formed over the countless hours of work. Bowden has challenged Maddie to exceed her expectations, and she is thankful to have had the opportunity to grow.

YTD Returns

BIF	-4.72%
S&P 500	-8.27%

February Returns

Ticker	Return
ALGN	-15.07%
AMZN	-6.22%
CCL	-2.85%
FB	-4.68%
GOOGL	-6.53%
LH	.17%
LMT	-12.29%
NKE	-10.67%
NVDA	14.23%
SO	-14.26%
SHOP	-.50%
STZ	-8.45%
SYK	-9.54%
V	-8.65%
WM	-8.95%
ZBRA	-11.74%
IVV	-8.46%

Total BIF Value

\$195,047.62

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

