Bowden Investment Group

UPCOMING EVENTS

- **November 3rd** Guest Speaker: Mr. David Labiak, CFA
- **November 5th-9th** NYC Trip: AllianceBerstein, Bank of America Trading, Credit Suisse, NYMEX, NY Stock Exchange

Administrative Positions

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Aaron Ammar

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Matthew Lindberg

Utilities
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Letter from the President

*"In our seeking for **economic** and political progress, we all go up – or else we all go down."*
-Franklin D. Roosevelt

To say October has been a wild ride for the capital markets, on both a domestic and global scope, would be an absolute understatement. This prolonged volatility coupled with contracting economic conditions can instill fear and doubt into the minds of the next wave of eager graduates looking for careers in the finance industry.

The Bowden Investment Group has taken great care to approach the current environment with a great sense of rationale, thought, and professionalism and we will continue to seek out investment opportunities to continue the fund's exceptional record versus the S&P 500. Given the fund's current value, we feel as though the majority of the holdings are behaving congruently with the broader markets and although liquidation is an option for the group, we will address each proposal with the utmost scrutiny.

The group will soon begin the process for analyzing companies to potentially add to the portfolio and will, in the mean time, maintain the portfolio to weather the current storm of volatility and global economic contraction.

On October 3rd, the Walker College of Business hosted the Finance and Banking Career Day which gave students and the visiting companies a chance to interact and discuss career opportunities. Not only does the Career Day provide students a way to meet potential employers, it gives visiting companies a chance to see the high caliber of students the finance and banking program here at Appalachian State is producing.

Students could also participate in mock interviews with visiting companies to hone interviewing skills and begin the networking process. As in many prior years, the Finance and Banking Career Day was a great success for students seeking careers in the industry, and for companies seeking the best of the best of the next graduating class.

Chris Simmons
President

Health Care Industry Report

In the struggling economy we face, the healthcare industry continues to grow because its services are always needed. According to the US census bureau, the proportion of people over the age of 65 will increase from 12.6% in 2007 to 14.5% in 2015 and to 18.2% in 2025. With more medical services needed later in life, an aging US population will increase the need for healthcare facilities, physicians, and new medical innovations.

As outpatient facilities use grows and brand name drug patents begin to expire, we can expect to see a decline in traditional hospital usage and lower prescription drug prices.

A key concern facing healthcare is the forthcoming Presidential election since the government finances roughly 46% of all healthcare spending in the United States. The Presidential candidates have differing views on the government's role in healthcare however any cut in Medicare funding could have severe consequences for the industry.

Overall the healthcare industry provides a sound investment, but any action should be made after a new President has taken office and their healthcare policies have been put in place.

