

Big Update: **March 2017**



# Bowden Investment Group

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Dr. Delbert Goff  
Mr. David Thompson, CFA

## BIG Members

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*Logan Newman*

Vice President  
*Jarrett Jacumin*

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*James Marlowe*  
*John Mosser*

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*Charles Plummer*  
*Matt Burns*

Industry Analyst  
*Ben Haskell*

Capital Market Analysts  
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**WALKER**  
COLLEGE OF BUSINESS

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## *Letter from the President*

Although spring break reduced the number of working days in March, the Bowden Investment Group stayed very busy with presentations, office visits, and recruitment. During the month, we added Valeant Pharmaceuticals and Cedar Fair to the Bowden Investment Fund. Even as positive market sentiment seems to be slowing, the members of BIG remain confident in our decision to minimize our cash holdings and fully participate in the market.

On March 3rd, BIG had the privilege of visiting WEDGE Capital Management in Charlotte, where we were able to hear from industry professionals, and network with Appalachian State alumni. We are grateful to all those at WEDGE who took the time to speak with us and for making the office visit such a beneficial experience. Also, thank you to everyone who attended the alumni dinner the prior evening. We appreciate all who joined us in honoring Mr. Thompson.

The Broyhill Fellows continue to work diligently preparing for the Americas Regional CFA Research Challenge on April 6th & 7th in Seattle, with hopes of advancing to the Global Competition. On March 2nd, the team gave their presentation at the Charlotte Bowden alumni dinner, to high praise.

Finally, I am happy to announce that the Bowden Investment Group has interviewed and selected 11 members for the 2017-2018 academic year. The incoming students possess all the attributes needed to maintain the standards of BIG and we are confident the Bowden Investment Fund will be left in very capable hands.

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

Regards,

*Logan Newman, President*



## **Congratulations to everyone selected as members of the 2017 - 2018 Bowden Investment Group!**

Jeffrey Bennett      Stephen Potter

Luke Denton      Jonathan Smith

Sean Grune      Caitlin Solter

Andrew Hanley      Daniel Sullivan

Christopher Miller      Phuong Vu

John Miller

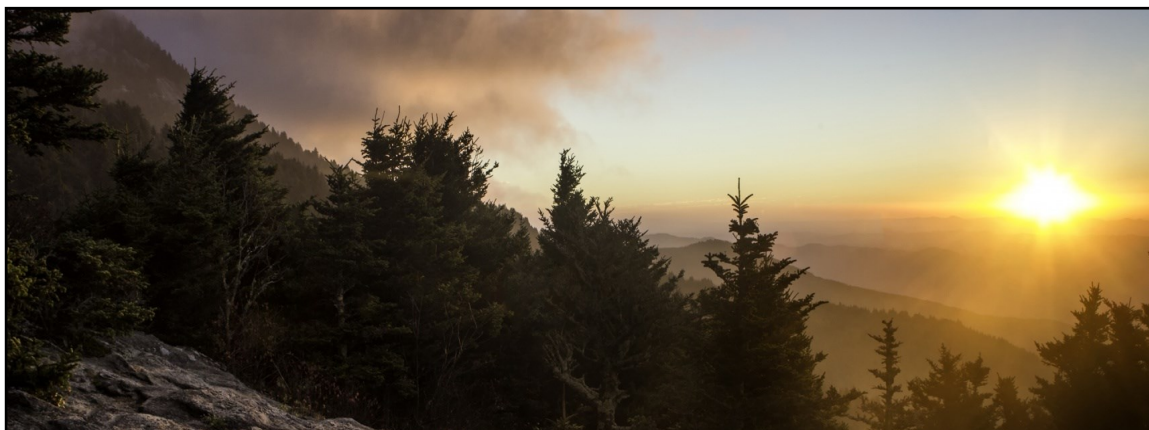
## Economic Outlook

**Trump shifts focus** -- After house Republicans failed to pass a sweeping health care bill to replace the Affordable Care Act, investors are questioning the administration's ability to achieve other promised reforms such as quashing regulations and reducing corporate taxes. House speaker Paul Ryan was unable to stop a vocal and conservative minority of representatives known as the House Freedom Caucus from denying passage of the bill. Trump appears poised to shift priorities from healthcare to taxes or trade. A proposal released by the White House indicates a willingness to compromise on certain priorities of the Democratic Party such as stricter labor and environmental standards when discussing the renegotiation of NAFTA. Markets have shifted, showing some unease, versus the previous exuberance, about the state of the administration.

**Oil price down** -- Crude oil dipped below \$50 a barrel in mid-March primarily due to data indicating crude reserves in excess of expectations. Skepticism over the ability of OPEC to continue with planned production cuts has placed further downward pressure on the price. Prior to this new data on crude storage, analysts expected oil to climb steadily to \$60 a barrel toward the end of 2017.

**High valuations** -- The cyclically adjusted price-to-earnings ratio (CAPE) of the S&P 500 is at its highest since the latest recession. Standing at just over 29x, the CAPE appears high compared to historical averages; however, the fundamentals of the American economy still appear robust. Although some criticisms of the CAPE remain due to weaknesses resulting from changing accounting standards, other factors suggest the market is overvalued as well. Other factors include the Buffet Indicator, which measures the Willshire 5000 to GDP.

*Charles Plummer and Matt Burns, Economic Analysts*



## March Returns

<u>Ticker</u>	<u>Return</u>
AAPL	4.87%
CMG	6.40%
COST	-5.36%
FIS	-2.87%
FUN	0.27%
GOOGL	0.34%
IAT	-5.46%
IVV	0.11%
JBLU	3.26%
MPC	1.90%
NVS	-4.99%
NWL	-3.79%
PSCM	0.06%
RHS	-0.77%
SYK	2.73%
TJX	0.80%
TSCO	-2.74%
V	1.06%
VFH	-2.73%
VRX	-23.30%
^GSPC	0.01%
BIF	-0.90%

## Meet the Members



**John Mosser**

John is from Cary, NC and will graduate in December with a major in Finance & Banking. He has accepted an internship in Charlotte working for Dimensional Fund Advisors, and is exploring full-time career opportunities. Participating in BIG has been John's most rewarding experience in college, learning financial analysis & professional presentation skills. Competing in the CFA Challenge has expanded his knowledge and sparked interest in real estate. "Try to look the best you possibly can" just before taking pictures of the group, is John's favorite of Dr. Goff's "jokes." John is a transfer student from Mercer University and was part of the men's basketball team that upset Duke University in the first round of the 2014 NCAA tournament.



**James Marlowe**

James is from Cary, NC studying Accounting, Finance & Banking, and Mandarin Chinese. After graduating in December, he will take the CPA exam and pursue a Master of Science in Analytics. James is interested in corporate sustainability and looks forward to a thrilling career in public accounting. In addition to his role as Accountant for BIG, James is a former William R. Holland Fellow, a Mental Health Ambassador, and a tutor. His favorite parts of BIG have been the challenging analytical research and the time spent working on extensive Excel models, which he finds relaxing. In his free time, James enjoys roller coasters, classical music, social justice, and playing with kittens at the Watauga Humane Society.