

Annual Report



2017

Bowden Investment Group



Appalachian State University

Walker College of Business
416 Howard Street, Peacock Hall
Boone, NC 28607

Delbert Goff, Ph. D.

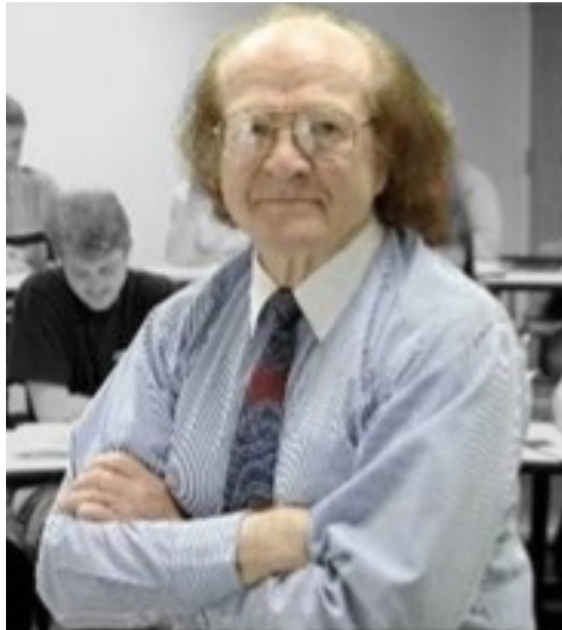
Department of Finance, Banking and Insurance Chair
Professor of Finance

David Thompson, CFA

Adjunct Professor of Investment Management



Where it all began...



Pictured: Dr. Elbert V. Bowden

The Bowden Investment Group's history dates back to 1994, when the Mountaineer Investment Club was formed by Dr. Cox and Dr. Goff with the intention of providing students real-world investment experience. The Club provided dedicated students the means to learn about investments and apply their knowledge to make investment decisions. The Mountaineer Investment Club eventually transformed into the Elbert V. Bowden Student-Managed Investment Fund. Dr. Elbert Bowden was instrumental to the fund's establishment through his name, network, and generous contributions. Dr. Bowden passed in 2004, but his legacy lives on through the Bowden Investment Group.

Dr. Cox instructed the first group of students in 2000, teaching portfolio management and allowing the students to make investment decisions and purchase stocks for the fund until he was appointed Associate Dean of the Walker College of business. In 2004, Dr. Goff became the primary instructor for the fund and thus began the Bowden Investment Group and its reputation as we know it today. Dr. Goff continues to be the primary instructor, and was joined in 2010 by adjunct professor Mr. David Thompson, an extremely successful investment professional and retired General Partner with WEDGE Capital Management.

Together, the two advisors possess a wealth of business knowledge and experience, and are able to provide students with a world-class, transformational learning experience in finance, investments, and professional development. Without Dr. Bowden, Dr. Cox, Dr. Goff, and Mr. Thompson, the Bowden Investment Group would not be one of the most prestigious groups in the Walker College of Business. The members of the Bowden Investment Group will be forever thankful to these four people.



To Our Supporters



Nearly 18 years later, it's incredible to see the growth of the Bowden Investment Fund and we feel privileged to be a part of that growth. The fund started in 2000 with a balance of \$10,678.21, and in January of 2018 reached an all-time high of over \$159,000. This achievement would not be possible without the arduous work of Bowden analysts, generous donations from our benefactors, and the unparalleled learning experience provided by our professors – Dr. Goff and Mr. Thompson. Today, the BIG continues to provide an undergraduate experience like none other, and maintains its reputation as a premier group in the Walker College of Business. On behalf of the members of the Bowden Investment Group, we are proud to present our 2017 Annual Report.

In the months that have passed since we inherited the BIF from last year's group, we have had the opportunity to manage the stocks in the portfolio, and choose stocks to conduct in-depth fundamental financial analyses and make a recommendation on. The work demanded from members of the Bowden Investment Group is more challenging than any academic experience we have had thus far; however, it has also been the most rewarding. We have learned an incredible amount about professionalism that we will apply throughout our careers. Each meeting we learn something new from Dr. Goff and Mr. Thompson that will translate directly into a wide variety of professions, and very much look forward to representing the BIG and Appalachian State University as alumni after graduation in May.

We would like to express our gratitude to each of our supporters who continue to contribute to our experience by sacrificing their time and utilizing their resources to improve the Bowden Investment Group. We owe a special thanks to our BIG alumni for representing the group, and setting a standard of excellence in managing the portfolio, and for preserving the reputation of the group for future members.

Sincerely,

The BIG Members of 2017-2018

A Letter from our Advisors

Each year we have the honor of working with outstanding students in the Bowden Investment Group. Our job is to challenge the students and give them an exceptional experience with which to end their academic careers. Although we are teaching an “investment” group, we do not view our primary role as teaching investments. Rather, we have two major objectives that drive what we do. First, we want the students to learn in-depth fundamental financial analysis that will benefit them in a wide range of careers in finance, not just in the investments field. Second, we want to help the students learn how to be professionals, so that when they begin their careers, they will have an edge over their peers.

