

Big Update: February 2017



# Bowden Investment Group

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*Logan Newman*

Vice President  
*Jarrett Jacumin*

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*John Mosser*

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*Charles Plummer*  
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Industry Analyst  
*Ben Haskell*

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## *Letter from the President*

I am very excited to announce that for the sixth consecutive year, the Appalachian State Broyhill Fellows won the North Carolina CFA Institute Research Challenge! Over the past months, our team worked endlessly to keep the Bowden Investment Group's winning tradition alive. I would like to congratulate Mac Shelton, John Mosser, Hollie Brown, Jarrett Jacumin, and Charles Plummer for their exceptional performance in this competition. This was the first year that the CFA Institute of North Carolina assigned a REIT for the competing team to analyze. The Broyhill Fellows produced a very high quality written analysis and delivered an excellent sell presentation on Highwoods Properties.

In the final round, Appalachian State defeated the University of North Carolina at Wilmington and Elon University to win the North Carolina competition. The team will head to Seattle, Washington for the Americas Regional Finals on April 6 - 7. Every Bowden member is proud of the work the Broyhill Fellows produced and we are confident that they will continue to represent Appalachian State very well in the Regional Finals.

During February, the BIG also made several buy and sell presentations. We decided to sell all shares of American Tower and Old Dominion Freight Line, and bought shares of Marathon Petroleum Corporation. Since American Tower is a REIT with a below-industry average yield and we believe a rise in interest rates is on the horizon, we anticipate this sell will help us achieve our goal of outperforming our benchmark. Our purchase of Marathon Petroleum gave the BIF exposure to the energy sector.

As always, I would like to thank you all for your continued support of the Bowden Investment Group.

Warm Regards,

*Logan Newman, President*



The Bowden Investment Group Broyhill Fellows and winners of the 2017 North Carolina CFA Society Research Challenge pictured above: **Mac Shelton, Charles Plummer, Hollie Brown, John Mosser, and Jarrett Jacumin**. The victory makes six in a row for Appalachian in the North Carolina competition. Appalachian teams have won in seven of the nine years that the competition has been held in North Carolina and Appalachian is the only university in the state to have a team in the finals in all nine years.

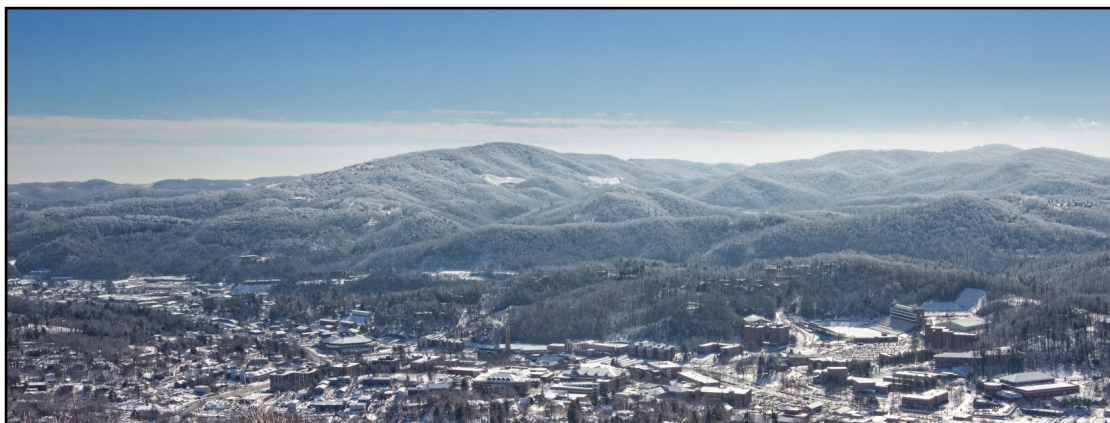
## Industry Outlook

This month, The Bowden Investment Group added Marathon Petroleum Corporation (MPC) to the portfolio, allocating 4.5% to the stock. Marathon operates in three segments: refining, transportation, and marketing. 60% of Marathon's refining operations are in the Gulf, and 40% are in Ohio and Kentucky. This split allows MPC to capitalize on crude oil differentials, in addition to benefitting from increased production along the UTICA formation. Marathon has increased its midstream and marketing operations with interest in 8400 miles of pipeline. MPC also recently acquired Hess' retail stations. The company now operates Marathon, Speedway, and Hess gas stations.

Oil prices were depressed the last half of 2016. This was due to OPEC's trouble reaching an agreement, as well as increased US production. Despite volatility in the crude oil market, the Bowden Investment Group believes that Marathon is in a position to increase internal growth due to their plan to split their operations 50/50, between refining and their downstream segments.

Looking forward, crude oil prices may struggle to rise as inventory gluts increase. The OPEC Secretary, General Mohammad Barkindo, reported that outside producers who signed up for the cartel's output cut have been lagging in their implementation. Additionally, US producers are expected to increase output in 2017 as the Trump administration is predicted to eliminate regulations that slow production.

*Ben Haskell, Industry Analyst*



## February Returns

<b>Ticker</b>	<b>Return</b>
AAPL	13.36%
CMG	-0.64%
COST	8.34%
FIS	3.59%
GOOGL	3.02%
IAT	4.01%
IVV	3.14%
JBLU	1.78%
NVS	5.75%
NWL	3.99%
MPC	3.98%
PSCM	-1.12%
RHS	4.18%
SYK	4.07%
TJX	5.06%
TSCO	-3.42%
V	6.52%
VFH	4.85%
^GSPC	3.72%
BIF	2.99%

## Meet the Members



**Matt Burns**

Matt Burns is a senior from Charlotte, NC studying both Finance and Banking and Economics. He is active in his fraternity and is a current member of the Interfraternity Council. This summer Matt will be interning for Bank of America's FMAP program in Charlotte, prior to graduating in December. In his free time, Matt enjoys reading books and playing with his rambunctious pup. Studying with the Bowden Investment Group has enhanced his professional skills and broadened his understanding of in-depth analysis.



**Charles Plummer**

Charles Plummer is a senior from Waxhaw, NC. He is majoring in Finance and Banking and also an active member in his fraternity. Through the Bowden Investment Group, Charles has refined his analytical and team building skills, a major advantage for his professional career. After graduating in May, Charles will join the 2017 FMAP class at Bank of America in Charlotte, NC. Charles is very excited and plans to use the experience and skills he has developed through Bowden and the CFA Challenge to excel in both his career and life.