



# Bowden Investment Group

BIG UPDATE

MAY 3, 2010

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MATT SMITH

## UPCOMING EVENTS

**MAY 8**  
GRADUATION

## Letter from the President

As the school year comes to a close, the Bowden Investment Group is putting finishing touches on the portfolio that already saw many changes under our supervision. At the final meeting members voted to sell Waters Corporation (WAT) due to the lack of information released about the company and the ambiguous industry in which it operates; Darling International (DAR) was sold due to the weak growth outlook and the lack of a dividend.

The Bowden Investment Group used most of the cash that we accumulated throughout the semester to make some promising acquisitions. First, we acquired MedcoHealth Solutions Inc.

(MHS) and Novartis (NVS) to expose the fund to the healthcare industry and take advantage of all the recent law changes regarding medical care. The Bowden Investment Group also invested in Exxon Mobil (XOM) and Transocean (RIG), which are positioned well and show a lot of potential in the energy sector. Sprint (S) and Tupperware (TUP) were also added to the portfolio, one as a value play and the other for its appreciation potential.

Throughout the year, the Bowden Investment Group has worked hard to learn about security analysis and apply it through managing the fund. As we move on from the group, we feel confi-

dent that the portfolio is well positioned to profit into the future and that next year's members will appreciate the work we put in.

In conclusion, I would like to thank Dr. Goff and all supporters of the Bowden Investment Group on behalf of the class for providing us with this great experience that we will carry with us for the rest of our lives.

-Lev Kotliar

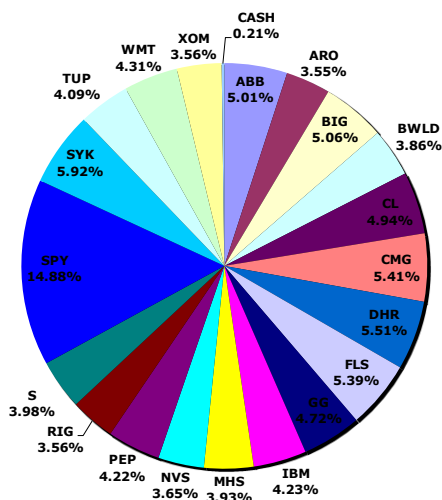
## How Have Our Stock Investments Performed?\*

Ticker	Purchase Date	Days in Portfolio	Return	S&P 500 Return	Return in Excess of S&P
ARO	12/10/2009	142	50.4%	8.3%	42.1%
BIG	12/10/2009	142	44.0%	8.3%	35.7%
BWLD	12/10/2009	142	28.5%	8.3%	20.2%
CMG	12/10/2009	142	65.9%	8.3%	57.6%
MHS	4/7/2010	24	1.1%	-0.2%	1.3%
TUP	4/19/2010	12	11.5%	-0.5%	11.9%
NVS	4/21/2010	10	-1.3%	-1.7%	0.4%
RIG	4/30/2010	1	-2.5%	-1.7%	-0.9%
S	4/30/2010	1	-4.6%	-1.7%	-2.9%
XOM	4/30/2010	1	-2.0%	-1.7%	-0.3%

\*As of close to trade on 4-30-2010, all returns exclude dividends

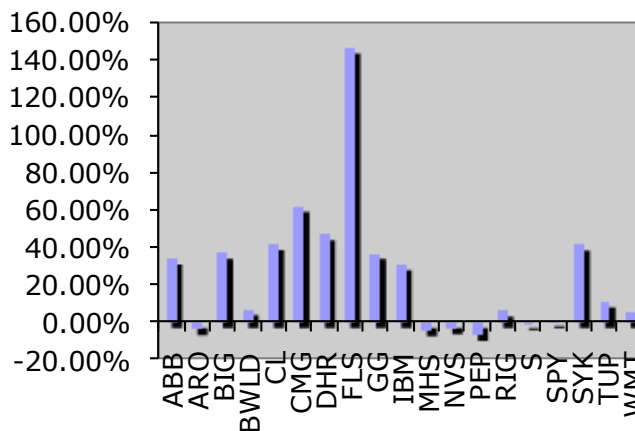
# Portfolio Snapshot

STOCKS AS A PERCENTAGE OF PORTFOLIO VALUE



YTD RETURNS FOR 2010	
BOWDEN	S&P 500
7.41%	7.05%

STOCK RETURN SINCE PURCHASE



FUND HOLDINGS PLUS CASH		
BEG. MONTH MARKET VALUE	MONTH END MARKET VALUE	PERCENTAGE CHANGE
\$76,670.85	\$76,959.93	0.38%

## Domestic Outlook

Business spending will be the shining star at the end of the tunnel in this year's hopeful economic recovery. Orders for capital goods increased 4% in March, which is an indicator that business spending will increase in the future.

Oil is estimated by several analyst to average about \$78 per barrel throughout 2010. There are a number of factors that will make oil somewhat volatile over the next year. The value of the dollar relative to other currencies is a major factor, as the dollar is increasing in value in part due to credit downgrades in Europe. This can be problematic to oil prices because of the fact that oil prices are measured in dollars. There are also concerns with the speed of the economic recovery and the possibility of a reduced

demand for oil.

Retail sales and consumer spending are expected to continue to improve throughout 2010, which is encouraging. This will help spur more capital investment, which will also increase construction.

GDP growth will most likely be around or over 3%, with the threat of inflation minimal in the short term. The Federal Reserve has indicated that interest rates will be at or near zero for an "extended period of time." Unemployment will still remain around ten percent for the better part of 2010.

-Andrew Turngren

## International Outlook

This past month the international economic scene was dominated by the European Union and Greece in particular. Most of the talk and speculation has been about the rising rates on Greek treasuries and the "bailout" plan currently in discussion in the European Union. Paul Dobson of Bloomberg writes, "European Union policy makers stepped up efforts to agree on a rescue plan for Greece this week after the two-year note yield surged to almost 26 percent and triggered a sell-off in the securities of other indebted nations in the region," which sums up both the plans and the fears associated with the Greek situation. Most policy makers in the European Union agree that in order to restore confidence about many of the other nations there must be some type of rescue plan for Greece.

There has also been a lot of talk about the role of the Euro and how it has hindered Greece's ability to control its finances and debt. As it stands now there is a 120 billion Euro rescue package being discussed in the European Union which would give Greece some time to handle its debt problems. This package would come with some strict requirements for the country, including collateral.

All of these fears took their toll on the global markets as they have fallen towards the end of the month. We do believe that the dip in the US market due to European Union fears to be a temporary one and one that, once Greece has stabilized, should recover fairly quickly.

-Michael Angolia