Every year the students face new challenges. In some years the challenge is dealing with an investment portfolio during a down market; however, in 2017 the challenge was the opposite. That is, the students were faced with the challenge of finding investment opportunities in a market that was on an upward trajectory throughout the year with no significant pullbacks. Frequently the members of Bowden Investment Group would select stocks to analyze and ultimately come to the conclusion that the stocks appeared to be fairly valued or overvalued. Alpha was elusive.

We are very happy that the 2016-2017 Bowden Investment Group continued the record of very strong career job placements. Most members of the group had jobs prior to graduation and all graduating members had jobs within a few weeks after graduation in May. Several members of current group have jobs and we are confident that the group will continue the tradition of very strong career job placements.

The cycle is never ending. Just as we are beginning to look toward the graduation of one group, we begin recruiting the next group. We are confident that there will be another group of outstanding students at Appalachian State University who will accept the challenge of being a member of the Bowden Investment Group.

To everyone who has provided support for the Bowden Investment Group, we thank you for your support. Also, thank you to our students and alumni for accepting the challenge of being a member of the Bowden Investment Group and for performing and giving back at a level that is above and beyond average expectations.

Delbert Goff, David Thompson



Pictured Left to Right: Dr. Goff, Mr. Thompson

The David A. Thompson Professorship in Applied Investments



The primary purpose of the David A. Thompson Professorship is to help to perpetuate the Bowden Investment Group. Once we retire, the Professorship will provide an incentive for a faculty member to take the lead with the Bowden Investment Group. We have an initial goal of a \$500,000 endowment for the professorship and our plan is to raise two-thirds of the funds and receive State matching funds for the remaining one-third.

In order to apply for State matching funds for the professorship we were required to have at least \$333,334 pledged. We currently have a \$335,508 pledged and we have received \$294,761 of that amount. We have applied for the State matching funds and have been approved. As soon as we receive at least \$333,334, we can get in the queue to receive the match. Once the match is received, the funds will be invested by the University and an annual stipend will be available to the professor holding the Professorship.

Along with the endowment funds raised, we also raised funds for an annual stipend to be awarded over the next few years. These funds made it possible for the Professorship to be awarded without waiting for the stipend payout from the endowment.

Thanks to everyone who contributed to the David A. Thompson Professorship in Applied Investments. Your support will help propel the Bowden Investment Group to new heights.

Delbert Goff, Ph.D.

David Thompson, CFA



Bowden Members 2016-2017

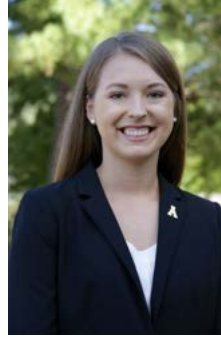
“To the Bowden Investment Group members of 2017, we would like to thank you for everything you did to prepare us for our membership in the group. It would have been difficult to transition without your guidance and council. We wish you the best of luck in the future!” – Class of 2017-2018



Logan Newman
President



Jarrett Jacumin
Vice President



Jewell Ward
Update Editor



Ana Silverstein
Update Editor



James Marlowe
Accountant



John Mosser
Accountant



Mac Shelton
Capital Market
Analyst



Charles Plummer
Economic Analyst



John Rucker
Webmaster



Hollie Brown
Annual Report



Matt Burns
Economic Analyst



Harrison Gillette
Capital Markets



Ben Haskell
Industry Analyst

Alumni – Where are they now?



James Marlowe | *Class of 2016-2017*

James Marlowe, class of 2016-2017, was an Accountant for the BIG. Currently, he is in Charlotte doing an audit internship with Deloitte and hopes to start full time with the firm in the fall after completing the CPA exam. "Bowden provided me with the opportunity to step back and see the larger picture. As an auditor, I have a better sense of why I am doing the work I do because of my experiences managing the Bowden portfolio and being a user of financial statements. Truly understanding the value that I add by ensuring accurate and complete financial information makes for a much more satisfying and meaningful career."

Andrew Johnson | *Class of 2015-2016*

After graduation, I joined Wells Fargo Audit Services as an Associate Auditor in Charlotte, NC (June 2016). I began as a member of the Corporate Operational Risk Team, but recently transitioned to the Capital & Model Risk Management Team, which includes audit coverage of capital planning, annual stress testing, and enterprise compliance with Basel regulation. As I come up on the two year mark of being out of school, the time spent and amount of experience gained as a member of the Bowden Investment Group continues to provide a lasting impact on me. Two things come to mind in particular - maintaining professionalism in all that I do and the importance of effective time management (emphasis on the effective). Thus far in my career, which was also ingrained in me as a member of BIG, maintaining professionalism, whether that be communication with colleagues and business partners, or in giving a presentation to management is critical to building sound relationships and displaying confidence in one's work. Additionally, the importance of proper time management, is something that should be emphasized. There will always be deadlines, and one's ability to prioritize their work effectively while producing the best output is something that was accentuated as a member of the Bowden Investment Group and has stuck with me to this day. I can't begin to express my thankfulness and gratitude for the relationships built and knowledge I gained as a member of the Bowden Investment Group.



