

# Bowden Investment Group



## LETTER FROM THE PRESIDENT

### UPCOMING EVENTS

- **October 3<sup>rd</sup>:** Finance and Banking Career Day
- **October 8<sup>th</sup>:** Guest Speaker Mr. Chris Pavese, CFA

### Administrative Positions

#### President

Chris Simmons

#### Vice President/HR Manager

Taylor Boyle

#### Webmaster

Domenica Santoro

#### BIG Update Editor

Karen Hinrichs

#### Annual Report Editor

Joshua Gates

#### Accountant

Brannon Shaffer

#### Economic Analysts

Charles Rasmussen

William See

#### Industry Analysts

##### Materials

Nick Matus

##### Consumer Staples

Nick DeRose

##### Energy

Marshall Hargrave

##### Financials

Bixby Stewart

##### Technology

Aaron Ammar

##### Consumer Discretionary

Adam Smith

##### Health Care

Matthew Lindberg

##### Utilities

Matthew Wilburn

This year, we have seen some of the most unprecedented events in the history of our economy unfold as three of the most storied companies on Wall Street fall under the immense pressure of the declining housing market and ensuing credit crisis.

With investor confidence searching for direction on an almost daily basis, volatility seems to be the only constant over the past 8 months as equity indexes resemble surface waves on a seismograph more than a trend line. Despite this enhanced volatility, the Bowden Investment Fund continues to outperform the S&P 500 due to

the outstanding decision making of Bowden Investment Group alumni.

For the 2008-2009 academic year the Bowden Investment Group has 16 new members. The group members have an average GPA of 3.5 and disciplinary studies in Finance & Banking, Economics, or a combination of both. Most members are involved in other organizations outside the BIG including the Finance Students Association, Personal Financial Planning Association, Student Ambassadors, and other various organizations within the Walker College of Business.

Looking forward, the Bowden Investment Group will continue to manage the portfolio as a growth and income fund with the ultimate goal of exceeding the portfolio benchmark while maximizing capital retention. Although we are entering uncertain and difficult times in our economic history, the Bowden Investment Group sees opportunity in the current state and hopes to exploit under-valued investments to meet our goal.

*Chris Simmons*  
President

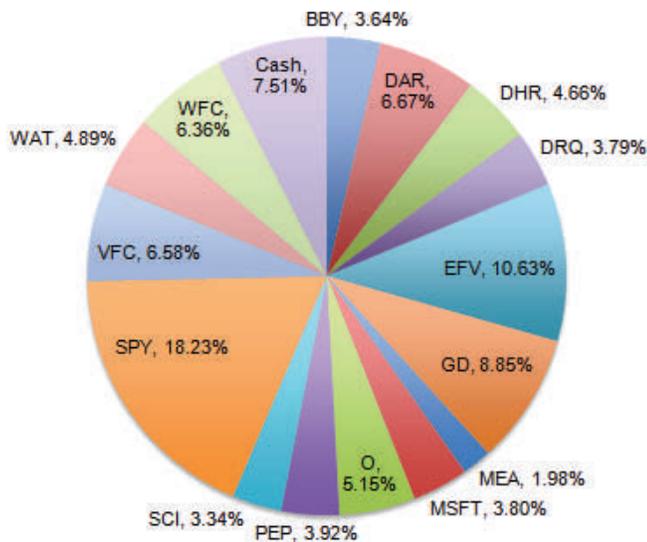


(Back Row): Josh Gates, Marshall Hargrave, Aaron Ammar, Brannon Shaffer, Matt Wilburn, William See, Charles Rasmussen, Bixby Stewart, Adam Smith, Matt Lindberg

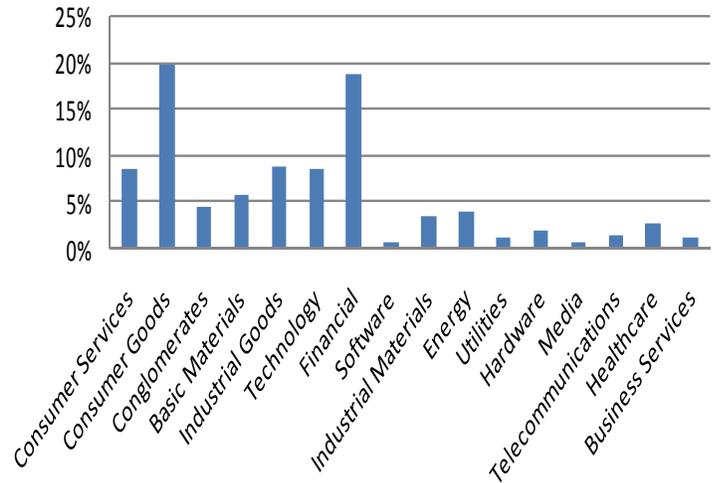
(Front Row): Nick Matus, Taylor Boyle, Karen Hinrichs, Domenica Santoro, Nick DeRose, Chris Simmons

**BOWDEN FUND INFORMATION**

Stocks as a Percentage of Portfolio Value



Sectors as a Percentage of Portfolio Value



**Fund Holdings Plus Cash**

Total Market Value at Close 8/29/08	Month End Market Value	Total Monthly Change \$	Total Monthly Change %
\$98,862.43	\$88,165.39	-\$10,697.04	-10.82%

**Returns for 2008 YTD**

	Bowden Investment Fund	S&P 500 Index	Wilshire 5000 Index
2008 YTD	-16.22%	-18.17%	-18.70%

**STOCKS SELECTED FOR FALL RESEARCH**

BJ	DNR	GLW	JCG	MON	TEX
CHK	EBF	GRMN	LOW	PPL	UA
DLB	FLS	IR	MMR	SAM	WTW

**DOMESTIC ECONOMIC OUTLOOK**

Economic growth in the U.S. will be sub-par for the foreseeable future. Home prices will continue to fall, credit will be constrained, and the profit picture for most U.S. firms is decidedly weak. Consumer confidence is at record lows for the year, with 81% viewing the economy as poor. Spending was briefly raised as the result of the government stimulus checks but the effects of those checks have been fully factored into growth and spending in the second quarter. In the last month economic reports have indicated that U.S. industrial production has continued to fall for the past

three quarters. Unemployment recently reached 6.1% and as of last week rose to a seasonally adjusted level of 493,000. New home sales dropped by a seasonally adjusted 11.5%. Additionally, durable goods orders fell 4.5% in August.

The financial crisis is still at large while Washington D.C. continues to plan a potential bailout. This proposed plan has the potential to provide a bottom for the extremely volatile financial sector, and hopefully thaw the frozen lending environment, supporting growth as well as investment.

*Charles Rasmussen*

**INTERNATIONAL ECONOMIC OUTLOOK**

Outside the domestic front the tumbling inflation will result in a reduction of interest rates around the world as slowing regions such as Europe and the UK realize that high rates are choking off growth. The turmoil in the U.S. economy has been felt throughout the world as many regions are now experiencing a period of slowing growth. The Purchasing Managers Index has fallen to its lowest level in several years. In the second quarter, Euro zone GDP increased by 0.2%, and an even weaker third quarter is expected given the recent weakness in Germany, a bellwether economy for the

EU. The U.K. has not been immune to the global slowdown either. The U.K. has been a victim of spiraling home prices and restrictively high lending rates. Recently, mortgage approvals in the region fell to their lowest level in over a decade as people with good credit are unable to fund the purchase of a home.

This will undoubtedly add significant strain on the distressed housing market as well as the overall economy. The recent data suggests that the theory of global decoupling may not be fully realized.

*William See*