

Big Update: **November 2015**



Bowden Investment Group

Faculty Advisors

Dr. Delbert Goff
Mr. David Thompson, CFA

BIG Members

President
Darrow Goff

Vice President and Public
Relations Manager
Christian Bear

Accountant
Nathan Wiles

Update Editors
Hunter Jordan
Nick Todora

Annual Report Editor
Amanda Carter

Economic Analysts
MacGregor Shepard
Dillon Hewitt-Castillo

Recruiting Coordinator
Andrew Johnson

Webmaster
Eric Hasenkopf

Portfolio Analyst
Aaron Martschenko

For information about the
Bowden Investment Group,
please contact:

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

For more information on
this update, please contact:

Hunter Jordan
Jordanjh1@appstate.edu

Nick Todora
Todoranp@appstate.edu

WALKER
COLLEGE OF BUSINESS

Letter from the President

For the Bowden Investment Group, November was a month full of excellent guests, hard work, and a much needed break before the final push to the end of the semester. We were privileged to have guest speakers Chris Pavese and Mike Loeb from Broyhill Asset Management in addition to Eric Evans and Adam Growley from Blackrock's private investor group. We appreciate the perspectives and insights that each guest provided regarding security selection, career opportunities, and setting life goals.

Throughout the month the Bowden members have worked diligently to complete our stock valuations and reports. The presentations of our stock selections have begun and will be completed in early December. The reports and presentations are the culmination of a semester's work, and the results are the best reports any of us have ever prepared. We are eager to begin weighing the merits of each presented stock and adding new positions to the portfolio.

In November, the group decided to sell all holdings of CSX. This removes our exposure to an industry that we believe is stagnant. The sale left us with a substantial cash balance, which we hope to invest in the newly presented stocks to help us achieve our goal of beating the S & P 500.

Finally, we hope all of you realize the value of the Bowden Investment Group to its members. If so please consider contributing to the development of a new professorship that is being set up for the instructor of Bowden. The professorship will help in finding a new instructor and providing them the resources to continue offering the special opportunities of Bowden when, Dr. Goff and Mr. Thompson take their well-deserved retirements. See the "David A. Thompson Excellence in Applied Investments Fund" section below for more information.

Thank you for your continued support and interest in the Bowden Investment Group.

Sincerely,
Darrow Goff, President

Our Recruitment Plan

Throughout both the fall and spring semesters, The Bowden Investment Group meets with prospective students interested in applying to become a member of the Group. High achieving students majoring in Finance and Banking are invited to attend a regular BIG meeting. During the meeting, we review the portfolio and address any pressing issues that could have an impact on our holdings. As members, we take these meetings very seriously and strive to present the group in a manner that entices students and sparks their overall interest in The Bowden Investment Group.

In addition, our recruitment process includes speaking with Finance classes in the College of Business on a regular basis about what the BIG is, what we do, and how we approach equity analysis.

Eric Hasenkopf, our Webmaster, recently created a Facebook page for the Bowden Investment Group. We plan to use this page as another way for prospective students to learn about the group by providing periodic updates on our activities. If you would like to learn more, please visit the [BIG Facebook](#) page.

Andrew Johnson, Recruiting Coordinator

David A. Thompson Excellence in Applied Investments Fund



Earlier this year the Walker College of Business approved the creation of the **David A. Thompson Excellence in Applied Investments Fund**. The purpose of the fund is to ensure the Bowden Investment Group continues after Dr. Goff and Mr. Thompson retire. The fund will be used to help attract an experienced finance professor, hopefully holding the CFA designation, to continue the prestigious legacy of the Bowden Investment Group. If you would like to honor Mr. Thompson and support the Bowden Investment Group by donating to the fund, or if you would like to learn more, please visit the [Help Honor Mr. Thompson](#) giving page.



Economic Outlook:

Terrorism

In spite of recent terror attacks in Paris and Kenya, as well as the downing of the Russian jet by Turkish forces, the S&P has held steady. From our perspective, investors did not see any negative effects to stock performance arising from the terrorism. Even the French index, CAC 40, rebounded after a brief dip following the attacks. The simple fact is that the world mourns together following tragedy, and then moves on. A substantial impact we see occurring presently, and into the future, is a hit to companies dealing in French tourism, Air France or Accor S.A.

Oil/Energy

The WTI and Brent prices fell during November. This is the result of crude inventories rising by 961,000 barrels in the last week, as well as further drops in U.S. Oil Rig Counts. Rig counts are now at 555 compared to 1,572 last year. There appears to be no slowdown in sight, and we believe the energy sector will continue to suffer as the supply glut continues. OPEC meets on Friday, Dec 4th, to discuss policy in general. We expect no change in policy regarding the continuation of pumping crude.

Retail

Poor weather conditions across the nation hurt the Black Friday turnout, and many consumers turned to online deal hunting. Retail sales have not been as robust as investors would have liked. A survey by Deloitte revealed that consumers this season will spend 16 percent more on themselves and only six percent more on others. It further revealed that strong spending would occur in home furnishings, socializing, and non-gift clothing. Analysts anticipated larger retail sales numbers earlier in the season due to the growth in e-commerce. But in reality, 43 percent of shoppers still need to see and touch products before purchasing. We expect a large upward push of last-minute retail sales near the end of the holiday shopping season as consumers scramble for online deals to fulfill that six percent increase in gift spending.

MacGregor Shepard & Dillon Hewitt-Castillo, Economic Analysts

Alumni Spotlight: Stephen Boatman



Stephen Boatman
BIG Class: 2014-2015

After graduating from App State in 2015, Stephen began working for Jonathan Smith & Co. in Greensboro, NC. JSCO is a fee-only financial advising firm and is an excellent start for his career.

Stephen is a Client Service Associate at JSCO, which means he assists in nearly all facets of the planning, investing, and client facing processes. To that end, Stephen's qualifications and personality make him a great fit for the role. "I'm impressed daily," said Justin Smith, CFA, CFP. "Stephen has a way with connecting with people that is rare to see in a 42-year-old, much less a 22-year-old. He is also a quick learner and servant leader." Stephen will be pursuing his CERTIFIED FINANCIAL PLANNER, CFP® designation, and will then assist with more in-depth planning and serving clients directly. Stephen looks forward to coming into work every day with the goal of simplifying clients' financial lives.

November Returns

Ticker	Return
AAPL	2.48%
CVS	-10.36%
DHR	5.69%
ESRX	2.72%
FL	-0.03%
GOOG	5.93%
GOOGL	5.42%
HAL	3.93%
HBI	15.15%
IJT	4.52%
IVV	1.28%
KKD	2.74%
NVS	-6.22%
RHS	0.43%
SYK	5.02%
TSN	12.74%
UFPI	5.25%
VEA	0.89%
VFH	2.95%



Total	1.20%
S&P	0.30%

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

	Bowden Investment Fund	S&P 500 Index
YTD Return	-0.67%	3.01%