

Big Update: **March 2014**



Bowden Investment Group

Faculty Advisors

Dr. Delbert Goff
Mr. David Thompson, CFA

President

Jack Bishop

Vice President

Jason Capps

Accountant

Zachary Lavasque

Update Editor

Madison Bigham

Annual Report Editor

Sean Record

Economic Analysts

Clark Featherstone

John Granzow

Industry Analysts

Jack Brown

Drew Cook

Cameron Newell

Michael Page

For information about the
Bowden Investment
Group, please contact:

Dr. Delbert Goff
Raley Room 3066
Goffdc@appstate.edu
(828) 262-6188

For more information on
this update, please contact:

Madison Bigham
Bighammg@appstate.edu



Letter from the President

I hope that this letter finds you well and you're enjoying this beautiful spring weather that has finally sprung! The Bowden Investment Group had the honor of visiting WEDGE Capital Management this month. On behalf of the BIG, I would like to thank Brad Horstmann for being such a gracious host. We also appreciate Andre Bolshakov, Wes Stoltz, Paul VeZolles, and Brad Fisher for taking time to speak with us. It was a pleasure to hear such passionate financial professionals talk about their ideals and paths to success.

I would again like to congratulate the CFA team members on their hard work and professionalism throughout the CFA Institute Research Challenge. Our team made it to the America's Regional Quarterfinals, where we lost to the research teams from Rice University and the University of Minnesota. Each member learned a great deal about financial analysis through this process, and we feel we have grown as students and future employees in the financial industry.

The BIG became quite active at the end of the first quarter of the trading year, adding both Ford and Foot Locker to the portfolio. We also parted ways with Tupperware, due to its diminishing domestic relevance and increasing dependence on emerging markets. As we enter our final month managing the fund, we are striving to position the Bowden Investment Fund as advantageously as possible for the future.

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

-Jack Bishop

"We make a living by what we get, but we make a life by what we give."

-Winston Churchill

March Industrials Sector Outlook

The Industrials Sector is comprised of businesses that include manufacturing, aerospace & defense, construction, engineering products, electrical and industrial machinery, etc. Year-to-date the sector has outperformed the S&P 500 Index by approximately 6%. This outperformance was driven by the airline, aerospace & defense, and road & rail industries. The Bowden Investment Fund has been at-weight or over-weight in industrials relative to the S&P 500 index, which has served the Fund well. Our current investments in the Industrials Sector are: ABB, CSX, and DHR. In addition, Airgas (ARG) was purchased this fall, and while it falls into the materials sector, its business is closely related to the success of the Industrials Sector.

The Bowden Investment Group has a positive outlook for the Industrials Sector for year 2014. Our sector research indicates an expected EPS growth of over 12% and domestic manufacturing production growth of 4%. Given the cyclicity of the Industrials Sector, we believe that continued economic recovery would drive growth higher. In addition, as issues continue to rise in China and other emerging markets, the group has adopted the outlook of a U.S. renaissance in manufacturing. Recent signals have displayed positive signs in residential construction and this is expected to continue. This residential construction growth is expected to lead the industry and be followed closely by commercial construction. Overall, The Bowden Investment Group will likely remain slightly overweight in Industrials as the Sector continues to outperform the S&P 500.

-Michael Page

Economic Outlook

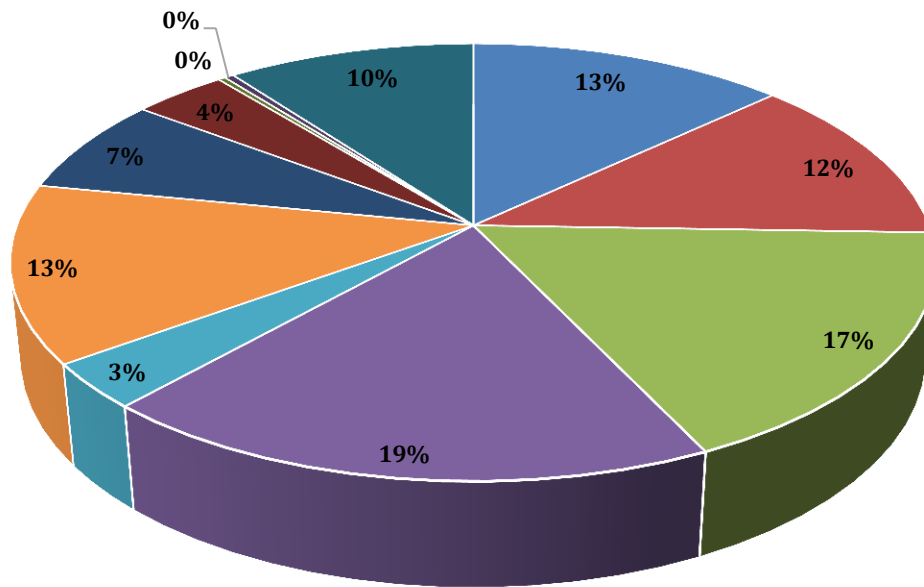
Janet Yellen presided over her first FOMC meeting as Chairwoman of the FED. This meeting gave us insight into her outlook on the US economy. During her remarks, she stated that, "The recovery still feels like a recession to many Americans, and it also looks like that in some economic statistics." Yet, we have seen unemployment continue to decline to its current level of 6.7%, as inflation remains historically low. Despite this improvement, Yellen made it clear that the FOMC would remove the 6.5% unemployment threshold for future rate hikes. Stating that even with normal a level of unemployment and inflation, economic factors may warrant continued suppression of the Federal Funds Rate. The FED tapered another \$10B, bringing their monthly purchases to \$55B. At this current pace, the FED should wrap up quantitative easing during the second half of 2014. A rate hike could follow sometime around six months after this, assuming the economy maintains its current trajectory. Our outlook on the US economy is very positive. We feel that there have been significant signals suggesting the economy will continue grow moderately.

-Clark Featherstone

February Returns

Ticker	Return
AAPL	2.00%
ABB	1.22%
APA	4.62%
ARG	-1.20%
CSX	4.55%
DEO	-0.89%
DHR	-1.95%
ESRX	-0.29%
F	0.19%
FL	0.73%
GOOG	-8.32%
KORS	-4.86%
NVS	2.21%
SLYG	1.53%
SPY	2.29%
SYK	1.56%
VHF	2.32%
VSI	1.46%
WMT	0.39%
XOM	-0.04%
Total Fund	0.36%

BIF Industry Weights



- Information Technology
- Health Care
- Energy
- Consumer Staples
- Utilities
- Cash
- Financials
- Consumer Discretionary
- Industrials
- Materials
- Telecommunication Services

Recent Fund Activity

Bought
F
FL
Sold
TUP

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

Bowden Investment Fund YTD Returns

	Bowden Investment Fund	S&P 500 Index
2014 YTD	-0.40%	1.80%