

# BIG UPDATE - AUGUST 2012



# Bowden Investment Group

## Members

**Dan Alliss**  
*Finance & Banking*

**Alan Clarke**  
*Finance & Banking*

**Rory Douglas**  
*Finance & Banking*

**Jack Gibbs**  
*Finance & Banking,  
Risk Management & Insurance*

**Sarah McTeague**  
*Finance & Banking,  
Marketing*

**Ellen Morgan**  
*Finance & Banking*

**Travis Ott**  
*Economics,  
Finance & Banking*

**A.J. Romero**  
*Finance & Banking*

**Julia Spring**  
*Finance & Banking*

**Neil Trimble**  
*Finance & Banking,  
Risk Management & Insurance*

**Matthew Vanek**  
*Finance & Banking*

**Matt Vincent**  
*Finance & Banking,  
Risk Management & Insurance*

## Advisors

**Dr. Delbert Goff, Ph.D.**

**Mr. David Thompson, CFA**

## Letter from Advisors

As the new academic year begins we are honored to welcome twelve new members to the Bowden Investment Group. The students are off to a good start to a year that will be filled with great challenges and great achievements.

The students had a very busy summer. Several students completed internships this summer and four of the students have already received job offers as a result of their performance during the internship. The remaining students took a full course load on campus during summer school or worked full-time.

The students are highly motivated and already hard at work. During the summer they were given an assignment to read *One Up on Wall Street* by Peter Lynch. This timeless investment book provided the students with some fundamental insights that they were able to apply by researching and tracking several of the stocks held in the Bowden Investment Fund. They came to class the first day ready to discuss the stocks and give their opinion about the investment potential of the stocks. They have already made their first investment decision by selling Staples, Inc. (SPLS) due to poor stock performance and the students' opinion that the future prospects for the company were not very good.

We kicked off the semester with The BIG Day, a full day experience with a focus on team building and professional development. Students started the day with discussions on business professional skills followed

by an etiquette luncheon. The afternoon was filled with a team building exercise organized by the ASU Outdoor Programs Department. This exercise involved climbing the Alpine Tower, a fifty foot, pyramid-shaped climbing structure. The exercise requires teamwork and trust, each climber's safety is in the hands of other team members. Finally, we completed the day with a reception and dinner where the students had the opportunity to interact with colleagues, professors, and administrators in a relaxed, informal atmosphere.

We are excited about this group of students and look forward to working with them in the coming months. We also look forward to the challenge that they will give us as we push them to excel and reach their full potential.

- Delbert Goff, David Thompson

## BIG Day Instructors



From left: Meg Spivey, Dave Thompson, Dr. Delbert Goff, Linda Matney

## Introduction of New Members

At the end of each school year the Bowden Investment Group bids farewell to its twelve outstanding graduating seniors and at the same time begins its thorough search for their replacements. For the 2012-2013 academic year the BIG welcomes twelve driven and passionate rising seniors. This exciting new group of students (*pictured right*) is committed to developing top-notch equity analysis and professional investment management skills. They are all looking forward to personally meeting our Bowden Investment Fund investors, in the meantime they have reviewed the Fund's performance over the Summer.

Experts were predicting the second half of 2012 U.S. markets to be a 'Sell in May and go away' story. In fact it was quite the opposite for the equities that make up the S&P 500, what the experts should have said is 'Sell in May and come back in June'.

While the S&P did fall off multi-year highs of over 1400 points to below 1300 in just the month of May, the recovery between June and August was as sweet as the drop was bitter. Meanwhile, the group saw a substantial underperformance in the fund, with a loss of 1.67% compared to a 1.60% rise in the S&P 500. A reserve of cash provided no growth to the fund, as well as substantial losses in Chipotle and Staples throughout the summer. Evaluation of this decline led the group to liquidate their position in Staples, with an assumption for lower retail sales and added e-commerce competition across the market. Although Chipotle remains in the portfolio as franchise growth prospects in 2013 are more bullish than ever. The final four months of 2012 look to be exciting ones if nothing else, as the U.S. prepares itself for a Presidential election and multiple high profile technology firms look to make major product announcements.

*-Rory Douglas*



*Top left: Travis Ott, Jack Gibbs, Rory Douglas, Neil Trimble, Alan Clarke, Matt Vincent, Dan Alliss  
Bottom left: Sarah McTeague, Ellen Morgan, A.J. Romero, Julia Spring, Matthew Vanek*

### Fund Composition

Apple (*AAPL*)  
 ABB (*ABB*)  
 Apache (*APA*)  
 Buffalo Wild Wings (*BWLD*)  
 Chipotle Mexican Grille (*CMG*)  
 CSX (*CSX*)  
 Danaher (*DHR*)  
 Deckers Outdoors (*DECK*)  
 PH Glatfelter (*GLT*)  
 Google (*GOOG*)  
 IBM (*IBM*)  
 Intel (*INTC*)  
 Novartis (*NVS*)  
 Patterson-UTI Energy (*PTEN*)  
 Stryker (*SYK*)  
 Tupperware (*TUP*)  
 Vanguard Energy ETF (*VDE*)  
 Vanguard Financials ETF (*VFH*)  
 Wal-Mart (*WMT*)  
 Exxon Mobil (*XOM*)

### Fund Performance

<b>Beginning August Value</b>	\$86,783.79
<b>Ending August Value</b>	\$88,191.66

Aug 2012 Returns	
Bowden	S&P 500 Index
1.62%	2.25%

YTD 2012 Returns	
Bowden	S&P 500 Index
6.28%	13.50%

### Recent Fund Activity

**Bought**  
N/A

**Sold**  
Staples (*SPLS*)

*"A cynic knows the price of everything, and the value of nothing" - Oscar Wilde*