Alumni – Where are they now?



Ivey Baker | *Class of 2009-2010*

Bowden changed my life. In high school, I was the Broadway actress "wanna-be" that no one in Advanced Placement Statistics took seriously. In college I was the only female in my graduate level derivatives course. Dr. Goff required professionalism that greatly improved my research, presentation, and communication skills. Bowden helped me to look and sound experienced, when I really had none. Bowden inspired confidence in this young woman hustling to thrive in a predominately male industry. Bowden taught me to trust my intuition and to stand up for what I believe in. I wake up every day to serve an industry and clients I love. I wouldn't be where I am today if it wasn't for Dr. Goff and the Bowden Investment Group.

Darrow Goff | *Class of 2015-2016*

Since graduating a year and a half ago I have been working for Bank of America in Charlotte. I am currently in my second year of the FMAP rotational program. For the first year I worked on the Financial Center Channel Expense Analytics Team reporting and forecasting on expenses for the bank's financial centers. I am currently on the Retirement Plan Investments team, helping to evaluate managers for and monitor the bank's pension, 401k, and deferred compensation plans. Bowden was crucial for my development while I was in college. The chance to take all the theory I had been learning in my other classes and apply it to a real portfolio made it all more meaningful. The real benefit of Bowden though comes from the intangibles that you learn in the class that translate directly to the working world. From teamwork to business etiquette, Bowden gives students the tools to be a step ahead of any other college graduates from day one on the job.



John Rucker | *Class of 2016-2017*

John Rucker is currently in his first rotation in the Financial Leadership Program at MSC Industrial Supply, working as a financial analyst and a financial planner. John is currently responsible for managing the Human Resources and Communications expenses in his financial planning role. He is also does financial analysis for the Sales Accounts segment of the organization with a focus on Government and National Accounts.

Careers

The Bowden Investment Group provides members the basis for a strong professional network they can build upon throughout their careers. We are thankful for the relationships that the BIG has with employers and the tremendous career opportunities the members are able to take advantage of.

“Students who have been in the Bowden Investment Group develop highly desired research, analytical, and presentation skills. They are also intellectually curious and have strong interpersonal abilities. We have hired many students who have been in BIG and find they have a great foundation as they start their career.”

– Melissa L. Miller, Bank of America, Senior Finance Manager



The Broyhill Fellows of 2017-2018

Five members of the Bowden Investment Group are selected each year to compete in the CFA Institute Research Challenge. This global competition provides students with hands-on experience with fundamental financial analysis, presentation skills, and the opportunity to receive feedback from esteemed industry professionals. The 2017-2018 Broyhill Fellows are all senior finance and banking majors: Jeff Bennett, John Miller, Andrew Hanley, Daniel Sullivan, and Amalia Miles. The Broyhill Fellows have worked tirelessly over the past few months to produce a report on Primo Water Corporation. Primo Water Corporation is a single-source provider of purified drinking water and dispensers, headquartered in Winston-Salem, North Carolina. The team presented Primo Water as a buy. The Broyhill Fellows have thoroughly enjoyed this experience and gained valuable professional and industry experience that they will carry with them into their careers.



Pictured Left to Right: Jeffery Bennet, John Miller, Andrew Hanley, Daniel Sullivan and Amalia Miles

“Representing Appalachian State as Broyhill Fellows was one of the most memorable experiences we have had here at Appalachian. Never in our time at the University had we been as academically challenged. It was amazing to see the dedication we had as a team to push forward and challenge one another. We spent hundreds of hours on the project researching, writing, formatting, and rehearsing our presentation. Not only did this experience allow us to gain a deeper insight on equity analysis, but strengthened the bond among us.”

– The 2017-2018 Broyhill Fellows

UGA Stock Pitch Competition

The UGA Terry Stock Pitch Competition invites student contestants from across the country to present a stock to and network with industry professionals, while demonstrating their skills in finance. This marks the third consecutive year the Bowden Investment Group has received an invitation to compete in this challenge.

2016 – 2017 Team

“The opportunity to participate in the UGA Stock Pitch Challenge was a highlight of my BIG spring semester. It was a great way to represent the Walker College of Business, gain additional professional presentation experience, and talk to students from other universities about their portfolio management groups. Although the outcome was not what we hoped for, it made me proud to see our team’s hard work and receive positive feedback on our presentation. I’m grateful to Dr. Goff and Mr. Thompson for encouraging us as we prepared and supporting us when traveling to the competition.”

