

BIG UPDATE: JANUARY 2012



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Letter from the President

The Bowden Fund enjoyed steady growth during the month of January, fuelled by promising economic indicators and improving consumer sentiment. Our portfolio appreciated 6.14% in January, trumping the S&P 500 index yet again.

Additionally, we added two securities to the fund after two students recommended promising growth and value stocks in their analyst reports. Apache Corp. was purchased at \$90.14 per share due to its market leadership in the

production and distribution of natural gas, an industry we believe will expand substantially in the future. Our group also purchased common stock in Staples Inc. at \$14.27 per share based on its improving market share growth in the office supply field. We believe that both of these securities were undervalued when we added them to the BIG portfolio and that as economic conditions improve these stocks will exhibit tremendous growth.

The CFA team completed its analyst report of RF Micro Devices and submitted it to the CFA

Institute of North Carolina this month for review. We are confident in our research and are very eager to represent Appalachian State University in the competition. As always, we extend our sincere gratitude for your support.

Warm Regards,

Ethan

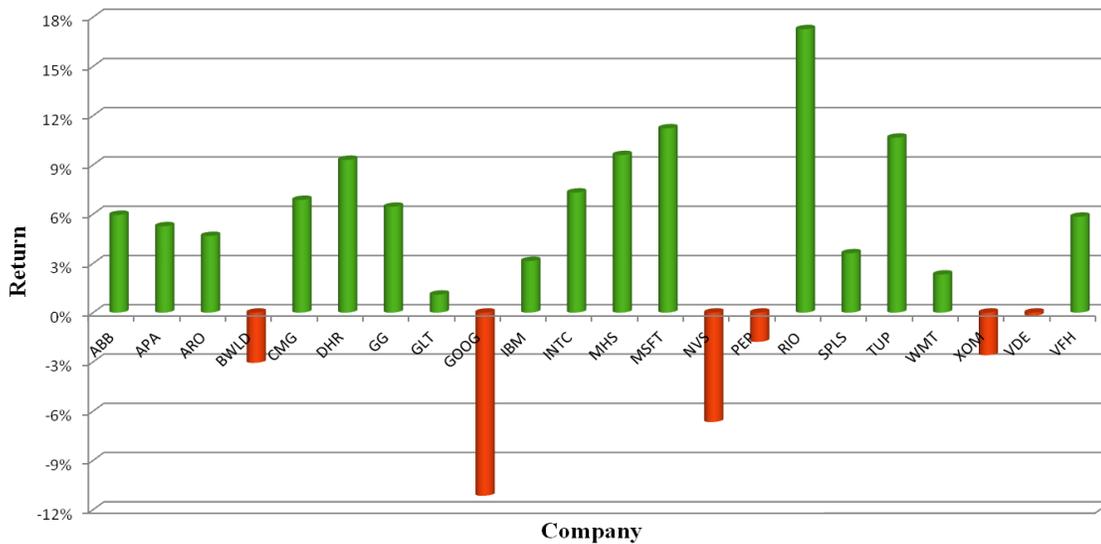
Economic Outlook

U.S. stock markets finished with its best January of the twenty-first century. This can partially be attributed to the progress in Europe. Europe is currently working on a €500 billion bailout plan that is expected to be in place by July. This includes €82 billion towards helping small businesses and €22 billion towards helping young people find work. However, despite the progress, fears still remain in Europe as nine countries' debt was downgraded. There are also fears in China given their

slower than expected GDP growth. However, the U.S. received good news that January unemployment was down to 8.3%, signaling further recovery and reason for optimism in the economy.

David Jones
Economic Analyst

January 2012 Performance



“The key to making money in stocks is not to get scared out of them.”

- Peter Lynch -

“You make most of your money in a bear market, you just don’t realize it at the time”

- Shelby Davis -

Industries in Focus

Technology: The technology sector is a dynamic and innovative sector and due to its innovative nature, the sector provides strong returns for investors. The technology sector has had positive annualized returns over the past 5 years and has outperformed the S&P 500 index over those 5 years on an annualized basis. During 2011, the technology sector continued this trend and beat the S&P 500 index’s 0% growth with 1.33% annualized growth. However, the low returns for 2011 were primarily caused by market volatility. The technology sector suffered significant losses during the U.S. government deficit turmoil and European debt crisis; August was especially a difficult month for the technology sector as well as the entire stock market.

In 2012, investors can expect the technology sector to have a moderately strong year. With positive macroeconomic indicators such as lower unemployment, investors can expect companies to begin to use their large stores of cash. Companies should begin to use these stores of cash to improve their IT, helping the industry as a whole. As of the end of January, the information technology sector had returns of 7.38% (the third best performing sector) compared with the total returns of the S&P 500 index of 4.53% (Standard and Poor’s). Investors can expect the technology sector to continue beating the S&P 500 index over 2012.

- Daniel Favitta, Industry Analyst

Financial: 2011 was disappointing for financial markets in the U.S. and, in particular, large bank stocks within the financial sector. Fears of contagion from European financial markets and compliance with new government regulations caused the financial sector of the S&P 500 to decline 18.41%. The BIF currently owns the Vanguard Financials ETF (VFH) as a means of exposure to this sector and we are heavily underweight compared to our benchmark with a weighting of 5.01% relative to 14.44% of the S&P 500. We continue to believe this weighting to be sufficient due to a combination of factors.

The Federal Reserve’s insistence on keeping rates low for the foreseeable future will continue to make it difficult for banks to increase interest revenue and profitability through loans and investments. Even though the largest U.S. banks have experienced a healthy increase in commercial and industrial loan growth, the inability to increase small business and mortgage loans is dampening investors’ expectations about the recovery of bank stocks. Regulations and capital requirements have forced banks to cut back on profitable, but risky trading operations in order to improve balance sheets and decrease exposure to current macroeconomic risks. While some individual securities look attractive in terms of valuation, we believe that financials as a whole should continue to underperform on a fundamental basis and thus we maintain our underweight position in financials for 2012.

- Trevor Wall, Industry Analyst

Fund Performance

January 2012 / YTD Returns	
Bowden	S&P 500
6.14%	4.48%

Value of Fund at Beg. of January:	\$ 82,980.72
Value of Fund at End of January:	\$ 88,073.79
% Change:	6.14%