

Big Update: **January 2014**



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Letter from the President

I hope that each of you had a joyful holiday season and a happy new year.

The BIF experienced a few changes since the last BIG Update. Analysts' reports at the end of last semester led to the purchase of shares of Vitamin Shoppe and Airgas. We believe that Vitamin Shoppe will take advantage of demographic trends in the U.S. and that, as the U.S. leader, Airgas will benefit from the positivity in U.S. manufacturing. When we returned from our winter break, we sold IBM, citing the long-term stagnation of share prices and disappointing returns on company R&D spending. Due to the recent upheaval in emerging markets, the BIG also sold all holdings of GML.

The CFA Team recently submitted its report on Krispy Kreme Doughnuts to the CFA Institute of North Carolina and will hear back from the judges in mid-February. If selected, the CFA Team will travel to Greensboro, NC to represent ASU in the presentation segment of the state competition. On behalf of the CFA Team, I would like to offer my appreciation to our mentor Mr. Christopher Pavese for his willingness to share his time and wisdom with us.

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

-Jack Bishop

"Strength does not come from physical capacity; it comes from an indomitable will."

-Mahatma Ghandi

Much Ado About Nothing?

Over the past few weeks, investors have seen heightened price volatility in the market due to the currency crisis and disconcerting economic data. Investors everywhere are exiting the market, reacting, no doubt, to emotion. The anxiety is understandable, especially considering the recent volatility. However, anyone who's ever examined any type of market research must remember the number one rule: don't panic! For most of us this rule is easier said than done, especially when there are varying levels of risk tolerance.

If you're concerned for your portfolio during a market slowdown, as are many investors, I would suggest rethinking your investment strategy. Consider investing in companies with solid financials, an enthusiastic management team, and smart business practices. These companies usually rebound after hard economic times. This advice isn't new, but many investors tend to forget basic principles when prices plummet. If this practice isn't enough to ease your mind during market slowdowns, you may want to consider rebalancing your portfolio.

-Madison Bigham

"In stocks as in romance, ease of divorce is not a sound basis for commitment."

-Peter Lynch



Economic Outlook

While the quote below may be true to some extent, the start of this year has definitely been a wakeup call after last year's great run. Over the past two weeks, growing concerns within Emerging Markets have spearheaded a significant global sell-off. Teetering on the edge of a major correction, Emerging Markets continue to experience volatility from two major sources: China's rate of growth and tapering by the Federal Reserve. Due to these sources, currencies within Emerging Markets have continued to lose value despite policy intervention in some countries.

It's hard to see any signs that global markets will not continue to experience high levels of volatility in the future. The compounding effects of China's slowing growth (if you dare to trust any of their numbers) and the start of Yellen's reign will almost surely keep investors on edge. However, with all of this being said, I remain bullish on 2014 as a whole for US equities. This correction for Emerging Markets will pass and we should see a continuation of strong earnings push the market higher.

-John Granzow

"Emerging Markets aren't yet sneezing enough, for the rest of the world to catch a cold."
-Bloomberg News

Bowden Investment Fund YTD Returns

	Bowden Investment Fund	S&P 500 Index
2014 YTD	-4.30%	-3.50%

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

February Sell Presentations

PETM
KORS
SYK
TUP
APA

January Returns

Ticker	Return
AAPL	-9.91%
ABB	-5.08%
APA	-6.48%
ARG	-7.62%
CSX	-5.94%
DEO	-8.62%
DHR	-2.96%
ESRX	6.70%
GML	-8.37%
GOOG	5.87%
KORS	-1.25%
NVS	0.04%
PETM	-12.92%
SLYG	-4.00%
SPY	-3.15%
SYK	3.30%
TUP	-17.08%
VHF	-2.97%
VSI	-13.82%
WMT	-5.13%
XOM	-7.29%
Total Fund	-4.30%

Recent Fund Activity

Bought
ARG
VSI

Sold
SLYV
IBM
PTEN