Bowden Investment Group

BIG UPDATE

DECEMBER 3, 2009

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UPCOMING EVENTS

DEC 16
WINTER BREAK

Letter from the President

November proved to be an eventful month for the Bowden Investment Group, which started off with a trip to New York City and came to an end with completion of research on selected companies. While in New York, BIG visited with Edgewood Capital Management and the Capital Group, where we had the opportunity to interact with professional portfolio managers and financial analysts. We learned about the way they conduct their business, in addition to discussing stocks in the Bowden Investment Fund.

The trip was an invaluable experience for all members of BIG and concluded with a visit to the New York Stock Exchange. It was surreal to be able to walk the trading floor and watch the closing bell in person after viewing it so many times on television. Also, apart from educational benefits of the trip, the Bowden Investment Group bonded as we spent more time together, which will benefit our ability to communicate and work as a team in the future.

During the month of November, BIG was also fortunate to welcome two guest speakers to the class who shared with us their experiences of working in portfolio management. Another positive during November was that the fund continued the trend of outperforming the market. Inspired by all of our new experiences, BIG will continue to learn the craft of financial analysis and look for ways to improve our portfolio.

-Lev Kotliar

Consumer Goods Industry

The consumer goods industry is heavily affected by consumer spending. Because of the bearish economy in the first two quarters of the year, the consumer goods industry has been adversely affected for the year. Discretionary consumer items have seen the greatest amounts of decline during the struggling market. With unemployment expected to rise to 10.5 percent during 2010, consumer spending will probably experience a slow recovery.

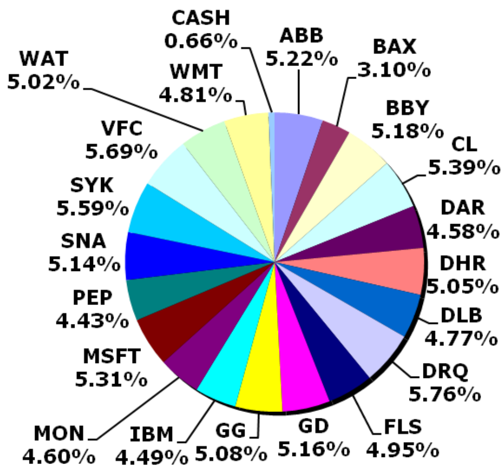
While inventory levels have bottomed out during the first two quarters of 2009, there should be only a modest increase in inventory levels over 2010. Retailers have managed to adjust inventory levels to meet the demand for products. Along with this adjustment in inventories, retailers have devised ways to cut costs, mainly in selling, general, and administrative expenses. By combining adjustments to inventory levels and cutting costs, the consumer goods industry has managed to improve their margins, which should carry over into 2010.

Although the industry has been adversely affected by the recent economic slump, there is room for growth within the industry. Goods for consumption and household products will continue to do well into 2010. Discretionary items seem to be fairly valued and should start to see a slow and steady recovery over 2010, experiencing its largest growth when unemployment levels come down and consumer spending rises. As the market goes through the recovery process, the consumer goods industry could be a good investment as the potential growth leads to capital gains in the long-run.

- Maxx Smith

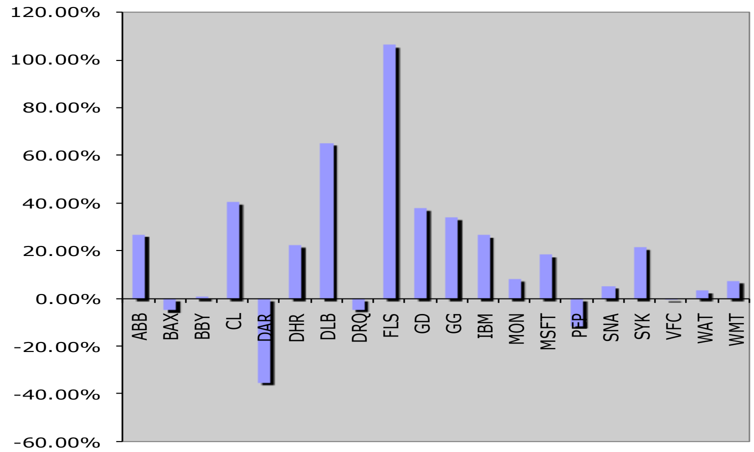
Portfolio Snapshot

STOCKS AS A PERCENTAGE OF PORTFOLIO VALUE



YTD RETURNS FOR 2009	
BOWDEN	S&P 500
26.46%	24.05%

STOCK RETURN SINCE PURCHASE



FUND HOLDINGS PLUS CASH		
BEG. MONTH MARKET VALUE	MONTH END MARKET VALUE	PERCENTAGE CHANGE
$66,353.14	$70,280.24	5.92%

Domestic Outlook

While GDP data is improving, much of the real economy is still struggling. According to the GDP data, the American economy grew at 2.4 percent in the third quarter, while productivity grew 6.8 in the second quarter and 9.8 percent in the third quarter. However, unemployment is still very high, and is expected to increase to up to 10.5 percent in December. Much of the money reserved in the Obama Administration's $787 Billion stimulus package has yet to be spent, leaving it questionable as to how much of the recovery we are experiencing is due to the stimulus.

Interest rates have and will continue to remain close to zero for the foreseeable future. However, central banks have become increasingly concerned about unwinding the fiscal stimulus that they have provided for countries around the world. The major issues looking forward will be the creation of jobs, changes in the financial regulatory landscape, and how to deal with the end of stimulus.

-Andrew Turngren

STOCKS SELECTED FOR RESEARCH:

- CMG
- LTM
- LOW
- NFLX
- DTV
- TSCO
- SAM
- BIG
- DECK
- BWLD
- UNFI
- ARO

International Outlook

According to the International Monetary Fund, the global economy remains "very much in a holding pattern—stable, and getting better, but still highly vulnerable." The European countries are still having a difficult time with high unemployment rates, especially countries like Germany and Spain. Since unemployment is a lagging indicator it may be a while before this area shows improvement. In terms of consumables, overall international prices have risen about 1 percent in the last quarter and energy prices have risen almost 9 percent.

GDP growth however, does look a little better. With developing countries like China and India at over 8 percent GDP growth and the vast majority of the world between 1 percent and 4 percent growth there seems to be indications that many of the countries hurt by 2008 are slowly recovering. Also, in many developing countries there has been an increase in exports in the last few months, which is very encouraging. Overall, for the next few months, we will continue to see slow, measured growth.

-Michael Angolia