- Jewell Ward, 2017 UGA Team



Pictured Left to Right: John Rucker, James Marlowe, Jewell Ward, Ana Silverstein

2017– 2018 Team



Pictured Left to Right: Sean Grune, Stephen Potter, Johnathan Smith, and Phuong Vu

This year, four members of the Bowden Investment Group submitted a presentation to the University of Georgia’s Stock Pitch Challenge. The team was selected to compete in the final round in Athens, Georgia on February 23rd against universities from across the United States.

Their presentation is on CarMax Inc. and advocates the company as a BUY based on expected growth and key competitive advantages. We are proud of the team’s hard work on their UGA presentation and we look forward to them competing in Athens.

“Participating in the UGA Stock Pitch Competition has been a truly rewarding experience. Our team is honored and excited to have the opportunity to present our in-depth research on CarMax.” – 2018 UGA Team

Bowden Members 2017-2018

The Bowden Investment Group is grateful for the support and guidance of leadership across all departments in the Walker College of Business. Our group continues to admire and pursue the depth of expertise and level of professionalism demonstrated to us by our professors and administration. We are thankful for the role they have played in our growth and in making our experience at Appalachian State exceptional.

"The Bowden Investment Group (BIG) is a prime example of the type of educational experience we strive to offer to all of our students in the Walker College of Business: a hands-on, intensive course that develops students both academically and professionally. This year's BIG students and the Broyhill Fellows have, once again, demonstrated the values and ideals we hold dear at Appalachian State: quality, integrity, grit, and meaning. I appreciate each and every one of them for going the extra mile to achieve BIG at the finish line."

– Dean Heather Norris, *Walker College of Business*



Johnathan Smith
President

"The Bowden Investment Group has given me a transformational learning experience like nothing I could have expected. When I was accepted into the group last spring, I knew I had my work cut out for me but had no clue this journey would be one of the most fun things I have ever done. We have worked so hard this year analyzing companies and learning fundamental financial analysis. We have bonded as a group and truly grown in our technical and soft skills. This opportunity is one I will forever be grateful for. I am so proud of my fellow BIG members for what they have done and how we have all grown together. I owe so much to Dr. Goff and Mr. Thompson for their sacrifices every day to make this possible. I look forward to being a strong supporter of the Bowden Investment Group after graduation and to seeing the excellence of the group in future years."



Daniel Sullivan
VP of Recruitment

"Being a member of the Bowden Investment Group and a Broyhill Fellow has been the greatest experience of my time at Appalachian. These two things have challenged me to reveal my true potential."



2017-2018 Bowden Members



Jeffrey Bennett

*BIG Update
Editor*

“The Bowden Investment Group has provided me an unbelievable undergraduate learning experience. Being a member of the group has exposed me to vast avenues within the field of finance and allowed me the opportunity to work alongside peers who share the same drive and eagerness to learn. Through the guidance of incredible professors, I have been pushed outside of my comfort zone and developed professionally and personally.”



Amalia Miles

*BIG Update
Editor*

“Participating in the Bowden Investment Group has been by far my most transformative experience during my time at ASU. If it wasn’t for the College of Business donors’ passion for supporting and inspiring students, through programs such as this, I know I wouldn’t be as prepared and inspired to succeed in my career. I am so grateful to have had the expertise of Mr. Thompson and Dr. Goff to elevate this experience, and to have been a part of this year’s group of talented like-minded individuals.”



Andrew Hanley

*BIG Update
Editor*

“Being a part of Bowden has been an incredible experience. I have the opportunity to work with great mentors like Dr. Goff and Mr. Thompson, as well as peers who are similar to me. Bowden has pushed me more academically than anything I have ever been a part of and it has been a blast along the way.”

2017-2018 Bowden Members



Phuong Vu
Accountant

“Bowden Investment Group gives me not only the chance to meet with many professionals in the finance industry, but also allows me to work with the most dedicated and talented group of students. This is undoubtedly a highlight of my college career as challenging work develops remarkable results. And I could never be thankful enough for our whole-hearted professor and advisor.”



John Miller
VP of Public Relations

“Being a member of Bowden has been the most rewarding experience I have had in college. The hands-on experience and professional development BIG offers is unmatched. It has given me the skills and confidence to succeed in my career moving forward.”



Christopher Miller
VP of Public Relations

“The combination of Dr. Goff’s academic expertise and Mr. Thompsons real-world experience make the Bowden Investment Group a truly unique and valuable learning experience I will draw from the rest of my professional career.”

2017-2018 Bowden Members



Stephen Potter

*Economic
Analyst*

"It is a joy coming into class twice a week with passionate professors and like-minded classmates. As my college career is coming to an end, I feel like the Bowden Investment Group has refined my analytical and soft skills better equipping me for the transition from school into the role of an analyst."