Matthew Lindberg
Health Care Industry Analyst

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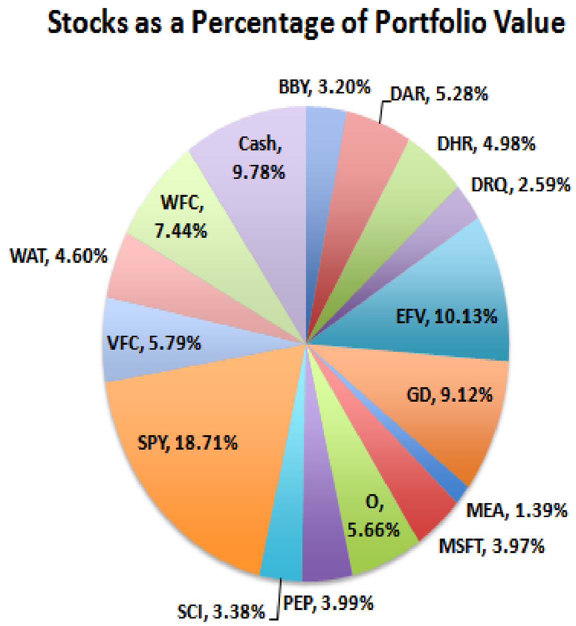
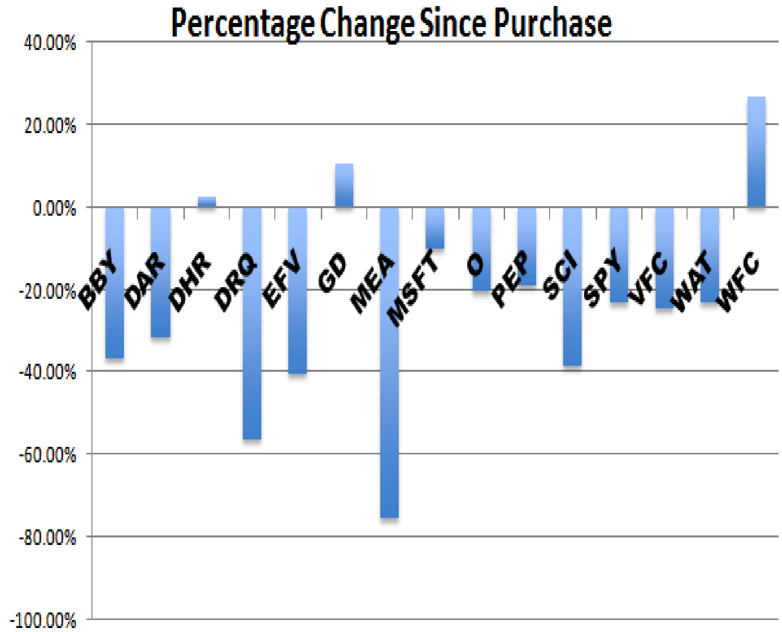
Bowden Fund Information





Fund Holdings Plus Cash			
Beg. Month Market Value	Month End Market Value	Total Monthly Change $	Total Monthly Change %
$88,346.81	$71,441.43	-$16,905.38	-19.14%

Returns for 2008 YTD			
	Bowden Investment Fund	S&P 500 Index	Wilshire 5000 Index
2008 YTD	-32.22%	-31.91%	-33.02%

Domestic Economic Outlook

Over the last month we have seen further deterioration in the U.S. economy. The problems within the U.S. mortgage market continue to plague financial markets. The Federal Reserve System has implemented the purchase of unsecured commercial paper, cutting the federal funds target rate to 1.5% and the $700 billion dollar rescue plan as ways to deal with this financial crisis.

All twelve Federal Reserve Districts reported substantial declines in economic activity among businesses and consumers. Retail sales have reached their lowest point in three years by declining 1.2% last month. Production in the United States has declined to its lowest point in nearly 34 years as it declined 2.8%. The only positive economic indicators are CPI and PPI, which have remained relatively steady over the past month. On a year-over-year basis, consumer prices have risen 4.9% but inflation concerns have been put to ease with the steep decline in commodities prices. These major economic indicators all point towards a United States recession.

The economic outlook continues to look grim for the foreseeable future. With the Case-Schiller Index showing a 16% decline in housing prices, we estimate that housing prices could fall an additional 15-20%, down 30-35% total, before a recovery in the housing market can take place. Additionally, we expect to see further retraction in the U.S. economy into 2009.

Charles Rasmussen

International Economic Outlook

October provided some unprecedented monetary policy actions on a global scale. Given the frozen credit conditions, central banks across the globe provided unlimited dollar funding to some of their largest institutions in a successful effort to get crucial short term rates back to reasonable levels. Another unparalleled move was the coordinated action of central banks to lower their domestic interest rates in tandem in an attempt to provide confidence in the global financial system.

Emerging markets have begun to show signs of stress which will cause the IMF to become a more active leader in rescue plans. In the U.K. the outlook remains worrisome as GDP in the third quarter contracted by .5%, and would have been an even worse .8% if it had not been for excessive spending in the public sector. The continued depreciation of housing prices, as well as the slowdown in retail and manufacturing output will lead the area into a fourth quarter contraction and technical recession.

In the EU, consumer confidence continues decrease with Germany and France as the leading laggards due to increasing unemployment, slumping manufacturing and production. Our growth forecast is down for the area as we expect to see continued negative trends in economic indicators over the next month. We will continue to see the international front lag the US economy, and can expect a more active role by central banks by the way of further interest rate cuts in the coming month.

William See