

Big Update: **September 2016**



# Bowden Investment Group

## Faculty Advisors

Dr. Delbert Goff

Mr. David Thompson, CFA

## BIG Members

Hollie Brown

Matt Burns

Harrison Gillette

Ben Haskell

Jarrett Jacumin

James Marlowe

John Mosser

Logan Newman

Charles Plummer

John Rucker

Mac Shelton

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**WALKER**  
COLLEGE OF BUSINESS

## *Letter from the President:*

Hello, my name is Logan Newman. I was recently elected president of the Bowden Investment Group for the 2016-2017 academic year. As president, it's my pleasure to keep you all informed of our group's activities through these monthly updates.

The members of the BIG would like to express our appreciation and gratitude for your support. The Bowden Investment Group is an extraordinary learning experience, and is only available because of that support. We would also like to thank the alumni of the BIG. It's because of your hard work that the fund is still in existence and currently worth more than \$123,000. We are dedicated to growing the foundation that you have left us.

Although it's only two months into the school year, the BIG has hit the ground running. September was a busy month. It began with each member (there are 13 of us) giving a qualitative presentation on the company he or she selected to follow for this semester. We then chose six companies to

conduct in-depth analyses on to determine if they should be added to the portfolio. The six companies are: CH Robinson (CHRW), Tractor Supply Co (TSCO), Chipotle Mexican Grill (CMG), Cal-Maine Foods (CALM), First Solar (FSLR) and Cintas (CTAS). Also in September, we participated in the annual New York trip. In addition, five members were selected to be a part of the CFA Research Challenge team. As I said, it was a busy month!

While in New York, we had the opportunity to learn not only about different professions in finance, but also about each other. The group had the honor of attending meetings with Credit Suisse, Tiger Management, Blackrock, Bloomberg and Evercore ISI. During each meeting, we were able to speak with different members of these successful firms. In addition, we had valuable time to have our questions answered in open-ended sessions. The group also thoroughly enjoyed the opportunity to network with alumni living in New York. Through the duration of this trip, we grew closer together, learning more about each other, which will allow us to work more efficiently during the upcoming year.

Finally, the CFA Research Challenge team members selected are: Jarrett Jacumin, Hollie Brown, Mac Shelton, John Mosser and Charles Plummer. This team is extremely driven. We believe these members truly have the potential to win the entire CFA competition. They have already begun to work diligently towards that goal, and the entire BIG will support them in this endeavor throughout the year.

Once again we want to thank each of you for your continued support of the Bowden Investment Group.

Sincerely,

*Logan Newman, President*



**Bowden Investment Group Members in New York**

## Portfolio Analysis

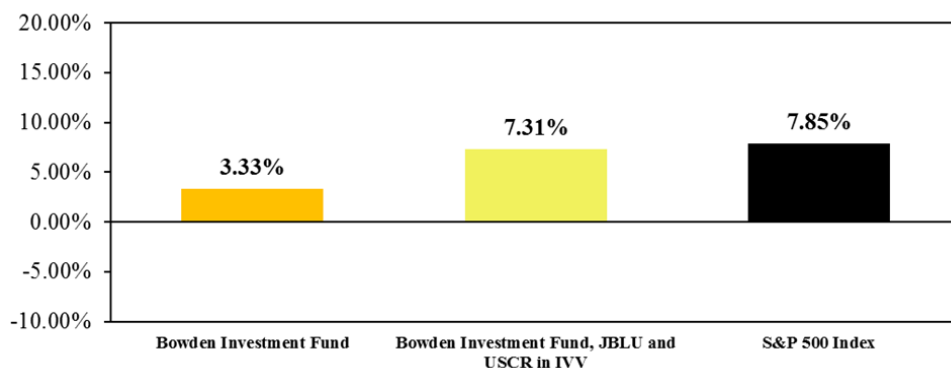
Thus far in 2016, the Bowden Investment Fund has underperformed its benchmark by 4.52%. We believe this gap is largely attributable to two stocks: JetBlue (JBLU) and U.S. Concrete (USCR). In the graph below, we compare our actual YTD returns with what we may have achieved had our JBLU and USCR funds been invested in IVV, an ETF tracking the S&P 500. Without those two stocks, the portfolio would have had a YTD return of 7.31% and been much closer to meeting its benchmark. Despite their lackluster performance, we have retained JBLU and USCR in the portfolio. We believe they still have strong potential for future growth as the fundamental qualities underpinning our original investment still hold true.

JetBlue is steadily increasing their RASM (Revenue Per Available Seat Mile), which is up 10% YTD as of the end of August. In addition, they are continuing to expand into new markets and announcing new routes that support capacity growth projections of 5.5% to 7.5% for the year. Many of these flights will include JetBlue's MINT experience, which is responsible for a 20% increase in RASM on flights where it has been introduced.

U.S. Concrete is well positioned to reap the benefits of, what we believe will be, inevitable increases in U.S. infrastructure spending. Both presidential candidates have proposed plans for massive increases in this area. A new administration could quickly gain approval for large amounts of infrastructure investment, and with their industry-leading and environmentally friendly practices, U.S. Concrete is well positioned for this potential increase in funding. As USCR is heavily cyclical, we have also considered the overall trend of the market in our decision to invest long-term. We believe that the slow, steady economic growth we have seen will continue, and that a recession is many years off. It's also noteworthy that many of the drops in the price of USCR this year have not been tied to any major actions or reports from the company, contributing to our positive position on their fundamentals.

*James Marlowe and John Mosser, Portfolio Analysts*

**Bowden Investment Fund  
YTD Returns for 2016**



### September Returns

Ticker	Return
AAPL	6.55%
AMT	0.44%
COST	-5.91%
CVS	-4.72%
FIS	-2.57%
GOOG	1.33%
GOOGL	1.80%
IVV	0.01%
JBLU	8.09%
NVS	0.24%
NWL	-0.79%
ODFL	-3.54%
RHS	-3.10%
SYK	0.98%
TJX	-3.43%
USCR	-13.11%
V	2.22%
^GSPC	-0.12%
<b>Total</b>	<b>-0.80%</b>

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

## Meet the Members: Hollie Brown

Hollie Brown expects to graduate in May of 2017 with a double major in Finance and Economics. She's originally from Davidson, North Carolina, and has recently accepted a job in Charlotte at Bank of America, in their Global Compliance 2-year rotational program.

Hollie has thoroughly enjoyed her experience in the Bowden Investment Group and says that, "I have never been challenged in my college career, at least not to the extent that is required to be successful in Bowden." She would like to earn her MBA and doctorate so that she could teach Finance at the college level. Hollie says that observing Dr. Goff's and Mr. Thompson's teaching styles has better prepared her to achieve that goal.