Sean Grune

*Economic
Analyst*

"Bowden has been very challenging but an incredible experience that has allowed me to gain real world knowledge that is unmatched in most other classes. I am excited for what the rest of the semester has in store."



Please [Click Here](#) to view the Bowden Investment Group in the Walker College of Business Video.

Original Artwork by Mr. Thompson

Memories Throughout the Year

The 2017-2018 Members of the Bowden Investment Group were involved in the group long before the academic year began in September. The entire process has been an incredible growth experience that began in March of 2017 by interviewing with Dr. Goff and Mr. Thompson, as well as last year's members. Since being accepted as members of the group, the academic, professional, and personal growth is evident amongst us all.

Our journey began by attending meetings last spring, where we had the chance to learn from and experience the caliber of students and professionals we now had the opportunity to develop into. From those meetings, we each caught a glimpse of what it meant to be in the Bowden Investment Group.

Before we knew it, the summer had begun and many of the new members took on the challenges associated with a summer internship and began learning the fundamentals of financial modeling through an online course – Wall Street Prep. We all believe the exposure to financial modeling early on allowed us to achieve more individually and as a group during the Fall semester, as it laid the strong foundation for what we would build upon with Dr. Goff and Mr. Thompson. We are thankful for those who support us, as the opportunity to participate in the online course would not have been possible without you all.



NY Trip
2017



Our BIG Meetings began in September, and each member brought with them a stock that they had been analyzing throughout the summer. We all built a case for why our stock should be selected for analysis by the overall group. Only five made the cut – Nutrisystem, Martin Marietta Materials, CarMax, Gentex and Aerovironment. Under the guidance of Dr. Goff and Mr. Thompson our next task was to develop an in-depth fundamental analysis of our respective companies in order to present a recommendation to the group. We undoubtedly believe that this was the most challenging assignment in our academic careers. In December of 2017, we purchased shares of Martin Marietta Materials and Nutrisystem – our groups first BUY contributions to the BIF.

Memories continued,

Beyond what we were able to accomplish inside the classroom, we have had the opportunity to interact and develop team skills throughout the academic year, most notably with the BIG Day and the annual trip to New York City.

The BIG Day was our first true team-building experience and consisted of professional development, activities at the Appalachian State Alpine Tower, and dinner hosted by Mr. Thompson and his wife, Cathy. The BIG day was a representation to us all that being members of the Bowden Investment Group would be an incredibly challenging and rewarding experience.

Our trip to New York City was an unbelievable experience and it opened our eyes to the countless opportunities in the field of Finance. We were fortunate to have meetings with Tiger Management, Credit Suisse, BlackRock, and Evercore ISI. At every meeting we were able to learn about firm's strategy, ask questions about the market, and even add a few opinions of our own (which we are sure they applied when we left). Once again, we are grateful for our supporters and donors and are humbled by the donations and contributions that make the experiences for Bowden Investment Group members possible. A special thank you to Ivey Baker and Julia Kasza for joining us on our trip – we hope you had a great time!

As the second semester moves along, we believe it is appropriate to take a step back and look at the progress each member has made. From sitting in on BIG Meetings in the Spring of 2017, to competing in the CFA Institute Research Challenge and UGA Stock pitch challenge (amongst other things), we are proud of the progress we have made. However, we are excited for the challenges that are still ahead of us and look forward to furthering our development as professionals. We remain committed to our fiduciary duty and are excited to analyze and recommend accretive equities as we continue the second semester.

The Bowden Investment Group continues to provide each of us an unparalleled learning experience, and we are thankful for the opportunity to learn from the incredible professors, Dr. Goff and Mr. Thompson. Their professional experience and success inspires each of us and has instilled us with a work ethic and curiosity that will remain within us throughout our professional careers.

Once more, thank you all for your continued support of the Bowden Investment Group.



BIG Day 2017



Portfolio Holdings

Year End 2017

Description	Ticker	Shares	Close	Market Value
Amazon	AMZN	6	\$1,169.47	\$7,016.82
Compass Minerals International	CMP	98	\$72.95	\$7,149.10
Facebook	FB	34	\$176.46	\$5,999.64
Fidelity Investor Services	FIS	65	\$94.09	\$6,115.85
Alphabet, Inc.	GOOGL	6	\$1,053.40	\$6,320.40
iShares US Regional Banks ETF	IAT	122	\$42.29	\$5,159.38
iShares S&P 500 ETF	IVV	166	\$268.85	\$44,629.10
Martin Marietta Materials	MLM	25	\$221.04	\$5,526.00
Nutri-System Inc.	NTRI	143	\$52.60	\$7,521.80
Novartis AG	NVS	55	\$83.96	\$4,617.80
Newell Brands Inc.	NWL	114	\$30.90	\$3,522.60
Powershares Defense and Aerospace ETF	PPA	163	\$53.90	\$8,785.70
Stryker Corporation	SYK	56	\$154.84	\$8,671.04
Tetra Tech, Inc.	TTEK	160	\$48.15	\$7,704.00
Visa, Inc.	V	68	\$114.02	\$7,753.36
Vanguard Financials ETF	VFH	110	\$70.04	\$7,704.40

