



# Bowden Investment Group

BIG UPDATE

OCTOBER 3, 2009

## MEMBERS

### PRESIDENT

LEV KOTLIAR

### VICE PRESIDENT

CHRIS BIDDLE

### WEBMASTER

BILLY HELMKE

### BIG UPDATE EDITOR

KATIE SPLAWN

### ANNUAL REPORT EDITOR

DAVID TORWARNICKY

### ACCOUNTANT

NIKI PINTER

### ECONOMIC ANALYSTS

MICHAEL ANGOLIA

ANDREW TURNGREN

### INDUSTRY ANALYSTS

*HEALTHCARE/SERVICES*

IVEY GASKIN

*TECHNOLOGY/FINANCIALS*

JEREMY BUTTS

*CONSUMER/INDUSTRIAL  
GOODS*

MAXX SMITH

*BASIC MATERIALS/ENERGY*

MATT SMITH

## UPCOMING EVENTS

### OCT 5

GUEST SPEAKER

CHRIS PAVESE

MANAGING DIRECTOR

BROYHILL ASSET MGMT.

### OCT 28 - NOV 1

NEW YORK TRIP

## Letter from the President

Over the past year, we witnessed the worst economic recession in the United States and the rest of the world in over 60 years. While the country is still feeling the effects of this crisis, the stock market made an impressive run over the summer and recent economic data is very encouraging.

The downturn has created a lot of opportunities in the stock market. Recently, a number of successful companies have seen their stock prices drop significantly. As the economy improves, our goal is to find these

cheap, quality stocks and add them to the portfolio. This strategy provides the Bowden Investment Fund with a chance to recover the losses of the past year.

For the 2009-2010 academic year, the Bowden Investment Group has 12 new members. All twelve members were carefully selected by Dr. Goff based on their academic standing, communication skills and most importantly investing background and interest. The group already started researching stocks, trying to find companies that will thrive in current economic conditions.

Although the Bowden Investment Group is taking over the portfolio at a time of great uncertainty, we will continue to manage the portfolio as a growth and income fund with the ultimate goal of exceeding the performance of the S&P 500.

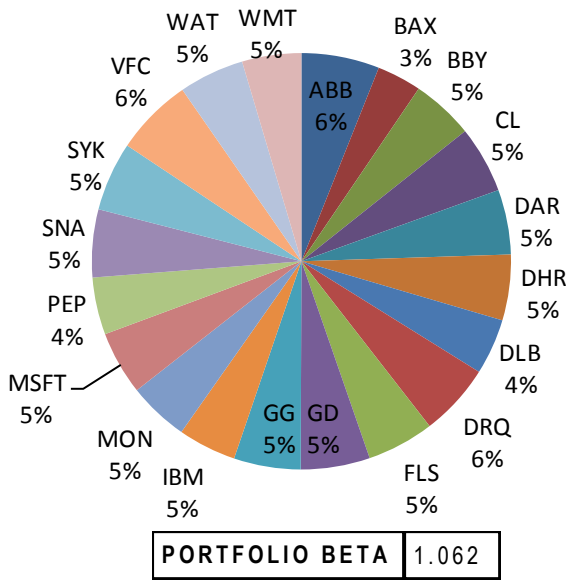
-Lev Kotliar



Back row: Katie Splawn, Andrew Turngren, Billy Helmke, Matt Smith, Chris Biddle, Maxx Smith, Ivey Gaskin  
Front row: Jeremy Butts, Niki Pinter, David Torwarnicky, Michael Angolia, Lev Kotliar

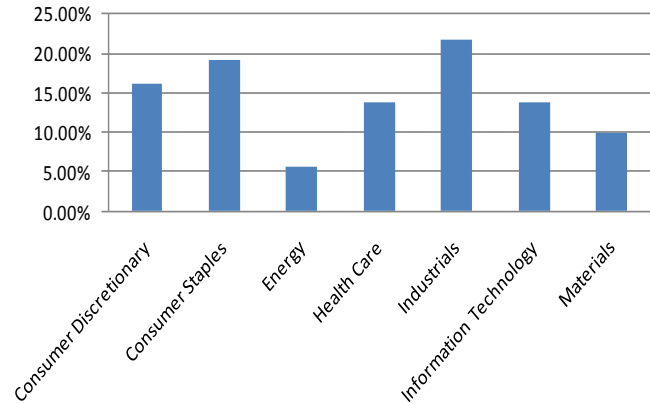
## Portfolio Information

STOCKS AS A PERCENTAGE OF PORTFOLIO VALUE



**PORTFOLIO BETA** 1.062

INDUSTRIES AS A PERCENTAGE OF PORTFOLIO VALUE



YTD RETURNS FOR 2009	
BOWDEN	S&P 500
19.98%	19.25%

## Domestic Outlook

Domestic economic growth will most likely be positive, but slow in the coming months. An increase in the individual savings rate, coupled with a rising, but slowing, unemployment rate, means there is less income available per capita for consumption.

Unemployment has increased to 9.6 percent over the last year, although it has decreased a very small amount recently. Due to the lagging nature of this economic indicator, unemployment will take a longer time to lower to normal levels.

However, the outlook of capital markets is improving. The S&P 500 has risen roughly 50 percent from its low in 2008. Home sales fell 2.7 percent in the last month, but until more data is collected we cannot assume that this dip from the previous months' increases is a trend reversal.

-Andrew Turngren

### STOCKS SELECTED FOR RESEARCH:

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

## International Outlook

With all the talk in the US news about the recession being "officially over" the international scene is still in a period of stalled or slow growth. With Chinese and Indian growth mainly fueled by American consumption, these countries can expect a slowed growth rate. Another concern is the possibility of a trade/tariff conflict between the US and China.

It has been estimated by the European Commission that the European GDP will fall about 1.8% in 2009 followed by a slight gain of 0.5% in 2010. Part of this can be attributed to the housing markets of many EU countries.

With the credit crunch still in full force, we can expect housing prices to stay low for a while longer despite low interest rates.

Overall, the outlook for the next few months is slow growth fueled by low interest rates, but this will be marginalized by the tight global credit.

-Michael Angolia