Market Value of Holdings \$144,196.99

Cash + 5,044.99

Total Portfolio Value **\$149,241.98**

Buy Transactions

Description	Ticker	Transaction Date	Cost Basis	Year End Price
Chipotle Mexican Grill	CMG	1/25/2017	\$421.64	\$289.03
Marathon Petroleum Corp	MPC	2/21/2017	\$50.43	\$65.98
Jetblue Airways Corp	JBLU	3/8/2017	\$19.31	\$22.34
Transdigm Group Inc.	TDG	3/8/2017	\$242.63	\$274.62
Cedar Fair	FUN	3/8/2017	\$67.48	\$64.99
Valeant Pharmaceuticals	VRX	3/8/2017	\$11.70	\$20.78
Tetra Tech Inc.	TTEK	3/29/2017	\$39.68	\$48.05
Cameco Corp	CCJ	4/19/2017	\$10.79	\$9.23
Micron Technology Inc.	MU	4/26/2017	\$26.65	\$41.12
Compass Minerals	CMP	4/26/2017	\$67.78	\$72.25
Ulta Beauty Inc.	ULTA	5/1/2017	\$282.25	\$223.66
Amazon Inc.	AMZN	5/3/2017	\$938.83	\$1,169.47
Facebook Inc	FB	5/3/2017	\$152.15	\$176.46
Valeant Pharmaceuticals	VRX	5/5/2017	\$9.92	\$20.78
PowerShares Aerospace & Defense ETF	PPA	5/5/2017	\$45.06	\$53.90
iShares Core S&P 500 ETF	IVV	6/26/2017	\$246.66	\$268.85
Fidelity National Information Services	FIS	8/3/2017	\$90.30	\$94.09
iShares Core S&P 500 ETF	IVV	10/23/2017	\$259.21	\$268.85
iShares Core S&P 500 ETF	IVV	12/11/2017	\$267.52	\$268.85
Nutrisystem Inc.	NTRI	12/11/2017	\$51.64	\$52.60
Martin Marietta Materials	MLM	12/11/2017	\$212.35	\$221.04

Martin Marietta Materials – MLM

We believe the basic materials industry is an attractive area for investment. The demand for the industry's products will be driven by growth in the residential and nonresidential construction industries and government and private investments in infrastructure projects. The company has participated in the consolidation of the aggregates industry by strategically acquiring companies to diversify their geographic footprint and exploit synergies thus increasing the overall profitability of MLM. We expect economic conditions to remain favorable and home-starts to continue increasing, as they have annually since 2009. Additionally, a decrease in the corporate tax rate will increase corporate profits which we believe will be the driver for nonresidential construction. This company provides exposure to an industry poised for growth through infrastructure investment and increased construction activity.



Sell Transactions

Description	Ticker	Transaction Date	Price	HPR
iShares Core S&P 500 ETF	IVV	1/25/2017	\$230.01	6.80%
Alphabet Inc.	GOOG	2/1/2017	\$792.15	157.20%
Apple Inc.	AAPL	2/1/2017	\$128.37	39.30%
TJX Companies Inc.	TJX	2/1/2017	\$74.40	-1.30%
Old Dominion Freight Lines Inc.	ODFL	2/6/2017	\$89.09	42.80%
American Tower Corporation REIT	AMT	2/6/2017	\$105.14	18.00%
Transdigm Group Inc.	TDG	3/21/2017	\$225.00	-7.30%
Powershares S&P Small-Cap Materials	PSCM	4/10/2017	\$46.28	-1.30%
Tractor Supply Co.	TSCO	4/12/2017	\$67.11	-12.00%
iShares Core S&P 500 ETF	IVV	4/26/2017	\$240.40	12.10%
iShares Core S&P 500 ETF	IVV	5/1/2017	\$239.74	11.80%
Vanguard Financials ETF	VFH	5/3/2017	\$60.49	5.40%
iShares US Regional Banks ETF	IAT	5/3/2017	\$44.87	3.40%
Guggenheim S&P 500 Consumer Staples ETF	RHS	5/3/2017	\$124.46	12.50%
Cedar Fair LP	FUN	5/5/2017	\$70.52	4.50%
Fidelity National Information Services Inc.	FIS	5/5/2017	\$82.79	-8.00%
Costco Wholesale Corp.	COST	5/5/2017	\$179.83	22.90%
Apple Inc.	AAPL	5/5/2017	\$148.62	61.00%
Ulta Beauty Inc.	ULTA	5/24/2017	\$286.71	1.60%
Chipotle Mexican Grill Inc.	CMG	5/30/2017	\$473.26	12.20%
Apple Inc.	AAPL	6/9/2017	\$148.57	61.60%
Costco Wholesale Corp.	COST	6/16/2017	\$170.22	21.10%
Marathon Pete Corp.	MPC	6/21/2017	\$52.47	4.80%
Cedar Fair LP	FUN	7/11/2017	\$68.45	2.70%
Fidelity National Information Services Inc.	FIS	8/2/2017	\$91.81	2.30%
JetBlue Airways Corp.	JBLU	10/4/2017	\$19.65	1.80%
Valeant Pharmaceuticals	VRX	10/18/2017	\$12.82	9.60%
Micron Technology Inc.	MU	10/19/2017	\$39.88	49.70%
Cameco Corp.	CCJ	11/15/2017	\$8.76	-17.30%

Jet Blue—JBLU

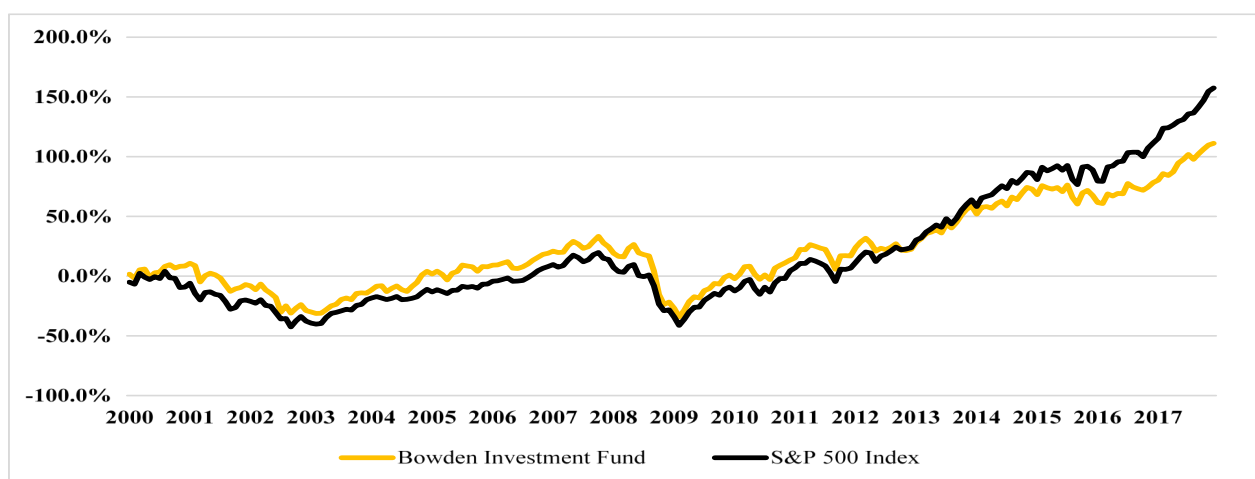
On 10/4/2017, the Bowden Investment Group sold all shares of JetBlue (Ticker: JBLU). This decision was made following the devastating hurricane season. Much of the damage was in one of JetBlue's major regions, the Caribbean. The group believed that JetBlue would suffer significantly. We believe that due to very low margins, a significant amount of long-term debt, and a very competitive industry; JetBlue was no longer an attractive investment.

Micron—MU

On 10/19/2017, all shares of Micron (Ticker: MU) were sold due to a 5% stop loss. The group placed a stop loss for downside protection as Micron's stock price was nearing its all time high. The semiconductor industry is very cyclical, and we believe the industry is nearing the end of the current boom. Micron suffered a sharp decline in earnings in 2016 when the industry was struggling. The Bowden Investment Group believes that this lack of downside protection is a cause for concern, and makes Micron a risky investment.

Bowden Investment Fund Performance

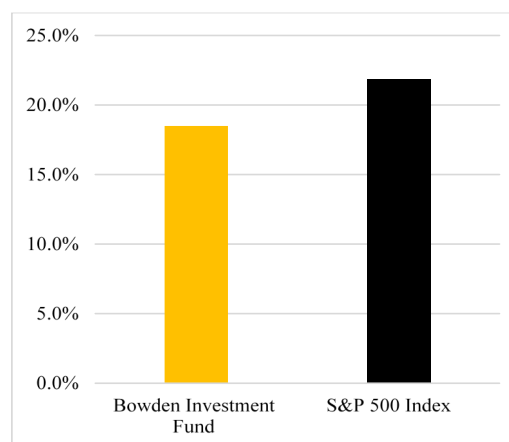
Cumulative Return Since Inception



Monthly Returns

Month	S&P 500	BIF
January	1.79%	1.22%
February	3.72%	2.99%
March	-0.04%	-0.86%
April	0.91%	1.70%
May	1.16%	3.86%
June	0.48%	1.62%
July	1.93%	2.10%
August	0.05%	-2.01%
September	1.93%	2.27%
October	2.22%	1.97%
November	2.81%	1.68%
December	0.98%	0.69%

2017 Return Comparison



Attribution Analysis

The year 2017 produced great returns for the stock market and the Bowden Investment Fund (BIF). The portfolio value continues to reach all-time highs – \$150,562 in December 2017. The group has made several transactions throughout the year, maintaining our fiduciary duty to achieve the best asset allocation and stock selection. The table to the right shows the BIF weightings as of December 2017.

S&P 500 Sectors	S&P 500 Weightings	BIF Weighting (w/o IVV)
Consumer Discretionary	12.08%	17.26%
Consumer Staples	8.18%	-
Energy	6.06%	-
Financials	14.77%	12.30%
Healthcare	13.76%	12.70%
Industrials	10.25%	15.76%
Materials	2.98%	12.12%
Real Estate	2.88%	-
Technology	23.98%	25.03%
Telecommunication Services	1.98%	-
Utilities	3.08%	-
Cash	-	4.82%

Zero weighting sectors – After selling Cameco (CCJ) in November 2017, the Bowden Investment Fund holds no equities within the following sectors: Consumer staples, energy, real estate, telecommunication services, and utilities. These decisions turned out to be beneficial throughout 2017 as these sectors were among the lowest performing within the S&P 500. Not investing in real estate and utilities saved the portfolio from potential losses in real estate of -3.9% and in utilities of -4.15%. However, to keep the portfolio well diversified, the Bowden Investment Group analysts will keep an eye out for promising stocks within the underweighted sectors throughout the spring semester.

Consumer Discretionary – With 5.0% of the portfolio value in Amazon (AMZN), a great year for the company made for great returns for the BIF. In contrast, Newell (NWL) took a hit twice in 2017, and resulted in the BIF portfolio consumer discretionary sector underperforming the benchmark. We maintain our belief that Newell is a strong company, owning a well-diversified brand name portfolio, and our analysts expect an improvement in the long run. As a result, the sector lost 0.19% throughout 2017.

Information Technology – For consecutive years, information technology has remained the biggest sector within both BIF (17.9%) and the S&P 500 (24.0%). Despite lower weighting compared to the benchmark, the BIF outperformed the S&P 500 in terms of total return for the information technology sector. The average return for the sector within the S&P 500 is 6.8%; however, BIF holdings of Fidelity (8.8%) and Visa (8.9%) provided a boost to overall returns. Holdings in Alphabet (GOOGL) and Facebook (FB) provided an average return of 5%, which is below the benchmark's average. However, we believe these strong tech companies will continue to stabilize sector returns.

Guest Speakers and Appreciation

We were fortunate to have Alex Jenkins and Dillon Hewitt-Castillo from Dimensional Fund Advisors present at our meeting and speak to our group. They shared their industry experience and knowledge with us and discussed what makes Dimensional different from other firms. They also shared their insight on opportunities within the finance industry and provided advice on how we can identify and achieve our goals in the Bowden Investment Group and as we begin our careers.

We also had the privilege of having both Brian Steen and Aaron Martschenko with Dixon Hughes Goodman come to speak with us. We enjoyed learning about the different valuation methods they use for valuing private companies. It was great to hear about the real world application of these methods and learn about the complexity of financial models in the valuation process.

Blake Spivey from BlackRock also visited our group. It was interesting to hear about BlackRock's perspective on the market and the interesting investment theses they are looking into going forward. We appreciated the interactive presentation and the opportunity we had to ask him questions about the industry. It was intriguing to see the intricacies of BlackRock's different funds.

Chris Pavese, with Broyhill Asset Management, came to explain his role and shared valuable insight on how to achieve a successful, productive, and balanced lifestyle.

Thank you all again for taking the time to share your knowledge and experiences with the BIG.

A Special Thanks to –

We would like to give a special thanks to everyone else who supports our group. Without you, we simply could not have the experience we have. We are forever grateful for every minute of time you put into helping our group meet its goals.

WEDGE Capital Management –

David Thompson

Linda Matney

Brad Fisher

Brad Horstmann

Dixon Hughes Goodman –

Brian Steen

Aaron Martschenko

La-Tea-Da's Catering –

Janet Woodson

BlackRock –

Blake Spivey

Tiger Management –

Alex Robertson

Credit Suisse –

Joseph Bartholomew

Dimensional Fund Advisors –

Alex Jenkins

Dillon Hewitt-Castillo



For more information on the Bowden Investment Group, please contact:

Dr. Delbert Goff

goffdc@appstate.edu

(828) 262-6188

For more information regarding the Annual Report, please contact:

Amalia Miles

milesam@appstate.edu

Original Art – Mr. Thompson, Adjunct Professor



John Miller
PHUONG VU

Jeffrey Bennett

Sarah Grimes

Amalia Miles

John Miller



Bowden Investment Group

Class of 2018

Christy Miller

Christine Miller

Stephen Foster

Andrew Harkley

Daniel Sullivan